

# TOURISM MARKETING

6<sup>η</sup> Σειρά Διαλέξεων

**MBA Tourism Management**

Τμήμα Οργάνωσης και Διοίκησης Επιχειρήσεων  
ΠΑΝΕΠΙΣΤΗΜΙΟ ΠΕΙΡΑΙΩΣ



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## Viral Marketing

- The Internet has created a new marketing phenomenon called viral marketing.
- Some business experts claim viral marketing is electronic word of mouth.
- Others claim it differs because the originator & those who spread the message have a vested interest in recruiting others to spread the word.
- Viral marketing has two major features.
  - people are pushing the message to others
  - pushing it to people *they* know & asking *them* to push it to people *they* know

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## Viral Marketing

- Ease of use of the Internet combined with other sources for electronic communication such as text messaging make these forms of media ideal for viral marketing.
- Many people delete e-mail advertisements without opening them, and often spam filters prevent some people from even receiving the advertisements.
  - in viral marketing the message is coming from a friend, so it is opened

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## Viral Marketing

- Companies such as Heinz Ketchup & Chipotle have encouraged their customers to make ads for them.
- Chipotle invited university students to submit a thirty-second ad, generating seventeen million views on YouTube in six weeks
  - just placement of electronic media to reach this many views would be estimated to cost \$346,000
- The campaign created a media buzz that generated publicity valued at over \$1 million.
  - cost to Chipotle was \$50,000, which included prize money

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## Viral Marketing

- How did these videos create so many views?
  - the answer is viral marketing
- Students asked other students to view their work, and send the link to their friends and parents.
  - people were asked to view the videos multiple times to increase the number of “votes” for the video
- Chipotle’s contest motivated students to create scores of advertisements for them and mobilize thousands of people to look at the advertisements.
- Uniqueness of the contest made it an ideal candidate for publicity in print and electronic media.

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## Viral Marketing

- Chipotle achieved two main objectives.
  - it created a promotion that would reach Millennials, one of its target markets
  - they successfully applied viral marketing to spread word about Chipotle
- This campaign shows how an effectively designed promotional program can receive your target market on a budget you can afford.
- Good communication is a crucial element in a company's efforts to build profitable customer relationships.

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## Introduction

- A company's total promotion mix—its marketing communications mix—consists of the specific blend of tools the company uses to communicate customer value and build customer relationships persuasively.
  - advertising
  - public relations
  - personal selling
  - sales promotion
- The whole marketing mix must be integrated to deliver a consistent message & strategic positioning.

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## Five Major Promotion Tools

- **Advertising** - any paid form of nonpersonal presentation & promotion of ideas, goods, or services by an identified sponsor
- **Sales promotion** - short-term incentives encouraging the purchase or sale of a product or service
- **Personal selling** - personal presentation by the firm's sales force for the purpose of making sales & building customer relationships
- **Public relations** - building good relations with the various publics by obtaining favorable publicity
- **Direct marketing** - direct connections with targeted individual consumers to both obtain an immediate response & cultivate lasting customer relationships

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## Introduction

- In past decades, marketers perfected mass marketing.
  - selling highly standardized products consumer masses
- They developed effective mass media techniques to support these strategies.
- Today, no other area of marketing is changing so profoundly as marketing communications,
  - creating both exciting and scary times for marketing communications

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## The New Marketing Communications Landscape

- Several major factors are changing the face of today's marketing communications.
  - consumers are better informed, use the Internet to seek information & connect with others to exchange brand-related information
  - marketers are shifting away from mass marketing
  - changes in communications technology are changing the ways companies & customers communicate
- New communications technologies give companies new media for interacting with targeting consumers.
  - and consumers more control over the nature and timing of messages they choose to send & receive

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## The Shifting Marketing Communications Model

- Targeted marketing & the changing communications environment are giving birth to a new marketing communications model.
  - television, magazines & other mass media are declining
- Advertisers are adding specialized, highly targeted media to reach smaller customer segments with more personalized messages.
  - specialty magazines, cable TV channels, video on demand (VOD), Internet catalogs, podcasts & product placements
- Companies are doing less broadcasting and more *narrowcasting*.

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## The Shifting Marketing Communications Model

- Some advertising industry experts predict a doom-and-gloom “chaos scenario” in which the old mass media communications model will collapse entirely.
- Consumers, especially younger ones, appear to be turning away from the major television networks in favor of cable TV or altogether different media.
  - marketers are losing confidence in television advertising
  - many skeptics predict the demise of the thirty-second television commercial
- Large advertisers are shifting away from network TV to more targeted, cost-effective, interactive media.

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## The Need For *Integrated* Marketing Communications

- Bombarded by commercial messages from a broad range of sources, consumers don't distinguish between message sources the way marketers do.
- Conflicting messages from these different sources can result in confused company images, brand positions, and customer relationships.
- Mass media advertisements say one thing while a price promotion sends a different signal.
  - a product label creates still another message
  - sales literature says something altogether different
  - the company's Web site seems out of sync with everything

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## The Need For *Integrated* Marketing Communications

- These communications often come from different parts of the company.
  - ads are planned & implemented by the advertising department or an agency
  - personal selling communications are developed by sales
  - other company specialists are responsible for public relations, promotional events, Internet marketing, etc.
- Companies have separated communications tools.
  - customers *won't*
- Mixed communications from these sources will result in blurred consumer brand perceptions.

