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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
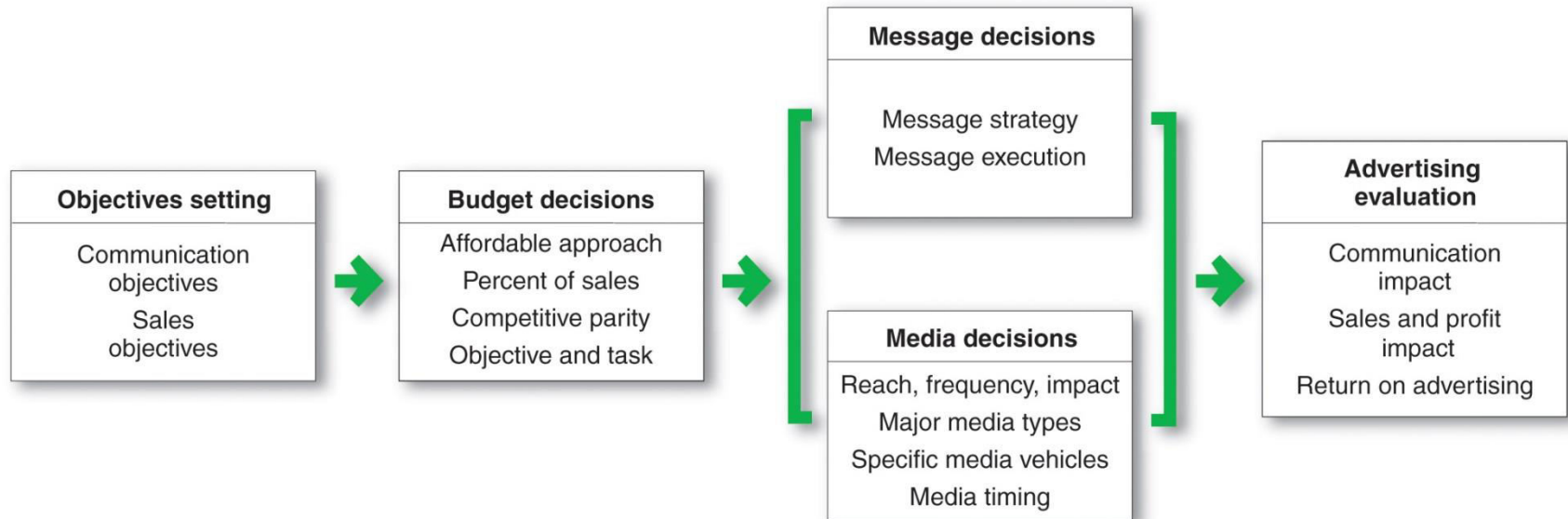
- Major Public Relations Tools

Advertising

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

Advertising

Major Advertising Decisions

Objectives setting
- Communication objectives
- Sales objectives

Budget decisions
- Affordable approach
- Percent of sales
- Competitive parity
- Objective and task

Message decisions
- Message strategy
- Message execution

Media decisions
- Reach, frequency, impact
- Major media types
- Specific media vehicles
- Media timing

Advertising evaluation
- Communication impact
- Sales and profit impact
- Return on advertising

Advertising

Setting Advertising Objectives

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

Advertising

Setting Advertising Objectives

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

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

Table 15.1
Possible Advertising Objectives

● TABLE | 15.1 Possible Advertising Objectives ← The overall advertising goal is to help build customer relationships by communicating customer value.

Informative Advertising

Communicating customer value	Suggesting new uses for a product
Building a brand and company image	Informing the market of a price change
Telling the market about a new product	Describing available services and support
Explaining how the product works	Correcting false impressions

Persuasive Advertising

Building brand preference	Persuading customers to purchase now
Encouraging switching to your brand	Persuading customers to receive a sales call
Changing customer's perception of product value	Convincing customers to tell others about the brand

Reminder Advertising

Maintaining customer relationships	Reminding consumers where to buy the product
Reminding consumers that the product may be needed in the near future	Keeping the brand in customer's mind during off-seasons

Advertising

Developing Advertising Strategy

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

- Creating advertising messages
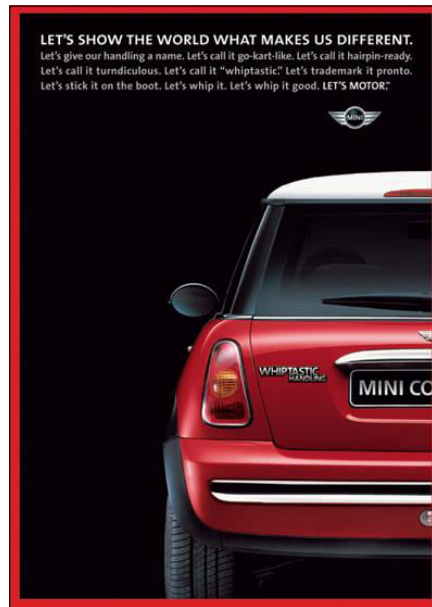- Selecting advertising media

Developing Advertising Strategy

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

Message strategy

Creative concept

Message execution

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

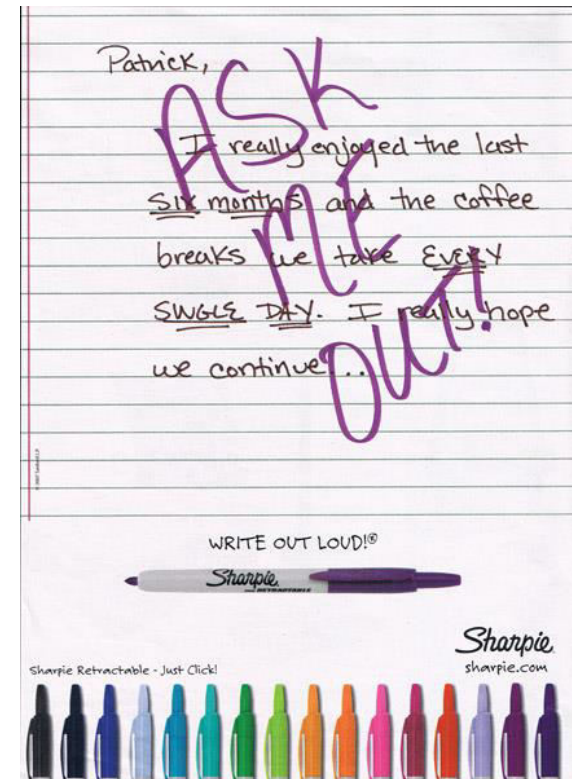|		
Slice of life	Lifestyle	Fantasy
Mood or image	Musical	Personality symbol
Technical expertise	Scientific evidence	Testimonial or endorsement

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 Web site 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 the Effectiveness and Return on Advertising Investment

Return on advertising investment

The net return on advertising investment divided by the costs of the advertising investment

Advertising

Evaluating the 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

Developing and Advertising Programs
Other Advertising Considerations

- Organizing for advertising
  - Agency vs. 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	Corporate identity materials	Public service activities
Buzz marketing	Social networking	Internet

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