# Advertising Plan Report

Project Elephants

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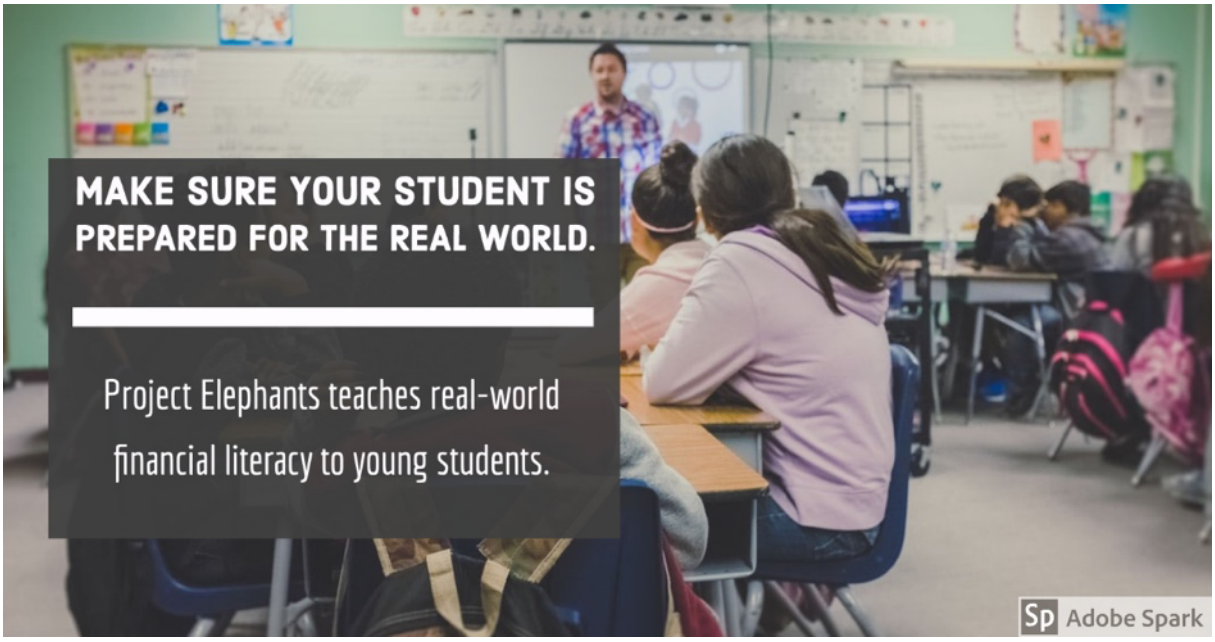
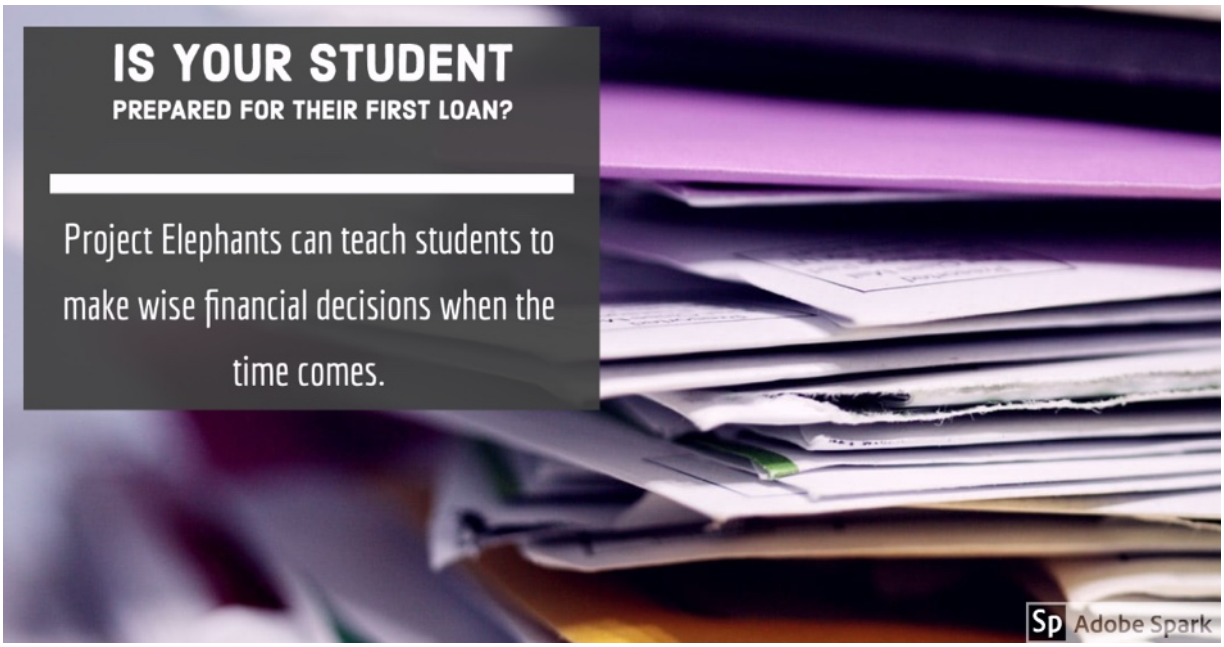
## Advertising Strategy

