Chapter 14
Advertising and Digital Communications

Learning Objective 01
Types of Advertising and Advertising Objectives

Types of Advertising

Advertising Falls into Two Broad Categories

<table>
<thead>
<tr>
<th>Product Advertising</th>
<th>Institutional Advertising</th>
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<tbody>
<tr>
<td>Non personal selling of a particular good or service</td>
<td>Promotes a concept. An idea, a philosophy or goodwill of an industry, company, organization, person, geographic location, or government agency</td>
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</table>

Informative Advertising
Promotion that seeks to develop initial demand for a good, service, organization, person, place, idea or cause

Persuasive Advertising
Promotion that attempts to increase demand for an existing good, service, organization, person, place, idea or cause

Reminder Advertising
Advertising that reinforce a previous promotional activity by keeping the name of a good, service, organization, person, place, idea or cause before the public

Learning Objective 02
Advertising Strategies and the Process of Creating an Advertisement

Advertising Strategies

- The primary function of marketing is to bring buyers and sellers together and advertising is the means to an end
- Effective advertising strategies should accomplish informing, persuading or reminding consumers
- The following are several advertising strategies available to achieve advertising objectives

Comparative Advertising
Is a promotional strategy that emphasizes advertising messages with direct or indirect comparisons to dominant brands in the industry. These ads keep marketers competitive and consumers better informed about their choices.

Celebrity Testimonials
This is a strategy of using a celebrity spokespeople to increase the advertising readership in a cluttered promotional environment. It helps cut through clutter, reach different ethnic groups as long as the celebrity is a credible source for the product.

Retail Advertising
Advertising by stores that sell goods or services directly to the consuming public. A retailer often shares advertising costs with a manufacturer or wholesaler and this is known as cooperative advertising. This is part of a program to improve dealer relations.

Interactive Advertising
Two way promotional messages transmitted through communication channels that induce message recipients to participate actively in the promotional effort. Provides consumer’s information to aid the purchase and the consumption process. It adds value by offering more than product information.

Cross Promotions
Promotional technique in which marketing partners share the cost of a promotional campaign that meets their mutual needs. Relationship marketing strategies like co-marketing, co-branding are forms of cross promotions. Provides greater benefits for both organizations.

Creating an Advertisement

- Given the fact that billions are spent on advertising every year, marketers must ensure that the advertisements they create would capture consumer attention, communicate their messages effectively or lead to a purchase
- Research helps marketers to pin point goals that an ad needs to accomplish
- When developing advertisements for services, marketers face additional challenges due to the intangibility of services
- Once marketers define advertising objectives for an advertising campaign, it develops an advertising plan
- In this plan together with marketing research, it will assist managers make strategic decisions that guide choices such as budgeting, copy writing, scheduling and media selection
- Post tests will also help measure effectiveness of advertising and collect feedback
- Please see Figure 14.2 in page 435 for the elements of the advertising planning process
Learning Objective 03
Advertising Messages

Advertising Campaign – Series of different but related ads that use a single theme and appear in different media within a specified time period.

Ads Based on Sex – attracts the consumer’s attention. These ads may not appeal to everyone. Sometimes a firm’s image can hurt by this approach.

Humour in Advertising Messages - Humour creates a positive mood related to a product or service. It is argued that humour may distract attention from the brand, product features. Gender, age differences relate to different sense of humour and humour needs to be used carefully.

Fear Appeals – fear appeals highlight incorrect buying decisions and could lead to loss, injury or other bad consequences. Fear appeals can backfire since viewers are likely to practice selective perception and tune out.

Developing and Preparing Ads

In developing a creative strategy, advertisers must decide a balance between message characteristics, appeal, information content etc.

Advertising Appeals

• The development and preparation for the advertisement flows from the theme selected for the ad
• The ad that is created should be a complimentary part of the marketing mix
• The advertisement should gain attention and interest, inform or persuade and eventually lead to purchase or another action
• In developing a print advertisement, major elements that needs consideration are
  1. Headlines and illustrations (photographs, drawings or other art work) should work together to generate interest and attention
  2. Body copy – informs persuades and stimulates buying action
  3. Signature - which may include a company name, address, phone number, web address, slogan, trademark or simply a product photo names the sponsoring organization
• Once the above has been conceptualized, it is developed into a rough layout and then eventually the final version
• Advances in technology have allowed advertisers to create novel, eye catching advertisements

Creating Interactive Ads

• Using the web for advertising purposes allows the unique characteristics that the medium allows such as engagement, lively content to be develop interactive advertisements
• The web offers speed, information, two way communications, self-directed entertainment and personal choice
• Has grown from information based home pages to innovative, interactive channels
• Typical web based advertisements include
  - Advergames – online games created to promote a marketers product or ads, product placements inserted into online video games
  - Banners – advertisements on a web page that link to an advertisers site
  - Keyword adds – adverts appearing when specific key words are used to search web content
• Advertorials – banner designs that evolved into larger advertising squares
• Interstitials – ads that appear between web pages of related content. They appear on a separate browser.
• Pop ups - little advertising windows that appear in front of the top window of a user’s computer screen.
• Pop unders – appear under the top window

• Adware – allows ads to be shown on user’s screens through the use of software downloaded to their computers without their consent. Reputable marketing firms should refrain from using adware
• Social media advertising – increasingly becoming a popular medium reaching the younger demographic

