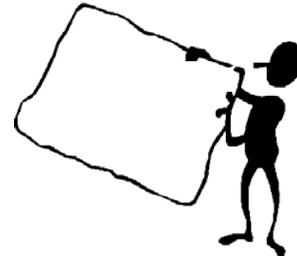


The Importance of Advertising

Advertising is important because it is the most visual marketing activity. It is most important for products and services that are:

- > **Identical:** if there is no (or very little) difference in product, the one with the best/most advertising wins
- > **Mass Marketed:** advertising is most efficient with products that are intended for everyone, such as burger or soft drinks
- > **Easy to Describe:** complex products need a brochure or sales person to explain or describe the product
- > **Low Priced:** people who can afford luxury items know where to find them; they don't need to be advertised
- > **New:** even if the ad doesn't convince the consumer to buy, at least it tells them that it is available
- > **Heavily Competitive:** there are only so many consumers for a product, so companies must compete through advertising

The Goals of Advertising



Companies may have one or more goals in mind:

- > **Brand Awareness and Positioning:** to make the consumer aware of the product and establish its position in the market, for example, "Canada's only maker of...", or the "Official supplier of..."
- > **Brand Trial:** to encourage the consumer to try the product, a company might offer a free trial offer, free sample, or coupon. *Have you ever tried the scent strip from a magazine? Get a free sample of something from somewhere?*
- > **Brand Preference:** advertisers try to convince consumers that their product has better value than the competition. Statistics and celebrity endorsements often back this up. *How many dentists recommend Trident? What Ilie Nastase and Michael Jordan have in common?**
- > **Brand Reminder:** for older products that may need refreshing in the consumer's mind. Nostalgia is used to attract baby boomers.
- > **Brand Repositioning:** sometimes products need to change to keep up with trends or technology. However, there is a danger of alienating original consumers who don't like change. *"New" Coke was a disaster!*

*Both endorse Nike shoes— Romanian tennis player Ilie Nastase was the first athlete to sign an endorsement agreement with Nike

Creating the Message



Just like any form of communication, there are several steps for this "communication" to be effective.



>**Intent:** Advertising agencies employ many people who work together to determine the advertising goals

>**Message:**

1. Research the product to determine the "**Big Idea**"
2. Select the **appeal** to best communicate to the target market
3. Create the message around the big idea for the selected media

>**Media:** The advertisement must be appropriate for the type of media used, and the type of media used must be appropriate for the target customer.

>**Reception:** Is the consumer receiving the ad? Sometimes agencies will include contests, promotion codes or coupons in their ads so that they can track viewership.

>**Action:** Is the consumer acting on the ad? When coupons are redeemed, or sales increase during or after an ad campaign, we can assume the consumer is acting in response to the ad.

Focus on **Message** and **Media**:

Message:

1. The "**Big Idea**"

The unique features of a product are identified to determine the "**unique selling proposition**" or **USP**. The USP is a unique selling feature or benefit of a product or service that cannot be duplicated by another product or service.

The **Big Idea** is the simple idea used to communicate the **USP**.

Sometimes an ad agency will perform a **SWOT analysis**:

Strengths-outstanding features & positive perception of the brand
(quality, price, flavour, style)

Weaknesses-missing features or negative perception of the brand
(quality, variety, availability)

Opportunities-new trend, technology that can be utilized
(video chat, car manual application for iPod or iPad)

Threats-replacement products, new regulations, license restrictions (tech products are especially vulnerable to becoming obsolete)

2. Select the **appeal** to best communicate to the target market

There are four major motivational **appeals**:

Biological - need for health and safety

(Healthy food, fitness club, medicine, alarm systems)

Emotional - consumer's feelings such as love, pride, loneliness

(greeting cards, jewellery, dating services)

Rational - consumer's reasoning abilities

(convenience, cost, savings, warranties)

Social - social pressure influences consumer behaviour

(make-up, clothing, deodorant, dandruff shampoo)

Media:

There are many factors to consider:

Reach - the number of people who are exposed to the message

Frequency - how many times the audience will hear or see the ad

Selectivity - how a specific medium can focus on a target market

Durability - how long an ad lasts; newspaper=1 day, magazine=1 week

Lead-time - how long it takes to prepare the ad

Mechanical Requirements - the technology needed to prepare an ad

Clutter - competition for attention; competition for attention in a magazine or newspaper is internal clutter; competition for attention in a noisy or busy environment like the bus is external clutter

Costs - the amount of money needed to prepare and run the ad

Types of media:

Magazine - can reach very specific market groups, through specialized magazines, e.g., gardeners, teens, travellers, musicians. Colour ads show well, and one magazine is usually read by several people. The largest news magazine in Canada, Maclean's, sells a full page, full colour ad for over \$30,000.

Newspaper - excellent for local advertisers because it targets local consumers. There are many size options, so can be more affordable. A short lead-time is required and most papers offer clipart for their ad clients to keep costs down. Newspapers usually only get read once, and don't sit around too long. It is hard to target a specific audience.

Television - Very versatile, satellite can reach millions, and a late-night local broadcast may reach only hundreds. It uses a combination of sight and sound to create a more engaging ad. Ad time on television can be very costly, but advertisers can be more selective in their ad placement by running during certain tv shows that are watched by certain audiences. There is a lot of clutter, however, since there is about 20 minutes of advertising for each hour of television. In addition, many consumers leave the room during commercials, or PVR a show and miss the commercials altogether.