As *Project Elephants* is a game for middle-school age students in an attempt to teach financial literacy, the advertising campaign needs to take into account that the primary purchasing power is not the intended user. The advertising campaign(s) for *Project Elephants* need to target the parents, teachers, and administrators with the buying power for their students and express the brand identity of proven effectiveness, reliability, and ease of use. As such, I believe that a three-pronged approach is the most appropriate advertising strategy for *Project Elephants.*

With the limited advertising budget of the project, the three campaigns need to directly target the intended audience of teachers and parents. Targeting educator-focused magazines like *AEA Advocate* will provide a direct conduit to the schoolteachers and administrators of Arizona's largest education labor union. Using Facebook Ads to target potential parents and educators in Arizona using demographic information will narrow the audience and hopefully stretch the advertising budget farther by excluding markets with no chance of conversion to sale. Finally, Google Ads' Search Network will allow the advertising campaign of *Project Elephants* to specifically target an audience that has directly searched for corresponding topics such a 'financial literacy' or 'financial education'.

## Advertising Samples







# Advertising Spend

## Advertising Elasticity of Demand (AED)

The Advertising Elasticity of Demand for a marketing campaign is the relationship between the percentage growth of demand and the percentage growth of advertising spending. This value, the AED, can be calculated using either percentages like we will be using, or it can be calculated using before and after values. Our demand growth and spending growth percentages have been externally estimated as 11% and 4% respectively, which is a fairly healthy elasticity for a campaign.

$$\frac{DemandGrowth\%}{SpendingGrowth\%} = AED$$

$$\frac{11\%}{4\%} = 2.74\%$$

### Dorfman-Steiner Theorem

$$\frac{AdCost * AdCount}{UnitPrice * UnitsSold} = \frac{UnitPrice - UnitCost}{UnitPrice} * AED$$

$$\frac{AdBudget}{Sales} = UnitMargin\% * AED$$

$$UnitMargin\% * AED * Sales = AdBudget$$

$$\frac{5 - 1.5}{5} * \left(\frac{0.11}{0.04} * 0.01\right) * (5 * 432{,}693) = \$41{,}646.70$$

The Dorfman-Steiner Theorem is a tool for roughly estimating the ideal advertising budget for a product based on its target sales and the expected AED of the advertising campaign. Based on the target price and cost of *Project Elephants* which were previously calculated as $5.00 and $1.50 respectively, and the target unit sales of 432,493, we can use the estimated AED calculated above to come to a conclusion about our ideal advertising budget. The calculations above show that our ideal advertising budget should be in the range of $41,464.70.

### Average Acquisition Cost

$$\frac{AdSpend}{CustomersAcquired} = AverageAcquisitionCost$$

$$\frac{\$41{,}646.70}{432{,}693} = \$0.096\ per\ user$$

Based on the Dorfman-Steiner Theorem results, we can see here that if the estimation provided by the theorem hold true then we can expect to spend a scant $0.096 on average to acquire users to *Project Elephants.* This cost would very easily fit into the healthy margins for the project.

