



Davis's Ice Cream

BusinessPlanMyWay

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1.0 Executive Summary

Davis's Ice Creams has grown successfully in the San Diego area for the last ten years. It has five locations, a thriving catering business, and supplies ice cream to over 30 restaurants in San Diego. Davis's has built up customer loyalty by offering a very eclectic variety of ice creams including alcohol flavored selections. But most importantly, customers are entertained by the staff at each shop. Making the trip to the ice cream shop is fun and unforgettable. The target market are young people ages 15 to 35 years of age, who will enjoy the sometime off color humor and would be attracted by the selections like Black Velvet ice cream. The brand image is unpredictable fun.

Davis's Ice Cream has carved out a unique identity for its shops in San Diego. By focusing on creating an environment that entertains the target customer groups, Davis's has become something more than just an ice cream shop. Davis's is now considered entertainment. "Party in a Cone" is the company tagline. The staff is selected to create a unique party environment at each shop. Each shop's personality is a product of the staff chemistry.

Davis's now plans to expand into Los Angeles County. The company has selected Northeast Los Angeles County to open six new ice cream shops because it shares some of the same population demographics as San Diego but more importantly the competition is weak in the area and the cost of advertising is cheaper.

DigitalCity's survey on consumer buying habits in Los Angeles County indicated that 55% of ice cream shop customers are between the ages of 15 to 40. This represents a unique opportunity for an ice cream shop to go after this target market and win market share. Currently, the competition is focused on children or location. The assumption is that there are no other compelling reasons for a customer to select one ice cream shop over another.

Over the past five years, there has been tremendous growth in Northeast Los Angeles County. Currently the area has over 2 million residents. The area shares many characteristics and aspects with San Diego. The area is predominantly affluent with incomes ranging between \$40,000 and \$80,000. The average age of the area's residents is 35.

Davis's will be expanding into the following Northeast communities:

- Pasadena
- Burbank
- Glendale
- Alhambra
- Arcadia

Northeast Los Angeles County has two local newspapers, the *Glendale Herald* and the *Pasadena Sun*. The area also has three advertising flyers that can carry four-color inserts. The newspaper and the free publications cover over 80% of Northeast Los Angeles County. The cost of advertising through these publications is a fraction of the cost of advertising in the *Los Angeles Times*.

The three targets for the ice cream shop are teenagers, college-aged young people, and young urban professionals. The current survey data on the residents of Northeast Los Angeles County is that 65% of the residents are under the age of 38. This group percentage will grow as new construction continues in the area.

The IMC objectives for Davis's Ice Cream will be to establish the company's brand positioning and development strategies with the targeted customer groups. Based on the communication opportunity analysis, the following three IMC Objectives will be the focus of this IMC plan:

1. Increase shop product and service awareness with target customer groups.
2. Strengthen relationships with suppliers.
3. Increase awareness of catering service with area businesses.

Advertising will be used to develop the party atmosphere that is essential to bringing in Davis's target customer groups. Sponsorships and public relations events will be used to reinforce the ad campaign. Promotions will be used to increase customer traffic. Davis's positioning strategy is the center of all the company's communication efforts.

Davis's Ice Cream has budgeted \$650,000 for the IMC program for next year.

Two of the challenges of the expansion will be to established an efficient ordering and delivery system for Davis's new manufacturing facility in Pasadena and developing awareness of Davis's catering service among local businesses.

2.0 Promotion Opportunity Analysis

There are 200 ice cream shops in Los Angeles County. Results of a recent survey suggests that 2 million residents of Los Angeles County eat ice cream at least once a week. Of this number, 30% purchase their ice cream from ice cream shops. The average reported cost of the purchase is \$2. From this data, it is estimated that Los Angeles County sales of ice cream shops exceeded \$57,600,000 in 2001. This represents an average of \$288,000 in annual sales per ice cream shop. Ice cream sales are predicted to increase by 10% each year for the next five years.

DigitalCity surveyed 5,000 Los Angeles County residents on a wide range of consumer issues including ice cream consumption. This is their profile of the ice cream consumer.

- 25% are 5 to 14 years of age
- 35% are 15 to 25 years of age
- 20% are 26 to 40 years of age
- 15% are 41-55 years of age
- 5% are 56+

The family incomes of the surveyed individuals were \$40,000+. 65% of the respondents reported that ice cream was an impulse purchase and that the closest ice cream shop was usually the place they went. Yet 80% of the respondents did have a favorite ice cream shop that they like to frequent. The following factors were reported as reasons why they liked the shop:

- Quality of ice cream
- Variety of flavors

- Friendly atmosphere of shop.

Most of the competition has noted the consumers buying habits and have opened shops in locations where there is heavy traffic like regional malls and shopping centers. As a result of these strategies most ice cream shops are located in commercial shopping areas or affluent communities. Consequently the competition is heavy in these areas with the national chains dominating.

At the top of the competition is Baskin-Robbins with over 2,200 locations nationwide. The other two visible national chains are Haagen-Dazs (250 shops nationally) and Ben and Jerry's (300 shops nationally). There is also a local ice cream shop chain called Cold Mountain with two shops located in Northeast Los Angeles County.

Davis's Ice Cream shops have been a phenomenal success in San Diego over the past eight years. Starting in 1993, with just one shop, Davis's has grown to eight shops with annual sales of \$4 million last year. The foundation of Davis's success is targeting an age group that has been ignored by its competitors. Davis's creates a party environment at its shop that is targeted at consumers ages 15 to 35 years of age. This differentiation has been pivotal to the success of Davis's. The company's tagline "Party in a Cone" best sums up the unique attributes of Davis's. When customers enter Davis's, they are immediately greeted by a staff that is singing, playing, telling jokes and generally just having a good time. Customers feel like they just entered a party where they are the guest of honor. In addition, Davis's offers an eclectic, exotic range of flavors including Grand Marnier, Rum, and Black Velvet.

In San Diego, Davis's has gone head-to-head with Baskin-Robbins, Haagen-Dazs, and Ben and Jerry's and beaten them soundly in attracting and retaining our target customers.

Davis's now plans to expand into Los Angeles County. The company has selected Northeast Los Angeles County to open six new ice cream shops because it shares some of the same population demographics as San Diego but more importantly the competition is weak in the area and the cost of advertising is cheaper.

Davis's will be expanding into the following communities:

- Pasadena
- Burbank
- Glendale
- Alhambra
- Arcadia

The goal of the IMC program is to effectively grab the attention of our target customers and create sufficient traffic to assure the success of the shops.

2.1 Communications Market Analysis

The marketing communication analysis focused on how both the large chains advertise as well as the independent ice cream shop. As noted before, since ice cream purchases are perceived as a

impulse buy, advertising is limited. There is rarely any sustained radio or television advertising. The lion's share of the advertising budget is in print media, especially newspapers.

The large chains like Baskin-Robbins advertise in the major daily of Los Angeles, the *Los Angeles Times*. Baskin-Robbins routinely includes discount inserts in the Sunday edition of the paper.

Haagen-Dazs and Ben and Jerry's have very little advertising that focuses on their ice cream shops. Most of their advertising is for their grocery store and supermarket retail products. The marketing strategy is that positive name recognition for the store product will bring customers into their ice cream shops.

The independent ice cream shops limit their advertising to community newspapers and free advertising flyers.

