

University of Greenwich

Advertising Management and Practice N5025

Individual Coursework



Outline the strategic characteristics, which distinguish advertising from the other tools of marketing communications and identify the specific benefits, which derive from the use of advertising

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Outline the strategic characteristics, which distinguish advertising from the other tools of marketing communications and identify the specific benefits, which derive from the use of advertising

“If marketing communications is to be effective, it is vitally important that we move from a situation of specialisation - in which marketers are experts in one area of marketing communications - to people who are trained in all marketing communications disciplines”

(Schultz and Kitchen, 1997:7)

Integrated marketing provides an opportunity to improve the precision and effectiveness of marketing programmes by handling all aspects of marketing through a single source. An integrated marketing solution uses the most appropriate media and communications techniques to achieve marketing objectives. There is no lead technique and the solution could include any of the following:

- Advertising: any paid form of non-personal presentation of ideas, goods, or services by an identified sponsor.
- Personal selling: oral conversations by either telephone or face-to-face, between sales persons and prospective customers.
- Public relations: to generate publicity through the media by designing programs that involve different activities such as developing a brochure, sponsoring an open house, staging special events, publishing a newsletter, etc.
- Sales Promotions: where customers are given a short-term inducement to make an immediate purchase.
- Other elements of the communications mix: exhibitions, sponsorships, packaging, and word-of-mouth communications

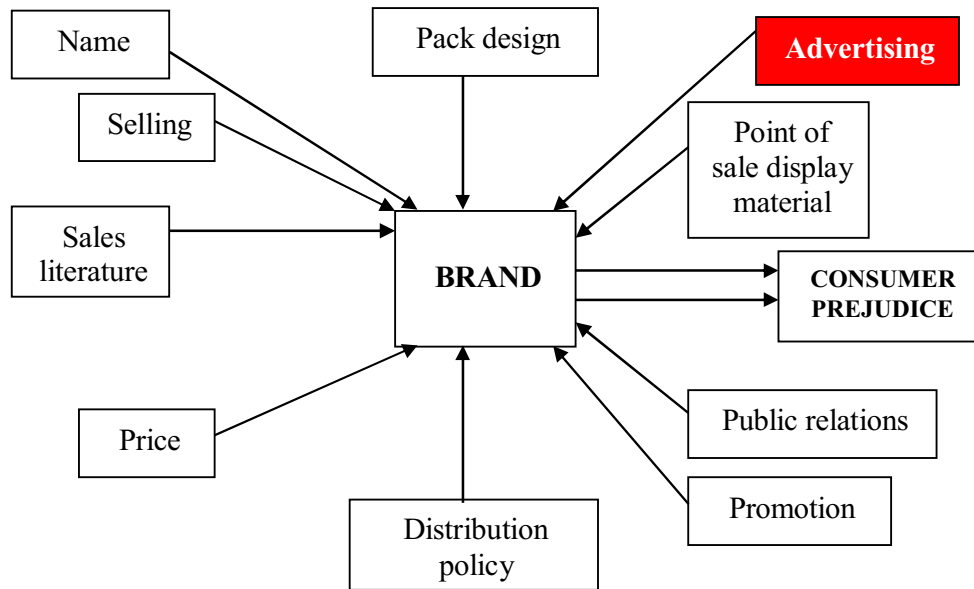
Personal Selling has the ability to close sales, to hold the prospect’s attention, to precisely target the prospect and to obtain immediate action. There is immediate feedback and two-way communications and presentations can be tailored to the prospect’s needs. However, Personal Selling is high cost per contact and has the inability to reach some customers as effectively.

Public Relations has a relatively low cost, it is effective because it is not seen as a commercial message, it has credibility and implied endorsements (e.g., articles by travel critics), it has prestige and impressiveness of mass-media coverage (e.g., feature articles) there can be added excitement and dramatization and has maintenance of a public presence. However, difficulties in arranging consistent coverage of the destination can occur and there can be a lack of control over what is printed or said.

A sales promotion has the ability to acquire quick feedback, to add excitement to what is being offered by the destination, flexible timing and efficiency. On the other hand, many sales promotions only provide short-term benefits it has been criticised as being ineffective in building long-term loyalty for the destination and often misused by tourism and hospitality organizations (e.g. coupons).

