

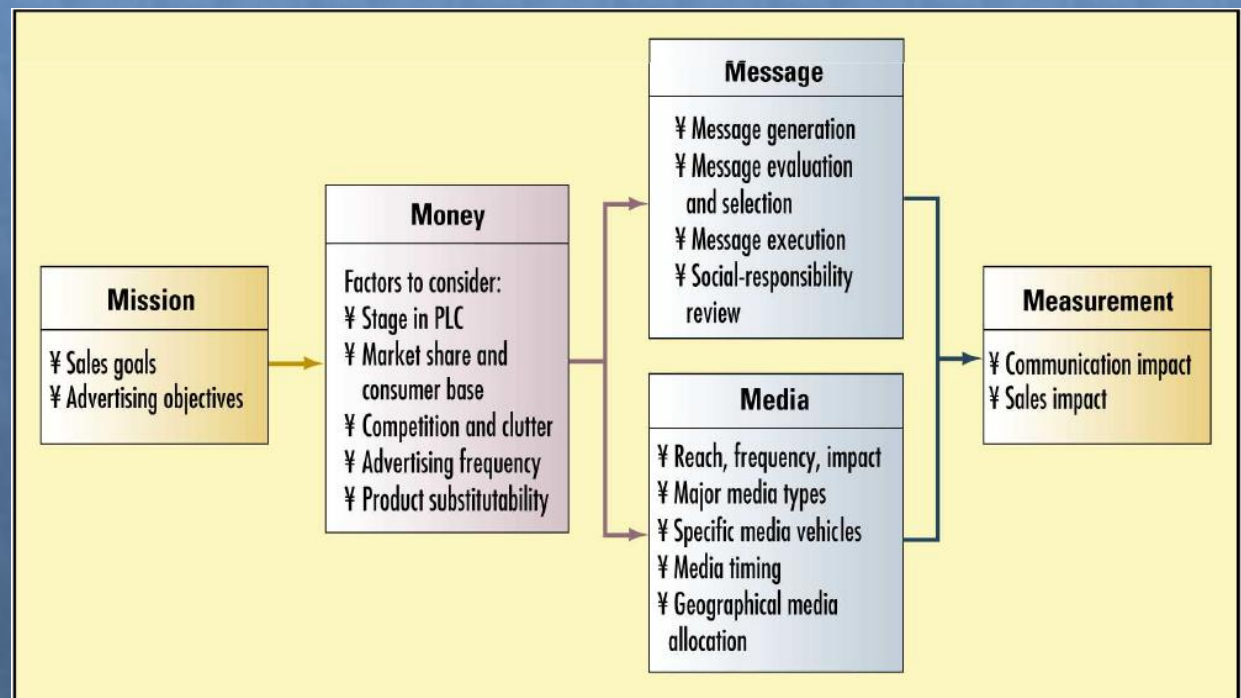
*“The best advertising
is done by satisfied customers.”*

Managing Mass Communication: Advertising, Sales Promotion, Events and Experiences, and Public Relations

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Developing and Managing an Advertising Program

- Setting the Advertising Objectives
 - Advertising goal (Objective)



The Five Ms of Advertising

Developing and Managing an Advertising Program

– Advertising objectives at different stages in
Hierarchy of Effects

- Informative advertising
- Persuasive advertising
- Reminder advertising
- Reinforcement advertising

Developing and Managing an Advertising Program

- Deciding on the Advertising Budget
 - Five factors to consider when setting the advertising budget:
 - Stage in the product life cycle
 - Market share and consumer base
 - Competition and clutter
 - Advertising frequency
 - Product substitutability