## Advertising Platforms

### AEA Advocate

The Arizona Education Association is the largest professional association for school faculty and staff in the state of Arizona, with over 20,000 members throughout the state (*Who We Are*). The *AEA Advocate* is the association's quarterly magazine for all members and includes full-page ads. Based on estimates, the magazine has a circulation of around 32,000 and a full-page ad costs upwards of $1,260 (*AEA Advocate - Magazine Advertising Costs*).

Advertising solely through this platform would be unwise, but not taking advantage of such a direct conduit to the target buyers of *Project Elephants* would be even more so.

$$\frac{AdBudget}{AdCost} * Audience = Impressions$$

$$\frac{\$41{,}646.70}{\$1{,}260} * 32{,}000 = 1{,}057{,}694$$

If solely advertising through the *AEA Advocate*, and assuming the prior estimates are correct, the campaign could expect over 1 million impressions over the course of 33 quarterly magazines. This obviously is not a great sole advertising strategy, as it would take 8 years for the campaign to complete and it would only target 32,000 unique readers.

### Facebook Ads

Facebook is one of the largest social media and advertising platforms in the world with millions of active users. Over 50% of the platform's users are above the age of 35 (Clement, 2020), meaning a great deal of the users of the platform have a strong likelihood of being in the target buyer demographic for *Project Elephants.* The price of running an ad on Facebook Ads varies greatly based on the content and the target market, but for the education segment the average CPC is estimated as $1.06 and CPM as $7.19 (*How Much Does Facebook Advertising Cost in 2020?*). For these calculations we'll be using the platform's targeted CPC, estimating the total impressions based on the average CTR of 0.73% for the education segment (Irvine, 2020).

$$\frac{AdBudget}{AdCPC} * \frac{1}{CTR} = Impressions$$

$$\frac{\$41{,}646.70}{\$1.06} * \frac{1}{0.0073} = 5{,}382{,}101$$

If solely advertising through Facebook Ads and targeting the education sector we can expect a total of over 5.3 million impressions. These numbers may fluctuate a great deal, as the Facebook Ads pricing structure is based on the number and types of segmentation factors used, so targeting the Arizona education segment may very well have a higher CPC than the general education sector. Regardless, Facebook Ads is a very solid choice for the advertising spending of *Project Elephants* due to its massive userbase and access to the target buyer demographics of parents and teachers.

### Google Ads

Google Ads offers one of the largest and most profitable ad platforms with a huge reach across both their Search Network, which shows sponsored results on Google's search engine, and their Display Network, which shows a wide variety

of ad types across websites and apps. Google's Search and Display networks have vastly different CPC values, with the averages for the education sector being $2.40 and $0.47 respectively (Maake, 2020). For these calculations we'll be using the CPC for both networks in order to compare the potential effectiveness of campaigns targeting each, using each network's corresponding average CTR of 3.78% and 0.53% (Irvine, 2020), to estimate the total impressions we can expect from a Google Ads campaign.

$$\frac{AdBudget}{AdCPC} * \frac{1}{CTR} = Impressions$$

Search Network: $\frac{\$41{,}646.70}{\$2.40} * \frac{1}{0.0378} = 459{,}068$

Display Network: $\frac{\$41{,}646.70}{\$0.47} * \frac{1}{0.0053} = 16{,}718{,}868$

If solely advertising through Google Ads and targeting the education sector we can expect a total of over 450 thousand impressions if advertising through the Search Network and over 16.5 million impressions if advertising through the Display Network. While it may seem obvious that advertising through the Google Display Network is the better investment as it results in a larger number of impressions for the money, the Google Search Network displays ads based on the current search terms that the user has entered which means that each display of the advertisement has a much higher chance to convert to a sale. Regardless of network used, Google Ads is a great choice for the advertising spending of *Project Elements* due to its competitive price and overwhelming reach.

# Sources

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