Chapter Five

Advertising Management
The Richards Group

- Largest US independent agency
  - 650 marketing professionals
  - $1 billion annual billings
- Stan Richards
- “We sell the truth”
- Prefers hiring new college graduates
- Co-mingle disciplines
- Interdisciplinary villages
- When hired – strategic process
- Success stories
  - Chick-fil-A
  - Motel 6
  - Bridgestone – Super Bowl
  - The Home Depot
Chapter Objectives

1. What are the essential ingredients in advertising campaign management, including the role of advertising?
2. When should a company employee an external advertising agency rather than completing the work in-house?
3. How do companies choose advertising agencies?
4. What roles are played within advertising agencies and client companies?
5. What steps are completed as part of advertising campaign management?
6. What are the primary goals of advertising?
7. What are the key elements of an advertising budget?
8. What are the issues in the media-selection process?
9. How does a creative brief facilitate effective advertising?
Advertising Management

Chapter Overview

• Advertising management
• Choosing an advertising agency
• Roles of advertising personnel
• Advertising campaign management
  • Advertising research
  • Advertising goals
  • Advertising Budget
  • The Creative Brief
Advertising Terms

- Message theme
- Leverage point
- Appeal
- Executional framework
FIGURE 5.2
Advertising Design Overview

Advertising Strategy
Chapter 5

Message Strategy
Chapter 7

Appeals
Chapter 6

Media Selection
Chapter 8

Executional Framework
Chapter 7

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Overview

Advertising Management

1. Review role of advertising in IMC effort
2. Select in-house or external advertising agency
3. Develop advertising campaign management strategy
4. Complete creative brief
Advertisign and IMC Process

• Advertising still major component
• Role of advertising varies
• Business-to-business sector
  • Supporting role
• Consumer sector
  • Primary communication vehicle
### Advantages of In-House
- Lower costs
- Consistent brand message
- Better understanding of product and mission
- Faster ad production
- Works closer with CEO
- Lower turnover rate in the creative team

### Advantages of Outside Agency
- Reduce costs
- Greater expertise
- Outsider’s perspective
- Access to top talent

Budget Allocation Considerations

In-House vs. Advertising Agency

Size of account should match size of agency

75-15-10 Rule

75% - Media buys
15% - Creative work (agency)
10% - Ad production
Crowd Sourcing
In-House vs. Advertising Agency

- New alternative
- Outsource creative
  - Doritos
  - Harley Davidson
- Overall cost not lower
- Advantages
  - Consumers involved
  - Generate buzz
External Advertising Agencies

Boutique → Full-Service

- Advertising agencies
- Media service companies
- Direct marketing agencies
- Consumer and trade promotion specialists
- Online and digital agencies
- Social media agencies
- Public relations agencies
FIGURE 5.6

Steps in Selecting an Advertising Agency

1. Set goals
2. Select process and criteria
3. Screen initial list of applicants
4. Reduce list to two or three viable agencies
5. Request creative pitch
Choosing an Agency

Goal Setting

• Set before contacting agencies
• Provides direction
• Reduces biases
FIGURE 5.7

Evaluation Criteria in Choosing an Ad Agency

- Size of the agency
- Relevant experience of the agency
- Conflicts of interest
- Creative reputation and capabilities
- Production capabilities
- Media purchasing capabilities
- Other services available
- Client retention rates
- Personal chemistry
Creative Pitch

• 2 to 3 finalists
• Formal presentation → shootout
• Specific problem/situation
• Expensive for agencies
Key Advertising Personnel

- Client Marketing Manager
- Client Marketing Manager
- Client Marketing Manager
- Account Executive
- Account Planner
- Creative Director
- Traffic Manager
- Media Buyers & Planners
- Creative
- Creative
- Creative
- Creative
- Creative
Role of Quality Communications

- Survey of senior executives
- 30% of staff’s time wasted
- 75% of agencies go through significant changes in direction
- Agencies deal with multiple people
- Clients want good value, results
- Stewardship reports
Advertising Campaign Management

1. Conduct and review advertising research
2. Establish advertising objectives
3. Review advertising budget
4. Select media
5. Prepare creative brief
Advertising Research

- Understand customers
- Purchase benefits, not attributes
- Product-specific research
  - Key selling points
  - Desirable features
- Consumer-oriented research
  - Context of product use
  - Anthropological approach
  - Sociological analysis
  - Psychological motives
- Focus groups
Motel 6 and The Richards Group

• Motel 6 client for 24 years
• Insight through qualitative research
• Focus group – Account planner
• Round 1 – no Motel 6
• Round 2 – no Motel 6
• Finally, Motel 6 mentioned
  • Save money
  • Benefit of frugality
  • No difference once light is out
• To build brand image
• To inform
• To persuade
• To support other marketing efforts
• To encourage action
Build Brand Awareness

Advertising Goals

• Brand image begins with awareness
• Consumers recognize brand
• Business-to-business
  • Especially important in modified rebuy situations
• Successful brands possess
  • Top-of-mind
  • Top choice
• Brand equity leads to top-of-mind & top choice
Provide Information

Advertising Goals

WHERE YOU GO
AFTER YOU
DIE A COUPLE
HUNDRED TIMES

IF YOU NEED A TIP, CHEAT, OR WAY OUT OF A JAM, ASK
SOMEONE AT GAMESTOP. CUZ ALL OUR WORKERS ARE PLAYERS.
Persuasion

Advertising Goals

Nobody Does "I Do!" Like We Do...