A brand is created by all elements in the marketing mix working together, consistently, to create a clear prejudice in its favour among its customers. In other words, a brand has a place in people's minds, as a brand, whereas a mere product is simply a way of fulfilling a physical need. In a competitive economy, there is a clear theoretical advantage in being a brand. Diagrammatically, being a brand is quite a simple concept (White 1993). All the parts of the marketing mix, as a consistent group, contribute their share to the product, to help build up a favourable prejudice among its actual and potential customers as shown in Figure 1 (page 5).

Figure 1 **How a brand fits together**



(White, 1993:5)

Much of the marketing strategy is concerned with communication. Advertising is a specialised form of communication because in order to satisfy the marketing function it has to do more than inform. It has to persuade people to complete the marketing strategy, which is designed to sell at a profit what the marketing department believes people are willing to buy. Advertising has to influence choice and buying decisions.

Advertising fulfils different roles

- *Want Conception*
The activation of latent needs and wants
- *Want Development*
Identify new uses for product
- *Want Focus*
Establish parity between product and consumer need
- *Want Satisfaction*
Reinforce purchase decision

(Yeshin lecture2 2003:1)

Creativity and media are the two essential requirements for effective campaigns. Creativity to attract and win the attention, the interest and eventually the action of consumers, and the most cost-effective choice and use of countless media, are the characteristics of successful advertising. All this calls for interaction between the three sides of advertising: the advertiser, the advertising agency and the media owner.

Advertising serves many purposes and many advertisers, from the individual who places a small classified advertisement in the local newspaper to the big financier who uses networked television to sell popular brands to the nation's millions. Anyone can be an advertiser and advertising touches everyone.

According to Broadbent (1989), advertising is usually the major contributor to branding. It differentiates between similar products. Its effects can be seen most clearly in the elements of the brand that can have come only from advertising, or when changes in the brand image are associated with changes that has been made in the content of the advertising.

The brand image is a mass of great momentum, which is slow to alter direction. True marketers have the instinctive and correct feeling that the brand is their most valuable property, that it will evaporate slowly unless supported, and that long-term effects are the main justification for the advertising investment (Broadbent, 1989).

Kotler (cited by Wilmschurt 1991:56) suggests that advertising has the following particular distinctive qualities, especially when it comes to brand and institutional advertising.

1. *Public presentation.* Advertising, unlike personal selling is a highly public mode of communication. Its public nature confers a kind of legitimacy to the product and suggests a standardised offering. Because many persons receive the same message, buyers know that their motives for purchasing the product will be publicly understood.
2. *Persuasiveness.* Advertising is a persuasive medium that permits the seller to repeat his messages many times. It also allows the buyer to receive and compare the messages of various competitors. Large-scale advertising by a seller says something positive about the seller's size, popularity and success.

3. *Amplified expression.* Advertising provides opportunities for dramatizing the company and its products through the artful use of print, sound, and colour. Sometimes the tool's very success at expressiveness may, however, dilute or distract from the message.
4. *Impersonality.* Advertising, in spite of being public, persuasive, and expressive, cannot be as compelling as a personal salesman. The audience does not feel obligated to pay attention or respond. Advertising is only able to carry on a monologue, not a dialogue, with the audience.

Advertising ensures that customers will continue to pay more for the brand leader than a cheaper substitute. It will help to differentiate the brand from competition so that it offers unique qualities of reassurance and satisfaction. In business terms, its role is as often to provide stability and predictable long-term profit, as to effect sudden change.

According to Ehrenberg (2000), advertising's main role is to reinforce feelings of satisfaction with brands already bought. Advertising is often effective, however, it is not as powerful as it is sometimes thought to be, nor is there any evidence that it actually works by any strong form of persuasion or manipulation. Instead, the sequence, awareness/trial/reinforcement, seems to account for the known facts. Under this theory, consumers first gain awareness or interest in a product. Next, they may make a trial purchase. Finally, a repeat buying habit may be developed and reinforced if there is satisfaction after previous usage. Advertising has a role to play in all three stages, but for frequently bought products, repeat buying is the main determinant of sales volume and here advertising must be reinforcing rather than persuasive.

Advertising can help to sell, it does this to a substantial extent, by giving information about what the product is, what it does, where it can be found etc. The primary role for a new product is in introducing the product to people who have never tried it, followed by a continuing role and if successful develop into an established one. In addition to this, however, it can do more; advertising can begin to give the product a reputation, an image or even a feeling towards the brand.

Obviously, it helps if the product is genuinely spoken for or the best available, but this is objectively true of few products; in most competitive markets, the differences between competing products are fairly marginal, and an established reputation can make the difference between market leader and other known brands.

