

Advertising Campaign Management

CHAPTER OBJECTIVES

Students should be able to answer the following questions:

- 5.1 How do advertising theories guide the advertising management process?
- 5.2 What is the relationship of advertising expenditures to advertising effectiveness?
- 5.3 When should a company employ an external advertising agency rather than completing the work in-house?
- 5.4 How do companies choose advertising agencies?
- 5.5 What job functions take place within an advertising agency?
- 5.6 What advertising campaign parameters do marketing professionals consider?
- 5.7 How does a creative brief facilitate effective advertising?
- 5.8 What are the implications of advertising management in the global arena?

OVERVIEW

Section two of this textbook describes the role advertising plays in an integrated marketing communications program. The three chapters in this section focus on developing an effective IMC advertising program.

Advertising campaign management is the process of preparing and integrating a specific advertising program in conjunction with the overall IMC message.

Zehnder Communications

Zehnder is a full-service marketing and communications agency located in Louisiana. The stated goal is to challenge traditional thinking. The company has a positive reputation as an employee-friendly employer.

Questions for Students:

- 1. What do you think of the concept of Vacation as Needed (VAN)?
- 2. Have you seen advertisements prepared by Zehnder?

3. Would you like to work for this company after graduating? Why or why not?

Objective 5.1: How do advertising theories guide the advertising management process?

Advertising Theory

The hierarchy of effects model and a means–end chain both assist in developing effective campaigns. Advertisers also consider the mix of visual and verbal elements in a commercial or advertisement.

Hierarchy of Effects

The hierarchy of effects model helps to clarify the objectives of an advertising campaign. The model outlines six steps a consumer or a business buyer moves through when making a purchase:

1. Awareness
2. Knowledge
3. Liking
4. Preference
5. Conviction
6. The actual purchase

Building brand loyalty requires all six steps.

The hierarchy of effects model features similarities with theories regarding attitudes and attitudinal change, including the concepts of cognitive, affective, and conative elements. The most common sequence that takes place when an attitude forms is:

Cognitive → Affective → Conative

The sequence parallels the six-step hierarchy of effects process; however, these six steps might not always constitute the route taken by a consumer.

Question for Students: Does an “impulse buy” match up with the hierarchy of effects model?

Means–End Theory

The second theoretical approach available to creatives, a *means–end chain*, suggests that an advertisement should contain a message, or *means*, that leads the consumer to a desired end state. These *end* states are personal values (see Figure 5.1).

Means–end theory forms the basis of the *Means–End Conceptualization of Components for Advertising Strategy (MECCAS)* model. The MECCAS model explains ways to move consumers from product attributes to personal values by highlighting the product’s benefits.

Advertisers can link the attributes of the product to specific benefits consumers can derive. Figure 5.3 provides an example.

Verbal and Visual Images

Visual images often lead to more favorable attitudes toward both the advertisement and the brand and tend to be more easily remembered than verbal copy.

Visual images range from concrete and realistic to highly abstract.

In some instances such as radio, visual images can be conjured up with words and sounds.

Advertisers often use visual imagery in international marketing. Global advertising agencies try to create *visual Esperanto*, the universal language that makes global advertising possible for any good or service.

Question for Students: Can you think of an example of *visual Esperanto*?

Business-to-Business

Recently, many business advertisements have begun to rely more heavily on visual imagery.

Figure 5.3 displays a means-ends chain for a marketing research company.

Objective 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

The Impact of Advertising Expenditure

Figure 5.4 displays a conceptualization of the relationship between marketing expenditures and advertising.

Communication goals differ depending on the stage in the buying process that is being addressed.

Threshold Effects

The early effects of advertising are often minimal.

Threshold effects occur when enough attention is captured to increase sales.

Diminishing Returns

Figure 5.5 displays the relationships between advertising and marketing expenditures and sales and profit margins, as the *sales-response function* curve. Diminishing returns occur when advertising expenditures begin to lose their impact.

The *concave downward function* indicates when further advertising expenditures result in diminishing returns.

Carryover Effects

Carry-over effects mean the consumer remembers the product or company when it is time to buy.

Wear-Out Effects

Wear-out effects means an ad can become old or boring.

This may occur as much as half of the time.

Decay Effects

The decay effects model is displayed in Figure 5.5. Decay effects are when a company stops advertising, and consumers forget the brand or the company.

A *marginal analysis* indicates when further advertising expenditures adversely affect revenues and profits.

Random events can disrupt any advertising or promotional campaign at any time.

Objective 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

In-House Versus External Advertising Agencies

The first step in developing an advertising program is choosing between an in-house advertising group and an external advertising agency.

Figure 5.6 compares the advantages of an in-house facility to an outside agency.

Advantages of in-house advertising include the following:

- Lower costs
- Aligning all communications

- The CEO can work closely with the marketing team
- A better understanding of the product and company mission
- Ability to quickly produce commercials
- Lower turnover rate in the company

Advantages of external agencies include the following:

- Can reduce costs by being more efficient with time
- Greater expertise
- Access to top talent
- An outside perspective

Media service companies negotiate and purchase media packages (called *media buys*) for companies.

Direct-marketing agencies handle every aspect of a direct-marketing campaign, through telephone orders (800 numbers), internet programs, and by direct mail.

