Marketing Promotional Strategy

Product- A Marks and Spencer virtual mobile telecommunication network. This service would be run on one of the four major networks, mm02, Vodafone, Orange, or One2One. The pricing tariffs will be competitively priced to match the current markets prices. The user of the Marks and Spencer mobile phone will be sent news of special offers and deals, and other promotional advertisement by text message. This will include phone owner special offers and a point scheme where by every time they use a special offer sent to them by text message they will get special bonus points which will earn them credit for their mobile phone or money off their bill. This service will include special Marks and Spencer mobile phones, which will be exclusive to the Marks and Spencer owner. The Marks and Spencer network will be known as Marks and Spencer Mobile.

Business Objective- The objective is to obtain and retain a loyal customer base that will hopefully spend more money and not shop at rival stores. The Marks and Spencer mobile phone will be based on the Orange network as this would make them compatible with other Orange phones making calls between them cheaper, this is more likely to happen as Orange has the largest market share.

Marketing Objective- To create a mobile phone network and to advertise and send special offers to subscribers of the Marks and Spencer network. Advertisement will also be done on other mobile phone networks. Fig1

Fig 1 WhatMobile

My promotional plan will be to get as many subscribers for the Marks and Spencer network and then to offer them special offers and send them advertisements. The idea is that if they get an offer they cant refuse they will come and spend money on it. This could be used in conjunction with a bonus scheme as at Tesco. While spending at Marks and Spencer they will be less likely to spend at rival stores and as they are subscribed to Marks and Spencer they will feel more loyalty toward the store as they are part of the Marks and Spencer brand.

S-Specific- What I'm going to achieve is a loyal base of customers many of whom will already be Marks and Spencer members with Marks and Spencer charge cards. I hope to gain a small segment of the mobile market and use this as a base for advertising products and special offers. The calls will be cheap, with contract and prepay options available, in the hope that large number of people will join and hopefully start using Marks and Spencer products and services. The people signed up to the phone service will hopefully spread the word when they receive news of offers etc. Extra services such as weather, traffic, news and sports updates will also be included. A healthy profit is also wanted on the actual mobile phone service.

The marketing process is divided into two phases. A strategic and a tactical phase. The strategic phase has three components, segmentation, targeting, and positioning. (STP) We must distinguish between our different customers, choose whom it will serve effectively and communicate the benefit it offers to that group. There are many different types of customer but the one I intend to target is primarily the young affluential holders of a Marks and Spencer card and those who are buying the "Per

Una range of clothing as they are most like to use current technology. I will also try to target the older middle classes, as they are the current people who shop at Marks and Spencer. A key step in marketing this service is to create and communicate a clear message that will establish the brand in relation to its competitors. Then positioning and image will effect how the customer perceives the company, especially if they have had a past experience with the company named. I would market my service as the best quality. I cant claim to be the best in several fields as this could hurt its credibility as no one would believe me if I was to say its the cheapest, most reliable, popular phone as no one would take it seriously and the Marks and Spencer image of quality would be damaged.

These are he two social grades that I will aim to target:

B- (Approximately 11%). Group B is the middle class. These are senior executives and managers. These people are often on the move and may well appreciate being informed of goings on, news reports, traffic reports etc.

C-C¹- (Approximately 8%). Group C¹ is lower middle class. These are white-collar, white-blouse office workers. They mostly use their phone during peak hours and are often mobile-to-mobile. Marks and Spencer will try to push for this type of customer as they use their mobile phone a lot.

Under the ACORN system or rating I will target four specific ACORN types and two ACORN groups.

Acorn Letter	Acorn Listing	Population	%
В	Modern Family Housing, higher incomes	8,667,137	16.2
I	High status non- family areas	2,248,207	4.2
		10,915,344	20.4
ACORN types	Acorn Listing	Population	%
B 4	Recent private housing, young children	1,648,534	3.1
B 5	Modern private housing, older children	3,121,453	5.8
В 6	New detached houses, young families	1,404,893	2.6
I 32	Furnished flats, mostly single people	297,111	0.6
		6,471,991	12.1

Different people have different images and influences, especially in the family, if I can target people in the B and C ranges who are also between the ages of 20-45. Family members and peers may perceive this as a service to have and people below

20 may see it as a "cool" product and may aspire to use such a service. Often the products people purchase are used to express individuality and status and Marks and Spencer is seen as a supplier of quality.