Developing and Managing an Advertising Program

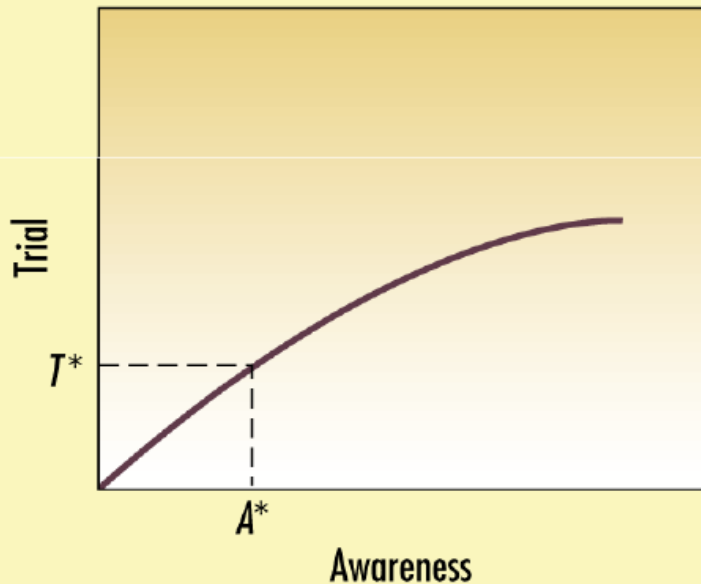
- Developing the Advertising Campaign
 - Message generation and evaluation
 - Creative development and execution
 - Television Ads
 - Print Ads
 - Radio Ads
 - Social-responsibility review

Deciding on Media and Measuring Effectiveness

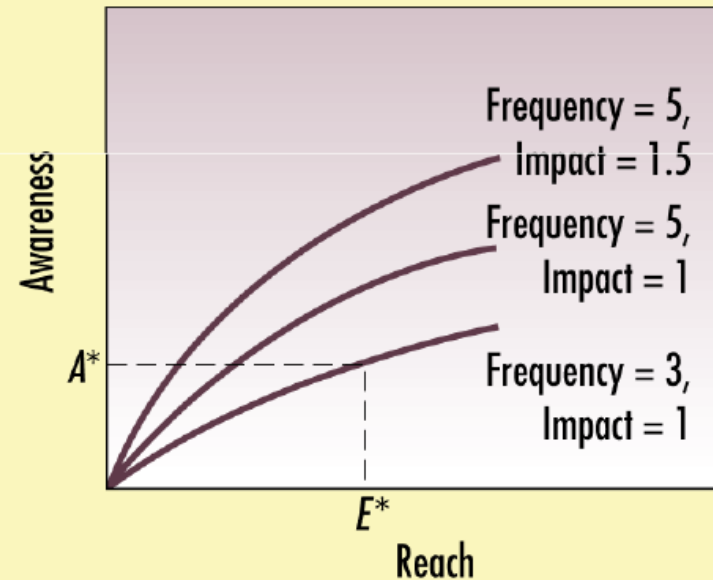
- Deciding on Reach, Frequency, and Impact
 - Media selection
 - How many exposures, E^* , will produce audience awareness A^* depends on the exposures':
 - Reach (R)
 - Frequency (F)
 - Impact (I)

Deciding on Media and Measuring Effectiveness

(a) Relationship between product trial rate and audience awareness level



(b) Relationship between audience awareness level and exposure reach and frequency



Relationship Among Trial, Awareness,
and the Exposure Function

Deciding on Media and Measuring Effectiveness

- Total number of exposures (E)

$$E = R \times I$$

where R = reach, F = frequency

- Known as Gross Rating Points (GRP)

- Weighted number of exposures (WE)

$$WE = R \times F \times I$$

where R = reach, F = frequency, I = average impact

Deciding on Media and Measuring Effectiveness

- Choosing Among Major Media Types
 - Media planners consider:
 - Target-audience media habits
 - Product characteristics
 - Message characteristics
 - Cost
- Alternative Advertising Options
 - Place advertising
 - Billboards
 - Public Spaces
 - Product placement
 - Point of purchase (P-O-P)
 - Evaluating Alternative Media

Choosing Among Major Media Types

Medium	Advantages	limitations
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptance; high believability	Short life; poor reproduction quality; small "pass-along" audience
Television	Combines sight, sound, and motion; appealing to the senses; high attention; high reach	High absolute cost; high clutter; fleeting exposure; less audience selectivity
Direct mail	Audience selectivity; flexibility; no ad competition within the same medium; personalization	Relatively high cost; "junk mail" image
Radio	Mass use; high geographic and demographic selectivity; low cost	Audio presentation only; lower attention than television; non standardized rate structures; fleeting exposure
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership	Long ad purchase lead time; some waste circulation; no guarantee of position

