Chapter Questions

- What steps are involved in developing an advertising program?
- How should sales promotion decisions be made?
- What are the guidelines for effective brand-building events and experiences?
- How can companies exploit the potential of public relations?

Advertising

Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor

The Five Ms of Advertising

- Mission
- Money
- Message
- Media
- Measurement

Advertising Objectives

- Informative advertising
- Persuasive advertising
- Reminder advertising
- Reinforcement advertising

Deciding on the Advertising Budget

- Product life cycle stage
- Market share and consumer base
- Competition and clutter
- Advertising frequency
- Product substitutability
Developing the Advertising Campaign

- Message generation and evaluation
- Creative development and execution
- Social responsibility review

Deciding on Media

- Step 1: Decide on reach, frequency, and impact
- Step 2: Choose among media types
- Step 3: Select specific media vehicles
- Step 4: Decide on media timing
- Step 5: Decide on geographical media allocation

Major Media Types

- Newspapers
- Television
- Direct mail
- Radio
- Magazines
- Outdoor
- Yellow Pages
- Newsletters
- Brochures
- Telephone
- Internet

Newspapers

Advantages
- Flexibility
- Timeliness
- Good local market coverage
- Broad acceptance
- High believability

Disadvantages
- Short life
- Poor reproduction quality
- Small pass-along audience

Television

Advantages
- Combines sight, sound, and motion
- Appealing to senses
- High attention
- High reach

Disadvantages
- High absolute cost
- High clutter
- Fleeting exposure
- Less audience selectivity

Direct Mail

Advantages
- Audience selectivity
- Flexibility
- No ad competition within medium
- Personalization

Disadvantages
- Relatively high cost
- Junk mail image
Radio

Advantages
• Mass use
• High geographic and demographic selectivity
• Low cost

Disadvantages
• Audio presentation only
• Lower attention than television
• Nonstandardized rate structures
• Fleeting exposure

Magazines

Advantages
• High geographic and demographic selectivity
• Credibility
• Prestige
• High-quality production
• Long life
• Good pass-along readership

Disadvantages
• Long lead time
• Some waste circulation
• No guarantee of position

Outdoor

Advantages
• Flexibility
• High repeat exposure
• Low cost
• Low competition

Disadvantages
• Limited audience selectivity
• Creative limitations
• Fleeting exposure

Yellow Pages

Advantages
• Excellent local coverage
• High believability
• Wide reach
• Low cost

Disadvantages
• High competition
• Long lead time
• Creative limitations

Newsletters

Advantages
• Very high selectivity
• Full control
• Interactive opportunities
• Relatively low cost

Disadvantages
• Costs could run away

Brochures

Advantages
• Flexibility
• Full control
• Dramatization of messages

Disadvantages
• Overproduction could lead to runaway costs
Telephone

Advantages
• Many users
• Opportunity to give a personal touch

Disadvantages
• Relative high cost unless volunteers are used

Internet

Advantages
• High selectivity
• Interactive possibilities
• Relatively low cost

Disadvantages
• Relatively new media with a low number of users in some countries

Variables Affecting Choice of Media

Target Market’s Media Habits
Product Characteristics
Message Characteristics
Cost

Place Advertising

• Billboards
• Public spaces
• Product placement
• Point-of-purchase

Measures of Audience Size

• Circulation
• Audience
• Effective audience
• Effective ad-exposed audience

Deciding on Media Timing and Allocation

Macroscheduling Problems
Microscheduling Problems
Media Schedule Patterns

- Continuity
- Concentration
- Flighting
- Pulsing

Evaluating Advertising Effectiveness

Communication Effect Research
- Consumer feedback
- Portfolio tests
- Laboratory tests

Sales-Effect Research
- Share of expenditures
- Share of voice
- Share of heart
- Share of market

Sales Promotion

Collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade

Sales Promotion Tactics

Consumer-directed
- Samples
- Coupons
- Cash refund offers
- Price offs
- Premiums
- Prizes
- Patronage rewards
- Free trials
- Tie-in promotions

Trade-directed
- Price offs
- Allowances
- Free goods
- Sales contests
- Spiffs
- Trade shows
- Specialty advertising

Using Sales Promotions

- Establish objectives
- Select sales promotion tools
- Develop sales promotion program
- Pretest, implement, and control
- Evaluate results

Considerations for Sales Promotion Programs

- Size of incentive
- Conditions for participation
- Duration
- Distribution vehicle
- Timing
- Total sales-promotion budget
Why Sponsor Events?

- To identify with a particular target market or lifestyle
- To increase brand awareness
- To create or reinforce consumer perceptions of key brand image associations
- To enhance corporate image
- To create experiences and evoke feelings
- To express commitment to community
- To entertain key clients or reward employees
- To permit merchandising or promotional opportunities

Major Event Decisions

- Choose event opportunities
- Design programs
- Create event
- Measure activities

Public Relations Functions

- Press relations
- Product publicity
- Corporate communications
- Lobbying
- Counseling

Marketing Public Relations Functions

- Assist in product launches
- Assist in repositioning mature products
- Build interest in a product category
- Influence specific target groups
- Defend products
- Build corporate image

Major Tools in Marketing PR

- Publications
- Events
- Sponsorships
- News
- Speeches
- Public service activities
- Identity media

Steps in Marketing PR

- Establish objectives
- Choose messages and vehicles
- Implement and evaluate