

Web14304 Digital Advertising: Week two

Advertising Principles and Practices

Web Media Production: Level 3

Definitions

- **Advertising** is traditionally a paid, “one-way” communication through a medium in which the sponsor is identified and the message is controlled by the sponsor.
- **Marketing** is the process of identifying the consumers' wants and needs and making the product to satisfy these. Marketing thinking feeds into advertising.
- **Promotion** or the placement of “promotional media” is the driver for marketing.

Questions

1. What is advertising and what are its key components?
2. What are advertising's main roles, and what are the most important types of advertising?
3. Who are the key players in advertising?
4. How has advertising evolved, and how have these developments affected current advertising practice?

Defining Modern Advertising

WHAT IS ADVERTISING?

- A complex form of communication using objectives and strategies to impact consumer thoughts, feelings, and actions.
- A form of ***marketing communication*** (all the techniques marketers use to reach their customers and deliver their messages).

Defining Modern Advertising

The Evolution of Advertising

- Identification
 - Simple images found in ancient Babylonia, Egypt, Greece, and Rome identified a business, manufacturer, or store.
- Information
 - Gutenberg's movable type mechanized printing leading to mass communication.
- Promotion
 - The Industrial Revolution led to surplus goods, improved transportation, and the need for new media.
- Sales
 - Advertisers became concerned about making ads that worked and defining standards of effective advertising.



