



Chapter 19 Advertising

- Section 19.1 Advertising Media
- Section 19.2 Media Measurement and Rates

Advertising Media

Key Terms

promotional
advertising

institutional
advertising

media

print media

transit
advertising

broadcast
media

online
advertising

specialty
media

media
planning

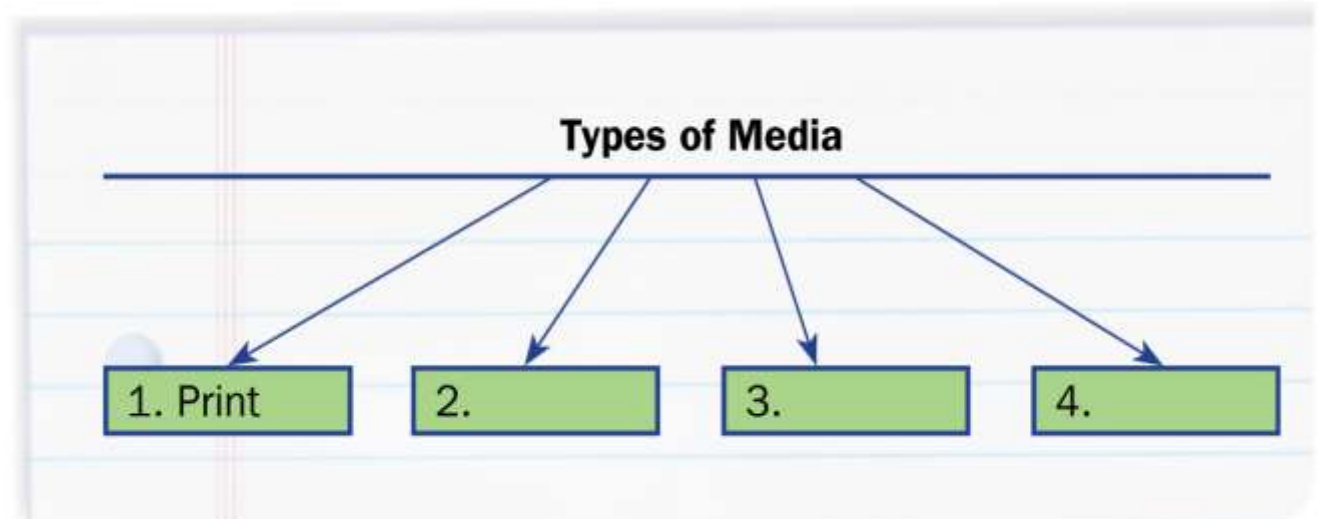
Objectives

- Explain the concept and purpose of advertising in the promotional mix
- Explain the different types of advertising media
- Discuss the planning and selection of media

Advertising Media

Graphic Organizer

In a chart like this one, organize your notes about the definition and role of advertising.



Advertising and Its Purpose

In advertising, advertisers control the message, where it will be seen or heard, and how often it will be repeated.

Promotional and Institutional Advertising

There are two main types of advertising:

