

Using promotion to position a brand



Curriculum Topics

- Marketing process
- Above-the-line promotion
- Below-the-line promotion
- Viral marketing

Introduction

In order to gain market share and attract new customers, a business needs to be distinctive in the marketplace. It needs customers to think about its products in a particular way. This helps them distinguish its products from those of competitors. A business seeks to combine all the positive characteristics and attributes of its products in a single brand image and message. This gives the brand a unique place in the minds of consumers and is known as **positioning** a brand.

In the past, Hi-Tec shoes were only associated with sport. However, today its shoes are promoted as an outdoor brand associated with a leisure lifestyle. More than 500 styles are available throughout the world. Hi-Tec develops attractive and comfortable shoes which are lightweight and high quality. They are sold in the mid-price **market segment**. Founded in 1974, Hi-Tec Sports is a privately owned British company. Its products are sold in over 100 countries worldwide. It is the global number two outdoor brand in terms of sales value.

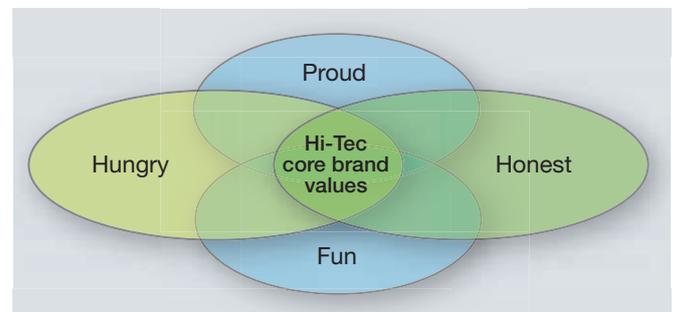
Hi-Tec shoes have always had a high technology focus. However, the brand's **unique selling proposition (USP)** now also emphasises the company's four core values:

- proud, as Hi-Tec delivers more than the competition
- honest, as products deliver on their promises
- fun, as it works creatively to provide positive solutions
- hungry, as there is always a desire to improve products.

To deliver these values to the consumer, Hi-Tec offers high-quality shoes at a price that represents good value for money. The same technologies that are used to produce sports shoes are used to create lightweight and comfortable outdoor footwear.

Over the last two years Hi-Tec has undertaken a **market research** programme. The company wanted to know how best to encourage consumers to engage emotionally with Hi-Tec products. It wanted its brand to be recognised both for sports and also for an outdoor lifestyle.

The brand theme behind the new market position is that Hi-Tec products are 'inspired by life'. For example, in targeting holidaymakers with high technology cushioned sandals, the emphasis is on having 'happy holiday feet'. Trail shoes for runners promote the ethos that 'feet feel free', with runners being encouraged to think about 'where next?'



Positioning: Consumers' perception of the place occupied by a company or brand within a market, relative to competitors.

Market segment: A recognisable consumer group consisting of people with similar needs and characteristics.

Unique selling proposition (USP): Product with a feature not offered by competitors that gives it distinctive appeal in the marketplace.

Market research: The systematic process of collecting and analysing data about customers and their relationship with products and brands.

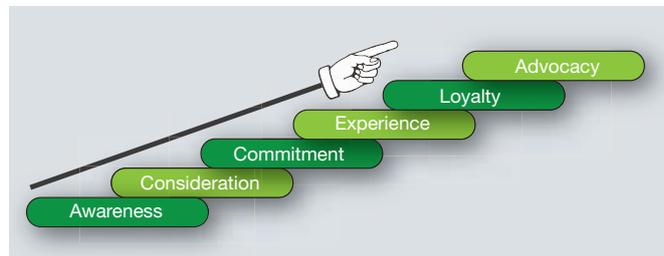


- Outdoor sports such as trail running – it offers high performance products with water-repellent qualities using Hi-Tec’s ion-mask™ technology, priced to compete in the market.
- Specialist sports – for **niche** markets, such as golf shoes. The same high performance product is promoted through the use of sports ambassadors like Ian Woosnam. By using sports champions in this way, the brand is linked with achievement.

The AIDA model explains the stages consumers go through before making a purchase.

A – Customers are made *aware* of the products.
I – Awareness from the promotions stimulates their *interest*.
D – They develop a *desire* for the products.
A – Customers then take *action* by making a purchase.

Hi-Tec uses an approach that seeks to take the ‘action’ stage further. It wants customers to remain loyal to the brand after they have used its products. Many loyal customers then become advocates. This means that they recommend the brand to others. If a business can get its customers to promote products, it will have achieved one of the ultimate goals of marketing. Hi-Tec uses many different methods of marketing communications and **above-the-line** and **below-the-line** promotion to achieve this goal.