Ff Gg Hh Ii Jj &
Kk Ll Mm Nn \$
Oo Pp Qq Rr Ss

Defining Modern Advertising

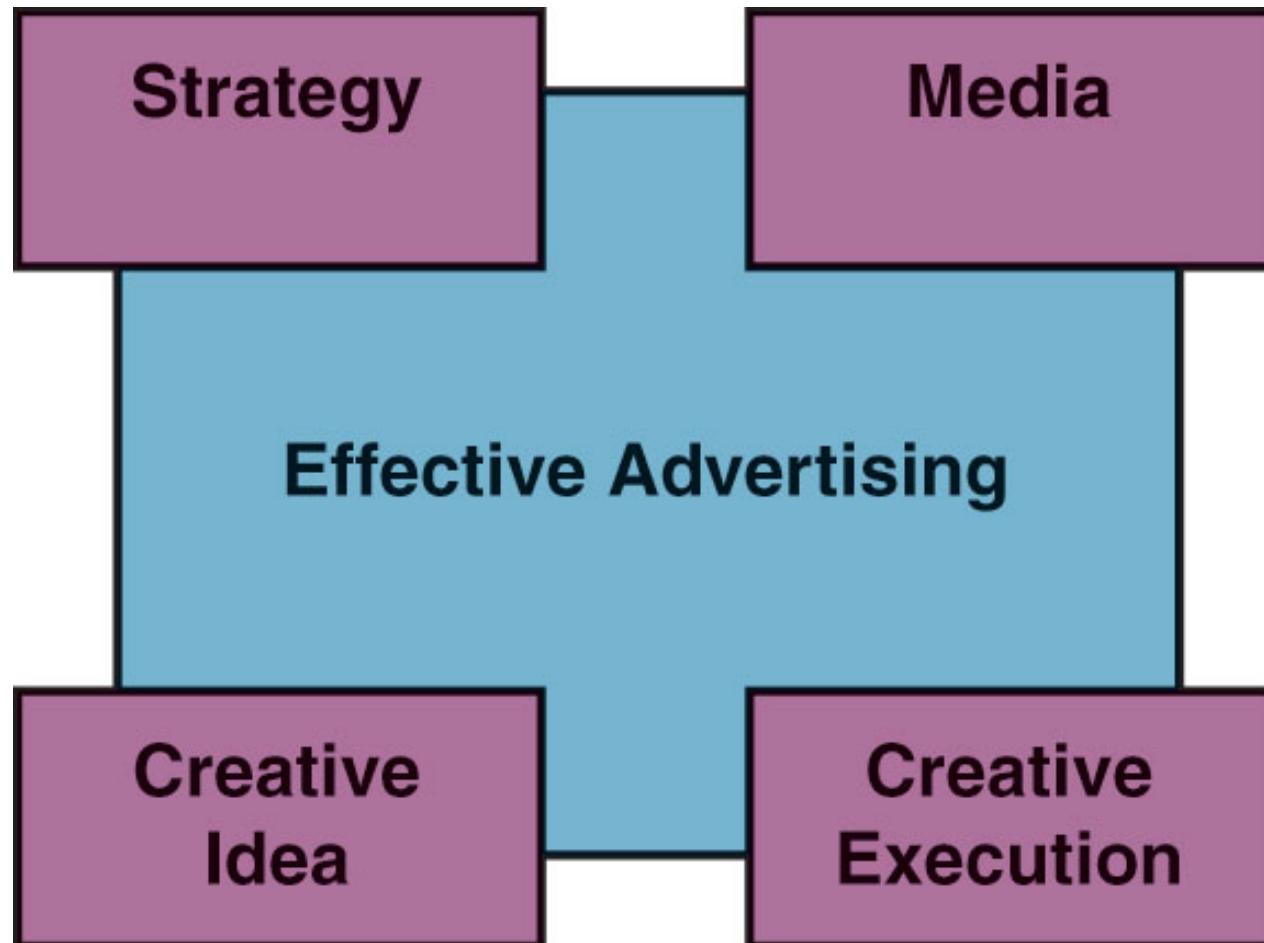
Five Basic Factors of Advertising

1. Paid communication
2. Sponsor is identified
3. Tries to inform or persuade
4. Reaches a large audience
5. Message conveyed through many different kinds of largely non-personal mass media

Principle:

An effective advertisement is one that can be proven to meet its objectives.

Four Components of Advertising



Four Components of Advertising

1. Advertising Strategy

- The **strategy** is the logic and planning behind the ad that gives it direction.
- Advertisers develop ads to meet objectives.
- Advertisers direct ads to identified audiences.
- Advertisers create a message that speaks to the audience's concerns.
- Advertisers run ads in the most effective media.



Four Components of Advertising

2. Creative Idea

- The **creative concept** is the central idea that grabs the consumer's attention and sticks in memory.
- Planning strategy requires creative problem solving.
- Research involves creativity.
- Buying and placing ads requires creative thinking.



Think small.

Our little car isn't so much of a novelty
any more.

A couple of dozen college kids don't
try to squeeze inside it.
The guy at the gas station doesn't ask
where you got it.

Nobody ever stops at our shape.

In fact, some people who drive our little

car don't even think 32 miles to the gal-
lon is going any great guns.

Or using five parts of oil instead of five
parts water.

Or never needing anti-freeze.

Or rocking up 40,000 miles on a set of
tires.

That's because once you get used to

some of our economies, you don't even
think about them any more.

Except when you squeeze into a small
garage.

Or replace your small insur-
ance.

Or pay a small repair bill.

Or trade in your old VW for a
new one.

