

CJS&N Consultancy.

FOUNDATIONS OF BUSINESS STRATEGY

Assignment: Guinness (Financial Year 2006)

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EXECUTIVE SUMMARY

A report containing an audit of the Guinness business in year 2006 and subsequent proposal of a new domestic integrated marketing communications plan, slated for 2007 – 2008. The paper is based on secondary evidence presented, culminating in several different action plans across four major disciplines. The project incorporates the integration of communication tools across an ‘umbrella’ TV/Print/Outdoor campaign coupled with a secondary SP/DM and PR Guinness ‘Allure’ glass proposition. Budgets/schedules and storyboards are extensively provided (see appendices), with a view to further research upon proposal acceptance from the client (Diageo Plc).

1.0 INTRODUCTION

1.1 Objectives

To analyse and establish a germane report focussed on assessing a plausible competitive strategic plan for the expansion and penetration of the Guinness brand across its various market segments. Applying the use of secondary qualitative and quantitative research to enhance knowledge of the target market, current company position and salience; isolating appropriate creative and execution platforms. The focal point of this report will be to devise a successful UK domestic campaign strategy, with a peripheral view to extending the program to perceivably compatible international markets.

1.2 The Consultancy

For the purpose of the report, authenticity and following pitch the individual consultant known as Joseph Morgan will henceforth be referred to as CJS & N.

1.3 Market Definition

The alcoholic drinks market comprises of beers (premium, stouts and ales), ciders, FAB's (flavoured alcoholic beverages), spirits and wines. The value of the market and various data produced in this report is based on the retail selling price and calculated at the 2006 average annual exchange rates.

2.0 CURRENT MARKET OVERVIEW

2.1 U.K Alcoholic Drinks Market

In 2007, the United Kingdom alcoholic drinks market grew to a value of \$86.2 billion, a rise of 1.8% on the previous year. During this period the industry accounted for a volume of 8.8 billion litres sold, with on trade accounting for 51.5% of the market distribution share. 57.2% or \$49.3 billion of the market was dominated by sales of beer, cider and FAB's.

It is estimated that the sector will increase further by 9.2% to reach a value of \$94.1 billion by 2012. The volume sold is expected to reach 9.3 billion litres, a rise of 6% (Datamonitor 2007).

2.2 Global Alcoholic Drinks Market

Globally, 2007 saw a volume of 166.3 billion litres of alcohol sold, creating an increase of 2.6%, or \$846.5 billion in market value. The market is anticipated to reach \$967.4 billion by 2012, a CAGR (Compound Annual Growth Rate) of 2.7% year on year from 2007.

Europe accounts for the largest segment of these sales at 38%, with the Americas and Asia-Specific at 24.6% and 17.4% respectively.

On trade sales are the dominant distribution method at 39.5% of the global markets volume (Datamonitor 2007).

3.0 CONTEXT ANALYSIS

3.1 Demographic factors

For a long time the ales and stout market in the UK has been synonymised with the older consumer, in particular 45-64 year old males. Thus trends in this demographic have been seen as highly important. One would expect to see a growth in the market due to an increase in the population of this particular segment (As seen in Figure 1 in Appendices), however this is not the case, causing concerns for the future (Mintel 2006).

3.2 Market Activity/Concerns

There are several possible reasons for ale and stouts popularity amongst older consumers. Some consider the gassy content of its closest rival (lager) to be too

much, and that the stronger, bitterer taste of ale becomes more preferable the more one's taste buds develop. There is also a historical element; premium lagers were not in circulation when most of the 45-65 year old demographic started to consume alcohol. This implies that there may be no guarantee to the future of this sector (and thus the Guinness brand) as the next generation may continue the premium lager/FAB bias. This displays a compelling demand for players in the ales and stouts sector to broaden and diversify their appeal amongst younger audiences.

The impact of the smoking ban has not yet been appropriately measured. In Ireland (where a ban has been in place since 2004) and Scotland (March 2006) research has shown that on-trade outlets (particularly pubs without outside areas) have suffered noticeably, with smaller independent dispensaries forced to close.

Concerns over the 'binge drinking culture' have risen over recent years. This public debate has perhaps passed the ale and stout industry by due to its majority demographic of 45-64 year olds (Mintel 2006).

4.0 COMPETITION ANALYSIS

4.1 Competitors

The main competitors in the UK market are:

- Scottish & Newcastle – 23.7% Market Share
- Molson Coors Brewing Company – 14.20% Market Share
- Inbev – 13.5% Market Share
- Other – 48.5% Market Share

The main dominance seen by the leading companies is due to their ownership of premium lager brands and FAB's, which have risen in popularity in the UK market over the past 50 years. For example Diageo Plc is accountable for 64% of the Irish Beer market (heavily influenced by ales, stouts and bitters) yet is not a major contender to the UK breweries (Datamonitor 2007).

Diageo, whilst a lucrative organisation does not offer a premium lager product. The only product line at Diageo's disposal of a similar categorical context to lager is its Guinness brand, which must compete with the likes of Fosters, Carling, Carlsberg, Stella Artois and John Smiths (Case Study 2007). In 2006 Guinness draught became the 4th most popular draught beer in Britain by volume sales. Industry experts have questioned Diageo's ability to boost sales further in saturated markets without broadening its appeal to the largely unexploited female segment (Daily Mail. 26 Oct 2006).

4.2 Landscape

Buyer power (off-trade/on-trade) in the sector is moderate due to the proliferation of brands and the organisations ability to survive without alcoholic beverage sales. Switching costs are minimal and thus one can be more selective over which products to stock whilst supermarkets and hypermarkets (who sell many products not just alcohol) are in a more dominant position than pubs, clubs and other on-trade dispensaries.

Supplier power in the sector is variable. The manufacturer can experience increased strength if there is high demand for one of their products as items in the market are entirely unique; having distinctive tastes, ingredients etc. On a different scale there is only a finite amount of shelf space available both on-trade and off and thus suppliers are forced to provide their offerings at competitive prices.

New entrants to the market are of a moderate threat. It is difficult to convince supermarkets, hypermarkets and the on-trade to stock one's product over items already proven successful. If the offering is unique enough or can be 'mixed' well with another already available drink then the proposition becomes more attractive. This is also true of soft drinks.

Substitutes to the market include cold non-alcoholic beverages (water, soft drinks etc.) and hot drinks such as tea, coffee and speciality 'detox' products. It is more

likely however that a consumer will switch from one segment to another within the market i.e. from beer to wine etc. Consumption of alcohol can be affected by season, diet/health implications, temperature of storage (beers and white wines are predominantly meant to be chilled) and the perceived/actual alcoholic content (Datamonitor 2007).

5.0 BRAND STRATEGY

5.1 The History

The Internationally renowned Guinness brand was first conceived in 1759 by Arthur Guinness after signing a 9,000 year lease on a disused brewery at St. James' Gate, Dublin. It was ten years later that the first exported batch of Guinness stout hit the U.K. It was controlled by Arthur Guinness for 227 years until the majority share was purchased by drinks manufacturer conglomerate Diageo Plc (Case Study 2007/Mintel 2006).