Northeast Los Angeles County has two local newspapers, the *Glendale Herald* and the *Pasadena Sun*. They also have three advertising flyers that can carry four-color inserts. The newspaper and the free publications cover over 80% of Northeast Los Angeles County. The cost of advertising through these publications is a fraction of the cost of advertising in the *Los Angeles Times*. In addition, the area has three local community colleges that serve over 45,000 students. Each campus has a daily paper that can carry inserts. This is significant because Duke's will be locating three shops near these colleges.

2.1.1 Competitive Analysis

Davis's Ice Cream has carved out a unique identity for its shops in San Diego. By focusing on creating an environment that entertains the target customer groups, Davis's has become something more than just an ice cream shop. Davis's is now considered entertainment. "Party in a Cone" is the company tagline. The staff is selected to create a unique party environment at each shop. Each shop's personality is a product of the staff chemistry. Customers are entertained with jokes, song, music, magic or whatever the staff can come up with. Customers are invited to laugh and join in if they wish. Each location has built up its own loyal base of customers.

Davis's also offers a selection of ice cream flavors that are tailored to our target customer groups. Duke's has flavors, including Grand Marnier, Rum and Black Velvet, that will not be found at any other ice cream shop.

The competition has focused on either other consumers in the marketplace or different product attributes.

Baskin-Robbins is the flagship chain of ice cream shops with over 2,200 shops nationwide. Each shop is a carbon copy of the others. The sheer number of outlets overwhelm the competition. There are 50 shops in Los Angeles County. The company's advertising is children-oriented. There are media tie-ins for movies that are focused on children.

Haagen-Dazs caters to a upscale customer base that enjoy the status of Haagen-Dazs as much as the product itself. The shops are located in regional malls or in upscale locations where their target customer base shop and play. The company has 250 outlets nationally with 10 located in Los Angeles County.

Ben and Jerry's has over 300 outlets nationally with 12 located in Los Angeles County. Ben and Jerry's occupies the middle ground between the accessibility Baskin-Robbins and the status of

Haagen-Dazs. The company offers an eclectic range of flavors that are the hallmark of their retail grocery store product. Ben and Jerry's offers the strongest competition to Davis's in term of ice cream product. Both offer ice cream with whimsical names and imaginative flavors. Ben and Jerry's is baby-boomer focused.

Cold Mountain is a local ice cream company with two outlets in Northeast Los Angeles County. The focus of Cold Mountain is local roots and the shops have a loyal customer base. The shops are decorated with local sport mementos; from young children to local high school teams. Cold Mountain has positioned the shops to be the place to go after the games to celebrate with the victors or console the losers.

Competitive Analysis						
Competitor	#1	#2	#3	#4	#5	#6
	Baskin- Robbins	Hagen-Dazs	Ben and Jerry's	Cold Mountain	Name me	Name me
Product and/or Service	Baskin- Robbins	Hagen-Dazs	Ben and Jerry's	Cold Mountain	Name me	Name me
Quality	3	5	4	4	0	0
Selection	4	3	4	3	0	0
Price	5	3	4	4	0	0
Other	0	0	0	0	0	0
Location and Physical Appearance	Baskin- Robbins	Hagen-Dazs	Ben and Jerry's	Cold Mountain	Name me	Name me
Traffic	5	4	4	3	0	0
Appearance	3	3	4	4	0	0
Visibility	5	5	5	4	0	0
Convenience Factors	5	3	3	3	0	0
Other	0	0	0	0	0	0
Added Value Factors	Baskin- Robbins	Hagen-Dazs	Ben and Jerry's	Cold Mountain	Name me	Name me
Pre and Post Sales Service	2	2	2	2	0	0
Experience	2	2	3	4	0	0
Expertise	2	3	3	3	0	0
Reputation	3	5	5	4	0	0
Image	4	5	5	4	0	0
Stability	5	5	5	4	0	0
Strategic Alliances	0	0	0	0	0	0
Other	0	0	0	0	0	0
Other Marketing Activities	Baskin- Robbins	Hagen-Dazs	Ben and Jerry's	Cold Mountain	Name me	Name me
Established Sales Channels	0	0	0	0	0	0
Advertising	5	2	2	3	0	0
Post-purchase Support	0	0	0	0	0	0
Incentives	0	0	0	0	0	0
Loyalty Components	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	53	50	53	49	0	0

2.1.2 Opportunity Analysis

Over the past five years, there has been tremendous growth in Northeast Los Angeles County. Currently the area has over 2 million residents. The area shares many aspects and characteristics with San Diego. The area is predominantly affluent with incomes ranging between \$40,000 and \$80,000. The average age of the area's residents is 35.

DigitalCity's survey on consumer buying habits in Los Angeles County indicated that 55% of ice cream shop customers are between the ages of 15 to 40. This represents a unique opportunity for a ice cream shop to go after this target market and win market share. Currently, the competition is focused on children or location. The assumption is that there are no other compelling reasons for a customer to select one ice cream shop over another.

Davis's will offer an entertaining social environment that will be seen as the perfect addition to any fun activity or entertainment our target customer groups plan for the day or the evening.

2.1.3 Target Market Analysis

The three targets for the ice cream shop are teenagers, college-aged young people, and young urban professionals. The current survey data on the residents of Northeast Los Angeles County is that 65% of the residents are under the age of 38. This group percentage will grow as new construction continues in the area.

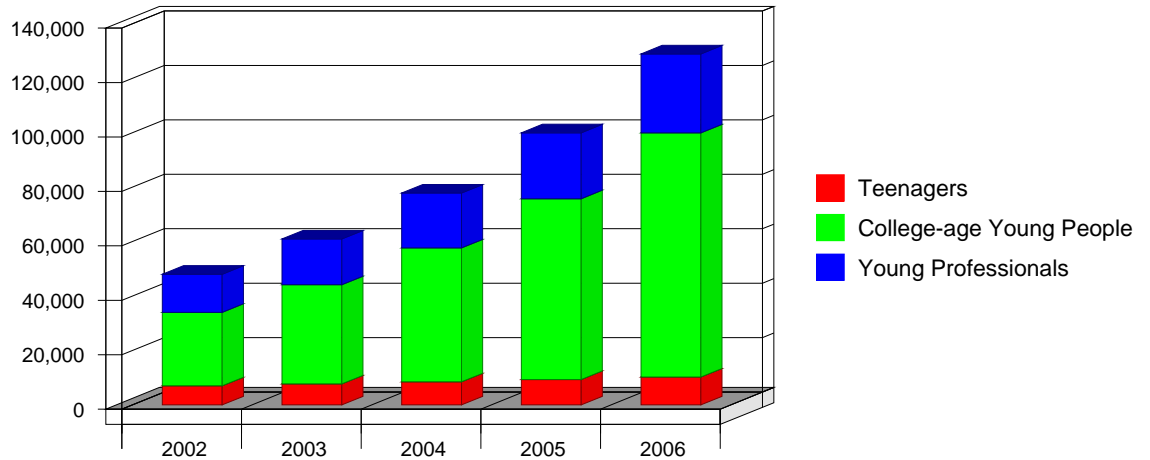
The growth in the area has already had a profound effect on available local entertainment services. It is estimated that the population will grow at 6% for the next five years. In the last three years, there have been five major movie multi-plexes built in the area. In addition, a large number of restaurants have opened to serve the growing population. The demand for entertainment will grow. Surveys indicate that residents in Los Angeles County spend on average \$150 a week on entertainment and dining.

The market trends are positive for a business that can offer customers a unique and entertaining product and/or service.

