

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management
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“DEVELOPMENT A MARKETING PLAN FOR A NEW BUSINESS MODEL FOR EDP COMERCIAL or
HOW CAN EDP BE THE UBER AND NOT THE TAXI DRIVER”

COMMUNICATIONS PLAN

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1. Marketing Objectives

Marketing objectives for a campaign, must consider not only the overall brand' marketing objectives but for new brands it is also important to keep track on its performance against competitors and the overall market (Rossiter & Percy,1997). Since *edp + solar* is a new brand with the goal to penetrate the market of Solar Energy Solutions (SESs) for household use, the marketing objective for this campaign is to reach 3% market penetration¹ within the first year after the service launch². This means an increase of 2,7 percentage points of the current market penetration detained by *Energia Solar EDP*. Even though the ultimate objective is to maximise profit rather than sales or market share (Rossiter & Percy, 1997) for this campaign, this goal is secondary due to the nature of both the service and the business it belongs to.

Even though competition is currently low in this market, competitive investment was set per the intended goals, explained further ahead in this report. Overall, the expenditures to attain the objectives stated above will total € 2 million in 2018, with effects on the following year as well.

2. Target Audience Selection

Understanding who are the potential and most promising prospects for *edp + solar* is crucial to develop an effective campaign. For that purpose, the Awareness-Attitude-Behaviour framework is used to assess favourability of consumers to experience the brand and consequently become profitable sources of revenue regarding different levels of Brand Loyalty to a certain brand (Rossiter & Percy, 1997). Concerning *edp + solar* besides it being a new brand – therefore not having any degree of Brand Loyalty amongst prospects – most households have yet to adopt SESs which means that the current market size is very small compared to the potential market size. Hence, the primary target audience for this campaign are New Category Users (NCUs) meaning

¹ Due to constraints regarding available data, market share – the optimal indicator objective in this case – was unable to be determined, market penetration was used as the closest indicator.

² Since the service launch occurs in mid 2018, the year hereby referred to is comprised of the 12 months after launch.

households that will enter the category of SESs for household use by becoming *edp + solar* clients. Nevertheless, further definition of the target audience needs to be done to develop a plan in line with the relevant characteristics of this target audience. For this purpose, demographic and psychographic criteria can be used to better understand the targeted individuals, enabling a more efficient and effective communication effort (Gupta, 2014). The Primary and Secondary Research conducted showed homogenous characteristics suitable to segment the market, one of them being that individuals that are at a more stable time of their lives i.e. families³ that want to take the next step in saving money on their electricity expenses⁴ are more prone to have or to at least have considered adopting SESs for their households (Exhibit 1). Age was also considered to segment the audience as it is good indicator of a consumer's stage in life and their openness to new products, therefore, the age considered were individuals between 30 to 55 years old. Lastly, the target audience for this campaign must have the financial availability to undertake *edp + solar* service as it is a contract, thus requiring a commitment to fulfil it at the end of each month. Concerning psychographic characterization of the target audience, they could be classified as 'Achievers' in light of the VALSTM⁵ framework as they are individuals that, despite putting their own well-being first, are still conscious of their community and peers and value technology and innovation that will allow them to achieve the best results (SBI, 2016). As stated by Wirtz & Lovelock (2016), service communication campaigns usually have employees as a secondary target audience, since a well-designed campaign with customers as the primary target audience can motivate employees to serve better as they want to "live up to the hype".

3. Target Audience Action Objectives

Once the target audience has been defined and characterized, the desired behaviours of these

³ Family is any committed relationship amongst people within the same household (couple with children, spouses, etc.)

⁴ Previous steps are adoption of appliances that aim to reduce the electricity bill (LED light, smart meters/plugs, etc.)

⁵ Used as a reference since VALS service is not available in Portugal, therefore this analysis is tentative

individuals prompted by the campaign also need to be defined. The action objectives need to be observable, measurable and actual behaviours undergone by the members of the target audience regarding the brand (Rossiter & Percy, 1997). Since *edp + solar* is a new brand targeting NCUs the action objective is trial for both brand and category – adoption of solar panels by first contract signing – , ideally with a direct correlation. Due to lack of reliable external data, trial goals were set based on the estimations for sales by the end of the first-year accounting for a market penetration of 3% which make up a little over 177 000 contracts by the end of the first semester of 2019. However, since *edp + solar* is a long-term commitment purchase that may require a longer evaluation period, a secondary trial action objective can be set considering number of prospects that do a simulation in any one of the channels available, explained in the group report.