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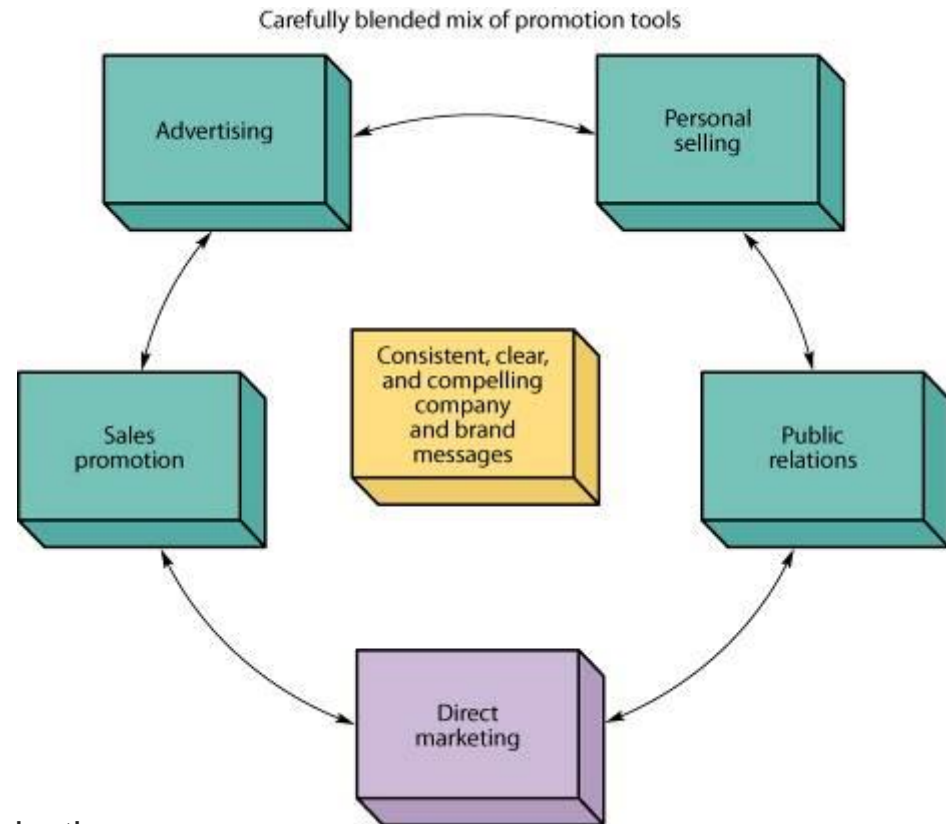
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## The Need For *Integrated* Marketing Communications

- More companies are adopting integrated marketing communications (IMC).

Under this concept the company integrates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its brands.



**Figure 13-1** Integrated Marketing Communications



## The Need For *Integrated* Marketing Communications

- IMC calls for recognizing contact points where the customer may encounter the company & its brands.
  - each brand contact will deliver a message, whether good, bad, or indifferent
- IMC ties together all company messages & images.
  - television & print ads have the same message, look & feel as e-mail and personal selling communications
  - PR materials project the same image as the web site
- Different media play unique roles in attracting, informing, and persuading consumers,
  - these must be carefully coordinated under the overall plan

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## The Need For *Integrated* Marketing Communications

- Some companies appoint marketing communications directors, with overall responsibility for company communications efforts.
  - to produce better communications consistency and greater sales impact
- It places the responsibility in someone's hands to unify the company's image as it is shaped by thousands of company activities.
- The starting point is an audit of all the potential interactions target customers may have with the company.

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## Six Steps in Developing Effective Communications (1)

- **Identifying the Target Audience** - start with a clear target audience in mind.
  - potential buyers or current users
  - those who make buying decisions, or influence them
  - individuals, groups, special publics, the general public
- Target audience heavily affects...
  - *what* will be said; *who* will say it
  - *how*, *when* and *where* it will be said
- A marketer must understand the target audience by creating a message that will be meaningful to them in a media they will understand.

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## Six Steps in Developing Effective Communications (2)

- **Determining the Communication Objective** - the marketing communicator must decide what response is sought, in most cases, the purchase.
- The communicator needs to know where the target audience stands in relation to the product and to what state it needs to be moved.
- A target audience may be in any of six buyer readiness states:
  - *awareness; knowledge; liking;*
  - *preference; conviction*
  - *purchase*

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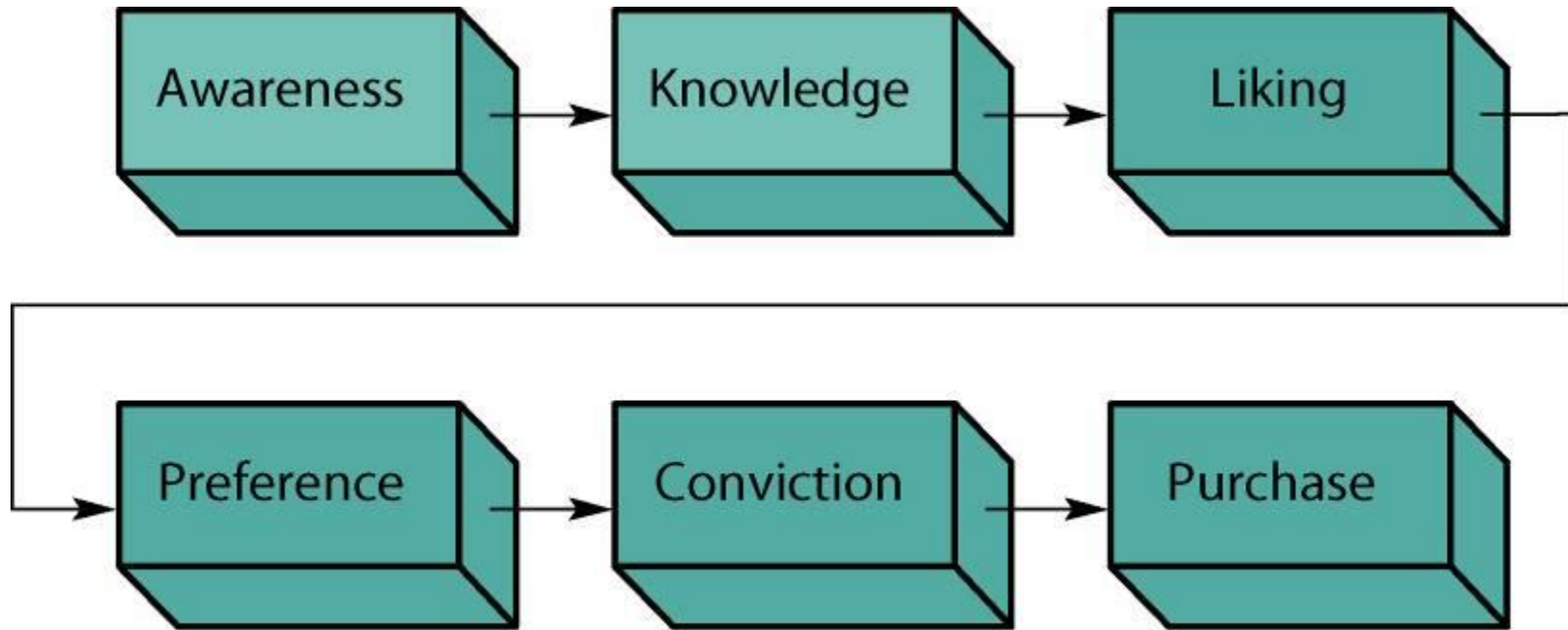


