



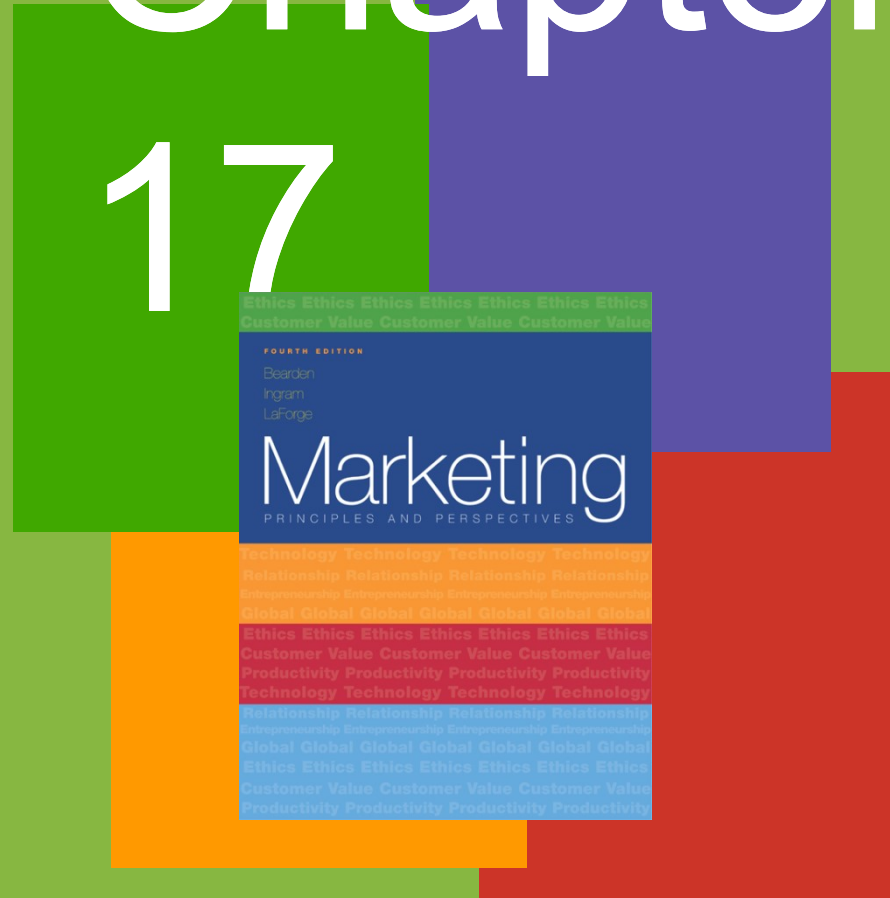
MARKETING PRINCIPLES

BIJU K T

DEPT.OF MULTIMEDIA

Chapter

17



Advertising and Public Relations

After studying this chapter you should be able to:

- Understand the characteristics, functions, and types of advertising.
- Realize how people process advertising information and how it affects buyer behavior.
- Discuss approaches to developing advertising campaigns.

After studying this chapter you should be able to:

- Describe different advertising objectives and the message strategies used to achieve them.
- Understand the decisions involved in selecting media and scheduling advertising.
- Explain how marketers assess advertising effectiveness.
- Appreciate the roles of public relations and publicity in marketing.

The Nature of Advertising

- **Advertising:**

- *A marketing communications element that is persuasive, non-personal, paid for by an identified sponsor, and disseminated through mass channels of communication to promote the adoption of goods, services, persons, or ideas.*

