

Chapter

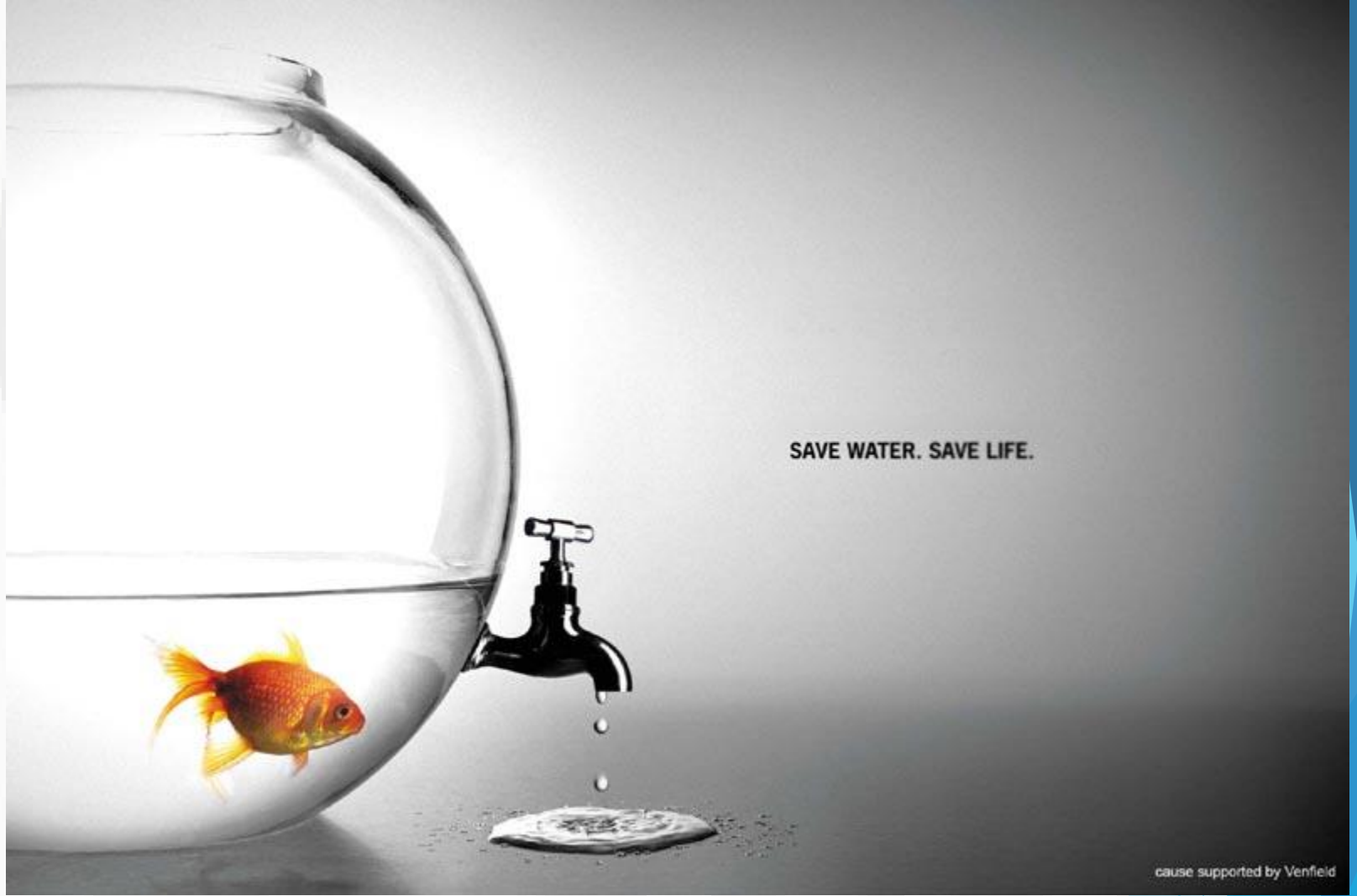
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# Advertising and Public Relations

