

# Marketing a retail photo department in the digital age

Photo development and photo-finishing services have historically been one of Walgreens most profitable departments. With the influx of digital cameras, at-home photo printing and advances in Internet technology, however, consumers are developing fewer pictures every year. Walgreens has taken several initiatives to remain relevant, such as creating a direct link from its home page to its photo processing site, wphoto.com, and partnering with Snapfish to increase photo offerings to its customers.

Students in the University of Tennessee's College of Business Administration's Integrated Marketing Communications class, a senior-level marketing elective, recently worked with Walgreens to increase photo processing sales through its Web site and ultimately increase store traffic.

**Company background:** In 1901, pharmacist Charles R. Walgreen Sr. opened the first Walgreens drugstore in Chicago. Today, Walgreens operates more than 6,600 stores worldwide and plans to have 7,000 stores open by the end of 2010.

**Students:** Michael Barnett, Kevin Cox, Jessie Shumate, Tara Smith and Hunter Thomson, supervised by Bridget Satinover, course lecturer and a graduate student pursuing her doctorate.

**Challenge:** Although many people take pictures with their digital cameras, these photos often stay unprocessed, remaining in the photographer's camera or computer. The student team needed to identify a target audience and develop an integrated marketing communications plan. Students were given a "virtual" marketing budget of \$300,000.

**Approach:** The students analyzed the company and environmental forces in Walgreens' Tennessee region to provide recommendations on how to increase



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Walgreens photo specialist Mark Dupes helps a customer use the print kiosk at the Middlebrook Pike store in Knoxville. Walgreens worked with University of Tennessee students to increase sales at its photo departments and use of its photo Web site.

visits to the Web site and encourage customers to print photos and purchase specialty photo items.

Of key importance was the image and positioning that Walgreens hoped to achieve in the local marketplace given the heavy competition from many large retail stores, including CVS and Walmart.

The students evaluated the wphoto.com Web site — its pricing, messaging and design.

They also researched customer attitudes toward the brand, customer usage patterns and identified the most viable target market.

The students considered mul-

tiple opportunities for conveying marketing messages to consumers. Traditional media such as television, radio and newspaper were considered, as were Internet advertising, cause-related marketing, sponsorships, couponing, product bundling and customer appreciation programs.

**Plan:** The students' target market was technologically savvy families with young children and annual household incomes between \$40,000 and \$100,000. These families treasure capturing moments that define their lives, including celebrations and milestone events.

By considering the main benefits that wphoto.com had to offer its customers — saving time, affordability, ease of use and photo customization — the students developed messages to improve brand awareness and create a connection among the brand, the target audience and the service's unique offerings.

By identifying young families, particularly mothers, as a target market, the students created an integrated marketing plan underpinned by the notion that young family life can be hectic, yet memorable. Using symbolism and light-hearted messages, the

creative aspects of the plan focused on experiential aspects of family life. For example, one message relayed the ease of use and meaningfulness of capturing special moments by showing a mother and young daughter making cookies. The message was “Capture this (the image)... by using this (shows a computer mouse).”

The wphoto.com logo was used to encourage brand awareness.

One of the primary slogans sought to resonate with mothers who may find it difficult to snap the perfect photo: “Not so perfect Christmas memories last forever too. Make it all better with Wphoto.com.” The students created

advertisements that featured what a printed “not perfect” photograph might look like (e.g. children crying in Santa’s lap). The message: even imperfect photos are memorable, cute and often funny. Advertisements for television, billboards, Internet and magazines were created and budgeted.

To address seasonality issues, Shumate noted that “milestones in a child’s life occur throughout the year, so the usage pattern of our target market is consistent over time — baby’s first step, birthdays, events and activities, sports games, dance recitals, holidays, and just those everyday moments that capture the heart and should be shared.”

To build a one-to-one relationship with the target mar-

ket, the students integrated contests and cause-related marketing to build excitement about the brand. For example, the students suggested a partnership with the Susan G. Komen Foundation and a bi-annual cutest-kid photo contest. The students suggested that at breast cancer awareness events, such as the Race for the Cure, photographers would be hired to take pictures of runners, walkers and spectators. Wphoto.com would donate \$1 to the Komen Foundation for each new wphoto.com account that was established in connection with the event. The cutest-kid contest was designed to direct mothers to the Web site and to begin a long-term relationship with wphoto.com. Twice a year, wphoto.com would select the “cutest” photo.

The students also believed reaching out to mothers in person was important. They developed a strategy to connect with mothers at elementary schools to demonstrate how to use the Web site. On the first day of school, many parents take photos of their children, but often are not in the pictures themselves. Representatives would take pictures of the parent and child together and then provide an interactive demonstration on how to upload, print and share the image.

**The result:** “The store managers and district staff who had the pleasure of working with the students all agreed that they had done a very good job of analyzing the project that they had undertaken,” said Doug Hamburger, Walgreens district manager. “The class provided us with several good marketing strategies. Their ideas have been shared with senior management for review and possible implementation.”

Case Study is provided by the University of Tennessee’s College of Business Administration. For more information, contact Cindy Raines at craines1@utk.edu.

“Not so perfect Christmas memories last forever too. Make it all better with Wphoto.com.”

A slogan created by students in the University of Tennessee’s College of Business Administration’s Integrated Marketing Communications class while working with Walgreens on a marketing plan to increase photo processing sales through its Web site.

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