

Chapter 16

Advertising and Public Relations

Chapter Objectives

1. Identify the three major advertising objectives and the two basic categories of advertising.
2. List the major advertising strategies.
3. Describe the process of creating an advertisement.
4. Identify the major types of advertising appeals and discuss their uses.
5. List and compare the major advertising media.
6. Outline the organization of the advertising function and the role of an advertising agency.
7. Explain the roles of cross promotions, public relations, publicity, and ethics in an organization's promotional strategy.
8. Explain how marketers assess promotional effectiveness.

Advertising

- Paid, nonpersonal communication through various media by business firms, not-for-profit organizations, and individuals who are identified in the advertising message and who hope to inform or persuade members of a particular audience
- **Types of Advertising**
 - ✓ Product Advertising
 - ✓ Institutional Advertising

■ **Product advertising**

- ✓ Nonpersonal selling of a particular good or service
- ✓ The type of advertising the average person normally thinks of when talking about most promotional activities

■ **Institutional advertising**

- ✓ Institutional advertising promotes a concept, an idea, a philosophy, or the good-will of an industry, company organization, person, geographic location, or government agency
- ✓ **Corporate advertising**

■ Objectives of Advertising

- ✓ **Informative** advertising seeks to develop initial demand
- ✓ **Persuasive** advertising attempts to increase demand for an existing product
- ✓ **Reminder** advertising strives to reinforce previous promotion by keeping the name of the product before the market

Advertising Strategies

■ Comparative

- ✓ Emphasizes messages with direct or indirect promotional comparisons between competing brands. Often used by less dominant firms

■ Celebrity Testimonials

- ✓ The use of celebrity spokespeople to try to boost the effectiveness of an advertising message
- ✓ Accounts for about 20% of all U.S. ads. Improves product recognition

■ Retail Advertising

- ✓ All advertising by retail stores that sell directly to the consuming public
- ✓ Varies widely in effectiveness
- ✓ Should be assigned to one person whose sole responsibility and authority is developing an effective retail advertising program
- ✓ **Cooperative Advertising**

■ Interactive Advertising

- ✓ Interactive media are communication channels that induce message recipients to participate actively in the promotional effort.
- ✓ Creates a dialogue, providing more material as the user asks.
- ✓ Although the term has become nearly synonymous with e-commerce and the web, it also includes shopping mall kiosks, and text messages on cell phones.

Creating an Advertisement

■ Translating Advertising Objectives into Advertising Plans

- ✓ Best ads are those which are created by pinpointing goals like:
 - ◆ Educating consumers about product features
 - ◆ Enhancing brand loyalty
 - ◆ Improving consumer perception of the brand
 - ◆ Such objectives should guide the ad's design

Advertising Messages

- Ads must be meaningful, believable, and distinctive
- Creator must decide whether to focus on
 - ✓ A practical appeal (i.e., price), or
 - ✓ Emotional responses like fear, humor or fantasy
- **Advertising Campaign**
Series of different but related ads that use a single theme and appear in different media within a specified time period

■ **Developing and Preparing Ads**

- ✓ Should flow logically from the promotional theme selected
- ✓ Advertisement should emphasize features like its creativity, its continuity with past advertisements, and possibly its association with other company products
- ✓ Advertisement should:
 - ◆ Gain attention and interest
 - ◆ Inform and/or persuade
 - ◆ Lead to purchase or other desired action

■ **Creating Interactive Ads**

- ✓ **Banner:** Web advertisement that links to an advertiser's site
 - ◆ Missiles
- ✓ **Keyword Ad:** Web advertisement that appears on the results page of a search function and that is specific to the term being searched
- ✓ **Advertorials:** Large advertising squares, similar to ad in telephone Yellow Pages
- ✓ **Interstitials:** Web advertisements that pop up between Web pages of related content

■ Television

- ✓ Has grown to rival newspapers as the dominant advertising medium
- ✓ Greatest share of TV ad revenues come from companies that advertise nationally
- ✓ Virtual Ads that are superimposed onto sporting events -- they seem to be part of the arena's signage, but can't be seen by those attending the event
- ✓ Another trend: abbreviated spots – 15 and 30 second spots
- ✓ Cable TV's share of ad revenues has grown, while the network's share is falling

■ Radio

- ✓ Popular choice for up-to-the-minute newscasts
- ✓ Also popular for targeting advertising messages to local audiences
- ✓ Recently, has become one of the fastest-growing media alternative
- ✓ Playing an increasingly important role as a national, an even the global, favorite