The brand prides itself on its heritage, Irish origin and previously, its masculine connotations. The stout is brewed region-centrally to different tastes in over 50 countries around the world. It is estimated that 10 million glasses of Guinness are sold everyday. It has recently emerged that the home and birthplace of Guinness (St. James' Gate) may be at risk casting doubt on the future of the brands 'history & heritage' proposition (Datamonitor 2004).

5.2 Segmentation

Guinness segments its consumers based on their affinity to the brand and consumption of its products (See Appendices).

In 2001 the sale of Guinness in Ireland fell by 3% mainly due to its association with its 'senior set'. The challenge for the Guinness brand is threefold. To attract a

younger and more diverse audience (90% of audience are male), advance people up the affinity chain, and maintain the relationship with its 'adorers'.

5.3 Targeting

In 2004 Guinness adopted a threefold strategy to combat its flailing revenues and attract youth to the brand – new product development, experiential marketing and sports sponsorship.

The Guinness Storehouse experienced an overhaul in 2000. The visitor centre has become a top Irish attraction, and is designed to attract, entice and inform younger persons or 'Adorers' living or visiting Dublin to the Guinness Heritage. The overhaul is a prominent element to the brand, symbolising 'forward thinking, as well as celebrating the past' (Datamonitor 2004).

Guinness' sports marketing strategy ensures the brand can reach its international drinking audience. Guinness embodies the stereotype of the typical male Irish Rugby fan through its heavy coverage and sponsorship of the Irish national rugby team and the Rugby World Cup. This association is intended to characterise the similarities and excitement between the event and the drink.

In 2004 Guinness turned to its catalogue of seminal advertising and new flagship advertising techniques to try and infuse life and excitement into the brand and its offshoot brands such as Guinness cold, Guinness Red and Guinness Draught. In fact Guinness Draught is now the more prominent of the brands offerings and used in all of the most recent communiqué. Guinness has historically produced celebrated adverts. Including Ridley Scott's "Pure Genius", the award winning "surfer" and the "good things come to those who wait" ads of the early nineties. The latter of these messages resurfaced in both "the tipping point" (most expensive Guinness ad ever at £10 million) and "the dot" ('ads.xtreme' trade site 2007).

Guinness Red, the latest member of the Guinness family was introduced in 2006 on a test basis, intended only for the British Market. Its sweeter taste is targeting younger

more 'sweet toothed' consumers and could help the brand appeal more to females.
(Daily Mail 26 Oct 2006).

6.0 THE PROPOSAL/PITCH

6.1 Advertising

6.1.1 Communication Objectives

1. To keep the brand elements intrinsic to brand performance and loyalty (History, Heritage & Ireland).
2. To simplify the Guinness brand proposition (TV/Print & Outdoor).
3. To develop new interest in the brand from differing, previously 'untapped' market segments (females & the younger audience).
4. Continue to move consumers along the brand affinity chain/journey.
5. Maintain current users and continue to further the existing relationship.
6. Maintenance of Digital online offerings.

6.1.2 Proposal – Television

CJS & N has created a simple, classic approach for the new Guinness TV advertising campaign. The brief was to open the path for Guinness to attract new segments in the market, without discouraging their older male audience.

The proposal is an 'umbrella' campaign that will be directly integrated across three disciplines (TV/Print Outdoor); and supported further in other non-direct activities (Sales Promotion – 'Allure' glass).

The TV ad and creative platform for the 'umbrella' pitch is currently operating under the 'Guinness Times' moniker. It involves the word 'Guinness' being interchanged and paired with other words deemed to provoke positive reactions and associations.

The idea initiates the goal that the Guinness brand could become a 'metanarrative'; or a metaphorical soundtrack to consumer lives.

The associations initially will be based on common understandings of good times. These can be found in the appendices. As one can see the Guinness brand, through these images and simple message ('Guinness friends'/'Guinness moments' etc.) will become synonymous with these events, thoughts and feelings. The ad also for the first time includes the brand exposé personally to women ('Guinness Women').

The TV part of this integrated campaign will portray recorded shots of these scenes, images and actors presented in the appendices. The initial advert will be a longer cut running at 60 seconds. This ad will involve all the scenes/actors/images and will use their 'real' recorded sound counterparts weaving in and out of each other. For example the 'Guinness journey' film (showing an image of New York) will utilise recordings of the bustle of living in a city. The 'Guinness friends' motif will incorporate many friends socialising and enjoying themselves. The ad ends on the 'Guinness Times' brand image, with no soundtrack at all, to stress the importance and attract further attention from viewers.

After the longer ads initial delivery to the BACC and IMD it will be 'aired' for 1 month (Oct). A shorter version showing only one of the scenes/images/actors will then be cut and delivered sporadically through the rest of year 2007 - 2008 (see Campaign Schedule in appendices). These shorter ads are numbered in the appendices and correlate to the original running order of the longer ad.

6.1.3 Proposal – Print

As previously mentioned the TV, print and outdoor campaigns are intended to run alongside each other for the year 2007 – 2008. The numbered images used in the aforementioned TV campaign will also be placed in four broadsheet newspapers a week (The Independent, The Times, The Express and The Mail). The intention is to use image 1 for week 1, image 2 for week 2 and so forth for four months; October to December 2007, with resurgence in May to support the 2008 sales promotion activity.

6.1.4 Proposal – Outdoor

To coincide with the integrated theme of the ‘umbrella’ campaign, CJS & N advises a slow introduction and start to the 2007 - 2008 promotion using Outdoor billboards located amongst the more built up areas within London. This, it is hoped will start a word of mouth campaign about the new, multi segment Guinness appeal. Primary locations, using ‘96 sheet’ clear boards will be scouted to ensure people traffic and subsequent recognition value.

Again, similar to the print element, the images are numbered (see appendices) and will be utilised for four months; July to October 2007. A new image will be displayed on the boards every month. I.e. image 1 for July, Image 2 for August etc.

6.1.5 Principle Techniques

1. Acquisition of appropriate production team and director
2. Audition of models/actors
3. Booking and set up of domestic ad shoot locations
4. Ensure overseas shots and required film (New York) are organised and delivered from overseas production team/director
5. Shoot the domestic film and still shots (2 days Studio) – Ad/Print and Outdoor
6. Use offline edit to add additional sound requirements and colour correction/computer graphics.
7. Traffic longer advert and deliver to BACC & IMD.
8. Ensure new short cut is provided by director – take online and traffic to BACC & IMD on time.
9. Use still shots to create necessary Outdoor 96 sheet boards.
10. Arrange delivery of billboard posters to Clearchannel.
11. Use still shots to create necessary Print ads.
12. Maintain efficient management systems over print schedule and publisher houses to ensure correct placement of ads.