Some companies focus on *consumer promotions*, *trade promotions*, or both. These companies assist in developing promotions such as coupons, premiums, contests, and sweepstakes.

A new group of agencies specialize in developing *digital services* and *interactive websites*.

Other companies offer *social media and mobile marketing services* to reach consumers and businesses through a wide array of social media techniques.

Public relations firms provide experts to help companies and brands develop positive public images and for damage control responses when negative publicity arises.

Budget Allocation Considerations

A small account usually may not be attractive to an advertising agency. Smaller accounts generate lower revenues. If the agency charges a higher fee to compensate, it becomes too costly for the small firm.

One rule of thumb marketers consider is a *75–15–10* breakdown, where 75 percent of the money spent on advertising should be used to purchase media time or space, 15 percent to the agency for the creative work, and 10 percent for the actual production of the ad.

In contrast, for smaller accounts, the breakdown may be *25–40–35*. This means that only 25 percent is being spent on media purchases. The other 75 percent of the funds goes to the creative and production work.

Crowdsourcing

Crowdsourcing is the process of outsourcing the creative aspect of an advertisement.

Crowdsourcing offers the advantages of buzz and consumer-generated excitement.

Unilever used this approach for meat snack brand as did Doritos for a Super Bowl ad. Harley Davidson also uses crowdsourcing.

Critics argue that crowdsourcing does not offer a consistent theme and does not represent an overall marketing communications strategy.

Question for Students: Do you think consumer-generated ads are of equal quality to those created by advertising agencies?

Objective 5.4: How do companies choose advertising agencies?

Choosing an Agency

Choosing the advertising agency that best suits a company requires careful planning. The steps of choosing an agency are displayed in Figure 5.8.

Goal-Setting

Before any contact is made with an advertising agency, it is important to identify and prioritize corporate goals.

Clear goals help ensure a good fit between the company and the agency.

Selection Criteria

Even firms that have experience in selecting agencies must establish the process and criteria in advance. The objective is to reduce biases that may enter into the decision process.

Common selection criteria, as shown in Figure 5.9, include the following:

Agency Size

Agency size is particularly important as it compares to the size of the company hiring the agency.

Relevant Experience

Relevant experience in an industry is a second evaluation criterion that companies use. At the same time, there can be no conflicts of interest.

Creative Reputation and Capabilities

One method of judging an agency's creativity is to ask for a list of awards the company has received. Awards do not always translate into effective advertisements.

Production and Media Purchasing Capabilities

These capabilities should be examined if these services are needed.

Other Criteria

Other services available, client retention rates, and personal chemistry are revealed as the final steps of selection take place.

Creative Pitch

Advertising agencies are chosen to compete by providing a formal presentation addressing a specific problem, situation, or set of questions, called a *shootout*.

The presentations reveal how each agency would deal with specific issues that arise during preparation of a campaign.

Figure 5.10 lists some key do's and don'ts associated with the creative pitch.

Agency Selection

Chemistry may be a factor in the choice. It can be assessed as members of the advertising agency meet with members of the marketing department.

When the process has been completed, the agency and the company work together to prepare the advertising campaign.

Objective 5.5: What job functions take place within an advertising agency?

Roles of Advertising Personnel

The primary roles within the agency are the account executives, creatives, traffic managers, and account planners.

Account Executives

The advertising account executive is the key go-between for both the advertising agency and the client company.

At times, account executives solicit business. At other times, they only manage the relationship.

Creatives

Creatives are the people who actually develop and produce advertisements.

Creatives face long hours and work under enormous pressures to design ads that are effective and that produce results.

Traffic Managers

These individuals work closely with the advertising agency's account executive, creatives, and production staff.

They schedule the various aspects of the agency's work to make sure it is completed on time.

Account Planners

The account planner becomes the voice or advocate for the consumer in the advertising agency. This person has the responsibility of making sure the creative team understands the consumer (or business).

Account planners interact with the account executive and the client to understand the target audience of the ad campaign.

Data Scientists

These individuals mine data to provide insights into brands and customers.

Digital and Social Media Managers and Consultants

With the increase in social media and digital/mobile advertising, agencies now employ individuals to manage digital and social media efforts.

In small agencies or for smaller clients, one individual may manage both functions. In larger agencies and for major clients, the two functions will be separated.

Specialist Positions

Some of these include:

- Digital advertising specialist
- Digital media planner
- Interactive media planner

- Web analytics consultant
- Graphic artist
- Web designer
- Online advertising specialist (sales)
- Sales researcher

Objective 5.6: What advertising campaign parameters do marketing professionals consider?

Advertising Campaign Parameters

Creating effective campaigns requires attention to the advertising campaign parameters listed in Figure 5.11.

Advertising Goals

Advertising campaign goals are identified in Figure 5.12.

Build Brand Awareness

Brand awareness means the consumers recognize and remember a particular brand or company name when they consider purchasing options.

The brand should be a *top of mind* brand.

A *top choice* brand is the first or second pick when a consumer reviews his or her evoked set (possible purchasing alternatives).

Many products become top of mind or top choice due to *brand equity*, where the set of characteristics cause consumers or businesses to believe that a brand is different and better.

In business-to-business marketing, brand awareness is often essential to being considered by members of the buying center.

Provide Information

Typical information for consumers includes a retail store's hours, business location, or sometimes more detailed product specifications.

