JCPenney

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Today's Itinerary

1. Executive Summary
2. Marketing Problem
3. Situation Analysis
4. Target Audience
5. Competitive Analysis
6. Marketing Objectives
7. Media Strategy
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11. Key Performance Indicators

Source: USA Today

Executive Summary

Source: [Business Insider](#)

Today we are presenting our plan to assist JCPenney (JCP) in:

- Revitalizing the JCP brand.
- Engaging with a new demographic to learn what clothing styles they want.
- Implementing an integrated digital marketing mix that will increase foot traffic.
- Re-design both the store layout and JCP website to become more interactive, simplistic, and relevant.

To implement these initiatives, we propose the following media plan based on the data and research available to us.

Marketing Problem

Retail store foot traffic has plunged 57% between 2010 and 2015, annual department store retail sales have tumbled 28% since their peak in 1999, and in April 2017, JCP announced they would close up to 140 stores by June.

E-commerce, "merchandise overlap" from JCP's competition, Macy's and Sears, and consumers' need for a discount to go to the store make it difficult for JCP to differentiate themselves when consumers do not see the added-value to pay full price.

Sources: The Motley Fool & USA Today

Situation Analysis

History

- JCP was founded in <u>1902</u> by James Cash Penney and grew to be a major retailer selling merchandise and services.
- <u>1973</u> JCP reaches its peak at 2,053 stores
- <u>2009</u> Halted JCP "Big Book" catalog
- <u>2012</u> Disastrous CEO Ron Johnson took over for 16 months, burning through the company's cash and driving away loyal customers, causing a $985 million loss.
- <u>2012</u> Total online sales at retailers up 15% while JCP sales fall 34.4%
- <u>2017</u> JCP closes 138 stores, representing 14% of company locations and only 5% of sales.

Source: <u>Business Insider</u>

Current Target Audience

- W45-75+ with a high school diploma
- Now married
- Juggles the role of the primary breadwinner earning $40-$100k in their family and raising teenagers, ages 13-17

"The definition of value to her has extended beyond price, quality and style -- it's also about her time and her effort."
-Mary Beth West, CMO

Sources: JCPenney MRI Report, Ad Age & Mopaliving

Current Distribution Channels

- Today 1,014 retail locations (876 after closings in June 2017)
- Majority of retail locations in suburban shopping malls.
- Located in 49 states and Puerto Rico.
- Online retail through website.

Current Sales Distribution & Products
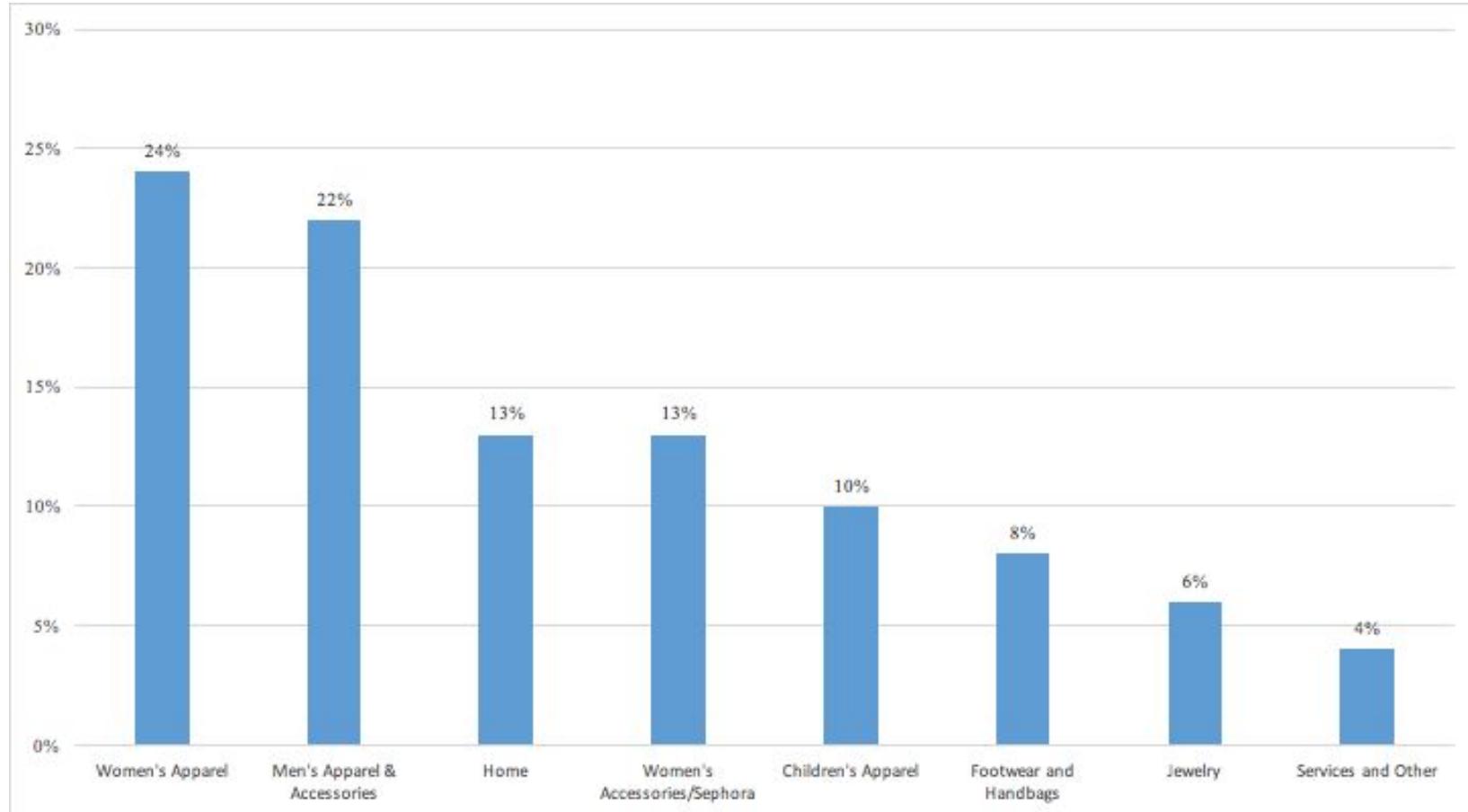
SWOT Analysis

Strengths

- Frequent updates & customer responses on social media. (Facebook, Twitter)

- Celebrity endorsements on social media.

- Partnership with Sephora

- Plan to boost size of customer transactions around JCP "Center Core," Sephora, handbag, shoes, fashion jewelry. - Convince customers to add smaller items to larger purchases.

- Omnichannel strategy - engaging customers on multiple channels, in-store and online.

- Investment in home from traditional to modern, with focus on softline goods like towels, as opposed to hardline goods, like furniture.

Weaknesses

- Investors fear impact of store closures on company's sales causing shares to crash ~32% YTD in 2017

- Multiple past rebranding attempts have failed and driven away core customers.

- Decline in repeat customers

- Adding too many departments and carrying too much inventory has caused an overall decrease in quality of products sold.

- Poor treatment of employees contributes to increased negative brand image.

Opportunities

- Rebrand and identify ways to target younger generations.

- Test social media tactics on a regular and seasonal schedule.

- Increase brand loyalty through social engagement.

- Create shareable content that will appeal to Millennials, and create a content schedule to ensure new content shared frequently.

- Implement media mix of traditional and digital advertising to yield better results for targeting all demographics.