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## Six Steps in Developing Effective Communications (2)

- **Determining the Communication Objective**



**Figure 13-2** Buyer readiness states.

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## Six Steps in Developing Effective Communications (2)

- **Determining the Communication Objective**

- **Awareness** - the audience may be unaware of the product, know only its name, or know one or a few things about it
- **Knowledge** - the target audience might be aware of the company or product but know little else
- **Liking** - a range covering degrees of liking, “*dislike very much*,” “*indifferent*,” “*like very much*”
- **Preference** - a target audience might like the product but not prefer it to others
- **Conviction** - an audience might prefer the product but not develop a conviction about buying the product
- **Purchase** - lead consumers to take the final step

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## Six Steps in Developing Effective Communications (3)

- **Designing the Message** - the message should get attention, hold interest, arouse desire, and obtain action (a framework known as the AIDA model).
- The marketing communicator must solve three problems:
  - *what* to say (message *content*)
  - *how* to say it logically (message *structure*)
  - how to say it *symbolically* (message *format*)

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## Six Steps in Developing Effective Communications (3)

- **Designing the Message - *Message Content***
- The communicator must use an appeal or theme to produce a desired response. There are three types:
  - ***Rational*** appeals relate to audience self-interest.
  - ***Emotional*** appeals attempt to provoke emotions that motivate purchase.
  - ***Moral*** appeals are directed to the audience's sense of what is right and proper.

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## Six Steps in Developing Effective Communications (3)

- **Designing the Message - *Message Structure***
- The communicator must decide how to handle three message structure issues:
  - whether to draw a conclusion or leave it to the audience
  - whether to present a one- or two-sided argument
  - whether to present the strongest arguments first or last

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## Six Steps in Developing Effective Communications (3)

- **Designing the Message - *Message Format***
- The communicator also needs a strong format for the message.
  - to attract attention: novelty & contrast, eye-catching pictures, distinctive formats, color, shape, movement
  - in a print ad: headline, copy, illustration, and color
  - over the radio: words, sounds, voices
  - on television or in person: all of these elements, plus body language
  - on the product or its package: texture, scent, color, size, shape

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## Six Steps in Developing Effective Communications (4)

- **Selecting Communication Channels** - two broad types of communication channels are *personal* and *nonpersonal*.
- In personal communication channels, two or more people communicate directly with each other.
  - face to face, person to audience, over the telephone, or even through the mail
- Personal communication channels are effective because they allow for personal addressing and feedback.

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## Six Steps in Developing Effective Communications (4)

- **Selecting Communication Channels** - two broad types of communication channels are *personal* and *nonpersonal*.
- Nonpersonal communication channels are media that carry messages without personal contact or feedback.
  - media, atmospheres, and events
- Nonpersonal communication affects buyers directly.
- Serious thought must be given to any message that will be seen or heard by potential customers.
  - it is very easy to offend customers and sometimes difficult to create messages that are positive & effective

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## Six Steps in Developing Effective Communications (5)

- **Selecting the Message Source** - message impact is affected by how the audience views the sender.
  - messages from highly credible sources are persuasive
- What factors make a source credible?
  - **Expertise** - the degree to which the communicator appears to have the authority needed to back the claim
  - **Trustworthiness** - how objective and honest the source appears to be
  - **Likability** - is how attractive the source is to the audience
- The most highly credible source is a person who scores high on all three factors.

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## Six Steps in Developing Effective Communications (6)

- **Measuring the Results of the Communication** - a communicator must evaluate message effect on the target audience.
  - whether they remember the message
  - how many times they saw it
  - what points they recall
  - how they felt about the message
  - past & present attitudes toward product and company
- **Evaluating behavior resulting from the message:**
  - how many people bought a product, talked to others about it, or visited the store

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## An Example of Feedback Measurement