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Course: Mkt 202

Lecturer: Emran Mohammad



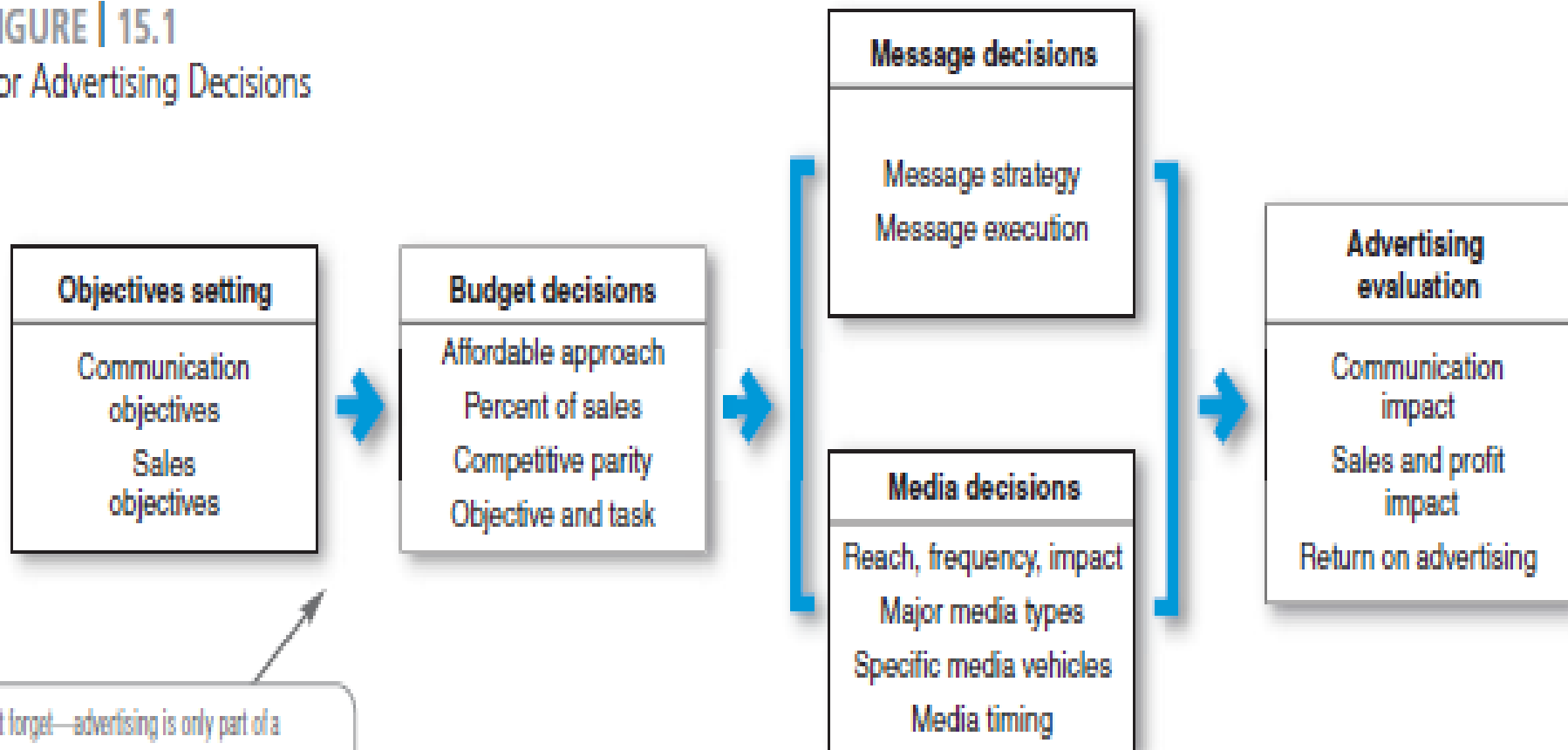
SAVE WATER. SAVE LIFE.

cause supported by Venfield

# Advertising

▶ **Advertising** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified

FIGURE | 15.1  
Major Advertising Decisions



Don't forget—advertising is only part of a broader set of marketing and company decisions. Its job is to help communicate the brand's value

# Major Advertising Decisions

- ▶ **1. Setting the Advertising objective**
  - ▶ **Advertisement Objective:** A specific communication *task to be* accomplished with a specific *target* audience during a specific period of *time*.
    - ▶ *Informative*
    - ▶ *Comparative*
    - ▶ *Persuasive*
    - ▶ *Reminder*

► **Informative advertising** is used heavily when introducing a new-product category. In this case, the objective is to build primary demand.

