ADVERTISING

What Is It, And What's Its Role In Promotion And Marketing?

What is Advertising?

- The structured and composed non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods, services, and ideas) by identified sponsors through various media.
  - Typically directed to groups of consumers, rather than to individual consumers
  - Some advertising intended to inform, rather than persuade
  - Helps an organization achieve its marketing goals

What is this image advertising?

Who Receives Advertising?

- Consumer are people who buy a product for their own or someone else's personal use.
  - *Reach* refers to the total number of different people or households exposed to an advertising message during a given time, usually four weeks.
    - Measures unduplicated extent of audience exposure.
  - *Frequency* refers to the number of times the same person or household is exposed to an advertising message in a specified time span.

How Do We Receive Advertising?

- Medium = Channel of Communication
  - Any paid means used to present an ad to its target audience
  - Mass media, including radio, television, newspapers, magazines, Internet, billboards, direct mail, etc.
  - Word of Mouth (WOM) is a communication medium, but it is not an advertising medium

Mass Media

- *Traditional Media*, such as newspaper, television, and radio
- *Addressable Media*, such as direct mail and email
- *Interactive Media*, such as kiosks and the Internet
- *Non-traditional Media*, such as shopping carts, blimps, videos/movies, sponsorships

The Media of Advertising: Print Media

- Refers to any commercially published, printed medium, such as newspapers and magazines, that sells advertising space to a variety of advertisers
  - Most newspapers are local
  - Most magazines are national but publish localized and specialized editions
- Also includes directories, such as the Yellow pages; school or church newspapers and yearbooks; and programs used at sporting events and theatrical performances
- Vast array of magazines and newspapers allow consumer and business advertisers to pinpoint the delivery of their messages to select target markets in a variety of locations

The Media of Advertising: Electronic Media

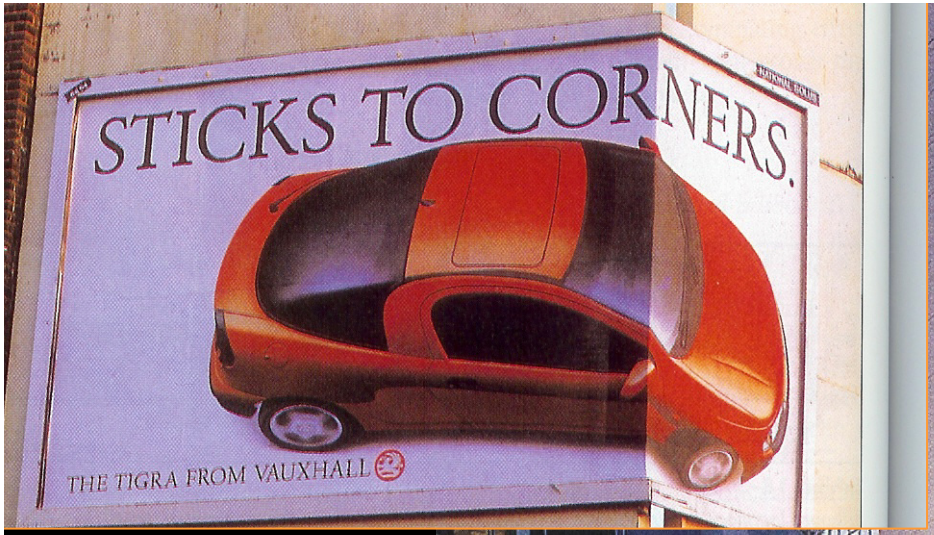
- Used to be referred to as broadcast media, but now referred to as electronic media because broadcasts transmitted electronic through wires, rather than broadcast through the air.
- Includes radio, television, and cable broadcasts
  - U.S. Statistics
    - More than 1,000 local commercial TV stations, in addition to major networks, including ABC, CBS, NBC, and Fox
    - Nearly 10,000 local radio stations, in addition to major networks, including Westinghouse and Mutual
    - More than 10,000 local cable systems
      - Cable provides channels with specialized offerings, such as QVC and AMC, in addition to major networks, such as USA, A&E, and CNN