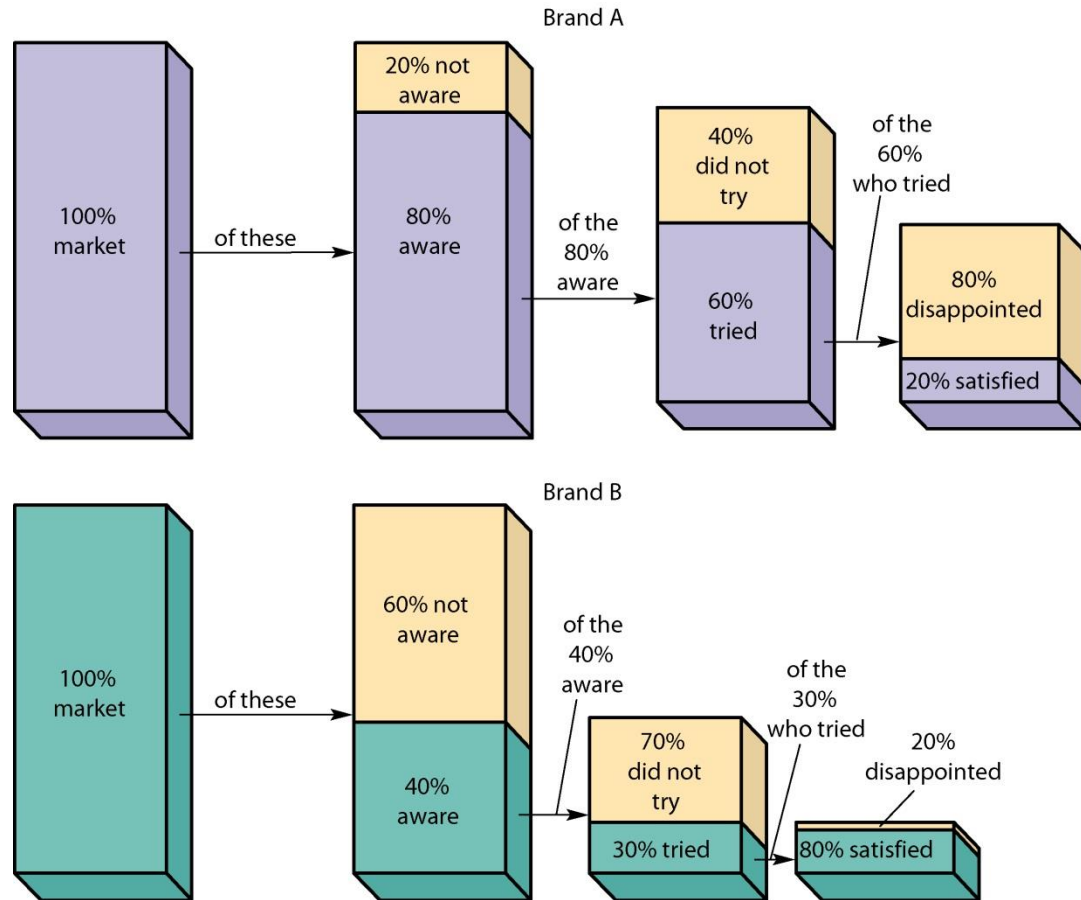


Figure 13-3 Feedback measurements for two brands.

### Hotel brand A:

80% of the total market was aware of it.

20% of those who were aware had tried it.

Only 20% of those who tried it were satisfied.

### Hotel brand B:

Only 40% of the market was aware of it.

Only 10% of those had tried it.

80% of those who tried it were satisfied.

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## An Example of Feedback Measurement

- Results for hotel brand A suggest that while the communication program created awareness, the product failed to give consumers the satisfaction expected.
  - the company should try to improve the product while continuing the successful communication program
- For hotel brand B, the communication program needs to be stronger to take advantage of the brand's power to create satisfaction

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## The Total Marketing Communications Budget

- John Wanamaker, the department store magnate, once said, *“I know that half of my advertising is wasted, but I don’t know which half.”*
  - large budgets are not required for well-planned and well-executed communications
- Four common methods are used to set the total budget for advertising:
  - the affordable method
  - the percentage of sales method
  - the competitive parity method
  - the objective and task method

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## Budget - The Affordable Method

- Many companies set a promotion budget they think the company can afford, a method that completely ignores the effect of promotion on sales volume.
- It leads to an uncertain annual promotion budget, making long-range marketing planning difficult.
  - the affordable method can result in overspending
  - it more often results in underspending

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## Budget - The Percentage of Sales Method

- Many companies set their promotion budget at a certain percentage of current or forecasted sales.
  - or they budget a percentage of the sales price
- A number of advantages are claimed for the percentage of sales method.
  - promotion spending is likely to vary with what the company can “afford”
  - it helps management think about relationship between promotion spending, selling price, and profit per unit
  - it supposedly creates competitive stability because competing firms tend to spend about the same

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## Budget - The Percentage of Sales Method

- Despite claimed advantages, the method has little justification, as it wrongly views sales as the cause of promotion rather than as the result.
  - based on availability of funds rather than on opportunities
- It may prevent increased spending, sometimes needed to turn around falling sales.
  - because the budget varies with year-to-year sales, long-range planning is difficult
- The method does not provide a basis for choosing a specific percentage, except past actions or what competitors are doing.

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## Budget - The Competitive Parity Method

- Some companies watch competitor advertising or get promotion spending estimates from publications or trade associations.
  - then set their promotion budgets to match
- Two arguments are used to support this method.
  - competitors' budgets represent collective industry wisdom
  - it helps prevent promotion wars
- There are no grounds for believing competition has a better idea of what a company should be spending.
  - companies differ, each with special promotion needs
  - no evidence indicates parity prevents promotion wars

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## Budget - The Objective and Task Method

- The most logical budget setting method, marketers develop their promotion budgets by:
  - defining specific objectives
  - determining tasks needed to achieve these objectives
  - estimating the costs of performing them
- It forces management to spell out assumptions about the relationship between dollars spent and results.
  - the most difficult method to use because it can be hard to determine which tasks will achieve specific objectives
- With this method, the company sets its promotion budget based on what it wants to accomplish.

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## Introduction

- The company must divide the total promotion budget among the major promotional tools.
  - advertising, personal selling
  - sales promotion, public relations
- It must blend the promotion tools into a coordinated promotion mix that will achieve its advertising and marketing objectives.
- Designing the promotion mix is even more complex when one tool must be used to promote another.
  - when McDonald's runs a million-dollar sweepstakes in its fast-food outlets, it has to run ads to inform the public

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## Nature of Each Promotion Tool - Advertising

- Because of the many forms & uses of advertising, generalizing about its unique qualities as a part of the promotion mix is difficult.
- Advertising's public nature suggests the product is standard & legitimate, and buyers know purchasing the product will be publicly understood & accepted.
  - it allows the seller to repeat a message many times, says something positive & can build a long-term product image
- Advertising can reach masses of geographically dispersed buyers at a low cost per exposure.
- Advertising also has shortcomings.

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## Nature of Each Promotion Tool - Advertising

- Although it reaches many people quickly, it is impersonal & can't be as persuasive as a salesperson.
- Advertising is able to carry on only a one-way communication with the audience.
  - the audience doesn't feel it has to pay attention or respond
- It can be very costly.
  - some forms, such as newspaper & radio use small budgets
  - others, such as network TV, require very large budgets
- For hotels, restaurants & other hospitality companies, advertising represents the largest expenditure item in their advertising budgets.