Advertising and the Marketing Concept

Advertising is Expensive

Advertising Must be Targeted Effectively

Brand Communication is Integral to the Marketing Concept

Desired Product Attributes are Integral to the Marketing Concept

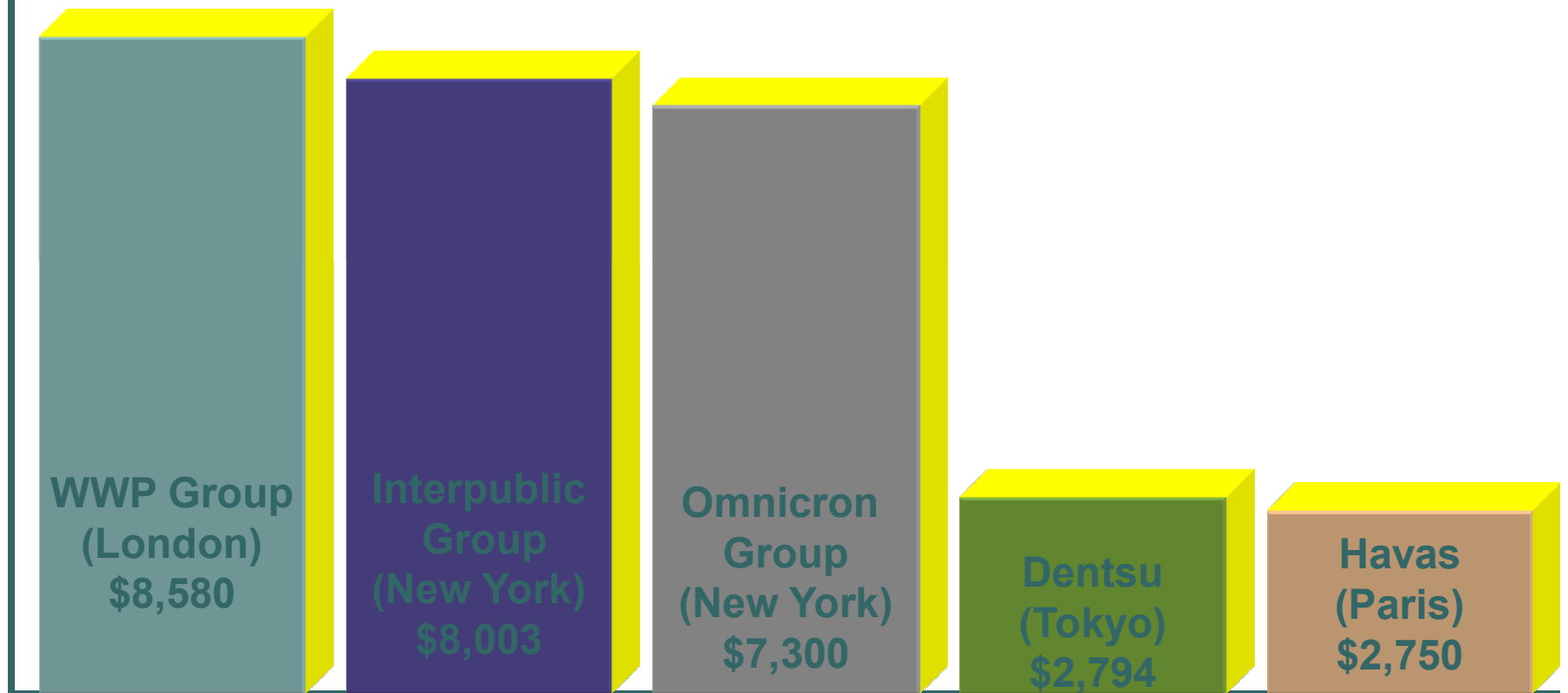
The Advertising Industry



*\$300 billion is spent
each year on
advertising worldwide!!*

Ad Agencies – The World's Top Five

2001 Revenues (\$ millions)



Industry in Transition

Shift from Advertising
to Integrated Marketing
Communications

Globalization
of Marketing and
Marketing
Communications

New Marketing
Communications
Technology

Internet Advertising



**Predicted to Reach
\$15.9 Million by 2007**

Classifications of Advertising

By Target Audience

Consumer

Business:

- Industrial
- Trade
- Professional
- Agricultural

By Geography

Local (retail)