- Create point of differentiation that has enough value to compete in the current market.

Threats

- Growth of e-commerce giants like Amazon.

- Lack of brand loyalty - Millennials less loyal and more likely to change brands.

- Fundamental weakness to department store business model - Millennials may be more likely to purchase private label brands.

Competitors

- Distribution Channels - 728 stores operating under Macy's and Bloomingdale's.

- 45 US states, Washington D.C., Guam, and Puerto Rico. E-commerce through macys.com, bloomingdales.com, bluemercury.com. Bloomingdale's has locations in Dubai and Kuwait under licensing agreements. 125 specialty stores, including Bloomingdale's The Outlet, Bluemercury, and Macy's Backstage. Macy's is a 159 yr old brand.

- 2016 Sales of $25.778 billion, 39% decline in net income.

- $591 million in measured media in 2016, down 18% from 2015.

- Fewer stores and better brand reputation than other retailers

- Expected to be overthrown by Amazon as the number one apparel seller in the US.

- Grappling with online competition, store closures, sales declines in mall-based locations, and high cost of modernizing legacy infrastructures.

Competitors ★macy's
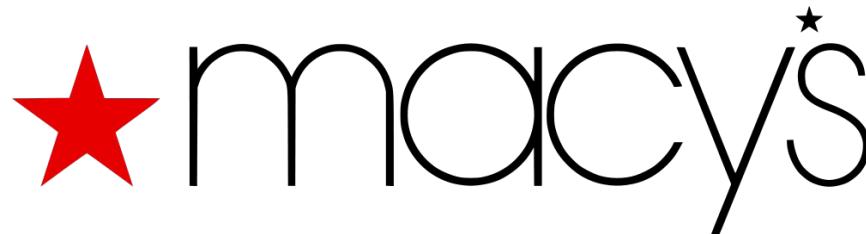
- Rebalancing Media Mix with focus on improving fashion cred. Committed to double digit online growth. Reduction of promotions, new messaging and emotional tone, while highlighting an improved product mix.

- Focusing on 15-second, local TV ads and less on 30-second national spots.

- Promotions clear and distinct organized around four annual tentpole events for each season.

- Loyalty programs to simplify coupon process, re-energize loyal, older customers, while simultaneously attracting the younger generation, including shoppers regardless of payment type - 2018.

- Experimenting with pick-up lockers in certain locations and real estate strategies to wring more profit out of valuable properties - Leasing roof space to bars and restaurants.

Competitors   sears®

- Distribution Channels - 676 full-size Sears stores located in shopping malls with some freestanding stores in the US, 301 in Canada, and 94 stores in Mexico.

- E-Commerce through sears.com.

- 7 additional subsidies-A&E Factory service, Sears Grand, Sears Home Services, Sears Optical, Sears PartsDirect, Sears Portrait Studio, Sears Vacations.

- Stock lowered to 20% in 2015

- Losing business to Target, Walmart, and other stores.

- Core assets of Sears brand are sub-brands, Kenmore, and Craftsman.

- Similar to JCP, operating an antiquated business model with reductions in quality.

- Poor treatment of employees - Sears employees live in constant fear of termination due to arbitrary goals, lack of staffing. and employee training.

Competitors sears®

- Series of strategic mistakes spanning 4 decades:

  - 1981 - aggressive expansion outside its core retail business into financial and real estate services. Sears purchased Dean Witter Reynolds securities firm and the Coldwell Banker real estate operation with few synergies to core business.

  - 2006 - Restructuring operations into several units, run by people with little retail experience.

  - 2006-2015 Sold off brands like Lands End, and company stores, losing the brand and scale advantages the company once enjoyed. Began selling 46 unprofitable stores in 2012 alone.

  - 2013 Sears began selling some of their best stores to shore up financial situation with plans to sell 200 additional stores to raise $2.5 billion, while failing to update its retailing model.

Current Advertising & Media Analysis

Owned

- JCP Website
- JCP Facebook
- JCP Twitter
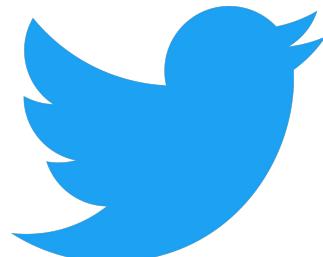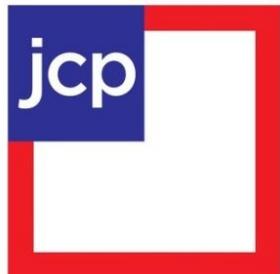
Earned

- Facebook shares
- Re-tweets on celebrity endorsement photos
- Positive and negative reviews on Glassdoor, Yelp, SiteJabber, Consumer Affairs

Who Should JCPenney Target?

Millennials!

According to a Nielsen Report, Millennials are 77 million strong, on par with Baby Boomers, and they make up 24% of the U.S. population.

This represents a significant opportunity for brands that understand who Millennials are, where they live, and what they watch and buy.

POPULATION BY GENERATION

- GREATEST/SILENT
- BOOMERS
- GEN X
- MILLENNIALS
- GEN Z

12%
24%
24%
24%
16%
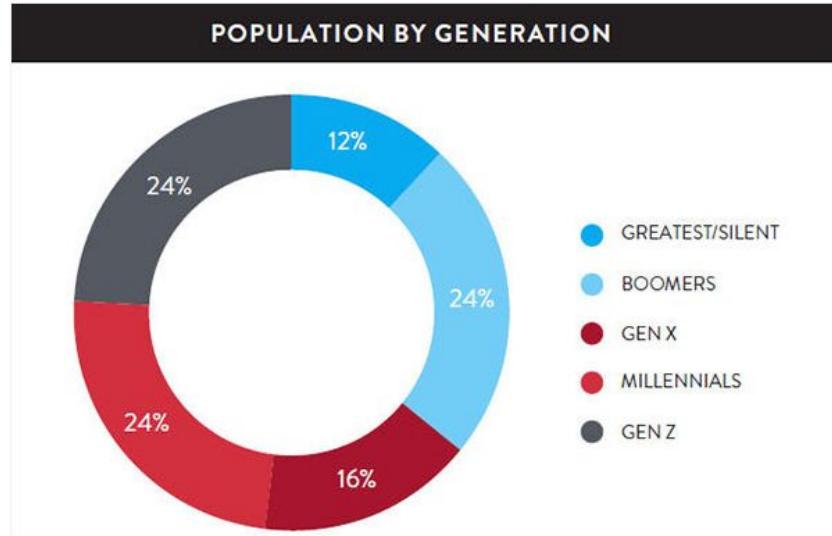
Source: Nielsen Report

Meet Sally & Tim

Demographics:

- MW 18-35

- Young professional

- Associate's Degree or in
college for higher degree

- Salary: $15-$40k annual

- Single, no children

Source: IHECF Institute

How Do Millennials Shop?