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## Nature of Each Promotion Tool - Personal Selling

- Personal selling is the most effective tool at building buyer preference, conviction, and purchase.
- It involves personal interaction between two or more people, allowing each to observe the other's needs and characteristics and make quick adjustments.
  - it lets all kinds of relationships spring up, from a matter-of-fact selling relationship to a deep personal friendship
- The buyer usually feels a greater need to listen and respond, even if it is a polite “*no thank you.*”
- These unique qualities come at a cost.

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## Nature of Each Promotion Tool - Personal Selling

- A sales force requires a longer-term commitment than advertising.
  - advertising can be turned on & off
  - sales force size is harder to vary
- It is the most expensive promotion tool, costing companies an average of \$225 per sales call.
  - American firms spend up to three times as much on personal selling as they do on advertising
- Personal selling by the hospitality industry is used primarily for large key customers, intermediaries, meeting planners and others involved in group sales.

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## Nature of Each Promotion Tool - Sales Promotion

- Promotion includes an assortment of tools, coupons, contests, cents-off deals, premiums, and others.
  - these tools attract consumer attention and provide information that may lead the consumer to buy
- Promotions offer inducements & contributions giving additional value, and invite & reward quick response.
  - advertising says “*buy our product*”
  - sales promotion says “*buy it now*”
- Sales promotion can dramatize product offers & boost sagging sales.
  - short-lived effects don’t build long-run brand preference

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## Nature of Each Promotion Tool - Public Relations

- Public relations offers several advantages.
  - news stories, features, and events seem more real and believable to readers than ads
- Public relations can reach many prospects who avoid salespeople & advertisements.
  - the message gets to buyers as news rather than as a sales-directed communication
- A relatively new addition is the infomercial, a hybrid between advertising and public relations.
- Hospitality marketers tend to underuse public relations or use it only as an afterthought.

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## Nature of Each Promotion Tool - Direct Marketing

- There are many forms of direct marketing, and all share four distinctive characteristics.
- Direct marketing is *nonpublic*.
  - the message is normally directed to a specific person
- Direct marketing is *immediate* and *customized*.
  - messages can be prepared very quickly & tailored to appeal to specific consumers
- Direct marketing is interactive.
  - it allows dialogue between marketing & the consumer
- Direct marketing is suited to targeted marketing efforts & building one-to-one customer relationships.

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## Factors in Setting the Promotion Mix - Push vs Pull

- **Push vs Pull Strategy** - mix is heavily affected by whether a company chooses a push or pull strategy.

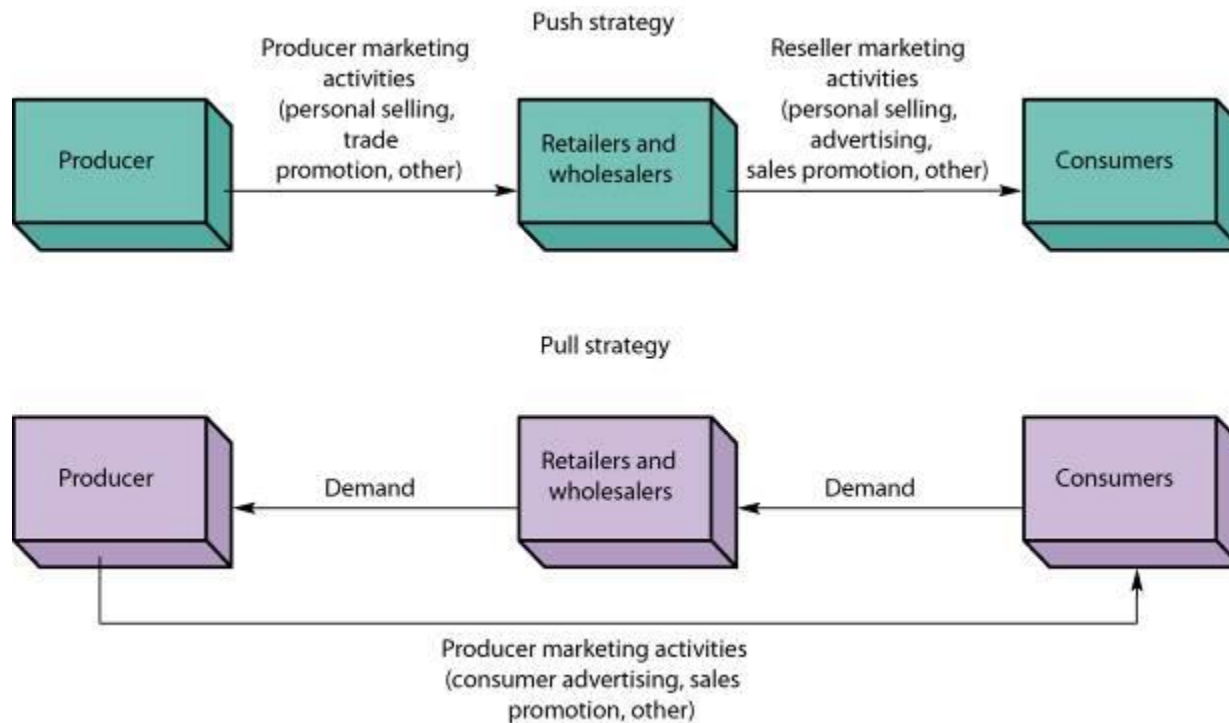


Figure 13-4 Push versus pull promotion strategy.



