the brand to its consumers. As one Red Bull executive explained, "Media is not a tool that we use to establish the market. It is a critical part. It's just later in the development."

Red Bull's "anti-marketing" IMC strategy has been extremely successful connecting with its young consumers. It falls directly in line with the company's mission to be seen as unique, original, and rebellious—just as its Generation Y consumers want to be viewed.

Questions

1. What are Red Bull's greatest strengths and risks as more companies (like Coca-Cola, Pepsi, and Monster) enter the energy drink category and gain market share?
2. Should Red Bull do more traditional advertising? Why or why not?
3. Discuss the effectiveness of Red Bull's sponsorships, for example, Bull Stratos. Is this a good use of Red Bull's marketing budget? Where should the company draw the line?

Sources: Kevin Lane Keller, "Red Bull: Managing a High-Growth Brand," *Best Practice Cases in Branding*, 3rd ed. (Upper Saddle River, NJ: Prentice Hall, 2008); Peter Ha, "Red Bull Stratos: Man Will Freefall from Earth's Stratosphere," *Time*, January 22, 2010; Red Bull, www.redbull.com.

Marketing Excellence

>>Target

Like other discount retailers, Target sells a wide variety of products, including clothing, jewelry, sporting goods, household supplies, toys, electronics, and health and beauty products. However, since its founding in 1962, Target has focused on differentiating itself from the competition. This became evident in the mid-1980s when Kmart dominated the mass retail industry and Walmart was growing rapidly. Kmart and Walmart's marketing messages communicated their low price promise, but their merchandise was perceived as cheap and low-quality. Target sensed a gap in the market for "cheap chic" retail and set out to distinguish itself from the other big-box retailers.

Target planned to build an up-market cachet for its brand without losing its relevance for price-conscious consumers. It positioned itself as a high-fashion brand with trendy styles and quality merchandise at affordable low prices. To fulfill this brand promise, Target's teams of merchandisers travel the world looking for the next hot items. Next, Target brings these trends to the shelves faster than its competitors.

Many styles are sold exclusively at Target through partnerships with world-renowned designers, such as Mossimo Giannulli, Jean Paul Gaultier, and Liz Lange in clothes; Anya Hindmarch in handbags; Sigerson Morrison in shoes; Michael Graves in home goods; and Pixi by Petra Strand in beauty. They are either staples in Target stores or part of the Go International line, a special design collection available for only a few months. In 2006, Target introduced U.S. consumers to the concept of "fast fashion," already popular in Europe, to help keep the product selection fresh, which in turn led to more frequent shopper visits.

Target's designer line collections are just one unique part of its entire integrated marketing communications mix. The company uses a variety of tactics to communicate its "cheap chic" positioning, beginning with its slogan, "Expect More, Pay Less." In its stores, Target uses strategically placed low shelves, halogen and track lighting, cleaner fixtures, and wider aisles to avoid visual clutter. Signage features contemporary imagery but is printed on less expensive materials. Target even catches the eye of consumers in the air by painting its signature red bull's eye on the roof of stores located near busy airports.

Target uses a wide range of traditional advertising such as television ads, direct mailers, print ads, radio, and circulars. Its messages feature hip young customers, a variety of strong name-brand products, and a lighthearted tone—all which have helped make Target's bull's eye logo well recognized. Target also aligns itself with a variety of events, sports, athletes, and museums through corporate sponsorships. From Target Field, the home of the Minnesota Twins in Minneapolis, to Target NASCAR and Indy racing teams and contemporary athletes like Olympic snowboarder Shaun White, sponsorships help Target pinpoint specific consumers, interests, attitudes, and demographics. Target also advertises on and sponsors major awards shows such as the Oscars, Emmys, Grammys, and the Golden Globes.

Target has a strong online presence and uses Target.com as a critical component in its retail and communications strategy. Target.com is able to gain insight into consumers' shopping preferences, which ultimately allows for more targeted direct marketing efforts. The site also features in-store items alongside Web-only items in hopes of driving traffic into the stores. On social Web sites such as Twitter and Facebook, Target builds loyalty and encourages young consumers to share their experiences, discounts, and great finds with each other.

Target reinforces its positive brand image by contributing significantly to surrounding communities. The company donates 5 percent of its annual income, or more than $3 million a week, to programs that focus on education, the arts, social service, and volunteerism. Target donated more than 16 million pounds of food in 2008 to Feed America, the nation's food bank network. Target also sponsors discounted or free days at art museums around the country, including the Museum of Modern Art in New York and the Museum of Contemporary Art in Chicago.

As a result of its integrated marketing plan, Target has attracted many shoppers who would not otherwise shop at a discount retailer. Its customers are younger, more affluent, and more educated than its competitors attract. The median age of Target shoppers is 41 and the median household income is $63,000. Three-quarters of Target consumers are female and 45 percent have children at home. In addition, 97 percent of U.S. consumers recognize the Target bull's eye logo.

While Target's marketing communication mix has effectively communicated its "cheap chic" message over the years, this strategy hurt sales during the recession in 2008–2009. During that time, consumers significantly cut their spending and shopped mostly for necessities at low-cost Walmart instead of for discretionary items, which make up about three-fifths of sales at Target.

As a result, Target tweaked its marketing message and merchandise profile. The company added perishables to its inventory—a necessity in slow economic times—and cut back on discretionary items such as clothing and home accessories. Target's marketing message remains focused on offering consumers high style and unique brand names but emphasizes value more, using phrases such as "fresh for less" and "new way to save."

Today, Target is the second-largest discount retailer in the United States, with $65.4 billion in sales in 2009, and ranks number 28 on the Fortune 500 list. Its successful integrated marketing mix has worked so well that consumers often jokingly pronounce the company's name as if it were an upscale boutique, "Tar-ZHAY."

Questions

1. What has Target done well over the years in terms of its integrated marketing communications strategy? What should it do going forward?
2. How does Target compete against mammoth Walmart? What are the distinct differences in their IMC strategies?
3. Did Target do the right thing by tweaking its message to focus more on value and less on trends? Why or why not?

Sources: "Value for Money Is Back—Target Does Marketing Right," *The Marketing Doctor*, October 2, 2006; Ben Steverman, "Target vs. Wal-Mart: The Next Phase," *BusinessWeek*, August 18, 2009; Ann Zimmerman, "Staying on Target," *Wall Street Journal*, May 7, 2007; Mya Frazier, "The Latest European Import: Fast Fashion," *Advertising Age*, January 9, 2006, p. 6; Julie Schlosser, "How Target Does It," *Fortune*, October 18, 2004, p. 100; Michelle Conlin, "Look Who's Stalking Wal-Mart," *BusinessWeek*, December 7, 2009, pp. 30–36; Wikinvest, www.wikinvest.com; Target, www.target.com.