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1 Introduction

Diageo has recently axed their long-running and highly successful advertising campaign for Smirnoff Black Ice and are now investing an estimated £ 7 million to relaunch the product with a new packaging design and new taste .

This report aims to review and evaluate this new campaign and the effectiveness of Diageo's marketing communication mix. Recommendations as to how this mix should be developed over the next 12 month period will also be given.

2 Description of the Smirnoff Black Ice campaign

2.1 Situation analysis

The sales of flavoured alcoholic beverages (referred to as FAB from now on) such as Smirnoff Black Ice, have over the last year showed a great annual increase . Experts believe that one of the main reasons for this is that innovative marketing has made these products trendy.

According to Datamonitor, Smirnoff Black Ice and its parent brand Smirnoff Ice has been the main success story of the UK market, but figures show that recently Di ageo has been losing share in the FAB market to producers of alcopops such as Bacardi Breezer and the VK range.

The driving force for the alcopop market is, and always has been young, female consumers, and as such, the majority of alcopops are sweet tasting and have a deliberate feminine focus in terms of packaging and content.

2.2 Objective setting

As their market share has recently decreased, Diageo has decided that they need to hold on to their customers as well as winning back former ones. They have also decided to look beyond the key target market (i.e. young females) and set the following objectives:

- To stay “edgy” and unexpected in order to maintain its leadership in the maturing ready-to-drink market.
- To change the attitudes of men to the flavour and image of alcopops.

2.3 Strategy and tactics

The campaign is based on the streetwise slang used by 18 - to 24-year-old men with phrases like “lyriquad perfection” and “getting the look of shove” to show the language of young men discussing their nights out. It also puts emphasis on Smirnoff’s Russian heritage (although Smirnoff is not made in Russia) in order to reflect its “vodka credentials”.

The campaign contains elements of both the push and pull strategy and is very much based on product differentiation.

Diageo have chosen to use a combination of outdoor posters, bus-side advertisement, in-bar media, point-of-sale material, PR activity, and a large consumer sampling campaign targeting half a million consumers as well as money-off coupons, press ads and a new set of television advertisements. But the most important element of the marketing communication mix used by Diageo that is reflected in all of the means of advertising mentioned above, is branding. As Diageo is now looking towards a new target market, they are looking to change the image of the product, with both high product and image differentiation compared to other FAB products. Not only is the taste different from any other product, it is also very masculine with its clean lines, simple black, white and silver packaging and the use of an eagle to represent its Russian heritage.

3 Evaluation of the Smirnoff Black Ice campaign

3.1 Criteria to judge effectiveness

The Smirnoff Black Ice campaign will be evaluated on the following criteria:

- (a) Meeting business objectives – the goal of any campaign is the achievement of business objectives
- (b) Changing behaviour – communication is a social tool most often concerned with influencing attitudes and behaviour patterns.
- (c) Strategic impact – advertising has come to be recognised for its strategic contributions rather than being seen as having only short term influence.
- (d) Media impact – media effectiveness is clearly important because of the costs involved.
- (e) Creative impact – creativity, though difficult to define, lies at the heart of the measurement of any advertising effectiveness.
- (f) Leverage – the ability to exert maximum effect from the combination of communications techniques used.
- (g) Innovation – highly effective campaigns usually have a high degree of innovation of one kind or another.

3.2 Evaluation of effectiveness

As this campaign is still in its early days as TV and press advertisements have only just been released, it can be difficult to evaluate the effectiveness of some of the aspects of the campaign. So for the purpose of this evaluation, although somewhat unreliable, some elements will be based on the pre-testing carried out by Diageo.

(a) Business objectives

The pre-testing of the marketing communication mix for Smirnoff Black Ice has achieved very positive feedback, and shows that Diageo has every chance of changing men's attitudes towards alcopops as well as staying edgy in the market. This should result in Diageo retaining consumers as well as win over new ones, which means increased market share and therefore reaching business objectives.

(b) Changing behaviour

Once again, this criterion will be based on the pre-tests, as it is too early to say whether this campaign has changed behaviour. One of Diageo's objectives was to change the attitudes of men to alcopops, and based on the results of the pre-tests, they have a good chance of doing so. The tests showed that a high percentage of men, in particular young men, preferred Smirnoff Black Ice to other alcopops in terms of taste and image. Figures also showed that many would now choose to drink Smirnoff Black Ice instead of other alcoholic beverages as well, not just alcopops. The focus group also responded in a positive way to the advertising, saying that it was refreshing to see an alcopop campaign using men.

