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Advertising and Promotion

Assignment 1  
January 2004

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# Section 1

## Communications

### Industry

## **Introduction**

Communication plays a major part when it comes to advertising, this booklet explains the communications industry, and it also looks at the roles of the various parties in the industry and their relationship between one another.

## **Communications Process**

Communication is contact between two or more parties, giving information. The aim of the communications process is to influence buyer behaviour, but before the marketers can influence the consumers they need to know how the communication process works.

### **A View of the Communications Process**

All marketers send a message to encourage you to buy their product.

PRESELLING (How to sell it and how to sell it)	SELLING (How to sell it and the way you sell it)
POST- CONSUMPTION (To sell it again)	CONSUMING (Whilst you are selling your product)

I am to give you 2 communication model theories of communication activity.

#### **1. Lasswell's theory**

According to Lasswell, Power and Personality (1948) a communication model should answer the following questions:

- Who?
- Says What?
- In What Channel?
- To Whom?
- With What Effect?

#### **2. Kotler's theory**

But according to Kotler, Marketing Management: Analysis, Planning, Implementation and Control (1991) the communication process was a sender/receiver model which to him provides a framework for answering the questions of Lasswell.

Elements in the communications process (Kotler theory)

#### **Sender's field of experience**

1. SENDER – The party sending the message to another party so they buy that product e.g. Packard bell.
2. ENCODING – The process of putting thought into the message to make the customer understand what the organisation is selling. To make things easier for the customer to understand they may use music, pictures etc.(symbols)
3. MESSAGE – The set of symbols the receiver transmits e.g. the actual product itself
4. MEDIA – The communication channel which the message will be told and get across to the customer e.g. TV, radio, billboards etc
5. DECODING – How the customer takes the message. Did they interpret the message the way you wanted them to? Did they understand the message?

#### **Receiver's field of experience**

1. RECEIVER – The customer

2. RESPONSE – The reaction of the receiver once being exposed to the message e.g. Screw up the advert, tell a friend about it,
3. FEEDBACK – Responding to the company with your views e.g. praise or criticise
4. NOISE – The unplanned static or distortion during the communications process

### **Key factors in good communications**

If a message is going to be effective the senders encoding as to link with the receivers decoding. Best messages use WORDS, PICTURES and SYMBOLS that are familiar with the receivers.

- DECIDE ON THE AUDIENCE TARGET
- MAKE SURE THE TARGETED AUDIENCE FULLY UNDERSTANDS
- CHOOSE A METHOD THAT ENABLES YOUR AUDIENCE TO SEE IT
- RESEARCH THE RESPONSE OF THE AUDIENCE TO MAKE SURE YOU ADVERTISED WELL AND IF NOT WHY AND TRY A DIFFERENT APPROACH.

Also to develop an effective message the marketer must remember the AIDA formula:

GET THEIR **A**TTENTION AND HOLD **I**NTEREST GET AFFECTION BY  
AROUSING AND **D**ESIRE OBTAIN **A**CTION

There are 6 Steps in developing effective communications and these are listed below.

#### **STEP 1.**

Identify the target audience. Consider your actual customers and your potential customers

#### **STEP 2.**

Determining the Communications Objectives

- Awareness
- Knowledge
- Liking
- Preference
- Conviction
- Purchase

#### **STEP 3.**

Designing a message is:

##### **Message content**

- Rational appeals – looking at audiences self interest
- Emotional appeals – try to stir up a reaction it will stir up different reactions depending on the person.
- Moral appeals – stir up your opinion on what is right and wrong

##### **Message structure**

- Draw conclusions – some ads leave it up to you or come to a final conclusion

- Argument type – do you have a one sided argument e.g. is it positive or a 2 sided argument e.g. shows both positive and negative
- Argument order – decide if you present a good influence e.g. professional people to sell your product

#### **STEP 4**

Choosing media is either:

1. Personal communications channels – 2 or more people communicating together
2. Nonpersonal communications channels – got a message but without personal contact or personal feedback e.g. papers, mags.

