Chapter Objectives

- To examine the scope, importance, and characteristics of advertising
- To study the elements in an advertising plan
- To examine the scope, importance, and characteristics of public relations
- To study the elements in a public relations plan

Types of Promotion

- Advertising
- Public Relations
- Sales Promotion
- Personal Selling

Advertising

Advertising is paid, nonpersonal communication regarding goods, services, organizations, people, places, and ideas that is transmitted through various media by business firms, government and other nonprofit organizations, and individuals who are identified in the advertising message as the sponsor. The message is generally controlled by the sponsor.

Public Relations

Public relations includes any communication to foster a favorable image for goods, services, organizations, people, places, and ideas among their publics—such as consumers, investors, government, channel members, employees, and the general public. It may be nonpersonal, personal, paid or nonpaid, and sponsor controlled or not controlled.

Publicity is the form of public relations that entails nonpersonal communication passed on via various media but not paid for an identified sponsor. Wording and placement of publicity messages are generally media controlled.

Developing an Advertising Plan

1. Setting Objectives
2. Assigning Responsibility
3. Establishing Budget
4. Developing Themes
5. Selecting Media
6. Creating Advertisements
7. Timing Advertisements
8. Considering Operating Elements
9. Evaluating Success of Effort
10. Feedback
Advertising Plan: Setting Objectives

An organization’s advertising goals can be divided into demand or image types, with image-oriented ads being part of public relations.

Demand-Oriented Ads
- Inform
- Persuade
- Remind

Image-Oriented Ads
- Develop image
- Maintain image
- Generate primary demand
- Generate selective demand

Advertising Plan: Assigning Responsibility

In assigning responsibility, a firm can rely on internal personnel doing marketing functions, use an in-house ad department, or hire an outside ad agency.

Benefits of Ad Agency
- Provides ad-related services
- Market and consumer research
- Product planning
- Public relations

Benefits of In-House Ad Dept.
- Full knowledge of product/firm
- Complete confidentiality
- Control of costs and budgets

Advertising Plan: Budgeting

The firm establishes a budget after considering various requirements such as types of ads, medium, frequency, and campaign goals.

Budget types
- All-you-can-afford
- Incremental
- Competitive parity
- Percentage-of-sales
- Objective-and-task

Advertising Plan: Developing Themes

The advertising theme is the overall appeal of the ad campaign. A good or service appeal centers on the item and its attributes; a consumer appeal describes a product’s benefits rather than features; and institutional ads project an image.

Advertising Plan: Selecting Media

Media selections include
- Newspapers
- TV/Radio
- Direct Mail
- Magazines
- Internet
- Outdoor

Advertising Plan: Creating Ads

Key Decisions
- Determine message, content, and devise ads
- Outline promotion schedule
- Specify medium for ads
- Determine message type and frequency
Advertising Plan: Timing

1. Setting Objectives
2. Assigning Responsibility
3. Establishing Budget
4. Developing Themes
5. Selecting Media
6. Creating Advertisements
7. Timing Advertisements

Timing includes how often and when ads run.

Advertising Plan: Cooperative Efforts

1. Setting Objectives
2. Assigning Responsibility
3. Establishing Budget
4. Developing Themes
5. Selecting Media
6. Creating Advertisements
7. Timing Advertisements
8. Considering Cooperative Efforts

Cooperative ads can provide prestige and shared costs, and increase revenues.

Advertising Plan: Evaluation

1. Setting Objectives
2. Assigning Responsibility
3. Establishing Budget
4. Developing Themes
5. Selecting Media
6. Creating Advertisements
7. Timing Advertisements
8. Considering Cooperative Efforts
9. Evaluating Success or Failure

Evaluating success or failure includes measuring the goals achieved. Carefully established campaign goals are more easily evaluated and assessed.

Types of Media

- Newspapers
- TV/Radio
- Direct Mail
- Magazines
- Outdoor
- Internet

- Media advantages and disadvantages must be weighed carefully—and consider the goals of the campaign, the item advertised, the audience sought, and the cost per viewer.
- What are the long-term goals?

Media Considerations (1)

Selecting media is just one part of reaching long-term campaign goals.

Considerations include costs, reach, waste, message permanence, persuasive impact, narrowcasting, frequency, clutter, lead time, and media innovations.

- Advertising media costs are outlays for media time or space and are related to ad length or size, and media attributes.
- Reach refers to the number of viewers, readers, or listeners in a medium’s audience.
- Waste is the medium’s audience that is not in advertisers target audience.