Shoppers' Online Habits in Brick-and-Mortar Stores

- 31% go online but aren't Millennials
- 27% don't go online in the store
- 42% go online and are Millennials

Source: PwC Total Retail Global Report 2016:
http://www.pwc.com/gx/en/retail-consumer/publications/assets/total-retail-global-report.pdf
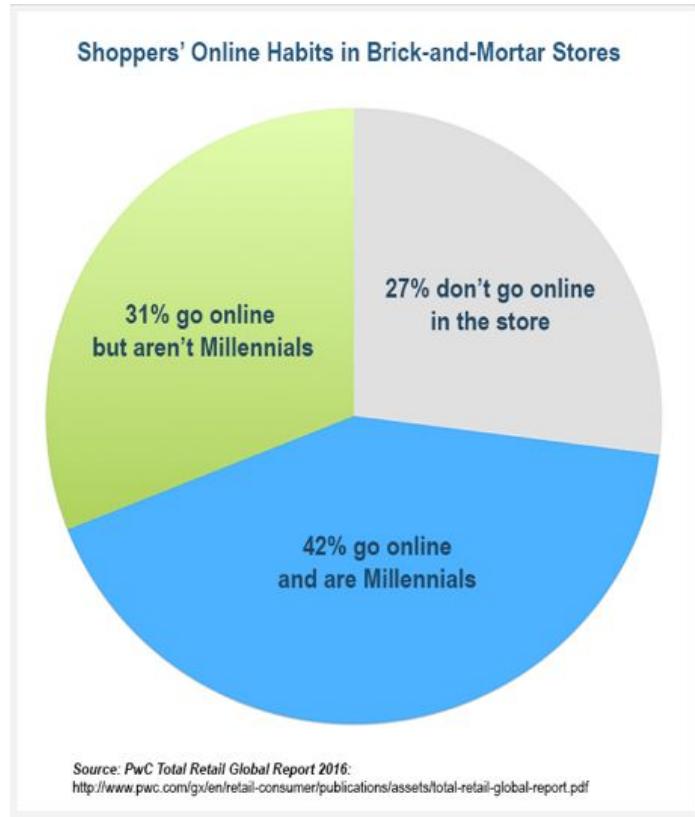
Brands and retail

Millennials' affinity for technology is reshaping the retail space. With product information, reviews and price comparisons at their fingertips, Millennials are turning to brands that can offer maximum convenience at the lowest cost.

% OF MILLENNIALS WHO COMPARE PRICES IN STORE **57**%

Source: AIMIA Inc. "Born this Way: US Millennial Loyalty Survey" ©2012

34%
18-35

16%
36+
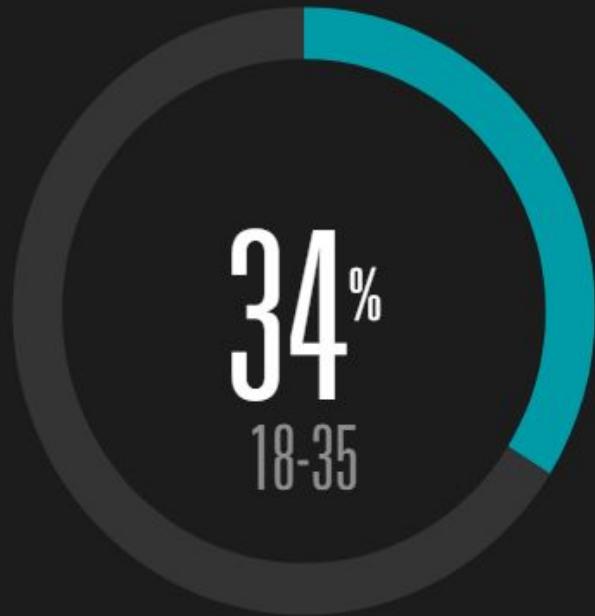
"When a brand uses social media, I like that brand more"

Media Habits of "On Their Own Millennials"

- 78% have subscription-based video on demand services, such as Netflix and Hulu
- More likely to have multimedia devices, broadband Internet, and laptops.
  - Spends more than 94 hours using these devices
- Rarely watches TV
- Radio reaches 89% of this target market

Source: Nielsen Report

GOING THROUGH CHANGES: FACTS ABOUT MILLENNIAL LIFE STAGES

	STAGE 1 DEPENDENT ADULTS Living in someone else's home	STAGE 2 ON THEIR OWN Living in their own home without children	STAGE 3 STARTING A FAMILY Living in their own home with children	ALL PERSONS 18-34 YEARS OLD
PENETRATION				
Subscription-based Video On Demand	64%	78%	58%	66%
Multimedia Device	28%	39%	25%	30%
Laptop PC	74%	81%	64%	73%
Tablet	67%	54%	65%	63%
DAILY TIME SPENT (H:MM)				
Live TV	2:32	2:06	3:16	2:45
TV-Connected Device	1:11	1:32	1:23	1:23
TOTAL	3:44	3:38	4:40	4:08
RADIO				
Weekly Reach % (Cume)	90%	89%	92%	
SHARE OF LISTENING:				
Pop Contemporary Hit Radio	12%	14%	12%	13%
Spanish Language Radio (Total)	10%	5%	16%	11%
HOURS OF DIGITAL DEVICE USAGE (NOV 2015)				
PC	24.5	31.6	28.1	27.3
Smartphone	44.7	46.9	41.9	45.5
Tablet	7.6	16.0	13.5	12.5
TOTAL	76.8	94.5	83.5	85.2

Source: Q4 2015 Total Audience Report

Media Plan

Marketing Objectives

1. Create a clear, strong brand that Millennials will want to be loyal to.
2. 53% of retail consumers still prefer to make purchases in-store. Therefore, our goal is to increase in-store foot traffic by **10%**.
3. Promote the quality and trending styles of the young professional clothing line through e-commerce.

Source: CNBC JCPenney Article & Future Trends Blog

Media Strategy

- Use a conversational tone on social and video to make the consumer feel empowered and stylish with JCP.
- Increase reach across multiple devices with highly targeted ads through radio and video.
- Build frequency through consistent advertising on digital channels that millennials use daily to stay top of mind.

Source: Topic 4 & 7 PowerPoint   Image Sources: Expedition PR Blog, Dreambox Creations Blog

Media Tactics

- Social media
- Streaming video- Hulu advertising
- Radio- Spotify & Pandora advertising
- Geo-fencing in the malls

- Seasonality for all media tactics:
  - Introduction of Back to School Line
  - Holiday Season (Black Friday- New Years)

Source: JCPenney PR

Creative Strategy

Creative Strategy – Revisiting the Analysis

Video: Everything wrong with JCPenney

- What would be the best move forward?
- Which platform should be the first focus?

The best move forward is to try again!

On all platforms!

Source: Democrat & Chronicle

Creative Strategy – Goals

- Re-image the store to become more relevant and interactive to Millennials.
  - Escape the negative perceptions

- Create engaging, relevant, and community driven content for social media platforms.

- Create a point of differentiation from other store experiences that is unique to the customer.

Creative Strategy – Key Questions

Does content matter to Millennials?

- Yes, but is differentiated from traditional "interruptive" advertising and progressed to a listening tactic. Content that's **relevant, engaging, and community building** matters.

How do Millennials recieve content?

- Mobile/tablet, laptop/desktop, streaming radio, email

*How can we ensure Millennials recieve content?*

- Personalized (unique) experiences, loyalty programs (incentives), high frequency content (social ads, videos, email)

Sources: [3 Reasons Why Content Marketing Was Made for Millennials](#)
[Nielsen Report](#)

Creative Strategy – Online

The website is considered boring when we compare to competitors like F21.