4. Target Audience Behaviour

NCUs were described as households rather than the bearer of the electricity bill, reason being that even though the purchase belongs to an individual, there are other people within the household that can assume other roles in the process. To assess different roles as well as behaviours of the target audience and leverage on them with at different touch points, a Behavioural Sequence Model was made adjusted to both villas and apartments and can be seen in exhibit 2.

5. Communication Objectives

There are five different communication objectives to be considered when elaborating a campaign. First, Category Need which is the target audience's feeling of wanting or liking a certain brand or product to fulfil a specific need (Percy & Elliot, 2016). This objective taps into the buyer's motivation and causes primary demand in consumers by triggering the need for a specific category. As mentioned before, the target audience for this campaign are NCUs which means that Category Need is not latent in their minds. This means that Category Need – and subsequent Awareness, Attitude and Purchase Intention – become focal communication objectives of this

communication plan and it must be “sold” in a positive and easy way to the target audience. However, this objective is transversal to all brands that compete in the same category, so it is crucial to pair it with communication objectives that are brand specific.

Brand Awareness is one of the universal communication objectives of a campaign and can be described as the ability of the target audience to identify a certain brand within a category, prior to any communication effects, and it can be defined as either Recall or Recognition (Percy & Elliot, 2016) depending on the choice occasion in buyer behaviour or both. Brand Recall should be the objective when the choice of brand occurs prior to the point of purchase, whereas Recognition aims at choices done at the point of purchase. Since *edp + solar* is a new brand, promoting Brand Recall is a main communication objective for this campaign, once the goal is to have consumers remembering the brand when the category need is sparked and to attain this goal this plan will rely also on the transfer of the current high awareness of the brand EDP (exhibit 3).

The other universal communication objective is Brand Attitude and it relates to the understanding a consumer has of a certain brand, how they evaluate it and act upon it (Percy & Elliot, 2016). When dealing with NCUs within a new or recent product/service category, the new brand has no previous Brand Attitude from buyers so the communication objective must be set to create a positive one towards the new brand (Rossiter & Percy, 1997). This is the case for this communications plan, which also aims to create a positive Category Attitude towards SESs for household use with the goal of increasing the consumer pool by positive associations.

Another objective is Brand Purchase Intention which Rossiter & Percy (1997) define as the self-instruction made by the buyer to purchase the brand. In a communications plan, Brand Purchase Intention can have one of two goals: assume or generate. For services like *edp + solar* that are high-involvement purchases, an explicit intention is required for the purchase to occur, so this campaign needs to generate Intention by including a call to action, to drive the target audience to

the desired action objectives of simulation and contract signing (Rossiter & Bellman, 2005).

Lastly, Brand Purchase Facilitation is a communication objective to consider in this communications plan, since it is the assurance given to the buyer that their purchase will not be hindered by giving them the information they need to properly reach the product or service and buy it (Rossiter & Percy, 1997). Since *edp + solar* is a new brand, it is likely that consumers may not know where they could act upon their intention towards the service, therefore purchase facilitation must be incorporated as a communication objective in this campaign (exhibit 4).

6. Positioning Statement for Communication Plan

Once the objectives and audience are defined for the campaign, the next step is to choose the positioning of the brand within this communication campaign, which is a key aspect to link those objectives with the implementation tactics (Rossiter & Percy, 1997), presented in the next sections of this report. Despite leveraging on the position of the mother brand EDP to some extent, there is the need to place *edp + solar* in consumers' minds using the strongest purchase motivation which in this category is the need to save money on the electricity bill. Hence, the positioning statement reads as follows: **To** families with parents between 30-50 years old, looking for taking the next step in savings on the electricity bill (new category users), *edp + solar* is a differentiated brand of solar energy solutions (where the product is the hero) **that offers** a turn-key solution that allows people to save money on their electricity bill (problem avoidance) independently of their living arrangements (problem removal) while also offering consumers the possibility of engaging in their own community and contributing for a more sustainable environment (social approval) **because** EDP is a well-established and reliable company with 40 years of expertise, that is driven by sustainable innovation and a high dedication in serving the consumers with the highest of standard. The **advertising should** – where benefits that are highlighted in a campaign should be stressed for their Importance, Delivery and Uniqueness (I-D-

U model) (Rossiter & Percy, 1997) – emphasize that the brand solves a problem by allowing consumers to save money while enjoying the comfort of their homes (from negative emotion to benefit to positive emotion: $e^- \rightarrow b \rightarrow e^+$ in the attribute-benefit-emotion model) and also that it can serve consumers in all types of living arrangements, mention effortless subscription as entry ticket and omit price and technical aspects of the service.