**Why do we bother with headlines?**



**All you really care about are the specs.**

**Intel Inside Pentium 4**

**Dell recommends Microsoft Windows XP Professional**

**We know** — so you'll all about the business. Processor speeds. Bus speeds. Features per second. Terabytes of storage. And if we dare to ask you to get your attention, we'd better be talking about PC Express™, dual Channel DDR2 MEMORY, SATA RAID 0, Data Shipping and so forth. Heck, we get it. It's in the same way. So go ahead and write your make sure nobody catches you snooping.

New Inspiron™ 1290	New Inspiron 2200	New Inspiron 6000	New Inspiron XPS GEN 2
<p><b>Headline:</b> Superior performance in a sleek laptop.</p> <p><b>Processor:</b> Intel Core™ 2 Duo Processor (E6700) 3.06GHz (6MB Cache) 67W Processor</p> <p><b>Memory:</b> 2GB DDR2 SDRAM</p> <p><b>Storage:</b> 160GB SATA-300 Hard Drive</p> <p><b>Display:</b> 15.5" WXGA (1280x800) LED Backlight</p> <p><b>Keyboard:</b> Full Size Keyboard</p> <p><b>Mouse:</b> 3-Button Mouse</p> <p><b>Ports:</b> 1 FireWire™ Port, 1 eSATA™ Port, 1 USB 2.0 Port, 1 VGA Port, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack</p> <p><b>Price:</b> \$799</p>	<p><b>Headline:</b> Responsive computing at an extraordinary price.</p> <p><b>Processor:</b> Intel Core™ 2 Duo Processor (E6700) 3.06GHz (6MB Cache) 67W Processor</p> <p><b>Memory:</b> 2GB DDR2 SDRAM</p> <p><b>Storage:</b> 160GB SATA-300 Hard Drive</p> <p><b>Display:</b> 15.5" WXGA (1280x800) LED Backlight</p> <p><b>Keyboard:</b> Full Size Keyboard</p> <p><b>Mouse:</b> 3-Button Mouse</p> <p><b>Ports:</b> 1 FireWire™ Port, 1 eSATA™ Port, 1 USB 2.0 Port, 1 VGA Port, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack</p> <p><b>Price:</b> \$899</p>	<p><b>Headline:</b> Versatile, with a screen that's as big as your imagination.</p> <p><b>Processor:</b> Intel Core™ 2 Duo Processor (E6700) 3.06GHz (6MB Cache) 67W Processor</p> <p><b>Memory:</b> 2GB DDR2 SDRAM</p> <p><b>Storage:</b> 160GB SATA-300 Hard Drive</p> <p><b>Display:</b> 15.5" WXGA (1280x800) LED Backlight</p> <p><b>Keyboard:</b> Full Size Keyboard</p> <p><b>Mouse:</b> 3-Button Mouse</p> <p><b>Ports:</b> 1 FireWire™ Port, 1 eSATA™ Port, 1 USB 2.0 Port, 1 VGA Port, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack</p> <p><b>Price:</b> \$1499</p>	<p><b>Headline:</b> To work better, get the gaming laptop.</p> <p><b>Processor:</b> Intel Core™ 2 Duo Processor (E6700) 3.06GHz (6MB Cache) 67W Processor</p> <p><b>Memory:</b> 2GB DDR2 SDRAM</p> <p><b>Storage:</b> 160GB SATA-300 Hard Drive</p> <p><b>Display:</b> 15.5" WXGA (1280x800) LED Backlight</p> <p><b>Keyboard:</b> Full Size Keyboard</p> <p><b>Mouse:</b> 3-Button Mouse</p> <p><b>Ports:</b> 1 FireWire™ Port, 1 eSATA™ Port, 1 USB 2.0 Port, 1 VGA Port, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack, 1 Headset Microphone Jack, 1 Headset Jack</p> <p><b>Price:</b> \$2499</p>

**Now Dell Inspiron™ 6000 Notebook. Customized for you. Starting from \$1349.**

**DELL**

GET MORE OUT OF NOW.

