# ADVERTISING MANAGEMENT

Chapter 5

# CHAPTER OVERVIEW

- Advertising management
- Advertising theory
- Relationship of advertising expenditures to success
- Choosing an advertising agency
- Advertising parameters



# **READY FOR THIS?**

- The average person encounters more than 800 ads per day.
- TV, Radio, Print, Billboards, Newspapers, Direct mail, mobile, online, etc.
- Internet, texting, social networks, on hold messaging – all new
- Marketers must make medium choices



5-4

REGULATIONS & ETHICS
EVALUATION

DATABASE & DIRECT RESPONSE
SALES PROMOTIONS
PUBLIC RELATIONS AND
SPONSORSHIPS

DIGITAL
SOCIAL MEDIA
ALTERNATIVE CHANNELS

ADVERTISING MANAGEMENT
ADVERTISING DESIGN
TRADITIONAL MEDIA

CORPORATE IMAGE BRAND MANAGEMENT
BUYERS BEHAVIORS
IMC PLANNING PROCESS

# **ADVERTISING MANAGEMENT**

- Advertising management
  - Developing message theme
  - Leverage point
  - Appeal
  - Executional framework



# TO BE EFFECTIVE, AN AD....



Be noticed



Be remembered

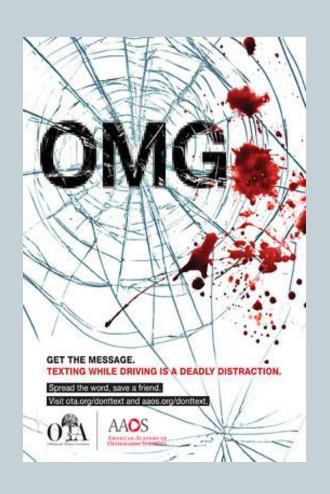


Message should incite some type of action

Purchase Shift in brand loyalty Affinity (I want to have a relationship with you) Buy again

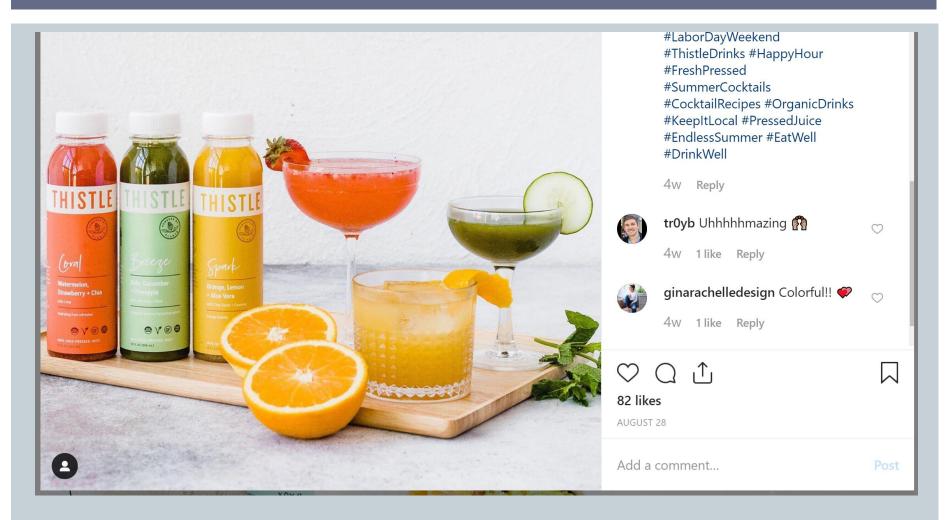


# REMEMBERED

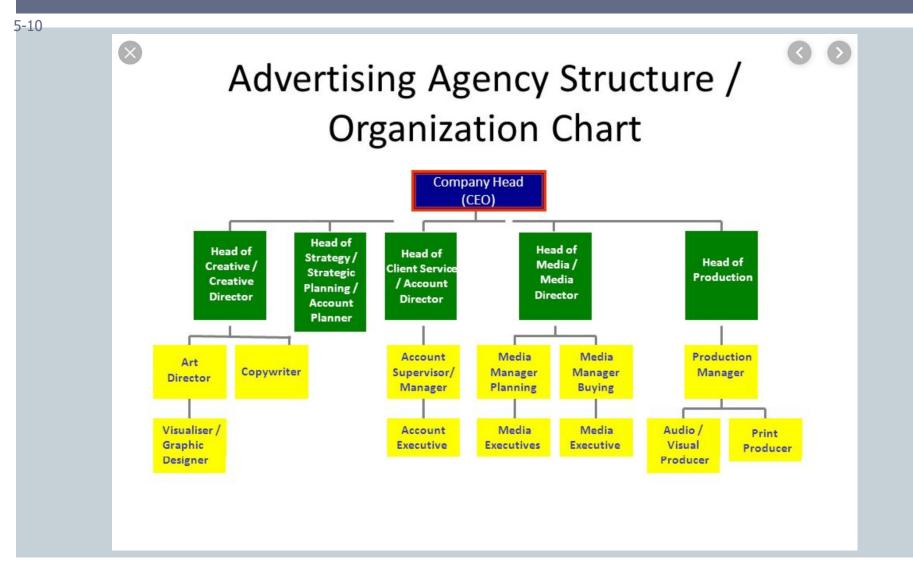




# INCITE SOME TYPE OF ACTION



# **ADVERTISING AGENCY**



# LAYS POTATO CHIPS

Lay's is introducing eight new flavors of potato chips inspired by food from different regions of the country. The flavors are being released one at a time.

Here's the list of new flavors:

- Cajun Spice
- Chile Con Queso
- Chesapeake Bay Crab Spice
- Deep Dish Pizza
- Fried Pickles with Ranch
- New England Lobster Roll
- Pimento Cheese
- Thai Sweet Chili



# Target Product Positioning Objectives IMC Components

# PLANNING PROCESS

In developing an advertisement for a promotional campaign, two theoretical approaches

- 1. The hierarchy of effects model
- 2. A means-ends theory

# ADVERTISING THEORY

- A model of how advertising influences a consumer's decision to purchase or not purchase a product or service.
- Represents the progression of learning and decision-making consumer experiences as a result of advertising.
- Used to set up a structured series of advertising message objectives for a particular product, to build upon each successive objective until a sale is ultimately made.
- The model suggests that a consumer or a business buyer moves through a series of six sequential steps when being convinced to make a purchase:

HIERARCHY OF EFFECTS THEORY

Conviction. The actual purchase.

# HIERARCHY OF EFFECTS MODEL

Steps are sequential

Consumers spend time at each step

Brand loyalty involves all six steps

Similar to attitude formation

Cognitive → affective → conative

Cognitive - awareness, knowledge

Affective - liking, preference, conviction

Conative - actual purchase

# BACK IN CHAPTER 3: ATTITUDES

## Three Parts of the Mind

## Cognitive

Thinking

IQ Skills Reason Knowledge Experience Education



Conative Doing

Drive Necessity Innate Force

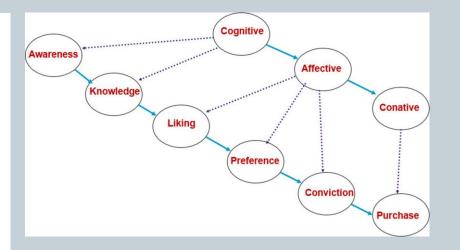
## Affective

Feeling

Desires Motivation Attitudes Preferences Emotions Values

Instinct Mental Energy Talents

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Awareness.