For business-to-business situations, information from some ads may lead various members of the buying center to consider a particular company as they examine their options.

Information is one component in persuasion, which is another objective of various advertising programs.

Persuasion

Advertisements may be designed to convince consumers that a particular brand is superior to other brands.

Changing consumer attitudes and persuading them to consider a new purchasing choice is a challenging task.

Persuasive advertising is used more in consumer marketing than in business-to-business situations.

Supporting Marketing Efforts

Manufacturers use advertising to support trade and consumer promotions, such as theme packaging or combination offers.

Both manufacturers and retail outlets use advertising in conjunction with coupons or other special offers.

When ads are combined with other marketing efforts into a larger, more integrated effort revolving around a theme, the program is called a promotional campaign.

Encouraging Action

Many commercials encourage the audience to take action by dialing a toll-free number or going to a website.

Action-oriented advertising is heavily used in the business-to-business sector. The most common goal is to generate sales leads.

Media Selection

Selecting the appropriate media requires an understanding of the media usage habits of the target market and then matching that information with the profile of each medium's audience.

In business-to-business markets, knowing the trade journals or business publications that various members of the buying center most likely read assists in the development of a print advertising campaign.

Although media buys are guided by the advertising agency and the client company, media companies typically make the purchases.

A trend toward involving media companies at an earlier stage in the campaign process has evolved.

Companies including Procter & Gamble, Johnson & Johnson, Clorox, Kimberly-Clark, Verizon, and HP enlist media companies as strategic partners as they develop advertising and marketing campaigns.

Taglines

The key phrase in an advertisement, the *tagline*, should be something memorable that identifies the uniqueness of a brand or conveys some type of special meaning, such as Nike's "Just Do It."

Figure 5.13 supplies some well-known taglines.

Consistency

Repeatedly seeing a specific visual image, headline, copy, or tagline helps to embed a brand into a person's long-term memory. Visual consistency becomes especially important because most customers spend very little time viewing an advertisement.

Variability theory suggests that variable encoding occurs when a consumer sees the same advertisement in different environments. These varied environments increase recall and effectiveness by encoding it into the brain through various methods.

Creatives can generate the effect by varying the situational context of a particular ad.

Positioning

Maintaining consistent product positioning throughout a product's life makes it more likely that a consumer will place the product in a cognitive map.

Campaign Duration

The length or duration of a campaign should be identified. Using the same advertisement for an appropriate period of time allows the message to embed in the consumer's long-term memory.

Account executives consider how long to run an advertisement. It should be changed before it becomes stale and viewers lose interest; however, at the same time changing ads too frequently impedes retention. Creating new campaigns also increases costs.

Typical campaigns last about six months, but there are exceptions; some last for years.

Objective 5.7: How does a creative brief facilitate effective advertising?

The Creative Brief

A creative brief contains information for the creative. It contains information provided by the account executive and is used by the creative department to produce an advertisement that conveys the desired message.

The basic components of a standard creative brief are provided in Figure 5.14.

The Objective

The first step in preparing the creative strategy is to identify the objective of the advertisement. Some possible objectives may include the following:

- Increase brand awareness.
- Build brand image.
- Increase customer traffic.
- Increase retailer or wholesaler orders.
- Increase inquiries from end-users and channel members.
- Provide information.

The Target Audience

A creative should know the target audience. The more detail that is known about the target audience, the easier it is for a creative to design an advertisement that will be effective.

Target market profiles that are too general are not very helpful.

The Message Theme

The message theme outlines the key idea(s) the advertising program conveys.

The message theme is the benefit or promise (*unique selling point*) the advertiser wants to use to reach consumers or businesses.

Message themes can be oriented toward either rational or emotional processes.

A left-brained ad is oriented toward the logical, rational side, which manages information such as numbers, letters, words, and concepts. Left-brained advertising is logical and factual.

A right-brained ad deals with emotions and works with abstract ideas, images, and feelings.

The Support

Support takes the form of the facts, which substantiate the message theme.

The Constraints

Constraints deal with legal and mandatory restrictions for ads, or company-imposed requirements. They include the following:

- Legal protection for trademarks, logos, and copy registrations
- Disclaimers about warranties, in which the disclaimer specifies the conditions under which they will be honored
- Disclaimers about offers spell out the terms of financing agreements, as well as when bonuses or discounts apply
- Disclaimers about claims identify the exact nature of the statement made in the advertisement

Objective 5.8: What are the implications of advertising management in the global arena?

International Implications

There are two main differences in international advertising campaign management.

First, while the processes may be similar, the availability of high-quality agencies may be limited in some countries.

Second, the campaign must be adapted to the culture and customs of each country.

Note to Professors:

The authors' blog for professors and students may be found at <http://blogclowbaack.net/>.

IMPLICATIONS FOR THE ADVERTISING AGENCY

(Note to professors—these materials are not in the text. They provide a method for you to summarize the chapter in a different way.)

The agency should study the client's paperwork. It will help in designing ads and IMC programs. This includes the following:

- Mission statements
- Goals
- Past history (through magazine articles, minutes of meetings, etc.)

- Past advertisements and other marketing activities
- Advertisements of the competition

The agency should carefully match the pitch used to gain new clients with the needs and identities of prospective firms.