Shop online [dell.com/pcmagazine](http://dell.com/pcmagazine)

Shop by phone **1-800-000-0000** (9 a.m.-11 p.m. CST)

- ▶ **Persuasive advertising** becomes more important as competition increases. Here, the company's objective is to build selective demand



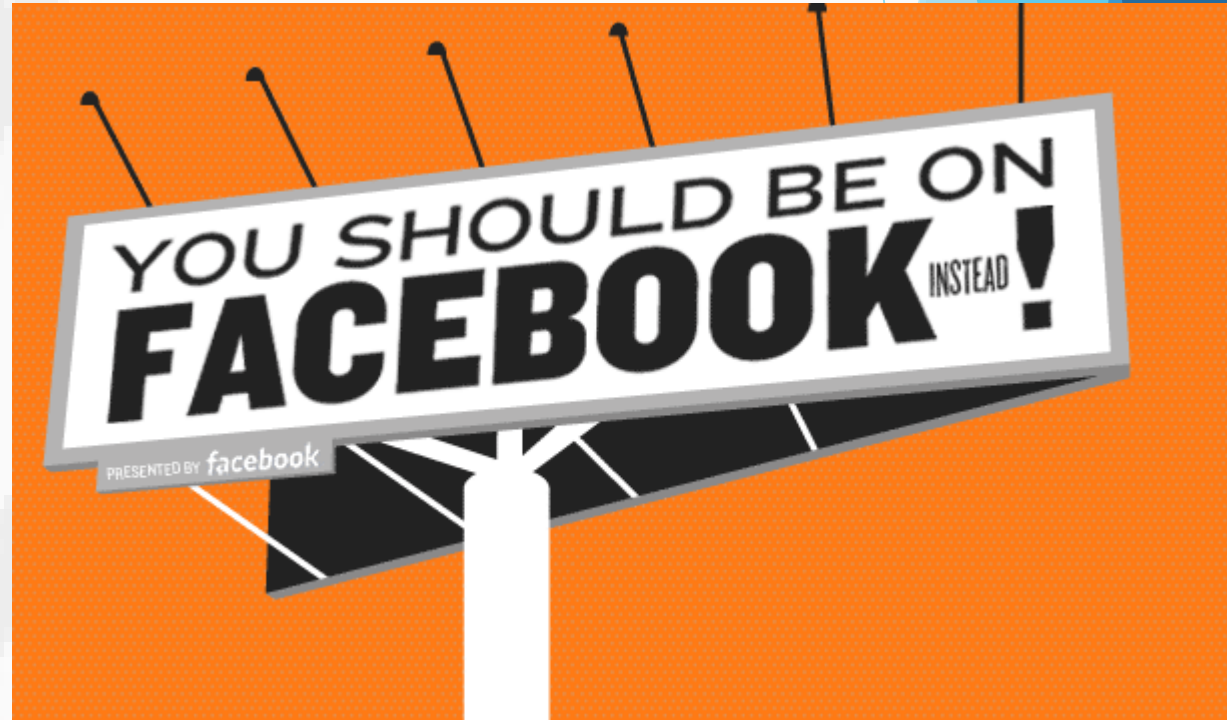
- ▶ Some persuasive advertising has become **comparative advertising**
- ▶ Also called attack advertising in which a company directly or indirectly compares its brand with one or more other brands.

## **THE TRUTH IS OUT! DUNKIN' BEAT STARBUCKS**

In a recent national blind taste test, more Americans preferred the taste of Dunkin' Donuts coffee over Starbucks.  
It's just more proof it's all about the coffee (not the couches or music).



- ▶ **Reminder advertising** is important for mature products; it helps to maintain customer relationships and keep consumers thinking about the product





## TABLE | 15.1 Possible Advertising Objectives

The overall advertising goal is to help build customer relationships by communicating customer value.