13. Internal communiqué with other discipline departments essential to flexible and possible 'emergent' strategy change.
14. Use ongoing and post 2008 measurement systems to estimate success of 'Guinness Times' campaign.

6.2 Sales Promotion

6.2.1 Communication Objectives

1. Increase customer data base; consumers to fill in coupons in exchange for promotional merchandise for St. Patricks Day and Euro 2008.
2. Increase the response rate for the direct marketing campaign by getting more up to date data from sales promotion activities.
3. 'On-trade' objective, try and increase the profile of Guinness to female drinkers using POS marketing and the introduction of the Guinness 'Allure' glass.
4. Full support of Guinness 'keggers' event to be held in September 2007.

6.2.2 Proposal

Guinness 'allure' (see Appendices for design) will target women aged 18+. The objective is to make Guinness more appealing to the female demographic by putting the drink in a 'sexier' more elegant glass so that the perceived female stigma with drinking Guinness is taken away. The glass will be launched in November 2007.

With the promotional activities of the Guinness 'allure' glass and sales promotional merchandise around St. Patrick's Day and Euro 2008, CJS & N will not alienate Guinness' core brand values and ties with Rugby events. The sales promotional activities have purposely not included price reductions as they do not fit in with the core brand values.

CJS & N will also increase the 28 day credit period to off-trade supermarkets to 56 days in return for increased units being ordered around June for Euro 2008, November and December for Christmas and March for St. Patrick's Day. This is intended to gain better positioning in distributing outlets.

6.2.3 Principle Techniques

1. 50 units of promotional merchandise (Hats/T Shirts etc) will be distributed to on-trade outlets for both St. Patrick's Day and the whole of Euro 2008. St. Patrick's Day has a massive pull to the product and merchandise. Unfortunately there are no home nation teams in Euro 2008 but there will be heightened interest compared to the rest of the year.

2. Although some consumers might already be on the Guinness database some will not. Nine percent of Guinness's annual consumption is in the month of March (talkingretail.com) so one could assume that there are many Guinness 'acceptors' drinking just for St. Patrick's Day. In 2002 Guinness merchandise promotions delivered a 22% increase in sales, so these extra consumers could be added to the database (Diageo internal document 2002).

3. The distribution of 15 'allure' glasses to 8000 glasses at a manufacturing cost of £2.05 each would only cost £246,000. In order for this to be successful CJS & N require a well thought out POS campaign complimented with concurrent TV and outdoor success. An extra half pint a week on top of regular sales per outlet would give Guinness extra revenue of £540,800 (based on £1.30 a half pint)

6.2.4 How to Measure Success

1. CJS & N will arrange the distribution of euro 2008 and St. Patricks merchandise to 8000 outlets 50 per outlet. The 8000 outlets have been chosen based upon the weekly consumption of 2-3 kegs of Guinness a week

2. Liaise with Guinness in regards to the success of the promotion and levels of new contacts on the database

3. CJS & N will arrange the distribution of 15 'allure' glasses to 8000 outlets and the 'allure' POS and display marketing. An increase of only one half pint a week for 25 weeks will have a revenue return in order to break even.

6.3 Direct Marketing

6.3.1 Communication Objectives

1. Achieve higher response rates and improve retention from customers.
2. To target a younger audience.
3. To target females as the brand is associated with the image of middle-aged men.
4. To inform and raise awareness of the brand.

6.3.2 Benefits:

- Direct and clear communication
- Personal (If desired and have adequate and up to date CRM database information)
- Can be targeted to existing customers

6.3.3 Limitations:

- Direct mail can sometimes be seen as unwanted 'junk' mail, therefore some people may not open unrecognised mail sent to them.

- Postal strikes can cause delays in mail delivery and thus people opening mail at the wrong times. For example if St. Patrick's Day special offers were received by the consumer late, those special offers would be ineffective and not cost efficient.

6.3.4 Proposal

The campaign schedule will start in July 2007. In October 2007 CJS & N will purchase female names from the lists provided by marketingfile.com. The agency will then proceed to send out a direct mail flyer to all these newly acquired potential consumers introducing Guinness 'Allure'. This is in order to inform and raise awareness of our new more feminine glass, attracting a new demographic to the brand. This will be one month in advance of the Guinness 'Allure' glass release to on-trade on the 1st November.

CJS & N will provide direct marketing packs to all existing customers in January 2008. The aim is to promote the new 'Guinness Times' umbrella TV/Outdoor/Press campaign. The mail out will use the 'Guinness friends' theme and image. It will follow heavy rotation on TV/Print and thus consumers will already be aware of the 'Guinness friends' image on the front of the mail out. On the reverse of the flyer there will include an offer for the customer to win a holiday for themselves and seven friends to the Caribbean in a five star hotel all expenses paid. To win the holiday the customer will have to provide their details and describe a special occasion, moment or event that they have spent with friends.

On the 1st March 2008 CJS & N will mail out flyers to all our Guinness customers on Diageo's CRM database promoting St. Patrick's day. This will be a simple flyer with an image on it, showing people celebrating St. Patrick's Day. Again, a competition will be included on the reverse of the flyer offering a trip to Ireland for three people for three nights on St. Patrick's Day and a visit to the Guinness Storehouse. To enter the competition, the consumer will have to go online and visit the Guinness website then answer a simple question to be put forward for the prize. The winner will be announced through the website to ensure people traffic online.

6.3.5 Principle Techniques

1. Mail Out - Guinness 'Allure' Teaser mail which will be a flyer of A5 in black and white ink with the words '*Allure is Coming...*'
2. 'Guinness Friends' Holiday Mail Out –Will consist of an A5 size gloss finish of the 'Guinness Friends' image used across the TV/Print/Outdoor platforms.
3. St. Patricks Day Mail Out & Trip to Ireland – A5 flyer with Guinness image printed on the front with information about the trip to Ireland competition on reverse.
4. Website – Frequently updated on current news and competitions.
5. Magazine to be distributed internally to staff members four times a year. This will ensure employees are kept up-to-date with current issues and communiqué within company. The magazine will include coupons and special discount vouchers only for Diageo staff.