- Promotional
- Institutional

promotional advertising



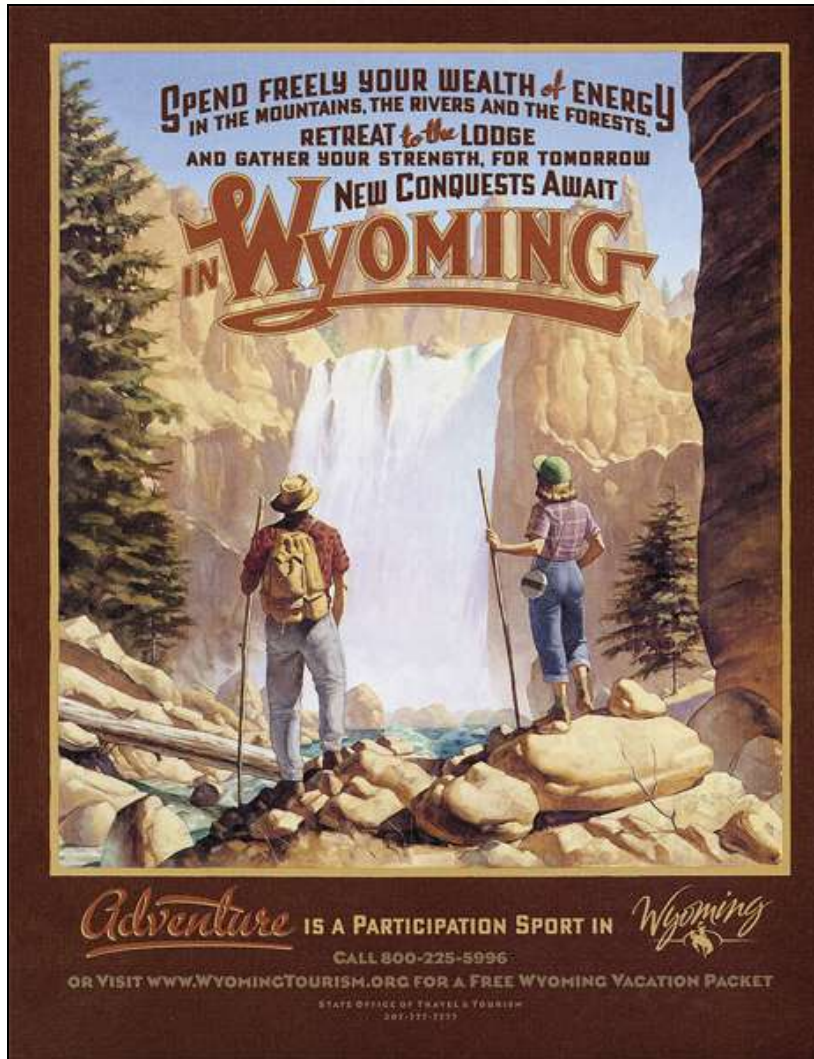
Advertising designed to increase sales.

Promotional and Institutional Advertising

Promotional advertising ◀ is when the goal is to increase sales. It can:

- Introduce a new business
- Change a company image
- Promote a product
- Encourage the use of a particular service

Promotional and Institutional Advertising



State and city tourism offices have placed this ad to promote Wyoming as a good place for a vacation.

Promotional and Institutional Advertising

institutional advertising



The process used to try to create a favorable image for a company and foster goodwill in the marketplace.

Institutional advertising ◀ tries to create a favorable image for a company and foster goodwill in the marketplace. Connecting a company's name to a worthy cause makes a favorable impression on its customers.

Mass Advertising Versus Targeted Advertising

Mass advertising enables companies to reach large numbers of people with their messages. Advertisers can also carefully target their messages to select audiences in a process known as targeted advertising.

Types of Media

media



The avenues through which messages are delivered; also known as channels.

Media are the agencies, means, or instruments used to convey advertising messages to the public. The four general categories are:

- Print
- Broadcast
- Online
- Specialty

Print Media

print media



Newspapers, magazines, direct mail, signs, and billboards used in advertising.

Print media includes:

- Newspapers
- Magazines
- Direct mail
- Signs
- Billboards

Print Media

- Newspapers are an important advertising outlet for consumer-oriented products and services.
- Shoppers are local papers that contain little editorial content and are delivered free.
- Responses to newspaper ads and coupon sales can be easily tracked.

Print Media

Magazines are distributed locally, regionally, or nationally. They can be published as weeklies, monthlies, or quarterlies. Magazines generally have a longer life span than newspapers because people keep them for a longer period of time.

Print Media

People tend to read magazines more thoroughly than they read newspapers. Two drawbacks of magazine ads are:

- They can be expensive.
- They must often be submitted weeks or even months before their publication date.

Print Media

The two types of direct marketing are:

- Printed direct mail sent to a home or business
- Electronic direct mail sent to an e-mail address

Examples of printed direct-mail advertising are:

- Newsletters, catalogs, coupons, samplers, and invitations.

Print Media

Direct-mail advertisers build customer profiles of existing customers to find information helpful in locating prospects. Marketing specialty firms sell lists of names, addresses, and phone numbers. These lists can be sorted by demographic criteria.

Print Media

Direct mail yields a low level of response, and poorly planned campaigns often yield less than a one-half percent response. It also has a negative “junk mail” image. The cost of printed direct-mail advertising can be high.

