Advertising: Pay to Play

A 1900 advertisement for Pears soap.

Advertising is any paid form of communication from an identified sponsor or source that draws attention to ideas, goods, services or the sponsor itself. Most advertising is directed toward groups rather than individuals, and advertising is usually delivered through media such as television, radio, newspapers and, increasingly, the Internet. Ads are often
measured in *impressions* (the number of times a consumer is exposed to an advertisement).

Advertising is a very old form of promotion with roots that go back even to ancient times. In recent decades, the practices of advertising have changed enormously as new technology and media have allowed consumers to bypass traditional advertising venues. From the invention of the remote control, which allows people to ignore advertising on TV without leaving the couch, to recording devices that let people watch TV programs but skip the ads, conventional advertising is on the wane. Across the board, television viewership has fragmented, and ratings have fallen.

Print media are also in decline, with fewer people subscribing to newspapers and other print media and more people favoring digital sources for news and entertainment. Newspaper advertising revenue has declined steadily since 2000. Advertising revenue in television is also soft, and it is split across a growing number of broadcast and cable networks. Clearly companies need to move beyond traditional advertising channels to reach consumers. Digital media outlets have happily stepped in to fill this gap. Despite this changing landscape, for many companies advertising remains at the forefront of how they deliver the proper message to customers and prospective customers.

### The Purpose of Advertising

Advertising has three primary objectives: to inform, to persuade, and to remind.

- **Informative Advertising** creates awareness of brands, products, services, and ideas. It announces new products and programs and can educate people about the attributes and benefits of new or established products.

- **Persuasive Advertising** tries to convince customers that a company's services or products are the best, and it works to alter perceptions and enhance the image of a company or product. Its goal is to influence consumers to take action and switch brands, try a new product, or remain loyal to a current brand.

- **Reminder Advertising** reminds people about the need for a product or service, or the features and benefits it will provide when they purchase promptly.

Left: Informative Advertising  Right: Persuasive Advertising
Reminder Advertising

When people think of advertising, often product-focused advertisements are top of mind—i.e., ads that promote an organization’s goods or services. Institutional advertising goes beyond products to promote organizations, issues, places, events, and political figures. Public service announcements (PSAs) are a category of institutional advertising focused on social-welfare issues such as drunk driving, drug use, and practicing a healthy lifestyle. Usually PSAs are sponsored by nonprofit organizations and government agencies with a vested interest in the causes they promote.

Advantages and Disadvantages of Advertising

As a method of marketing communication, advertising has both advantages and disadvantages. In terms of advantages, advertising creates a sense of credibility or legitimacy when an organization invests in presenting itself and its products in a public forum. Ads can convey a sense of quality and permanence, the idea that a company isn’t some fly-by-night venture. Advertising allows marketers to repeat a message at intervals selected strategically. Repetition makes it more likely that the target audience will see and recall a message, which improves awareness-building results. Advertising can generate drama and human interest by featuring people and situations that are exciting or engaging. It can introduce emotions, images, and symbols that stimulate desire, and it can show how a product or brand compares favorably to competitors. Finally, advertising is an excellent vehicle for brand building, as it can create rational and emotional connections with a company or offering that translate into goodwill. As advertising becomes more sophisticated with digital media, it is a powerful tool for tracking consumer behaviors, interests, and preferences, allowing advertisers to better tailor content and offers to individual consumers. Through the power of digital media, memorable or entertaining advertising can be shared between friends and go viral—and viewer impressions skyrocket.

The primary disadvantage of advertising is cost. Marketers question whether this communication method is really cost-effective at reaching large groups. Of course, costs vary depending on the medium, with television ads being very expensive to produce and place. In contrast, print and digital ads tend to be much less expensive. Along with cost is the question of how many people an advertisement actually reaches. Ads are easily tuned out in today’s crowded media marketplace. Even ads that initially grab attention can grow stale over time. While digital ads are clickable and interactive, traditional advertising media are not. In the bricks-and-mortar world, it is difficult for marketers to measure the success of advertising and link it directly to changes in consumer perceptions or behavior. Because advertising is a one-way medium, there is usually little direct opportunity for consumer feedback and interaction, particularly from consumers who often feel overwhelmed by competing market messages.
Developing Effective Ads: The Creative Strategy

Effective advertising starts with the same foundational components as any other IMC campaign: identifying the target audience and the objectives for the campaign. When advertising is part of a broader IMC effort, it is important to consider the strategic role advertising will play relative to other marketing communication tools. With clarity around the target audience, campaign strategy, and budget, the next step is to develop the creative strategy for developing compelling advertising. The creative strategy has two primary components: the message and the appeal.