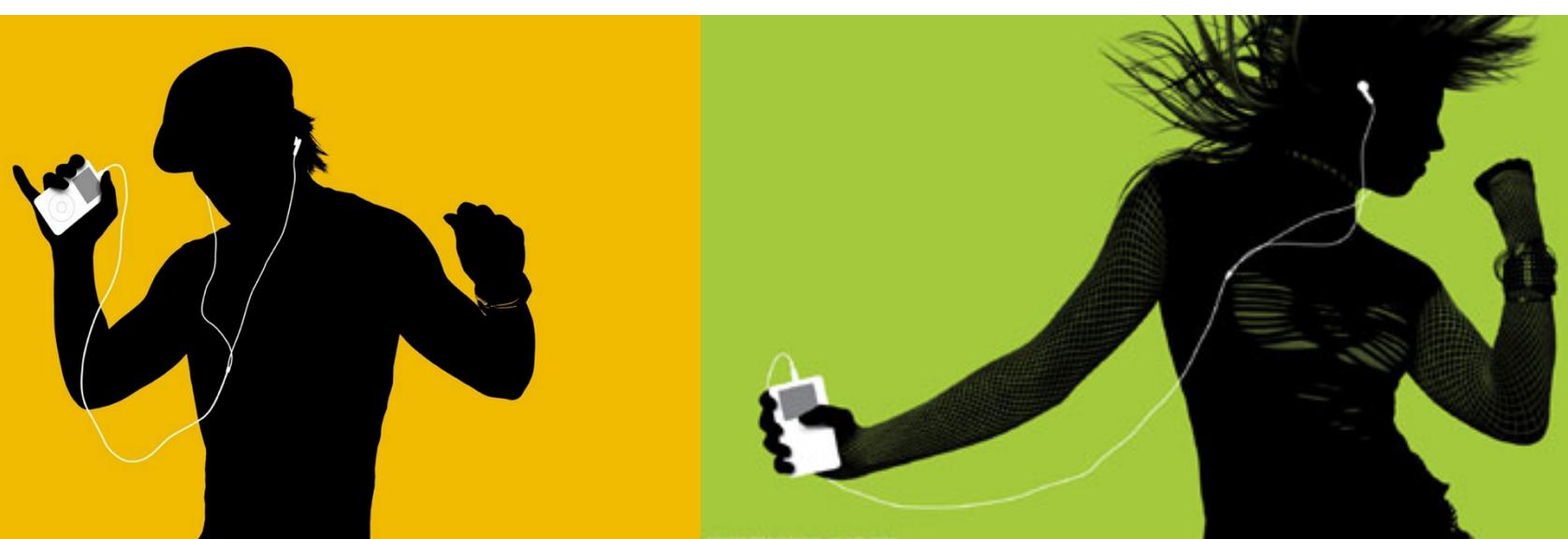
That's because once you get used to



Four Components of Advertising

3. Creative Execution

- Effective ads are well executed reflecting the highest production values in the industry.
- Clients demand the best production the budget allows.



Four Components of Advertising

4. Media Planning/Buying

- Television, Internet, magazines, and other media are used to reach a broad audience.
- Deciding how to deliver the message requires creativity.



Principle:

In advertising how you say something and where you say it is just as important as what you say.

Four Roles of Advertising



Four Roles of Advertising

1. The Marketing Role

- Marketing is satisfying customer wants and needs by providing products (goods, services, and ideas).
- The marketing department is responsible for selling the product using the 4 Ps (product, price, place/distribution, and promotion) and brand development.

Principle:

A product can be services and ideas as well as goods.

Four Roles of Advertising

2. The Communication Role

- Advertising is a message to a consumer about a product, designed to create a response.
- It is also a form of marketing communication.
- Advertising uses mass communication to transmit product information to connect buyers and sellers in them marketplace.

Principle:

One of advertising's most important strengths is its ability to reach a large audience.