6.4 Public Relations

6.4.1 Communication Objectives

1. The stakeholders that CJS & N intend to target are employees, On/Off Trade, existing customers, potential customers; paying particular attention to females and students.
2. For External PR, we aim to do press releases, trade releases, Press conferences, Corporate Advertising, and Events.
3. Highlight the new Guinness 'Allure' glass to on trade dispensaries
4. Improve charitable activities and improve drink awareness campaigns
5. Continue reactionary 'ongoing' relationships with Guinness publics

6. Effective contingency planning for crisis management

6.4.2 Proposal

1. Internal PR: CJS & N will promote team briefings informing employee's of their role in upcoming campaigns. This will be followed with an internal reminder memo to ensure everyone is aware of the procedures taking place. Employee Forums will be set up to help gain insight into employees. This will be an anonymous intranet offering as some might not feel comfortable voicing their opinions publicly. Aside from the employee forums, there will also be focus Groups in place to gather thoughts and opinions from staff. Award schemes will be introduced place to further motivate.
2. External: Guinness 'Keggers' – An event held at the Student Unions of four major Northern Universities (Leeds, Sheffield, Newcastle and Edinburgh) and their surrounding on trade public houses. A stall, manned by two Guinness branded bartenders will be set up on one of the more popular nights at the aforementioned locations. Students will be encouraged to visit the participating venues and get their pint of Guinness Red for just a pound. This will capitalise on the huge student footfall events, such as 'Fresher's Week'. The on trade outlets taking part will be paid the cash made from the set up stall as an incentive to join in and trade releases will be provided two weeks prior to enable local advertising and the maximum pull of consumers.
3. Charities: CJS & N hope to help Guinness support families of D.U.I (driving under influence) victims and show that the need for corporate social responsibility is taken seriously. CJS & N would also fully support both awareness and financial involvement with charities

4. Releases: Trade and consumer for 'Keggers' event, Guinness 'Allure' glass, DM holiday prize winners, St. Patricks day and Euro 2008. See Campaign Schedule 2007-2008 in Appendices.

6.4.3 Principle Techniques

1. Digital Media Relations- This is the online release for the Guinness 'Friends' holiday winner.
2. The New Guinness 'Allure' Glasses will be sent to on trade with a release noting the proprietor of the new campaign.
3. Reputation Management- CJS & N will continue to maintain Guinness' positive reputation, sponsor new charities and continue the sponsorship of its current sporting commitments.
4. Crisis Communication- Decisive crisis management will be employed should there be any pejorative press regarding the brand.
5. Internal Communication- Internal emails, forums and memos will be sent out to keep employees and stakeholders informed and involved.
6. Media Relations- The release of information to keep the media and publics informed of new products and developments.
7. Community Relations- CJS & N will keep the On and Off Trade community informed of the 'Keggers' Campaign, The New 'Allure' Glass, and St. Patrick's Day/Euro 2008 merchandise.

7.0 CAMPAIGN INTEGRATION

The popularity and emphasis on Integrated Marketing Communications (IMC) and its younger cousin Media Neutral Planning (MNP) has become particularly dominant in the marketing spectrum since the nineties; culminating in a necessity for synergy in one's marketing plan. Guinness has been implementing the use of this theoretical system since its take over by Diageo Plc in 1997 (Collyer, 2000). This assimilation and complementation of the differing marketing disciplines can be achieved through what Picton, D & Broderick, A (2005) refer to as the 4E's and 4C's of successful integrated marketing communications.

The 4 E's are:

- Enhancing
- Economical
- Efficient
- Effective

The 4 C's are:

- Coherence
- Consistency
- Continuity
- Complementary Communications

(Picton, D & Broderick, A. 2005)

To demonstrate how CJS & N have taken note of these elements and incorporated them into the proposal it is perhaps best to refer back to the advised campaign schedule for 2007 – 2008 (see appendices).

7.1 The Schedule (See Appendices for schedule/Budget & Measurement Overviews)

7.1.1 July & August 2007

The campaign will be led in early July 2007 with the first of the London based Outdoor billboards. This is to raise casual interest yet ease consumers into the new direction. The first image used will be number one from the TV and print adverts, entitled Guinness 'friends' (see appendices). This image is probably the most in keeping and consistent with the brands original male following and historical core values.

In August 2007 the billboard adverts will again start to slowly introduce consumers to the new direction. The boards bearing the Guinness 'friends' (no. 1) through July will

be replaced with the second image in the set, Guinness 'journey' (see appendices). Again this is not a distant departure from Guinness' previous communications but through its continuity starts to establish the important 'umbrella' aspect of the future complimentary activities.

Whilst PR will remain reactive and responsive during this time none of the other communication methods will be utilised. This is fully intentional; the calm before the storm.

7.1.2 September

September see's the introduction of number three Guinness 'moments'. This firmly introduces the notion of the 'umbrella' campaign and brings, for the first time women in to the frame; a taste of things to come.

PR will move to send out the Guinness 'Keggers' press and trade packs in preparation for the upcoming Sales Promotion event in the four cities chosen (Leeds, Sheffield, Newcastle and Edinburgh), this will target student bars and neighbouring on trade sites.

7.1.3 October

October sees a hive activity for the first time across all communication tools. The Outdoor element continues to move through the cycle of images. This, its last month sees the introduction of the most controversial image. Number four in the set shows Guinness 'women' (see appendices), an idea and visual created to make an impression. The image is sexy and designed to attract both young virile men, and their female counterparts who aspire to look in a similar fashion.

For the first time the longer cut (60 seconds) of the 'umbrella' mass media TV ad is introduced. This is to support the Outdoor, Print and Direct Marketing functions, and remind the older adopter-adorer consumers that the current Outdoor Guinness 'women' ad is part of a set, and that the new direction is still coherent with Guinness'

core brand values. (33 long cut ads will be played over October see budgets in appendices).

Similar to the initiation of TV and Direct Marketing, the inclusion of press this month is to compliment the other two concurrent 'umbrella' activities taking place and assure existing consumers. Each week throughout the month four broadsheet newspapers will be targeted to gain higher efficiency of capturing awareness. Again, as one can see for from the proposed schedule, week 1 CJS & N will send out image one from the set (Guinness 'friends'), through till week 4 (Guinness 'women'); similar to the Outdoor efforts previously.

The addition of the Direct Marketing element is to involve new consumers. From the data and list names bought (see DM section), CJS & N propose a mail out ahead of the next months Sales Promotion push; the Guinness 'Allure' glass. This will hopefully raise awareness amongst females of the upcoming SP activity amongst the on trade.

The Sales Promotion 'Keggers' takes place, with post event PR sent to press covering and highlighting Guinness' success and popularity amongst students; hopefully pushing the paradigm shift further with in the younger demographic.

7.1.4 November

After a month, the longer TV commercial will be cut to shorter cuts. The ads will now run at just 12 seconds and will only contain one of the images each ad, instead of all them. This is to again keep the consumer interested and maintain awareness of the campaign. (33 short cut ads in November, see budgets in appendices).

The print campaigns will not be utilised to prevent the 'Guinness Times' campaign stagnating. This supports the TV breakdown and move to shorter ads.

Perhaps the biggest introduction this month is both the PR and Sales Promotions launch of the new Guinness 'Allure' glass; an elegant half pint glass targeted to

women. This is to support the changing image of Guinness gained by the intense Outdoor, Print and Television ads. Both the PR and Sales Promotion functions will ensure both the 'Allure' glass and assisting information packs are provided to on trade retailers informing them of how to initiate change and the intentions of the organisation.