The Media of Advertising: Digital Interactive Media

- Allows the audience to participate actively and immediately
- Technology and competition for viewers have led to tremendous audience fragmentation, making advertising in traditional forms of mass media less effective
- Internet creates instant access for even small companies, who could not afford to advertise in traditional forms of media

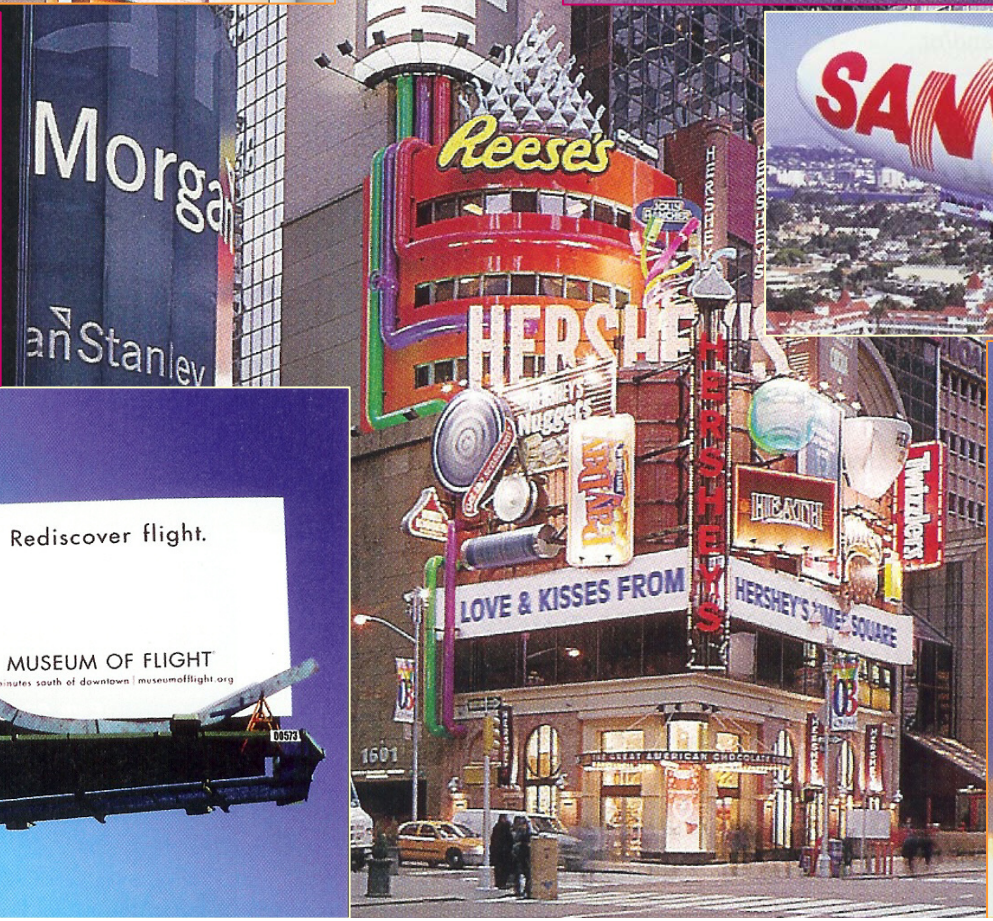
The Media of Advertising: Out-of-Home Media

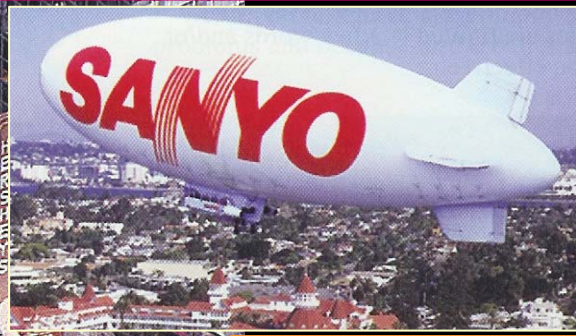
- Outdoor advertising = billboards
  - Most companies that own billboards are local firms, but most of their revenue comes from national advertisers.
- Transit advertising = bus, taxi, subway
  - Effective and inexpensive media to reach the public in the retail neighborhood
- Also includes posters in bus shelters and train stations, billboards in airport terminals, stadium scoreboards, flying banners and lights, skywriting, and kiosk posters