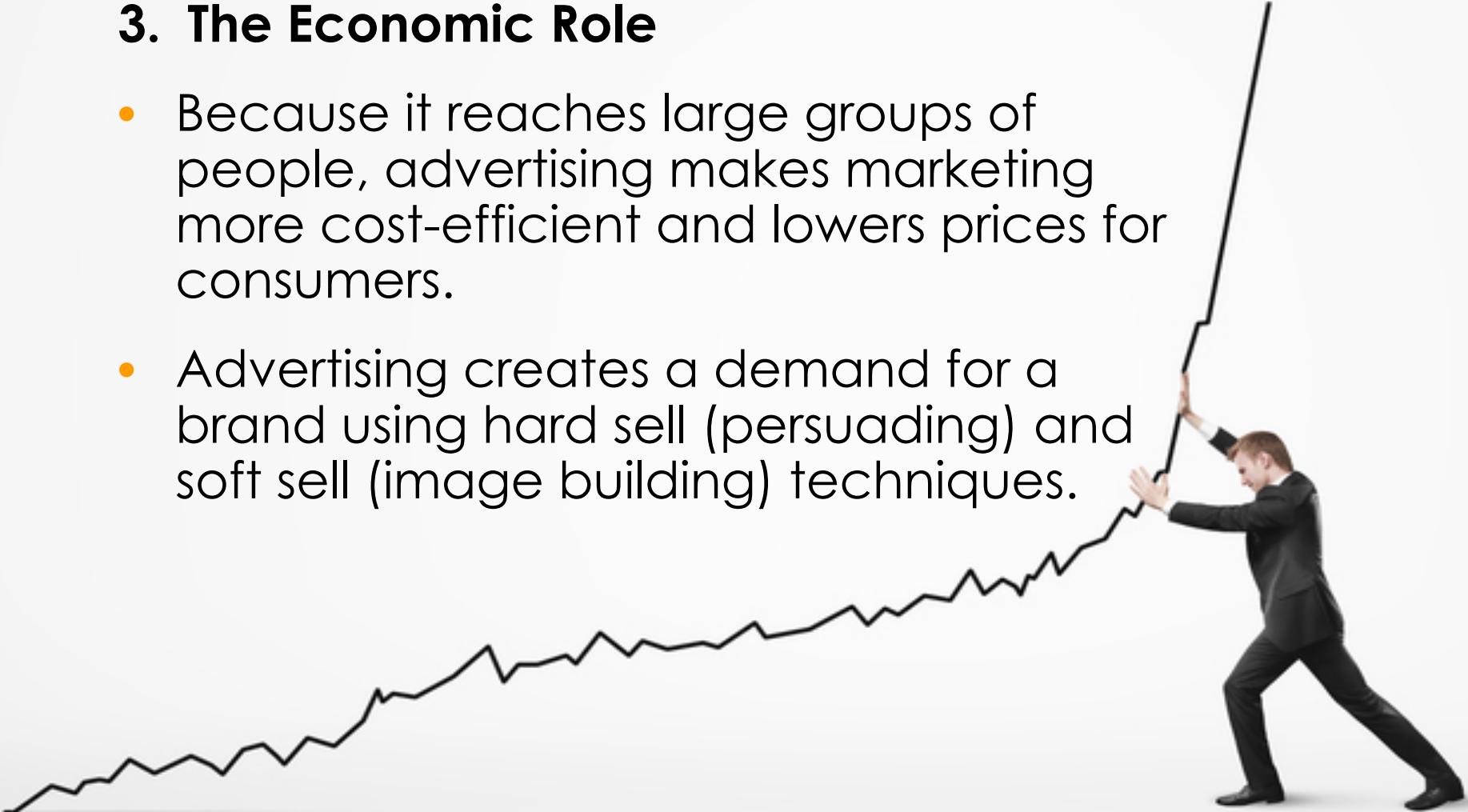
The Strengths of Advertising

Strengths	Examples
• Can reach a large audience	A commercial in the Super Bowl can reach more than 100 million consumers.
• Introduces products and brands	The “1984” commercial for the Apple McIntosh sold out the entire inventory in one day.
• Builds awareness of products and brands	The success of the launch of the iPod was due in part to the great silhouette posters that showed people dancing to the music on their iPods.
• Creates brand images	The success of the new VW Beetle was largely built on its ability to connect with the anti-status image of the original “lowly” Beetle.
• Provides information	The truth® campaign informs teens that “Tobacco kills 1,200 people a day.”
• Reminds and reinforces	Procter & Gamble’s Ivory Soap has been advertised continuously since the late 1800s.
• Persuades	Nike campaigns, with the “Just do it” personal achievement message, have helped increase sales by 300 percent during the 1990s.