- **Proposal:**
  - More engaging social content on the page (Twitter hashtags, Snapchat stories, Instagram, etc)
  - A less cluttered layout- use a simple menu
  - Coupons should be kept on the front page.
  - Emphasize the need to follow social instead of tiny social links.
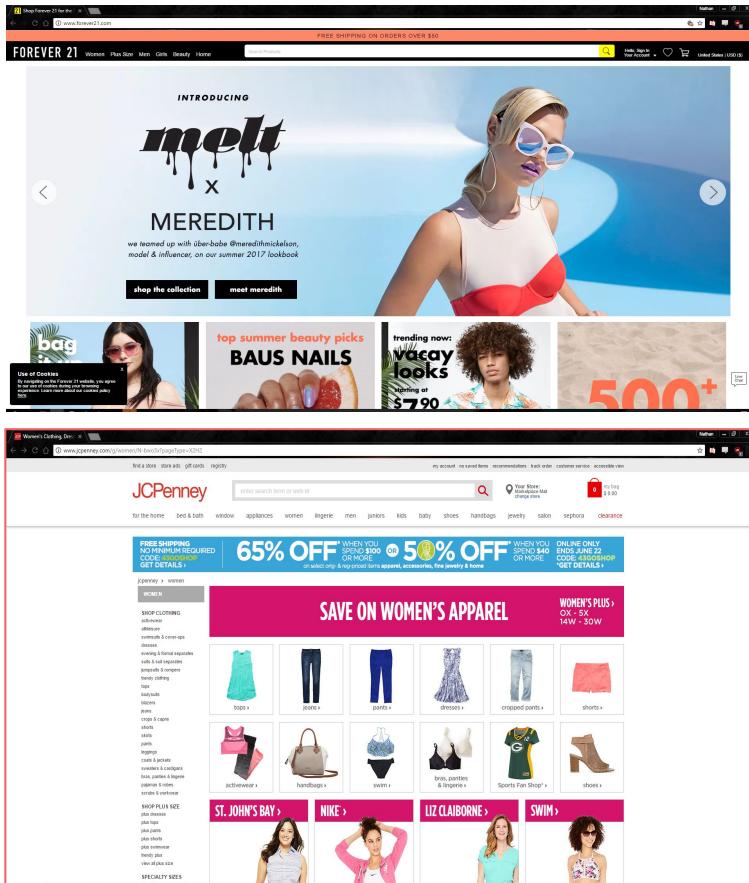
Source: JCP Homepage

Creative Strategy – In Store

JCP currently has 15 departments in its stores (including its partnership with makeup store, Sephora)

1. Removal of sections, such as jewelry, bedroom, home appliances, curtains, etc., to make room for more clothing brands.

   a. Playing to their strength!

2. Appeal to Millennials by bringing in well-known brands to appeal to their styles and trends.

3. Promote a more engaging selling style with customers to create a unique selling experience and provide excellent customer service.

4. Create a sense of caring in the store for both customers and internally to appeal to customers.

Creative Strategy – Facebook

JCP Facebook Evaluation:

1. Frequent postings
2. Low engagement (likes/shares)
3. Answering negative customer comments & concerns
4. Holiday content

Source: JCP Facebook

Creative Strategy – Facebook

Benefits:

- Social monitoring of real time targeted ads with built in analytics.
- Engaging a large audience (over 1.5 billion users) with shareable pictures, videos, and text based content to target the current demographic.
- Picture and video content to share
- Creating Facebook events to create that connection between customer and brand.
- Ability to create contact between customer for feedback and suggestions.

Source: HootSuite Blog

Creative Strategy – Good Social Engagement

Red Dress Example:

- Gauges demand
- Engagement from customers
- Sharing among friends
- Relevant to their TM

Source:

The Red Dress Boutique
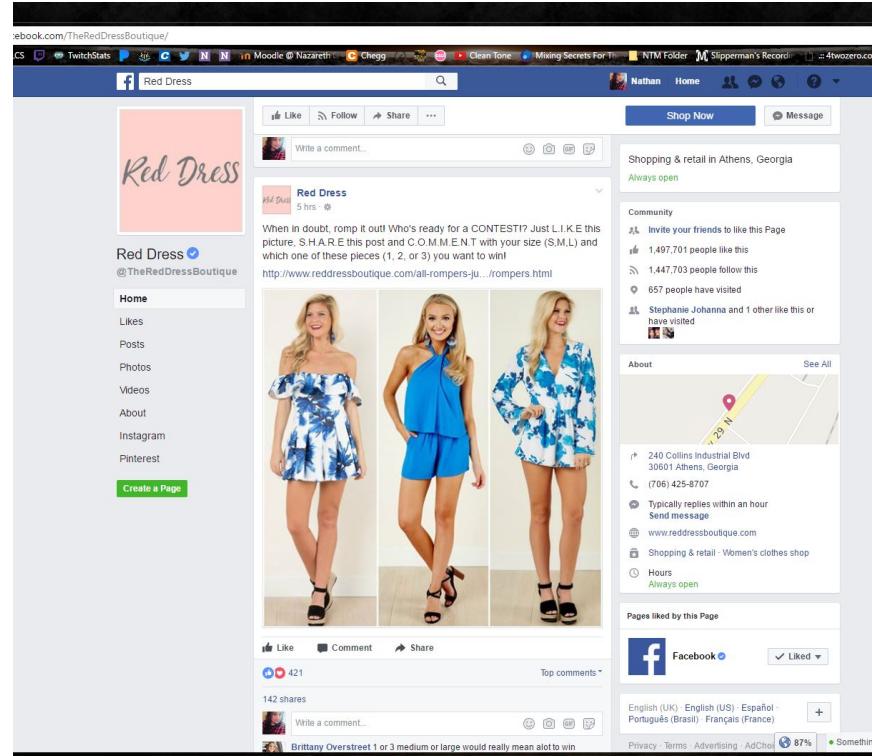
Creative Strategy – Facebook Post Examples

- It's summer! Drop a like for which outfit will take over this summer season. Comment "1" "2" or "3" for which outfit you prefer, or if you have any other suggestions! Share with your friends. Your opinions matter to us! #Summer2017

- Ever wish you could design your own clothes? Now is the time to get ready for summer, and we want your ideas in our stores. Get in the conversation. Your opinions matter!

Why Advertise on Facebook?

- The number of Millennials who interact with Facebook ads continues to rise.
- 44% of Millennials like, comment, or tag an ad
- 33% of Millennials visit the advertiser's store/website

Source: Social Media Examiner

Ways in Which US Facebook Users Have Engaged with Facebook Ads, by Age, Nov 2014-Nov 2016
% of respondents in each group

	13-17	18-34	35-54	55+	Total
"Liked," commented or tagged the ad					
Nov 2014	33%	37%	29%	23%	30%
Nov 2015	30%	41%	32%	19%	31%
Nov 2016	44%	44%	29%	14%	31%
Visited advertiser's store/website					
Nov 2014	17%	27%	20%	13%	20%
Nov 2015	23%	31%	25%	14%	23%
Nov 2016	30%	33%	20%	10%	22%
Shared the ad					
Nov 2014	11%	22%	14%	8%	15%
Nov 2015	15%	33%	24%	8%	22%
Nov 2016	27%	29%	17%	5%	19%
Reposted the ad					
Nov 2014	12%	22%	11%	6%	14%
Nov 2015	13%	25%	18%	7%	17%
Nov 2016	26%	27%	15%	5%	14%

Source: UBS Evidence Lab, "US Internet & Interactive Entertainment: Convergence of Digital Media & Ecommerce," Jan 5, 2017

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Creative Strategy – Twitter

Twitter Evaluation:

1. Use of modeling

2. Good engagement (active conversations)

3. Lack of use with the hashtag (#) feature

4. Lack of RTs and likes on content
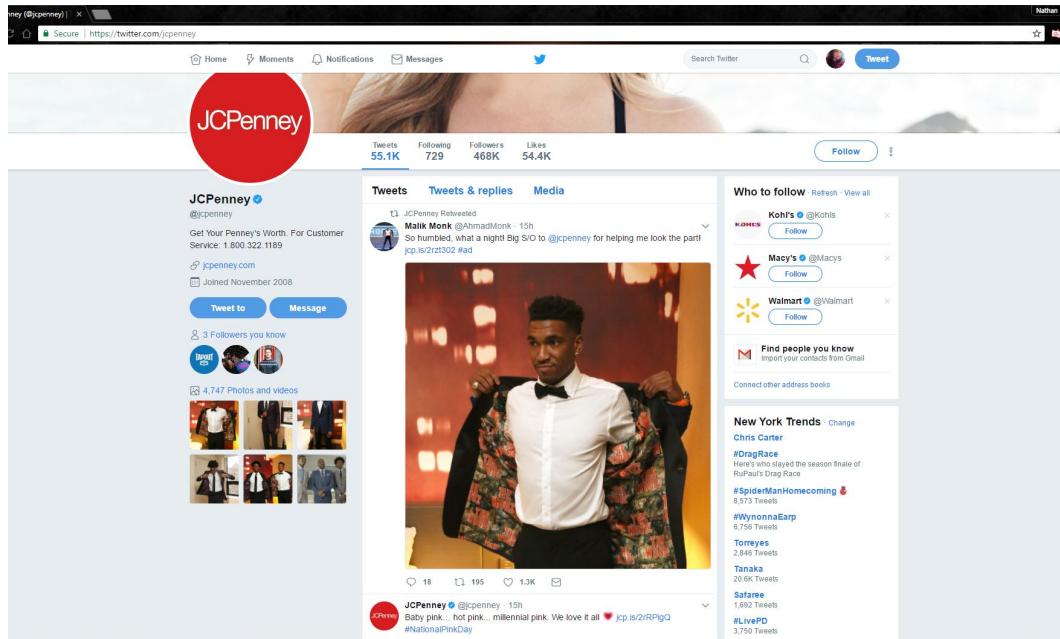
Source: JCP Twitter

Creative Strategy – Twitter

Benefits:

1. Easy to gauge engagement with thorough analytics
2. Large audience (Over 320 million users)
3. Use of # to create keywords/buzzwords that customers and JCP can use to create a community.
4. Picture/video content can be easily retweeted/liked and replied to.
5. Competitions, event planning, and user feedback
6. Communication (positive or negative) on a public medium
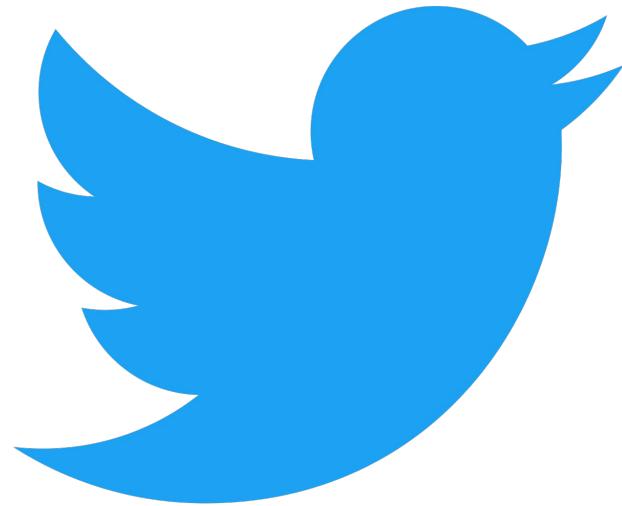
Source: Adweek Social Media Article

Creative Strategy – Twitter Content Example

- We've begun our Summer Sale, but we need your help. We need you to pick the sale! #JCPSummerSale

- It's summer season and Fry has designed his first set of clothes! Come design your style in the #JCPSummerSale and get some killer deals!

- Got a style in mind? Drop a tweet @JCPenney with the #JCPSummerSale and share it with the JCP Family!

Source: <u>Know Your Meme</u>

Why Advertise on Twitter?

- The percentage of Millennials who have reposted, shared an ad or visited the advertiser's website has increased
- 24% of Millennials visit the advertiser's store/website
- 30% of Millennials like, comment, or share an ad

Source: Social Media Examiner

Ways in Which US Twitter Users Have Engaged with Twitter Ads, by Age, Nov 2014-Nov 2016

% of respondents in each group

	13-17	18-34	35-54	55+	Total
"Liked," commented or tagged the ad					
Nov 2014	17%	21%	20%	12%	19%
Nov 2015	21%	34%	26%	11%	28%
Nov 2016	33%	30%	25%	10%	27%
Reposted the ad					
Nov 2014	16%	24%	16%	12%	20%
Nov 2015	26%	28%	25%	11%	25%
Nov 2016	30%	32%	16%	16%	25%
Shared the ad					
Nov 2014	14%	27%	18%	6%	20%
Nov 2015	18%	28%	23%	7%	23%
Nov 2016	15%	29%	19%	11%	22%
Visited advertiser's store/website					
Nov 2014	15%	17%	17%	7%	16%
Nov 2015	20%	23%	21%	7%	21%
Nov 2016	22%	24%	20%	4%	20%

Source: UBS Evidence Lab, "US Internet & Interactive Entertainment: Convergence of Digital Media & Ecommerce," Jan 5, 2017

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www.eMarketer.com

Creative Strategy – Video Content on Social

- Video content across Facebook and Twitter can be used to promote products. Analytics can be easily tracked on both platforms!

- The content in each post should promote current trends and engage the audience to create original stories. Some examples could include:

    A montage sequence of young adults out at nightclubs, sunset beaches, or warm tropical resorts wearing JCP summer clothing. The end of the video promoting the #JCPSummerSale hashtag

    A sequence where a young person is designing their outfit using the JCP website and submitting it. The young person then walks into a JCP store and sees their outfit on sale. Again, the end video promoting the #JCPSummerSale

Creative Strategy – YouTube

- Video content across YouTube can be used to promote products and tell stories of the brand.

- Since YouTube receives over 30 million users a day, there is potential for large reach.

- In addition to the JCP YouTube channel, ads can display for people who have previously searched for JCP from potentially bought adwords.
  - Assuming they are not paying for services such as YT Red, adblock, etc.

- JCP can archive older ads or tell stories with new ones. Updating customers on new products that are coming, behind the scenes content, or vlogs (video blogs) to create engagement on a popular medium.

- Opportunity to utilize popular users from YouTube to help give the company a personality (Modeling)

- All videos would lead back to the website or their social media pages

Creative Strategy – Hulu

- Hulu, unlike Netflix, allows users to watch content with ads for free* which allows users to interact with Hulu's Ad Selector.

- Hulu's Ad Selector, a feature that allows viewers to choose their own ads, is 150% better than linear TV at developing unaided recall and 24% better at generating purchase intent.

- JCP can make video content specifically for Hulu by engaging with its audience.
    - Ads causing the user to listen and realize there's a delay, asking the user if they want to spend this ad time doing something instead of browsing, or doing something else. (Design an outfit campaign, engage in social, etc)
    - Ads may use content from their social or YouTube pages.