### Informative Advertising

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Communicating customer value

Building a brand and company image

Telling the market about a new product

Explaining how a product works

Suggesting new uses for a product

Informing the market of a price change

Describing available services and support

Correcting false impressions

### Persuasive Advertising

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Building brand preference

Encouraging switching to a brand

Changing customer perceptions of product value

Persuading customers to purchase now

Persuading customers to receive a sales call

Convincing customers to tell others about the brand

### Reminder Advertising

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Maintaining customer relationships

Reminding consumers that the product may be needed in the near future

Reminding consumers where to buy the product

Keeping the brand in a customer's mind during off-seasons

# Major Advertising Decisions

## 2. Setting the Advertising Budget

### ▶ Percentage of Sales Method

- ▶ An advertiser takes a percentage of either past or anticipated sales and allocates that percentage of the overall budget to advertising.

### ▶ Objective and Task Method

- ▶ With this method, a business needs to first establish concrete marketing objectives, often articulated in the "selling proposal," and then develop complementary advertising objectives articulated in the "positioning statement." After these objectives have been established, the advertiser determines how much it will cost to meet them.

# Major Advertising Decisions

## 2. Setting the Advertising Budget

### ▶ **Competitive Parity Method**

- ▶ While keeping one's own objectives in mind, it is often useful for a business to compare its advertising spending with that of its competitors. The theory here is that if a business is aware of how much its competitors are spending to advertise their products and services, the business may wish to budget a similar amount on its own advertising by way of staying competitive.

### ▶ **Affordable Method**

- ▶ With this method, advertisers base their budgets on what they can afford.

# Major Advertising Decisions

## **3. developing Advertising Strategy:**

- a. Creating advertising message
- b. Selecting advertising media

## a. Creating advertising message:

- ▶ **Breaking through the clutter:** a company's ads are sandwiched in with a clutter of other commercials, announcements, and network promotions, totaling nearly 20 minutes of non-program material per primetime hour with commercial breaks coming every six minutes on average

Advertising clutter: Today's consumers, armed with an arsenal of weapons, can choose what they watch and don't watch. Increasingly, they are choosing not to watch ads.



▶ Merging advertising and entertainment:

- ▶ **Madison & Vine** A term that has come to represent the merging of advertising and entertainment in an effort to break through the clutter and create new avenues for reaching consumers with more engaging messages.



**Madison & Vine: Product placements are often scripted into program episodes and**

## ▶ Message Strategy:

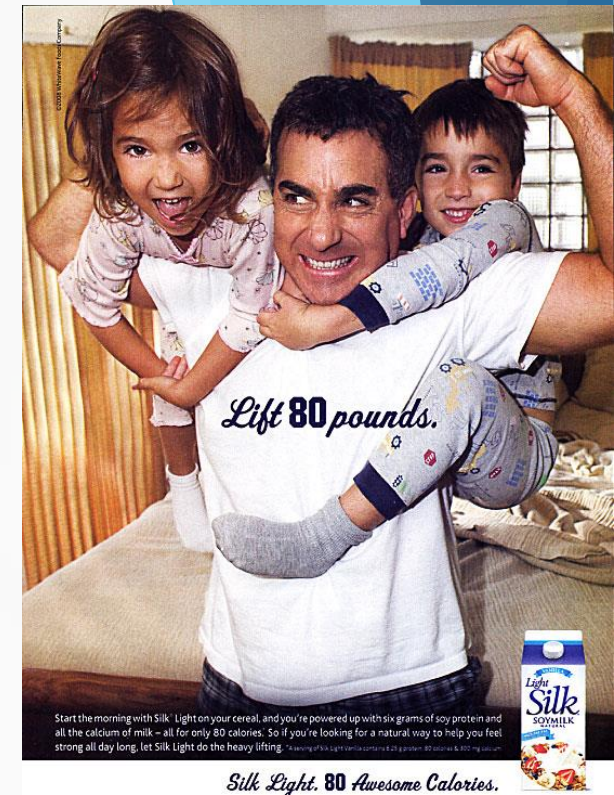
- ▶ **Creative concept** The compelling “big idea” that will bring the advertising message strategy to life in a distinctive and memorable way
- ▶ Creative concept guides toward the choice of **Advertisement appeal**: 3 characteristics
  - ▶ Should be meaningful
  - ▶ Must be believable
  - ▶ Should be distinctive



Ad Appeal: Timex ads suggested “Tell Dad more than time this Father’s Day. Tell him that you’ve learned the value of a dollar.” Similarly, Rolex ads never talk about keeping time. Instead, they talk about the brand’s “obsession with perfection” and the fact that “Rolex has been the preeminent symbol of performance and prestige for more than a century.”