The agency should be aware of the relative advantages an external advertising agency holds over in-house programs.

Agencies should remember the criteria companies use in the selection of advertising agencies. The agency should solicit client companies where they have a built-in advantage because your agency has the characteristics the target company is seeking. The company should, in return, make certain they are being clear about what they are looking for in an agency.

The agency should build the capacity to provide as many marketing activities as possible. If the company cannot provide them directly, the agency's management team should work diligently to construct a list of freelancers who are partner organizations, so that the agency can serve as a quality contact point for all types of marketing efforts, including the following:

- Direct marketing campaigns of all types
- Sales and trade promotions
- Public relations efforts
- Advertising campaigns

The agency should build an effective work force through the following:

- Hiring quality creatives
- Establishing strong bonds with current creatives
- Recruiting regularly at schools and universities as well as other places where quality creatives may be found in future years

Client company leaders should expect that advertising agencies will help them work through every aspect of an advertising campaign, from goal setting, to media selection, to creative briefs, to the actual advertisements, to methods for measuring effectiveness.

Both client companies and advertising agencies can build relationships with media buyers or media agencies that will be contracted to purchase media time (on radio and TV) and space (in print media).

REVIEW QUESTIONS

5-1. Define advertising campaign management.

Advertising campaign management is the process of preparing and integrating a specific advertising program in conjunction with the overall IMC message.

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-2. What are the six stages of the hierarchy of effects model? Do they always occur in that order? Why or why not?

The model outlines six steps a consumer or a business buyer moves through when making a purchase:

1. Awareness
2. Knowledge
3. Liking
4. Preference
5. Conviction
6. The actual purchase

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-3. How are the three components of attitudes related to the hierarchy of effects model?

The Cognitive → Affective → Conative sequence matches. Cognitive steps include awareness and knowledge; affective includes liking, preference, and conviction; and the actual purchase is the conative component.

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-4. In a means–end chain, what are the means? The ends? How do they affect advertising design?

An advertisement should contain a message, or means, that leads the consumer to a desired end state. These end states are personal values. The message spells out the means and ends, thereby leading to a purchase decision.

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-5. Why are visual elements in advertisement important? What is the relationship between visual and verbal elements? Can there be one without the other?

Student answers will vary. They should respond that somehow the two elements need to coordinate with one another in order to be effective.

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-6. What is *visual Esperanto*?

Visual Esperanto is the universal language that makes global advertising possible for any good or service.

LO: 5.1: How do advertising theories guide the advertising management process?

AACSB: Application of knowledge

5-7. What are threshold effects? Diminishing returns? Carryover effects?

Threshold effects occur when an advertising program has run often enough to capture attention and increase sales. Diminishing returns occur when advertising expenditures begin to lose their impact. Carryover effects are present when the consumer remembers the product or company when it is time to buy.

LO: 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

AACSB: Application of knowledge

5-8. What are the differences between wear-out effects and decay effects?

Wear-out effects means an ad can become old or boring. Decay effects occur when a company stops advertising, and consumers forget the brand or the company. A

marginal analysis indicates when further advertising expenditures adversely affect revenues and profits.

LO: 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

AACSB: Analytical thinking

5-9. What factors influence the decision of whether to use an in-house advertising group or an external advertising agency?

- The size of the account, which should be matched to the company
- The amount of money the advertiser can spend on media
- The objectivity factor provided by an outside agency
- The complexity of the product
- Creativity concerns, possible greater creativity with an outside agency

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

AACSB: Application of knowledge

5-10. Besides advertising agencies, what other types of organizations play roles in the communications process?

The other organizations include the following:

- Media service companies negotiate and purchase media packages (called media buys) for companies.
- Direct marketing agencies handle every aspect of a direct marketing campaign, either through telephone orders (800 numbers), internet programs, or by direct mail.
- Sales promotions or trade promotions agencies play a role.
- Public relations firms are experts in helping companies and individuals develop positive public images and are also called in for damage control when negative publicity arises.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

AACSB: Application of knowledge

5-11. What is crowdsourcing? What are its advantages and disadvantages?

Crowdsourcing is the process of outsourcing the creative aspect of an advertisement. It has the advantage of creating excitement and customer engagement. It may not deliver as coherent of an advertising message over time because each ad will be unique.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?
AACSB: Application of knowledge

5-12. What steps should be taken in selecting an advertising agency?

1. Identify and prioritize corporate goals. Develop agency selection process and criteria.
2. Initially screen firms based on credentials, size, capabilities, relevant experience, and conflicts of interest.
3. Request client references.
4. Perform background checks with other firms and media agents.
5. Request written and oral presentations.
6. Meet creatives, media buyers, account executives, and other personnel that will work with the account.

LO: 5.4: How do companies choose advertising agencies?
AACSB: Application of knowledge

5-13. What evaluation criteria should be used in selecting an advertising agency?

Evaluation criteria used in selecting an advertising agency include the following:

- The size of the agency
- Relevant experience of the agency
- Potential conflicts of interest
- Creative reputation and capabilities of the agency
- Production capabilities
- Media purchasing capabilities
- Other services offered
- Client retention rates
- Personal chemistry with the agency's team

LO: 5.4: How do companies choose advertising agencies?
AACSB: Application of knowledge

5-14. What is a creative pitch?

