

**Advertising, Sales Promotion,
and Public Relations**



Learning Objectives

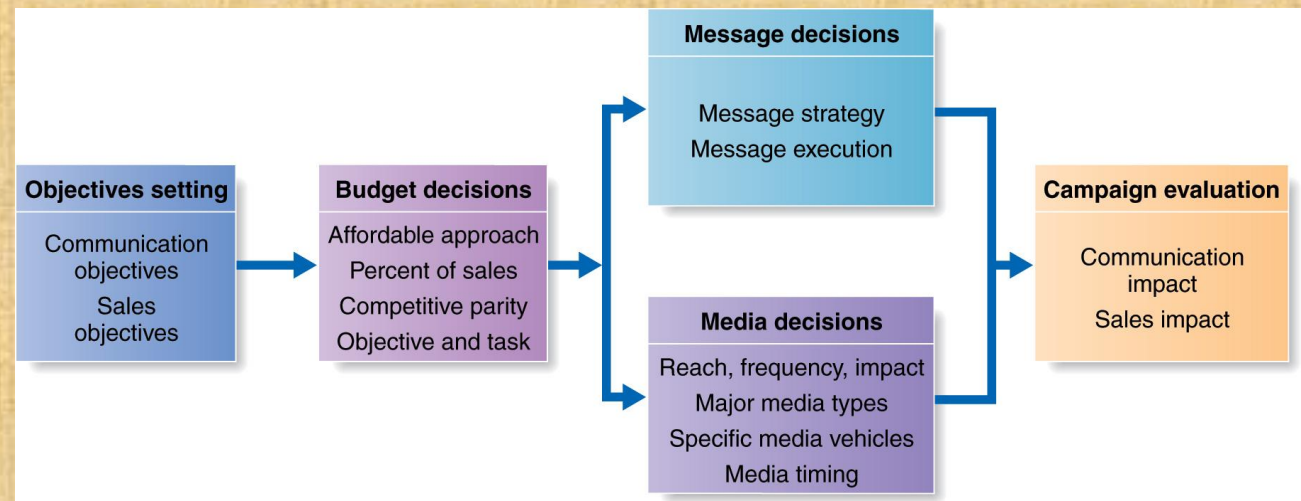
- After studying this chapter, you should be able to:
 - Define the roles of advertising, sales promotion, and public relations in the promotion mix
 - Describe the major decisions involved in developing an advertising program
 - Explain how sales promotion campaigns are developed and implemented
 - Explain how companies use public relations to communicate with their publics



Advertising

- **Advertising:** any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor
 - \$10 billion spent on advertising in Canada in 2001
 - Spending is down due to recent merger activities and reduced spending by telecommunications companies

Figure 16.1





Possible Advertising Objectives (Table 16.1)

- **Informative advertising:**

- Tell market about new product
- Suggest new uses
- Inform market of price change
- Explain how the product works
- Describe available services
- Correcting false impressions
- Reducing consumers' fears
- Building a company image

- **Persuasive advertising:**

- Building brand preference
- Encourage brand switching
- Changing consumer perception of brand attributes
- Persuading consumers to purchase now
- Persuading consumers to receive a sales call

- **Reminder advertising:**

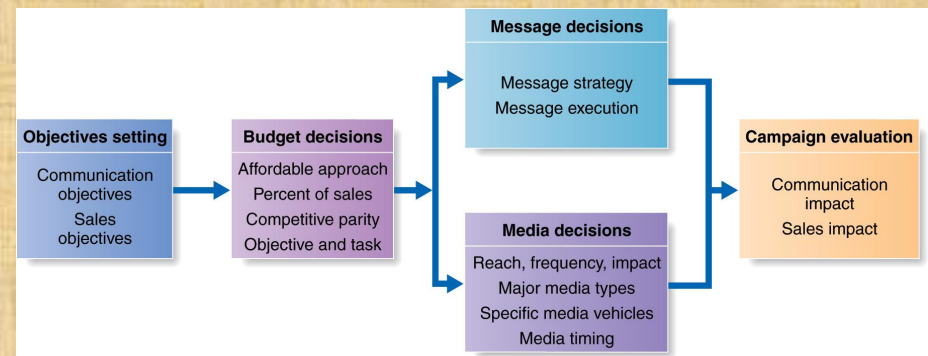
- Reminding consumers of need
- Reminding where to buy product
- Keeping product top-of-mind in and out of season



