



Belk for the Modern Southern Man

Strategic Communication Plan

Fall 2015

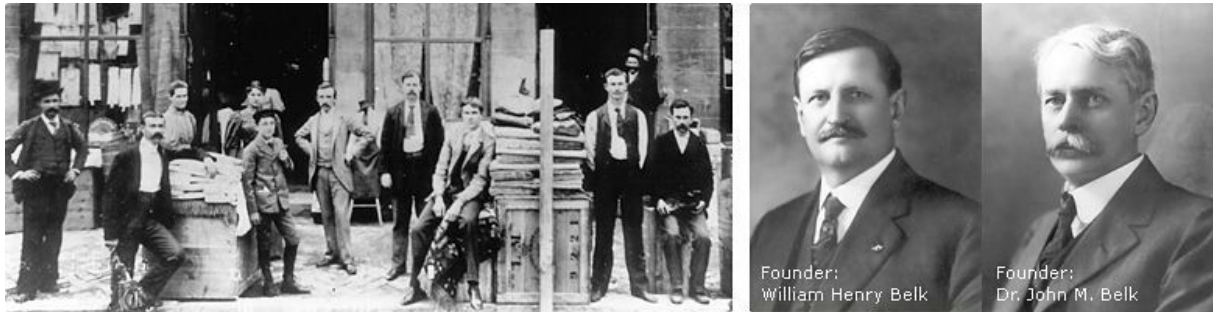
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Background



First Belk store, Monroe, N.C., circa late 1880s and the Belk founders William Henry Belk, left, and Dr. John M. Belk.

What began as a small bargain store in Monroe, NC has grown into one of the nation's largest mainline department store companies. William Henry Belk opened the first store in North Carolina in 1888 and since then the Belk brand has expanded to 300 fashion department stores in 16 contiguous Southern states with sales totaling \$3.5 billion in its past fiscal year (2014).

Today, Belk is in the third generation of family leadership. Thomas M. (Tim) Belk, Jr. is chairman and chief executive officer; H.W. McKay Belk is president and chief merchandising officer; and John R. (Johnny) Belk is president and chief operating officer. They are sons of the late Thomas M. Belk, former Belk president, and nephews of the late John M. Belk, former Belk chairman and CEO. The exemplary leadership of Tom Belk and John Belk, sons of founder William Henry Belk, provided a strong foundation for the company's growth and success.

Our group chose to work with Belk for a number of reasons. First, Belk was recently bought by Sycamore Partners. This news came as a shock for many consumers who questioned the long-time family-owned-and-operated company's decision. Secondly, as we began our preliminary research on Belk, we found that the values and history of the brand were a strong foundation to the success of the company. Belk is well respected among its customers and competitors alike because of its commitment to these values and historic integrity. Lastly, we found that even though Belk has established its dominance in the department store market, the company needed some updating.

Much of the focus of the Belk brand is on women; women's clothing, women's accessories, and homegoods seem to be the areas that Belk publicizes and advertises the most. Our goal with this plan is to expand Belk's consumer market and reach out to a younger male audience.



Vision

The **vision** of Belk is to be the **leader** in its markets in selling merchandise that meets customers' needs for

fashion,

quality,

value,

selection

as well as to offer **superior** customer service while making a reasonable profit.



Objectives

First Objective

The top objective of Belk through this strategic plan to revamp its stores is to become the **top competitor** in the market among the **young male** (ages 18 - 30) demographic within *five years*.

Second Objective

By implementing this plan, we would also like to see an increase in Men's Department sales from **18% to 25%** of total sales within *five years*.