Print Media

Directory advertising involves putting an ad in a telephone directory such as the Yellow Pages. It is relatively inexpensive and can be used to target all demographic groups.

A drawback is that information cannot be adjusted until a new directory is distributed.

Print Media

There are two types of outdoor advertising signs: nonstandardized and standardized.

- Nonstandardized outdoor signs are usually custom-made signs that have no size or style requirements other than those imposed by local zoning authorities.

Print Media

- Standardized outdoor signs are purchased from advertising companies and are provided only in standard sizes, as with billboards, posters, bulletins, transit advertising, and spectaculars (signs with lights and moving parts).

Broadcast Media

broadcast media



Radio and television.

Broadcast media ◀ encompass radio and television. Television is second only to newspapers in advertising popularity. It is the ultimate advertising medium because it can combine sight, sound, action, and color to produce a compelling advertisement.

Broadcast Media

TV has the highest production cost of any media and the cost to air the ad can be very high.

Radio has the immediacy of newspapers without the high production costs of television. However, products and services can only be described, not seen.

Online Advertising

online advertising



A form of advertising that uses either e-mail or the World Wide Web.

Online advertising ◀ is a form of advertising that uses either e-mail or the World Wide Web. An opt-in e-mail is a mass e-mail that is sent to people who have requested it or authorized it.

Most online advertising is in the form of banner or pop-up ads.

Specialty Media

specialty media



Relatively inexpensive, useful items featuring an advertiser's name or logo that are given away; also known as giveaways or advertising specialties.

Specialty media ◀, also called giveaways or advertising specialties, are relatively inexpensive, useful items featuring an advertiser's name or logo. They must be practical, used frequently, and placed in locations with high visibility.

Other Advertising Media

Other innovative means of transmitting messages to potential customers include:

- Sports arena billboards
- Ads in movie theaters and home video rentals
- Ads on hot air balloons and blimps
- Skywriting

Media Planning and Selection

media planning



The process of selecting the advertising media and deciding the time or space in which the ads should appear to accomplish a marketing objective.

Media planning ◀ is the process of selecting the advertising media and deciding the time or space in which the ads should appear.

To establish the media plan, advertisers ask:

- Can the medium present the product and the appropriate business image?

Media Planning and Selection

- Can the desired customers be targeted with the medium?
- Will the medium get the desired response rate?

Media Measurement and Rates

Key Terms

audience

impression

frequency

cost per
thousand
(CPM)

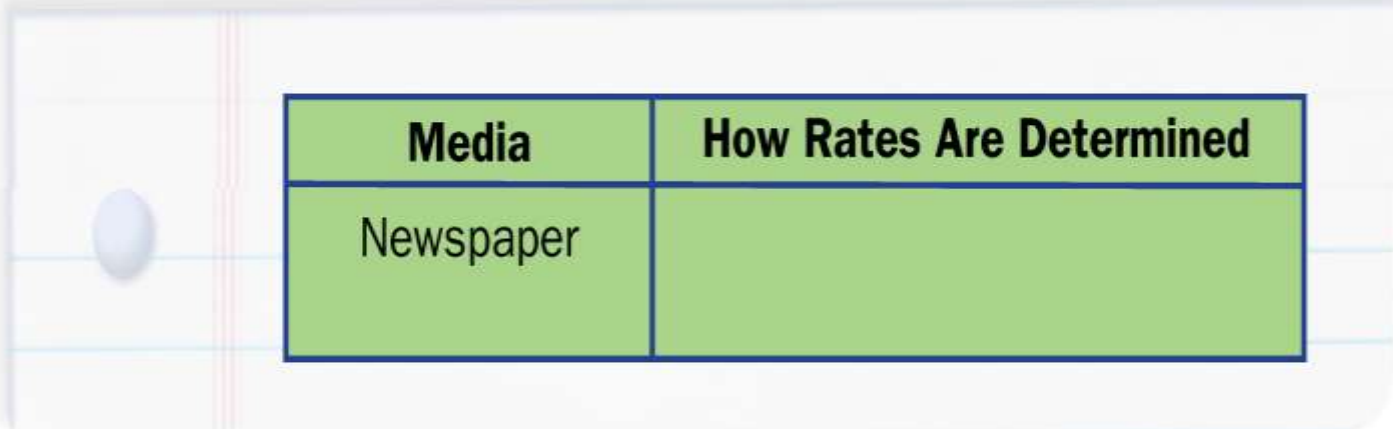
Objectives

- Identify media measurement techniques
- Explain techniques used to evaluate media
- Summarize how media costs are determined
- Explain promotional budget methods

Media Measurement and Rates

Graphic Organizer

Use a chart like this one to take notes about media rates.