Four Roles of Advertising

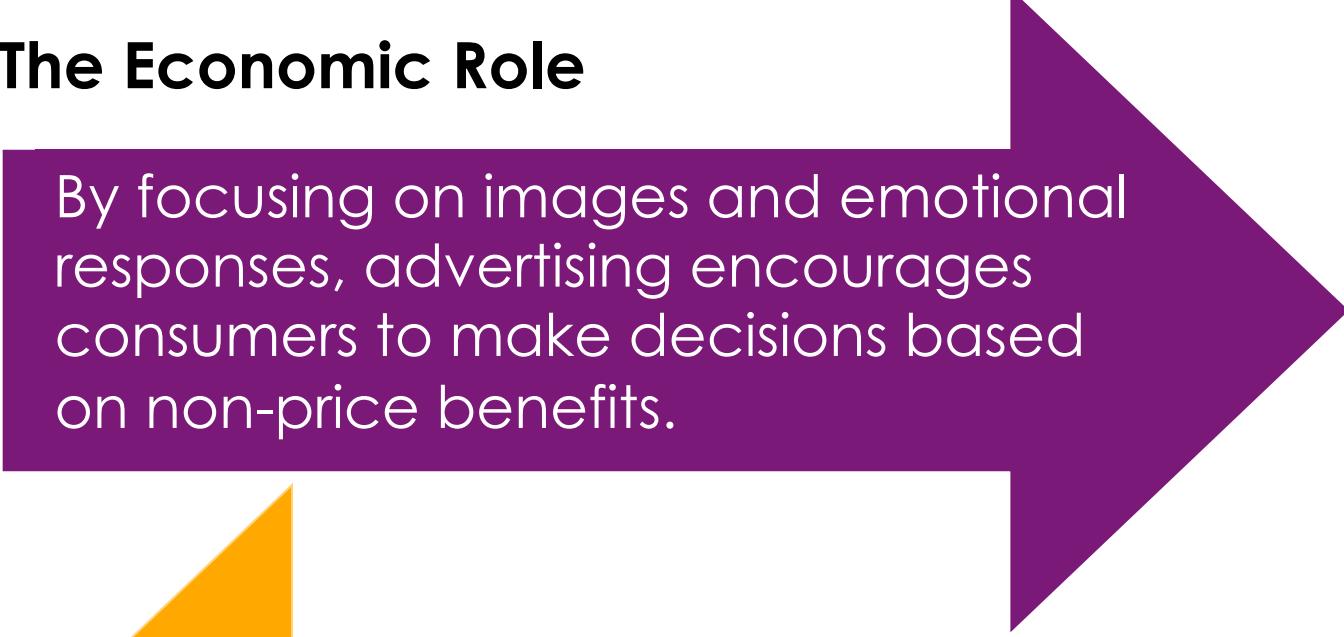
3. The Economic Role

- Because it reaches large groups of people, advertising makes marketing more cost-efficient and lowers prices for consumers.
- Advertising creates a demand for a brand using hard sell (persuading) and soft sell (image building) techniques.



Four Roles of Advertising

3. The Economic Role



By focusing on images and emotional responses, advertising encourages consumers to make decisions based on non-price benefits.



Advertising is a means to objectively provide price-value information, creating a more rational economy.

Four Roles of Advertising

4. The Societal Role

- Informs consumers about innovations and issues.
- Helps us compare products and features.
- Mirrors fashion and design trends.
- Teaches consumers about new products and how to use them.
- Helps shape consumer self-image.
- Facilitates self-expression through purchases.
- Presents images about diversity in our world.

Types of Advertising

- Brand Advertising
 - Focused on long-term brand identity and image.
- Retail or Local Advertising
 - Focused on selling merchandise in a geographical area.
- Direct Response Advertising
 - Tries to stimulate a sale directly.
- Business-to-Business (B2B)
 - Sent from one business to another.



Principle:

All types of advertising demand creative, original messages that are strategically sound and well executed.

Types of Advertising

- Institutional Advertising
 - Focused on establishing a corporate identity or winning the public over to the organization's point of view.
- Nonprofit Advertising
 - Used by nonprofits like charities, associations, hospitals, orchestras, museums, and churches for customer, members, volunteers, and donors.
- Public Service Advertising
 - Usually produced and run for free on behalf of a good cause.



The Key Players: the Advertiser

- Wants to send out a message about its business.
- Initiates effort by identifying a problem that advertising can solve.
- Selects the target audience, sets the budget, and approves the ad plan.
- Hires the agency
 - Agency of record (AOR) does the most business; manages other agencies.



Top Ten UK Advertisers

Rank	Advertiser	£ spend in newsbrands	% total ad spend
1	 British Sky Broadcasting Ltd	£37,264,059	17.38%
2	 Bt Ltd	£31,782,355	21.85%
3	 Asda Stores Ltd	£31,461,913	32.54%
4	 Aldi Stores Ltd	£24,154,908	34.18%
5	 Tesco Plc	£23,816,510	27.61%

Top 100 advertisers (print and online) July 2014 - June 2015 Source: Nielsen www.newsworks.org.uk/Top-100-Advertisers

Top Ten UK Advertisers

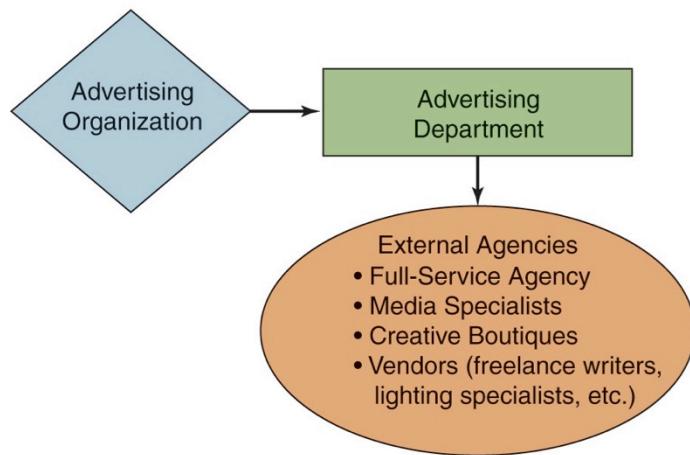
Rank	Advertiser	£ spend in newsbrands	% total ad spend
6	Marks & Spencer	£22,300,118	30.82%
7	Dfs Furniture Co Ltd	£20,390,274	28.15%
8	Sainsburys Supermarkets Ltd	£20,227,809	27.98%
9	Wm Morrison Supermarkets Plc	£18,100,980	28.59%
10	Lidl Uk Gmbh	£15,627,319	22.01%