SWOT Analysis

<p><u>STRENGTHS</u></p> <ul style="list-style-type: none">● Well established company (founded in 1888)● Strong market in South● Recognizable brand and logo● Loyal customer base	<p><u>WEAKNESSES</u></p> <ul style="list-style-type: none">● Not as appealing to younger demographic● Regional market (not national)● Some competitors sell less expensive clothing● Older family management; may be reluctant to change
<p><u>OPPORTUNITIES</u></p> <ul style="list-style-type: none">● Expanding market to wider range of clientele● Increasing sales with updated fashions● Increased use of digital technologies and social media to appeal to younger audiences	<p><u>THREATS</u></p> <ul style="list-style-type: none">● Many national brands are more popular with the target demographic (American Eagle, Urban Outfitters, H&M)● Other department stores have a national reach and are better known (Macy's, J.C. Penney, Kohl's)



First Strategy:

Make In-store Shopping More Appealing to Young Men

Tactics:

- Restructure stores with men's clothing and accessories more prominent
- Equal portions of store devoted to men's and women's items
- Employ more men in the stores and in men's departments.
- Hold "Men's Night" events after store restructuring

Men's Night

One day only!
Wednesday, October 28
Extra 20% off men's tailored clothing,
dress shirts & neckwear with NO EXCLUSIONS



Dear Preferred Customer,

You are invited to join us for our private Men's Tailored Clothing Event on **Wednesday, Oct. 28, 2009**. Enjoy light refreshments as you browse our newest selection of fall suits, suit separates, sportcoats, dress stacks, dress shirts & ties at **30-60% off** original prices. Plus, present the coupon below for an **extra 20% off your entire purchase**.

Here are a few examples of the savings we'll offer exclusively to you:

Suit Separates (both pieces)	Original Price	Sale Price	With Coupon
Nautica	400.00	279.99	179.99
Saddlebred	300.00	199.99	127.99
Geoffrey Beane	260.00	129.99	103.99

Sportcoats	Original Price	Sale Price	With Coupon
W.K. Belk Camel Hair	300.00	149.99	119.99
Lauren & Nautica solids	200.00	89.99	71.99
Saddlebred patterns	200.00	89.99	71.99
Madison velvet & corduroy	125.00	59.99	47.99

Dress Stacks	Original Price	Sale Price	With Coupon
Lauren comfort midweight	95.00	59.99	47.99
W.K. Belk melange microfiber	85.00	34.99	27.99
Lauren microfiber	75.00	34.99	27.99

Dress Shirts	Original Price	Sale Price	With Coupon
Nautica	49.50	29.99	23.99
Geoffrey Beane	49.50	29.99	23.99
Perry Ellis	49.50	29.99	23.99
Izod	42.50	24.99	19.99

WEDNESDAY, OCTOBER 28

extra **20% off**

your entire regular or sale priced men's tailored clothing purchase

Suits, suit separates, sportcoats, Sportcoats, Sportcoats, Dress Shirts & Neckwear
NO EXCLUSIONS

Plus, register for your chance to win a \$1000 Belk shopping spree!

We look forward to seeing you Wednesday, October 28, in the Men's Tailored Clothing department at Belk.