Under ACORN the groups I am to target are al well off and able to afford such a service and would most likely make excellent customers at MARKS AND SPENCER. The B group people are all families who will often do family shops and will have money to spend and are very reliable when it comes to spending significant amounts of money.

I want to focus on the needs of the person rather than the product as people don't purchase "things" as much as they purchase a service to satisfy needs such as exclusivity, information and promotions and offer of special offers and deals that will fulfil their needs. If they have had a good experience at Marks and Spencer and see memorable advertisement their decision to purchase a Marks and Spencer product or service is greatly increased.

,

M-Measurable- I hope to have a 1% share of the market by 2004, advertisement will be quite heavy to begin with and posters will be around in the stores. Advertisement of the call plans will be one of the major features as this will hopefully persuade people to get an Marks and Spencer phone even if the don't normally shop at Marks and Spencer. Promotion of the special offers a subscriber will get will then follow explaining the great benefits that a user could hope to gain. Success could be measured by noting the amount of money spent and the number of people shopping at Marks and Spencer who had a mobile phone and had responded to an offer sent to them. The number of subscribers and the profit made on their calls could also be taken in to account. Consumer panels and interviews could be done to find out what peoples current view of the service is. Questionnaires can be handed out when people use one of the bonuses, such as free airtime on their mobile. This could be used to find certain things in relation to that part of the particular service they are using and why they are not using the other stories if that is the case. Profitability control can be used to find out what the profit ratings of Marks and Spencer's different products and services are and how they are effected by the new mobile and information service. If it was making a profit in its self and increasing sales of other products this would be seen as a great success. Customer satisfaction could also be measured as a why of tracking our goal achievement and why they may use or switch to a rival product and/ or service. The way people get and remember information affects their buying process a lot.

A-Attainable- goals need to be attainable, it would be inconceivable to say 'we will sell a Marks and Spencer mobile to everybody in Britain' it is impossible. Only a small number of subscribers are needed for the mobile phone service. Text messaging is seen as the great prospect for marketing a product and I believe I could make this work.

R-Realistic- this is a very realistic objective as this area is generally untouched and is predicted to boom as a marketing resource in the future. Pizza Hut has recently set up a joint advertising and promotional feature with a local London paper. They have got

data from a questionnaire in the newspaper and they sent 50,000 text messages out on the 15th of February 2002. The number of subscribers for the mobile network is also quite small and many other companies have set up their own tariffs such as the Fresh network by the Carphone Warehouse.

T-Time Frame- the launch period will last 3 months and initial success will be monitored closely at regular intervals over the first 12 months. I hope to have attained a 0.75% of the mobile market by 2003 and 1% by 2004. I hope to be making a profit on the service by 2003 and to be making marked gains as a result of the marketing ventures and an increased and more loyal customer base. All of my promotional ideas such as newspaper advertising, radio, television will all be started in the initial intensive first 3 months as will in store displays. Fashion shows will be done over the 12 months but wont be part of the initial first 3 months.

The media involved will all be looked at closely and will be reviewed often to see if it is effective. Customer reactions will be noted and our advertisement will change accordingly if it has to. The actual launch period of heavy advertising and promotion and media coverage will be of a 3-month period starting in November. This is so that I can catch the Christmas rush with mobile phones. Further promotion and media use will take place for a further 9 months but this will be less intensive.

<u>Competitors.</u> There is no direct competition in this combination of using mobile phones with the promotion of a stores products included but there are competitors in the department stores and mobile phone industry.

Department stores:

Debenhams- Very large and successful department store. Have many branches in areas that greatly affect Marks and Spencer's market share. Examples of these include Marks and Spencer's situation in Manchester. Debenhams opened a store in the Trafford centre, which greatly affected the new multi-million pound, show piece store in the city centre built after the bombing. To combat this Marks and Spencer placed a small Marks and Spencer in the Trafford centre that gained some customers back. This shows that Debenhams is a major threat but also the importance of where a store is located.