Regional

National

International

By Medium

Print

Broadcast

Out-of-Home

Direct-mail

By Purpose

Product

Non-product

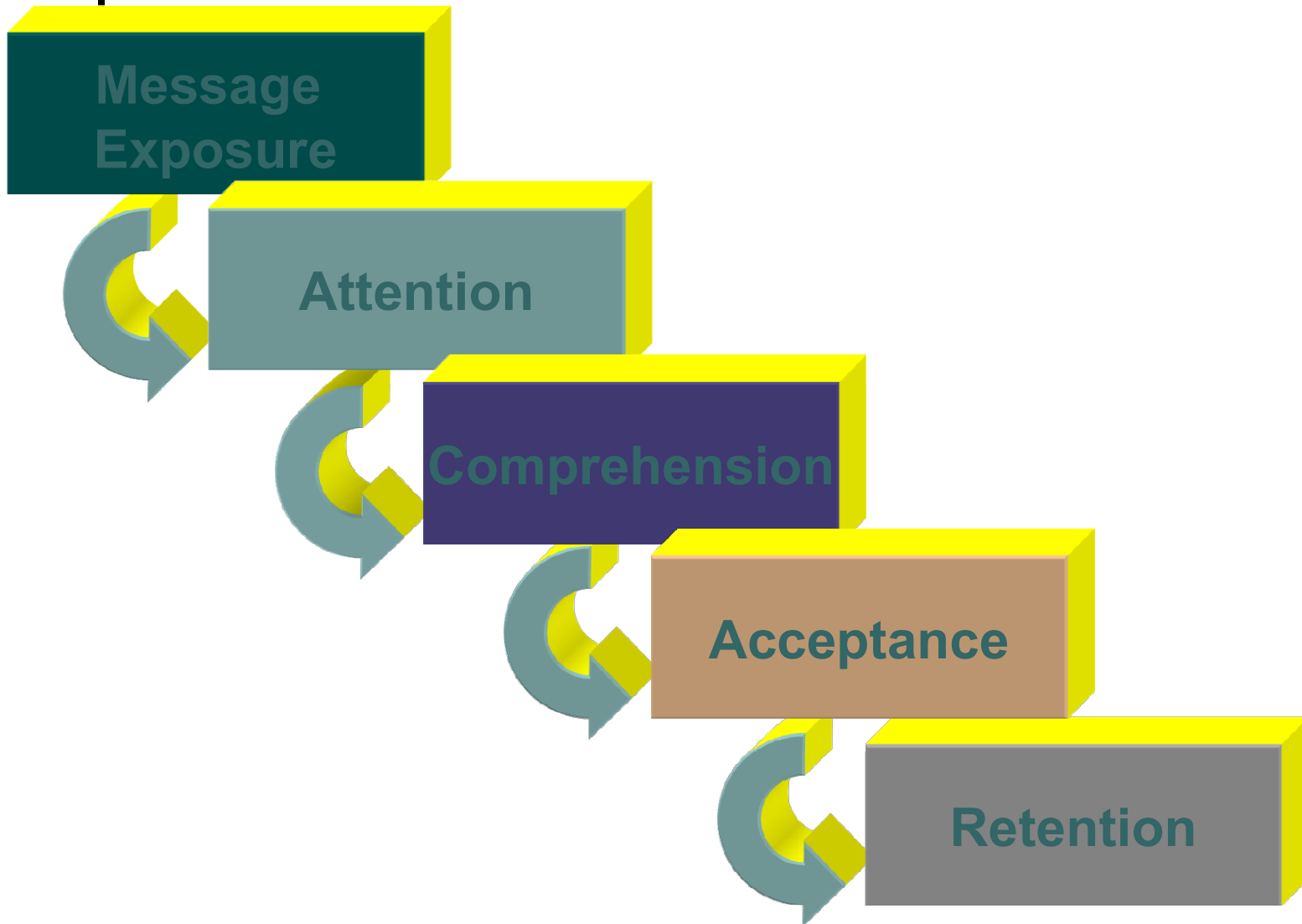
Commercial

Non-commercial

Action

Awareness

Consumer Ad Processing



Influences on Ad Processing

- **Motivation:**

- *Is related to the concept of consumer involvement, or the personal relevance or importance of the marketing communications message.*

- **Ability:**

- *Implies the buyer knows enough about the product category to understand the advertised message.*