#### **STEP 5**

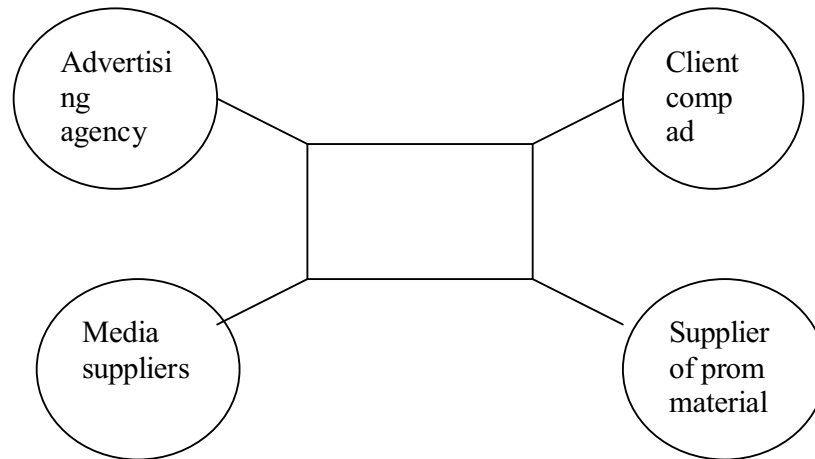
Selecting the message source. If you use professional the message as got a credibility

#### **STEP 6.**

Collecting feedback – if you don't get feedback you will not know what the responses were from your audience

## **The role of the various parties in the communications industry and the relationship they have with one another.**

There are thousands of companies that provide a specialist service when it comes to communications and you can put all those companies in 4 different parties each having different roles:



### **Agencies**

There are 5 types of agencies:

- In-house – the company recruits a advertising and promotion workforce
- Full service agency (one – stop shop) – provides a complete advertising service
- Creative hot shops – specialise in creative ideas and solutions
- Media independents – specialise in planning and buying media
- A la carte – a client can pick at what services they want

All the above though has the same roles:

- Provide promotional and marketing services
- Planning of campaigns
- Design of creative components
- Preparation and buying of media
- Buying and amalgamation of other promotional material
- Administration and accountancy for the process
- Implementation of campaign
- Observe and evaluate the results

The top ten agencies are listed below:

- Grey Global
- J Walter Thompson
- Ogilvy and Mather
- Omnicom Group
- McCann Erickson
- Starcom MediaVest
- TBWA
- Initiative Media
- Carat



- BBDO

[www.adbrands](http://www.adbrands)

## **Clients**

These are infact the ‘advertiser’ and are really the lynchpin in the whole structure. Their roles are as follows:

- Providing the original need for the campaign
- Selecting and briefing the agency
- Discussing and agreeing on campaign plans
- Integrating and promotional planning into marketing planning
- Evaluating and controlling the campaign
- Financing the whole process

Examples of advertising companies are:

- Advertising.com
- Real Media
- Ad2-one
- Ad Pepper Media UK

[www.adbrands](http://www.adbrands)

## **Media suppliers**

These are television companies, radio companies, newspapers and magazine owners and poster companies. E.g.:

- BBC, ITV and Carlton
- Radio 1, Hallam and Galaxy
- Sun, Daily Mail and Mirror
- National magazines company

## **Supplier of other promotional materials**

These could be printers, producers of promotional gifts, exhibition organisers. These though are managed through the advertising agencies.

Examples of these could be breweries giving out promotional gifts or sporting contests i.e. F1 or football matches

The relationship between 3 of the above is known as ‘the triangle of dependence,’ and the 3 parties are:

- agencies
- clients
- media supplies

The relationship they have with each other is as follows:

‘A client is the advertising agencies customer, and a media supplier is sublet labour or a subcontractor.’

[www.tutor2u](http://www.tutor2u)

Another definition is 'Advertising is a means of communication. Its main function is to market products and services to potential buyers in an effective and persuasive manner. The client determines what is to be advertised, the media carry the message about the product or service to the attention on potential buyers and so therefore the link between the client and the media is the advertising services'

[www.ihaveanidea.org](http://www.ihaveanidea.org)

So accentually if you take one of the parties out of the equation your advertising will not be as effective as it is when all 3 work together as part of a team.

## **Conclusion**

As you have seen there is much more to the 'communications industry' and the structure of it.