They don't however have any connection with the mobile phone industry and don't do any major sponsorship or advertisements. They also tend to cater for the younger market and sell many major designer brands such as Levi and Diesel.

Sunwin House- Small northern-based company owned by the Co-Operative Society Company, many old people shop their, small range but does sell goods such as furniture, electrical goods, cars, and holidays. It also has a wide range of beauty products and perfumes. Its owners the CO-OP does very little advertisement, the stores prices are quite high too. Sunwin house will not be a threat at all except in a few places such as Bradford were they are in direct competition with Marks and Spencer.

Mobile phone networks.

All the mobile phone companies including Orange, mm02, Vodafone and One2One all offer very similar price plans, tariffs and claims. They all use the same phones and the quality of their service varies from place to place. They all cover the entire UK apart from certain black spots. All of the mobile phone networks will claim to offer the best value, best quality, best service and the latest technological advances such as a better WAP service. Orange, mm02, and Vodafone will all say that they have the most users as well. There is very little difference between them and this varies greatly in different regions so it is very hard to say which is the best. Marks and Spencer would not be able to seriously compete with these companies in the same way they couldn't compete with Marks and Spencer in the retail industry. On the other hand, a small percentage of the market is sufficient and we would be working with Orange as we would hope to use their network, this would benefit Orange too.

Product/service. Packaging and branding are important parts in the marketing of a product. Packaging in some instances may be as simple as customers carrying vegetables in paper bags. In most industrialised countries, however, the packaging of merchandise has become a major part of selling their products; marketers now specify exactly the types of packaging that will be most appealing to potential customers. Packaging is sometimes designed to make easy the use of the product, as with aerosol containers for room deodorants. Marks and Spencer Mobile would keep with M&S's use of green and will also use very familiar logos. M&S use much branding in their advertisements but not on their products, they heavily brand carrier bags and the use of any M&S logos will be kept to a minimum. The branding and packaging of things such as he mobile phone and top up cards will be kept very small. Green lettering will be used on white and black backgrounds. A small logo that will feature on the screens of the mobile phones will also be used and Marks and Spencer Mobile paper and packaging.

. M&S currently use a slogan called the St Michael Promise. It states "Our commitment to leading standards in quality, service and value." This could be used and bills and on the mobile service documents at the end as a statement of what we will do. The use of traditional logos and colourschemes will make the decision of buying a mobile phone easier. Buying a mobile phone is quite a difficult and expensive choice especially when it includes other services. This would make it a high involvement purchase. High involvement purchases are usually when there are significant differences between brands. Such tasks are complex because the risk is high (significant financial commitment), and the large differences among brands or products require gathering a substantial amount of information prior to purchase. M&S can influence this buying process by helping the customer get information as readily as possible. This may include informing the consumer about the product category and its important attributes, providing detailed information about product benefits, and motivating sales personnel to influence them into buying an M&S mobile. Trained sales staff could be acquired just for the M&S mobile section.

The purchase process happens when a consumer becomes aware of a need. This can come from many locations but we hope to do this by advertisement and contact with our existing members. When a customer buys one of our mobile phone that could be the end of their relationship with M&S. With M&S the purchase of our mobile phone will represent the beginning, not the end, of the customers relationship with M&S. If a customer is happy with their purchase, they may say positive things about M&S

and/or the mobile phone service to other potential customers. The opposite is true for dissatisfied consumers, but when they sign up to M&S mobile we will be in regular contact with them offering them all sorts of offers exclusive to them. If we see that they are not using their phone often M&S could send them details of a special offer just for them to make them use their phone more often. The monthly M&S magazine could be sent to each customer. This strategy will keep us in contact with them so continuing our relationship with them and influencing their decisions on products to buy, or services, or even putting thoughts in to their heads which they had not considered.

Vending machines could be used to dispense mobile phones, top up cards and accessories. This would be very helpful for people who know what they what and want to be in and out as quickly as possible. In Japan, vending machines now dispense frozen beef, fresh flowers, whiskey, jewellery, and even names of future dating partners.

A slogan just for the mobile phone would have o be created but it would not be short snappy or corny. Marks and Spencer Mobile, the best connection you can get. This shows the reliability and that you get many other added extras.