STICKS TO CORNERS.
THE TIGRA FROM VAUXHALL

SANDWICH BREAD
ROMAN MEAL
ARIZONA'S FAVORITE WHEAT BREAD

Only those voices in your head know you better.
LYCOS
My Lycos


HERSHEY'S
MILK CHOCOLATE
Morga
an Stanley
Reese's
HERSHEY'S
HERSHEY'S
HEATH
LOVE & KISSES FROM
HERSHEY'S TIMES SQUARE
THE GREAT AMERICAN CHOCOLATE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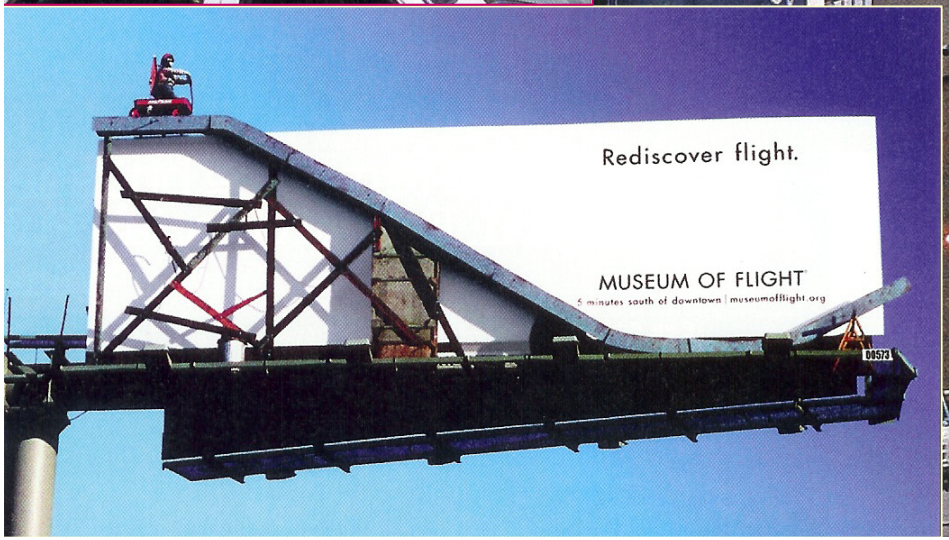
Rediscover flight.
MUSEUM OF FLIGHT
5 minutes south of downtown | museumoflight.org

PIZZA HUT

The Media of Advertising: Direct Mail

- Occurs when companies mail or e-mail their advertising directly to prospective customers without using one of the commercial media forms.
- Ads may be simple sales letters, complex packages of coupons, brochures, samples, or other devices designed to stimulate a response.
- Direct mail using the postal service is most expensive, but also most effective because marketers can target customers directly without competition from other advertisers.

The Media of Advertising: Other Media

- Advertising appears on video cassettes and computer disks.
- Advertising during previews in movie theaters.
- Computers dial telephones and deliver messages by simulating speech and playing a prerecorded message.
- Computers play prerecorded sales messages while callers are on hold.
- Business presentations on disk are mailed to prospective customers.

Types of Advertising

- Product
  - Used to promote goods and services, such as gasoline, groceries, insurance, or legal services
- Non-product
  - Used to sell ideas, such as a company's mission or philosophy
- Non-commercial
  - Does not seek profits for the advertiser
  - Used by governments and non-profit organizations to seek donations, volunteer support, or changes in consumer behavior/voting

Consumer Advertising

- Comprises most advertising seen daily in the mass media, including retail advertising and non-commercial public service announcements
  - Retail Advertising
    - Advertising sponsored by retail stores and businesses
  - Non-commercial Public Service Announcements (PSAs)
    - Examples: American Cancer Society, Partnership for a Drug-Free America

Business Advertising

- Used by companies to reach consumers who buy or specify goods and services for business use
- Mediums
  - Specialized business publications
  - Professional journals
  - Direct-mail pieces sent to businesses
  - Trade shows
- Specialized Types of Business Advertising
  - Trade - aimed at wholesalers, dealers, and retailers
  - Professional - aimed at teachers, doctors, dentists, lawyers, etc.
  - Agricultural/Farm - aimed at farm families or agribusiness employees

PROFESSIONAL ADVERTISMENT

With cancer,
the difference
between life and death
may simply be
an informed decision.