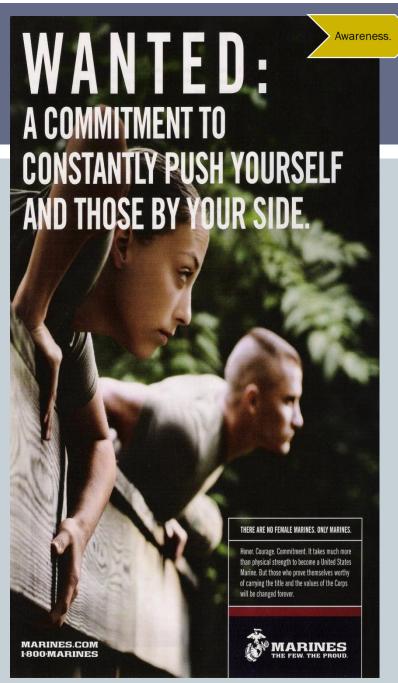
Knowledge.

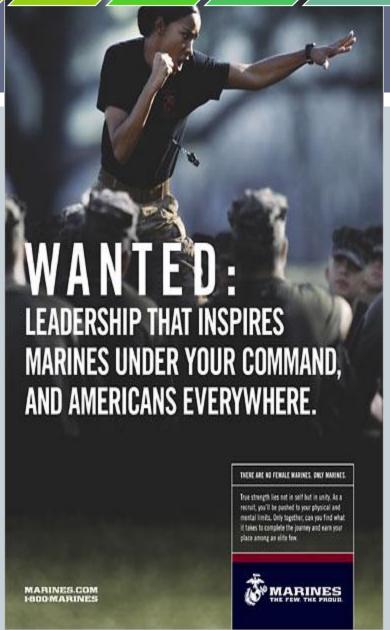
Liking.

Preference.

Conviction.

The actual purchase.





Liking.

Preference.

Conviction.

Knowledge.

The actual

purchase.

Awareness.

Knowledge.

Liking.

Preference.

Conviction.

The actual purchase.

L







# IN DESIGNING ADS, IT IS IMPORTANT TO REMEMBER PEOPLE HAVE VALUES, AND MUCH OF THEIR CONSUMPTION BEHAVIOR IS MOTIVATED BY A DESIRE TO FULFILL THESE VALUES IN THEIR LIVES.

- Pleasure
- Salvation
- Security
- Self-fulfillment
- Self-respect
- Sense of belonging
- Social acceptance
- Wisdom

- Comfortable life
- Equality
- Excitement
- Freedom
- Fun, exciting life
- Happiness
- Inner peace
- Mature love
- Personal accomplishment

# 2. MEANS-END THEORY

Suggests the promotions contains a message (mean) that leads the consumer to a desired end state.

End States are personal values

People buy features that bring them benefits that get them closer to valued end state.

 Consumer viewing the ad will reach one of the desired end state

# **MEANS END THEORY**

Drinking Milk....



■ Desired End State ...



# **MEANS-END THEORY**

Investing in the future....

Will Lead to....



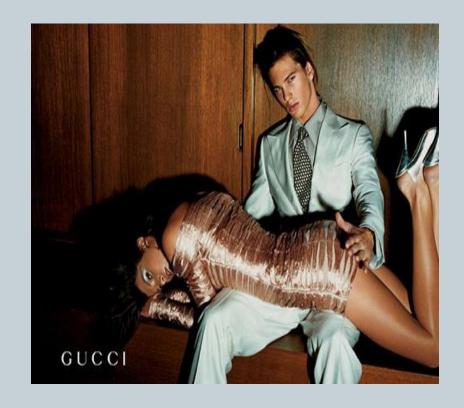


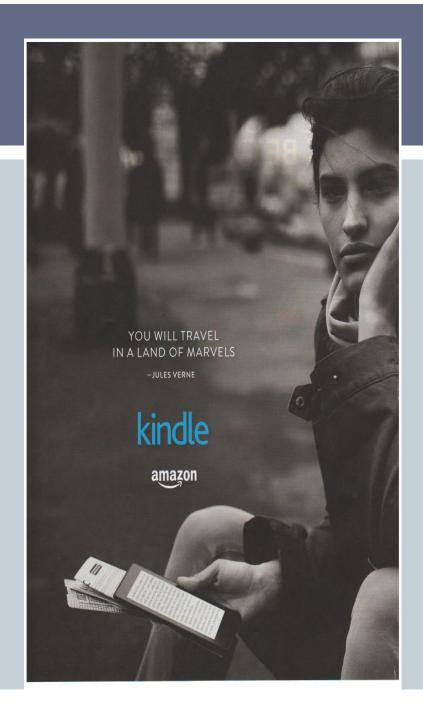
# **MEANS-END THEORY**

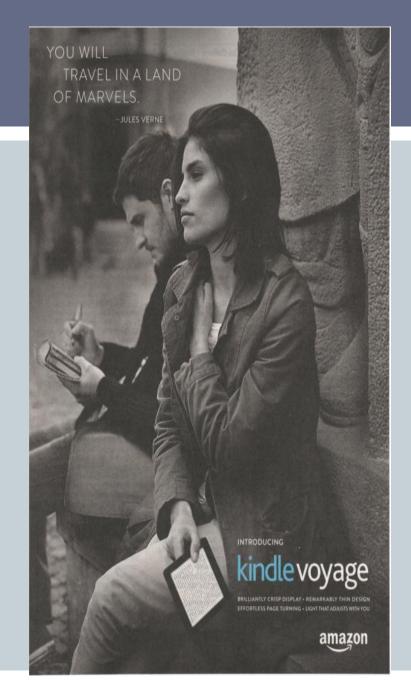
Wearing Gucci....



Desired End State....









# Means-End Conceptualization of Components of Advertising MECCAS

# 5 Elements should be used in creating ads:

- Product attributes
- Consumer benefits
- Leverage points
- Personal values
- Executional framework

# **MEANS END CHAIN**

# **Attributes**

What is the product?

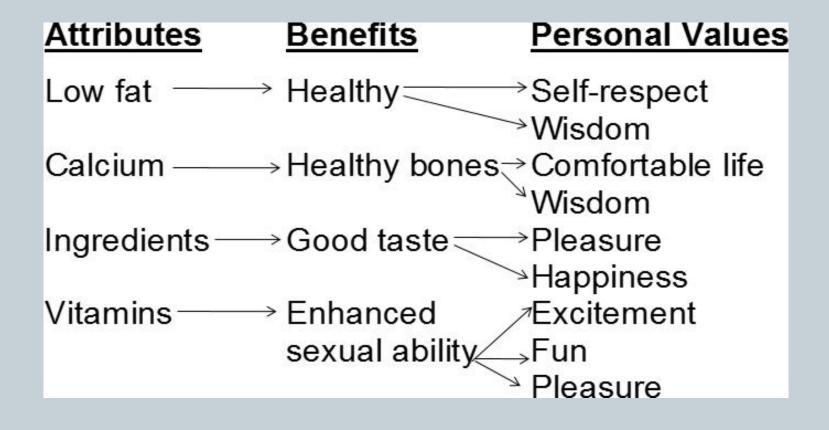
# **Benefits**

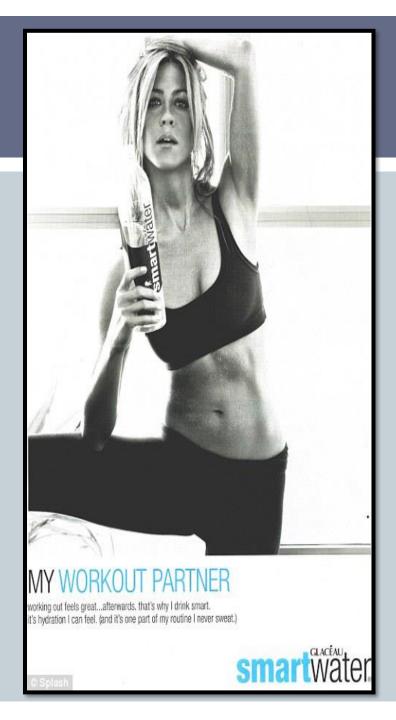
What does the product deliver to the consumer?