Advantages of Advertising: low cost per contact, it has the ability to reach potential visitors where sales staff cannot; there is great scope for creative versatility and dramatization of messages. Advertising has the ability to create images that sale staff cannot, it has a non-threatening nature of non-personal presentation and has prestige and impressiveness of mass-media advertising.

Disadvantages of Advertising: it has the inability to close sales and the ability for visitors to ignore advertising messages. Difficulties can occur in getting immediate response and action, getting quick feedback and in adjusting messages and measuring effectiveness. There is a relatively high waste factor and advertising clutter can arise. If readers, listeners or viewers misunderstand the advertising message, the campaign is a waste of time and money.

Doyle (1992) discusses the new interest in branding strategies and maintains that quality and service as opposed to advertising is the way to create successful brands.

Advertising is the purchasing of space or time in the various communications media by an identified sponsor, an example of costs are in the appendix on pages 18-20. It is the most widely recognized method of delivering a message to a target market. Unfortunately, no one has been able to identify exactly how advertising works. For the most part, advertising is a cause and effect relationship, we see it, feel it, taste it, etc., and we then make a purchase.

Effective short-term advertising seeks to stimulate awareness, interest, and action immediately. To be successful, it requires an interested potential customer. Long-term advertising pursues three basic objectives:

1. Develop and maintain consumer awareness.
2. Once the level of consumer awareness has been attained, the advertising must be modified to contain appeals that are more persuasive.

3. Once market dominance is achieved, advertising objectives must shift toward reinforcing customer loyalty and maintaining a professional image.

This type of advertising requires a commitment of considerable amounts of manpower, time, and money.

Although advertising is considered as a single element, it is associated with almost every other element such as, market research, naming and branding, market segmentation, sales promotion, public relations, pricing, packaging, etc, borrowing from them and interpreting them.

- Market research provides evidence of motives, preferences and attitudes, which will influence not only the copy platform or advertising theme, but also the choice of media through which to express it.
- Naming and branding may be initiated by the advertising department or agency, in addition, plays an important role in advertisement design.
- The market segment will decide the tone or style of advertising, and the choice of media.
- Pricing can be a vital part in the appeal of the copy, is the product value for money, a bargain or a luxury?
- Packaging is a vital aspect of advertising, it is itself a form of advertising, especially at the point of sale, as in a supermarket when the package often has to identify the product and literally sell it off the shelf.
- Sales promotion can augment the advertising.
- The product image will be projected by advertising and public relations.
- Public relations activities help bridge gaps between advertising campaigns, and help maintain long-term brand recognition.

There are many ways to advertise products and services. However, the most effective method of reaching the target market must be used. Below are just a few examples of advertising vehicles:

- Newspapers
- Magazines
- Radio
- Television
- Direct Mail

- Yellow Pages
- Mail shots
- Promotional Items (e.g. pens, pencils, mugs, etc.)
- Transit advertising

For an advertising campaign to be successful, planning is important for success to occur. This means that objectives need to be identified and planned accordingly. It consists of the development, placement, running, and evaluation of the advertising over time. In addition, it must have a clear, easily remembered message that is communicated in an exciting and memorable way. An effective campaign involves the following steps:

1. Market research and analysis
2. Defining objectives
3. Budgeting
4. Media selection
5. Creative development, unless you have in in-house advertising/marketing staff, you will use outsource this portion.
6. Approval, it must be agreed with the creative approach taken by your creative counsel.
7. Scheduling and implementation
8. Evaluation
9. Be prepared to handle the inquiries.

Successful advertising affects the salience of the brand being advertised, especially if the product or service is one that is broadly relevant to the recipient. Salience refers to the presence and richness of memory traces that result in the brand coming to mind in the relevant choice situations. The brand has become part of one's broad consideration set, a brand that one might buy or use either at present or in the future. Salience is much more than mere awareness of the brand in its product category (Ehrenberg *et al.*, 2002).

In the short term, advertising is demonstrably capable of generating a powerful effect on consumer purchasing. Advertising does more than make consumers aware of a brand (Ehrenberg 1996 cited by Jones 1997). Effective advertising sells.

According to Jones (1997), the successful campaigns have three general characteristics: **(1)** they are likeable and offer a reward for watching because they are entertaining and amusing. **(2)** They are visual rather than verbal. **(3)** They say something important and meaningful about the brand being advertised.