Target market forecast data is provided in the table below. Based on the target market analysis, the projected number of customers anticipated by Davis's during 2002 will be 50,000. Based on annual growth rate of 28%, Davis's projects a total of 128,961 customers during 2006.

Target Market Forecast							
Potential Customers	Growth	2002	2003	2004	2005	2006	CAGR
Teenagers	10%	7,000	7,700	8,470	9,317	10,249	10.00%
College-age Young People	35%	27,000	36,450	49,208	66,431	89,682	35.00%
Young Professionals	20%	14,000	16,800	20,160	24,192	29,030	20.00%
Total	28.03%	48,000	60,950	77,838	99,940	128,961	28.03%

Market Forecast



2.1.4 Customer Analysis

DigitalCity's survey of consumer buying habits in Los Angeles County indicated that over 50% of customers at ice cream shops were between the ages of 15 and 40 years of age. This runs counter to the advertising focus of most of Davis's competitors. Yet it is an accurate description of Davis's target customer groups.

Davis's has targeted three customer groups. The groups are:

Teenagers: This group is a critical foundation segment for an ice cream shop especially as late afternoon and early evening traffic. Davis's expects a sales growth rate of 10% with this group. Their demographic characteristics are the following:

- Ages: 14-18
- Sex: 45% male, 55% female
- Family Income: \$50,000+
- Average Purchase: \$4
- Shop's Selling Points: Source of cheap entertainment to pass the time. Shop environment serves as a great place to get together and hang out.

College-aged Young People: Davis's must become their place to hang out and have a couple of laughs. It doesn't matter if it starts the evening or ends, their patronage is pivotal to the shop's success. Davis's expects a sales growth rate of 35% with this group. Their demographic characteristics are the following:

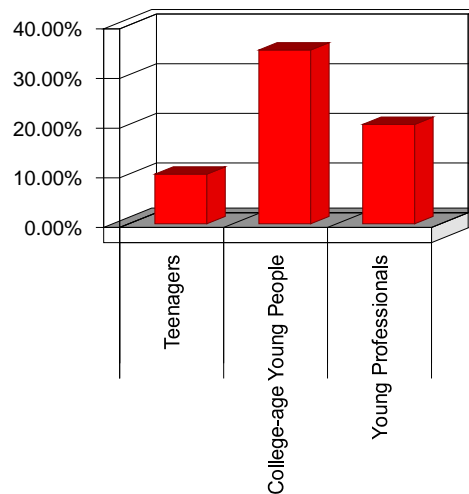
- Ages: 19-23

- Sex: 45% male, 55% female
- Family Income: \$20,000+
- Average Purchase: \$5
- Shop's Selling Points: The ice cream shop is a place where they can take a date or meet with friends. Shop environment serves as a great place to have a fun evening without spending a lot of money.

Young Urban Professionals: For this group, Davis's will be comfortable place to include in an evening's activities. The shop environment serves as a great place to let your hair down and enjoy a joke or just be entertained. Their demographic characteristics are the following:

- Ages: 24-35
- Sex: 50% male, 50% female
- Family Income: \$40,000+
- Average Purchase: \$10
- Shop's Selling Points: The ice cream shop is a unique entertainment resource that combines sweets with laughter.

Target Market Growth



2.2 Market Segmentation Strategy

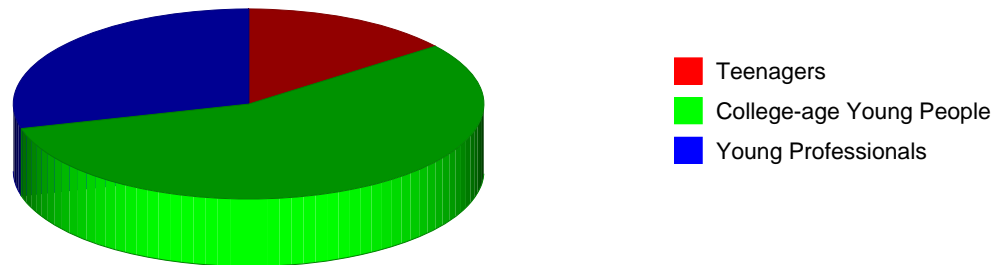
Based on the communication market analysis, Davis's will focus on the college-age young people market segment. They serve as the critical backdrop for the age groups on either side of them. For the teenagers, the presence of college-age customers creates a more energized

environment. In a survey conducted by Davis's in its San Diego shops, 80% of teenagers reported that the presence of college students created a more festive environment. 60% reported that the staff's performances were more entertaining when customers joined in. More than 70% of teenage respondents reported that they were more likely to join in fun after watching college-age customers participate. For the urban professional, college-age customers create a lively environment, especially in response to staff performances. Having a group predisposed to joining in the fun is an important element to Davis's. A key factor to the entertainment quality of the shop is having customers who are comfortable joining in. A little less than 80% of urban professional respondents reported that they enjoyed the spontaneous participation of customers.

The second target group is young urban professionals. There are two reasons that they are critical to the success of Davis's. First, on average they spend more per purchase than the other two groups combined. The second reason is they are an excellent resource for catering to local businesses events. Young urban professionals enjoy the atmosphere at Davis's and suggest that having Davis's cater a company event will add unexpected fun to the planned activity.

The attractiveness of each market segment in terms of customer characteristics is shown in the Market Analysis table. A classification runs from 5 (very attractive) to 1 (not attractive). As noted in the table, the participation of college-age young people are critical to the shop environment. It is also important to develop the customer loyalty of teenagers and college-age young people. Both teenagers and college-age young people are prone to come to the shop as part of a group. Fewer young urban professionals come into the shop as part of a group but they spend more, so it is critical to develop customer loyalty with this group.

Target Markets



3.0 Corporate Strategies

To succeed, Davis's Ice Cream shops must accomplish the following:

- Attract the target customers into the shops.
- Assure that customers are entertained once in the shops.

- Sell high-quality ice cream products.
- Make sure all customers are satisfied.
- Establish advertising visibility with target customer groups.

The marketing strategy for Davis's Ice Cream shops will be to:

- Create awareness of the unique products and service at Davis's Ice Cream shops.
- Establish Davis's Ice Cream shops as the #1 choice for customers ages 14-40 years of age in Northeast Los Angeles County.
- Differentiate Davis's Ice Cream shops from competitors through an aggressive integrated marketing plan.

3.1 Corporate Image Strategy

The primary market for Davis's Ice Cream is college-age young people. "Party in a Cone" will be the focus of Davis's Ice Cream corporate image strategy.

3.2 Brand Development Strategy

The brand name of " Davis's Ice Cream" was selected to reflect the joyous nature of enjoying ice cream and a good laugh with friends. The brand name creates a personal connection with the shop's staff.

Consistent with the brand image strategy, the brand development strategy and the brand positioning strategy, Davis's Ice Cream shops will use the tagline "Party in a Cone!" This tagline conveys the concept that Davis's Ice Cream shops is place to have fun and create some memories.

3.3 Brand Positioning Strategy

The position strategy of Davis's Ice Cream will be that a trip to the ice cream shop should be fun and memorable. All communication of Davis's Ice Cream will highlight this concept in the tagline "Party in a Cone!"

By focusing on entertainment, Davis's Ice Cream can create a party atmosphere that will resonate in teenagers and college-age young people. This an important distinction since surveys have indicated that these two groups reported fun and entertainment as the most important qualities they look for in group activities. Davis's Ice Cream shops must be viewed as the perfect backdrop to group activities.