When you are communicating your product or service to the consumers there is a lot to think about. Sometimes though, the person receiving your message may not get the full message due to noise around the home, when the T.V or radio is on. Even though this isn't your fault you must still be aware of noise and other possible problems that can arise. If you don't get the message across the way you were supposed to then someone else will.

## References

[www.adbrands](http://www.adbrands)  
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[www.tutor2u](http://www.tutor2u)

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Web Sites on Reference Page

# Section 2

## Current Trends

## **Introduction**

This script is to explain two current trends in the communications environment in the U.K. The two trends I am to explain are e-commerce e.g. the internet and also micro marketing e.g. target marketing-magazines. I will give you a definition of the current trends and the advantages and disadvantages of both.

## Micro marketing

Micro marketing is the process of individualising marketing, so that the product fits the customer perfectly. [www.bized.ac.uk](http://www.bized.ac.uk)

There are several important reasons why businesses attempt to segment their markets carefully. The main reason is that customer's needs differ. Customer circumstances change, for example they grow older, form families, change jobs or get promoted, change their buying patterns. By marketing products that appeal to customers at different stages of their life ("life-cycle"), a business can retain customers who might otherwise switch to competing products and brands. By segmenting markets, the target customer can be reached more often and at lower cost

Magazine Companies are a good example of Micro marketing.

National Magazines are a well established company who own brands like Cosmopolitan, Cosmo Girl, Best and many more. They target their audience by Demographic marketing.

Below is a table with some of National Magazines mags and also their targeted groups.

Magazine	Demographic marketing
<b>Best</b>	Demographically, the reader is aged 25-55, with a current median age of 40. She is likely to be BC1C2+, married with children, living in her own home. Attitudinally she is down to earth, an experienced mother, enjoys her role as a wife, and juggles a busy home and work life. From focus groups we know that whilst she is experienced in life, she still wants to be inspired - from fashion tips, through to great cookery ideas. <a href="http://www.natmags.co.uk">www.natmags.co.uk</a>
<b>Company</b>	The core buyer is aged 18-28 and is ABC1. Although she is aware of the future and wants to be successful, she is determined to get the most out of life right now. She likes to be in the know on personal, sexual and social issues and loves anything that is new, stylish, fun and fast paced. Subconsciously, she is still searching for her identity and trying to establish her own style. This is the time of her life when she really has the chance to experiment and grow. She needs guidance, but wants to be presented with choices rather than dictated to. <a href="http://www.natmags.co.uk">www.natmags.co.uk</a>
<b>Cosmo GIRL</b>	Aged between, 12-17, Cosmo Girls are defined by attitude rather than demographic. Intelligent and inquisitive,



	<p>the! Is determined to succeed: at home, at school and in her relationships with her friends, family and boys. She wants to take full advantage of the many choices and opportunities open to her but understand that self-fulfilment comes from having fun, treating yourself and feeling good, as much as from working hard at school and material things. Boys, friends, family, music and shopping are an essential part of her life. She is part of the post-feminist generation who assume they have equal rights. She is growing up in a world that is getting progressively smaller and physical boundaries or tradition than her predecessors. She will judge her success on her own terms.</p> <p><a href="http://www.natmags.co.uk">www.natmags.co.uk</a></p>
<b>Country Living</b>	<p>Purchasers are upmarket homeowners 35+ who either aspire to the romantic dream of living in the country or are already living the life. United by a love of the countryside and a strong desire for a better quality of life, they are discerning but prepared to invest in products that combine quality, craftsmanship and lasting value.</p> <p><a href="http://www.natmags.co.uk">www.natmags.co.uk</a></p>
<b>Esquire</b>	<p>28-40, he does not have children yet, but does have commitments to his job, partner and home. He's well educated, career-minded and successful, and has reached a stage in his life where he is confident about who he is, what he wants, and where he is going.</p> <p><a href="http://www.natmags.co.uk">www.natmags.co.uk</a></p>

As you can see from the above information, National magazines targets by age and sex and for magazines this is probably the best way.

## **E-commerce**

It gives a business new ways of marketing and selling its products or services. When setting e-commerce up you need to have clear objectives on what you want to put into a site and what benefits you want to receive.

[www.tutor2u](http://www.tutor2u)

### **Internet Advertising**

Internet advertising is an up and coming way of advertising products. There are two ways to advertise on the Internet. You can either register your Web site with search engines so the visitors to the Internet can find you or place an "ad banner" for your site on another Web site. Both are commonly used and even more so as time goes on.

