

PRINCIPLES OF
Marketing

Chapter Fifteen

**Advertising and Public
Relations**



Advertising and Public Relations

Topic Outline

- Advertising
 - Setting Advertising Objectives
 - Setting the Advertising Budget
 - Developing Advertising Strategy
 - Evaluating Advertising Effectiveness and Return on Advertising Investment
- Public Relations
 - The Role and Impact of Public Relations
 - Major Public Relations Tools



Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor



Advertising

Setting Advertising Objectives

An **advertising objective** is a specific communication task to be accomplished with a specific target audience during a specific time

Objectives are classified by primary purpose

- Inform
- Persuade
- Remind



Advertising

Setting Advertising Objectives

Informative advertising is used when introducing a new product category; the objective is to build primary demand

- Comparative advertising directly or indirectly compares the brand with one or more other brands

Persuasive advertising is important with increased competition to build selective demand

Reminder advertising is important with mature products to help maintain customer relationships and keep customers thinking about the product



Advertising

Setting the Advertising Budget

Factors to consider when setting the budget

- Product life-cycle stage
- Market share



Advertising

Setting the Advertising Budget

Product life-cycle stage

- New products require larger budgets
- Mature brands require lower budgets

Market share

- Building or taking market share requires larger budgets
- Markets with heavy competition or high advertising clutter require larger budgets
- Undifferentiated brands require larger budgets



Advertising

Developing Advertising Strategy

Advertising strategy is the strategy by which the company accomplishes its advertising objectives and consists of:

- Creating advertising messages
- Selecting advertising media



Advertising

Creating the Advertising Message

Advertisements need to break through the clutter:

- Gain attention
- Communicate well



Advertising

Creating the Advertising Message

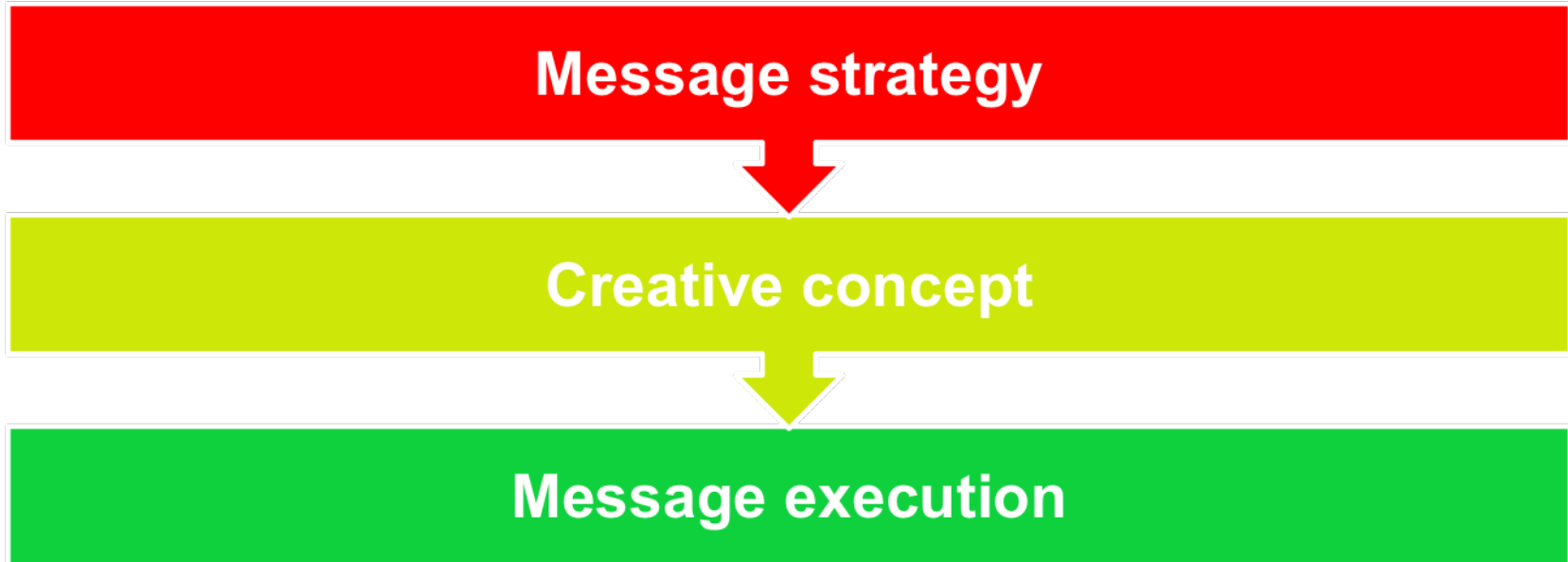
Advertisements need to be better planned, more imaginative, more entertaining, and more rewarding to consumers