3.4 Distribution Strategy

Davis's Ice Cream will sell directly from its shops. The ice cream will be produced in a central location in Pasadena, and distributed to the six shops. The products necessary to manufacturing Davis's Ice Cream will be supplied by Johnson Wholesalers. This wholesaler has a long history with Davis's Ice Cream. For the past four years, Johnson Wholesalers has supplied products to Davis's San Diego operation. The company has an excellent record of service and has implemented process changes that have saved Davis's Ice Cream thousands of dollars in production costs.

Johnson Wholesalers is located in San Diego and the new operation in Northeast Los Angeles County will necessitate changes in the ordering and delivery process. Davis's will be working closely with Johnson Wholesalers to put a process in place that will assure the success of Davis's expansion.

3.5 Business-to-Business

The business-to-business strategy for Davis's Ice Cream will be to let catering services develop as a natural offshoot of bringing young urban professionals into the shops. For the most part, very few of Davis's customers will be the decision makers of who is hired to cater a business function. With increased visibility and a growing pool of satisfied customers that know Davis's provides a unique service, the catering business will establish itself.

Davis's will be proactive, sending marketing material on its catering services to local businesses through a direct mail campaign. But until the shops establish a buzz about their unique atmosphere, it will be difficult to separate Davis's from the competition.

3.6 Public Relations Strategy

The primary role of the public relations strategy is to create an image of community involvement by Davis's Ice Cream. Local charities, including the Childhood Cancer Foundation, Partners in Education, and the Alliance for Youth and Family Resources, will receive fund-raising assistance from Davis's. These activities serve two purposes. First, it raises money for worthy causes that help the communities. The second reason is that it provides excellent exposure of Davis's quality products and zany service. In San Diego, Davis's annual fund-raisers received quality media coverage in newspapers and, more importantly, television. It assisted in marketing the shops because the news stories were humorous but also uplifting.

3.7 Evaluation

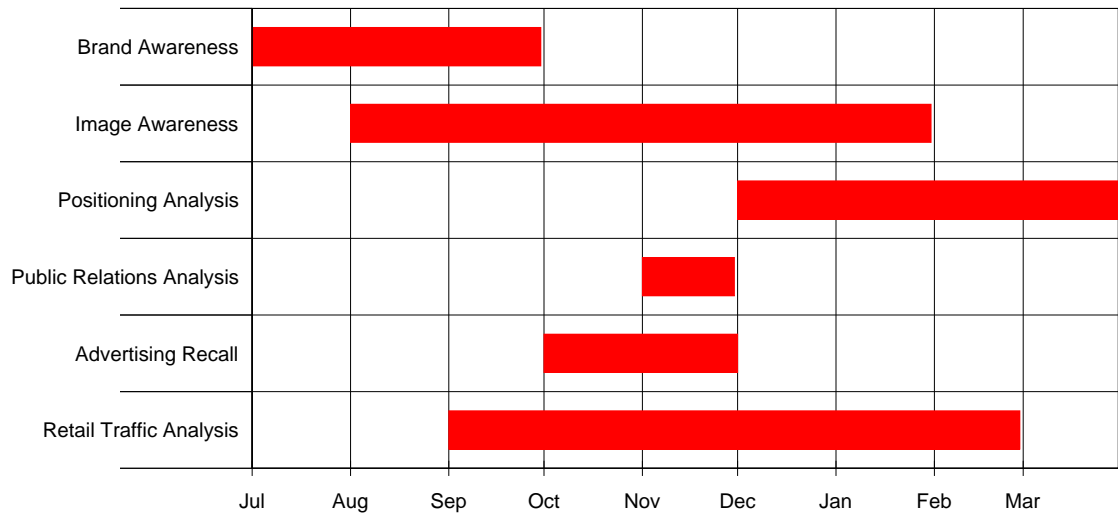
Evaluation of the branding, image, positioning, and public relations strategies will be an on-going process. Three months after beginning operation, a survey will be conducted. The survey is designed to measure such things as the brand name awareness, the image of the company, and

consumer knowledge about the shops. The positioning strategy will be measured to see how customers position Davis's. The analysis is designed to see if the position is consistent with the one intended by the overall IMC plan. This survey will be repeated twice a year to develop longitudinal data for long-term analysis of the overall corporate IMC program.

The table and the chart below highlight the evaluation program that will be used. Time frames and costs are estimated. The success of Davis's will be greatly affected by timely evaluations and use of this insight to modify the communication plan. The total cost for the evaluation is estimated at \$64,000.

Evaluation Programs	Plan		Budget	Manager	Department
	Start Date	End Date			
Brand Awareness	7/1/2002	9/30/2002	\$20,000		
Image Awareness	8/1/2002	1/31/2003	\$10,000		
Positioning Analysis	12/1/2002	3/31/2003	\$10,000		
Public Relations Analysis	11/1/2002	11/30/2002	\$5,000		
Advertising Recall	10/1/2002	12/1/2002	\$14,000		
Retail Traffic Analysis	9/1/2002	2/28/2003	\$5,000		
Totals			\$64,000		

Evaluation Programs



4.0 IMC Management

Davis's Ice Cream is expanding into Northeast Los Angeles County by opening six new shops. This will necessitate a new marketing plan to build awareness of the shops and their unique products and service. Advertising will be used to develop the party atmosphere that is essential to bringing in Davis's target customer groups. Sponsorships and public relations events will be used to reinforce the ad campaign. Promotions will be used to increase customer traffic. Davis's positioning strategy is the center of all the company's communication efforts.

Davis's Ice Cream has budgeted \$650,000 for the IMC program for next year.

4.1 IMC Objectives

The IMC objectives for Davis's Ice Cream is to firmly establish the company's brand positioning and development strategies with the targeted customer groups. Based on the communication opportunity analysis, the following three IMC Objectives will be the focus of this IMC plan:

1. Increase shop product and service awareness with target customer groups.
2. Strengthen relationships with suppliers.
3. Increase awareness of catering service among area businesses.

4.2 IMC Budget

Davis's Ice Cream will be establishing six new shops in Northeast Los Angeles County. The communication budget for year one of operation will be \$650,000. The basic breakdown of this budget will be:

- IMC Objective 1: \$500,000
- IMC Objective 2: \$50,000
- IMC Objective 3: \$100,000

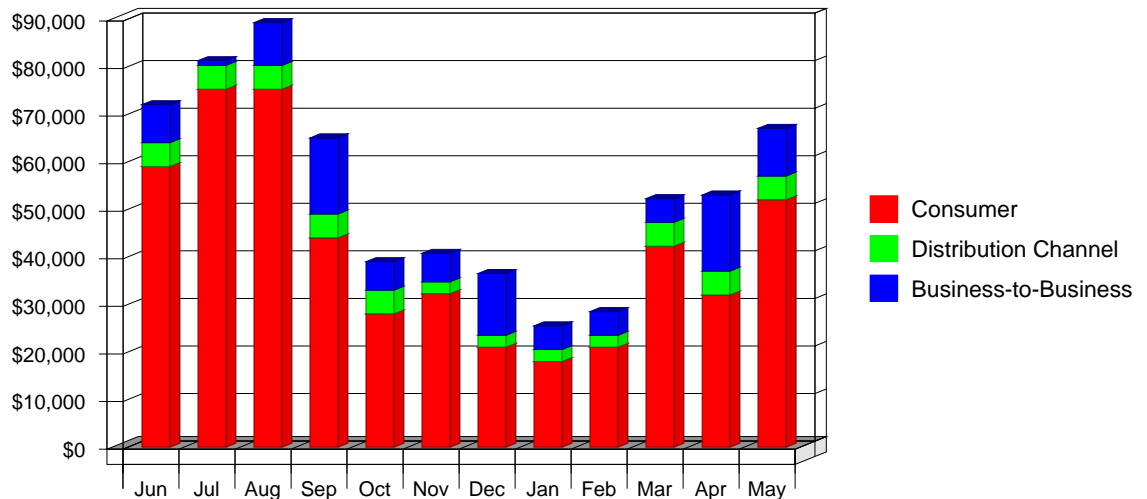
Davis's Ice Cream will spend approximately 83% (\$500,000) of the budget to achieve IMC Objective 1 to promote the six new ice cream shops. The advertising and promotion will be directed toward the target customer groups. The goal will be to create sufficient interest to generate traffic.