# <u>Values</u>

What does the product aid the consumer in doing?

# FIGURE 5.3 MEANS-END CHAIN FOR MILK





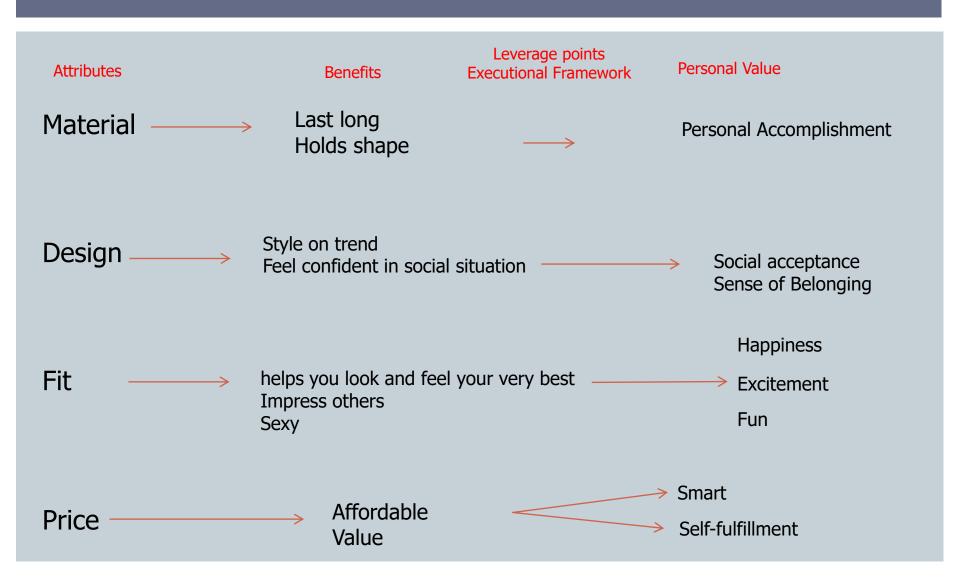
- When we look at this ad, we are moved through five elements
- Product attribute: hydration
- Consumer Benefit being strong and healthy if you drink water
- Leverage point is the connection between the benefit of health and the personal value of feeling wise.
- Personal value obtained from staying hydrated is feeling wise for drinking smartwater.
- Executional Framework Jennifer's looks & body reminds the viewer of the healthy aspects of drinking water
  - In this case working out to stay young and fit.



What are the five elements that move us through his ad?

- What is the product attribute?
- Consumer benefit?
- Leverage point?
- Personal value obtained?
- Executional framework?