7.1.5 December

This month will see a slowdown across the disciplines. The Print communiqué will run again each week alongside the shorter TV advertisements; the reason is to maintain awareness for the coming Christmas period. (33 short cut ads in December)

7.1.6 January

The Direct Marketing element in early January is to sustain and further favour those already on Guinness' or Diageo's database. The mail out will include the 'umbrella' image one (Guinness 'friends') and invites the user to take part in a competition for themselves and friends to go to Dublin, all expenses paid (see DM section for details). This sole activity in January is intended to capitalise on the previous DM cold acquisition mail out and lack of disposable income experienced by many around this time. It is thought the prospect of a free vacation or 'get away' may provide higher response rates amongst consumers.

7.1.7 February

This month will be quiet with both PR and DM notifying consumers of the winner of the 'umbrella' mail out via the website and mail (only to the prize winner).

7.1.8 March

The TV 'umbrella' ads will return to arouse interest in the brand whilst the other disciplines focus on the biggest day in the Guinness's calendar: St Patrick's Day. (33 short cut ads will run this month).

PR will send out a press release to trade and the print media, Sales promotion will provide the on trade with the merchandise required to hold the celebrations (see SP section) and the Direct Marketing department will ensure a St.Patrick's day mail out targeted at everyone held on CRM databases. The three disciplines aim to remind existing and potential consumers to become involved in the festivities.

7.1.9 April

Ongoing reactionary PR, a quiet month.

7.1.10 May

The previous and last of the 'Guinness Times' (Umbrella) print ads will return for the month in their previous rotation form to raise brand awareness in support of the upcoming 2008 European national football competition.

SP will again provide Euro 2008 merchandise with PR informing on trade of actions through trade/industry press releases and packs.

7.1.11 June

The end of the campaign, SP will continue its Euro 2008 promotion into the summer, PR will continue to remain reactionary to current events and opportunities.

8.0 CONCLUSION

CJS & N has provided a timely, creative, realistic and exciting proposal; identifying new avenues for the increase, growth and future of the Guinness brand. A brand is consistently moving with the times, many get left behind. Let CJS & N ensure that the Guinness story continues to lives on.

APPENDIX 1**Budget Breakdown & Measurement (Respectively)****Advertising**

Detail	Units	Cost Per Unit	Total Cost	Campaign Total
60 second tv advert (october)		33 £49,176.00	£1,622,808.00	
12 second tv advert (november)		82 £9,835.00	£806,470.00	
12 second tv advert (december)		82 £9,835.00	£806,470.00	
12 second tv advert (march)		82 £9,835.00	£806,470.00	
Guinness times advert shoot		1 £550,000.00	£550,000.00	
trafficking costs		1 £6,930.00	£6,930.00	
				£4,599,148.00
96 sheet print across london	n/a	n/a	£1,000,000.00	
				£1,000,000.00
The Independent		12 £10,000.00	£120,000.00	
The Daily Mail		12 £14,000.00	£168,000.00	
The Express		12 £10,000.00	£120,000.00	
The Times		12 £15,000.00	£180,000.00	
				£588,000.00
			Advertising activities total	£6,187,148.00
			Contingences	
			Budget = 10%	£700,000.00
			Total Allowances	£6,887,148.00

Pricing Sources: Daily Mail & Marketing Communications (Smith & Taylor 2004)

Advertising Measurement

Detail	Units	Cost per Unit	Readership	Cost per Thousand
The Independent	12	£10,000.00	699,000	£14.31
The Daily Mail	12	£14,000.00	5,408,000	£2.59
The Express	12	£10,000.00	1,648,000	£6.07
The Times	12	£15,000.00	1,627,000	£9.22

Campaign	Target Audience	Number of schedule slots	TVR per slot	Total TVR for campaign
60 second advert October	All Adults (55.3 million)	33	(A) 3.5 (B) (viewing figures of 4.5 million)	116
12 second advert Nov, Dec, March	All adults (55.3 million)	246	(D) 17.5 (viewing figure of 4.5 million)	4,305
Total TVR's				4421

N.B. TVR's
increase with
shorter adverts
as number of
opportunities to
reach the
audience
increases

TVRs based on 30 second
industry standard 55.3 million
/ 4.5million / 2
(A)
(B) $TVR = \frac{\text{potential audience}}{\text{actual audience}}$

TVR based on 30 second
industry standard 55.3 million
/ 4.5 million * 2.5
(D)

Pricing Sources: Daily Mail & Marketing Communications (Smith & Taylor 2004)

**SALES
PROMOTION**

Detail	Participation requirements	Revenue per unit		Units	Return on Investment
Euro 2008' t-shirts	4 pints (£2.50 pint)	£10.00	(A)	400,000	£4,000,000.00
'allure' Glasses	one half pint	£1.30	(B)	416,000	£540,800.00
St. Patrick's Day Hats	4 pints (£2.50 pint)	£10.00	(A)	280,000	£2,800,000.00
St. Patrick's Day T-shirts	4 pints (£2.50 pint)	£10.00	(A)	120,000	£1,200,000.00

[illegible]

(A)

DM Budget & Measurement

Direct Marketing					
Detail	Units	Cost per unit	Total cost	Campaign total	
Umbrella Mail 300g matt coated paper A5	200,000	n/a	£3,000.00		
Guinness friends 300g matt coated paper A5	200,000	n/a	£3,000.00		
competition prize 8 people	8	n/a	£16,000.00		
St. Patricks Day 300g matt coated paper A5	200,000	n/a	£3,000.00		
competition prize 6 people	3	n/a	£6,000.00		
female name and addresses	247,922	£0.22 (including VAT and 5.5% handling charge)	£54,981.00		
'allure' mail 300g matt coated paper A5	247,922	n/a	£3,500.00		
business franking	847,922	£0.22	£186,542.00		
Magazine every 4 months	12,000	n/a	£20,000.00		
				£296,023.00	
Direct Mail activities total				£296,023.00	
Contingences Budget = 10%				£200,000.00	
				Total Allowances	
				£496,000.00	

Detail	Standard industry response rate	Units	Projected response	Cost per response
holiday to Caribbean	15%	200,000	30,000	£10.00
trip to Dublin	15%	200,000	30,000	£10.00

APPENDIX 2

Campaign Schedule 2007-2008

MONTH/DISCIPLINE	ADVERTISING	PR	SP	DM
JULY	1 st July – Outdoor 1	Reactionary		
AUG	1 st Aug – Outdoor 2	‘Reactionary’		
SEPTEMBER	1 st Sept – Outdoor 3	Press Release to Uni Mags & Unions		
OCTOBER	1 st Oct – Outdoor 4 1 st Oct – Print 1, 2, 3, 4 1 st Oct – TV – 1 (Long)	1 st Oct - Keggers	1st Oct – Keggers Promo to Uni’s and Pubs	20th Nov – Guinness ‘Allure’ glass mail out
NOVEMBER	1 st Nov – TV – (Short)	1 st Nov – Guinness ‘Allure’ Press & Trade Release	1 Nov – Guinness ‘Allure’ glasses to On-trade	
DECEMBER	1 st Dec – TV – (Short) 1 st Dec - Print 2, 3, 4,5	‘Reactionary’		
JANUARY		‘Reactionary’		3 rd Jan – Guinness Umbrella ‘Friends’ Holiday mail out
FEBRUARY		Online DM prize winner announcement		Mail out to prize winner
MARCH	1 st March – TV – (Short)	16 March – St.Patrick’s Press Release	1 March – Send Out St.Patrick’s Merchandise	1 st March – St.Patrick’s Packs (To inform & Remind)
APRIL		‘Reactionary’		
MAY	1 st May – Print 1, 2, 3, 4	1st June – Euro 2008 Trade Packs	1st June - Euro 2008 Merchandise to On-trade	
JUNE		‘Reactionary’	Ongoing	