7. Creative Strategy

Creative materials for the campaign must be developed around one solid and relevant concept that has potential to be the most effective possible to maximize success of the campaign and consequently the brand (Rossiter & Bellman, 2005). When it comes to their electricity related habits, consumers value the security and certainty they are accustomed to that when they flip a light switch the power will turn on. This is true to extents past the mere necessity, meaning despite being highly motivated to save all the money they can on their utility bills, consumers prefer to turn on that extra light or the heater in favour of enjoying a more comfortable experience of their own home (CLab, 2016). With that said, the Key Benefit Claim (KBC) – which is per Rossiter & Bellman (2005) the unique claim of the main benefit of each brand that sets up the rest of the Creative Strategy – for *edp + solar* should be that this brand offers a way to save money every month without losing any of the comfort consumers are accustomed to in their own homes. Moreover, the second most important benefit, which is that this solution fits all types of living arrangements, should be portrayed but without overwriting the KBC. How it comes to life depends on the Creative Idea, the component of the Creative Strategy that is most determinant as supports all the advertising materials (Rossiter & Bellman, 2005). It is crucial that the tone and specificities of the message conveyed in all advertising and promotional means resonate with consumers, because only then they will have the necessary and desired impact. In

this sense, for *edp + solar*' campaign a simple storyline based on a real-life situation must be used to ensure maximum relatability of the entire target audience. Furthermore, the tempo must be upbeat and have an overall positive emotion appeal, since these elements present a strong foundation for creative development (Nielsen, 2015). Since *edp + solar* is a High-Involvement/Informational brand, per Rossiter-Percy-Bellman' grid, the message of the ads should introduce the initial attitude of the target audience towards the category, then showing the positive effects of the brand and how it solves the main negative motivation of consumers, in this case, the fact that they spend too much money on their electricity bill.

To attain the desired levels of Brand Recall, the association of the category need with *edp + solar* should be stated repeatedly and a fun mnemonic device will be used, in this case in form a jingle – whose lyrics can be seen in (exhibit 5) – which will use a melody that is already recognizable by consumers, to facilitate the penetration of their minds in a non-intrusive and non-overbearing way. To summarize this strategy, a Creative Brief was developed which is presented in exhibit 6.

8. Integrated Communications Strategy

To achieve high levels of success, effective communications campaigns must bring together various activities and means of advertising and promotion centrally integrated under the brand's positioning to strengthen the resonance with consumers, thus creating an Integrated Marketing Communications (IMC) plan (Rossiter & Percy, 1997). For this campaign, Public Relations (PR) will be used upon launch of the *edp + solar* by contacting and engaging with the press in an exclusive event that will be held in the two main shopping malls of the country. Moreover, singer Miguel Araújo will be contacted to record the jingle - based on one of his songs - which will allow leveraging on their fan base as potential proliferators of the song and consequently the category and brand. Another part of an IMC plan are promotions which can assist a manufacturer brand to promote trial (Rossiter & Percy, 1997). For this campaign, a 'self-liquidating' premium

consumer promotion will be offered as an incentive for consumers, which will be a free 1-year *Re:dy*⁶ subscription, where interested consumers will still have to pay for the hardware necessary.