Advertising agencies are chosen to compete by providing a formal presentation addressing a specific problem, situation, or set of questions, called a *shootout*. The presentations reveal how each agency would deal with specific issues that arise during preparation of a campaign.

LO: 5.4: How do companies choose advertising agencies?
AACSB: Application of knowledge

5-15. Describe the various roles within an advertising agency.

The advertising account executive is the key go-between for both the advertising agency and the client company.

Creatives are the persons who actually develop and produce advertisements.

Traffic managers schedule the various aspects of the agency's work to make sure it is completed on time.

The account planner becomes the voice or advocate for the consumer in the advertising agency. This person is responsible for making sure the creative team understands the consumer (or business). Account planners interact with the account executive and the client to understand the target audience of the ad campaign.

Digital scientists mine data to provide insights into brands and customers.

With the increase in social media and digital/mobile advertising, agencies now employ individuals to manage digital and social media efforts.

LO: 5.5: What job functions take place within an advertising agency?

AACSB: Application of knowledge

5-16. What advertising campaign parameters were described in this chapter?

The parameters include setting advertising goals, media selection, creating an effective tagline, consistency, quality positioning, and choosing a campaign's duration.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

AACSB: Application of knowledge

5-17. Describe the terms *top of mind brand* and *top choice*.

When consumers are asked to identify brands that quickly come to mind from a product category, one or two particular brands are nearly always mentioned. These names are the top-of-mind brands.

A top choice brand is the first or second pick when a consumer reviews his or her evoked set of possible purchasing alternatives.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

AACSB: Application of knowledge

5-18. What is a tagline, and what role does a tagline play in an advertisement?

The key phrase in an advertisement, the *tagline*, should be something memorable that identifies the uniqueness of a brand or conveys some type of special meaning.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

AACSB: Application of knowledge

5-19. Explain how variability theory can be used to create consistency in an advertising campaign.

Variability theory suggests that variable encoding occurs when a consumer sees the same advertisement in different environments. These varied environments increase recall and effectiveness by encoding it into the brain through various methods.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

AACSB: Application of knowledge

5-20. What elements are included in a creative brief?

1. The objective is what the advertiser seeks to build, which includes brand awareness, brand image, customer traffic, retailer or wholesaler orders, inquiries from end-users and channel members, or to simply provide information.
2. The target audience is the primary audience. The ways to define a target audience include using demographics, interests, lifestyles, and other noticeable target market characteristics.
3. The message theme is an outline of key idea(s) that the advertising program is supposed to convey.
4. The support is the form of the facts that substantiate the message theme.
5. Constraints are legal and mandatory restrictions that are placed on advertisements.

LO: 5.7: How does a creative brief facilitate effective advertising?

AACSB: Application of knowledge

CRITICAL THINKING EXERCISES

- 5-21. Select two of the print ads in this chapter. Identify the part of the hierarchy of effects model the advertisement targets. Explain why. In terms of attitude formation, which sequence is being used? Justify your answer. Discuss the relationship of the visual and verbal elements in the ad. Which is prominent?**

Student answers will vary.

LO: 5.1: How do advertising theories guide the advertising management process?

- 5-22. Choose one of the following brands. Develop a means-ends chain similar to the two that are shown in this chapter.**

- **Cub Cadet lawnmowers**
- **Cross Keys Bank**
- **Samsung HDTV**
- **Piccadilly Restaurant**

Student responses will vary based on the advertisements chosen.

For Cub Cadet lawnmowers, having an attractive lawn for others to see induces social acceptance and pride in one's work.

For Cross Keys Bank, saving and investing lead to self-respect and a sense of security.

For Samsung HDTV, happiness and pleasure.

For Piccadilly Restaurant, the outcome is pleasure.

LO: 5.1: How do advertising theories guide the advertising management process?

- 5-23. Explain means-end theory and why it is important in advertising design. Pick two ads in this textbook, other than the milk and ReRez ones used to explain means-end theory. Identify the attribute(s) featured in the two ads and the benefits derived from those attributes. Construct a means-end chain for one of the ads. (Be sure to provide the page numbers of the two ads you selected.)**

Student answers will vary based on the advertisements chosen. This can be a quality in-class discussion question.

LO: 5.1: How do advertising theories guide the advertising management process?

5-24. Think about recent advertisements you have seen or watched. Explain each of the concepts listed below, then give an example of an advertisement you believe illustrates the concept. Explain why you believe the ad fits the category.

- **Threshold effects**
- **Diminishing returns**
- **Carryover effects**
- **Wear-out effects**
- ***Visual Esperanto***

Student answers will vary based on the ads they select.

LO: 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

5-25. Look through the ads in this chapter. Which ad do you like the best? Why? Which ad is the least appealing? Why? Discuss the relationship between the visual and verbal elements. Locate one ad you believe displays the characteristic of *visual Esperanto*. Explain why.

Student responses will depend on the ads they select.

LO: 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

5-26. You have been hired by the marketing department of the university where you are going to school. Identify the advantages of using an in-house advertising department versus the advantages of using an advertising agency for your university. Which would you recommend to your university? Give three reasons to support your recommendations.

Student responses will vary. This would make a quality in-class discussion question.

LO: 5.3 When should a company employ an external advertising agency rather than completing the work in-house?