If all cancers were created equal, all patients would respond equally. Unfortunately, they don't. Yet, all too often, chemotherapy is still prescribed on a one-size-fits-all basis.

Today, Rational Therapeutics, a leader in personal cancer strategies, can design a treatment program that reflects the actual sensitivity of your tumor cells to specific drugs and combinations.

When you or someone you love has cancer, it's important to base your treatment decisions on sound, scientific information. To learn more about us, please give us a call or visit our Web site.

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750 E. 29th STREET, LONG BEACH, CA 90806
PHONE 562-989-6455 FAX 562-989-6454
e-mail: Client_Services@RationalTherapeutics.com
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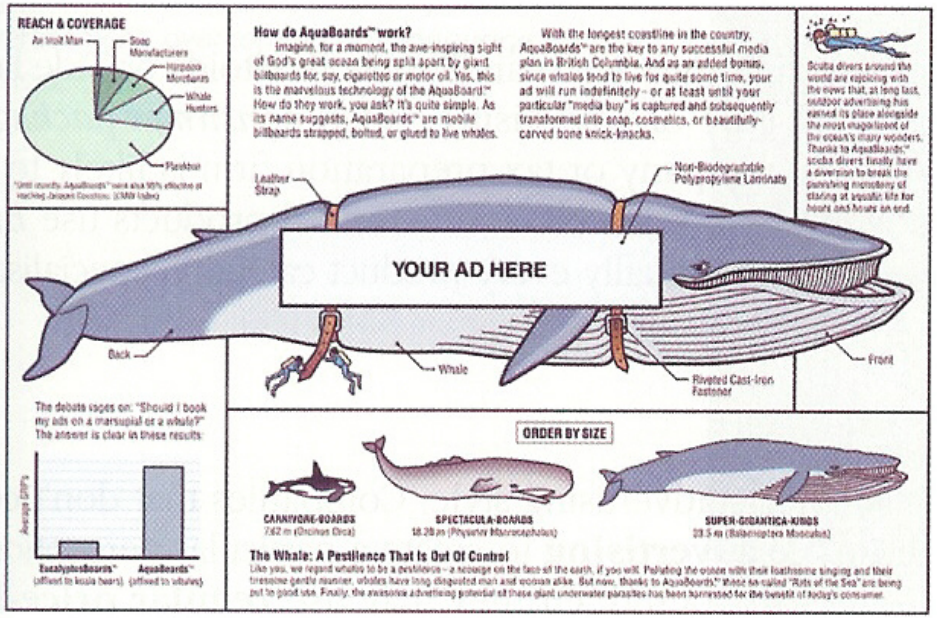
THERE ARE LOTS OF STUPID WAYS
TO REACH BRITISH COLUMBIANS.

Stupid Way #42: AquaBoards™



Looking for a smart alternative? Try placing your ads in The Vancouver Sun and The Province. With over 910,000 readers per weekday and 1,249,000 readers a week, your message is sure to reach the odd whale-watching British Columbian. Plus, with both papers, you'll reach two very different kinds of audiences – both young and old, single and married, low and high income, and almost every demographic in between. In fact, it's probably the smartest media decision you'll ever make. Not to mention, it's much easier than trying to book space with, say, a beluga

THE VANCOUVER SUN

THE INTELLIGENT CHOICE

Call (604) 605-2478 or the regional ADbus office nearest you: (403) 235-8705, (514) 849-9987 or (416) 445-6041.

TRADE ADVERTISEMENT

What is Marketing?