The unique selling position of this product is that it offers special services such as the latest offers open exclusively to them. For example, a text message is sent to a M&S mobile user telling them that for this week only they can get 10% off any children's wear this week only. All M&S mobile customers will have a unique store card sent to them when they sign up. To claim 10% off any children's wear they buy they would have to show their store card and a unique code sent with that text message. They then would sign like a credit card and they will then be able to buy the product(s) at a 10% discount.

Below is the product life cycle of he Marks and Spencer mobile phone and a bipolar map.

Number of customers

Time

End of Life

Mass Market/ Followers

Early Adopters/

Pioneers

Graph 1- the life of my product.

The Boston Matrix

Question Marks	Stars
 Low market share in a high growth market Cash required maintaining or increasing their market share to become stars; otherwise they should be phased out. 	 Highly profitable Good market share High growth rate Growth stage of the product life circle Rapid growths requires relatively heavy investment
Low market share	Produce a lot of cash
 Low growth rate No longer profitable Decline stage of product life cycles Need to be withdrawn 	 High market share Low growth rate Maturity stage of product life cycle Need less investment to hold market share Cash 'milked' to finance investment in other

BIPOLAR MAP

High Price

Sunwin House Harrods Marks and Spencer

Low quality

Debenhams

High quality

Low price

M&S mobile would be an early pioneer in its product life cycle, as this type of service has never been tried before. Under Boston Matrix M&S mobile will probably be a question mark. With good marketing however it has the potential to become a star. The BIPOLAR MAP shows that M&S is a very high quality though quite high priced company. For the sale of mobile phones however the price will have to be around industry norms but service will be up to M&S's high standard.

Sales promotion. The use of a mobile from M&S is totally geared up for the promotion of M&S products. For example, a text message is sent to a M&S mobile user telling them that for this week only they can get 10% off any children's wear this week only. All M&S mobile customers will have a unique store card sent to them when they sign up. To claim 10% off any children's wear they buy they would have to show their store card and a unique code sent with that text message. They then would sign like a credit card and they will then be able to buy the product(s) at a 10% discount. This shows how this would work. To sell the M&S mobile though sale promotion will have to follow a more traditional manner. The first way of getting customers would be to contact existing M&S customers with store cards and offering them the mobile phone service before any one else can claim one and at a special price. This could be done for a month before the mass-market advertisement begins. This will make them feel special and it will also strengthen our links with our best and most loyal customers.

Next in store displays and leaflets could be put in to M&S stores around the same time as major promotion starts. Those who sign up in the early stages would be offered free credit, free text messaging for a limited number of texts and store discount if they buy a phone at the same time. Major promotion will also take place outside the store, as M&S mobile will use the Orange network we could advertise the fact that we are using the largest and most reliable mobile phone operator in the UK and that this will also mean that calls to Orange users will be the same as those to M&S users and to land lines.

A competition, random customers at the checkout will be told they have won a mobile phone at the checkout. The advertisement will take place in many forms and the price and number or time is shown below.

The cost of launching such a service which if meets it's targets should bring in millions of pounds and many more customers and more loyal customers will total millions of pounds.

Radio is the most diverse media available and I would not have a problem finding a suitable radio station to advertise on with a vast range on show from Classic F.M to Jazz F.M to Galaxy F.M. According to www.RAB.co.uk advertising on the radio is up to 4 times more effective per pound than television. Research by them has also show that the radio is a much more trustworthy media and is selling its self as friend. Radio advertisement costs between £200 and £500 per slot and this is according to the time of day. The evening slot at peak time travel would be around £500, if 500,000 people were listening over 100 stations it proves very cost effective at only ten pence per listener for an outlay of £50,000. As it is so cheap to advertise, the adverts can be repeated many times, which is an effective way to get your product to stay in the listeners mind! All this evidence is from http://www.rab.co.uk/ Radio advertisement with an average of £300 per advertisement based on an average of one advert per hour on 50 stations would cost approximately 3 million pounds for 3 months.