Choosing Among Major Media Types

Medium	Advantages	limitations
Outdoor	Flexibility; high repeat exposure; low cost; low competition	Limited audience selectivity; creative limitations
Yellow Pages	Excellent local coverage; high believability; wide reach; low cost	High competition; long ad purchase lead time; creative limitations
Newsletters	Very high selectivity; full control; interactive opportunities; relative low costs	Costs could run away
Brochures	Flexibility; full control; can dramatize messages	Overproduction could lead to runaway costs
Telephone	Many users; opportunity to give a personal touch	Relative high cost unless volunteers are used
Internet	High selectivity; interactive possibilities; relatively low cost	Relatively new media with a low number of users in some countries

Deciding on Media and Measuring Effectiveness

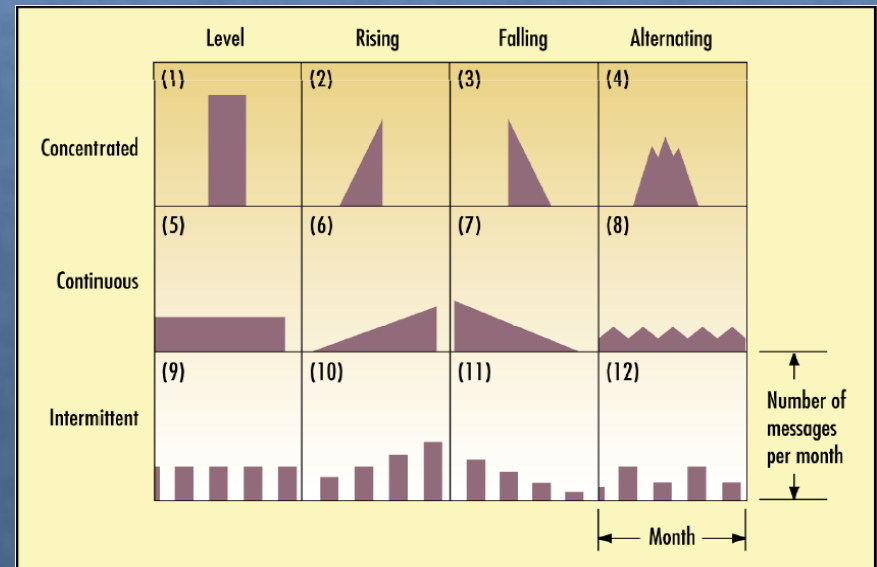
- Selecting Specific Media Vehicles
 - Audience size measures:
 - Circulation
 - Audience
 - Effective audience
 - Effective ad-exposed audience

Deciding on Media and Measuring Effectiveness

- Deciding on Media Timing & Allocation
 - Macroscheduling
 - Microscheduling
 - Buyer turnover
 - Purchase frequency
 - Forgetting rate

- Continuity
- Concentration
- Flighting
- Pulsing

Classification of Advertising Timing Patterns



Deciding on Media and Measuring Effectiveness

- Evaluating Advertising Effectiveness
 - Communication-Effect Research
 - Copy testing
 - Consumer feedback method
 - Example questions:
 - » What is the main message you get from this ad?
 - » What do you think they want you to know, believe, or do?
 - » How likely is it that this ad will influence you to undertake the implied action?
 - » What works well in the ad and what works poorly?
 - » How does the ad make you feel?
 - » Where is the best place to reach you with this message?

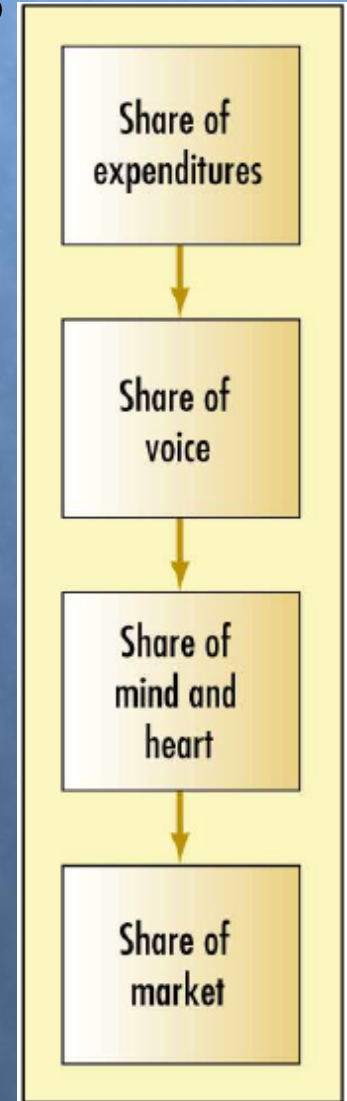
Deciding on Media and Measuring Effectiveness