## ▶ Message Execution:

- ▶ **Slice of life:** This style shows one or more “typical” people using the product in a normal setting. For example, Silk soy milk
- ▶ **Lifestyle:** This style shows how a product fits in with a particular lifestyle. For example, an ad for Athleta active wear shows a woman in a complex yoga pose and states “If your body is your temple, build it one piece at a time.”







▶ **Fantasy:** This style creates a fantasy around the product or its use. For example, a *Travelers Insurance* ad features a gentleman carrying a giant red umbrella (the company's brand symbol). The man helps people by using the umbrella to protect them from the rain, sail them across a flooded river, and fly home.



▶ **Mood or image:** This style builds a mood or image around the product or service, such as beauty, love, intrigue, or serenity. For example, a *Nestlé Toll House* ad shows a daughter hugging her mother after surprising her with a weekend home from college. "So I baked her the cookies she's loved since she was little."

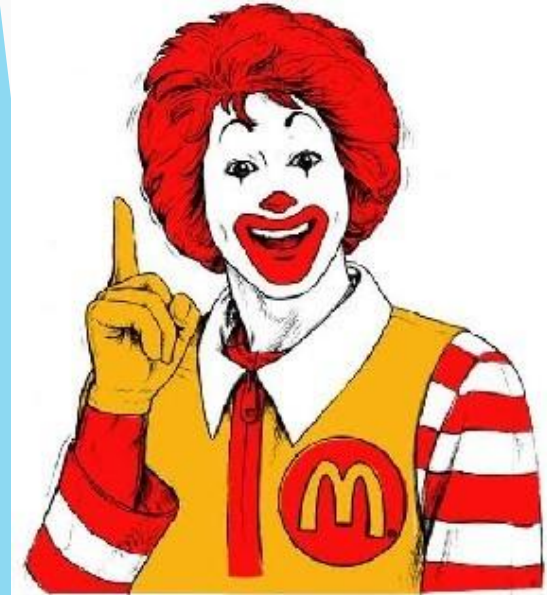


banglalink desh দেশের সেরা প্রিপেইড প্যাকেজ

সংযোগ এখন ফ্রি! -এর চেয়েও বেশি

৩৭০ টাকার টাকাসইম

১৪৯ টাকা



► **Musical:** *This style shows people or cartoon characters singing about the product. For example, Free Credit Report.com tells its story exclusively through a set of popular singing commercials such as “Dreamgirl”*

<http://www.youtube.com/watch?v=Vm5WMEv3moM>

► **Personality symbol:** *This style creates a character that represents the product. The character might be animated (Mr. Clean, Tony the Tiger, the GEICO Gecko, or the Zappos Zappets) or real (Ol’ Lonely the Maytag repairman, the E\*TRADE babies, Ronald McDonald, or the Aflac duck).*

- ▶ **Technical expertise:** *This style shows the company's expertise in making the product.* Thus, natural foods maker Kashi shows its buyers carefully selecting ingredients for its products

<http://www.youtube.com/watch?v=ptyF4Eb-00U>

- ▶ **Scientific evidence:** *This style presents survey or scientific evidence that the brand is better or better liked than one or more other brands.* For years, Crest toothpaste has used scientific evidence to convince buyers that Crest is better than other brands at fighting cavities.

<http://www.youtube.com/watch?v=p4T4PF3RvtE>

- **Testimonial evidence or endorsement:** *This style features a highly believable or likable source endorsing the product.* It could be ordinary people saying how much they like a given product. For example, Subway uses spokesman Jared, a customer who lost 245 pounds on a diet of Subway sandwiches.