5-27. Review the responsibilities of each of the jobs under “Roles of Advertising Personnel.” Which one most appeals to you? Why? Which is least appealing? Why?

Student answers will vary based on preferences for each type of job.

Choices include account executives, creatives, traffic managers, account planners, data scientists, digital and social media managers, and others.

LO: 5.5: What job functions take place within an advertising agency?

- 5-28. Identify and briefly describe the five advertising goals presented in the chapter. Examine five advertisements in this chapter and identify the primary advertising goal you believe is being used for the ad. Justify your choice.**

Student answers will depend on the ads chosen.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

- 5-29. Choose one of the following products. Use the information in this chapter to prepare a creative brief. You can pick a brand from within the product category.**

- a. Swimsuit**
- b. Fishing equipment**
- c. Dine-in restaurant**
- d. Tea**

Student answers will vary but should include the components needed in the creative brief: the objective, target audience, message strategy, support, and constraints.

LO: 5.7: How does a creative brief facilitate effective advertising?

INTEGRATED LEARNING EXERCISES

- 5-30. Making the decision to use an external advertising agency as opposed to an in-house program for advertising or some other aspect of the advertising function can be difficult. Access the American Association of Advertising Agencies website at www.aaaa.org. What type of information is available at this website? How would it benefit companies looking for an advertising agency? Explain your answer. How would it benefit advertising agencies? Explain your answer.**

The site offers news, commentary, business resources, talent development information, communities of members, advocacy and policy guidelines, and information about best practices in the industry.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

5-31. A number of agencies assist business organizations with integrated marketing communications programs. Whereas some firms try to provide a wide array of services, others are more specialized. Access the following association websites. What type of information is available on each site? How would the information provided be useful in building an IMC program?

- a. International Social Marketing Association (www.i-socialmarketing.org)
- b. Outdoor Advertising Association of America (www.oaaa.org)
- c. Data and Marketing Association (www.the-dma.org)
- d. Digital Marketing Association (www.dmaglobal.com)

Answers will vary depending on what information is available at the time each website is accessed. It is important for students to relate the material to advertising and to the development of an integrated marketing campaign.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

5-32. Part of an advertising management program includes understanding the media usage habits of consumers and their attitudes toward various media. An excellent source of information in Canada is the Media Smarts Program at www.mediasmarts.ca. Review the types of information available on the website. Examine the news articles. What type of information is available at this website, and how could it be used in developing an advertising campaign?

Answers will vary depending on the design of the website when it is accessed.

Media Smarts is an educational site. It does include a major focus on social issues such as body image, gender, diversity, intellectual property, and consumerism.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

5-33. You have been asked to select an advertising agency to handle an account for the clothier Guess (www.guess.com/en). Your advertising budget is \$30 million. Study the websites of the following advertising agencies. Identify the steps in selecting an advertising agency outlined in the chapter. For each step, discuss the pros and cons of each of the four agencies. Which agency would you choose? Why?

- a. The Richards Group (www.richards.com)
- b. Zehnder Communications (www.z-comm.com)
- c. Slingshot (www.slingshot.com)
- d. mcgarrybowen (www.mcgarrybowen.com)

Student answers will vary.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

- 5-34. A marketing manager has been placed in charge of a new chain of sporting goods stores to be introduced into the market. The company's corporate headquarters are in Dallas, and the firm's management team has already decided to employ a local advertising agency. The primary objective in choosing an agency is that the firm must have the capability to develop a strong brand name. Type "advertising agencies in Dallas" into a search engine. Identify an initial list of six ad agencies. Follow the steps outlined in the chapter to narrow the list to two agencies. (Please provide the URLs for all six agencies.) Discuss the steps you used in choosing the two agencies and why you selected them. Then describe a project for the agencies to prepare as part of an oral and written presentation (shootout) to the company's marketing team.**

Student answers will vary.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

Blog Exercises

Access the authors' blog for this textbook at the URLs provided to complete these exercises. Answer the questions that are posed on the blog.

5-35. Flu Treatments: blogclowbaack.net/2020/01/22/flu-treatments-chapter-5

5-36. Leg Shaving: blogclowbaack.net/2018/10/01/leg-shaving-chapter-5

5-37. Oreo Cookies: blogclowbaack.net/2014/05/07/oreo-cookies-chapter-5

LO: 5.1 How do advertising theories guide the advertising management process?

Student Project: Creative Corner

Choose a product that you would like to promote. Use the following creative brief template for this exercise.

This document provides a detailed directive for a new product launch. It outlines the objectives, target audience, research, competition, message strategies, appeals, executional frameworks, constraints, supports, and more that the advertising agency needs to follow in order to produce creative concepts aligned with their client's business objectives and revenue goals.

Project Details

Date:

Prepared by:

Brand/New Product/New Service/New Initiative name:

Project Description and Rationale

Provide a brief summary of the general description and rationale of the new product or service you are proposing.

Business Objectives/Revenue/Profit Goals:

Use this section to list the business objectives and fiscal goals for the project (for example, to increase membership by X% in the next six months, to increase viewership by X% in the next six weeks, to boost ticket sales by 25% in the 4th quarter, to expand a product line by X%, etc.)

Four Ps Analysis

Use this section to detail the 4Ps analysis. Be sure to describe the "Product Utility" of your new product or service in terms of the functional and emotional deliverables of the new product or service.