Jones (1997) claims that all the research into the creative process produced by him, demonstrates that successful advertising executes its task, or at least can execute its task in subtle and in rather unexpected ways.

The first order of long-term effect is the result of a repetition of short-term effects. This naturally presupposes that the campaign has produced a short-term effect in the first instance. It also demands a sufficiently large advertising budget, and enough continuity in the media plan, to support the brand without too much loss of sales to the advertising and sales promotions competitive brands.

It is countervailing pressures from competitors that shorten the duration of the effect from often powerful short-term advertising stimuli. There is a tendency for short-term effects to cancel out. This is essentially what leads to inertia in markets: Ehrenbergian stability. In order to shake a brand free of this, the advertiser must only expose advertising that produces immediate sales, but this advertising must be run with enough media weight to outperform the competition for longer periods than the periods during which competition outperforms the brand. The competitor with the greatest and most carefully husbanded reserve of media energy will win the battle.

To the manufacturer, this powerful attachment between brand and consumer is the end product of years of that consumer's satisfaction with the brand's product quality, augmented and reinforced by advertising planned to be harmonious with this functional excellence. The result is something of specific measurable benefit to the manufacturer. In fact, there are three such benefits: **(a)** Successful brands can generally command a premium price and are less driven by the need for money-off promotions. **(b)** Since they often sell a large volume, successful brands benefit from above average purchase frequency, a direct expression of above average brand loyalty. **(c)** Successful brands are relatively less advertising intense than smaller, less

secure brands, and can therefore use their advertising budgets more economically and productively (Jones 1995).

Advertising is generally expected to fulfil several very different tasks, sometimes more or less simultaneously:

- To promote a new brand
- To entice additional recruits to an established brand
- To encourage that brand's existing clientele to stay
- To tempt these existing customers to buy it more
- To encourage buyers to pay more.

There are also the different tasks of the brand motivating its own (sales) staff through its advertising as well as enthusing its suppliers and its retailers. Yet differing advertising tasks can be involved when pursuing investors, sponsors, business-to-business customers, e-commerce, or general public relations (Ehrenberg *et al.*, 2002).

Advertising can accomplish different strategic roles in the communications process. The generic and competitive strategies are two indications of possible strategies that may be considered. Where a brand is in a leading position in the market, advertising will simply make a statement of product benefit, this is considered as a generic strategy. In the greater part of cases, an advertiser will look to create a point of difference between their own and competitive products. In various instances, this will be based on a particular element of the product (*Persil washes whiter, Nescafe, best beans, best blend, best taste*). Alternatively, it will derive from a positioning of the brand that sets it apart *Avis; we try harder*. In all instances, the objective is to establish some point of advantage, which distinguishes the product or service, this description is considered to be the competitive strategy (Yeshin 1999:137).

Product positioning and differentiation on the basis of some physical, functional or structural characteristic is not very useful unless it is consistent with the consumers' perceptions of the products, advertising can aid positioning strategies.

“Instead of trying to persuade experienced consumers that every advertised brand is better or best, we should accept that advertising mostly needs to refresh, and may occasionally enhance, acceptance of the brand as one to buy and/or to consider.”

(Ehrenberg *et al.*, 2002:7)

There are many ways that advertising can publicise a brand, for example proclaiming the brand, establishing distinctiveness, advertising the brand as the product, appealing to emotions, hard sell and soft sell, and using price appeal. In addition to these attributes of advertising, there are also many styles of advertising for example, the product is claimed to be the hero of the situation (cleaning products), personality user (L’Oreal), using a spokesperson/presenter (financial adverts), by means of a mini drama (Nescafé Gold Blend), non-verbal adverts (MTV) etc. Some advertising campaigns also use emotional appeals such as, humour, fear, anger, etc. These characteristics are unique to the advertising mechanism; advertising has the ability to bring products/services/brands to life, a quality that other tools have difficulty in achieving.

Advertising can be a mirror image of the desires and aspirations of its consumers, rather than a reflection of particular facets of the product itself.

Advertising strategy is the core of the planning process. It determines what the essential purpose of the advertising and associated activities is to be. However, the strategy has eventually to be converted into tactics; how is the strategy to be implemented, by whom, by what means, when and at what cost? At this stage the process splits into two streams; the creative aspect, what is the message to be and how is it to be expressed, and the media aspect, through what channels, using what size, length, frequency, is the message to be transmitted.