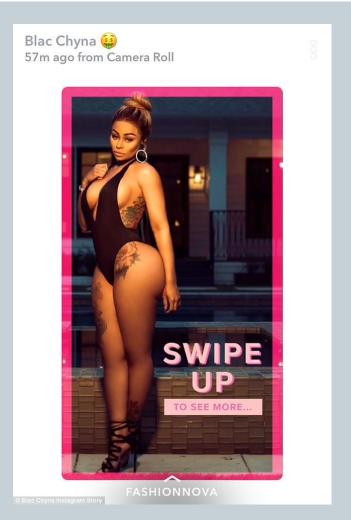
# MEANS-END CHAIN FOR BATHING SUITS

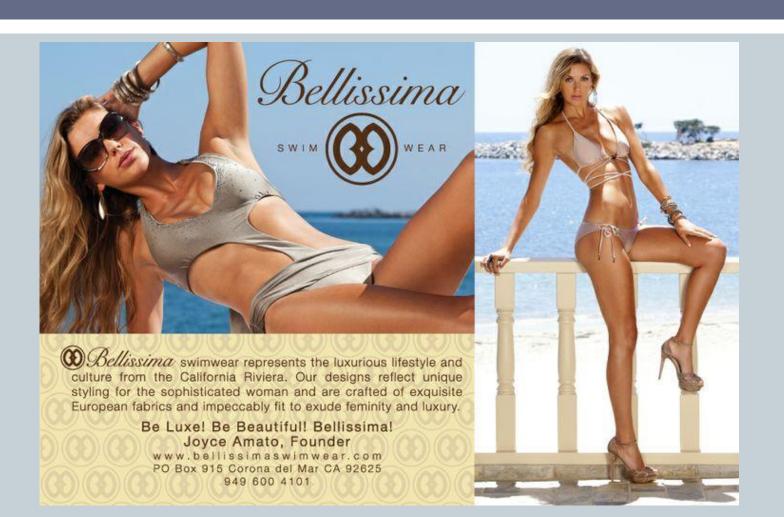


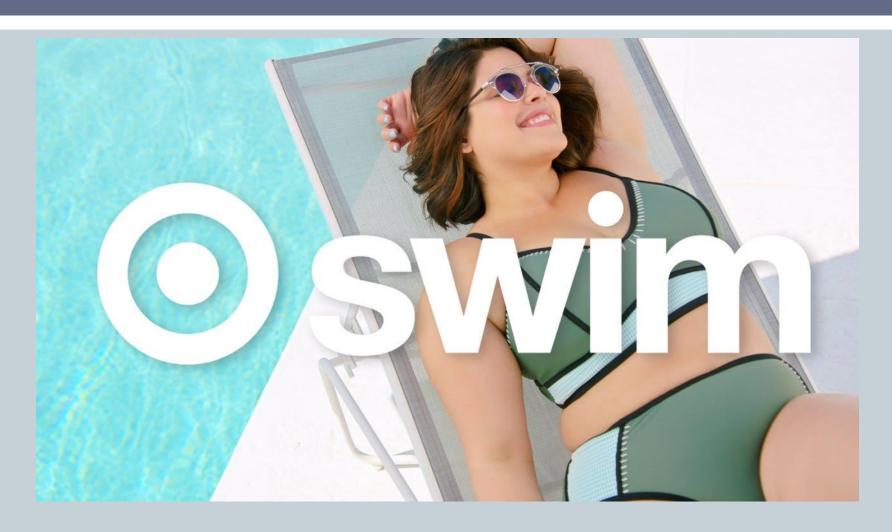




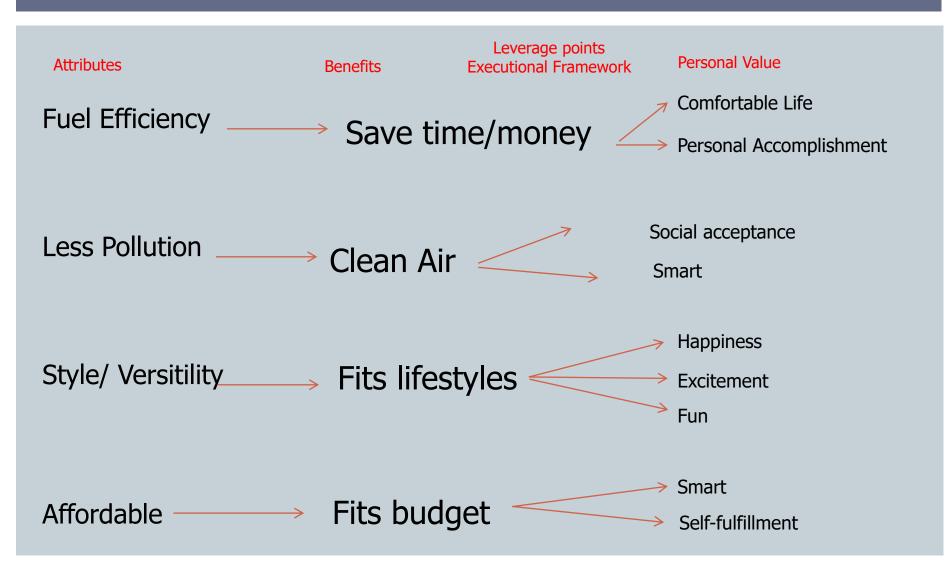




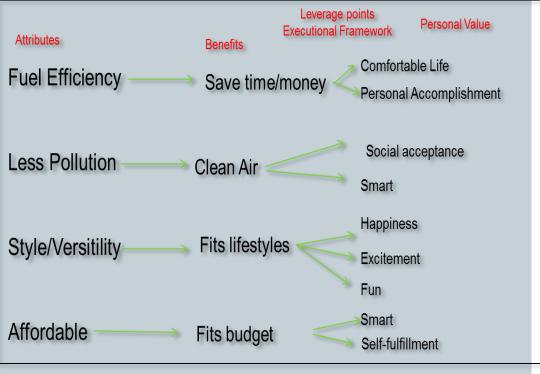




# MEANS-END CHAIN FOR TOYOTA PRIUS CAR

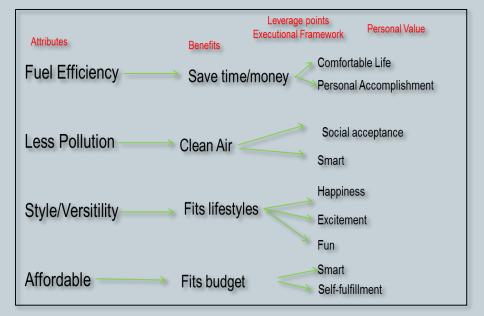


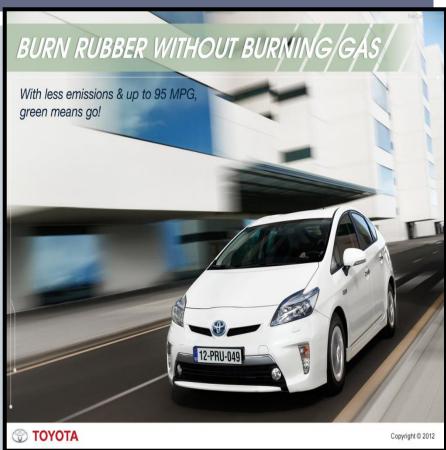












#### make them envy with green.

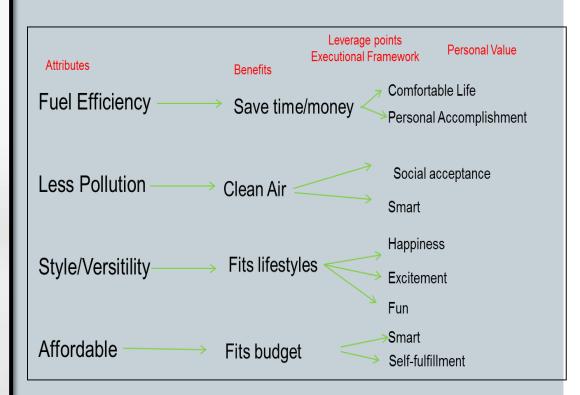
Introducing the Prius Plug-In, the most advanced Prius yet. Proven hybrid technology meets a 62-mile, all-electric mode. Emissions lower. MPGs rise. Joneses covet.



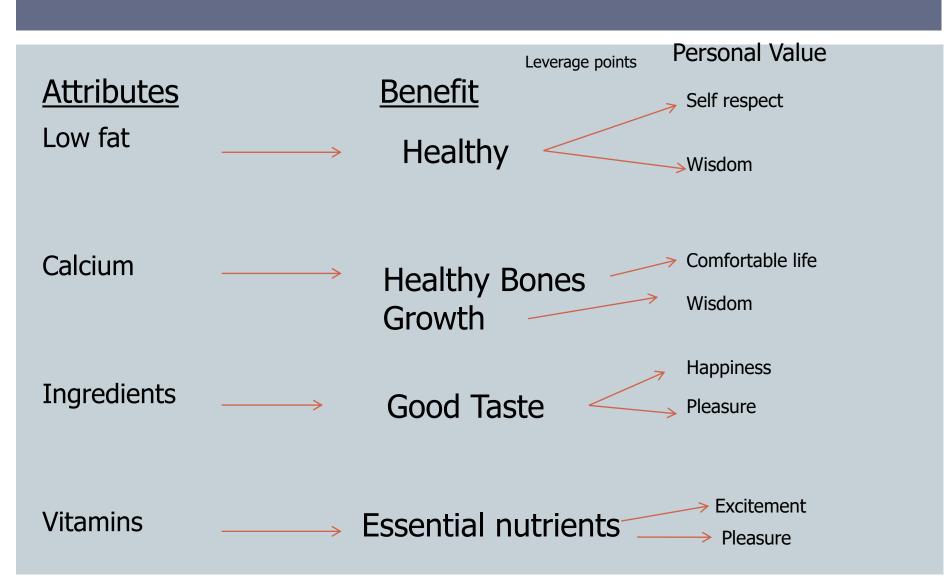
toyota.com

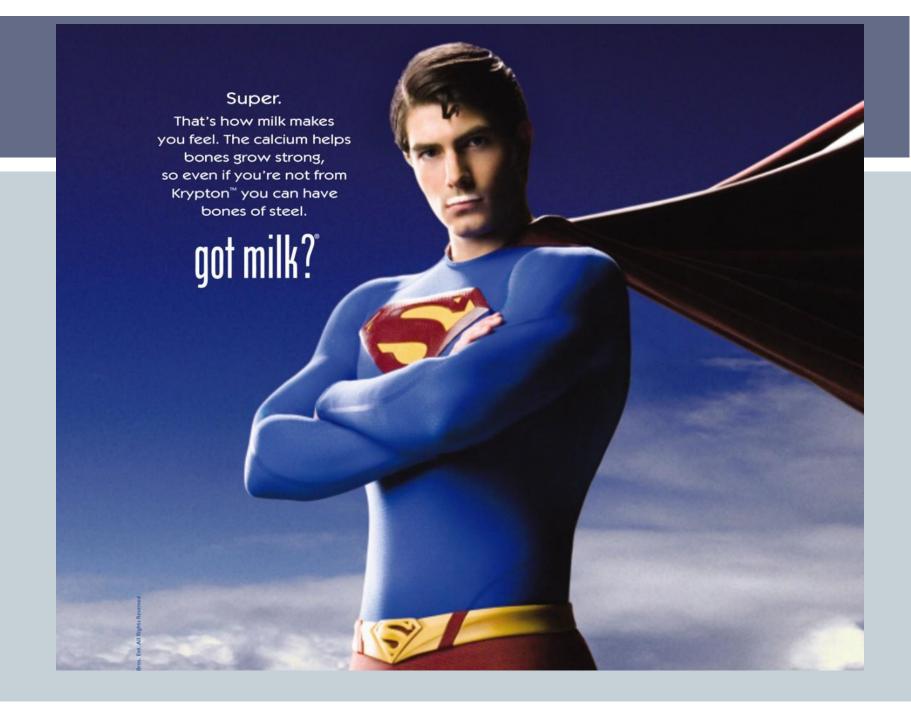
hatelige and concept wholes shown eth colors. Production model may vary \$5512 Sycla Motor Sales, U.S./





#### MEANS-END CHAIN FOR MILK







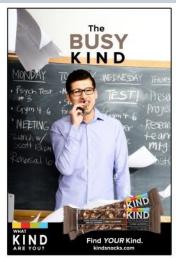
<u>Attributes</u>	<u>Benefits</u>	Personal Values
Low fat	→ Healthy	→Self-respect
Calcium ——	→ Healthy bones:	→Comfortable life Wisdom
		<sup>⁴</sup> Wisdom
Ingredients—	→Good taste <i></i>	→Pleasure
		> Happiness
Vitamins——	→ Enhanced	∕/Excitement
	sexual ability	<sub>→</sub> Fun
		<sup>⊸</sup> Pleasure

## HOW CAN LEVERAGE POINTS AND TAG LINES HELP ADS?

- A leverage point is the feature of the ad that leads the viewer to transform the advertising message into a personal value.
  - To construct a quality leverage point, the creative must be able to build a <u>pathway</u> that connects a product benefit with the potential buyer's value system.
  - Creatives spend considerable amounts of time designing ads with powerful leverage points.