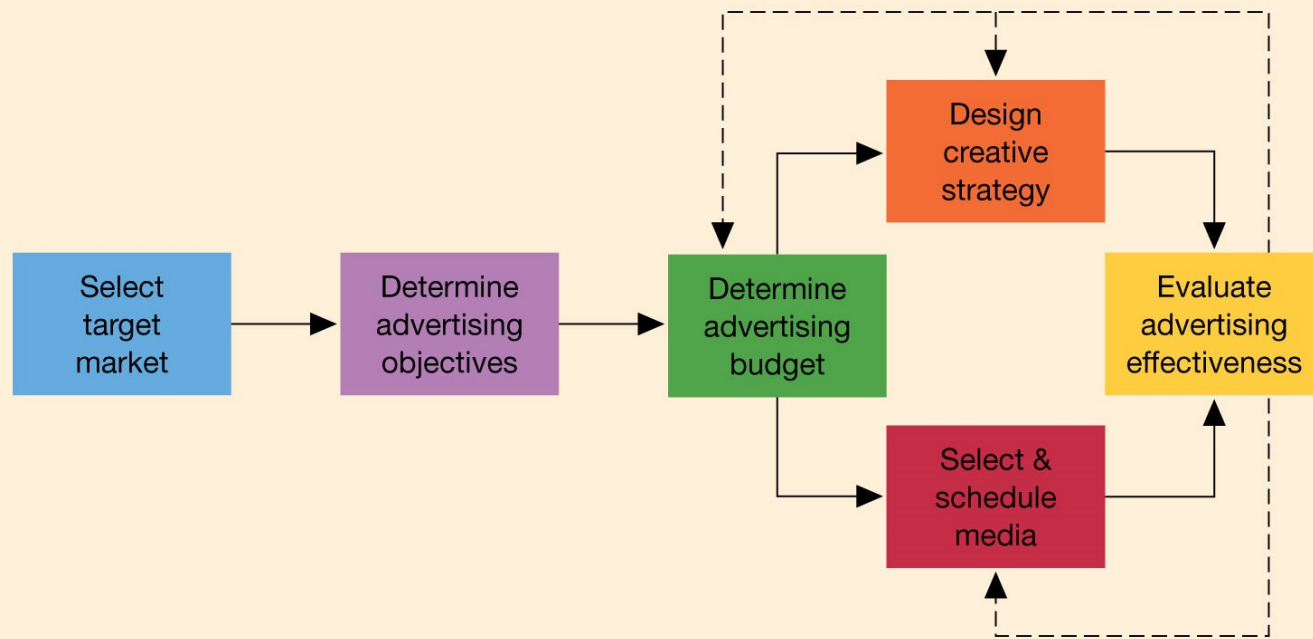
- **Opportunity:**

- *Is the extent to which distractions or limited exposure time affect the buyer's attention to brand information in an ad.*

Developing an Advertising Campaign

Exhibit 17-5

Advertising development and evaluation

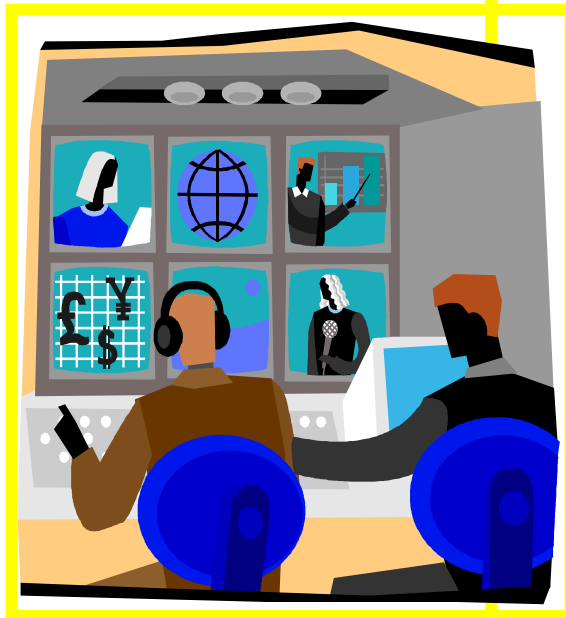


Message Strategy Alternatives

- Subjective Claims
- Expansion Advertising
- Comparative Advertising
- Emotional Appeals
- Fear Appeals
- Celebrity Endorsement
- Humor Appeals
- Subliminal Advertising
- Advertorial
- Infomercial
- Product Placement Advertising