Advertising can be effective in building a brand image/personality, the personality of a product is an amalgamation of many components such as, its name, its packaging, and its price, the nature of the product and the style of its advertising.

When you choose a brand of whiskey, you are choosing an image. Jack Daniel's advertisements project an image of homespun honesty and thereby persuade you that Jack Daniel's is worth its premium price.

(Ogilvy 1983:15)

Economists are frequently concerned that high advertising levels act as a barrier to entry for new brands and hence deter competition, Ehrenberg (2000) states that this is wrong on two accounts. Firstly, it is the high risk of failure with a brand that acts as the barrier, "four out of five new products fail." The barrier is spending a million and possibly having nothing to show for it. Secondly, heavily advertised product fields are in fact characterised by heavy competition and a high incidence of new brands, but generally launched by firms already in the market. Simply having a million to spend on advertising is not enough; general marketing skills and experience of the other factors in the marketing mix are also needed.

Ehrenberg (2000) believes that most mass media advertising is for competitive brands, it is a defensive tool and a price the producer pays to stay in business. Consumers' attitudes to similar brands are very similar. Purchasers of frequently bought goods usually have experience of more than one brand and they mostly ignore advertising for brands they are not already using. Ehrenberg (2000) states that there can be little scope for persuasive advertising, instead, advertising's main role is to reinforce feelings of satisfaction for brands already being used. At times, it can also create new sales by reawakening consumers' awareness and interest in another brand, stimulating them to trial purchase and then sometimes, through subsequent reinforcement, helping to facilitate the development of a repeat buying habit. This is the main determinant of sales volume.

Variations in the market share of similar brands can be attributed to brand differentiation and product saliency, which brings about differences in the number of people who feel positive about particular brands. Brand differentiation strategies focus on making a product stand out among a similar group of products. It happens within each brand category and can take on many forms, such a physical and emotional. On the other hand, salience connotes a broader range of brand performance measurement. It is associated with value-for-money concerns and seen

as a common factor to people's awareness of a particular brand. Products can be salient through publicity and innovative advertising schemes, which boost product recognition among consumers.

“Why is the market leader often 10 times as big as say the tenth biggest brand? The evidence says that it is not due to brand differentiation. Each brand's customers do not look at their brand as being very different. Instead, what differs is the number of people to whom each brand is salient”.

(Ehrenberg *et al.*, 1997:7)

Advertising is the most powerful tool within the marketing mix in creating an image and the tool most evident in peoples lives, it is everywhere, on till receipts, in newspapers, on the radio, in magazines, on the television, on billboards, on trains, buses etc. Consumers often confuse the other tools as advertising; this tool has massive exposure that can be very hard to ignore completely.

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Appendix

Spot Rates: Virgin Fm

<u>Network</u>	MON-WED	THU-FRI	SAT	SUN
BREAKFAST 06:00 – 10:00	£1,350	£1,600	£800	£500
MORNING 10:00 – 13:00	£1,000	£1,200	£1,000	£600
LUNCHTIME 13:00 16:00	£800	£1,000	£700	£300
AFTERNOON 16:00 – 19:00	£900	£1,100	£800	£300
EVENING 19:00 – 00:00	£300	£400	£200	£300
NIGHT 00:00 – 06:00	£150	£150	£80	£80