■ Newspapers

- ✓ Continue to dominate local markets
- ✓ Retail and classified advertisement are key
- ✓ Important advantages include flexibility and community prestige
- ✓ Newspapers facilitate coordination between local and national advertising
- ✓ Newspapers offer powerful merchandising services like promotional and research support

■ Magazines

- ✓ Divided into two broad categories of consumer magazines and business magazines
- ✓ These categories are also subdivided into monthly publications and weekly publications
- ✓ Top five in the U.S.
 - ◆ **AARP The Magazine**, Reader's Digest, **TV Guide**, Better Homes & Gardens, **National Geographic**
- ✓ Automotive, retail, and movies and media advertisers are the biggest spenders

■ Direct Mail

- ✓ Almost half is immediately discarded as junk
- ✓ Detailed information and personalization
- ✓ Use of direct-mail accounts for 19% of total advertising expenditures

■ Outdoor Advertising

- ✓ Includes billboards, painted bulletins or displays (such as those appearing on walls of buildings), and electric spectaculars
- ✓ The oldest and simplest media business
- ✓ Is particularly effective along metropolitan streets and other high-traffic areas
- ✓ Faces public concern over aesthetics

■ Interactive Media

- ✓ Contains characteristics of both print and broadcast media
- ✓ Enhances two-way communication and encourages audience participation
- ✓ Although E-mail is considered a form of direct-mail, it has recently taken on the characteristics of interactive media
- ✓ Companies use interactive media to supplement other media

■ Other Advertising Media

- ✓ Includes transit advertising placed both inside and outside the buses, subway trains installations, and commuter trains
- ✓ Also includes ads on the roof of taxicabs, long bus stop shelters in benches, telephone booths, and even parking meters
- ✓ Supplementary advertising media include:
 - ◆ Cinema advertising, Ads on T-shirts, Inlaid ads in store flooring, Ads in printed programs of live-theater productions, Previews of movie videocassettes, Directory advertising (e.g., Yellow Pages), Messages on Hot-air balloon and blimps

Public Relations

- **Public relations:** the firm's communications and relationships with its various publics
- **Nonmarketing public relations** refer to a company's messages about general management issues
- **Marketing public relations (MPR)** are narrowly focused public relations activities that directly support marketing goals

- **Publicity:** nonpersonal stimulation of demand for a good, service, place, idea, person, or organization by unpaid placement of significant news regarding the product in a print or broadcast medium
 - ✓ Publicity is not entirely free of costs
 - ✓ Publicity-related expenses include the cost of employing marketing personnel assigned to create and submit publicity releases, printing and mailing costs, and related expenses

Cross Promotion

- A campaign in which marketing partners share the cost of a promotional campaign that meets their mutual needs
- Movie studios, for example, frequently partner with fast-food chains

Measuring Promotional Effectiveness

- Determining whether a campaign accomplishes its appropriate promotional objectives
- Companies must measure how promotional programs contribute to increased sales and profits
- One of the most difficult undertakings in marketing

■ **Measuring Advertising Effectiveness**

- ✓ **Pretesting** is the assessment of an advertisement for its effectiveness before it is actually used
- ✓ Methods used include:
 - ◆ **Focus groups**
 - ◆ **Sales conviction test**
 - ◆ **Blind product tests**
 - ◆ **Tests using mechanical devices**

- ✓ **Posttesting** is the assessment of an advertisement's effectiveness after it has been used
- ✓ Methods used include:
 - ◆ **Starch Readership Report**
 - ◆ **Unaided recall tests**
 - ◆ **Inquiry tests**
 - ◆ **Split runs**

■ **Measuring Public Relations Effectiveness**

- ✓ Measuring public relations results based on their achieving objectives
- ✓ Typically involves determining
 - ◆ Whether the message was heard by the target audience
 - ◆ Whether it had the desired influence on public opinions

■ Evaluating Interactive Media

- ✓ Measurements include
 - ◆ Hits (user requests for a file)
 - ◆ Impressions (the number of times of viewers sees an ad)
 - ◆ Click-throughs (when the user clicks on the ad to get new information)

Ethics in Nonpersonal Selling

■ Advertising:

- ✓ Some call for advertising to children be curtailed
- ✓ Others would ban alcoholic beverage advertising
- ✓ Marketers must carefully draw the line between advertising and entertainment
- ✓ **Cookies** in cyberspace ads
- ✓ **Puffery** and **Deception**
 - ◆ **The Uniform Commercial Code**

■ **Ethics in Public Relations**

- ✓ PR practitioners violate the Public Relations Society of America's Code of Professional Standards if they promote products or causes widely known to be harmful to others