

## Chapter 16

### Advertising, Public Relations, and Sales

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## LEARNING OUTCOMES

- 16-1 Discuss the effects of advertising on market share and consumers
- 16-2 Identify the major types of advertising
- 16-3 Discuss the creative decisions in developing an advertising campaign

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## LEARNING OUTCOMES

- 16-4 Describe media evaluation and selection techniques
- 16-5 Discuss the role of public relations in the promotional mix
- 16-6 Define and state the objectives of sales promotion and the tools used to achieve them

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16-1

### The Effects of Advertising

**Discuss the effects of advertising on market share and consumers**

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## The Effects of Advertising

Advertising and marketing services, agencies, and other firms that provide marketing and communications services employ millions of people across America.

One particular area that has continued to see rapid growth is the data side of marketing.

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## Advertising and Market Share

New brands with a small market share spend proportionally more for advertising and sales promotion than those with a large market share.

- ◆ Beyond a certain level of spending, diminishing returns set in.
- ◆ New brands require higher spending to reach a minimum level of exposure needed to affect purchase habits.

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## The Effects of Advertising on Consumers

- ◆ Advertising may change a consumer's negative attitude toward a product, or reinforce a positive attitude.
- ◆ Advertising can affect consumer ranking of a brand's attributes.

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## Major Types of Advertising

**Identify the major types of advertising**

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## Major Types of Advertising

### Institutional Advertising

Enhances a company's image rather than promote a particular product.

### Product Advertising

Touts the benefits of a specific good or service.

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## Major Types of Advertising

### Institutional Advertising

Corporate identity

Advocacy advertising

### Product Advertising

Pioneering

Competitive

Comparative

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## Product Advertising

### Pioneering

Stimulates primary demand for new product or category. Used in the PLC introductory stage.

### Competitive

Influences demand for brand in the growth phase of the PLC. Often uses emotional appeal.

### Comparative

Compares two or more competing brands' product attributes. Used if growth is sluggish, or if competition is strong.

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## Creative Decisions in Advertising

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Discuss the creative decisions in developing an advertising campaign

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## Creative Decisions in Advertising

### **Advertising Campaign**

A series of related advertisements focusing on a common theme, slogan, and set of advertising appeals.

### **Advertising Objective**

Identifies the specific communication task that a campaign should accomplish for a specified target audience during a specified period.

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## Setting Objectives: The DAGMAR Approach

Define target audience

Define desired percentage change

Define the time frame for change

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## Creative Decisions

Identify product benefits

Develop and evaluate advertising appeals

Execute the message

Evaluate the campaign's effectiveness

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## Identify Product Benefits

- ◆ “Sell the sizzle, not the steak.”
- ◆ Sell a product’s benefits, not its attributes.
- ◆ A benefit should answer “What’s in it for me?”
- ◆ Ask “So?” to determine if advertising offers attributes or benefits.

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## Identify Product Benefits

### Attribute

"DogsBestFriend is an all-natural skin care lotion for dogs that combines traditional medicines and Nigella sativa seed oils with the newest extraction technology."

**"So?"**

### Benefit

"So . . . DogsBestFriend acts as a natural replacement for hydrocortisone, antihistamines, and topical antibiotics that is powerful enough to combat inflammation, itching, and pain, yet safe enough to use on dogs of all ages."

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## 16.1

### Common Advertising Appeals

Appeal	Goal
Profit	Lets consumers know whether the product will save them money, make them money, or keep them from losing money.
Health	Appeals to those who are body conscious or who want to be healthy; love or romance is used often in selling cosmetics and perfumes.
Fear	Can center around social embarrassment, growing old, or losing one's health; because of its power, requires advertiser to exercise care in execution.
Admiration	Frequently highlights celebrity spokespeople.
Convenience	Is often used for fast-food restaurants and microwave foods.
Fun and Pleasure	Are the keys to advertising vacations, beer, amusement parks, and more.
Vanity and Egotism	Are used most often for expensive or conspicuous items such as cars and clothing.
Environmental Consciousness	Centers around protecting the environment and being considerate of others in the community.

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## Unique Selling Proposition

A desirable, exclusive, and believable advertising appeal selected as the theme for a campaign.

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## Executing the Message

Message execution is the way an advertisement portrays its information. The AIDA plan is a good means of executing an advertising message.

An ad should immediately get attention, and hold consumers' interest, create desire for the good, and motivate an action of purchase.