- Process of planning and executing the conception, pricing, distribution, and promotion of ideas, goods, and services to create exchanges that satisfy the perceived needs, wants, and objectives of individuals and organizations
  - Helps an organization determine what type of advertising to use
  - Helps determine a product's target market

Target Market

- Particular segment of the population to whom a firm's marketing activities are directed
  - Advertising is aimed at a particular group or target audience
- Types of Target Markets
  - Consumer
    - B2C = Business to Consumer
  - Business
    - B2B = Business to Business

Components of Marketing (4 Ps)

- Developing and planning products
- Pricing products strategically
- Making products available to consumers through a distribution network
- Promoting products through sales and advertising activities

The 4Ps - Marketing Mix

The right product at the right place at the right time with the right promotion.

Product

- Goods (durable vs. non-durable)
  - Tangible goods, such as oranges and oatmeal
- Services
  - Intangible services provided by bankers, beauticians, the telephone company, etc.
- Ideas
  - Economic, political, religious, or social beliefs expressed by the advertiser

Price

- Firm's pricing strategy affects advertising style
  - *Image Advertising* is used by companies that don't compete on price
  - *Regular Price-Line Advertising* aims at justifying the non-discounted price of products
  - *Sale/Clearance Advertising* promotes goods that have been discounted in order to accelerate sales or move seasonal items out of the store
  - *Loss-Leader Advertising* promotes selected goods that have been dramatically discounted to create an impression of storewide low prices and increase traffic in the store

Place

- Distribution affects the type of advertising used
  - Local
    - Ads placed in local media or direct mail within a small trading area
  - Regional
    - Ads placed in local media or regional editions of national media
  - National
    - Marketing in several regions of the United States through mass media
  - International
    - Used to promote products in foreign markets by creating different messages for each geographic market
  - Global
    - Consistent ads placed around the world
    - Examples: Coca-Cola, IBM, Kodak

To promote Reebok's night safety running shoes in Singapore, this ad targets consumers through a purely illustrative advertisement, overcoming any language barriers.

Promotion

- Communication or planned messages companies and organizations create and disseminate to support their marketing objectives and strategies
  - Advertising
  - Personal selling
  - Sales promotion
  - Public relations activities
  - Collateral materials

Advertising

- Awareness Advertising
  - Intended to bring about action by the reader, such as selecting a different brand of product when they shop
  - Account for most TV and radio advertisements
  - Sports/entertainment advertising
- Action (or Direct Response) Advertising
  - Direct-mail ad that seeks immediate, direct response from the reader
  - Toll-free phone numbers that offer immediate product information

Personal Selling

- Face-to-face selling or telemarketing that promote products through human interaction
- Excellent tool for conveying information or giving demonstrations
- Very expensive because reaches a very small audience

Sales Promotion

- Communication tool that offers special incentives to motivate people to act right away
- Includes coupons, free samples, contest, or rebates
- Accelerate sales because offer added value
- Most sales promotions created by firms that specialize in that field, rather than ad agencies
- Very expensive due to decrease in mark-up and cost of advertising on a per person basis

Public Relations (PR)

- Process responsible for managing the firm's relationships with
  - Internal
    - Employees
    - Stockholders
    - Vendors and suppliers
    - Government regulators
  - External
    - Public
    - The Press

Public Relations Activities

- Used as part of the marketing mix because good at creating awareness and credibility for the firm at relatively low cost
  - Publicity
  - Press agentry
  - Sponsorships
  - Special events
  - Public relations advertising, which uses structured, sponsored format of media advertising to accomplish public relations goals

Collateral Materials

- Promotional tool used to communication information about a company and its brands to consumers
  - Fliers
  - Brochures
  - Catalogs
  - Posters
  - Sales kits
  - Product specification sheets
  - Instruction booklets
- Very important in closing sales and reinforcing prior sales decisions because they contribute so much information to customers and prospects

What is Integrated Marketing Communications (IMC)?

- Building and reinforcing mutually profitable relationships with employees, customers, other stakeholders, and the general public by developing and coordinating a strategic communications program that enables them to make constructive contact with the company/ brand through a variety of media.

Understanding Current Market Trends

- Efficiencies of mass media advertising are not what they were in previous decades
- Consumers are more sophisticated, cynical, and distrusting than ever before
- Tremendous gaps exist between what companies say in their advertising and what they actually do
- In the long run, nourishing good customer relationships is far more important than making simple exchanges