Above-the-line promotion

Above-the-line promotion is based on advertising in mass media, such as newspapers, television, radio, cinema and the internet. This type of promotion reaches a wide audience, but it can be difficult to measure and assess its impact. It can be used both to inform the audience and raise awareness of a product or service, as well as to persuade people to buy.

Different media outlets can be used to target audiences in specific market segments. For example, an advertisement in *The Times* newspaper or one shown on MTV will reach very different audiences. The readership of *The Times* tends to be mature and relatively better-off, while MTV attracts a much younger audience.

This case study illustrates how Hi-Tec Sports developed a new approach to promoting its brand positioning and engaging with customers through a viral marketing campaign.

The marketing process

Customers are central to the marketing process. Marketing starts by identifying the needs of customers. A business then seeks to meet those needs by making the right products available when customers want to purchase and at prices they are prepared to pay.

Marketing strategies are directly related to the overall business strategy. Hi-Tec’s marketing strategy aims to:

- introduce a new brand category to the market
- make people excited about the technology in its footwear
- gain maximum exposure for Hi-Tec with measurable numbers
- create a sense of ‘cool’ about the brand.

Hi-Tec’s key marketing objective is to reposition its brand to open up new markets. This in turn will increase market share and revenues. At the heart of the marketing process is the marketing mix. This is commonly known as the four Ps - product, price, place and promotion. Key factors in the marketing mix for Hi-Tec shoes include:

- product – innovative footwear that provides high performance
- price – sold at value for money prices
- place – sold online or through premium retailers
- promotion – a mix of targeted promotional channels and methods to achieve **market penetration** and increased sales.

Hi-Tec adapts its marketing mix for each of its main market segments. Examples of its approach in specific markets include:

- The junior market – this is a strong sector for Hi-Tec and it offers hard-wearing shoes on the high street at prices to attract parent purchasers.

Market penetration: The depth of sales of a product in a particular market.

Niche: A relatively small segment of a market with distinct consumer characteristics.

Above-the-line: Promotion through advertising on television, radio and the internet, and in the press, etc.

Below-the-line: Sales promotion using methods other than advertising, such as price promotions and point-of-sales displays.



Hi-Tec's advertising emphasises the USP for its brand and its core values. The imagery chosen to represent the brand values focuses on people in action - running, hiking, walking - in order to capture the fun element. Hi-Tec's above-the-line activities include:

- television advertisements for raising awareness with the wider public, for example in key TV advertising slots during peak programmes, such as sports, in order to attract relevant viewers
- press advertisements in trade or consumer publications. Hi-Tec deals both with retailers and directly with consumers through its online shop
- banner advertising on selected websites - this form of paid-for advertising allows the business to measure responses through 'click-through' rates
- billboards at locations relevant to the chosen audience, for example, a sports track.

Advertising can be costly. It is therefore important for Hi-Tec to analyse the cost-effectiveness of each activity. This can be done in several ways. For example, it might monitor the numbers of visitors to a website or the numbers responding to a sales promotion. It will track the increase in sales following a promotional campaign.

Below-the-line promotion

Below-the-line promotion aims to reach consumers more directly through forms of communication other than traditional advertising channels. For example, Hi-Tec has targeted consumers through collaborations with several organisations. It has set up partnerships with the UK's National Trust (to promote a new walking boot) as well as with the Caravanning Club (an audience who might be interested in instantly comfortable and lightweight outdoor footwear).

It uses character branding to promote its products. This means that it appoints ambassadors such as Alexandre Poussin, the world explorer, and Martin Dreyer, from the world of extreme sports, to endorse its products. Hi-Tec also uses **sponsorship** to promote its brand. For example, it sponsors Amr Shabana, one of the world's leading squash players.

The company also uses other below-the-line activities:

- Direct mail – Hi-Tec emails customers, linking the message to the e-commerce part of Hi-Tec's website. This means people can go directly to the Hi-Tec online shop to buy goods.
- Exhibitions – Hi-Tec promotes at trade and consumer shows. These allow Hi-Tec to give retailers and consumers the opportunity to see the products first-hand.
- Sales promotions – Hi-Tec offers both retailers and consumers a range of sales incentives, including discounts, to encourage them to stock or buy its products.
- Branding – Hi-Tec supplies retailers with **point-of-sale materials**, such as packaging and store displays and provides training for retail staff within stores.
- Promotional materials – Hi-Tec's **extranet** website shares material such as brand photography and press releases so retailers can use this material in their own promotions. This raises the profile of the Hi-Tec brand and ensures that it is represented consistently.

Hi-Tec also uses PR (Public Relations) to create a positive public perception for its products. This includes issuing press releases, writing blogs and the use of social networking sites like Facebook.

A more recent way to take advertising to a different level is through **viral marketing**. This is a self-generating activity in which people pass on information to other consumers through the internet. It can spread a marketing campaign more widely and more quickly than traditional advertising. This is an example of consumers becoming advocates.