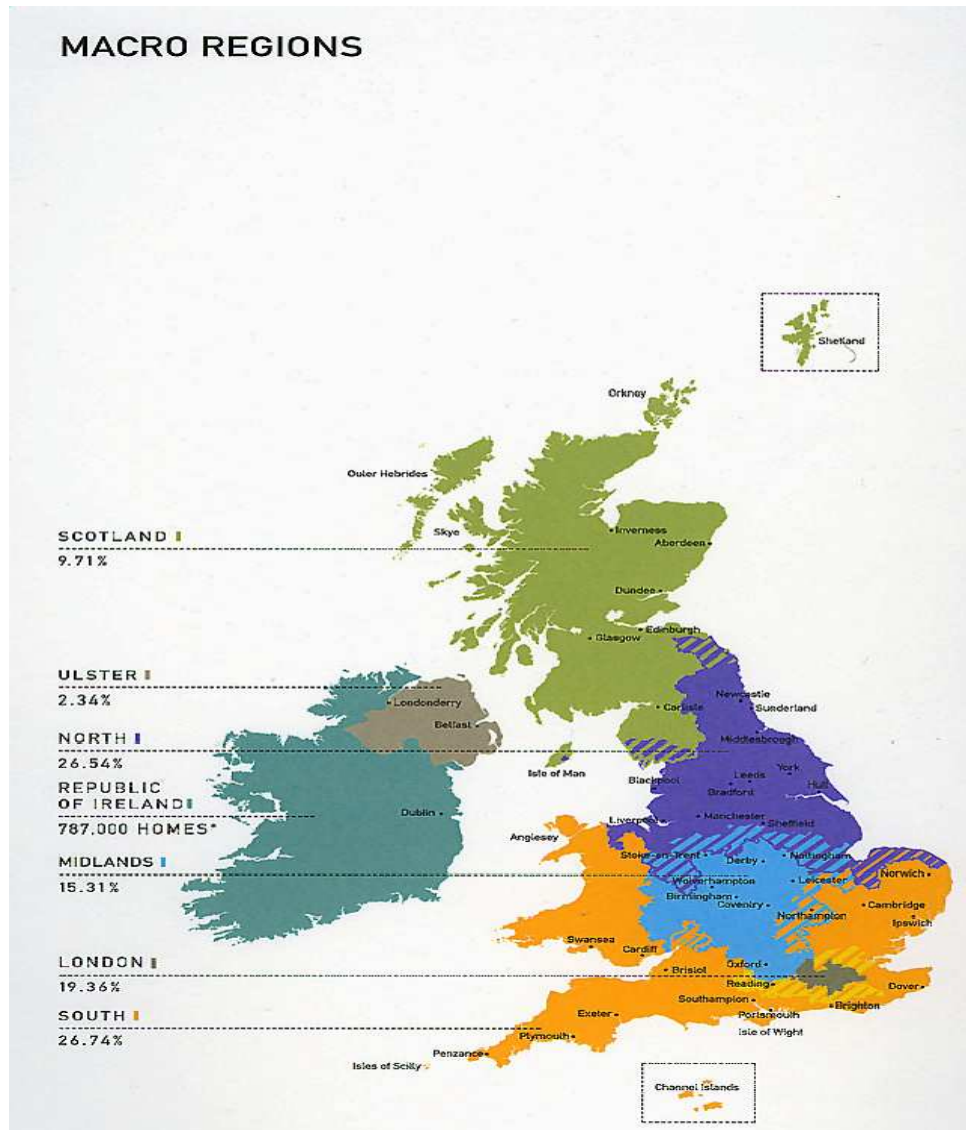
<u>105.8 FM (Virgin)</u>	MON-WED	THU-FRI	SAT	SUN
BREAKFAST 06:00 – 10:00	£600	£800	£500	£400
MORNING 10:00 – 13:00	£500	£600	£400	£350
LUNCHTIME 13:00 16:00	£500	£600	£300	£200
AFTERNOON 16:00 – 19:00	£500	£650	£250	£200
EVENING 19:00 – 00:00	£190	£230	£150	£175
NIGHT 00:00 – 06:00	£75	£75	£75	£75

All airtime packages are worked out for 30” copy length, achieving levels of frequency by all airtime spot rotation.

	2 OTH	3 OTH	4 OTH	5 OTH
FM/AM NATIONAL				
COST (£2.50)	£12,000	£19,000	£29,000	£37,000
REACH	1,875,000	2,400,000	2,600,000	2,900,000
FM ONLY (LONDON)				
COST (£3.50)	£5,100	£8,100	£15,000	£18,000
REACH	517,000	760,000	750,000	800,000
AM ONLY				
COST (£1.80)	£5,700	£11,000	£18,000	£25,000
REACH	1,345,000	1,845,000	1,950,000	2,100,000

Please note that these costs are examples only, and are optimised over a 1-week period.

(Virgin Fm, Media Pack Main Section Q22001)



National UK	100% of UK, 24,231,000 homes	2 = £350,000
South	28% of UK, 6,832,000 homes	= £ 100,000
North	27% of UK, 6,532,000 homes	= £ 65,000
London	20% of UK, 4,895,000 homes	= £ 140,000
Midlands	17% of UK, 3,967,000 homes	= £ 60,000
Scotland	10% of UK, 2,350,000 homes	= £ 20,000
Ulster³	2% of UK, 563,000 homes	= £ 7,000

1 Subject to 'variable cost factors'

2 UK homes that have a TV set = 97% of total population

3 Please ask for separate information regarding Ire

(Channel 4 Autumn 2001 Fact sheets)