Media	How Rates Are Determined
Newspaper	

Media Measurement

audience



The number of people exposed to an ad.

impression



A single exposure to an advertising message.

To understand media measurement, you need to become familiar with several key terms. The number of homes or people exposed to an ad is called the **audience** ◀.

A single exposure to an advertising message is called an **impression** ◀.

Media Measurement

frequency



The number of times an audience sees or hears an advertisement.

Cost per thousand (CPM)



The media cost of exposing 1,000 readers or viewers to an advertising impression

Frequency ◀ is the number of times an audience sees or hears an advertisement.

Cost per thousand (CPM) ◀ is the media cost of exposing 1,000 people to an advertising impression. It is the tool used to compare the effectiveness of different types of media.

Media Measurement

Readership of print media is measured by surveys or estimated by circulation. The TV audience is measured with diaries or meter data collected by Nielsen Media Research.

Media Measurement

Numbers of radio listeners are tracked by the Arbitron Company using listening diaries. Online audiences are measured with surveys and computer software tracking systems.

Media Rates

Advertising uses a set format that is defined in terms of time (broadcast media) or space (print or online media). Media costs vary greatly, not just with type of media but also with geographical location and audience.

Newspaper Rates

Newspaper rates are divided into two categories, depending on whether the ad is a classified ad or a display ad.

- Classified ads
- Display ads

Newspaper Rates

Newspaper costs vary. CPM is a convenient measure that enables advertisers to compare the advertising costs of different newspapers.

The comparison is made with the following formula:

$$\text{Cost of ad} \times 1,000 / \text{Circulation} = \text{CPM}$$

Magazine Rates

Magazine rates are based on:

- Circulation
- Type of readership
- Production techniques

Magazine Rates

There are different magazine rates, including:

- Bleed
- Black-and-white versus color printing
- Premium position
- Discount

Online Rates

Online advertising rates are based upon the type of format the customer desires, such as banner, button, and pop-up. They are also set on a CPM rate of page views.

Radio Rates

Costs of radio advertising vary according to:

- Where the ad will air
- What time of day the ad will air
- Length of the ad

Radio ad rates are highest during the morning and late afternoon, also called drive times.

Television Rates

Like radio, TV rates depend on where the commercial will air, what time of day, and the ad's length. Prime time (7 P.M. to 10 P.M.) is the most expensive time to advertise on television.

Promotional Budget

The promotional budget considers the cost for developing and placing ads. Four common promotional budgeting methods are:

- Percentage of sales
- All you can afford
- Following the competition
- Objective and task

Promotional Budget

If a company follows the all you can afford method, it pays all expenses, then applies the remainder of its funds to promotional activities.

Promotional Budget

The following the competition method bases its budget on the competitor's promotional expenditures or the competitor's market share. It is considered a weak method because it is based on the competitor's objectives.

Promotional Budget

The objective and task method determines goals, considers the necessary steps to meet them, and determines the cost of activities to meet those goals.

FOCUS on KEY POINTS

Section 19.1

- The main purpose of advertising is to present a message that encourages the customer to buy the product or service or to accept an idea. Businesses must choose the most appropriate advertising media for their target market; for example, Web sites, newspapers, radio, or television.

continued

FOCUS on KEY POINTS

Section 19.2

- Choosing the correct medium to use is a very complex effort. Media planners must concern themselves not only with the correct medium to use and its costs, but also with how to measure overall advertising effectiveness.



This chapter has helped prepare you to meet the following DECA performance indicators:

- Explain the types of advertising media.
- Explain direct advertising strategies.
- Describe considerations using databases in advertising.
- Demonstrate orderly and systematic behavior.
- Demonstrate creativity.