Setting the Advertising Budget

- **Four methods (Chapter 15):**
 - Affordable method
 - Percentage-of-sales method
 - Competitive-parity method
 - Objective-and-task method
- **Other factors:**
 - Stage in product life cycle
 - Market share
 - Difficult to measure results may lead to over-spending

Figure 16.1

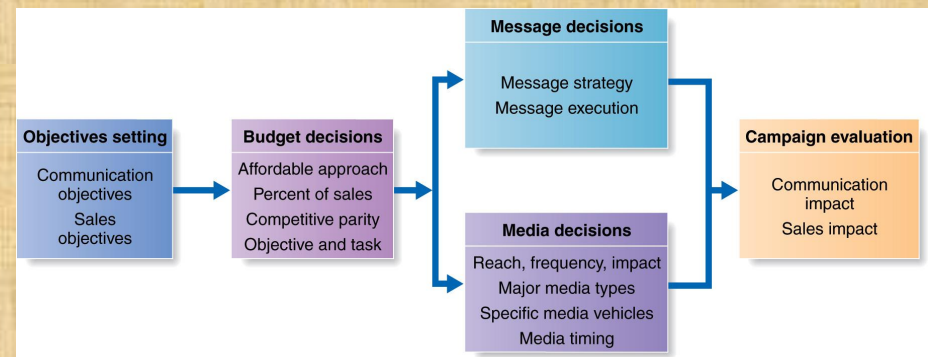




Developing Advertising Strategy

- **Two major elements:**
 - Creating advertising messages
 - Selecting advertising media
- **Message strategy:**
 - Identify consumer benefits to be used in appeals
 - Develop the creative concept (big idea)
- **Advertising appeals:**
 - Meaningful
 - Believable
 - Distinctive

Figure 16.1





Developing Advertising Strategy (continued)

- **Message execution:**

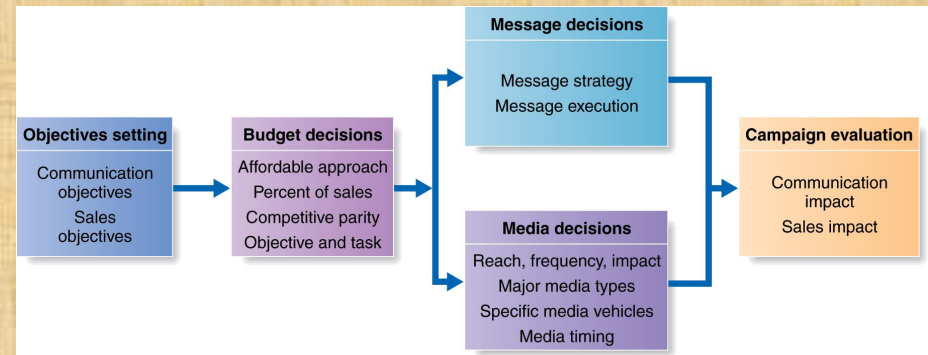
- Slice of life
- Lifestyle
- Fantasy
- Mood or image

- Musical
- Personality symbol
- Technical expertise
- Scientific evidence
- Testimonial evidence