The message comes from the messaging framework discussed earlier in this module: what message elements should the advertising convey to consumers? What should the key message be? What is the call to action? How should the brand promise be manifested in the ad? How will it position and differentiate the offering? With advertising, it’s important to remember that the ad can communicate the message not only with words but also potentially with images, sound, tone, and style.

![Effective wordless advertisement](https://biz.libretexts.org/Courses/Lumen_Learning/Book%3A_Principles_of_Marketing_(Lumen)/16%3A_Module_13%3A_Pro…)

Marketers also need to consider existing public perceptions and other advertising and messages the company has placed in the market. Has the prior marketing activity resonated well with target audiences? Should the next round of advertising reinforce what went before, or is it time for a fresh new message, look, or tone?

Along with message, the creative strategy also identifies the appeal, or how the advertising will attract attention and influence a person’s perceptions or behavior. Advertising appeals can take many forms, but they tend to fall into one of two categories: informational appeal and emotional appeal.

The informational appeal offers facts and information to help the target audience make a purchasing decision. It tries to generate attention using rational arguments and evidence to convince consumers to select a product, service, or brand. For example:

- More or better product or service features: Ajax “Stronger Than Dirt”
- Cost savings: Wal-Mart “Always Low Prices”
- Quality: John Deere “Nothing runs like a Deere”
- Customer service: Holiday Inn “Pleasing people the world over”
• New, improved: Verizon “Can you hear me now? Good.”

The following Black+Decker commercial relies on an informational appeal to promote its product. (Note: There is no speech in this video; only instrumental music.)

A link to an interactive elements can be found at the bottom of this page.

Text alternative for “Black and Decker 20V MAX” (opens in new window).

The emotional appeal targets consumers’ emotional wants and needs rather than rational logic and facts. It plays on conscious or subconscious desires, beliefs, fears, and insecurities to persuade consumers and influence their behavior. The emotional appeal is linked to the features and benefits provided by the product, but it creates a connection with consumers at an emotional level rather than a rational level. Most marketers agree that emotional appeals are more powerful and differentiating than informational appeals. However, they must be executed well to seem authentic and credible to the target audience. A poorly executed emotional appeal can come across as trite or manipulative.

Examples of emotional appeals include:

• Self-esteem: L’Oreal “Because I’m worth it”
• Happiness: Coca-Cola “Open happiness”
• Anxiety and fear: World Health Organization “Smoking Kills”
• Achievement: Nike “Just Do It”
• Attitude: Apple “Think Different”
• Freedom: Southwest “You are now free to move about the country”
• Peace of Mind: Allstate “Are you in good hands?”
• Popularity: NBC “Must-see TV”
• Germophobia: Chlorox “For life’s bleachable moments, there’s Chlorox”

The following Heinz Ketchup commercial offers a humorous example of an ad based entirely on an emotional appeal:

A link to an interactive elements can be found at the bottom of this page.

Developing the Media Plan

The media plan is a document that outlines the strategy and approach for an advertising campaign, or for the advertising component in an IMC campaign. The media plan is developed simultaneously with the creative strategy. A standard media plan consists of four stages: (a) stating media objectives; (b) evaluating media; (c) selecting and implementing media choices; and (d) determining the media budget.

Media objectives are normally started in terms of three dimensions:

• Reach: number of different persons or households exposed to a particular media vehicle or media schedule at least once during a specified time period.
• Frequency: the number of times within a given time period that a consumer is exposed to a message.
• Continuity: the timing of media assertions (e.g. 10 per cent in September, 20 per cent in October, 20 per cent in November, 40 per cent in December and 10 per cent the rest of the year).
The process of **evaluating media** involves considering each type of advertising available to a marketer, and the inherent strengths and weaknesses associated with each medium. The table below outlines key strengths and weaknesses of major types of advertising media. Television advertising is a powerful and highly visible medium, but it is expensive to produce and buy air time. Radio is quite flexible and inexpensive, but listenership is lower and it typically delivers fewer impressions and a less-targeted audience. Most newspapers and magazines have passed their advertising heydays and today struggle against declining subscriptions and readership. Yet they can be an excellent and cost-effective investment for reaching some audiences. Display ads offer a lot of flexibility and creative options, from wrapping busses in advertising to creating massive and elaborate 3-D billboards. Yet their reach is limited to their immediate geography. Online advertising such as banner ads, search engine ads, paid listings, pay-per-click links and similar techniques offers a wide selection of opportunities for marketers to attract and engage with target audiences online. Yet the internet is a very crowded place, and it is difficult for any individual company to stand out in the crowd.