- Madison & Vine—the intersection of Madison Avenue and Hollywood—represents the merging of advertising and entertainment



Advertising

Creating the Advertising Message



Advertising

Creating the Advertising Message

Message strategy is the general message that will be communicated to consumers

- Identifies consumer benefits



Advertising

Creating the Advertising Message

Creative concept is the idea that will bring the message strategy to life and guide specific appeals to be used in an advertising campaign

Characteristics of the appeals include:

- Meaningful
- Believable
- Distinctive



Advertising

Creating the Advertising Message

- Message execution is when the advertiser turns the big idea into an actual ad execution that will capture the target market's attention and interest.
- The creative team must find the best approach, style, tone, words, and format for executing the message.



Advertising

Creating the Advertising Message Execution Styles

Slice of life

Lifestyle

Fantasy

Mood or
image

Musical

Personality
symbol

Technical
expertise

Scientific
evidence

Testimonial
or
endorsement



Advertising

Creating the Advertising Message

Message execution also includes:

- Tone
 - Positive or negative
- Attention-getting words
- Format
 - Illustration
 - Headline
 - Copy



Advertising

Creating the Advertising Message Consumer Generated Messages

- YouTube videos
- Brand Website contests
- Positives
 - Low expense
 - New creative ideas
 - Fresh perspective on brand
 - Boost consumer involvement



Advertising

Selecting Advertising Media

Major steps include:

- Deciding on reach—frequency—impact
- Selecting media vehicles
- Deciding on media timing



Advertising

Selecting Advertising Media

Reach is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time

Frequency is a measure of how many times the average person in the target market is exposed to the message

Impact is the qualitative value of a message exposure through a given medium



Advertising

Selecting Advertising Media

Selecting media vehicles involves decisions presenting the media effectively and efficiently to the target customer and must consider the message's:

- Impact
- Effectiveness
- Cost



Advertising

Selecting Advertising Media Narrowcasting Versus Shotgun Approaches

Narrowcasting focuses the message on selected market segments

- Lowers cost
- Targets more effectively
- Engages customers better



Advertising

Selecting Advertising Media

When deciding on media timing, the planner must consider:

- Seasonality
- Pattern of the advertising
 - Continuity—scheduling within a given period
 - Pulsing—scheduling unevenly within a given period



Advertising

Evaluating Advertising Effectiveness and Return on Advertising Investment

Communication effects indicate whether the ad and media are communicating the ad message well and should be tested before or after the ad runs

Sales and profit effects compare past sales and profits with past expenditures or through experiments



Advertising

Other Advertising Considerations

- Organizing for advertising
 - Agency versus in-house
- International Advertising Decisions
 - Standardization



Public Relations

Public relations involves building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events

Public relations is used to promote product, people, ideas, and activities



Public Relations

Public relations department functions include:

- Press relations or press agency
- Product publicity
- Public affairs
- Lobbying
- Investor relations
- Development



Public Relations

Press relations or press agency involves the creation and placing of newsworthy information to attract attention to a person, product, or service

Product publicity involves publicizing specific products

Public affairs involves building and maintaining national or local community relations



Public Relations

Lobbying involves building and maintaining relations with legislators and government officials to influence legislation and regulation

Investor relations involves maintaining relationships with shareholders and others in the financial community

Development involves public relations with donors or members of nonprofit organizations to gain financial or volunteer support



Public Relations

The Role and Impact of Public Relations

- Lower cost than advertising
- Stronger impact on public awareness than advertising



Public Relations

Major Public Relations Tools

News

Speeches

Special events

Written materials

Audiovisual materials

Corporate identity materials

Public service activities

Buzz marketing

Social networking

Mobile tour marketing

Internet





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