- Portfolio tests
- Laboratory tests
 - For Print Ads
 - For Broadcast Ads. In-home tests
 - Trailer test
 - Theater tests
 - On-air tests

Deciding on Media and Measuring Effectiveness

- Sales-Effect Research
 - Share of advertising expenditures
 - Share of voice
 - Share of consumers' minds and hearts
 - Share of market
 - Historical approach
 - Experimental design

*Formula for
Measuring
Sales Impact of
Advertising*



Sales Promotion

- Promotion offers incentive to buy
- Consumer promotion
- Trade promotion
- Sales-force promotion
- Purpose of Sales Promotion
- Advertising versus Promotion

Sales Promotion

- Major Decisions in Sales Promotion
 - Establishing Objectives
 - Selecting Consumer-Promotion Tools
 - Manufacturer promotions
 - Retailer promotions
 - Major Consumer-Promotion Tools:
 - Samples; coupons; cash refund offers (rebates); price packs (cents-off deals); premiums (gifts); frequency programs; prizes (contests, sweepstakes, games); patronage awards; free trials; product warranties; tie-in promotions; cross promotions; point-of-purchase (p-o-p) displays and demonstration

Sales Promotion

– Selecting Trade-Promotion Tools

- Major Trade-Promotion Tools:
 - Price-Off (off-invoice or off-list)
 - Allowance
 - Free Goods

– Selecting Business and Sales-Force Promotion Tools

- Major Business-and Sales-Force-Promotion Tools:
 - Trade Shows and Conventions
 - Sales Contests

Sales Promotion

– Developing the Program

- Incentive Considerations
- Size of incentive
- Conditions for participation
- Duration of promotion
- Distribution vehicle

– Presenting, Implementing, Controlling, and Evaluating the Program

- Lead time
- Sell-in time

Events and Experiences

- Events Objectives

- To identify with a particular target market or lifestyle
- To increase awareness of company or product name
- To create or reinforce perceptions of key brand image associations
- To enhance corporate image
- To create experiences and evoke feelings
- To express commitment to the community or on social issues
- To entertain key clients or reward key employees
- To permit merchandising or promotional opportunities

Events and Experiences

- Major Sponsorship Decisions
 - Choosing events
 - Designing sponsorship programs
 - Measuring sponsorship activities
 - **Direct tracking of sponsorship-related promotions** (Web data, call center data, online event statistics, other consumer engagements)
 - **Qualitative research** (on-site/in-market, pre/post, and participant/nonparticipant, using a proprietary model for brand equity transfer and subsequent impact on purchase intent)
 - **Quantitative analysis** (analytics to link sponsorship to brand awareness, sales, and retention and to optimize tactics in sponsorship activation that maximize ROI)

Events and Experiences

- Creating Experiences
 - "The idea is not to sell something, but to demonstrate how a brand can enrich a customer's life."
 - Inviting prospects and customers to visit their headquarters and factories.

Public Relations

- Public
- Public Relations
- Public Relations Department Functions Include:
 - Press relations
 - Product publicity
 - Corporate communication
 - Lobbying
 - Counseling

Public Relations

- Marketing Public Relations (MPR)
 - Publicity vs. MPR
 - MPR assists in the following tasks:
 - Launching new products
 - Repositioning a mature product
 - Building interest in a product category
 - Influencing specific target groups
 - Defending products that have encountered public problems
 - Building the corporate image in a way that reflects favorably on its products

Public Relations

- Major Decisions in Marketing PR
 - Major Tools in Marketing PR:
 - Publications
 - Events
 - Sponsorship
 - News
 - Speeches
 - Public service activities
 - Identity media

Public Relations

- Establishing the Marketing Objectives
 - MPR can:
 - Build awareness
 - Build creditability
 - Hold down promotional cost
- Choosing Messages and Vehicles
 - Event Creation
- Implementing the Plan and Evaluating Results

Reference

- Kotler, Philip, and Kevin Keller. *Marketing Management*. 13th ed. Prentice Hall, 2008.