The customer can use the internet both on and off line, and it can be used for both business to business and business to consumer purposes. Advertising on the internet target specific types of viewer because the sites allow you to target your audience by geographic location and related interest areas. Requesting feedback from the customer is even easier as this is done interactively and last but not least you have a global audience, because anyone at any location in the world can access information about your products or services any time of the day, as the internet is always available.

The internet also has its problems. The popularity of the internet isn't as popular as expected. A lot of buyers don't like buying of the internet due to either the security of credit cards or the simple explanation of that they can't use the internet and its search engines.

## References

[www.bized.ac.uk](http://www.bized.ac.uk)  
[www.natmags.co.uk](http://www.natmags.co.uk)  
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Web Sites on Reference Page

# Section 3

## Behaviour Models

## **Introduction**

In this final section I am to give 3 buyer behaviour models and to assess the impact they have on consumer behaviour.

## Buyer behaviour – black box model (stimuli response model)

Consumers go out and buy items of perishables and non perishables everyday, but what makes them decide on which product or which brand and which price?

All the marketers can do is influence the customer. There are two types of stimuli:

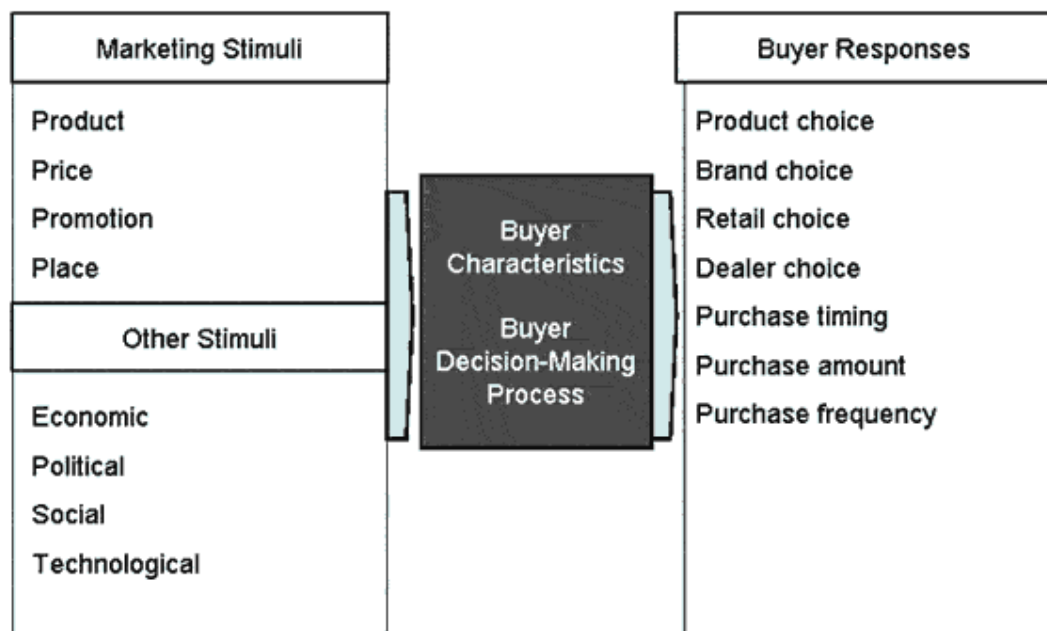
1. Uncontrollable stimuli – there is no influence over customers either due to social, economic, political or technology factors. These factors are known as the P.E.S.T factors.
2. controllable stimuli – you can influence the customer using the 4 P's

The first part of the black box is – stimulus – this is to motivate the customer. In this part you would have the 4 P's and other stimuli like PEST.

The second part is the actual 'black box' response. This is what the customer thinks, their buyer characteristics. Marketing management must try to work out what goes on in the mind of the customer at this stage.

The third part is – outputs – the purchasing decision and response. Things like: product choice, brand choice, retail choice, dealer choice, purchase timing, purchase amount and purchase frequency.