TV advertisement at a time when millions of people will be watching is likely to cost millions of pounds. With social groups B and C being targeted with a female slant there are many programmes that can be used for advertisement. Channel 4 has many programmes that are perfect to advertise on for my target market. Ally McBeal and Sex and the City would be perfect to advertise on as many people of my targets social grade watch these programmes especially with a female bias. Seinfeld would also meet my targeted social grade, as would ER. Other programmes on channel 4 include Richard and Judy, Friends and Big Brother. Big Brother was last sponsored by BTCellnet (now mm02).

Carlton television.

30-second weekday peak time spot (between 7.26pm -11.30pm) costs around £12,000.

30-second adverts in all the advertisement slots for one month in all these programmes would cost approximately £1,000,000. If this were sustained for 1 month the cost of advertising around these programmes would cost £4,000,000. Include other programmes and this could spiral to £10,000,000 a month. For the initial 3 months this would cost £12 million.

Advertisement in newspapers would also be a viable idea.

Source – Mintel – national newspapers

Copies of papers sold on average everyday.

	6 month daily average to Sept 1999 In millions	%
Popular		
Sun	3687	27.5
Mirror	2351	17.4
Record	639	4.7
Star	616	4.6

Middle		
Mail	2364	17.5
Express	1087	8
Quality		
Telegraph	1044	7.7
Times	726	5.4
Guardian	392	2.9
FT	391	2.9
Independent	224	1.7

Many millions of newspapers are sold every year and millions are also sold every day.

M&S mobile would be advertised in the popular and middle class of papers.

	Est. Cost 20x3 £	Days	Total Cost
			£
Sunday Mirror	5400	1	5400
Mail	3300	6	19800
Daily Express	3200	6	19200
Mail on Sunday	5000	1	5000
Sunday Express	6100	1	6100
			55500

The chart above shows that £55500 would be spent each week on newspaper advertisement.

A 12-week advertisement schedule during the products opening phase using newspapers the cost would be £666000 spent on newspaper advertisement.

In total, advertisement will cost almost 15 million pounds for the 3 months.

Public Relations.

Public relations involve less commercialised modes of communication than advertising and sales promotion. Its key purpose is to publicise information and opinion to groups and individuals who have an actual or potential impact on a company's ability to achieve its objectives. In addition, public relations specialists are responsible for monitoring these individuals and groups and for maintaining good relationships with them. One of their key activities is to work with news and information media to ensure appropriate coverage of the company's activities and products. Public relations specialists create publicity by arranging press conferences, contests, meetings, and other events that will draw attention to a company's products or services. Another public relations responsibility is crisis management, such as peoples concerns with mobile phone radiation. Other public relations activities include, advising management about public issues, and planning community events.

Sports sponsorship could also be done. Below is a breakdown of most sports.

The Marks and Spencer magazine could be used in an attempt to reassure people of the safety of mobile phones and we could also show people tips and tricks on the use of their mobile phones.

Marks and Spencer hold fashion shows at various stores and this could be used to promote mobile phone safety.

Leaflets could be available in store on safety of your mobile phone such as not using it in public places.

How television advertisement schedule would look.

30 Second Media Schedule.

J	Jan			Fe	eb			M	ar			Aj	Apr				May				Jun				Jul				Aug			
V	Weeks				weeks				weeks				Weeks				Weeks			Weeks					Weeks				Weeks			
1		2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4

45 Second Media Schedule.

J	Jan			Fe	Feb				ar			Aı	Apr				May				n			Ju	Jul				Aug			
V	Weeks				weeks				weeks				Weeks				Weeks			Weeks				Weeks				Weeks				
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	

I would choose to do a television advertisement, as this is the best way to meet my target market. The viewers of the channel 4 programmes are ideal for my target market. The advertisement objective would be to create awareness of my product and to see an increase in the number of people then subscribing to the Marks and Spencer Mobile.

The advert would explain that subscribing to Marks and Spencer Mobile would entitle them to the most reliable network from Orange and membership to Marks and Spencer, ten per cent off everything you buy when you first sign up and special offers unique to you through your mobile phone from then on and the ability receive free information such as weather reports.

A- Would you like 10% off all purchases?

I- For as little as £9.99 a month you could have 10% off all your purchases you make when you sign up to Marks and Spencer Mobile. You will receive special offers unique to you and a Marks and Spencer charge card, free subscription to the Marks and Spencer magazine free text messaging.