(c) Strategic impact

Because of competitive pressures and legal restrictions associated with the alcoholic beverage industry, Diageo has to be bold in its strategy. Advertising has previously proved to be the key to unlock the strategic goal of increasing market share. Because the infrastructure is in place for this campaign, most of the increase in sales will become increase in profits.

(d) Media impact

Diageo has not taken advantage of the fact that they have created a new flavour that stands out from all the sweet and fruity alcopops currently on the market. Diageo may be missing out on a lot of media attention by not doing so. A new and different flavour might set a new standard for the FAB market, and show the changing tastes of the consumers, and therefore get noticed by the media. Diageo could have benefited from this by putting more emphasis on the new cleaner, crisp taste of its product. If Diageo are successful at making a creative impact (see (e) *Creative impact* below) though, this could generate coverage in the media.

(e) Creative impact

The use of new phrases is a very good way of making a creative impact on people. Done successfully, the new “lingo” can be picked up by regular people and used as part of their everyday communication, as several campaigns have done in the past.

(f) Leverage

Considering the target group this campaign was aimed at, the combination of communication techniques used were highly appropriate to exert maximum effect. The target age group is known as a “television generation”, and television advertising is sure to reach a lot of people, as is the press advertising. The age of the target group also means that a big percentage will not be at a stage where they are financially secure, and therefore take advantage of the sales promotions. Another characteristic of the target market is an active lifestyle, which means they are out and about and are likely to take notice of the outdoor posters and bus-side advertisement. Diageo’s marketing communication mix shows evidence of thorough research of their target market.

(g) Innovation

This marketing communication mix is innovative as far as aiming the campaign at men, and not at the driving force of the market. Having said that, the “night out on the town” concept has been used by just about every maker of alcoholic beverages, and does very little in terms of making Smirnoff Black Ice stand out from the rest.

3.3 Conclusion

After evaluating all the different criteria, it can be said that this campaign is a success based on meeting business objectives. Diageo has not been successful in creating an innovative campaign though, which is so important to differentiate a product in

such a highly competitive industry. The new taste of Smirnoff Black Ice also had a lot of potential in marketing terms that Diageo have not taken advantage of. All in all, the marketing communication mix has only been average on an effectiveness scale.

4 Recommendations for the future

Considering the competitive nature of the FAB industry together with the low product and image differentiation in this market, Diageo should focus on innovation as well as continuing their branding strategy to make Smirnoff Black Ice stand out from the rest of the many alcopops currently available.

A campaign perhaps showing the different uses of Smirnoff Black Ice, based around a range of short television adverts showing different recipes for new cocktails with Smirnoff Black Ice as one of the ingredients, will create curiosity and reach a wide variety of people with different tastes, even people who don't drink alcopops. One of the recipes would be as simple as opening the bottle and having a sip to show that the drink is still as good on its own. The television adverts would be backed up with a similar communication mix as the current campaign, as this has shown to be effective.

With a campaign like this, Diageo would have to adapt a push strategy as well in order to convince drinking establishments to serve these cocktails. The campaign could also include a competition encouraging the public to create their own cocktails using Smirnoff Black Ice. If successful, this would increase sales.

A strategy like this would also create the opportunity of incorporating Smirnoff Black Ice's parent brands Smirnoff Ice and Smirnoff.

With Diageo being an international and highly successful company, the best way of setting the promotional budget would be with the objective and task method.

As far as the time-scale is concerned, the following would be an appropriate calendar:

- Month 1: Press release to the trade press and retailers.
- Month 2: Sales campaign to persuade drinking establishments to serve Smirnoff Black Ice cocktails, as well as persuading retailers to stock the product. An aim will be set to get a certain per cent of retailers to stock the product.
- Month 3/4: Denouement of teaser campaign. Promotion staff will appear in larger drinking establishments offering samples and money-off coupons. Press releases to trade magazines.
- Month 5/6: Once the target for retail penetration has occurred, start TV and press advertising.

A few months on Diageo should begin a new campaign reinforcing the brand as well as well as reviewing the effectiveness of the previous one.

It is important to remember that although this campaign is only spread over 6 months, there will have been extensive preparation in advance.

5 Bibliography

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