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## 16.2

### Eleven Common Executional Styles for Advertising

Executional Style	Description
Slice-of-Life	Depicts people in normal settings, such as at the dinner table or in their car. McDonald's often uses slice-of-life styles showing youngsters munching on french fries from Happy Meals on family outings.
Lifestyle	Shows how well the product will fit in with the consumer's lifestyle. As his Volkswagen Jetta moves through the streets of the French Quarter, a Gen X driver inserts a techno music CD and marvels at how well the car fits into his lifestyle.
Spokesperson/Testimonial	Can feature a celebrity, company official, or typical consumer making a testimonial or endorsing a product. Sheryl Crow represented Revlon ColorStay coloring, while Beyoncé Knowles was named the new face of Victoria's Secret. Dell, Inc. founder Michael Dell touts his vision of the customer experience via Dell in television ads.
Fantasy	Creates a fantasy for the viewer built around use of the product. Marketers often use this style to let viewers fantasize about how they would feel speeding around tight corners or down long country roads.
Humorous	Advertisers often use humor in their ads, such as Snickers' "Not Going Anywhere for a While" campaign featuring hundreds of souls waiting, sometimes impatiently, to get into heaven.
Real/Animated Product	Creates a character that represents the product in advertisements, such as the Easter Bunny or Ronald McDonald.
Symbols	GEOICO's suave gecko and dignified caveman became cult classics for the insurance company.
Mood or Image	Builds a mood or image around the product, such as peace, love, or beauty. De Beers ads depicting shadowy silhouettes wearing diamond engagement rings and diamond necklaces portrayed passion and intimacy while showing that it's a diamond's birthday.
Demonstration	Shows the experience of using the product. Many consumer products use this technique. Laundry detergent spots are famous for demonstrating how their product will clean clothes whiter and brighter. Fort James Corporation demonstrated in television commercials how its Done Right & Reusable disposable diapers can stand up to the rigors of a day's activities.
Musical	Conveys the message of the advertisement through song. For example, M&M's ads depicted a man's tortured feet and a surfer's thigh, scared by a shark attack while strumming Joe Cocker's "You Are So Beautiful."
Scientific	Uses research or scientific evidence to give a brand superiority over competitors. Pain relievers like Advil, Bextra, and Excedrin use scientific evidence in their ads.

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### Post-Campaign Evaluation

Marketers spend considerable time studying advertising effectiveness and its probable impact on sales, market share, or awareness.

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### Media Decisions in Advertising

Describe media evaluation and selection techniques

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### Media Decisions in Advertising

Monitored Media	Unmonitored Media
Newspapers	Direct Mail
Magazines	Trade Exhibits
Radio	Cooperative Advertising
Television	Brochures
Internet	Coupons
Outdoor Media	Catalogs
	Special Events

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## Major Advertising Media



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## Newspapers

### Advantages

- Geographic selectivity
- Short-term advertiser commitments
- News value and immediacy
- Year-round readership
- High individual market coverage
- Co-op and local tie-in availability
- Short lead time

### Disadvantages

- Limited demographic selectivity
- Limited color
- Low pass-along rate
- May be expensive

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## Cooperative Advertising

An arrangement in which the manufacturer and the retailer split the costs of advertising the manufacturer's brand.

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## Magazines

### Advantages

- Good reproduction
- Demographic selectivity
- Regional/local selectivity
- Long advertising life
- High pass-along rate

### Disadvantages

- Long-term advertiser commitments
- Slow audience build-up
- Limited demonstration capabilities
- Lack of urgency
- Long lead time

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## Radio

### Advantages

- Low cost
- Immediacy of message
- Short notice scheduling
- No seasonal audience change
- Highly portable
- Short-term advertiser commitments
- Entertainment carryover

### Disadvantages

- No visual treatment
- Short advertising life
- High frequency to generate comprehension and retention
- Background distractions
- Commercial clutter

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## Television

### Advantages

- Wide, diverse audience
- Low cost per thousand
- Creative opportunities for demonstration
- Immediacy of messages
- Entertainment carryover
- Demographic selectivity with cable

### Disadvantages

- Short life of message
- Consumer skepticism
- High campaign cost
- Little demographic selectivity with stations
- Long-term advertiser commitments
- Long lead times for production
- Commercial clutter

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## Internet

### Advantages

- Fast growing
- Ability to reach narrow target audience
- Short lead time
- Moderate cost

### Disadvantages

- Difficult to measure ad effectiveness and ROI
- Ad exposure relies on "click through" from banner ads
- Not all consumers have access to Internet

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## Outdoor Media

### Advantages

- Repetition
- Moderate cost
- Flexibility
- Geographic selectivity

### Disadvantages

- Short message
- Lack of demographic selectivity
- High "noise" level

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## Alternative Media

Shopping Carts	Bathroom Posters
Computer Screen Savers	Advertainments
Interactive Kiosks	Subway Tunnel Ads
Ads before Movies	Hold Music

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## Media Selection Considerations

Cost Per Contact	Audience Selectivity
Cost Per Click	Flexibility
Reach	Noise Level
Frequency	Life Span

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## Qualitative Factors in Media Selection

- ◆ Attention to the commercial and the program
- ◆ Involvement
- ◆ Program liking
- ◆ Lack of distractions
- ◆ Other audience behaviors

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## Media Scheduling

Continuous Media Schedule	Advertising is run steadily throughout the period.
Flighted Media Schedule	Advertising is run heavily every other month or every two weeks.
Pulsing Media Schedule	Advertising combines continuous scheduling with flighting.
Seasonal Media Schedule	Advertising is run only when the product is likely to be used.