### VERBAL AND VISUAL ELEMENTS

- Balance between visual and verbal
- Visual processing
  - Easier to recall
  - Stored both as pictures and words
  - Concrete vs. abstract
- Radio visual imagery
- Visual esperanto
- International ads
- B-to-B advertisements



#### **TAGLINES**

A tagline is something that is memorable and identifies the uniqueness of a brand or that conveys some type of special meaning.



### **TAGLINES**



Key phrase in an advertisement



Memorable



Identify uniqueness or special meaning



Provide consistency



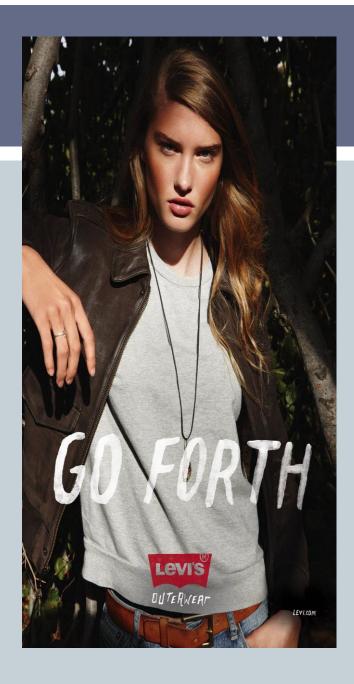
Taglines identified with specific brands