<table>
<thead>
<tr>
<th>Advertising Media Type</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>· Strong emotional impact</td>
<td>· High costs</td>
</tr>
<tr>
<td></td>
<td>· Mass coverage/small cost per impression</td>
<td>· High clutter (too many ads)</td>
</tr>
<tr>
<td></td>
<td>· Repeat message</td>
<td>· Short-lived impression</td>
</tr>
<tr>
<td></td>
<td>· Creative flexibility</td>
<td>· Programming quality</td>
</tr>
<tr>
<td></td>
<td>· Entertaining/prestigious</td>
<td>· Schedule inflexibility</td>
</tr>
<tr>
<td></td>
<td>· Immediacy</td>
<td>· Limited national coverage</td>
</tr>
<tr>
<td>Radio</td>
<td>· Low cost per impression</td>
<td>· High clutter</td>
</tr>
<tr>
<td></td>
<td>· Highly flexible</td>
<td>· Less easily perceived during drive time</td>
</tr>
<tr>
<td></td>
<td>· Flexibility (size, timing, etc.)</td>
<td>· Fleeting message</td>
</tr>
<tr>
<td>Newspapers</td>
<td>· Market coverage</td>
<td>· Declining readership</td>
</tr>
<tr>
<td></td>
<td>· Offer merchandising services</td>
<td>· Short life</td>
</tr>
<tr>
<td></td>
<td>· Reader involvement</td>
<td>· Technical quality</td>
</tr>
<tr>
<td>Magazines</td>
<td>· Highly segmented audiences</td>
<td>· Inflexible</td>
</tr>
<tr>
<td>Advertising Media Type</td>
<td>Strengths</td>
<td>Weaknesses</td>
</tr>
<tr>
<td>------------------------</td>
<td>-----------</td>
<td>------------</td>
</tr>
<tr>
<td></td>
<td>· High-profile audiences</td>
<td>· Narrow audiences</td>
</tr>
<tr>
<td></td>
<td>· Reproduction quality</td>
<td>· Waste circulation</td>
</tr>
<tr>
<td></td>
<td>· Mass coverage/small cost per impression</td>
<td>· High clutter</td>
</tr>
<tr>
<td>Display Ads:</td>
<td>· Repeat message</td>
<td>· Short-lived impression</td>
</tr>
<tr>
<td>Billboards, Posters, Flyers, etc.</td>
<td>· Creative flexibility</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Highly segmented audiences</td>
<td></td>
</tr>
<tr>
<td></td>
<td>· Highly measurable</td>
<td></td>
</tr>
<tr>
<td>Online Ads (including mobile):</td>
<td>· Low cost per impression</td>
<td>· High clutter</td>
</tr>
<tr>
<td>Banner ads, search ads, paid listings, pay-per-click links, etc.</td>
<td>· Immediacy; link to interests, behavior</td>
<td>· Short-lived impression</td>
</tr>
<tr>
<td></td>
<td>· Click-thru and code allow further interaction</td>
<td>· Somewhat less flexibility in size, format</td>
</tr>
<tr>
<td></td>
<td>· Timing flexibility</td>
<td></td>
</tr>
</tbody>
</table>

The evaluation process requires research to assess options for reaching their target audience with each medium, and how well a particular message fits the audience in that medium. Many advertisers rely heavily on the research findings provided by the medium, by their own experience, and by subjective appraisal to determine the best media for a given campaign.

To illustrate, if a company is targeting young-to-middle-aged professional women to sell beauty products, the person or team responsible for the media plan should evaluate what options each type of media offers for reaching this audience. How reliably can television, radio, newspapers or magazines deliver this audience? Media organizations maintain carefully-researched information about the size, demographics and other characteristics of their viewership or readership. Cable and broadcast TV networks know which shows are hits with this target demographic and therefore which advertising spots to sell to a company targeting professional women. Likewise newspapers know which sections attract the eyeballs of female audiences, and magazines publishers understand very well the market niches their publications fit. Online advertising becomes a particularly powerful tool for targeted advertising because of the information it captures and tracks about site visitors: who views and clicks on ads, where they visit and what they search for. Not only does digital advertising provide the opportunity to advertise on sites that cater to a target audience of professional women, but it can identify which of these women are searching for beauty products, and it can help a company target these individuals more intensely and provide opportunities for follow-up interaction.
The following video further explains how digital advertising targets and tracks individuals based on their expressed interests and behaviors.

A YouTube element has been excluded from this version of the text. You can view it online here: http://pb.libretexts.org/pom2/?p=704

You can view the transcript for “Behavioral Targeting” here (opens in new window).