Sincerely,
Tom Nystrom
Tom Nystrom
Buyer, Men's Tailored Clothing

with your Belk Rewards Card Wednesday, Oct. 28

earn **DoublePoints**

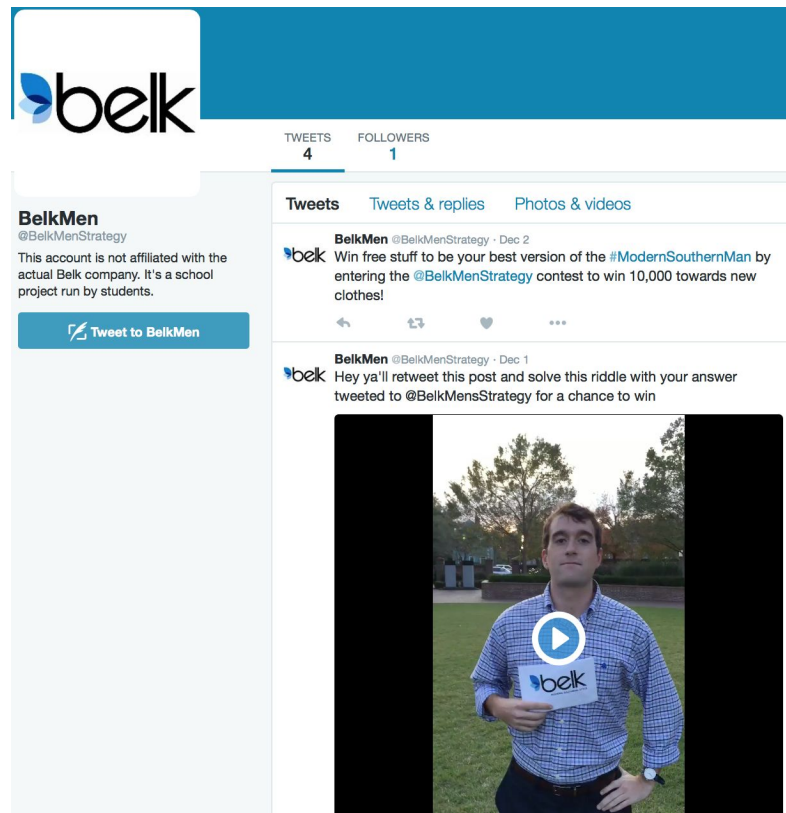


Second Strategy:

Revamp online presence to better connect with consumers

Tactics:

- Update website to appear more **modern, user-friendly**
- Use social media to **appeal to men**, not just women
- Utilize **social media ads** and **viral video campaigns**
- Improve **search engine optimization** for key search terms
- Have more **interactive social media**



<https://twitter.com/BelkMenStrategy>



Third Strategy:

Market the brand through traditional media consumed by men

Tactics:

- Purchase print ads in popular male magazines such as GQ, Men's Journal, Men's Health, and Sports Illustrated as well as popular regional and local magazines
- Place commercials on local television channels as well as during programs and channels popularly watched by men such as ESPN, CNBC, AMC, and others.
- Place commercials targeted at young men during the Belk Bowl game

Sample print ads:



Fourth Strategy:

Sell more products that young men want to buy

Tactics:

Partner with popular sportswear brands like Nike, Adidas, and Zella

Men are loyal to purchasing their classic sportswear brands, such as Nike and Adidas. A growing trend for mens sales has also been towards more high end workout clothing, such as Zella. Belk can tap into both markets by having the brands that men want within their stores.

Create and market new Belk brands sponsored or designed by celebrities and athletes popular with men (e.g. MADE by Cam Newton)

Belk can identify with men through partnering with celebrities and athletes that are popular amongst the audience. Belk was successful at implementing this strategy in the past with superstar Cam Newton owning a line of clothing in Belk stores known as 'MADE,' and will continue to capitalize on the market strategy.



Key Messages

Belk is a brand for the young southern man because it's affordable and trendy

Belk has always been successful in marketing and attracting the Southern female into buying products at its stores. However, it has struggled to retain young Southern males' business due to a lack of marketing and overall availability of products this audience would want to purchase. Males are interested in clothes that won't empty their wallets while still embodying the southern style.

Belk is a fun brand for men, one that excites them and that is promoted through interactive social media

Companies such as Nissan, with its 'Altima Chase' Twitter campaign, have tapped into the young, male market by facilitating interactive social media surrounding their products. Taking this approach, Belk will create a social media presence through different outlets and hold contests that allow participants to win free merchandise and store credit. This will be free and easy marketing for the company and excite men about its products through competition.



Audiences

Target audience: young, Southern males aged 18-30

This is the main audience the plan is targeting. The aforementioned strategies will be used to connect with the target audience and, hopefully, achieve the team's objectives.

Shareholders: describe why we're making changes and how it will benefit them

Though 90% of Belk shares are owned by Belk family members, it is still important to communicate to shareholders the changes they can expect to see and the anticipated benefits to the value of the company overall. This can be done at annual shareholder meetings as well as in investor newsletters and memos. We hope shareholders will see that the plan coincides with the overall Belk brand while opening up the company to a wider reach of clientele.

