

Advertising

Let's Define Advertising

- It may not be exactly what you think it is.
 - In fact, we may attribute many types of promotion to advertising, when technically, it may not be “officially classified” as advertising
- Advertising
 - Any paid form of nonpersonal communication about an organization, good, service, or idea by an identified sponsor.
 - Advertising is one-way communication
 - From one source to many, or mass receivers
 - The key components:
 - 1. it is paid for, and thus the sender or sponsor has control over the message, the medium, the placement and the timing
 - 2. it is one-way communication, unlike personal/professional selling and some forms of social media

Characteristics of Advertising

- Can reach masses of geographically dispersed buyers.
- Can repeat a message many times.
- Is impersonal, one-way communication.
- Can be very costly for some media types.

Advertising

- Advertising is used by:
 - Business firms
 - Nonprofit organizations
 - Professionals
 - Social agencies
 - Government
- An advertising objective
 - is a specific communication task to be accomplished with a specific target audience during a specific period of time.

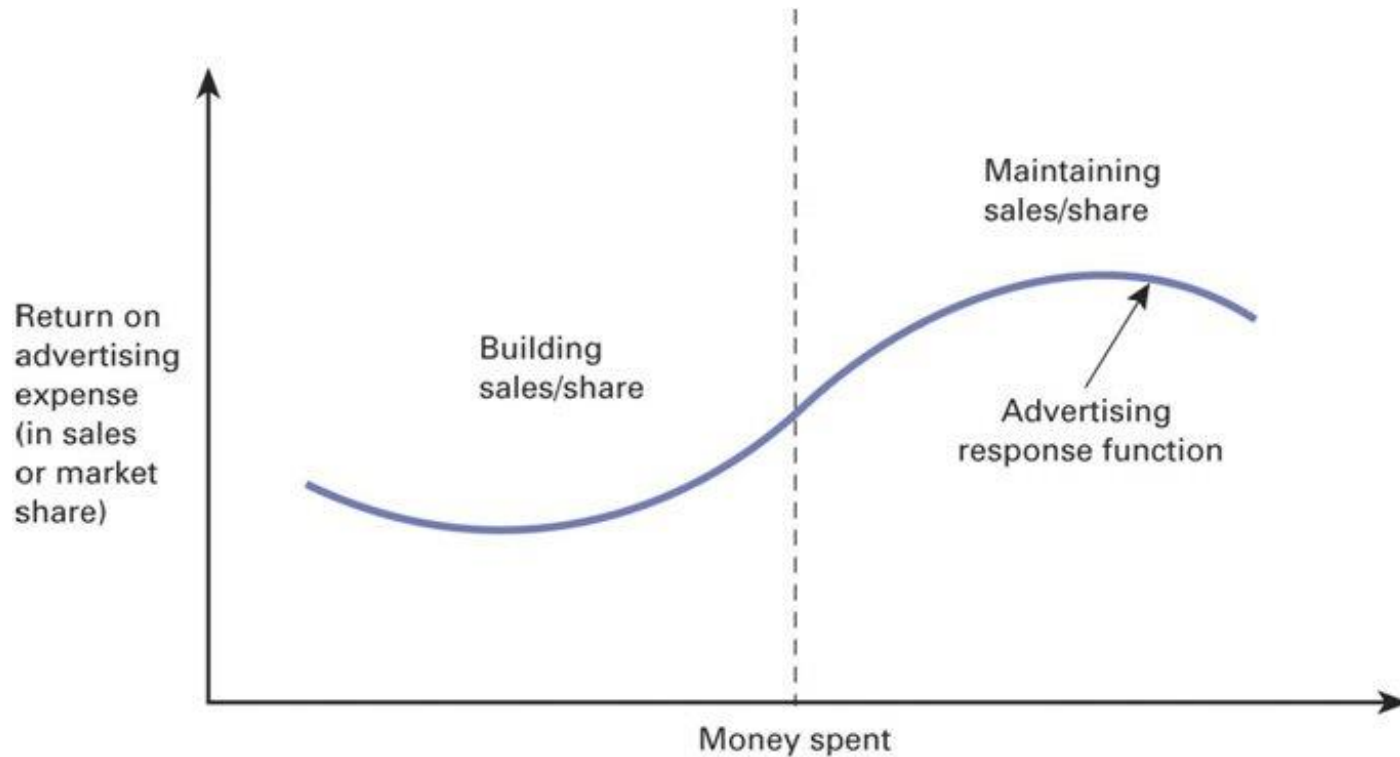
Advertising and Market Share

- New brands with a small market share spend proportionally more for advertising and sales promotion than those with a large market share.
 - Beyond a certain level of spending, diminishing returns set in.
 - New brands require higher spending to reach a minimum level of exposure needed to affect purchase habits.

Effects of Advertising on Consumers

- The average U.S. citizen is exposed to hundreds of ads each day.
- Advertising may change a consumer's negative attitude toward a product, or reinforce a positive attitude.
- Advertising can affect consumer ranking of a brand's attributes.