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## Public Relations

**Discuss the role of public relations in the promotional mix**

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## Public Relations

The element in the promotional mix that evaluates public attitudes, identifies issues that may elicit public concern, and executes programs to gain public understanding and acceptance.

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## Public Relations Tools

**New-product publicity**

**Product placement**

**Consumer education**

**Sponsorship**

**Experiential Marketing**

**Company Web Sites**

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## Functions of Public Relations

**Press relations**

**Product publicity**

**Corporate communication**

**Public affairs**

**Lobbying**

**Employee and investor relations**

**Crisis management**

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## Managing Unfavorable Publicity

### ***Crisis Management***

A coordinated effort to handle the effects of unfavorable publicity or an unexpected unfavorable event.

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## Sales Promotion

**Define and state the objectives of sales promotion and the tools used to achieve them**

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## Sales Promotion

Advertising

Reason to buy

Sales Promotion

Incentive to buy

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## Sales Promotion

### ***Trade Sales Promotion is...***

Sales promotion activities targeting a marketing channel member, such as a wholesaler or retailer.

### ***Consumer Sales Promotion is...***

Sales promotion activities targeting the ultimate consumer.

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## Objectives of Sales Promotion

Type of Buyer	Desired Results	Sales Promotion Examples
Loyal Customers	<ul style="list-style-type: none"> <li>• Reinforce behavior</li> <li>• Increase consumption</li> <li>• Change purchase timing</li> </ul>	<ul style="list-style-type: none"> <li>• Loyalty marketing</li> <li>• Bonus packs</li> </ul>
Competitor's Customers	<ul style="list-style-type: none"> <li>• Break loyalty</li> <li>• Persuade to switch</li> </ul>	<ul style="list-style-type: none"> <li>• Sampling</li> <li>• Sweepstakes, contests, premiums</li> </ul>
Brand Switchers	<ul style="list-style-type: none"> <li>• Persuade to buy your brand more often</li> </ul>	<ul style="list-style-type: none"> <li>• Price-lowering promotion</li> <li>• Trade deals</li> </ul>
Price Buyers	<ul style="list-style-type: none"> <li>• Appeal with low prices</li> <li>• Supply added value</li> </ul>	<ul style="list-style-type: none"> <li>• Coupons, price-off packages, refunds</li> <li>• Trade deals</li> </ul>

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## Trade Sales Promotion

### Trade Allowances

### Push Money

### Training

### Free Merchandise

### Store Demonstration

### Conventions and Trade Shows

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## Benefits of Trade Promotions

- ❖ Help manufacturers gain new distributors
- ❖ Obtain wholesaler and retailer support for consumer sales promotions
- ❖ Build or reduce dealer inventories
- ❖ Improve trade relations

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## Tools for Consumer Sales Promotion

### Coupons and Rebates

### Premiums

### Loyalty Marketing Programs

### Contests and Sweepstakes

### Sampling

### Point-of-Purchase Promotion

### Online Sales Promotion

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## Coupons and Rebates

### Coupon

A certificate that entitles consumers to an immediate price reduction when they buy the product.

### Rebate

A cash refund given for the purchase of a product during a specific period.

### Premium

An extra item offered to the consumer, usually in exchange for some proof of purchase of the promoted product.

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## Loyalty Marketing Programs

### Loyalty Marketing Program

A promotional program designed to build long-term, mutually beneficial relationships between a company and key customers.

### Frequent Buyer Program

A loyalty program in which loyal consumers are rewarded for making multiple purchases of a particular good or service.

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## Contests and Sweepstakes

### Contests

Promotions in which participants use some skill or ability to compete for prizes.

### Sweepstakes

Promotions that depend on chance, with free participation.

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## Sampling

### Sampling

A promotional program that allows the consumer the opportunity to try a product or service for free.

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## Methods of Sampling

Direct mail

Door-to-door delivery

Packaging with another product

Retail store demonstration

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## Point-of-Purchase Promotion

A point-of-purchase (P-O-P) display includes any promotional display set up at the retailer's location to build traffic, advertise the product, or induce impulse buying.

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## Online Sales Promotion

### Effective Types of Online Sales Promotion

- ◆ Free merchandise
- ◆ Sweepstakes
- ◆ Free shipping with purchases
- ◆ Coupons

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## Chapter 16 Video

### **BoltBus**

BoltBus is Greyhound's curbside, express bus service. BoltBus operates primarily in the Northeast between major hubs, with some other service in the Northwest. This clip covers how BoltBus reaches its target markets through advertising, promotion, and social media.

[CLICK TO PLAY VIDEO](#)

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