## Factors in Setting the Promotion Mix - Push vs Pull

- A **push** strategy involves “pushing” the product through distribution channels to final consumers.
- The manufacturer directs its marketing activities at channel members to induce them to order and carry the product and to promote it to final consumers.
- In a **pull** strategy, a company directs marketing activities to final consumers to induce them to buy.
- If effective, consumers purchase the product from channel members, who order it from producers.
  - consumer demand “pulls” the product through the channels

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## Factors in Setting the Promotion Mix - Readiness

- **Buyer Readiness State** - promotional tools vary in their effects at different stages of buyer readiness.
- Advertising, along with public relations, plays a major role in the awareness and knowledge stages.
  - more important than cold calls from salespeople
- Customer liking, preferences, and conviction are more affected by personal selling.
  - closely followed by advertising
- Closing the sale is accomplished primarily with sales calls and sales promotion.
  - high-cost personal selling should focus on later stages

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## Factors in Setting the Promotion Mix - Life-Cycle

- **Product Life-Cycle Stage** - effects of promotion tools also vary with stages of the product life cycle.
- In the **introduction** stage, advertising and public relations are good for producing high awareness.
- Personal selling must be used in the **growth** stage.
- In the **mature** stage, promotion becomes important, and advertising reminds customers of the product.
- In the **decline** stage, advertising is kept at a reminder level, public relations is dropped, though sales people promotion may continue to be strong.

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- To increase their sales, companies must try to steal market share from their competitors.
  - advertising is a good way to inform and persuade
- Organizations manage advertising in different ways.
  - the owner or general manager of an independent restaurant usually handles advertising
  - most hotel chains let individual hotels do local ads, with corporate responsible for national/international advertising
- In some offices, the director of marketing handles advertising, other have advertising departments.
  - large companies commonly use an outside agency

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## Introduction

- Marketing management must make five important decisions in developing an advertising program.

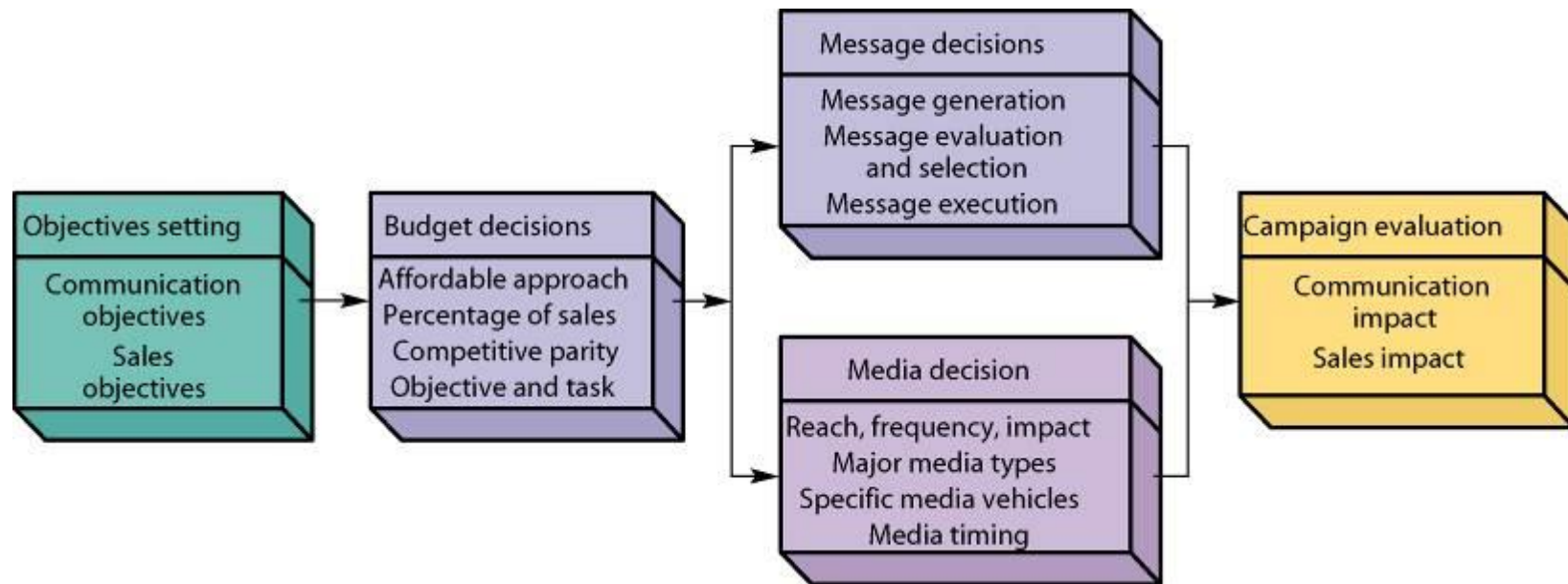


Figure 13-5 Major advertising decisions.



## Setting the Objectives

- The first step an advertising program is to set advertising objectives based on information about the target market, positioning, and marketing mix.
  - a specific communication task to be accomplished with a specific target audience during a specific period of time
- Advertising objectives can be classified by their aim.
  - to *inform*, *persuade*, or *remind*

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## Setting the Objectives

- **Informative** advertising is used heavily when introducing a new product category
  - and when the objective is to build primary demand
- **Persuasive** advertising becomes more important as competition increases.
  - and objective becomes building selective demand
- **Reminder** advertising is use for mature products, as it keeps consumers thinking about the product.

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## Setting the Objectives

- Advertising is not a substitute for poor products.
  - for long-term sales, the product must satisfy customers
- A mistake frequently made by new restaurants is advertising before the operation has gone through a shakedown period.
  - because people like trying a new restaurant, advertising is usually effective, resulting in waits during peak periods
- Success can be short lived when restaurateurs deliver poor-quality food, poor service, or poor value.
  - dissatisfied customers quickly spread negative word-of-mouth to potential customers

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## Setting the Objectives

- Implementation of effective advertising is a fast way to jeopardize performance of a mediocre property.
  - you must be sure the property can live up to promises
- If your property or service is inconsistent with the claims made, you will probably do little more than increase the number of dissatisfied guests.