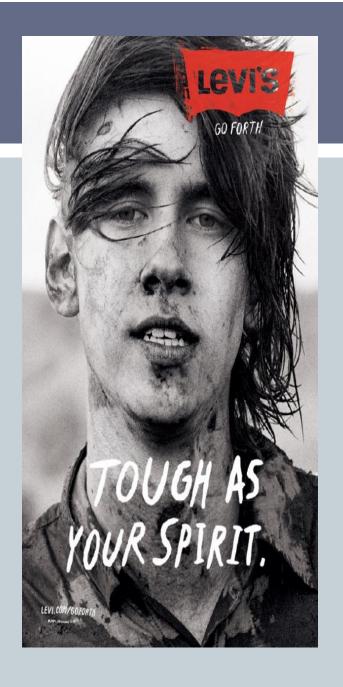


Catchy taglines transcend campaigns

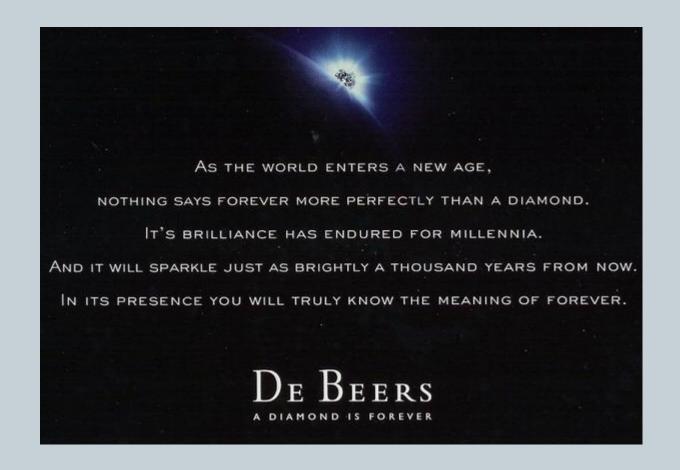


Developing new taglines is challenging





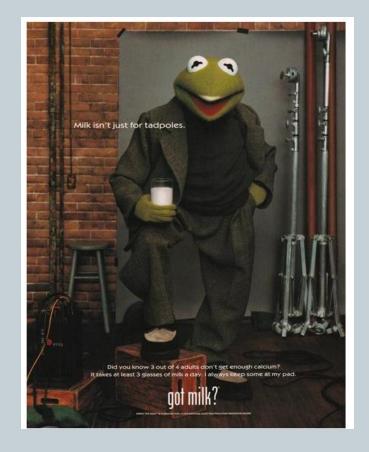


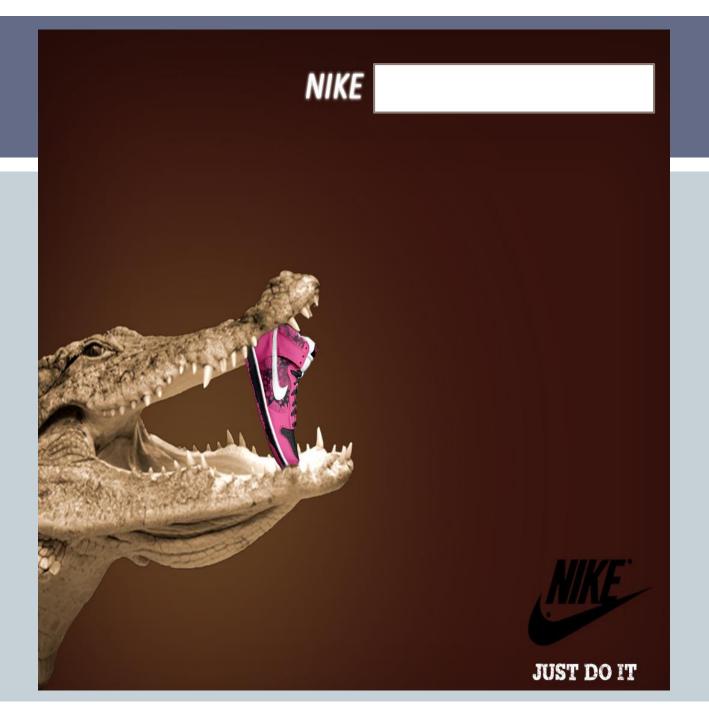




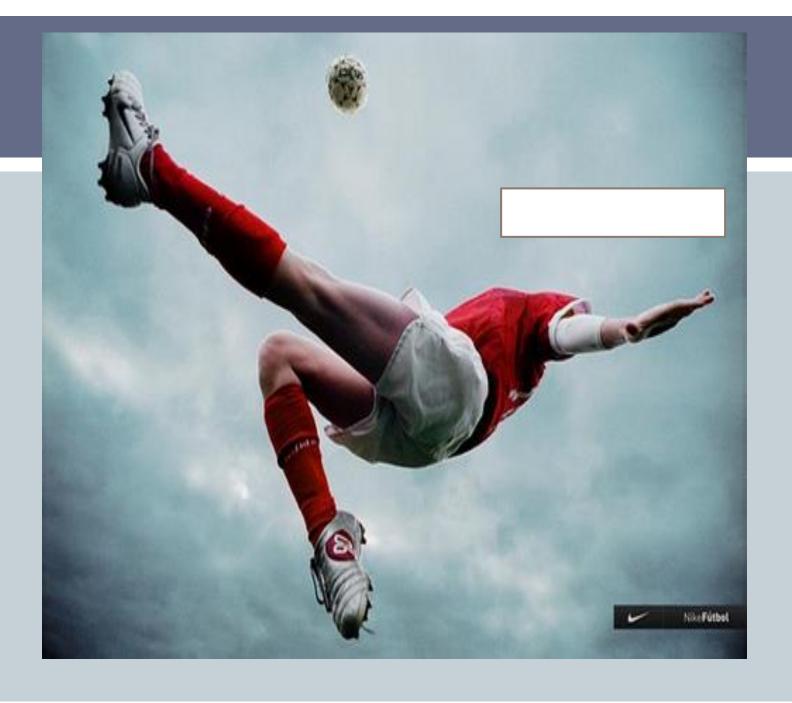




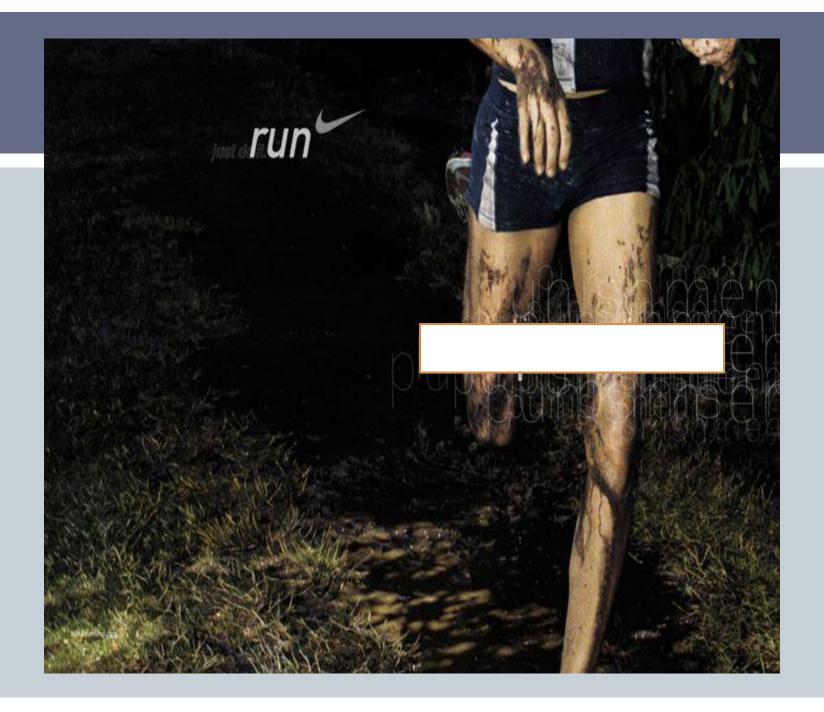


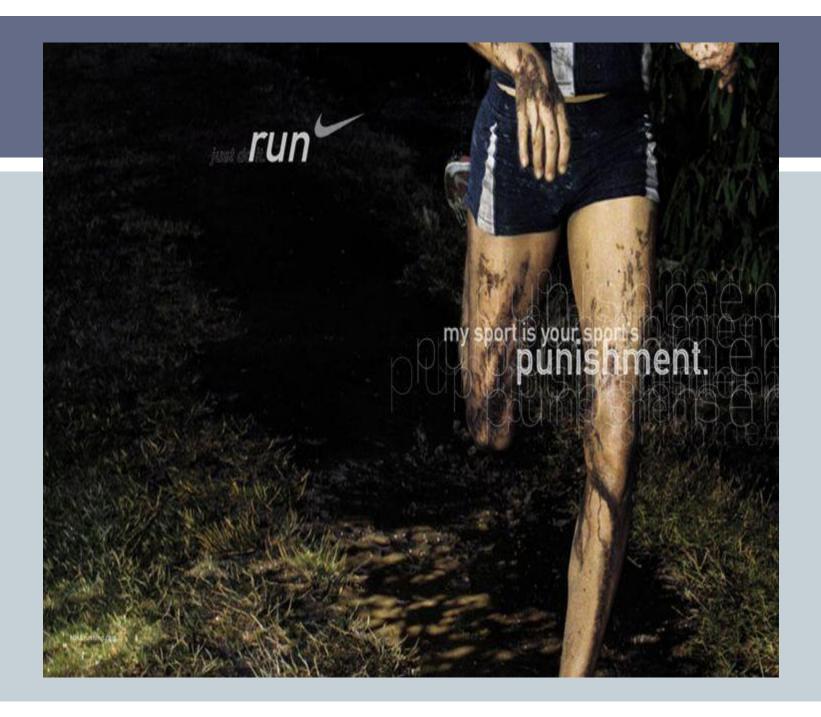


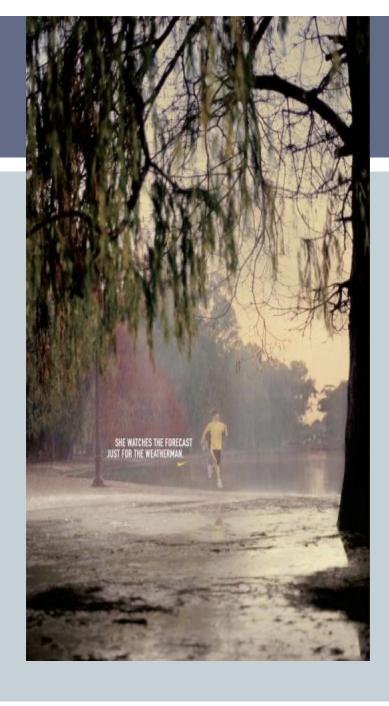


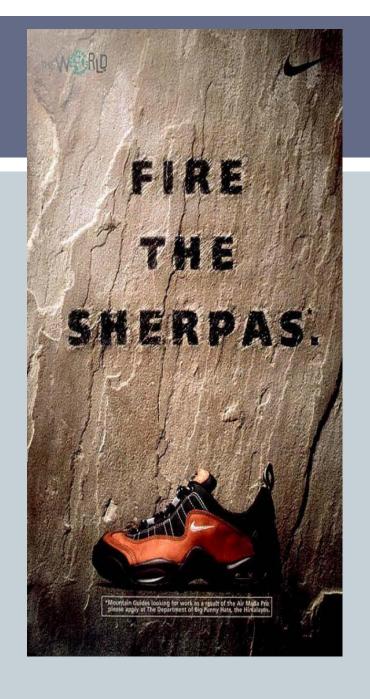












## WHAT ROLE DOES VERBAL AND VISUAL ELEMENTS PLAY IN ADVERTISEMENTS?

A key decision made by the creative determines the degree of emphasis given to the visual elements of the ad versus the verbal elements.



Combining visual with verbal elements can cause a message to be dualcoded and more easily remembered.