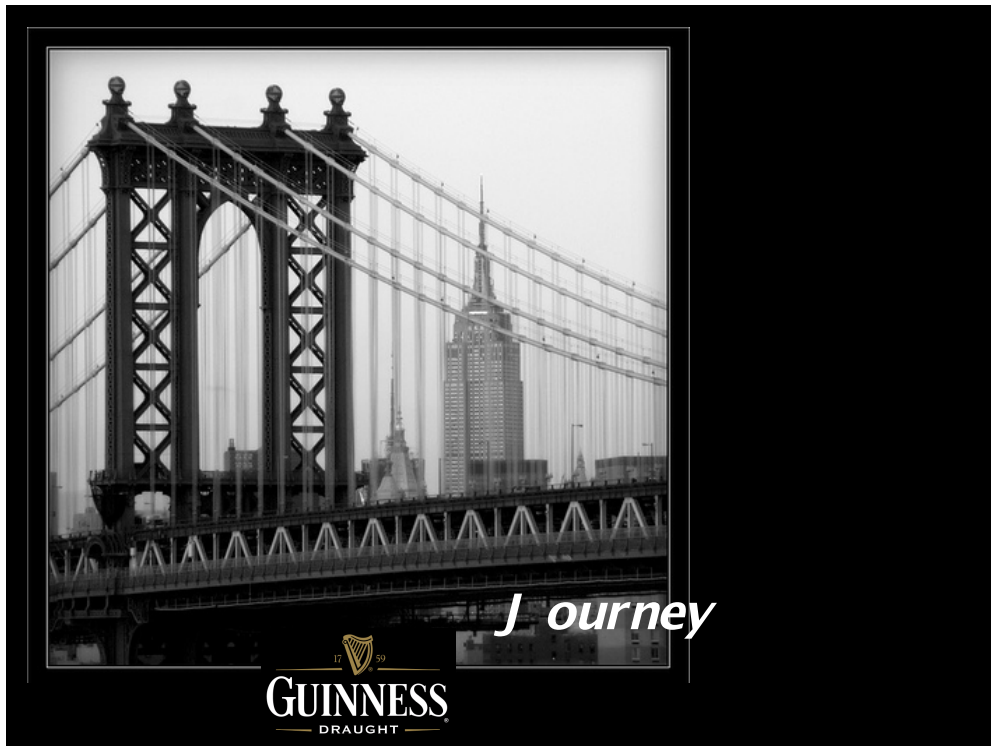
			2008 promo	
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APPENDIX 3

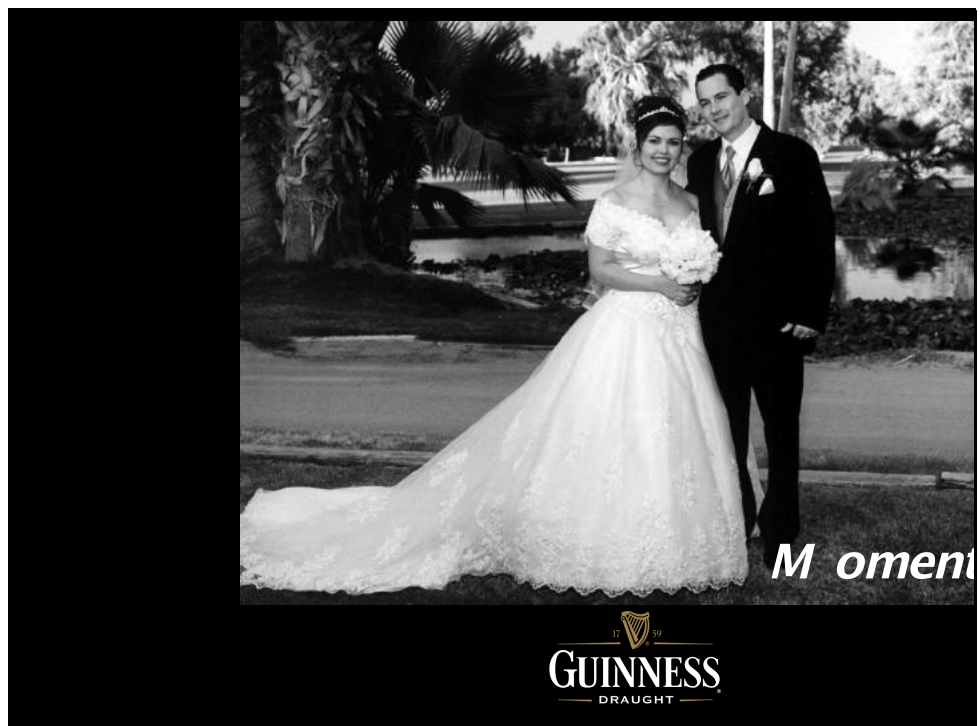
The Umbrella Campaign Storyboard - (TV/Outdoor/Print)