Liquid Mountaineering – a viral marketing campaign

A key part of Hi-Tec's brand positioning has been the development of a viral marketing campaign called Liquid Mountaineering. This campaign was inspired by the water-repellent qualities of Hi-Tec shoes. It was devised to reflect Hi-Tec's 'inspired by life' brand proposition and the brand repositioning strategy. It aims to create a sense of adventure and push back physical boundaries. At the centre of the campaign is a video commissioned by Hi-Tec which went live on YouTube in May 2010. This video 'documentary' shows three men apparently running on water. They achieve this miraculous feat thanks to their water-repellent shoes.

Sponsorship: Funding of a person or event by an organisation in return for exposure of its name or brand.

Point of sale materials: Sales promotion material used where the sale actually takes place, such as displays in stores and by tills.

Extranet: A private (restricted) computer network that shares information with an organisation's suppliers and customers.

Viral marketing: The process of getting wide circulation of a message through 'word of mouth'. These campaigns are usually (though not exclusively) hosted on the internet.



The Liquid Mountaineering campaign does not follow the usual forms of advertising and promotion. Hi-Tec wanted to emphasise the spirit of 'fun' in its brand. The video is therefore a piece of pure entertainment.

- Although the video is based around Hi-Tec's 'hydrophobic' footwear, it does not mention the brand directly.
- The documentary style and semi-scientific approach to 'running on water' aims to get consumers talking and thinking about the brand differently.
- To add realism, one of the video participants set up a blog the previous year (www.liquidmountaineering.blogspot.com). This 'back story' created excitement in the build-up to the event.

In launching the campaign, Hi-Tec recognised the massive power of the internet. It chose to host the video on YouTube. This was because this website has a good fit with both the attitude of the video (youthful and fun) and the target audience (prospective consumers). The fact that there was no mention of the Hi-Tec brand meant it was not perceived as a sales message.

It caught the imagination of millions of people in an incredibly short space of time as viewers emailed or tweeted their friends about the video. There have been press articles and interviews on TV shows. Some people wrote blogs about the video; others even set up groups to try the 'running on water' sport for themselves. The exchange of messages on sites like Facebook and Twitter gave extra impetus to the swell of viewing numbers.

Having gathered impressive viewing figures in just two weeks, Hi-Tec was able to extend interest in the promotion with a new set of promotional activities:

- It put out a press release in which it explained the hoax and claimed ownership of the video.
- Hi-Tec also hosted a video on its website showing how the Liquid Mountaineering video was made.
- The symbol Hi-Tec uses for its ion-mask™ technology shows a man running on water, linking the video messages with the real technology.
- The Hi-Tec website links directly to an online shop for the shoes.

To date (November 2010), the video has attracted more than 7.5 million viewers. It has been heavily featured in the press, including The Sun, Daily Star, and The Guardian, as well as on television channels around the world, including Rude Tube. This has opened up the Hi-Tec brand to a worldwide audience. Hi-Tec has also received very positive feedback on the campaign from trade organisations. This has boosted awareness and reinforced the fun element of the Hi-Tec brand.

As a marketing process, the video has been extremely cost-effective. Hi-Tec has received a good return on the investment it put into making the video. The company estimates that the Liquid Mountaineering viral marketing campaign has given a return worth 10 times the initial investment. The average return on marketing investment is usually only around four times. This indicates how effective Liquid Mountaineering has been in helping to position the Hi-Tec brand with prospective consumers. The ongoing marketing campaign for 'shoes that love water' will encourage consumers to consider buying Hi-Tec products. Watch the video for yourself by typing 'Liquid Mountaineering' into Google or YouTube.

Conclusion

One of the most important things in managing a brand is to be able to position it positively relative to competitors in the minds of consumers in target markets. The brand needs to communicate the key values of the products and the business.

Hi-Tec's four key brand elements are proud, honest, fun and hungry. These elements have been developed to be closely associated with its products. Hi-Tec aims to emphasise these factors within its unique selling proposition.

The Liquid Mountaineering video demonstrates the power of viral marketing. It built a huge following. It got people talking - was it fake or not? It opened the brand to a new global audience.

This campaign has helped Hi-Tec to change consumer perceptions of its brand and reach a worldwide audience. It has also provided Hi-Tec with the potential to build on the campaign through other more traditional promotional activities.

1. What is meant by a brand?
2. Explain what is meant by a unique selling proposition.
3. To what extent do you think above-the-line promotion is the most effective method for Hi-Tec?
4. Evaluate the benefits the Liquid Mountaineering viral marketing campaign has brought to Hi-Tec. Suggest one way in which the company could either build on this or link to other promotional activities.

QUESTIONS

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