Selecting and Scheduling Media



- Media planning involves decisions on:
 - Media class (television, magazines)
 - Media vehicles (specific TV programs, specific magazines)
 - Media schedules (frequency, timing of ads)

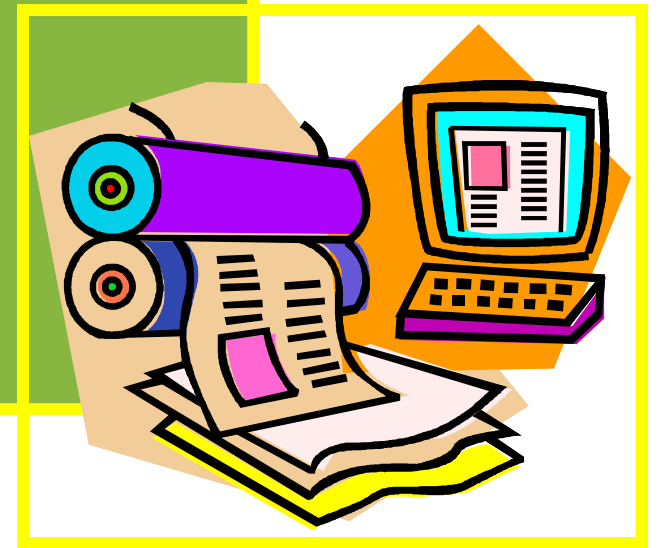
Media Classes

1. Television
2. Magazines
3. Newspapers
4. Radio
5. Outdoor
6. Transit
7. Direct Mail



Media Vehicles

- Media selection depends on the cost-effectiveness of a particular outlet for reaching desired market audiences.
- Factors Include:
 1. Audience size
 2. Composition
 3. The cost of running the ad



Media Vehicle Evaluation

Cost per Thousand (CPM):

$$\text{CPM} = [(\text{magazine page cost} \times 1,000) / \text{circulation}]$$

Media Schedules

Reach:

The number of different people or households exposed to an ad or campaign over a specified time period (usually four weeks).

Frequency:

The number of times a person or household is exposed to a communications vehicle.

Evaluating Advertising Effectiveness

- Pre-testing
- Post-testing
 - Unaided recall tests
 - Aided recall tests
 - Inquiry evaluation
- Sales Effectiveness Evaluations



Ethical and Legal Issues in Advertising

- Is advertising manipulative?
- Is advertising deceptive or misleading?
- How does advertising affect children?



Is advertising intrusive?

Cause-related advertising

Advertising harmful products

Public Relations

- **Public Relations (PR):**

- *Often used as a complement to support advertising, personal selling, and sales promotion for disseminating marketing communications.*



Public Relations

- PR is an attempt to improve a company's relationship with its publics:
 - Customers
 - Employees
 - Stockholders
 - Community Members
 - News Media
 - Government



Public Relations Functions

- Public Relations Functions Include:
 - Press relations.
 - Product promotions.
 - Internal and external corporate communications.
 - Lobbying to promote, defeat, or circumvent legislation and regulations.
 - Advising management about public issues and company positions and image.



Proactive and Reactive Marketing Public Relations

Proactive Marketing PR

- Product release announcements, statements, sponsorship, articles.
- Enhancing corporate, goodwill, advocacy.
- Cause-related marketing

Reactive Marketing PR

- Response to negative events and damaging publicity.
- Negative information from external sources.
- Align firm's interests with public interests.

Publicity

- **Publicity:**

- *The generation of information by a company to the news media; has a narrower focus than public relations.*

- The Primary Publicity Techniques Are:
 - News Releases
 - Press Conferences
 - Feature Articles in the Business Press