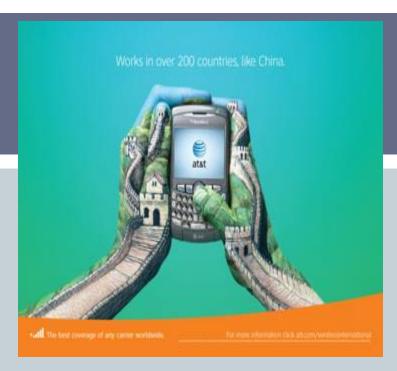
#### Visual images:

Often lead to more favorable attitudes toward both the advertisement and the brand

Tend to be more easily remembered than verbal copy

Are stored in the brain both as pictures and words

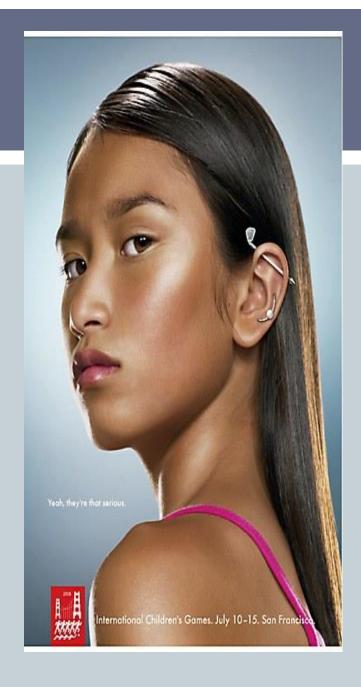
Range from very concrete and realistic to very abstract

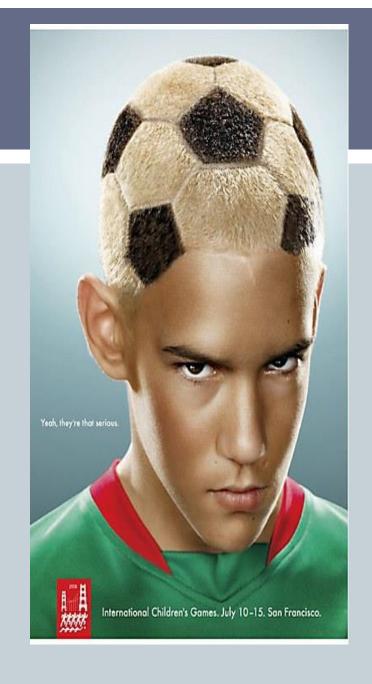


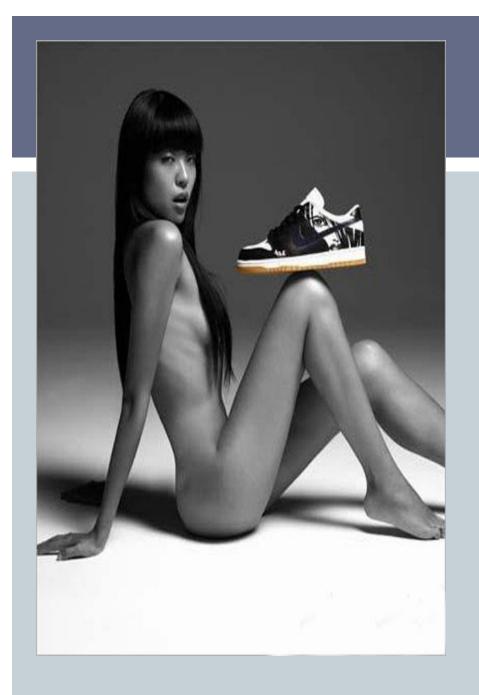


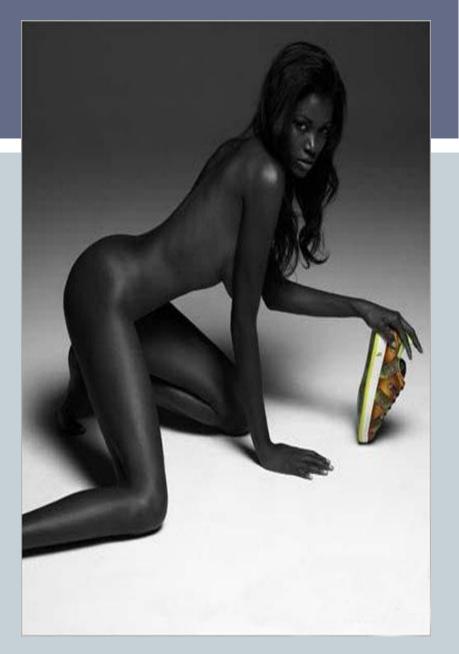














## **Establishing the Communication Budget**

- Budgets based on
  - communication objectives
  - marketing objectives
- Budgets vary from consumer to B-to-B markets
- Unrealistic assumption to assume direct relationship between advertising and sales
  - For example: increasing your advertising budget will not automatically increase sales by 25%

## FACTORS IMPACTING RELATIONSHIP BETWEEN PROMOTIONS AND SALES

- Threshold effects are present at the point where the advertising or communications begins to affect consumer responses in a positive direction.
- Carryover effects refer to an ads message being remembered or carried over to the time when the product is needed and the consumer is thinking about the purchase.
- Wear-out effects happen when an ad or message becomes old and stale and the consumer no longer pays attention to it.
- Decay effects occur when a company quits advertising and the brand name begins to fade in people's memories.

### TYPES OF BUDGETS

#### Percentage of Sales

- Sales of current year, or next year
- Simple

#### Meet the competition

- Seeks to prevent market share loss
- Highly competitive markets
- Dollars may not be spent efficiently

#### What we can afford

- Set after all other items budgeted
- No understanding importance of marketing

#### Objective and task

- Budgets determined by objectives
- Best method of budgeting
- Used by 50% of firms

# OVERVIEW OF INTEGRATING MARKETING COMMUNICATIONS

Integration Tools

Promotional Tools

Atabase & Direct response Sales Promotions Public Relations and Sponsorships

Digital Social Media

**Advertising Tools** 

ADVERTISING MANAGEMENT ADVERTISING DESIGN TRADITIONAL MEDIA

**ALTERNATIVE CHANNELS** 

**IMC** Foundation

CORPORATE IMAGE BRAND MANAGEMENT
BUYERS BEHAVIORS
IMC PLANNING PROCESS

# SELECTING AND ADVERTISING AGENCY



#### ADVERTISING AGENCIES

- Consult and give advice on how to develop target markets
- Direct on how to project a strong company image and theme
- Assist in selecting company logos and slogans
- Preparation of advertisements
- Planning and purchasing media time and space

## **INTERNSHIPS**



# IN-HOUSE OR ADVERTISING AGENCY DECISION CRITERIA

- The size of the account
- The media budget
- Objectivity
- Product complexity
- Creative ability

## BANANA REPUBLIC, GAP, OLD NAVY



### A CASE FOR IN-HOUSE AGENCY

- Team membership
  - Member of the home team
  - Work on business day and night
- Continuity
  - In-house stay around longer
  - Access to big ideas
  - They are there everyday
  - First line of information







# ADVANTAGES OF IN-HOUSE VERSUS OUTSIDE AGENCY

#### Advantages of In-House

- Lower costs
- Consistent brand message
- Better understanding of product and mission
- Faster ad production
- Works closer with CEO
- Lower turnover rate in the creative team

#### **Advantages of Outside Agency**

- Reduce costs
- Greater expertise
- Outsider's perspective
- Access to top talent



#### **CROWD SOURCING**

- New alternative
- Outsource creative
  - -Unilever
  - Doritos
- Overall cost not lower
- Advantages
  - Consumers involved
  - Generate buzz



# CHOOSING AN AGENCY

Choosing the advertising agency that best suits a company requires careful planning

- 1. Set goals
- 2. Select process and criteria
- 3. Screen initial list of applicants
- 4. Reduce list to two or three viable agencies
- 5. Request creative pitch



# EVALUATION CRITERIA SELECTING ADVERTISING AGENCY

- ✓ Size of agency
- ▼ Relevant experience in the industry
- ☑ No conflicts of interest
- Creative reputation
- Product capabilities
- ✓ Media purchasing capabilities
- Other services available
- Client retention rates
- ☑ Personal chemistry

