

CHAPTER 17: MANAGING MASS COMMUNICATIONS

ADVERTISING

Advertising - Any paid form of non-personal presentation and promotion of products by an identified sponsor.

Five Ms of advertising

Mission: What are our advertising objectives?

Money: How much can we spend and how do we allocate our spending across media types?

Message: What message should we send?

Media: What media should we use?

Measurement: How should we evaluate the results?

1) Mission

Setting the Objectives

The advertising objectives can be classified as follows:

- **Informative advertising:** aims to create brand awareness and knowledge of new products or new features of existing products.
- **Persuasive advertising:** aims to create liking, preference, conviction, and purchase of a product or service. Some persuasive advertising is comparative advertising.
- **Reminder advertising:** aims to stimulate the repeat purchase of products and services.
- **Reinforcement advertising:** aims to convince current purchasers they made the right choice.

2) Money

Factors affecting budget decisions

- a) Stage in product life cycle
- b) Market share and customer base
- c) Competition and clutter
- d) Advertising frequency
- e) Product substitutability

3) Message

- i) Message generation
- ii) Message evaluation
- iii) Message selection
- iv) Creative development and execution
- v) Legal and social issues

4) Media

- i) Deciding on Reach, Frequency and Impact
- ii) Choosing among major media types
- iii) Selecting specific media vehicles
- iv) Deciding on media timing
- v) Deciding on geographical media allocation

i) Deciding on Reach, Frequency and Impact

- The effect of exposures on audience awareness depends on the exposures' reach, frequency, and impact:
- **Reach (R).** The number of different persons or households exposed to a particular media schedule at least once during a specified time period
- **Frequency (F).** The number of times within the specified time period that an average person or household is exposed to the message
- **Impact (I).** The qualitative value of an exposure
- The relationship between reach, frequency, and impact is captured in the following concepts:
- Total number of exposures (E). $E = R \times F$, also called the gross rating points (GRP). If a given media schedule reaches 80 percent of homes with an average exposure frequency of 3, the media schedule has a GRP of 240 (80×3).
- Reach is most important when launching new products, flanker brands, etc
- Frequency is important where there are strong competitors, high consumer resistance, higher chances of forgetting, etc.

ii) Choosing among major media types

Types of advertising media: Newspapers, Television, Direct mail, Internet, Radio, Magazine, Brochures, Telephone, etc.

Place advertising

-Bill boards

-Public spaces - Ads are appearing in such unconventional places such as movie screens, airplane bodies, and fitness equipment, sports arenas, office and hotel elevators, etc

-Product placement - Products and brands being placed in movie scenes to get viewer attention and communicate brand messages in the context of story.

- Point of purchase - The point of purchase (POP) is the area in which marketers and retailers plan promotional activities surrounding the consumer products. In-store advertising includes ads on shopping carts, windows, shelves, floor, etc.



iii) Selecting specific media vehicles

- Audience quality
- Audience attention probability
- Editorial quality
- Ad placement policies and extra services

iv) Deciding on Media Timing and Allocation

Macro-scheduling problem involves scheduling the advertising in relation to seasons and their business cycle.

Micro-scheduling calls for allocating advertising expenditures within a short period to obtain maximum impact.

The timing pattern should consider three factors.

- a) Buyer turnover - expresses the rate at which new buyers enter the market; the higher this rate, the more continuous the advertising should be.
- b) Purchase frequency - is the number of times the average buyer buys the product during the period; if higher purchase frequency is required to happen, the more continuous the advertising should be.
- c) The forgetting rate is the rate at which the buyer forgets the brand; the higher the forgetting rate, the more continuous the advertising should be.

Classification of advertising timing patterns

Continuity - means exposures appear evenly throughout a given period. Generally, advertisers use continuous advertising in expanding markets, with frequently purchased items, and in tightly defined buyer categories.

Concentration - calls for spending all the advertising expenditure in a single period. This makes sense for products with one selling season or related holiday

Flighting - calls for advertising during a period, followed by a period with no advertising, followed by a second period of advertising activity. It is useful when funding is limited, the purchase cycle is relatively infrequent, or items are seasonal.