Top 100 advertisers (print and online) July 2014 - June 2015 Source: Nielsen www.newsworks.org.uk/Top-100-Advertisers

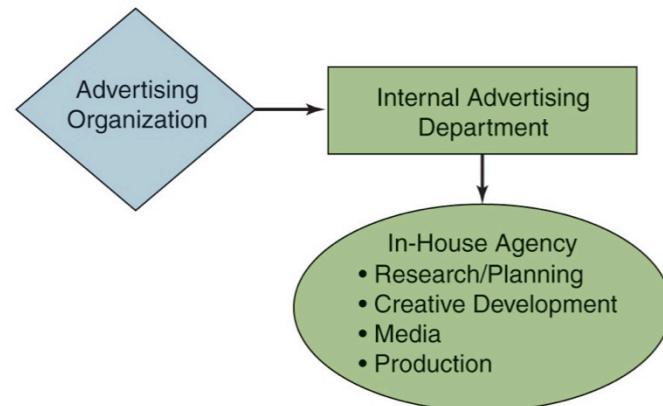
The Key Players: The Agency

- Agencies have the strategic and creative expertise, media knowledge, talent, and negotiating abilities to operate more efficiently than the advertiser.
- Some large advertisers have in-house departments.

WHEN THE ADVERTISER DOESN'T HAVE AN IN-HOUSE AGENCY



WHEN THE ADVERTISER HAS AN IN-HOUSE AGENCY



The Key Players: The Media

- Media are channels of communication that carry the message to the audience.
- They're vehicles, but also large media conglomerates like Time Warner and Viacom.



Principle:

Mass media advertising can be cost effective because the costs are spread over the large number of people the ad reaches.

The Key Players: The Suppliers

- Group of service organizations that assist advertisers, agencies, and the media in creating and placing ads by providing specialized services.
- Artists, writers, photographers, directors, producers, printers, freelancers, and consultants.



Image: graphicssoft.about.com/od/screencapturemac/ht/macsscreenshot.htm



Image: www.publicdomainpictures.net/view-image.php?image=4360

The Key Players: The Target Audiences

- People to whom an ad is directed: their responses determine if advertising is effective.
- **Targeting** is the process of identifying the people in the desired audience.
- Interactive technology allows ads to be customised to the target audience's individual needs.



Current Developments

The New Advertising

- Electronic media are making advertising more intimate, interactive, and personalised.
- Advertising is evolving to keep up with technology.
- Creativity involves more than just the ad's big idea, but finding new ways to engage consumers beyond traditional mass media.



Current Developments

Interactivity

- **Buzz** is getting people to talk about the event, idea or brand.
- People contact companies by phone, the Internet, and through friends.
- Advertising is changing to become more interactive.



Image: www.linkedin.com/pulse/interactive-advertising-become-part-game-alex-obogrelov

Current Developments

Integrated Marketing Communication (IMC)

- IMC means unifying all marketing communication messages and tools to send a consistent, persuasive message promoting the brand's goals.
- Stakeholders are also important in IMC.
- **Synergy** means messages have more impact working jointly than on their own.



Image: www.slideshare.net/ProfessorMathur/kotler-chap-16-5what-is-an-integrated-marketing-communications-program

Current Developments

Globalisation

- The elimination of trade barriers in the 1990s opened huge international markets.
- Agencies are forming multinational operations to address these markets.
- Should advertisers practice local or global advertising?



Current Developments

What makes an ad effective?

- Gets attention
- Creates a positive impression for a brand
- Separates the brand from the competition
- Influences people to respond in the desired way

Principle:

An ad that works — that is effective — is one where the target audience responds as the advertiser intended.