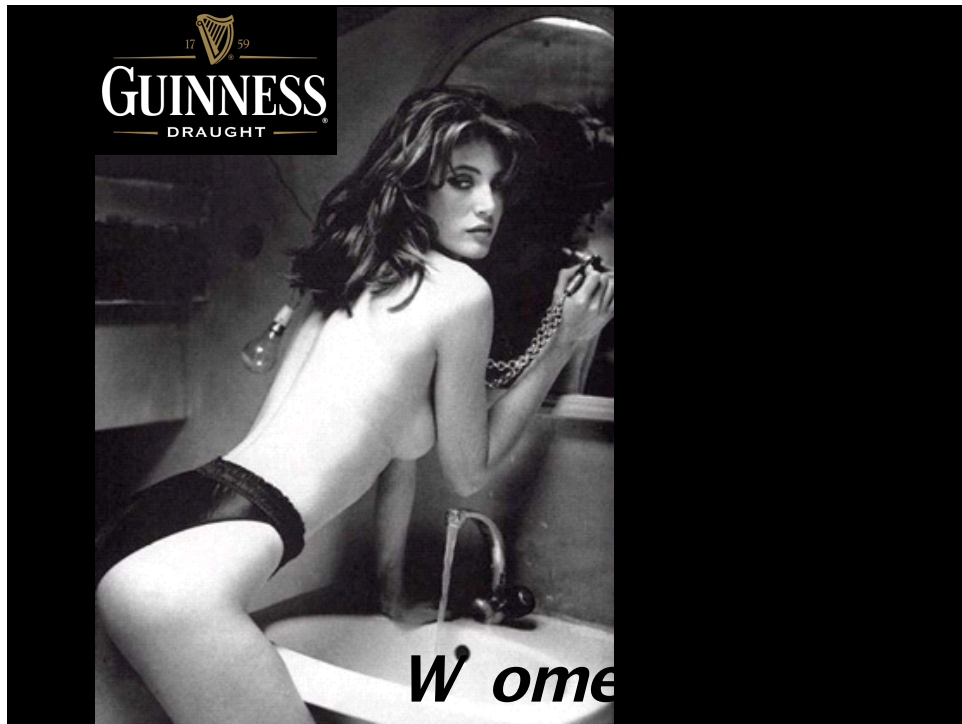
1



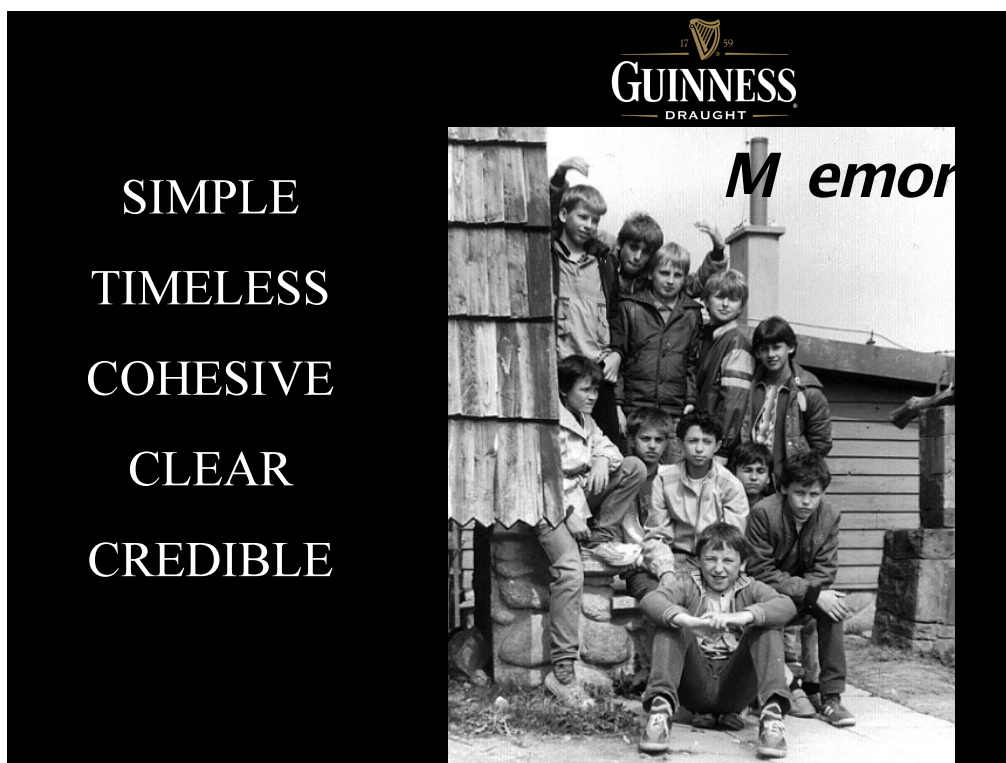
2



3



4



5



6

APPENDIX 4

The Guinness 'Allure' Glass (On-Trade Sales Promotion)

On Trade



•The Guinness 'Allure'

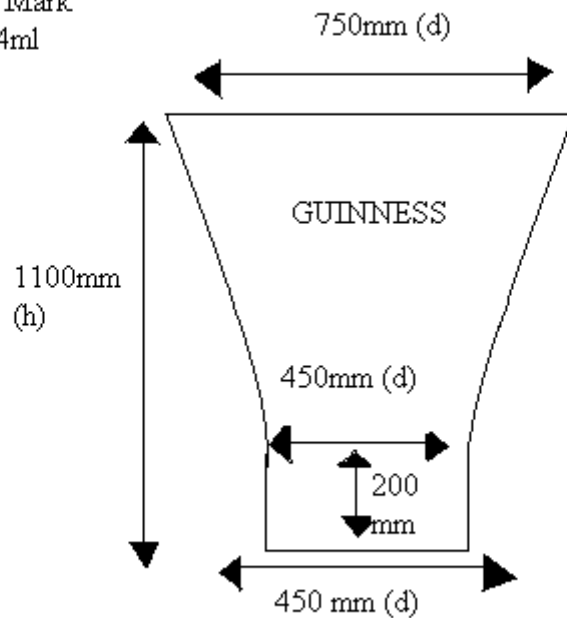
- Attraction
- appeal
- Magnetism
- charm
- glamour
- charisma

•Needs to be 284 ml

•On trade information pack

•Needs to be branded

Material: Glass
EU Capacity Mark
Capacity: 284ml



APPENDIX 5

Cost Breakdowns – Advertising Spend

Basic Cost Breakdown to Shoot the ‘Guinness Times’ TV Commercial

Action	Units	Cost £'s
Production	N/A	£330,000.00
Copyrights	0	£0.00
Overdubbing	2 Days	£5,000.00
Expenses	N/A	£25,000.00
Actors/Models	20 @ £1500	£30,000.00
Miscellaneous	N/A	£20,000.00
Studio	2	£30,000.00
Materials	N/A	£20,000.00
Agency Fees	N/A	£50,000.00
Contingency	N/A	£40,000.00
TOTAL COST		£550,000.00

(Source: JWT Commercial Breakdown for B & Q 2008)

Cost Breakdown to Traffic ‘Guinness Times’ TV Commercial

Description	Time / quantity	Unit Cost (£) / hr	Total (£)
Online	6	£420.00	£2,520.00
Offline – label footage	5	£420.00	£2,100.00
Sound studio	1	£320.00	£320.00
1 x DAT	1	£35.00	£35.00
1 x Beta SP dubbing master	1	£120.00	£120.00
1 x digi master	1	£205.00	£205.00
1 x VHS viewing copies	1	£40.00	£40.00
1 x Mpg (for labels)	1	£120.00	£120.00
1 x BACC UMATIC	1	£60.00	£60.00
Project management (producer)	4	£75.00	£300.00
Creative direction	1	£85.00	£85.00
Station copies & delivery*	5	£205.00	£1,025.00
Total			£6,930.00

(Source: Beechwood Advertising Agency 2007)

Cost Breakdown of Broadsheet Newspaper Spend – 2007/2008

Publisher/Paper	Units/No. of Ads	Cost per Ad	Total
The Independent	12	£10,000	£120,000.00
The Daily Mail	12	£14,000	£168,000.00
The Express	12	£10,000	£120,000.00
The Times	12	£15,000	£180,000.00
TOTAL COST			£588,000.00