D-You will receive special offers unique to you and a Marks and Spencer charge card, free subscription to the Marks and Spencer magazine free text messaging.

A- The chance to get 10% off all purchases and the price of £9.99 a month on contract is for a limited period only so don't miss out!!

To monition my promotional strategy I could analyse customer reaction to see if they favour my plans. I could also set deadlines for certain things to be accomplished and seeing if they meet their deadlines could easily monitor this.

I have chosen all the components above as I feel they will best enable me to launch a successful product. I have not chosen certain components because I feel they would not allow me to launch my product successfully. For example, I have chosen not to cover any sports coverage as this would be highly expensive and would not reach much of my target market. I also considered the possibility of advertising through leaflets but found that this would not be affective as most leaflets are instantly put into the rubbish bin. Heavy TV advertisement especially in the opening period can be a great way of promoting my product especially if the advert happens to be particularly memorable or even very persistent. I have chosen to do this ahead of sports sponsorship as TV allows me to be very specific with my target market and much cheaper in terms of effectiveness than sports sponsorships such as football sponsorship. I want to give blanket coverage of my product over many different types of media I have chosen to use. According to RAB.com, it is better to have 100 thousand people listen to your advert 4 times, than to have 400 thousand people listening to it once. This is because people have to hear adverts several times before they take in and react to the adverts. I believe that advertising on many different medias that I can make Marks and Spencer a part of peoples lives and make them want to become a user of Marks and Spencer mobile. My promotional plan would be very expensive but would prove very successful for Marks and Spencer. If fashion shows are included with this, the image of Marks and Spencer mobile could be improved and make the product look more desirable.

Another media I will also advertise heavily in is the radio because it is proven to be four times more effective for every pound spent advertising on the radio than it is on TV. The radio has a vast number of radio stations and I can carefully target station to sponsor on. This could involve sponsoring a show; normal adverts or it could involve a competition on the radio. My target market would mean that the Galaxy FM network would be excellent to advertise on.

The key components of my promotional plan are that it will be promoted constantly for 3 months over a broad spectrum of medias thus enabling all my target market to be aggressively targeted with the aim of persuading them to join my mobile phone network. This method will use daily bombardments of promotional stuff over radio, TV, newspapers and in store through such things such as fashion ranges.

Overall I think that with the benefits on offer of being a Marks and Spencer Mobile owner with competitive prices and special offers at Marks and Spencer outlets for members of a Marks and Spencer mobile, this plan could prove very successful and would help Marks and Spencer continue to broaden their market. With Marks and Spencer's huge spending power on advertisement they can force the image and the name of Marks and Spencer Mobile into people heads. This plan looks at all the target groups and specifically advertises to their needs, the target group has been targeted in a way, which will suit the needs and desires of these people but will also prove profitable to Marks and Spencer in the long run. The way I have targeted my target

group allows them to be given blanket espouser to what I am offering. By using the radio as a key component this will prove highly effective. This is because using the radio is proven to be 4 times more effective per pound than radio compared to TV. This is according to RAB.co.uk. Radio will help target all of my target range as there is a station to suit every ones needs. Radio adverts can be very memorable and have a long lasting effect, which will prove vital in attracting new customers. Television is the mass public sponsorship and will take in large numbers of my target market. Programmes like Seinfeld will have many viewers who are also part of my target group. Television allows sound and vision to be shown and could be a great way of showing the benefits of my product. This will prove highly desirable to my market and should persuade many to join. Newspapers will allow large pictures and detail of what's on offer to my target market. Papers can also show specifications and what you can look forward to if you use Marks and Spencer mobile. This is because of the newspapers ability of having no time constraints and to fit in a lot of information, which would be impossible to do on either radio or TV. The fashion shows will allow my product to be linked with other quality products, add this to in store displays and in store displays, and features such as the fashion shows, people could be persuaded to get a mobile as they are in the store and get even more product information from members of staff. In store displays are very cheap and people will feel more inclined to have a look at what's on offer as they are already in the store.

This plan will prove successful as it only needs a small user base to succeed as these people will become the future customers for Marks and Spencer meaning a long term base of loyal fans who will actually spend more than save money through the actual amount of extra shopping they will do at Mark and Spencer.