Advertising Effects

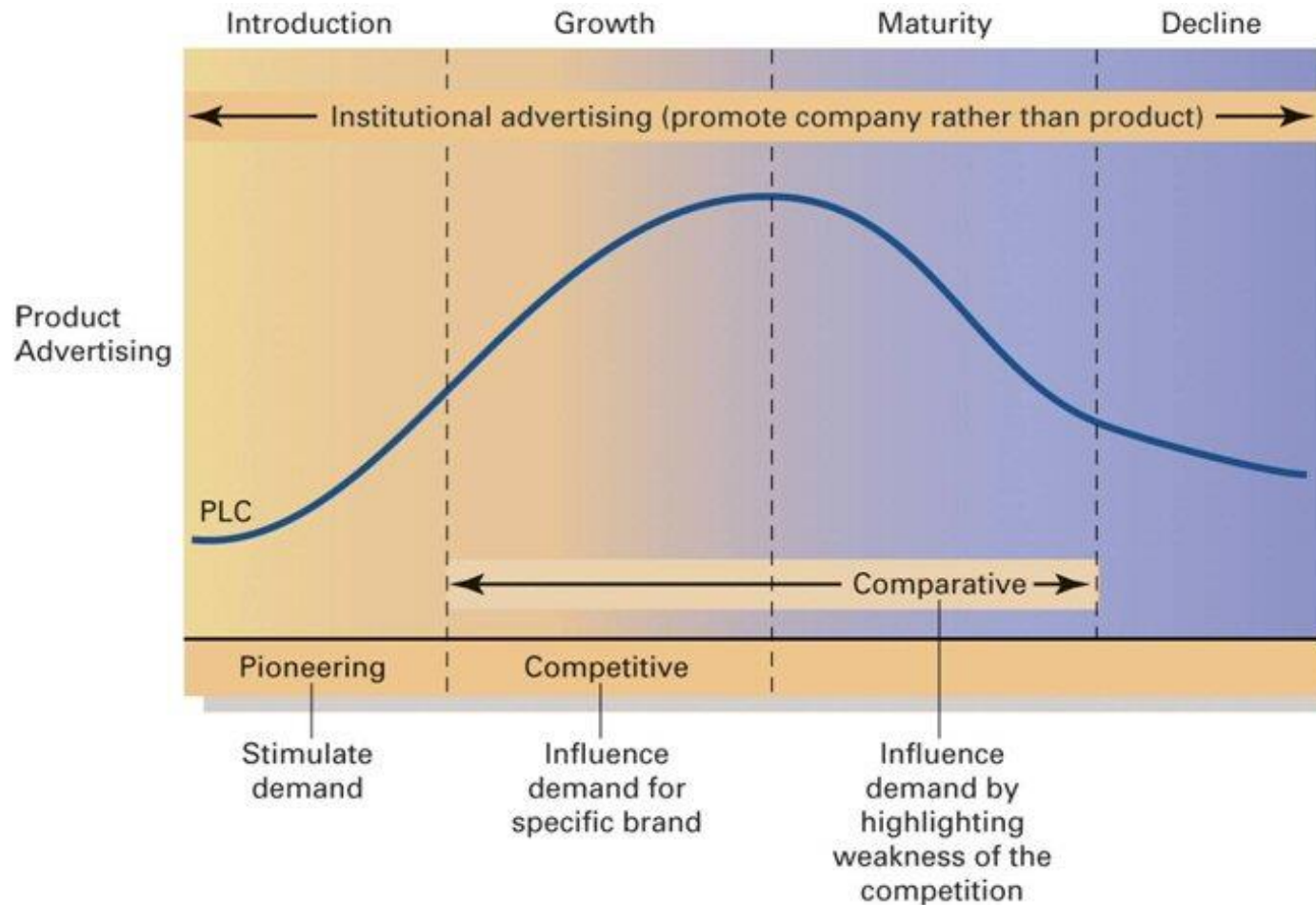


- Advertising can:
- ✓ change negative attitude to positive
 - ✓ reinforce positive attitude
 - ✓ affect how consumers rank brand attributes

Types of Advertising

- Institutional
 - Advertisements designed to build goodwill or an image for an organization, rather than promote a specific good or service
 - Enhances a company's image rather than promotes a particular product.
- Product
 - Touts the benefits of a specific good or service
 - Advertisements that focus on selling a good or service and take three forms:
 - (1) pioneering (or informational)
 - Stimulates primary demand for new product or category
 - Used in the PLC introductory stage
 - (2) competitive (or persuasive)
 - Influences demand for brand in the growth phase of the PLC
 - Often uses emotional appeal
 - 3) reminder
 - Compares two or more competing brands' product attributes
 - Used if growth is sluggish, or if competition is strong
- Pioneering versus Competitive
 - Pioneering ads tell people what a product is, whereas competitive ads promote a specific brand's features and benefits.

Product Life Cycle & Advertising Types



Advertising Objectives

- An advertising objective is a specific communication task to be accomplished with a specific target audience during a specific period of time.
- Classified by purpose:
 - Inform
 - Persuade
 - Compare
 - Remind