Employees: use internal communication tactics to lay out the details of the marketing strategy

It is important not to forget that employees must be informed about any changes that could affect them. We plan to send a newsletter to all employees as well as a separate, more detailed newsletter to managers at each Belk retail location. Though we expect most changes to be minor, we hope this will help supervisors plan ahead and field any questions that their employees might have.



Desired Outcomes

For male customers within the store to have a renewed **sense of excitement** towards Belk products.

This is the overall qualitative goal. While Belk has many departments, its strongest and most loyal customers are women. While we want to hold onto this market and continue to provide women with quality service, fashion, and value, the store is missing an important demographic. If young men become more interested in owning Belk clothes, shoes, and accessories, they and the women in their lives will be more likely to purchase them.

To reach **2.5 million Facebook fans, 100,000 Twitter followers, and 50,000 Instagram followers** by the end of the campaign. Increase sales of **men's clothing, shoes, and accessories** in general as well as their **percentage of total sales**.

These are the overall quantitative goals. Our current social media following consists of over 2,020,000 Facebook fans, 83,000 Twitter followers, and 39,600 Instagram followers. We feel that by reaching out to young men and utilizing a more interactive strategy for social media we will gain many more followers. Additionally, our main sales goals are to increase the overall sale of men's products but also increase the percentage of total sales that those products contribute. As of Fiscal Year 2014, the Women's Department accounted for 32% of total sales while the Men's Department only contributed 18% of total sales. As mentioned, we would like to even out this disparity and increase Men's sales to 25% within five years.



Research

Primary research:

- Store exit interviews
- Online survey promoted through social media & website

While much of the information we need before finalizing a campaign can likely be found through secondary sources (see below), it is still important to get a sense of how Belk's customers feel about our strategies. We will use interviews conducted as customers leave our stores and online surveys to test our key messages and alter them if necessary. We will focus on our target audience for these interviews and surveys (young Southern males aged 18-30), but would also like the perspective of those who might interact with our target audience--mothers, wives, friends, etc. This will give us a broader perspective of how our strategy will be received. Following campaign implementation, customer reactions will be gauged with another round of surveying.

Secondary research:

- Access surveys done in other industries to understand where to advertise
- Research competitors' strategies for capturing the market
- Look at other companies' successful social media campaigns

Some other background research will be required in order to understand where we can best reach our target audience. It will be helpful to know what magazines, television channels and shows, and online media are most popular with our target audience. Furthermore, Belk should conduct a competitive analysis of other department stores' strategies to get young men into their stores. Finally, the team will look at what social media campaigns have succeeded and failed with a young audience to better anticipate what types of interactive messages will work.



Staffing Considerations

Put together a small team of 3-5 corporate communications employees, led by a senior manager or director, to oversee the campaign and ensure messages are consistent with Belk's overall brand and vision.

Partner with a full-service communications agency that can provide a team with the following functions:

- Marketing manager or communications specialist to refine key messages for advertisements and social media campaigns
- Creative team to produce key visual elements
- Web developer to update and monitor website



Budget

Expense Type	Cost
<i>Staffing</i>	
Company salaries	\$216,000
Agency fees	\$210,000
Staffing total	\$426,000
<i>Research</i>	\$25,000
<i>Advertising</i>	
Television	\$8,000,000
Social media	\$1,050,000
Magazines	\$5,852,000
Advertising total	\$14,902,000
<i>Web development</i>	\$30,000
<i>Store restructuring</i>	\$5,000,000
<i>Belk Bowl Sponsorship</i>	\$500,000
Budget total	\$20,883,000

- The budget is based on a campaign lasting 6-8 months.
- Advertising costs are mainly devoted to regional advertisements since national outreach would be largely unnecessary for the Southern brand.
- Television receives the most advertising funding because of the increased costs surrounding TV ads, especially during prime hours and popular show slots.
- Store restructuring will largely consist of moving displays and creating more prominent displays for the men’s department. While these are minor changes, implementing them in every store will require some funding outside of normal operating costs.

