Principles of Marketing
Seventeenth Edition

Chapter 15
Advertising and Public Relations

Learning Objectives

15-1 Define the role of advertising in the promotion mix.
15-2 Describe the major decisions involved in developing an advertising program.
15-3 Define the role of public relations in the promotion mix.
15-4 Explain how companies use PR to communicate with their publics.
Advertising

Advertising is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

For more than 20 years, GEICO’s advertising and charismatic gecko have creatively and relentlessly driven home the brand’s value proposition: “15 minutes could save you 15 percent or more on car insurance.”

All text and images are copy written with permission from GEICO.

FIGURE 15.1
Major Advertising Decisions

Objectives setting
- Communication objectives
- Sales objectives

Budget decisions
- Affordable approach
- Percent of sales
- Competitive parity
- Objective and task

Message decisions
- Message strategy
- Message execution

Media decisions
- Impact and engagement
- Major media types
- Specific media vehicles
- Media timing

Advertising evaluation
- Communication impact
- Sales and profit impact
- Return on advertising

Don’t forget—advertising is only part of a broader set of marketing and company decisions. Its job is to help communicate the brand’s value proposition to target customers. Advertising must blend well with other promotion and marketing mix decisions.
Setting Advertising Objectives

An **advertising objective** is a specific communication task to be accomplished with a specific target audience during a specific time.

**Informative advertising** is used when introducing a new product category to build primary demand.

**Persuasive advertising** is important with increased competition to build selective demand.

**Comparative advertising** is when a company compares its brand with other brands.

**Reminder advertising** is important with mature products to help maintain customer relationships and keep customers thinking about the product.


Setting Advertising Objectives

<table>
<thead>
<tr>
<th>Table 15.1</th>
<th>Possible Advertising Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Informative Advertising</strong></td>
<td></td>
</tr>
<tr>
<td>Communicating customer value</td>
<td>Suggesting new uses for a product</td>
</tr>
<tr>
<td>Building a brand and company image</td>
<td>Informing the market of a price change</td>
</tr>
<tr>
<td>Telling the market about a new product</td>
<td>Describing available services and support</td>
</tr>
<tr>
<td>Explaining how a product works</td>
<td>Correcting false impressions</td>
</tr>
<tr>
<td><strong>Persuasive Advertising</strong></td>
<td></td>
</tr>
<tr>
<td>Building brand preference</td>
<td>Persuading customers to purchase now</td>
</tr>
<tr>
<td>Encouraging switching to a brand</td>
<td>Creating customer engagement</td>
</tr>
<tr>
<td>Changing customer perceptions of product value</td>
<td>Building brand community</td>
</tr>
<tr>
<td><strong>Reminder Advertising</strong></td>
<td></td>
</tr>
<tr>
<td>Maintaining customer relationships</td>
<td>Reminding consumers where to buy the product</td>
</tr>
<tr>
<td>Reminding consumers that the product may be needed in the near future</td>
<td>Keeping the brand in a customer’s mind during off-seasons</td>
</tr>
</tbody>
</table>

Setting the Advertising Budget

**Factors to Consider**
- Stage in product life cycle
- Market share
- Competition
Developing Advertising Strategy

Advertising strategy is the strategy by which the company accomplishes its advertising objectives and consists of:

- Creating advertising messages
- Selecting advertising media

Creating the Advertising Message and Brand Content

Advertising clutter: Today’s consumers, armed with an arsenal of weapons, can choose what they watch and don’t watch. Increasingly, they are choosing not to watch ads.
Developing Advertising Strategy

Creating the Advertising Message and Brand Content

Merging advertising and entertainment:

- **Madison & Vine**—the intersection of Madison Avenue and Hollywood—represents the merging of advertising and entertainment.
- **Native advertising**—advertising or other brand-produced online content that looks in form and function like the other natural content surrounding it on a web or social media platform.

Message and content strategy: The first step in creating effective advertising content is to plan a *message strategy*—the general message that will be communicated to consumers.

- Identifies consumer benefits
- Follows from company’s broader positioning and customer value creation strategies
Developing Advertising Strategy

Creating the Advertising Message and Brand Content

The **creative concept** is the compelling “big idea” that will bring an advertising message strategy to life in a distinctive and memorable way. Characteristics of the appeals should be:

- Meaningful
- Believable
- Distinctive

*Message execution* is when the advertiser turns the big idea into an actual ad execution that will capture the target market’s attention and interest. The creative team must find the best approach, style, tone, words, and format for executing the message.
Developing Advertising Strategy

Message Execution Styles

- Slice of life
- Lifestyle
- Fantasy
- Mood or image
- Musical
- Personality symbol
- Technical expertise
- Scientific evidence
- Testimonial or endorsement

Creating the Advertising Message and Brand Content

Message execution also includes:

- Tone
  - Positive or negative
- Attention-getting words
- Format
  - Illustration
  - Headline
  - Copy

Novel formats can make an advertisement stand out: In this Sherwin-Williams ad, the eye-catching illustration delivers the bulk of the “Where will color take you?” message.