The goal of the IMC Objective 2 is to assure that the communication and delivery process with suppliers is free of any obstacles that will impact production. The budget of \$50,000 will be used to strengthen the communication links between the supplier and the new manufacturing facility in Pasadena.

IMC Objective 3 will focus on the development of the Davis's Ice Cream catering service to businesses in Northeast Los Angeles County. The budget of \$100,000 will be used to create direct mail marketing material that will promote the catering business. In addition, some of the budget will be used for sales meals, entertainment and sales presentations.

Budget	FY2003	FY2004	FY2005	FY2006	FY2007
Consumer	\$500,000	\$555,950	\$618,493	\$641,013	\$666,140
Distribution Channel	\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Business-to-Business	\$100,000	\$115,000	\$132,250	\$152,088	\$174,901
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Total Budget	\$650,000	\$723,450	\$805,868	\$850,982	\$901,816

Monthly IMC Budget



4.3 Agency Selection

This section will not be used in the IMC plan because Davis's Ice Cream will create print advertisements in-house.

4.4 Internet Website

The primary role of the Internet site will be as a marketing tool. The site will mirror the party atmosphere that exists in the shops. The site will have a webcam that will display a still shot of one of the shops every two minutes. A history of Davis's will be provided, as well as list of all the flavors that are available at Davis's. The theme of the website will be "There a party going on! Why aren't you there?"

5.0 IMC Objective One (Consumer)

The objective for the consumer segment of the market is to create excitement concerning the opening of six Davis's Ice Cream shops in Northeast Los Angeles County. The goal is to establish the brand identity of Davis's as a shop where the ice cream is excellent but the entertainment is even better. This objective will be accomplished by integrating all advertising, consumer promotions, personal selling, and sponsorship programs that create brand awareness and preference for Davis's Ice Cream.

5.1 Budget

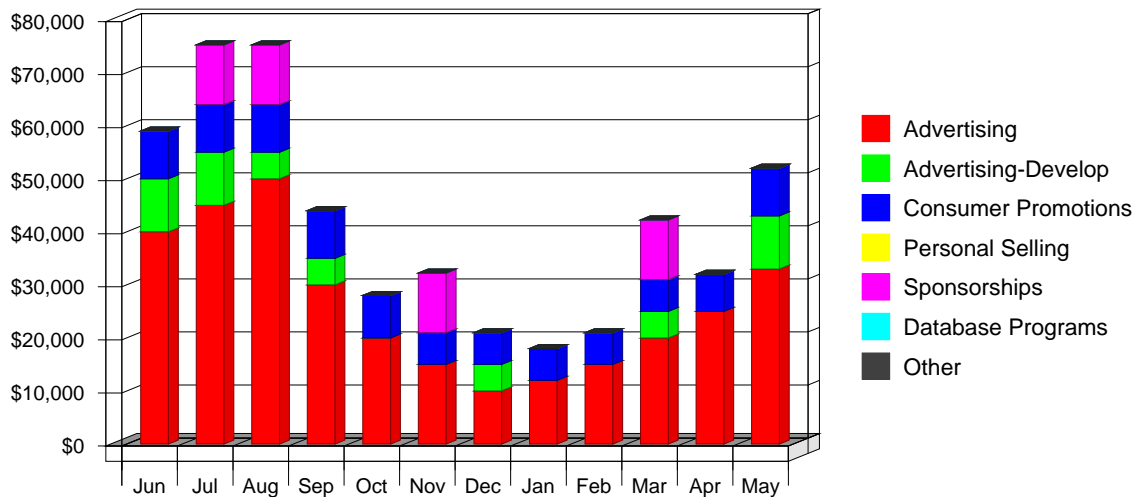
The budget for accomplishing Objective 1 will be \$500,000. Ten percent of the advertising budget will be used for advertising development costs. All advertisements and supporting communications will be developed in-house. Of the remaining \$450,000 allocated for accomplishment of Objective 1, 70% will be spent on advertising. Advertising will be the most effective for establishing awareness and traffic. Of the remaining funds, 20% will be spent on consumer promotions that will be coordinated with the advertising campaign. The final 10% of the budget will be used for sponsorship programs.

The chart below illustrates the budget broken down into monthly expenditures. Because the prime season for ice cream purchases are May to September, a higher percentage of the IMC budget will be spent during these months.

While the total IMC budget for Objective 1 is \$500,000 in 2002, it is recommended that the budget be increased by 12% each year to ensure meeting the sales growth targets. The advertising budget is expected to increase an average of 12% per year. Consumer promotions will only increase by 6% annually. Sponsorship is projected to increase by 15% per year.

IMC Budget by:	Consumer	FY2003	FY2004	FY2005	FY2006	FY2007
Budget						
Advertising		\$315,000	\$352,800	\$395,136	\$395,136	\$395,136
Advertising-Develop		\$50,000	\$56,000	\$62,720	\$70,246	\$78,676
Consumer Promotions		\$90,000	\$95,400	\$101,124	\$107,191	\$113,623
Personal Selling		\$0	\$0	\$0	\$0	\$0
Sponsorships		\$45,000	\$51,750	\$59,513	\$68,439	\$78,705
Database Programs		\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0
Total		\$500,000	\$555,950	\$618,493	\$641,013	\$666,140
Average		\$71,429	\$79,421	\$88,356	\$91,573	\$95,163

IMC Budget by Consumer Monthly



5.2 IMC Methodologies

Davis's Ice Cream shops will implement a strong advertising and sponsorship program. Advertising will be focused on the company's tagline "Party in a Cone!" All communications will focus on this theme to enhance the position strategy of entertainment. Sponsorship programs will be coordinated with advertising to get maximum exposure for Davis's in the local media. Consumer promotion will be an essential strategy in creating the traffic needed for the shops to meet their sales goals.

5.2.1 Advertising

The primary goals of the advertising program are to build product awareness with the target customer base. The advertising budget is \$450,000.

The \$50,000 allocated for ad development costs will provide two four-color inserts and three quarter-page advertisements for local newspapers and advertising flyer. The ads will focus on product awareness and encouraging viewers to visit a Davis's Ice Cream shop.

In developing the initial advertisement for Davis's Ice Cream, the following creative brief will be used.

Objective: To create awareness of Davis's Ice Cream.