---

**Selection and Implementation**

The media planner must make decisions about the media mix and timing, both of which are restricted by the available budget. The media-mix decision involves choosing the best combination of advertising media to achieve the goals of the campaign. This is a difficult task, and it usually requires evaluating each medium quantitatively and qualitatively to select a mix that optimizes reach and budget.

Unfortunately, there are few valid rules of thumb to guide this process, in part because it is difficult to compare audiences across different types of advertising media. For example, Nielsen ratings measure audiences based on TV viewer reports of the programs watched, while outdoor (billboard) audience-exposure estimates are based on counts of the number of automobiles that pass particular outdoor poster locations. The “timing of media” refers to the actual placement of advertisements during the time periods that are most appropriate, given the selected media objectives. It includes not only the scheduling of advertisements, but also the size and position of the advertisement.

There are three common patterns for advertising scheduling:

1. **Continuous** advertising runs ads steadily at a given level indefinitely. This schedule works well products and services that are consumed on a steady basis throughout the year, and the purpose of advertising is to nudge consumers, remind them and keep a brand or product top-of-mind.

2. **Flighting** involves heavy spurts of advertising, followed by periods with no advertising. This type of schedule makes sense for products or services that are seasonal in nature, like tax services, as well as one-time or occasional events.

3. **Pulsing** mixes continuous scheduling with flighting, to create a constant drum-beat of ads, with periods of greater
This approach matches products and services for which there is year-round appeal, but there may be some seasonality or periods of greater demand or intensity. Hotels and airlines, for example, might increase their advertising presence during the holiday season.

## Budget

When considering advertising as a marketing communication method, companies need to balance the cost of advertising—both of producing the advertising pieces and buying placement—against the total budget for the IMC program. The selection and scheduling of media have a huge impact on budget: advertising that targets a mass audience is generally more expensive than advertising that targets a local or niche audience. It is important for marketers to consider the contribution advertising will make to the whole. Although advertising is generally one of the more expensive parts of the promotion mix, it may be a worthwhile investment if it contributes substantially to the reach and effectiveness of the whole program. Alternatively, some marketers spend very little on advertising because they find other methods are more productive and cost-effective for reaching their target segments.

## Anatomy of an Advertisement

Advertisements use several common elements to deliver the message. The **visual** is the picture, image, or situation portrayed in the advertisement. The visual also considers the emotions, style, or look-and-feel to be conveyed: should the ad appear tender, businesslike, fresh, or supercool? All of these considerations can be conveyed by the visual, without using any words.

The **headline** is generally what the viewer reads first—i.e., the words in the largest typeface. The headline serves as a hook for the appeal: it should grab attention, pique interest, and cause the viewer to keep reading or paying attention. In a radio or television ad, the headline equivalent might be the voice-over of a narrator delivering the primary message, or it might be a visual headline, similar to a print ad.

In print ads, a **subhead** is a smaller headline that continues the idea introduced in the headline or provides more information. It usually appears below the headline and in a smaller typeface. The **body copy** provides supporting information. Generally it appears in a standard, readable font. The **call to action** may be part of the body copy, or it may appear elsewhere in a larger typeface or color treatment to draw attention to itself.

A variety of **brand elements** may also appear in an advertisement. These include the name of the advertiser or brand being advertised, the logo, a tagline, hashtag, Web site link, or other standard “branded” elements that convey brand identity. These elements are an important way of establishing continuity with other marketing communications used in the IMC campaign or developed by the company. For example, print ads for an IMC campaign might contain a campaign-specific tagline that also appears in television ads, Website content, and social media posts associated with the campaign.
Ad Testing and Measurement

When organizations are poised to make a large investment in any type of advertising, it is wise to conduct marketing research to test the advertisements with target audiences before spending lots of money on ads and messages that may not hit the mark. Ad testing may preview messages and preliminary ad concepts with members of a target segment to see which ones resonate best and get insight about how to fine-tune messages or other aspects of the ad to make them more effective. Organizations may conduct additional testing with near-final advertising pieces to do more fine-tuning of the messages and visuals before going public.

To gauge the impact of advertising, organizations may conduct pre-tests and post-tests of their target audience to measure whether advertising has its intended effect. A pre-test assesses consumer attitudes, perceptions, and behavior before the advertising campaign. A post-test measures the same things afterward to determine how the ads have influenced the target audience, if at all.

Companies may also measure sales before, during, and after advertising campaigns run in the geographies or targets where the advertising appeared. This provides information about the return on investment for the campaign, which is how much the advertising increased sales relative to how much money it cost to execute. Ideally advertising generates more revenue and, ultimately profits, than it costs to mount the advertising campaign.