The Sherwin-Williams Company
Developing Advertising Strategy

Creating the Advertising Message and Brand Content

Consumer-generated content:
• Consumers submit ad message ideas, videos, and other brand content.
• Incorporates the voice of the customer into brand messages
• Generates greater customer engagement

Developing Advertising Strategy

Selecting Advertising Media
The major steps in advertising media selection are:
• Determining reach, frequency, impact, and engagement
• Choosing among major media types
• Selecting specific media vehicles
• Choosing media timing
Developing Advertising Strategy

**Reach** is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time.

**Frequency** is a measure of how many times the average person in the target market is exposed to the message.

**Impact** is the qualitative value of a message exposure through a given medium.

**Engagement** is a measure of things such as ratings, readership, listenership, and click-through rates.

---

### Table 15.2 | Profiles of Major Media Types

<table>
<thead>
<tr>
<th>Medium</th>
<th>Advantages</th>
<th>Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>Good mass-marketing coverage; low cost per exposure; combines sight, sound, and motion; appealing to the senses</td>
<td>High absolute costs; high clutter; fleeting exposure; less audience selectivity</td>
</tr>
<tr>
<td>Digital, mobile, and social media</td>
<td>High selectivity; low cost; immediacy; engagement capabilities</td>
<td>Potentially low impact; high audience control of content and exposure</td>
</tr>
<tr>
<td>Newspapers</td>
<td>Flexibility; timeliness; good local market coverage; broad acceptability; high believability</td>
<td>Short life; poor reproduction quality; small pass-along audience</td>
</tr>
<tr>
<td>Direct mail</td>
<td>High audience selectivity; flexibility; no ad competition within the same medium; allows personalization</td>
<td>Relatively high cost per exposure; “junk mail” image</td>
</tr>
<tr>
<td>Magazines</td>
<td>High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life and good pass-along readership</td>
<td>Long ad purchase lead time; high cost; no guarantee of position</td>
</tr>
<tr>
<td>Radio</td>
<td>Good local acceptance; high geographic and demographic selectivity; low cost</td>
<td>Audio only; fleeting exposure; low attention (“the half-heard” medium); fragmented audiences</td>
</tr>
<tr>
<td>Outdoor</td>
<td>Flexibility; high repeat exposure; low cost; low message competition; good positional selectivity</td>
<td>Little audience selectivity; creative limitations</td>
</tr>
</tbody>
</table>
Developing Advertising Strategy

Selecting Advertising Media

Selecting specific media vehicles involves decisions presenting the message effectively and efficiently to the target customer and must consider the message's:

- Impact
- Effectiveness
- Cost

Deciding on media timing:
When deciding on media timing, the planner must consider:

- Seasonality
- Pattern of the advertising
  - Continuity—scheduling evenly within a given period
  - Pulsing—scheduling unevenly within a given period

Media timing: Peeps' "Every Day Is a Holiday" campaign promotes the favorite marshmallow chicks and bunnies candies at holiday seasons other than just Easter, here Halloween.

Richard Levine / Alamy Stock Photo
Evaluating Advertising Effectiveness and Return on Advertising Investment

*Return on advertising investment* is the net return on advertising investment divided by the costs of the advertising investment.

---

Communication effects indicate whether the ad and media are communicating the ad message well and can be tested before or after the ad runs.

Sales and profit effects compare past sales and profits with past expenditures or through experiments.
Other Advertising Considerations

Organizing for advertising
• Agency vs. in-house

International advertising decisions
• Standardization or Adaptation

Public Relations

Public relations involves building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.
Public Relations

Press relations or press agency involves the creation and placing of newsworthy information to attract attention to a person, product, or service.

Product publicity involves publicizing specific products.

Public affairs involves building and maintaining national or local community relations.

Public Relations

Lobbying involves building and maintaining relations with legislators and government officials to influence legislation and regulation.

Investor relations involves maintaining relationships with shareholders and others in the financial community.

Development involves public relations with donors or members of nonprofit organizations to gain financial or volunteer support.
Public Relations

The Role and Impact of PR

- Lower cost than advertising
- Stronger impact on public awareness than advertising
- Has power to engage consumers and make them part of the brand story

Major Public Relations Tools

- News
- Speeches
- Special events
- Written materials
- Corporate identity materials
- Public service activities
- Buzz marketing
- Social networking
- Internet