#### **CREATIVE PITCH**



2 to 3 finalists



Formal presentation → shootout



Specific problem/situation



Expensive for agencies

#### REFERENCE CHECK OF FINAL 2 OR 3

Agency's client retention

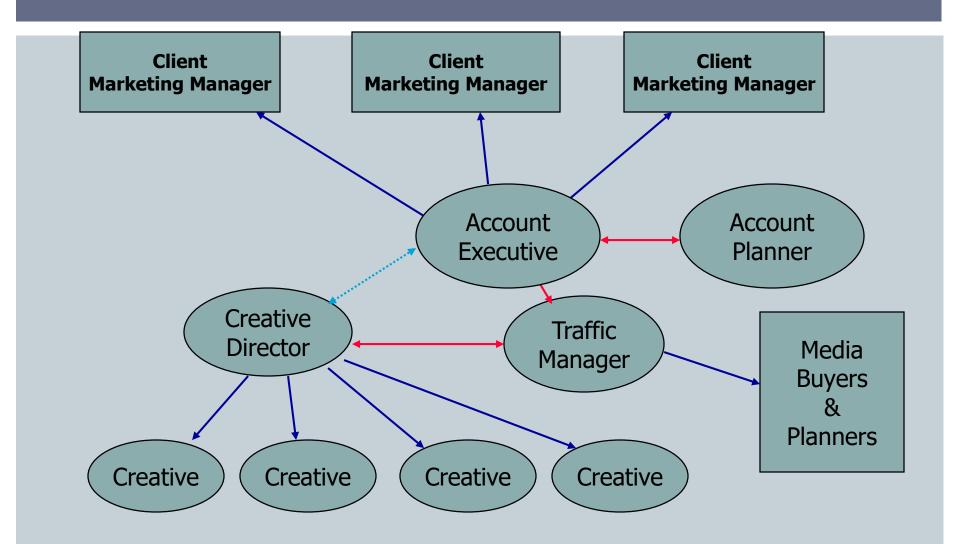
Calling firms that are working with the agency

Talk to media agents who sell media time to understand how they buy media

## ONCE AN AGENCY IS SELECTED...



# KEY ADVERTISING PERSONNEL



#### KEY ADVERTISING PERSONNEL

**Account Executives** 

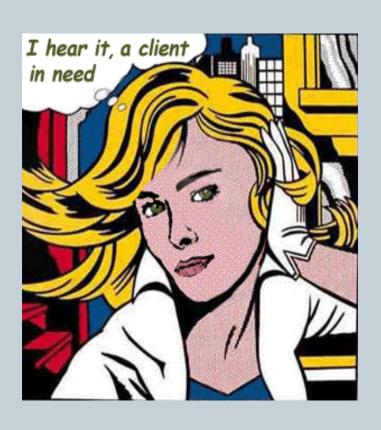
Creatives

Traffic managers

Media planners

Media buyers

#### **ACCOUNT EXECUTIVE**



- Go between
- Soliciting the account
- Finalizing details of the contract
- Selecting the creative team
- Makes sure everything is on strategy

### CREATIVES



- Develop and produce advertisements.
- Work long hours and work under enormous pressures
- Design ads that are effective and which produce results.

#### TRAFFIC MANAGERS



- Regulates the flow of work in the agency.
- Increases efficiency and profitability
- Large agencies may have a traffic department of five or more employees.
- Make sure legal has seen all copy, design, print and media.

#### **MEDIA PLANNER**



- Selects media for advertisement placement
- Work with advertising budgets
- Recommends the best possible use of various media platforms available to advertisers.
- Their roles may include analyzing target audiences, keeping abreast of media developments, reading market trends and understanding motivations of consumers (often including psychology and neuroscience).

#### **MEDIA BUYER**



- Purchase media space or time
- Their mission is to find a combination of so the client can communicate the message in the most effective manner possible at the minimum cost.

#### ADVERTISING CAMPAIGN PARAMETERS

- Joint effort of account executive, creative, account planner, and media planner
- Working together
- Produce campaigns that stand out among the competing messages

## ADVERTISING GOALS

- To build brand image
  - Top of mind
  - First choice
- Provide information
- Persuade
- Support other marketing efforts
- Encourage action

# MEDIA SELECTION

 Understanding of media usage habits of target market and then matching that information with the profile of each mediums audience

## PRIVATE WEALTH AD CAMPAIGN





# Am I a good father?

Do I spend too much time at work? Can I have it all?

> le understand that dedicating more time to the nes your love can feel like you're compromising se work you're publicated about.

Striling the right training limit is posi-We can offer wealth management guidance to h you plan for the future and provide the life you w

So you can have the best of both worlds. For some of life's questions, you're re



## PRIVATE WEALTH AD CAMPAIGN





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## MEDIA SCHEDULE

					February			March				April				
Media channel	Format	5	12	19	26	5	12	19	26	2	9	16	23	30	4	14
TV																
Motivational/Registration	60"/40"/20"															
Talking to Scotland - Editorial Platform	12 trans a week															
Radio										Г	Г					
Registration (Target under registered)	40"/20"										Г					
Motivational/Registration	20"															
Leaflet support/Last minute call to action	20"/40"															
Editorial Platform	60"															
Press										Г	Г					
Launch	Full page / 30x5										Г					
Registration	Full page / 30x5									l	l					
Leaflet suppport	25x4 / Platforms									l	l					
Last minute call to action	Full page / 30x5									l	l					
Local Press	Full pages															
BME Press	Full pages															
National & Regional reminder	Full pages									l						
Editorial Platforms																
Outdoor																
										_	_					
Research																

end

#### **CREATIVE BRIEF**

- The objective
- The target audience
- The message theme
- The support
- The constraints

#### **CREATIVE BRIEF**

PROJECT CREATIVE BRIEF PURPOSE. This is our springhood into the creative process. This internol communities that the torget moret, he key message and the desired creatils. We will use this followsed and on the some pope. We will refer back to it often during the creating the bit this through the questions and answer as accurately as possible. The brief, thence the term 'Creative Birde'.  Once established, we go full directlis with the creative process and start cance scope of the project we will establish a timeline for approvabily We continue to its compelling and effective design solution for your business.	m to make sure that we are both very process or places take your process or places take your sold, places keep your answers too, places keep your answers to the places (Based on the hone our receive thought until it von@glittschka.com
This form is part of our proven methodology. We follow this process no matter the challenge. Adhering to this process is what equips us to produce award weark for you our client.	www.glitschka.com what the project, the medium or inning, effective and consistent
NAME: SIGNATURE:	DATE:
WHO ARE YOU? What is your service or product?	PROJECT VOICE WHAT DO YOU WANT THIS TO SAY ABOUT YOU?
YOUR OBJECTIVES WHERE DO YOU WANT TO GO?	COLOR PREFERENCES WHAT IS YOUR FAVORITE COLOR? LEAST FAVORITE COLOR AND WHY?
DESIRED RESULTS & VISION How would you like to be perceived?	PRINT VEHICLE  WHAT WOULD YOU LIKE TO PRODUCE? (DREEAL NAM WITHEST THE  LOGO / RESITT PROCESS   ROYELINGSHORM   MARKETIN MATERIAL  BROCKINE   PAP. DEPLAY   SALES MATERIAL  DREET MAIL   PROTER   OTHER.
TARGET MARKET WHO IS YOUR AUDIENCE? DEMOGRAPHIC?	GAUGING PERCEPTION NAME A LOGO YOU LIKE. EXPLAIN WHY.
COMPETITION WHO IS YOUR PRIMARY COMPETITOR?	S   KEYWORDS
SUCCESS CRITERIA	6 ADDITIONAL INPUT

- Document prepared by client and account management for creative team
  - Creatives take the information and develop ads that convey the desired message
  - Garbage in/garbage out
  - All creatives use the main objective to begin work