Creative Strategy – Spotify & Pandora Advertising

- Spotify and Pandora ads can be streamed for those who do not pay for the premium services.

- Highly targeted ads that can play depending on where you are geographically

- Available on many platforms (Desktop/laptop, tablet, OTT, and phones)

- Intended to disrupt between a certain amount of songs.

Creative Strategy – Spotify & Pandora Advertising

- Instead of disrupting the consumer, content should be laid back and engaging with the audience.

- Tell stories in the video content and in the audio form.
  - Give a reason for the listener to actively engage (Design a clothing style, new in-store layout, newest deals)

- Offer radio incentives (Pandora10OFF, Spotify10off) for just listening to the ad, as well as, ask for thoughts about the newest trends at JCP on Facebook or Twitter.

- For those looking at the apps during ads, they can engage with the visual aspect of the ads too. This can include the video content mentioned earlier.

Creative Strategy – Geo-Fencing on Mobile

Geo-fencing

- Serve targeted customers in a specific geographic location relevant information & low out of pocket costs

- This could be implemented through a JCP app or mall apps.

- Provokes constant communication for customers close to the store

Source: Topic 7 PowerPoint

Media Schedule, Testing, Budget & KPI's

Flowchart- National Demographic

Media	Demo	Jan	Feb	Mar	Apr	May	June	July
Facebook	MW1835	Med	Low	Low	Low	Med	Low	Low
Twitter	MW1835	Med	Low	Low	Low	Med	Low	Low
Hulu	MW1835	Low	Low	Low	Low	Low	Low	Low
Spotify	MW1835	Low	Low	Low	Low	Med	Low	Low
Geo-fencing	MW1835	Med	Med	Med	Med	**High**	Med	Med

Media	Demo	June	July	Aug	Sep	Oct	Nov	Dec
Facebook	MW1835	Low	Low	**High**	**High**	Med	**High**	**High**
Twitter	MW1835	Low	Low	**High**	**High**	Med	**High**	**High**
Hulu	MW1835	Low	Low	Low	Low	Med	**High**	**High**
Spotify	MW1835	Low	Low	**High**	Med	Med	**High**	**High**
Geo-fencing	MW1835	Med	Med	**High**	**High**	Med	**High**	**High**

Recommended Testing:

With content:

- Test different hashtags on Twitter and Facebook:
  - #JCPfamily #JCPsummer #JCPpromo
- A/B testing on user-generated content vs. paid/earned media vs. a mix:
  - Which option does better? Which receives the most engagement? Which is the most cost-efficient?
- Test different times for video:
 - 15 or 30 seconds?

With website:

- A/B testing on website design:
  - Appeal to all demographics
  - Size of social media links
  - Placement of coupons/current promos

In general

- Test different promos:
  - Do people want $ off when a certain amount is purchased? Do people want % off with no purchase limit? Would online lightening deals, similar to Amazon, work with JCP consumers?

Budget

Select Retailers Ad Spend % Change: 2016 vs 2015

Walmart 8%
Target -22%
Macy's -22%
Amazon -17%
Kohl's -24%
JC Penney 10%
Home Depot -4%
Lowes 12%
Sears -34%
Kmart -27%
Best Buy -50%
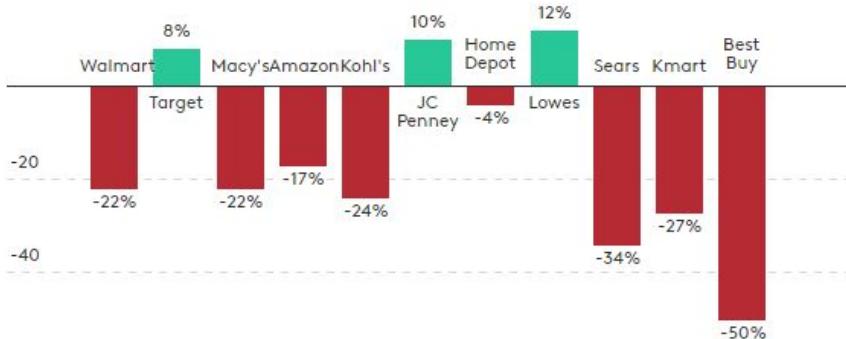
Preliminary spend figures for TV, Local Radio, Newspapers, Internet Display
Walmart and Amazon exclude self-promotion

Source: Kantar Media

KANTAR MEDIA

Source: Kantar Media

US Retail Industry Digital Ad Spending, 2014-2020
billions, % of total digital ad spending and % change

	2014	2015	2016	2017	2018	2019	2020
Retail industry digital ad spending	$10.96	$13.13	$15.09	$16.95	$18.97	$21.05	$23.04
% of total digital ad spending	22.1%	22.0%	21.9%	21.9%	21.9%	21.9%	21.9%
% change	14.4%	19.8%	14.9%	12.3%	11.9%	11.0%	9.4%

■ **Retail industry digital ad spending**
■ **% change**   ■ **% of total digital ad spending**
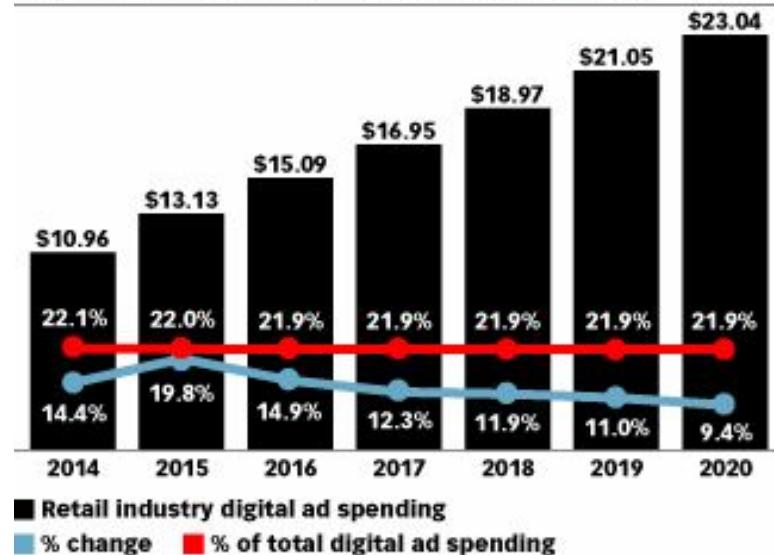
Note: CAGR (2014-2020)=11.9%; includes advertising that appears on desktop and laptop computers as well as mobile phones, tablets and other internet-connected devices, and includes all the various formats of advertising on those platforms
Source: eMarketer, March 2016

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Source: eMarketer

Budget

In 2016, JCP spent $769 million, or 6.1% of their gross revenue, on advertising through newspaper, television, Internet search marketing, radio, and other media advertising.