Target Audience Profile: The primary audience is college-age young people, ages 19-23. The secondary audience is young urban professionals, ages 24-35. Demographically, college-age young people have family incomes of \$20,000+. The young urban professional have family incomes of \$40,000+. The third targeted group is teenagers, ages 14-18. The breakdown of gender is approximately 50/50 between males and females. Yet there is a decided emphasis on target female customers.

Message Theme: The primary message theme will be that Davis's Ice Cream shops offers a fun selection of flavors and a party environment that will leave you laughing.

The Support: Davis's has unique flavors that are not available in any other ice cream shop. Davis's staff has been hand picked to create an entertaining environment for customers.

The Constraints: The tagline "Party in a Cone!" is to be used in all communications.

In creating the advertisements for Davis's Ice Cream, the following means-end chain was developed.

Attribute: High quality products and a staff that will make you laugh out loud.

Benefit: Fun.

Personal value: A place you enjoy coming to as much as you like the product sold there.

Leverage point: Confetti and balloons exploding from the top of an ice cream cone. The image is tied to the headline "Party in a Cone!"

Executorial framework: A trip to the ice cream shop that entertains as well as uniquely flavored ice cream products.

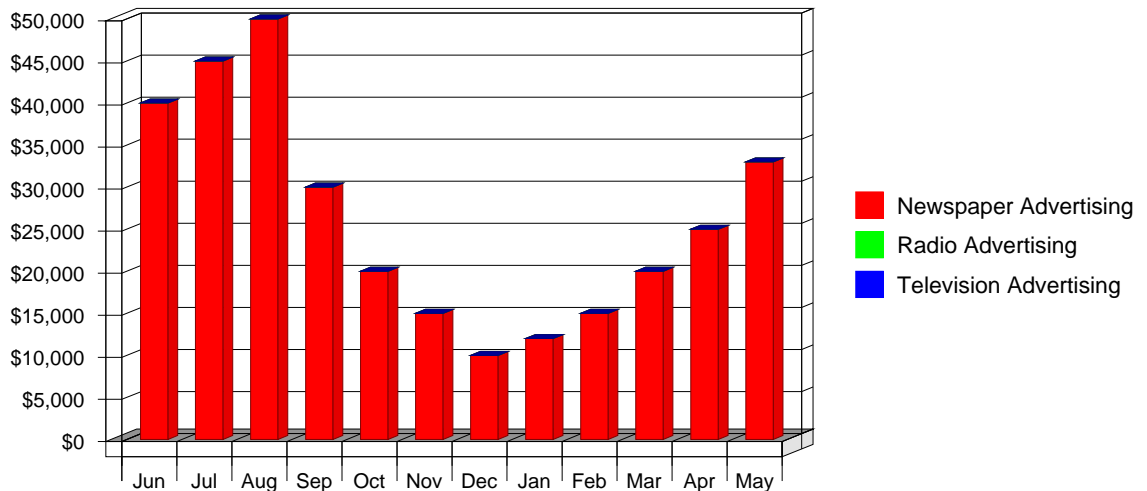
The actual print advertisement will utilize an effective message strategy coupled with an emotional appeal and dramatization framework. The advertisement will show a group of young people (majority will be female) laughing hysterically as a shop staff member dressed in a cow costume, playing a guitar, serenades them at the counter. The headline of the advertisement will read "Party in a Cone!"

The month-by-month advertising budget is illustrated in the chart below. The advertising expenditures will be the lowest in November and December. Starting with January, the advertising spending will increase each month until it reaches its peak in July and August.

Future advertising expenditures are provided in the following table. It is projected that the advertising budget will increase by 12% per year.

Advertising Budget by:	Consumer	FY2003	FY2004	FY2005	FY2006	FY2007
Budget						
Newspaper Advertising		\$315,000	\$352,800	\$395,136	\$395,136	\$395,136
Radio Advertising		\$0	\$0	\$0	\$0	\$0
Television Advertising		\$0	\$0	\$0	\$0	\$0
Total		\$315,000	\$352,800	\$395,136	\$395,136	\$395,136
Average		\$105,000	\$117,600	\$131,712	\$131,712	\$131,712

Advertising Budget by Consumer Monthly



5.2.2 Consumer Promotions

The budget for consumer promotions is \$90,000. Consumer promotions will be used to support the advertising and public relations activities and to encourage traffic to the ice cream shops. Coupons and contests are promotions that will be used.

Coupons will be used in advertising to encourage consumers to visit Davis's Ice Cream. The goal is to bring groups into the shops so group purchase coupons will be emphasized.

Contests will also have a group focus. There will be weekly drawings in each shop for a \$30 gift certificate. To participate in the contest, groups of two or more will fill out an entry form. By having a weekly drawing, customers will be encouraged to enter each week for a chance to win.

The tagline "Party in a Cone!" will appear in the consumer promotions. The concept of unique flavors and entertaining service will also be placed on promotional offers when appropriate.

5.2.3 Personal Selling

Service is the most distinctive aspect of Davis's. A customer can buy ice cream anywhere. There is no compelling reason to drive to an ice cream shop unless the shop offers something special and unique. Davis's Ice Cream shop hires staff that will go the extra mile to put a smile on a customer's face. Visiting Davis's must be the brightest part of the customer's day. Each shop takes a team approach to entertainment and are encouraged to be creative.

To assist with entertaining customers, the order counter/area is designed to give staff room to perform. There are also attractive menus that appear overhead to assist customers with their selections.

Davis's motivates its employees by offering bonuses for achieving sales goals. The staff are the most important component in the success of Davis's Ice Cream.

5.2.4 Sponsorship Programs

The attributes of Davis's Ice Cream shops are well suited to fund-raising activities that both helps the community and increases the visibility of Davis's. Local charities, including the Childhood Cancer Foundation, Partners in Community College Education, and the Alliance for Youth and Family Resources, will receive fund-raising assistance from Davis's. In San Diego, Duke's annual fund-raisers received quality media coverage in newspapers and, more importantly, television. It assisted in marketing the shops because the news stories were humorous but also uplifting.

Davis's Ice Cream will sponsor four events during 2002-2003. The first will be the Childhood Cancer Foundation. The fundraiser will take place in July and will involve all six shops. For one week, Davis's will donate 30% of all receipts to the Childhood Cancer Foundation.

In August, Davis's will join with a number of the the area's businesses to raise funds for the Make-A- Wish Foundation. Again, Davis's will donate 30% of a weeks receipts to the foundation.

In November, Davis's will focus on the local community colleges and run fund-raisers at each shop to assist the local colleges in developing scholarship programs for needy students.

The final fund-raiser will take place in March 2003, and it will be for the Alliance for Youth and Family Resources. Davis's will be partnering with a number of local charitable organizations to raise money for the Alliance's services in the community.

5.3 Media Plan

The purchasing season for ice cream is April to October each year. Davis's Ice Cream media plan

will utilize a pulsing schedule whereby a basic level of advertising will be in place year around but additional dollars will be spent from May to September of each year. The heaviest expenditures will be June to August. The advertising expenditures will be the lowest in November and December.

Advertising in the two local newspapers, the *Glendale Herald* and the *Pasadena Sun*, will be heavy from April through August. Four-color insert ads will run in every Sunday edition of the papers from April through August. Additional color ads, 4 column by 5 inch, will run on Wednesday from April through August. This media plan will produce 26 Sunday inserts and 26 Wednesday advertisements in each paper. The total cost is \$180,000.