Good television advertisers follow the **AIDA** formula:

AIDA = Attraction, Interest, Desire, Action

Radio - great local reach, use type of music and time of day to target specific audiences, short lead-time. Frequency is important, the ad should be played several times over a period of time, because durability is short; it only lasts a few seconds, and there is usually lots of external clutter; radios are often on just to provide background music or noise.

Out-of-home - billboards, bus ads, subway ads, bus shelters, etc.

Direct-to-home - junk mail, delivered flyers, telemarketing

Internet - company websites, banners, pop-ups, email

Specialty advertising - promotional gifts, team sponsorship,

There are 5 main parts to a good magazine ad:

1. Headline - largest font, less than 7 words
2. Illustrations - support the headline and ad message
3. Avoid a lot of text - consumers won't read a lot of text
4. Signature - a form of brand identification: logo, slogan, colour
5. Layout - the structure of the ad should cause the eye to follow a flow throughout the entire ad, ending at the signature

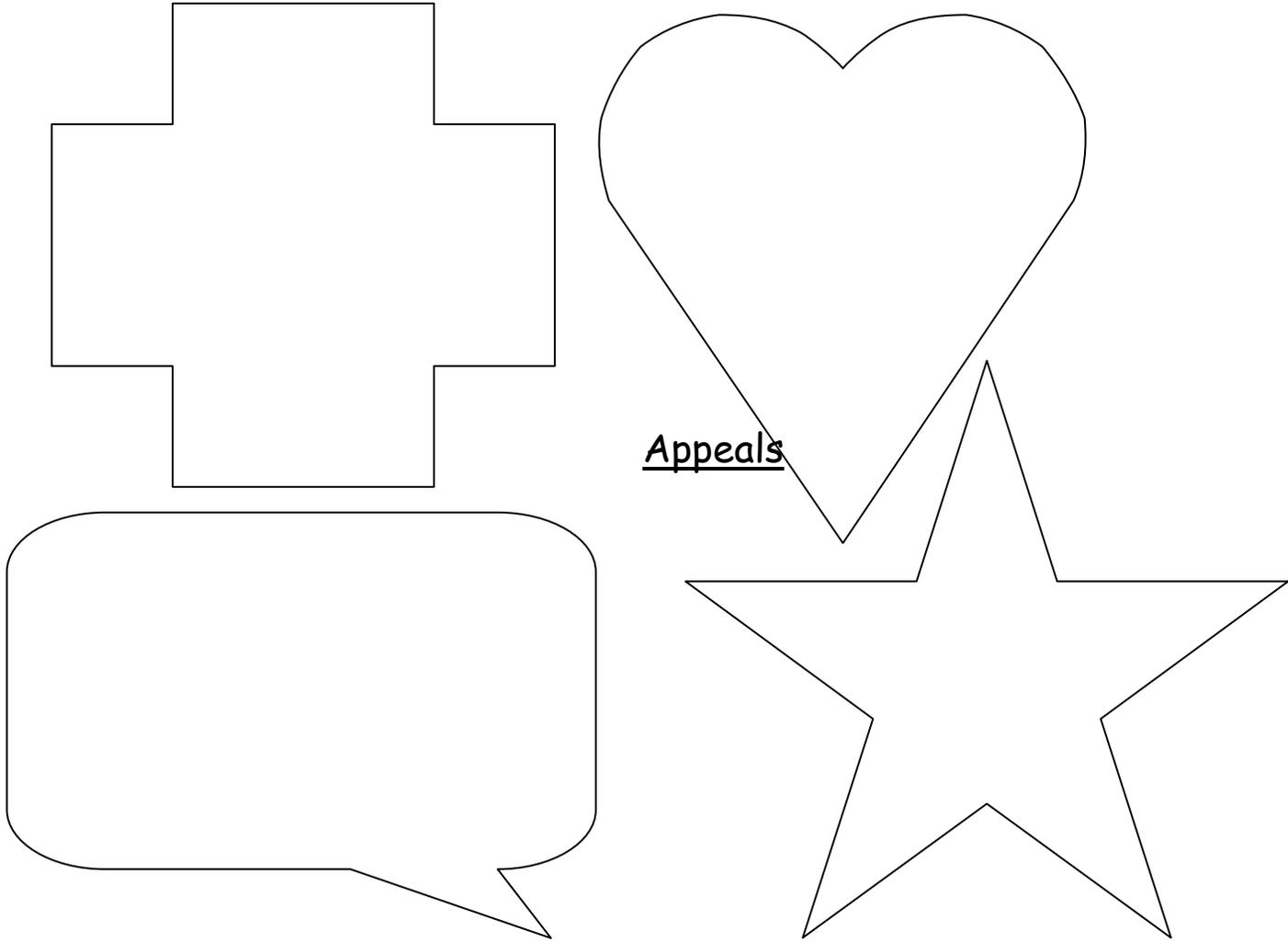
Focus on **Message** and **Media**:

USP = U _____
S _____ P _____
is _____

The Big Idea:

SWOT ANALYSIS:

Strengths	Weaknesses
Obstacles	Threats



Media: There are many factors to consider:

- _____ - the number of people who are exposed to the message
- _____ - how many times the audience will hear or see the ad
- _____ - how a specific medium can focus on a target market
- _____ - how long an ad lasts; newspaper=1 day, magazine=1 week
- _____ - how long it takes to prepare the ad
- _____ - the technology needed to prepare an ad
- _____ - competition for attention; competition for attention in a magazine or newspaper is internal clutter; competition for attention in a noisy or busy environment like the bus is external clutter
- _____ - the amount of money needed to prepare and run the ad

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