It is projected that JCP sales will decrease by 0.62% to 12.55 Billion in 2017. Therefore, JCP can budget with a similar sales to budget ratio at approximately $765 million in digital, radio, and mobile advertising this year. **Based on Millennial's media habits, we suggest they allocate marketing dollars accordingly:**

Social advertising- 50% of the total budget (engagement)

Streaming video/ Radio advertising- 30% of the total budget (brand awareness)

Mobile advertising- 20% of the total budget (foot-traffic in the mall)

Measuring JCP's Success

Measuring difference in **brand loyalty through social engagement**:

Twitter:

- Comparison of followers **6 months into campaign vs. before campaign started**
- Comparison of likes and retweets
- Comparison of comments- both negative and positive
- Comparison of hashtag usage/ Amount of hashtags used in general

Facebook:

- Comparison of followers and page likes **6 months into campaign vs. before campaign started**
- Comparison of likes and shares
- Comparison of comments- both negative and positive
- Comparison of comments where users tagged friends

Measuring JCP's Success

Measuring difference in foot traffic (goal: increase by 10%):

- Comparison of sales in most, if not all, stores **6 months into campaign vs. before campaign started** (would not include online sales!) Can do earlier than 6 months.

Measuring difference in online sales (goal: increase by 10%):

- Comparison of sales **6 months into campaign vs. before campaign started**
- Number of sales made through ad clicks vs. direct visits

Hulu and Spotify effectiveness:

- Number of clicks the ads receive
- Number of online sales that result from those ad clicks

Any Questions?

Appendix

Marketing Problem

1. Duprey, R. (1970, January 01). Here's Why the Best Is Yet to Come for J.C. Penney. Retrieved June 11, 2017, from https://www.fool.com/investing/2017/03/26/the-best-is-yet-to-come-for-jc-penney.aspx
2. Bomey, N. (n.d.). J.C. Penney to close up to 140 stores, offer buyouts. Retrieved June 11, 2017, from https://www.usatoday.com/story/money/2017/02/24/jc-penney-store-closures/98344540/

History

Peterson, H. (2017, May 17). JCPenney is closing 138 stores — see if your store is one of them. Retrieved June 26, 2017, from http://www.businessinsider.com/jcpenney-stores-closing-2017-3

Lutz, A. (2013, April 22). 10 Mind-Blowing Facts About JCPenney's Epic Decline. Retrieved June 26, 2017, from http://www.businessinsider.com/10-facts-about-jcpenneys-epic-decline-2013-4

Tierney, J. (2011, May 25). J.C. Penney To Streamline Supply Chain. Retrieved June 26, 2017, from http://multichannelmerchant.com/news/j-c-penney-to-streamline-supply-chain/

Current Audience

JCPenney MRI Report- According to the report, JCPenney shoppers in the last 3 months are…

18.2% more likely to be female than the average American. 61.2% of JCPenney shoppers from this report are female and 38.8% are male.

30.3% of the JCPenney shoppers graduated high school

11.9% more likely to be married than the average American. 59.4% of JCPenney shoppers are married.

13.5% more likely to have any child 13-17 years old than the average American.

Research from Mary Beth West, Chief Customer & Marketing Officer of JCP-

Pasquarelli., A. (2016, February 24). JC Penney Puts the Penny to Work in New Campaign. Retrieved June 3, 2017, from http://adage.com/article/beat-sheet/jc-penney-puts-penny-work-campaign/302808/

Looking for deals with little time to waste

Women shoppers who juggle being the primary breadwinner in their family with raising children.

"She doesn't have the luxury of going to a store and walking out empty-handed."

"The definition of value to her has extended beyond price, quality and style -- it's also about her time and her effort."

Target Audience– Millennials

Millennials: Breaking the Myths. (n.d.). Retrieved June 27, 2017, from
http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html

- Millennials are the social generation.
- They're the founders of the social media movement—constantly connected to their social circles via online and mobile.
- They prefer to live in dense, diverse urban villages where social interaction is just outside their front doors. They value authenticity and creativity, and they buy local goods made by members of their communities.
- They care about their families, friends and philanthropic causes.
But they're also coming of age in the most dire economic climate since the Great Depression–making their families, communities and social networks even more valuable as they band together

Post, S. (2015, April 22). These findings about how millennials and baby boomers shop may surprise you. Retrieved June 27, 2017, from http://www.businessinsider.com/sc/how-millennials-and-baby-boomers-shop-2015-4

For the past decade, millions of dollars have been invested in marketing to baby boomers. It's money well spent, considering that boomers have such a high disposable income. In fact, four out of five retailers attribute nearly 50% of their sales to boomers.

- Up until recently, the generation born between 1976 and 1994 has been considered short on the spending power needed for marketers to target.
- While both generations have digital devices, millennials use theirs to make shopping easier, doing research on their smartphones and tablets before they buy. Boomers are also tech-savvy, but they're less likely to use their devices as a shopping tool.
- Boomers place high importance on customer service in judging the quality of their experience. Millennials also enjoy customer service, but they often turn to technology to improve their in-store shopping.
- Millennials care a lot about how much things cost

Target Audience- Millennials

Facts Of Life: As They Move Through Life Stages, Millennials' Media Habits Are Different and Distinct. (n.d.). Retrieved June 19, 2017, from
http://www.nielsen.com/us/en/insights/news/2016/facts-of-life-as-they-move-through-life-stages-millennials-media-habits-are-different.html

According to the Nielsen Total Audience Report, you can break millennials into three life stage groups and find true media preferences and device penetrations within each. The life stages are:

- "Dependent Adults" (living in someone else's home)
- "On Their Own" (living in their own home without children)
- "Starting a Family" (living in their own home with children)

Millennials Infographic. (n.d.). Retrieved June 11, 2017, from http://www.goldmansachs.com/our-thinking/pages/millennials/

Image Source:
Reaching Millennials With Social Media: New Research : Social Media Examiner. (n.d.). Retrieved June 19, 2017, from
http://www.socialmediaexaminer.com/reaching-millennials-with-social-media-new-research/

Millennials Infographic. (n.d.). Retrieved June 11, 2017, from http://www.goldmansachs.com/our-thinking/pages/millennials/

EVOLVING PATTERNS OF MEDIA CONSUMPTION

Millennials on the Move

Millennials are now the largest generation ever, surpassing Baby Boomers.

Millennials			Generation X	Baby Boomers	Matures
ages 14–18	ages 19–25	ages 26–32	ages 33–49	ages 50–68	ages 69+

2015 US Population: 83 MILLION | 70 MILLION | 75 MILLION | 23 MILLION

NEW BEHAVIORS, DIFFERENT DEVICES

With more Internet-connected devices than ever, more people are turning to new avenues for their media consumption needs.

Millennials are adopting new TV viewing habits.

56% of TV show/movie viewing among Millennials aged 19–25 is on devices other than a TV.

The length of the content being watched is no longer the primary driver, in terms of preferred device choice.

20% of Millennials are willing to watch short- and long-form content on mobile devices.

! "Watching" the news isn't what it used to be among today's young adults.

Millennials are more likely to catch the latest news in their social media feeds than over TV.

Top News Source, Among Millennials

	TV	SOCIAL MEDIA
ages 14–18	27%	34%
ages 19–25	16%	37%
ages 26–32	21%	29%
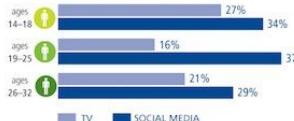
$ Mobile payment app usage has become a daily/weekly habit for many Millennials, just as or more common than other everyday apps.