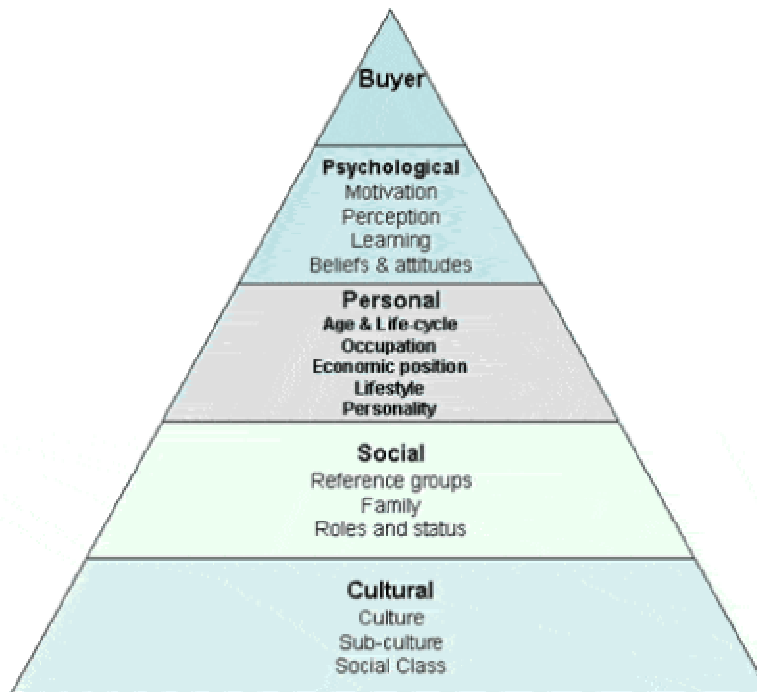
### Stimulus-Response Model of Buyer Behaviour



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There are characteristics that affect customer behaviour though.

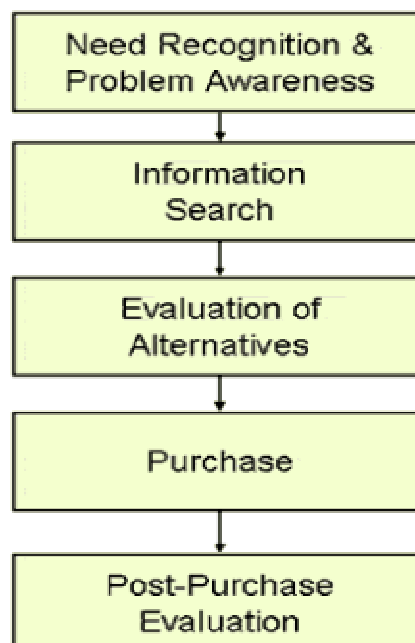
The first stage of understanding buyer behaviour is to focus on the factors that determine the 'buyer characteristics' in the 'black box'. These can be summarised as follows:



[www.tutor2u.com](http://www.tutor2u.com)

### Buyer behaviour – decision making process

As well as the black box model research suggests that customers go through a five stage decision making process in any purchase.



[www.tutor2u.com](http://www.tutor2u.com)



This model is important for anyone making marketing decisions. It forces the marketer to consider the whole buying process rather than just the purchase decision.

The model implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages.

The buying process starts with recognition. The buyer recognises a problem or need. If the need is strong and there is a product or service that meets the need close to hand, then a purchase decision is likely to be made there and then. If not, then the process of information search begins.

The usefulness and influence of these sources of information will vary by product and by customer. Research suggests that customer's value and respect personal sources more than commercial sources (the influence of "word of mouth"). The challenge for the marketing team is to identify which information sources are most influential in their target markets.

In the evaluation stage, the customer must choose between the alternative brands, products and services.

After evaluating which product to buy the customer then purchases.

Lastly there is the post-purchase evaluation. Did it meet the customer's requirements?

## **Conclusion**

Buyer behaviour is an important part of the marketing process and it to understand why a customer makes a purchase.

Without such an understanding, businesses find it hard to respond to the customer's needs and wants. You have just seen 3 buyer behaviour models and each suggest different processes you have to go through.

For a marketing manager, the challenge is to understand how customers might respond to the different elements of the marketing mix that are presented to them.

If management can understand these customer responses better than their competition, then it is a potentially significant source of competitive advantage.

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[www.tutor2u.com](http://www.tutor2u.com)

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