Media Considerations (2)

- Message permanence refers to the number of exposures one ad generates and how long it is available to the public.
- Persuasive Impact is the ability of a medium to stimulate consumers.
- Narrowcasting presents advertising messages to limited and well-defined audiences.
- Frequency refers to how often a medium can be used.
- Clutter involves the number of ads in a medium.
- Lead time is the period required by a medium for placing an ad.
Online Advertising

- Predictions for online advertising in 2000 varied from $6.4 billion to a less optimistic amount of $3.9 billion.
- Online advertising is less than 2.3 percent of total ad spending via all media.
- Problems with Web advertising include:
  - No system to compare and rate Web ad results with traditional measurement tools.
  - Too broad a range of Web sites and users.
  - Limited knowledge about what "works", when, and why.

Ethical Issues and Advertising

- In 1996, the U.S. liquor industry repealed its self-imposed ban on radio and TV advertising.
- Because national TV networks and most cable networks still ban liquor ads, the industry's media buyers often bypass networks and purchase time directly from local station affiliates or cable systems.
- If beer is a dominant product in TV advertising, should liquor be discriminated against?
- What type of a policy should be developed to accept or reject hard liquor advertising in your market?

The Relationship Between Public Relations and Other Elements of Promotion Mix

<table>
<thead>
<tr>
<th>Public Relations</th>
<th>Advertising</th>
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<tbody>
<tr>
<td>An ad from the Members Only apparel firm dealing with the problems of drug abuse.</td>
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<tr>
<th>Public Relations</th>
<th>Personal Selling</th>
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<tr>
<td>An AT&amp;T salesperson visiting a local high school and encouraging students not to drop out.</td>
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<tr>
<th>Public Relations</th>
<th>Sales Promotion</th>
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<tbody>
<tr>
<td>Gateway sponsoring an &quot;Eat Like a Champion&quot; promotion in 1,500 food stores &quot;to persuade kids to eat five servings a day of healthy foods.&quot; Participating schools got a kit with soccer stars' bookmarks, trading cards, &amp; recipes on the back.</td>
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<tr>
<th>Public Relations</th>
<th>Publicity</th>
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<tbody>
<tr>
<td>A report on the local news about health issues related to cigarette smoking. This news report involves publicity—the nonpaid, mass media, nonsponsored form of public relations.</td>
<td></td>
</tr>
</tbody>
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Public Relations Plan: Setting Objectives

An organization's public relations goals are image-oriented. Some goals include:
- Gain placement for news releases
- Have media report on accomplishments
- Present the viewpoint desired
- Coordinate publicity with advertising
- Gain increased media coverage
- Sustain favorable publicity
- Gain favorable public opinion
- Defuse impact of negative incidents
- Appropriately handle emergency situations

Public Relations Plan: Assigning Responsibility

In assigning responsibility, a firm can rely on its existing personnel, an in-house public relations department, or an in-house publicity department. Or, it may hire an outside ad agency to handle PR, or it may hire a specialized PR firm with extensive, customized, resources and expertise.
Public Relations Plan:
Outlining Types

1. Setting Objectives
2. Assigning Responsibility
3. Outlining Types of Public Relations

Types of Publicity:
- News publicity
- Business feature articles
- Service feature articles
- Finance releases
- Product releases
- Pictorial releases
- Video news releases
- Background editorial
- Emergency publicity

Public Relations Plan:
Selecting Media

1. Setting Objectives
2. Assigning Responsibility
3. Outlining Types of Public Relations
4. Selecting Media

Types of media:
- Newspapers
- TV
- Magazines and Journals
- Radio
- Business publications
- Internet

Public Relations Plan:
Creating Messages

1. Setting Objectives
2. Assigning Responsibility
3. Outlining Types of Public Relations
4. Selecting Media
5. Creating Messages

Message points:
- It should be newsworthy & easy to read, view, hear, or use
- Professional standards are established and followed
- Use clear language
- Effectively discuss positive & negative facts

Public Relations Plan:
Timing Messages

1. Setting Objectives
2. Assigning Responsibility
3. Outlining Types of Public Relations
4. Selecting Media
5. Creating Messages
6. Timing Messages

PR precedes new product introductions; ongoing PR should be spaced through year; and firms must handle emergencies immediately.

Public Relations Plan:
Evaluation

1. Setting Objectives
2. Assigning Responsibility
3. Outlining Types of Public Relations
4. Selecting Media
5. Creating Messages
6. Timing Messages
7. Evaluating Success or Failure

Feedback

Ethical Issues and Public Relations

- The independent media regularly provides extensive coverage regarding the poor public relations used regarding the mishandling of defective tires and other related issues.
- Could many of those problems been avoided if appropriate public relations had been employed?
- Will the companies involved recover to regain their profitable positions in the market place?
- What specific strategies does the text address that would have solved the firms’ PR problems?
Chapter Summary

- This chapter examines the scope, importance, and characteristics of advertising.
- It provides a study of the elements in an advertising plan.
- It reviews the scope, importance, and characteristics of public relations.
- It covers the elements in a public relations plan.