Advertising will also be placed in the area's advertising flyers, *Northeast Advertiser* and *Pasadena Free Press*, from May through July. They are both weekly flyer. Four-color insert ads will run in each flyer. This media plan will produce 12 weekly inserts in each flyer. The total cost is \$40,000.

Finally, Davis's will also advertise in the four community colleges' daily newspapers. Color ads, 4 column by 5 inch, will run on Wednesday and Friday from April through August. This media plan will produce 46 ads in each college paper. The total cost is \$60,000.

5.4 Evaluation

Several methods of evaluation will be used. All will be conducted internally. The purpose of these evaluations is to measure success of the advertising objectives.

Brand awareness evaluations will begin in July and continue over a three month period. Image analysis will begin evaluations in August and continue over a six month period. The goal is to measure the advertising impact. The awareness level will be charted and if it hasn't increased by December, it will be possible to modify the advertising plan for the critical spring/summer campaign. The image analysis will focus on the success of the company's projected image in advertising. If Davis's Ice Cream is not achieving its image goal, then adjustments can be made in the spring/summer campaign. Retail traffic analysis will begin in September and continue until March the following year. The goal will be to assure that Davis's is being successful in bringing in its target customer groups.

Advertising impact analysis will be conducted in August and continue until October. Newspapers and flyers will be analyzed separately. The company will track the success of each in order to identify the strengths of each strategy in achieving the campaign's goals.

Starting in March, Davis's will begin to analyze its public relations plan. This will be critical in planning activities for the following year.

During December, the positioning analysis will begin and continue until March. By this point in the campaign, Davis's will evaluate how successful its position strategy has been.

A post-mortem will be conducted in November to determine the success of the grand opening/summer advertising campaign. The goal of this review will be to improve advertising campaign next spring and summer.

6.0 IMC Objective Two (Distribution Channel)

The primary relationship with a wholesaler will be acquiring the ingredients necessary to create the unique flavors of Davis's Ice Cream. The ice cream will be produced in a central location in Pasadena, and distributed to the six shops. Duke's Ice Cream has a long satisfactory history with Johnson Wholesalers of San Diego. Yet the expansion will necessitate changes in the ordering and delivery process that must be monitored. Davis's will be working closely with Johnson Wholesalers to put a process in place that will assure the success of Davis's expansion.

6.1 Budget

The budget for IMC Objective Two is only \$50,000. As a retail operation, Duke's Ice Cream shops need an uninterrupted source of products. A new manufacturing facility is being setup in Pasadena. The company's wholesaler is located in San Diego and can efficiently facilitate the delivery of most ingredients needed by the facility but there are some items that are best delivered by companies in the Los Angeles area. For accounting purposes, Johnson Wholesalers will purchase the items and have the items delivered to the Pasadena facility. This new process necessitates that the Pasadena facility strengthen its relationship with three companies in the Los Angeles area as well as work with Johnson Wholesalers to improve the order and delivery process.

The three Los Angeles companies are:

- Lowe's Distributing
- Kramer's Dairy
- Atlas Food Products

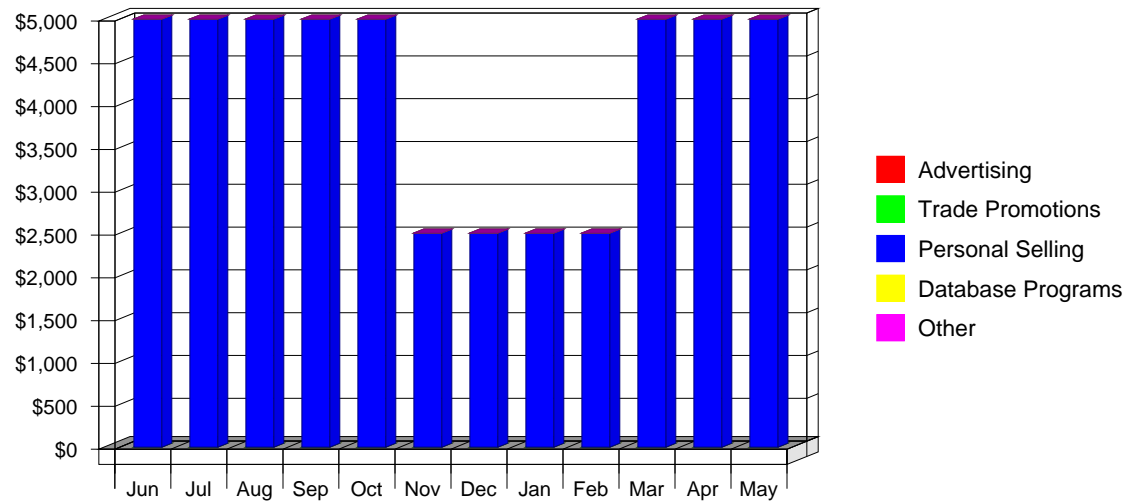
The entire budget is focused on the personal selling that is critical to quickly removing obstacles in the delivery chain.

The monthly IMC budget for the distribution channel is illustrated in the chart below. Because ingredients are purchased in advance, the highest expenditures will be in spring. This will ensure that Davis's Ice Cream has the ingredients it needs when sales begin to increase in the summer months.

The following table shows the budget over the next five years. The IMC budget for this objective should increase only 5% per year.

IMC Budget by:	Distribution Channel	FY2003	FY2004	FY2005	FY2006	FY2007
Budget						
Advertising		\$0	\$0	\$0	\$0	\$0
Trade Promotions		\$0	\$0	\$0	\$0	\$0
Personal Selling		\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Database Programs		\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0
Total		\$50,000	\$52,500	\$55,125	\$57,881	\$60,775
Average		\$10,000	\$10,500	\$11,025	\$11,576	\$12,155

IMC Budget by Distribution Channel Monthly



6.2 IMC Methodologies

The primary IMC methodology that will be used is a database of orders and deliveries that will be used to assess the success of the process. Records of on-time deliveries and product or delivery complaints will be critical in planning future product needs. It is critical to work with companies that have the best record so that there is no adverse impact on production.

6.3 Evaluation

The evaluation of this second IMC Objective will occur two ways. First will be the record of product delivery and the strength of the relationship with the Pasadena facility. A scale from on-time delivery to responsiveness to facility issues will be established. The goal is to create a trust relationship between the facility management and wholesalers.

The second method of evaluation is a record of complaints on service or product. This will allow Davis's Ice Cream to evaluate the quality of these third-party wholesalers. This process is critical in ensuring that customers have the quality product that Davis's represents.

7.0 IMC Objective Three (B-to-B)

The objective of the business-to-business IMC Objective is to develop the catering service as a natural offshoot of the success of Davis's Ice Cream shops. Unlike the competition, Davis's offers a brand identity that fits nicely with fun and entertainment. Companies planning events that they want to be memorable will think of the unique attributes of Davis's and contact the catering service.