Daily/Weekly Mobile App Usage

Mobile Payment
- ages 14–18: 9%
- ages 19–25: 33%
- ages 26–32: 23%
- ages 33–49: 22%

Fitness/Health
- ages 14–18: 17%
- ages 19–25: 24%
- ages 26–32: 27%
- ages 33–49: 18%

Photo/Video
- ages 14–18: 41%
- ages 19–25: 33%
- ages 26–32: 28%
- ages 33–49: 23%
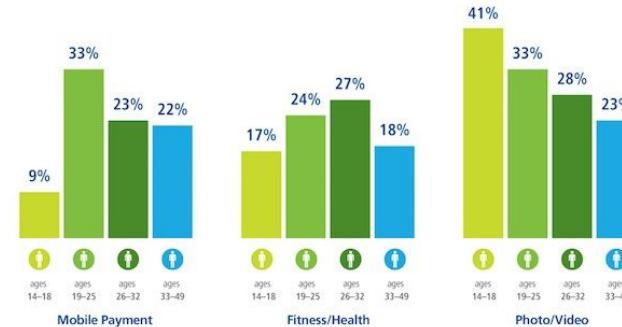
STREAM ON

Nearly half of US consumers subscribe to a streaming video service (you're likely one of them), and accessibility is easier than ever. This content convenience is the basis for quite a few shifts.

Millennials are spending more time streaming video content than watching live TV.

Live TV Programming vs. Streaming TV Content, Among Millennials

	LIVE TV	STREAMING
ages 14–18	30%	32%
ages 19–25	29%	38%
ages 26–32	28%	31%

Binge watching is a routine part of our lifestyles, even for the older generations.

Average Episodes Watched Per Binge Session

ages 14–18	6
ages 19–25	6
ages 26–32	5
ages 33–49	5
ages 50–68	4
ages 69+	4

Millennial Media Behaviors

Source: MarketingProfs

How Do Retail Department Stores Currently Connect with Millennials?

Check out Phil Wahba's, Senior Writer at Fortune, video review of department stores not connecting with Millennials well...

- JCP layout is a very old format, things are not "experiential"
- Not presented visually appealing, ex: Ulta Beauty presents their products to give customers the hands-on, try it out vibe
- At JCP, the salesperson dictates what consumers can try on. Doesn't fly with today's shoppers tastes
- Merchandise overlap from every dept stores, but when you all sell the same thing, what do you do to compete?
- You discount, discount, discount. And that means that consumers are addicted to discounts and it's hard to get them to pay full price
- Back in the day dept stores would be the only one who sold a brand, and that was their differentiator. Now everyone sells the same thing.
- They have far too many stores, products will have to be presented a visually and more interactive way

https://www.usatoday.com/story/money/2017/02/24/jc-penney-store-closures/98344540/

Media Plan– Objectives & Strategy

While the online sector is booming, PricewaterhouseCoopers' Global Total Retail Survey 2016 showed that 48 percent of clothing and footwear shoppers research online, but a strong 53 percent still prefer to make purchases in store.

Garcia, D. (2016, March 01). JC Penney CEO: This is our comeback strategy. Retrieved June 11, 2017, from http://www.cnbc.com/2016/02/29/jc-penney-ceothis-is-our-comeback-strategy.html

Image from http://trend14.blogspot.com/2013/02/jcpenney-spring-summer-2013jcpenney.html

Topic 4- How to Get Started with a Media Plan

Marketing Mix & Strategy

What tactics will you use?
    Use high-reach placements
    Build frequency through reminder messaging
    Reach consumers when they are actively searching for information relating to your category

Topic - Evaluating & Selecting Media Vehicles

Radio Streaming-
Strengths: highly targeted, across multiple devices, audio & visual

Mobile-
Strengths: serve people anytime, anywhere, custom targets

Creative

Sins, B. (Director). (2015, November 06). Everything Wrong With JC Penny's [Video file]. Retrieved June 19, 2017, from
https://www.youtube.com/watch?v=HH9kFmRWuYw
Chao, M., (2017, February 24). JCPenney Logo [Photograph]. Rochester.

Miller, L. (n.d.). 3 Reasons Why Content Marketing Was Made for Millennials. Retrieved June 19, 2017, from
http://www.jeffbullas.com/3-reasons-content-marketing-made-millennials/

Facts Of Life: As They Move Through Life Stages, Millennials' Media Habits Are Different and Distinct. (n.d.). Retrieved June 19, 2017, from
http://www.nielsen.com/us/en/insights/news/2016/facts-of-life-as-they-move-through-life-stages-millennials-media-habits-are-different.html

JCP Facebook. (n.d.). Retrieved June 24, 2017, from http://facebook.com/jcp

Creative

Through daily active engagement and social listening, you can gather relevant customer data and use that information to make smarter business decisions. With Hootsuite Insights, for example, you can gather information across all your social networks in real time—allowing you to gauge customer sentiment, find the conversations happening around your brand, and run real-time reports.

If you're running a Facebook ad, you can target based on location, demographics, interests, behaviors, and connections. You can track and measure the performance of your social ads in real time.

Emily CoppEmily is a Copywriter at Hootsuite. Chat with her about content marketing, digital strategy, and cooking without dairy. (2017, February 10). 10 Benefits of Social Media for Business. Retrieved June 19, 2017, from https://blog.hootsuite.com/social-media-for-business/

Kral, J., Markatos, P., & Cuban Council. (2005). Facebook [Painting]. Retrieved June 23, 2017, from http://facebook.com

Kerby, J. (n.d.). Here's How Many People Are on Facebook, Instagram, Twitter and Other Big Social Networks. Retrieved June 20, 2017, from http://www.adweek.com/digital/heres-how-many-people-are-on-facebook-instagram-twitter-other-big-social-networks/

Creative

The Red Dress Boutique Facebook. (n.d.). Retrieved June 24, 2017, from http://facebook.com/TheRedDressBoutique

Reaching Millennials With Social Media: New Research : Social Media Examiner. (n.d.). Retrieved June 19, 2017, from http://www.socialmediaexaminer.com/reaching-millennials-with-social-media-new-research/

Youtube Statistics - 2017. (2017, March 23). Retrieved June 26, 2017, from https://fortunelords.com/youtube-statistics/

Hulu promises to deliver ads that are "more relevant, more engaging, and ultimately more effective."

About John E LincolnJohn Lincoln is Co-Founder and CEO of Ignite Visibility, an avid blogger, a teacher at UC San Diego and has worked on over 400 digital marketing campaigns, ranging from startups to household names. (2015, December 16). Advertising on Hulu, Everything You Need to Know. Retrieved June 19, 2017, from https://ignitevisibility.com/advertising-on-hulu/

From Topic 7 PowerPoint - Geofencing

Geofencing
Serve targeted customers in a specific geographic location relevant information & low out of pocket costs
This could be implemented through a JCP app, or even mall apps to alert customer of ongoing campaigns, events, and coupons.

Budget

Retail Will Continue to Outspend Other Industries on Digital Advertising. (2016, May 16). Retrieved June 19, 2017, from https://www.emarketer.com/Article/Retail-Will-Continue-Outspend-Other-Industries-on-Digital-Advertising/1013958

From Black Friday to Cyber Week: Winter Holiday 2016 Ad Trends. (n.d.). Retrieved June 21, 2017, from http://www.kantarmedia.com/us/thinking-and-resources/reports/from-black-friday-to-cyber-week-winter-holiday-2016-ad-trends

But sales did go up 3% from 2015 to 2016, so that may be why they increased ad spend 10% to try to out beat the competitors.

Record, E. (2017, January 28). [JC Penney Company, Inc. 10k Annual Report]. Unpublished raw data.

J.C. Penney Co. Inc. (n.d.). Retrieved June 21, 2017, from http://www.marketwatch.com/investing/stock/jcp/financials