<http://www.youtube.com/watch?v=HUDH7T5Qa4k>



## ▶ *Consumer-Generated Messages:*



**Consumer-generated advertising: Online crafts marketplace/community Etsy.com ran a contest inviting consumers to tell the Etsy.com story in 30-second videos. The results were “positively remarkable.”**

## b. Selecting Advertising Media:

- i. Determining on reach, frequency and impact
- ii. Choosing among major media types
- iii. Selecting specific media vehicles
- iv. Choosing media timing

### i. **Determining on reach, frequency and impact:**

- ▶ **Reach** is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time
- ▶ **Frequency** is a measure of how many times the average person in the target market is exposed to the message.
- ▶ **Media impact**—the qualitative value of message exposure through a given medium.

## ii. Choosing among major media types

● TABLE | 15.2 Profiles of Major Media Types

Medium	Advantages	Limitations
Television	Good mass-marketing coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses	High absolute costs; high clutter; fleeting exposure; less audience selectivity
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptability; high believability	Short life; poor reproduction quality; small pass-along audience
The Internet	High selectivity; low cost; immediacy; interactive capabilities	Potentially low impact; the audience controls exposure
Direct mail	High audience selectivity; flexibility; no ad competition within the same medium; allows personalization	Relatively high cost per exposure; "junk mail" image
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership	Long ad purchase lead time; high cost; no guarantee of position
Radio	Good local acceptance; high geographic and demographic selectivity; low cost	Audio only; fleeting exposure; low attention ("the half-heard" medium); fragmented audiences
Outdoor	Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity	Little audience selectivity; creative limitations

# ▶ Alternative media:



### iii. Selecting specific media vehicles:

- ▶ Media planners must also consider the costs of producing ads for different media. Whereas newspaper ads may cost very little to produce, flashy television ads can be very costly. Many online ads cost little to produce, but costs can climb when producing made-for-the-Web videos and ad series.

### iv. Choosing media timing

- ▶ Continuity: means scheduling ads evenly within a given period.
- ▶ Pulsing: means scheduling ads unevenly over a given time period.



## Major Advertising Decisions


### 4. Evaluating Advertising Effectiveness and the Return on Advertising Investment

- ▶ Advertisers should regularly evaluate two types of advertising results: the communication effects and the sales and profit effects.
- ▶ Measuring the *communication effects of an ad* or ad campaign tells whether the ads and media are communicating the ad message well
- ▶ *sales and profit effects of advertising are often much harder* to measure. One way to measure the sales and profit effects of advertising is to compare past sales and profits with past advertising expenditures. Another way is through experiments



# Public Relations

▶ **Public relations (PR):** Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.





HEART DISEASE *doesn't* CARE WHAT YOU WEAR


**IT'S THE #1 KILLER OF WOMEN**

**Being a woman doesn't protect you from heart disease.** Try these risk factors on for size: Do you have high blood pressure? High blood cholesterol? Diabetes? Are you inactive? Are you a smoker? Overweight? If so, this could damage your heart and lead to disability, heart attack, or both.

Talk to your doctor to get answers that may save your life. The truth is, it's best to know your risks and to take action now. [www.hearttruth.gov](http://www.hearttruth.gov)

 U.S. Department of Health and Human Services  
National Institutes of Health

 National Heart Lung and Blood Institute  
People. Smarter Health.

 THE heart TRUTH™

© 2007 The Heart Truth, its logo, The Red Dress, and Heart Disease Doesn't Care What You Wear—it's the #1 Killer of Women are trademarks of NHLBI.

Public relations campaigns: NHLBI's "The Heart Truth" campaign has produced impressive results in raising awareness of the risks of heart disease in women.

## Functions of PR

- ▶ *Press relations or press agency: Creating and placing newsworthy information in the news media to attract attention to a person, product, or service.*
- ▶ *Product publicity: Publicizing specific products.*
- ▶ *Public affairs: Building and maintaining national or local community relationships.*
- ▶ *Lobbying: Building and maintaining relationships with legislators and government officials to influence legislation and regulation.*
- ▶ *Investor relations: Maintaining relationships with shareholders and others in the financial community.*
- ▶ *Development: Working with donors or members of nonprofit organizations to gain financial or volunteer support*

## Major Public Relations Tools

- ▶ Speeches
- ▶ Special events
- ▶ Audiovisual materials
- ▶ Corporate identity materials
- ▶ Public service activities