

Chapter 17
Advertising, Public Relations, and Sales

MKTG9
Lamb, Hair, and McDaniel



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LEARNING OUTCOMES

- 17-1** Discuss the effects of advertising on market share and consumers
- 17-2** Identify the major types of advertising
- 17-3** Discuss the creative decisions in developing an advertising campaign

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LEARNING OUTCOMES

- 17-4** Describe media evaluation and selection techniques
- 17-5** Discuss the role of public relations in the promotional mix
- 17-6** Define and state the objectives of sales promotion and the tools used to achieve them

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17-1

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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17-2

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

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	<p>"DogsBestFriend is an all-natural skin care lotion for dogs that combines traditional medicines and <i>Nigella sativa</i> seed oils with the newest extraction technology."</p>
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“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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17.1

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 often used 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.

17.2

Eleven Common Executional Styles for Advertising

Executional Style	Description
Slice-of-Life	Depicts people in their everyday lives, as they are, in their place, in their time. Advertising often uses this type of film when showing everyday products or services that fit into their daily life.
Lifestyle	Show how the product will fit in with the consumer's lifestyle. As the Hollywood jet-set moves through the streets of the French Quarter, a French X-1er arrives in a hectic night club. As the Hollywood jet-set moves along the rhythms of the world's music, the ambient voice inside his vehicle.
Spokesperson/Testimonial	Can feature a celebrity, company official, or typical customer. Spokespersons are used to establish a credibility with the consumer. Testimonials are used to establish a credibility with the consumer. Testimonials are often used to show the new face of American Express. Dell, for example, Michael Dell tells the story of the customer experience via Dell in television ads.
Fantasy	Creates a fantasy for the viewer (built around use of the product). Cameramen often use this style to let viewers know what they feel about how they would feel spending around tight corners or coming down roads in their cars.
Humorous	Advertisers often use humor in their ads, such as "Snickers" ("Don't Go Anywhere for a Whirl") campaign featuring the adventures of soul snails; sometimes impossibly so, to get into heaven.
Real-Animated	Shows the product in a represent the product in advertisements, such as the Energizer Bunny or Strega Nona.
Symbol	GRIMON: sun face and decapitated cucumber became cult classic for the insurance company.
Mood or Image	Buells a mood or image around the product, such as peace, love, or beauty. De Beers ads depict shadowy silhouettes wearing diamond earring and diamond necklaces punctuate passion and brilliance.
Demonstration	Shows the product's expected benefits. Many companies use this technique. Laundry detergent spots are famous for demonstrating how their product will clean clothes when other brighteners fail. Fort James Corporation demonstrated in television commercials how Dixie & Riteplus® disposable paper towels can be used to soak up a leak of 100 cups of water and a cycle a in clothes washer.
Musical	Conveys a message by means of music. For example, McDonald's "I'm Lovin' It" commercial features Jimi Hendrix's "Smells Like Teen Spirit" and a short sketch with the words "I'm Lovin' It" as the background music.
Scientific	Uses research or scientific evidence to give a brand superiority over competitor. Pain relief has been shown to be more effective with Tylenol.

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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

- Newspapers
- Magazines
- Radio
- Television
- Internet
- Outdoor Media

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Newspapers

Advantages	Disadvantages
<ul style="list-style-type: none">Geographic selectivityShort-term advertiser commitmentsNews value and immediacyYear-round readershipHigh individual market coverageCo-op and local tie-in availabilityShort lead time	<ul style="list-style-type: none">Limited demographic selectivityLimited colorLow pass-along rateMay 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

Advertisements

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

Sponsorship

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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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Objectives of Sales Promotion

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

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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 17 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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