Target Audience

Use this section to describe the audience for this project. There are four mandatory subtitles/sections including: demographics, geographics, psychographics, and behavioral/benefits sought aspects.

Research

What types of marketing research will you use/rely on for this project? Examples: Test Market, Primary, Secondary, Quantitative, Qualitative, etc. You need to provide an example for the types you choose along with the rationale...Just listing the types of research is not acceptable and you will not receive points for this section.

Competitive Landscape

Use this section to list one direct competitor of your new product, service, etc. List the brand's competitive offering(s) and explain why they pose a threat to the goals of your project; also, do you think there is a threat of a new market entrant? (Note:

Include content from your SWOT analysis as well as identify if a threat of a new market entrant and/or substitute product, or service is likely, and explain why.)

Preliminary Design/Messaging ideas (Remember to include terms/concepts learned thus far; i.e., types of message strategies, appeals, and executional frameworks.)

List at least three messaging ideas:

List at least three visual ideas:

List all supports, claims, or constraints:

Media Plan Timing and Advertising vehicles to be researched/considered for your media plan – provide a bulleted list:

List everything you DO NOT want to see/hear in the new creative:

List at least three messaging ideas you do not want:

List at least three visual ideas you do not want:

Media Plan Timing and Advertising vehicles you feel would be ineffective for your media plan.

5-38. As an account executive for an advertising agency, discuss the creative brief in terms of the completeness of the information needed to provide a quality messaging program.

LO: 5.7: How does a creative brief facilitate effective advertising?

5-39. Evaluate your media plan in light of the creative brief's objectives. Can these shows reach the target audience? What information does a creative and the account executive want from the media planner before starting work on actual commercials?

LO: 5.7: How does a creative brief facilitate effective advertising?

5-40. Using the information provided in the creative brief, prepare advertisements for two different media.

LO: 5.7: How does a creative brief facilitate effective advertising?

Student responses to these three questions will vary based on the product/company/brand they selected.

Many professors may find this to be a useful longer class assignment or group project.

CASES

Case 1 Ben's Bug Out

5-41. Explain the upcoming advertising program for Ben's Bug Out using the hierarchy of effects model.

Students should note for each group that six stages are involved.

1. Awareness
2. Knowledge
3. Liking
4. Preference
5. Conviction
6. The actual purchase

The buyers (individuals and other businesses) have different needs; however, awareness and knowledge would be key for each market. Liking and preference would follow later, but would need to develop quickly in order to lead to actual purchases.

LO: 5.1: How do advertising theories guide the advertising management process?

5-42. Describe how the cognitive, affective, and conative components of attitudes would play into an advertising campaign for Ben's Bug Out.

The cognitive aspect would be the rational desire to keep pests out of a person's home or workplace. The affective part would be an emotional response to see bugs and other unwanted guests. The conative component would be to act now before any problem emerges or gets worse.

LO: 5.1: How do advertising theories guide the advertising management process?

5-43. Should Ben employ an advertising agency, or rely on his degree in marketing to create the ads for his new company?

Student opinions will vary. As a small business, cost might be an issue; however, expertise might be worth the expenditure.

LO: 5.3: When should a company employ an external advertising agency rather than completing the work in-house?

5-44. Which advertising goals should Ben's Bug Out first pursue? Explain your reasoning.

Logical answers would be to build brand awareness, provide information, and encourage action. Persuasion is also possible as a goal.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

5-45. Prepare a creative brief for the initial advertising campaign for Ben's Bug Out.

Student briefs will vary and could be shared with the class.

LO: 5.7: How does a creative brief facilitate effective advertising?

Case 2 Jake's Trophy Shop

5-46. Explain how the hierarchy of effects model would apply to the four main trophy-buying groups.

Students should note for each group that six stages are involved.

1. Awareness
2. Knowledge
3. Liking
4. Preference
5. Conviction
6. The actual purchase

The buyers have different needs; however, awareness and knowledge are “musts” for each group. Liking and preference are most crucial for groups that would make repeat purchases.

LO: 5.1: How do advertising theories guide the advertising management process?

5-47. Would threshold effects, diminishing returns, and wear-out effects apply to Jake's upcoming advertising program? Explain why or why not.

Absolutely. The key would be to reach threshold effects and then not spend too much money once the ads start experiencing diminishing returns and wear-out effects.

LO: 5.2: What is the relationship of advertising expenditures to advertising effectiveness?

5-48. Should Jake utilize a local advertising agency or do as much of the work as he could by himself? Defend your response.

Most likely, Jake should use an agency. They would know how to best reach each of the four target groups efficiently.

LO: 5.3 When should a company employ an external advertising agency rather than completing the work in-house?

5-49. Would the concepts of top of mind and top choice apply to advertising for the second location of Jake’s Trophy Shop? If so, how? If not, why not?

If the ads have reached a wide enough audience in the area, then top of mind can be achieved.

LO: 5.6: What advertising campaign parameters do marketing professionals consider?

5-50. Design two creative briefs. The first should seek the goal of enticing customers in the south end of town to visit the new store, seeking especially to reach business-to-business buyers. The second should emphasize the “gag” gift line of trophies for both stores in order to increase sales following the launch of the second store.