Pulsing - is continuous advertising at low levels, reinforced periodically by waves of heavier activity. It draws on the strengths of continuous advertising and flights to create a compromise scheduling strategy

V) Geographical media allocation

National buys – When company places ads on nation wide TV networks or in nationally circulated newspapers, magazines, etc

Spot buys – When it buys TV time in just a few markets or in regional editions of magazines, newspapers, etc

Local buys – When company advertises in local TV channels, newspapers, magazines, etc

5) Measurement

Evaluating advertisement effectiveness

Communication-effect research

Seeks to determine whether an ad is communicating effectively. Marketers should perform this test both before an ad is put into media and after it is printed or broadcasted

Pre-testing – Questionnaire, Paired comparison tests, Recall tests, Reaction tests, Trailer tests, Theatre test, etc

Post-testing - Questionnaire, Recall tests, Recognition tests, sales test, etc

Sales-effect test

A company's *share of advertising expenditures* produces a *share of voice* (proportion of company's advertising of a product to all advertising of the similar products in the market) that earns a *share of consumers' minds and hearts* and, ultimately, a *share of market*.

Historical approach – A predictive method which correlates past sales to past advertising

Experimental design - In this method the entire sales territory is divided into three or four sub areas In one group, an advertisement is inserted involving a certain amount. In another group; the amount is doubled; in the third it is tripled; in the fourth, it is quadrupled. The results in the form of sales are measured and compared with a view to finding out the impact of increased advertising effort.

SALES PROMOTION

Sales promotion consists of collection of intensive tools, designed to stimulate quicker or greater purchase of products or services by the customers.

Major decisions

1) Establishing objectives

In relation to consumers: Encouraging larger-sized units, building trial among non-users, attracting people away from competitors' brand, etc.

In relation to retailers: Persuading retailers to carry new items, higher level of inventories, encouraging off-season buying, to counter the competitors' sales promotion, etc.

In relation to sales force: Encouraging support of a new product or model, encouraging more prospecting, stimulating off-season sales, etc.

2) Selecting sales promotion tools

Major consumer promotion tools – Samples, Coupons, Frequency programs, Prizes, Patronage awards, Cross-Promotions, etc.

Major trade promotion tools – Price-off, Free goods and allowances (advertising allowance, display allowance)

Major business and sales force promotion tools – Trade shows and conventions, Sales contests, Speciality advertising (consists of useful low cost items bearing the company's name and address. Items such as calendars, key chains, bags, etc)

3) Implementing and evaluating the program

After developing overall programmes, the marketers have to prepare implementation and control plans for each individual promotion.

Evaluation: By utilizing sales data, consumer surveys and experiments.

EVENTS AND EXPERIENCES

Events objectives

- 1) To identify with a particular target market or lifestyle
- 2) To increase salience of company or product name
- 3) To enhance the corporate image
- 4) To create or reinforce perceptions of key brand image associations
- 5) To create experiences and evoke feelings
- 6) To express commitment to the community or on social issues
- 7) To entertain key clients or reward key employees
- 8) To permit merchandising or promotional opportunities

Major Sponsorship Decisions

- 1) Choosing events
- 2) Designing sponsorship programs
- 3) Measuring sponsorship activities

Supply-side methods – Amount of time or space devoted to media coverage of an event. For example, the number of seconds the brand is clearly visible on TV screen, number of time a brand gets mentioned, etc.

Demand-side methods – Identifies the effect sponsorship has on consumers' brand knowledge. Can survey the event spectators to measure recall of event, resulting attitudes and intentions toward the sponsor.

Public relations

Public relations includes a variety of programs to promote or protect a company's image or individual products. Example – Press kits, speeches, Seminars, Annual reports, Publications, Community relations, etc.

Functions performed by Public relations departments:

1. Press relations—Presenting news and information about the organization in the most positive light
2. Product publicity—Sponsoring efforts to publicize specific products
3. Corporate communications—Promoting understanding of the organization through internal and external communications
4. Lobbying—Dealing with legislators and government officials to promote or defeat legislation and regulation
5. Counseling—Advising management about public issues as well as company positions and image during good times and bad.

Marketing Public Relations (MPR) plays important role in following tasks:

- Launching new products
- Repositioning a mature product
- Building interest in a product category
- Influencing specific target groups
- Defending products that have encountered public problems
- Building the corporate image in a way that reflects favourably on its products

Major decisions in Marketing Public Relations

1) Establishing objectives

- Inorder to build awareness
- To increase the credibility
- To boost the sales force and dealer enthusiasm
- To bring down the promotion cost

2) Choosing messages and vehicles

3) Implementing the plan and evaluating results

After choosing messages and vehicles, plans which have been developed should be implemented.

Measuring the change in product awareness, comprehension or attitude resulting from MPR campaigns. Evaluation should go on in an ongoing manner. Task of evaluation can be performed on the basis of attendance records, surveys, press clippings, content analysis, observation, social media mentions, etc.

THANK YOU