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## Deal-Based Advertising

- Roadside motels, restaurants and other hospitality companies offered potential customers many deals such as “2 for 1”, “Free dessert” or “15% off”.
- Common methods for delivering these offers include:
  - pamphlets, coupons & flyers given to tourists on the street
  - travel publications available in visitor centers.
  - coupon books distributed by a local nonprofit group
  - hotels whose room keys may also serve as plastic coupons for nearby restaurants
  - promotional campaigns by companies ranging from soft drink companies to airlines

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## Deal-Based Advertising

- Individuals may be asked to answer a questionnaire, used to develop/enhance customer databanks.
- Effectiveness of these programs varies widely.
  - managers must weigh total cost of participation versus the extra discounted revenue
- It is important to keep records of the cost and revenue of these programs before further participation.
- Many believe the programs weaken company image.
  - potential customers may believe the firm is desperate for business and has an inferior product

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## Setting the Advertising Budget

- The company wants to spend the amount needed to achieve the sales goal, and specific factors should be considered when setting budget.
  - stage in the product life cycle; competition & clutter
  - market share; product differentiation
- One study found advertising increased purchases by loyal users, but less effective at winning new ones.
  - features, displays & price have a stronger impact
- The findings weren't well received by the advertising community, and several professionals attacked the study's data and methodology

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## Other Considerations

- Another decision is how much will be spent for *strategic* and how much for *tactical* advertising.
  - tactical advertising deals with sales promotions and often includes price discounts
- Money should be available for training employees about new promotions, in-house sales promotion materials, collateral material, and public relations.
  - to gain synergy between promotional mix elements
- When times are tough, there is a tendency to cut the advertising budget, which can lead to continued poor sales and the eventual decline of the business.

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## Other Considerations

- Hospitality companies often have ways they can stretch their advertising dollars & tradeouts are one.
  - trading advertising for products the media company can use, such as rooms, food, or travel
- To be a good deal, the target market of the media gained through the trade must match the target market of the restaurant, hotel, or travel company.
- Another way by cooperative advertising, where two or more companies get together to pay for an ad.
  - a credit card company may pay for a portion of an advertisement if it is mentioned in the ad

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## Other Considerations

- Travel agents also use tagging, or placing their ad below a wholesaler, resort or cruise line ad.
  - those reading the ad & interested in the product come to the agent's ad immediately after the main advertisement
- The ad budget is a subset of the marketing budget, dependent on the objectives of the marketing and promotional plans.
- The method most effective for setting a budget is the objective & task method.
- Budget is often dictated by corporate, and the marketing manager has to defend his/her case.

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## Message Decisions

- A large advertising budget does not guarantee a successful advertising campaign.
  - two advertisers can spend the same amount with dramatically different results
- Creative advertising messages can be more important than the number of dollars spent.
  - good advertising messages are very important in today's costly & cluttered advertising environment
- To to gain & hold attention, today's ad messages must be better planned, more imaginative, entertaining, and rewarding to consumers.

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## Message Generation

- Hotels, resorts, B&Bs, and cruise lines face a barrier to effective communication with the customer.
  - the intangibility of the product
- Marketing managers bear a responsibility to review critically the message, media, illustration & creative concepts recommended by the advertising agency.
  - they are expected to know their products, customers and employees better than any ad agency
- A fine line exists between responsible review and unwarranted intrusion into the work of ad agencies.

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## Message Evaluation and Selection

- Messages should be meaningful, pointing out benefits that make a product more desirable or interesting.
- Appeals should be distinctive & tell how the product is better than competing brands.
- Messages must be believable, difficult because many consumers doubt the truth of advertising.
  - a found that, on average, consumers rate advertising messages as “*somewhat unbelievable*”

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## Message Execution

- The advertiser has to put the message across in a way that wins the target market's attention and interest.
- The advertiser must choose a tone for the ad.
- Message *impact* depends on message *execution*.
  - *what* is said and *how* it is said

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## Message Execution

- The ad agency's creative staff must find a style, tone, words & format for executing the message.
  - **Slice of life** - shows one or more people using the product in a normal setting
  - **Lifestyle** - shows how a product fits with a lifestyle
  - **Fantasy** - creates a wonder world around a product
  - **Mood or image** - no claim is made about the product except through suggestion
  - **Musical** - shows people or cartoon characters singing a song about the product
  - **Personality symbol** - creates a character that represents the product





## Message Execution

- The ad agency's creative staff must find a style, tone, words & format for executing the message.
  - **Technical expertise** - shows the company's expertise with the product
  - **Scientific evidence** - survey or scientific evidence that the brand is better or better liked than one or more others
  - **Testimonial evidence** - features a highly believable or likable source endorsing the product
- A truly outstanding ad is noted by less than 50% of the exposed audience.
  - less-than-outstanding ads don't even achieve these results

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## Message Decisions

- The advertiser must decide what reach and frequency are needed to achieve advertising objectives.
  - **reach** measures percentage of people in the target market exposed to the ad campaign in a given period
  - **frequency** measures how many times the average person in the target market is exposed to the message
- The media planner has to know the reach, frequency, and impact of each major media type.
- Media planners consider many factors when making choices, including media habits of target consumers.

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## Message Decisions

- Major media types, in order of advertising volume.
  - each medium has advantages and limitations

Medium	Advantages	Limitations
Newspapers	Flexibility; timeliness; good local market coverage; broad acceptance; high believability	Short life; poor reproduction quality; small pass-along audience
Television	Combines sight, sound, and motion; appealing to the senses; high attention; high reach	High absolute cost; high clutter; fleeting exposure; less audience selectivity
Direct mail	Audience selectivity; flexibility; no ad competition within the same medium; personalization	Relatively high cost; junk mail image
Radio	Mass use; high geographic and demographic selectivity; low cost	Audio presentation only; lower attention than television; nonstandardized rate structures; fleeting exposure
Magazines	High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership	Long ad purchase lead time; some waste circulation; no guarantee of position
Outdoor	Flexibility; high repeat exposure; low cost; low competition	No audience selectivity; creative limitations
Internet	Audience selectivity; personalization; immediacy, interactive capabilities	Demographically skewed audience; relatively low impact; audience controls exposure

**Table 13-1** Profiles of major media types.

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## Message Decisions

- Nature of the product affects media choices, and different messages may require different media.
  - resorts are best shown in color magazines; fast-food ads targeted at young children are best on television
- Cost is also a major factor in media choice, and the planner looks at total cost of a particular medium, and cost per thousand exposures. (cost/1000)
  - ideas about impact & cost must be reexamined regularly
- The media planner must choose the best specific media vehicles within each general media type.
  - also compute the cost/1000 reached by a vehicle

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## Message Decisions

- The advertiser must decide how to schedule advertising over the course of a year.
  - most firms do some seasonal advertising
- The advertiser must choose the pattern of the ads
  - **continuity** means scheduling ads evenly in a given period
  - **pulsing** is scheduling ads unevenly over a given period
- Fifty-two ads could either be scheduled at one per week during the year or pulsed in several bursts.
  - a company could use a six-month burst of ads to regain its past sales growth rate

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## Message Decisions

- Advertisers can sometimes use a tactic known as **road blocking** to help ensure an intended audience receives the advertising message.
- An example would be drive-time radio spots for exactly the same time on all rock stations in three markets to prevent listeners from switching stations to avoid the ad.