7.1 Budget

The budget for the IMC Objective 3 is \$100,000. This will be spent on direct mail advertising and personal selling. The heaviest spending will be advertising during the late spring. The budget will allow the following:

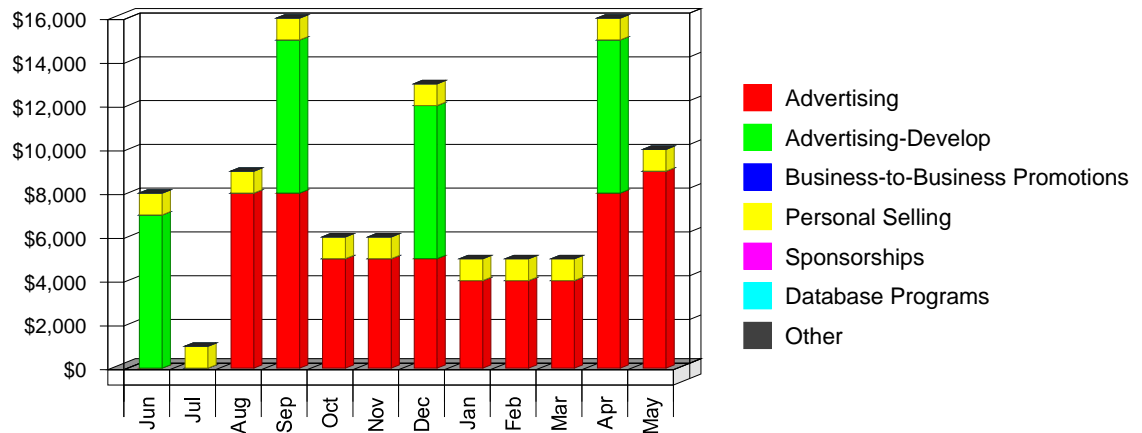
- Direct Mail Advertising: \$88,000
- Personal Selling: \$12,000

The monthly IMC budget for the business-to-business portion of the IMC plan is illustrated in the chart below. Expenditures will only focus on April to June.

Total expenditures for the third IMC Objective will be increased an average of 15% per year. The business-to-business advertising will be increased by 15% per year.

IMC Budget by:	Business-to-Business	FY2003	FY2004	FY2005	FY2006	FY2007
Budget						
Advertising		\$60,000	\$69,000	\$79,350	\$91,253	\$104,940
Advertising-Develop		\$28,000	\$32,200	\$37,030	\$42,585	\$48,972
Business-to-Business Promotions		\$0	\$0	\$0	\$0	\$0
Personal Selling		\$12,000	\$13,800	\$15,870	\$18,251	\$20,988
Sponsorships		\$0	\$0	\$0	\$0	\$0
Database Programs		\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0
Total		\$100,000	\$115,000	\$132,250	\$152,088	\$174,901
Average		\$14,286	\$16,429	\$18,893	\$21,727	\$24,986

IMC Budget by Business-to-Business Monthly



7.2 IMC Methodologies

The focus of the third IMC Objective is direct mail advertising and personal selling. Advertising will be the primary methodology of the plan but will be supplemented with strong personal selling. The brand recognition that will be achieved through a coordinated campaign will give Davis's an advantage in selling its catering services. The goal of the campaign is to establish Davis's Ice Cream as the perfect organizer of a memorable event. The tagline "Party in a Cone!" will reinforce the message that Davis's Ice Cream knows how to party.

7.2.1 Advertising

The primary goal of the advertising program is to build product awareness with the target customer base. The advertising budget is \$88,000.

There is \$28,000 allocated for brochure development costs.

In developing the catering services brochure for Davis's Ice Cream, the following creative brief will be used.

Objective: To create awareness of Davis's Ice Cream Catering Services.

Target Audience Profile: The primary audience is the young urban professional with a family income of \$40,000+. The breakdown of gender is approximately 50/50 between males and females. Yet there is a decided emphasis on target female customers.

Message Theme: The primary message theme will be that Davis's Catering Services can take its great selection of flavors and a party environment anywhere.

The Support: Davis's will have established its brand identity as a wonderful place to buy ice cream, where the customers are always laughing and can't wait to return.

The Constraints: The tagline "Party in a Cone!" is to be used in all communications.

In creating the advertisements for Davis's Ice Cream Catering Services, the following means-end chain was developed.

Attribute: High quality products and a staff that will make you laugh out loud.

Benefit: We bring the party to you.

Personal value: Employees talk about the fun they had for weeks.

Leverage point: Confetti and balloons exploding from the top of an ice cream cone. The image is tied to the headline "Party in a Cone!"

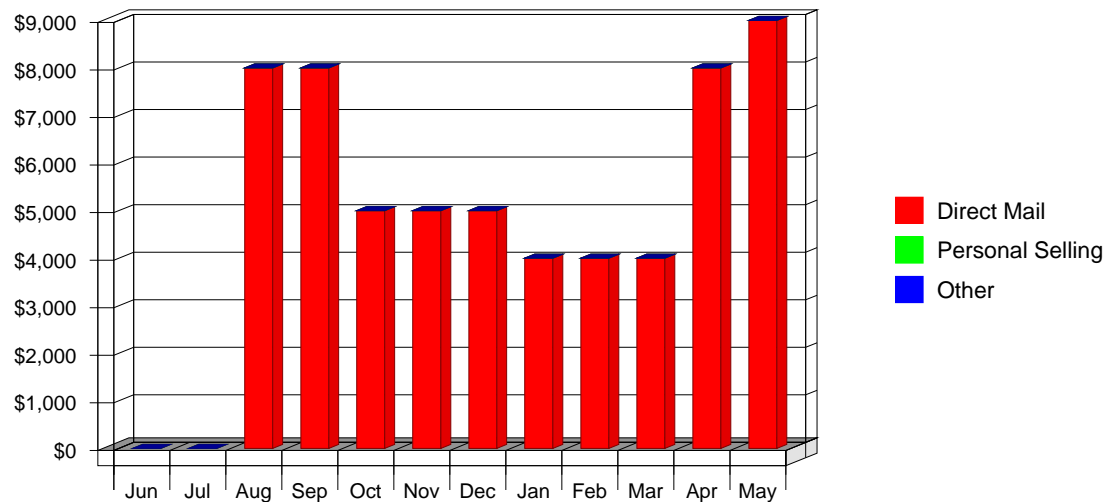
Executional framework: Value for your company dollar. The ice cream is relatively cheap and the laughter is priceless.

The actual print advertisement will utilize an effective message strategy coupled with an emotional appeal and dramatization framework. The advertisement will show a group of employees (majority will be female) laughing hysterically as a Davis's Catering staff put on a skit

in a company's workplace. The headline of the advertisement will read "Party in a Cone!"

Advertising Budget by:	Business-to-Business	FY2003	FY2004	FY2005	FY2006	FY2007
Budget						
Direct Mail		\$60,000	\$69,000	\$79,350	\$91,253	\$104,940
Personal Selling		\$0	\$0	\$0	\$0	\$0
Other		\$0	\$0	\$0	\$0	\$0
Total		\$60,000	\$69,000	\$79,350	\$91,253	\$104,940
Average		\$20,000	\$23,000	\$26,450	\$30,418	\$34,980

Advertising Budget by Business-to-Business Monthly



7.2.2 Personal Selling

For the business-to-business sector, personal selling will be the vital step in establishing a trust relationship with area businesses. The salary and direct expenses for the catering service salesperson will be paid out of administrative funds, only \$12,000 will be needed for the marketing expense. These funds will be used for meals and entertainment of perspective clients.

7.3 Media Plan

The media plan for IMC Objective Three will be a direct mail advertising only. It will involve brochures. The heaviest advertising will occur from July to September and from April to May. It will be important that the mailings systematically reinforce the company's brand name in order to maintain the company's visibility.

7.4 Evaluation

Each catered event will be followed by a solicited review by the client company. Davis's will ask for a listing of positives and negatives of the event. From this review, the catering service can correct mistakes and make improvements in event planning and resource management.