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<th><strong>Broadcast, Print and Other Media</strong></th>
<th><strong>Electronic (Digital) Media</strong></th>
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<tr>
<td><strong>Television</strong></td>
<td><strong>Radio</strong></td>
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<tr>
<td>• Can reach local and national markets</td>
<td>• Popular medium to target messages to local audiences</td>
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<tr>
<td>• Virtual ads (banner type ads superimposed into program) are becoming popular</td>
<td>• Provides immediate information and entertainment at work, at play and in the car. Ability to reach people while they drive (captive audience). Low cost, flexibility, mobility are some advantages in this media</td>
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<tr>
<td>• The abbreviated add (15, 30 second ad) is too quick for the viewers to zap</td>
<td>• Highly segmented audiences, temporary nature of messages, minimum research information are drawbacks</td>
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<tr>
<td>• Advantageous to mass coverage, powerful impact on viewers, flexibility and prestige</td>
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</tr>
<tr>
<td>• High cost, public distrusts are drawbacks</td>
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<tr>
<td><strong>Newspaper</strong></td>
<td><strong>Magazines</strong></td>
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<tr>
<td>• Dominates local markets</td>
<td>• Ability to reach a precise target market, quality reproduction, long life, prestige are advantages</td>
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<td>• Other than retail ads, classified advertisements are an important feature</td>
<td>• It lacks the flexibility that newspapers, radio and TV provides</td>
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<tr>
<td>• It is flexible, provides intensive coverage, ability to refer back to news are advantages</td>
<td>• It suffers in getting through clutter, poor reproduction quality are issues</td>
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<tr>
<td>• Online versions of newspapers are offering unique opportunities</td>
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<td><strong>Outdoor Advertising</strong></td>
<td><strong>Direct Mail</strong></td>
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<tr>
<td>• Takes the form of billboards, painted displays, electronic displays, transit advertising, etc.</td>
<td>• Ability to segment large numbers of prospective buyers into narrow niches, speed, personalization, flexibility are advantages</td>
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<tr>
<td>• Communicates quick and simple ideas, repeated exposure to messages</td>
<td>• High cost, clutter (junk mail) are drawbacks</td>
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<tr>
<td>• Subjected to clutter, issues of aesthetics</td>
<td>• Other Advertising Media</td>
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<td>• New technologies are reviving outdoor advertising with animation, sculptures and laser images</td>
<td>• Special kiosks, ads appearing on T-shirts, previews on DVD’s, movies, directory based advertising, hot air balloon advertising, blimps, banners behind air planes, advertising messages as tattoos, logo and company messages placing on individual cars are other methods used</td>
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**Media Scheduling**

Setting the timing and sequence for a series of advertisements is called media scheduling. Sales patterns, repurchase cycles, competitor activities are important.
Learning Objectives 05
Organizing the Advertising Function

Organizations may organize their advertising functions in many ways
B2B companies may operate it with a one person department while some large consumer goods companies may staff a large department. It is usually a staff function reporting to the vice president marketing
Many companies use advertising agencies to manage their advertising functions. Advertising agency is a firm whose marketing specialist assists advertisers in planning and preparing advertisements

Learning Objectives 05
Measuring Promotional Effectiveness

Measuring Advertising Effectiveness
- Marketers can conduct two types of research
- **Media research** – assess how well a particular medium delivers the advertiser’s message, where and when to place the advertisement and the size of the audience
- **Message research** – tests consumer reactions to an advertisement’s creative message tested through Pretesting and post testing
  - Pretesting – research that assesses an advertisement’s likely effectiveness before it actually appears in the chosen medium
  - Post testing - research that assesses advertising effectiveness after it has appeared in a print or broadcast medium. Readership tests, unaided tests, inquiry tests are a few types of posts tests
- **Split runs** allow advertisers to test two or more ads at the same time. It tests alternative ads by dividing a cable TV audience or a publication’s subscribers in two, using two different ads, and then evaluating the relative effectiveness of each

Measuring Public Relations Effectiveness
- The simplest and least costly level of assessment include checking whether the target audience received, paid attention, understood and retained the message directed to them
- Staff could count the number of media placements. They could count the attendees at any press conference
- To conduct them more deeply, a firm could conduct focus groups, interviews with opinion leaders and more detailed extensive opinion polls. They could do this through before and after polls

Evaluating Interactive Media
- The following are some measures of web advertisements users
  - **Hits** – user requests for a file
  - **Impressions** – number of times a viewer see an ad
  - **Click throughs** – when the user clicks the ad to get more information
  - **View through** – measures responses over time.
- Internet marketers price ad banners on cost per thousand (CPM). Web sites that sell advertising guarantees a certain number of impressions. Marketers can set a rate based on that guarantee times the CPM rate

Ethics is Non Personal Selling
- Advertising aimed at children
- Insertion of product messages in media programs without full disclosure of the marketing relationship to audiences
- Advertising alcoholic beverages on television
- Use of cookies (small text files that are automatically downloaded to a user’s compute when the site is visited)

Deceptive Advertising
- Refers to exaggerated claims of a products superiority or the use of subjective or vague statements that may not be literally true
- There are few laws in Canada dealing with deceptive advertising
- Advertising Standards Council includes which aspects are covered in the competitor act