- **Other issues:**

- Tone of advertisement
- Format elements

Figure 16.1

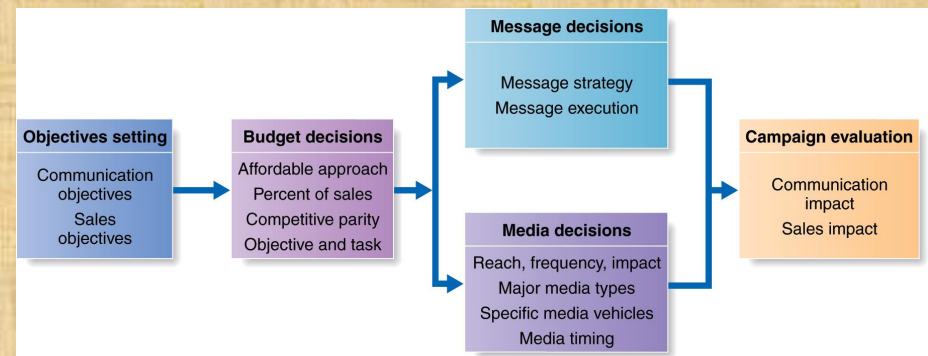




Developing Advertising Strategy (continued)

- **Selecting advertising media:**
 - Decide on reach, frequency, and impact
 - Choose major media types
 - Select specific media vehicles
 - Decide on media timing
- **Factors:**
 - Media habits of target consumers
 - Nature of the product
 - Types of messages
 - Cost

Figure 16.1





Profiles of Major Media Types (Table 16.2)

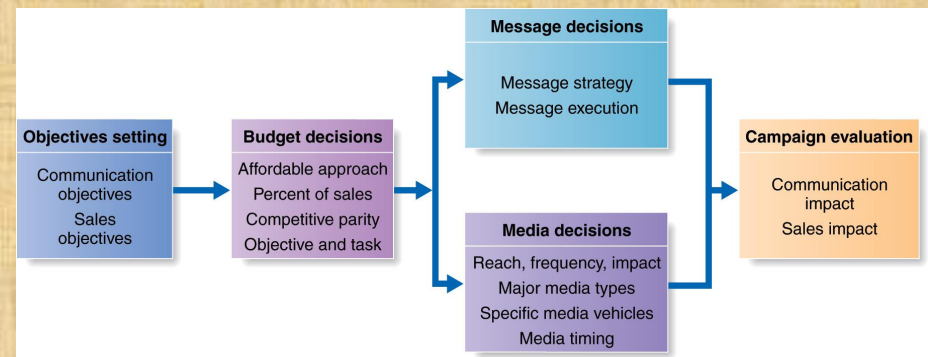
Medium	Advantages	Disadvantages
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptability; high believability	Short life; poor reproduction quality; small pass-along audience
Television	Good mass-market coverage; low cost per exposure; combines sight, sound, and motion; appealing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



Other Advertising Considerations

- **Evaluation:**
 - Measuring the communication effects
 - Measuring the sales effects
- **Organizing for advertising:**
 - Advertising agency
- **International advertising decisions:**
 - Standardization
 - Cultural, economic, and regulatory differences between markets

Figure 16.1





Sales Promotion

- **Sales promotion:** short-term incentives to encourage purchase or sale of a product or service
- Consumer packaged goods companies: 74% of marketing expenditures on sales promotion
- **Factors contributing to growth** of sales promotion:
 - Greater focus on increasing sales in the short-term
 - Senior management more accepting of sales promotion tactics
 - Greater competition
 - Less brand differentiation
 - Decline in advertising efficiency
 - Consumers are more “deal-oriented”



Sales Promotion (continued)

- **Consumer tools:**

- Samples
- Coupons
- Cash refunds
- Price packs
- Premiums
- Advertising specialties
- Patronage rewards
- Point-of-purchase displays and materials
- Contests
- Sweepstakes
- Games

- **Trade promotions:**

- Discounts
- Allowance
- Push money
- Specialty advertising items

- **Business promotions:**

- Conventions and trade shows
- Sales contests



Public Relations

- **Public relations:**

- Building good relations with the company's various publics by
- obtaining favourable publicity,
- building up a good corporate image, and
- handling or heading off unfavourable rumours, stories, and events

- **Public relations functions:**

- Press relations
- Product publicity
- Public affairs
- Lobbying
- Investor relations
- Development

- **Public relations tools:**

- News, speeches
- Special events
- Mobile marketing
- Published materials
- Website
- Public service activities



In Conclusion...

- The learning objectives for this chapter were:
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