(Source: St.Luke’s Advertising Agency 2008)

APPENDIX 6**Cost Breakdown for A5 Mail Out Manufacture**

DIN A5

14.8 cm x 21 cm

Flyer DIN A5
300g matt coated paper + dispersion varnish
4/4 (full colour) double-sided print

Finished format: 14.8 cm x 21 cm
Artwork format: 15 cm x 21.2 cm

Standard Print + cost of shipping inclusive

Please select:	Standard		Express		SameDay	
	Usually ships in working days (if ordered before 10 am): 5-7 working days The most likely day of delivery: 7. 3. 2008		Usually ships in working days (if ordered before 10 am): 4-5 working days The most likely day of delivery: 5. 3. 2008		Usually ships in working days (if ordered before 8 am): 2-3 working days The most likely day of delivery: 3. 3. 2008	
Quantity	net	gross	net	gross	net	gross
250 pieces	<u>38.00£</u>	<u>38.00£</u>	<u>45.00£</u>	<u>45.00£</u>	<u>59.00£</u>	<u>59.00£</u>
1,000 pieces	<u>55.00£</u>	<u>55.00£</u>	<u>62.00£</u>	<u>62.00£</u>	<u>77.00£</u>	<u>77.00£</u>
2,500 pieces	<u>77.00£</u>	<u>77.00£</u>	<u>84.00£</u>	<u>84.00£</u>		
5,000 pieces	<u>102.00£</u>	<u>102.00£</u>	<u>111.00£</u>	<u>111.00£</u>	<u>125.00£</u>	<u>125.00£</u>
10,000 pieces	<u>174.00£</u>	<u>174.00£</u>	<u>188.00£</u>	<u>188.00£</u>	<u>202.00£</u>	<u>202.00£</u>
15,000 pieces	<u>259.00£</u>	<u>259.00£</u>	<u>274.00£</u>	<u>274.00£</u>		
20,000 pieces	<u>331.00£</u>	<u>331.00£</u>	<u>351.00£</u>	<u>351.00£</u>		
25,000 pieces	<u>421.00£</u>	<u>421.00£</u>	<u>443.00£</u>	<u>443.00£</u>		
30,000 pieces	<u>486.00£</u>	<u>486.00£</u>	<u>512.00£</u>	<u>512.00£</u>		
35,000 pieces	<u>577.00£</u>	<u>577.00£</u>	<u>605.00£</u>	<u>605.00£</u>		
40,000 pieces	<u>649.00£</u>	<u>649.00£</u>	<u>682.00£</u>	<u>682.00£</u>		
45,000 pieces	<u>734.00£</u>	<u>734.00£</u>	<u>768.00£</u>	<u>768.00£</u>		
50,000 pieces	<u>805.00£</u>	<u>805.00£</u>	<u>844.00£</u>	<u>844.00£</u>		
55,000 pieces	<u>898.00£</u>	<u>898.00£</u>	<u>941.00£</u>	<u>941.00£</u>		
60,000 pieces	<u>967.00£</u>	<u>967.00£</u>	<u>1,013.00£</u>	<u>1,013.00£</u>		

65,000 pieces	<u>1,055.00£</u>	<u>1,055.00£</u>	<u>1,105.00£</u>	<u>1,105.00£</u>		
70,000 pieces	<u>1,123.00£</u>	<u>1,123.00£</u>	<u>1,175.00£</u>	<u>1,175.00£</u>		
75,000 pieces	<u>1,216.00£</u>	<u>1,216.00£</u>	<u>1,272.00£</u>	<u>1,272.00£</u>		
80,000 pieces	<u>1,280.00£</u>	<u>1,280.00£</u>	<u>1,338.00£</u>	<u>1,338.00£</u>		
85,000 pieces	<u>1,373.00£</u>	<u>1,373.00£</u>	<u>1,435.00£</u>	<u>1,435.00£</u>		
90,000 pieces	<u>1,441.00£</u>	<u>1,441.00£</u>	<u>1,505.00£</u>	<u>1,505.00£</u>		
95,000 pieces	<u>1,528.00£</u>	<u>1,528.00£</u>	<u>1,597.00£</u>	<u>1,597.00£</u>		
100,000 pieces	<u>1,598.00£</u>	<u>1,598.00£</u>	<u>1,669.00£</u>	<u>1,669.00£</u>		

(www.printcarrier.com)

APPENDIX 7

Cost Breakdown for Consumer List Acquisition

<input checked="" type="checkbox"/> Fields available tick all tick none	Cost per Item	Number of records where field is populated with data			Total price for this field (£)
		Selected individuals	Other households with named contacts	Other households without named contacts	
<input checked="" type="checkbox"/> Name & Address	18p	4,201,255	You have not included the other households with named contacts.	There are no other households without named contacts.	756,225.90
<input type="checkbox"/> Email	20p	250,564	.	.	50,112.80

	Total Price for your selected items: £	806,338.70
	Credit Card handling fee @ 5.5%: £	44,348.63
	Not liable for UK VAT? click here	VAT (17.5%): £ 148,870.28
	TOTAL PAYABLE: £	999,557.61

What to do now	<ul style="list-style-type: none"> • Un-tick any fields you don't wish to purchase, and click 'update price'. • You may choose whether to include the country at the bottom of the address.
	<input type="checkbox"/> Include United Kingdom in address.
	<ul style="list-style-type: none"> • This purchase will need the approval of the list owner, so click 'request authorisation' to continue with this.

(www.marketingfile.com)

APPENDIX 8

Fig.1 This graph depicts the estimated and projected age dispersion of the UK population from 2005 - 2010

Age	2005 estimated in thousands	% of population (2005)	2010 projected in thousands	% of population (2010)	2005 – 10 % change
0 - 4	3,412	5.7	3,414	5.6	-
5 – 9	3,561	5.9	3,434	5.6	-3.6
10 – 14	3,820	6.4	3,576	5.8	-6.4
15 – 19	3,920	6.5	3,875	6.3	-1.1
20 – 24	3,825	6.4	4,105	6.7	-4.6
25 – 34	7,842	13.1	7,758	12.7	+10.7
35 – 44	9,235	15.4	8,808	14.4	-4.6
45 – 54	7,716	12.9	8,545	14.0	+10.7
55 – 64	7,040	11.7	7,363	12.0	+4.6
65+	9,653	16.1	10,288	16.8	+6.6
TOTAL	60,024	100	61,166	100	+1.9

Source: National Statistics/GAD/Mintel May 2006

APPENDIX 9

The Guinness Brand Affinity Chain

- Adorers – It's the only brand I drink
- Adopters – It's one of my favourites, along with others
- Acceptors – It's not a brand I tend to drink, but may have one now & again
- Available – I've heard of it, but do not know much about it
- Rejecter – I have not heard of this brand, nor do I want to

(Case Study 2007)

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APPENDIX 11

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