9. Media Strategy

Media Strategy must be aligned with the other objectives and strategies stated throughout the communications plan, especially considering the intend goals of Brand Awareness and Attitude. In this campaign's case, the use of verbal content – both written and spoken – is vital to not only claim the key benefit, but also convey the brand name. Furthermore, high frequency is necessary to repeat the association between category need and brand for reaching the intend goal of Brand Recall whilst processing time should be prolonged so that the target audience can process the benefits claimed in ads, due to the High-Involvement/Informational nature of the service (Rossiter & Percy, 1997). With these tactics in mind, fitting primary media – which per Rossiter & Bellman (2005) are the mediums that can deliver all the communication objectives of the campaign – are Television and Internet. Despite the digital advent of advertising, Television is still a very trusted media across all generations which combined with its high unduplicated reach makes it crucial for *edp + solar*'s strategy, even more so being a service in a category related to a utilitarian expense that is common to every household in the market. The use of Television for this campaign will start with a 40 second ad (exhibit 7) being displayed in prime-time across the main channels, which will be eventually reduced to a 20 second ad running for the remaining of the campaign and both versions must respect the creative indications given above. As for the use of Internet in this campaign, it will be done through the creation of a branded website (exhibit 8) which is the most trusted type of owned media by consumers (Nielsen, 2015) and a Facebook page dedicated to the *edp + solar* since this service relies heavily on positive experiences from

⁶ *Re:dy* is a EDP Comercial service that allows consumers to track their electricity consumptions and expenses by wirelessly connecting hardware throughout their homes with an app on their smartphone and has immense data collection value for EDP.

users and engagement between them and prospects whilst allowing the brand to be in a more direct contact with the consumers and create the two-way relationship it strives for. Furthermore, ads on widespread daily used online platforms will be used since they may trigger a more immediate action once consumers see the ad and with a single click be taken to a place where they can have access to more information (Nielsen, 2015). Facebook and YouTube ads will be used because they allow for target audience specific impressions, whilst Google Ads allow for keyword buying prompting brand exposure anytime a consumer shows interest in the category.

As secondary media – which is used to leverage specific objectives (Rossiter & Bellman, 2005) – Newspapers and Magazines will be used since they allow for a more extensive benefit claim and higher processing time. Also, Radio and Out-of-Home (OOH) materials will be used both for their reach and frequency as well as forceful exposure potential during waiting periods, i.e. traffic. In addition, this campaign will have a teaser campaign since it is an effective way for a brand to launch a new product (Rossiter & Bellman, 2005) where only the first 5 seconds of the jingle and partial logo of *edp + solar* will be used in TV, OOH materials and Social Media. This will leverage on Priming where the incomplete first message of the teaser will motivate the audience to process the second message of the full ads, via curiosity. Lastly, a Brand Activation initiative will happen in Colombo and NorteShopping, as a tangible way for consumers to experience the brand and its services in a fun and interactive way while generating buzz and excitement around the launch.

10. Budget Break down and Campaign Schedule

Budget was set per theoretical considerations as well as intended goals of target audience reach due to some constraints on measuring current expenditures in communications for the market. To set the tone in the category and given that market share growth is driven by high levels of share of voice (Binet & Field, 2008), communication should be the main operating expense in the first

year, amounting up to € 2 million. More than half of this budget was allocated to the primary media (50,7%) while the remaining was split into secondary media and creative content development costs, of which OOH materials occupied the second biggest share (exhibit 9).

Since the service regards solar energy, the service and its campaign launch should start in the Spring, to take advantage of subconscious associations on consumers' minds. The campaign will start in mid-April 2018 – due to the message relying on the approach of the “*end of the month*” –, with the launch of the teaser that will precede the product launch scheduled for the last days of the same month. Afterwards, the main campaign will commence with the integral ads running on Television and Radio for the first weeks and the Brand Activation initiative launched in the first days of the service in the market. In addition, a Christmas campaign was considered due to Primary Research results stating consumers spend more on electricity in the Winter, making them more conscious about saving money there. A tentative schedule was also made for 2019, but it is not included in the strategies discussed in this report (Exhibit 10).

11. Campaign Tracking

To ensure that all the communication efforts are working towards the intended goals, campaign tracking mechanisms must be set up and Key Performance Indicators (KPIs) must be established. For this campaign, there are two different sets of KPIs: general and digital oriented. One of the main KPIs in the general set is the campaign Return on Investment, which will be expressed as ultimate sales generated due to effects of the campaign. Furthermore, levels of Brand Awareness (with an emphasis on Recall) for *edp + solar* as well as other communication effects track records must be kept to ensure the right message is being perceived by consumers.

Digital related KPIs include click-through-rate in paid advertising as well as conversion rate in terms of number of consumers that enter the branded website and do a simulation. Moreover, micro-website traffic and reach of social media posts must be monitored to ensure engagement.

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