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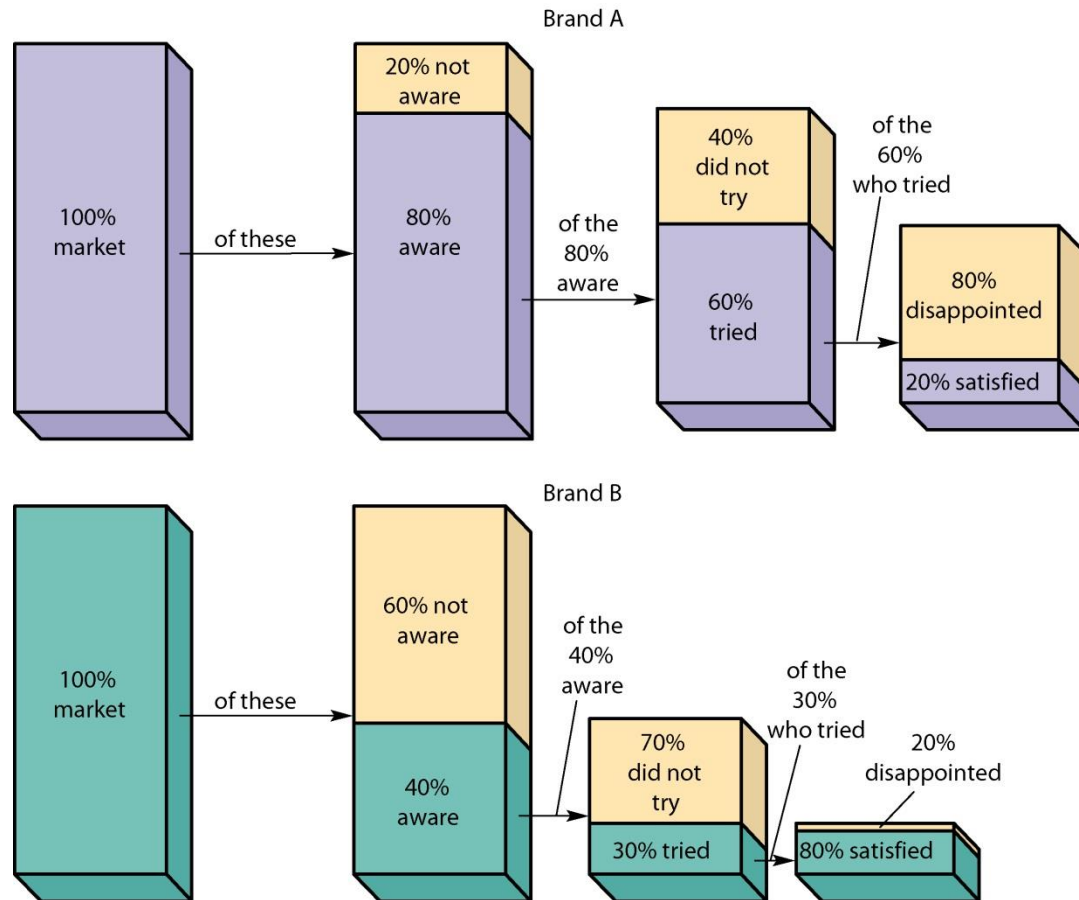
## Campaign Evaluation

- Managers of advertising programs should regularly evaluate advertising communication & sales effects.
- The sales effect of advertising is often harder to measure than the communication effect.
  - one way is comparing past sales with past ad expenditures
- If the objective of the advertising is to inform, then conducting a pre- and post-test of the target markets awareness of the product or brand is often used.
- By replicating research that produced data for Figure 13–3, they could see if the campaign met its goals.

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**Figure 13-3** Feedback measurements for two brands.

### Hotel brand A:

80% of the total market was aware of it.

20% of those who were aware had tried it.

Only 20% of those who tried it were satisfied.

### Hotel brand B:

Only 40% of the market was aware of it.

Only 10% of those had tried it.

80% of those who tried it were satisfied.



## Campaign Evaluation

- A process called copy testing can be performed before or after an ad is printed or broadcast, and reveals whether an ad is communicating well.
- Three major methods of advertising pretesting:
  - **direct rating** - in which the advertiser exposes a consumer panel to alternative ads and asks them to rate the ads
  - **portfolio tests** - where recall level indicates the extent to which an ad stands out and how well its message is understood and remembered
  - **laboratory tests** - equipment measures physiological reactions to an ad: heartbeat, blood pressure, pupil dilation, and perspiration

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## Campaign Evaluation

- Two popular methods of post-testing ads:
- **Recall tests** - the advertiser asks people exposed to magazines or TV programs to recall everything they can about the advertisers and products that they saw
  - recall scores indicate the ad's power to be noticed & retained
- **Recognition tests** - researchers ask readers of an issue of a magazine to point out what they have seen
  - recognition scores can assess impact in different market segments and compare the company's ads with those of competitors

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## A Summary

- To spend a large advertising budget wisely, advertisers must:
  - define their advertising objectives
  - develop a sound budget
  - create a good message
  - make media decisions
  - evaluate the results
- Advertising draws much attention due to its power to affect lifestyles & opinions, and it faces increased regulation to ensure it performs responsibly.

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