Student briefs will vary but should clearly outline differing objectives and target audiences, which would in turn affect the message theme.

LO: 5.7: How does a creative brief facilitate effective advertising?

Bonus Case

HOW TO WIN (AND LOSE) AN ADVERTISING ACCOUNT

Being selected to manage a major advertising account is a difficult but enriching process.

For instance, consider the case of Atlanta-based Charter Behavioral Systems. Charter is the largest provider of alcoholism and depression treatment services in the United States.

The goal was to select an agency to handle a \$20 million television advertising account.

Charter identified some basic goals and developed a selection process that included the criteria to use in the screening process. The six agencies identified for initial screening were McCann Erickson, BBDO, Rubin Postaer, Carat ICG, Tauche Martin, and Bates USA. The initial screening process was based on the following items:

- Size

- Capabilities
- Credentials and references
- Documented experience and past successes

Tauche Martin was dropped from the list because it was too small. Although the management team at Charter believed the staff at Tauche Martin consisted of some very bright people, the size of the account would have overwhelmed the firm. Bates USA was rejected because Bates' major client was Korean. A recent lag in the Asian economy caused the leaders of Charter to fear that Bates might be forced to close its Atlanta office if it lost its Korean client. Charter eliminated another agency based on reference checks. From television station reps to media buyers, the consistent word was "run!" At the end of the initial screening process, two agencies remained: Rubin Postaer and Carat ICG.

Rubin Postaer is a \$550 million full-service agency based in Los Angeles. The firm is known primarily for work with Honda, Charles Schwab, and *Discover* magazine. Carat ICG is a \$600 million agency with clients such as Ameritech, Midas, Primestar, and DHL Worldwide.

To decide between Rubin Postaer and Carat ICG, Charter asked each to make a creative pitch addressing a series of 10 questions. They were further instructed to think of it as a "mock buy" in the Atlanta market. The companies were asked to provide their projected list of media buys and the rationale for the buys. The most challenging aspect of the creative pitch requirement was a roundtable discussion with at least five of the agency's media buyers. Although each agency's management team could be present, the managers were told not to answer questions posed to the buyers.

Carat ICG included employees in the final presentation who were not going to be part of the account team. Although Charter's management team felt that it was flattering to have Carat ICG's chairman present for the three-hour presentation, Charter believed ICG's approach was more of a sales presentation than a mock media buy.

ICG demonstrated a solid command of the strategies the agency believed Charter should use in the Atlanta market. Unfortunately, ICG skimmed on some logistical details. Charter's leaders also thought that when ICG presented the mock buy, its representatives were quick, superficial, and had not spent a great deal of time laying out a total approach. On the positive side, ICG's senior vice president Jim Surmanek led the agency's presentation. Surmanek, the author of a media textbook, knew the media issues extremely well. In the final evaluation, Charter concluded ICG clearly was superior at developing an advertising strategy. The agency's recommendations highlighted the company's deep understanding of Charter's business.

In contrast, Rubin Postaer made a presentation using employees who would be servicing the account. Chairman Jerry Rubin did not attend the meeting, although he did meet with Charter's management briefly to assure them of his commitment. Charter felt Rubin Postaer made a serious mistake during the presentation. The presentation team did not bring in a buyer for the direct-response media. ICG did. At the same time, Rubin's vice president of spot buying, Cathleen Campe, grasped quickly what was most important. Campe flew in buyers from Chicago, New York, and Los Angeles to assist in the presentation. These buyers spoke often, expressing their views. Charter concluded that Rubin was more powerful in "branding" its media style with a label called "active negotiation." Rubin's basic philosophy was that the toughest negotiations begin after

buying the media time. Rubin made the claim that the agency was willing to spend more time monitoring media purchases than making the actual purchases. This advantage was substantiated by all of the references.

(1) Which agency should Charter Behavioral Systems hire? Justify your answer.

Student answers will vary; however, they should provide a logical explanation of the choice. Both companies have similar references and abilities, so the only item left would be in their presentation abilities. Carat ICG used members that would not actually be doing the purchasing; this does not give Charter a good picture of how their company does business. Rubin Postaer used the people that would actually be doing the purchasing and even had buyers flown in. This gives a much better picture of their abilities. In the decision, Rubin Postaer will probably be chosen because Charter had a better sense of how the company would be presented to other companies.

(2) Should Carat ICG do anything differently the next time they make a presentation? Why or why not?

Student answers will vary. The company should try to be clear about what it can offer a client. Rushing through a presentation may leave the audience feeling like all the material was not covered. Carat ICG may also have the people who would actually be doing the buying to make the presentation, which might portray a better image to potential clients.

(3) Should Rubin Postaer do anything differently the next time they make a presentation? Why or why not?

Student discussions may suggest that Rubin Postaer should have the media buyer attend the presentation, or explain why he or she was not present. The people doing the presentations seemed to be informative, so the company would only need to make minor modifications.

(4) Should “fuzzy” variables such as trust and confidence be the deciding factor in choosing an advertising agency? Why or why not?

They should not be deciding factors, but they are important factors. First client companies should narrow down the agencies using selection criteria. Only after the choices have been reduced to two or three agencies should companies look at fuzzy variables when making their decisions. At the same time, a firm should trust and have confidence in their final selection for an advertising agency.