Flair Jewelers
Monroe • West Monroe
Support Marketing Efforts
Advertising Goals

- Consumer promotions
- Retailers
- Special sales
- Promotional campaign
Encouraging Action

Advertising Goals

• Behavioral goals
• Encourage some type of action
  • Inquiry
  • Access Web site
  • Visit retail outlet
  • Send e-mail or telephone
• Business-to-business
The Advertising Budget

Manner of Distribution

- Pulsating schedule
  - Bursts of intensity
- Flighting schedule
  - Spending at select times
- Continuous schedule
  - Keep brand before consumers
Media Selection

• Media-usage habits of target market
• Audience characteristics of media
• Business-to-business media
• Earlier involvement of media companies
The Creative Brief

- The objective
- The target audience
- The message theme
- The support
- The constraints
The Objective

An advertisement for Sub-Zero designed to enhance the brand's image.
The Target Audience

The target market for this ad is females, 13-30, who enjoy sports and have an active lifestyle.
The message theme of this milk advertisement was that milk will provide calcium. The calcium will provide the customer with benefit of strong bones.
The Message Theme

• Unique selling point
• “Left brain” advertisement
  • Logical, rational side of brain
  • Manages numbers, letters, words, concepts
  • Use rational appeal
• “Right-brain” advertisement
  • Emotional side of brain
  • Manages abstract ideas, images, feelings
  • Use emotional appeal
The Support

The support claims in this ad MicroThins are:

- 30% thinner
- 40% lighter
- 4 times more scratch resistant
- 10 times more impact resistant
- 99.9% UV protection
- Anti-reflective
The Constraints

- Legal and mandatory restrictions
- Constraints
- Disclaimers
What is the Creative Brief?

- The objective
- The target audience
- The message theme
- The support
- The constraints
Creative Brief

Del Monte

• **The Objective** – increase awareness of the smaller-size cans with pull-top lid
• **Target Audience** – senior citizens, especially those who live alone and suffer from arthritis
• **Message Theme** – the new cans contain a smaller portion and are easier to open
• **Support** – 30 cent introductory coupon to encourage usage
• **Constraints** – copyright logo, toll free number, Web site address, legal requirements of a coupon, and what is meant by a small serving
International Implications

• 62% of advertising budgets spent outside of U.S.

• Two major differences
  • Process of agency selection
  • Preparation of international advertising campaigns

• Preplanning research varies

• Understanding of languages and cultures

• Media selection varies
**Figure 5.11**

Non-U.S. Ad Budgets and Sales Revenues for Major Corporations

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Ad Budget</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coca-Cola</td>
<td>83.5%</td>
<td>74.9%</td>
</tr>
<tr>
<td>Colgate-Palmolive</td>
<td>85.6%</td>
<td>76.7%</td>
</tr>
<tr>
<td>Ford</td>
<td>58.7%</td>
<td>58.7%</td>
</tr>
<tr>
<td>Mattel</td>
<td>58.8%</td>
<td>48.8%</td>
</tr>
<tr>
<td>McDonald's</td>
<td>58.6%</td>
<td>65.7%</td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>65.4%</td>
<td>60.7%</td>
</tr>
</tbody>
</table>

Selection of Advertising Agency

Newcomer Morris and Young

- Local agency
- Size matches with firm
- Relevant experience with financial institutions
- No conflict of interest
- Creative reputation – winning of awards
- Capability to produce multi-media advertisements
- Good chemistry
Ouachita Independent Bank
(Part 5)

Advertising Goal

Newcomer Morris and Young

- To persuade
Ouachita Independent Bank
(Part 5)

Creative Brief
Newcomer Morris and Young

• **The Objective** – to persuade
• **Target Audience** – Thinkers, achievers, believers (VALS2)
• **Message Theme** – local bank, local trust
• **Support** – local bank with secure history and strong financial position.
• **Constraints** – FDIC logo and insurance statement, OIB logo, and website URL on all ads.
Integrated Campaigns in Action

Think finances for community projects get in shape on their own?

Progressive Bank

Helping build a better community and a brighter future is something all of us have a stake in.

Michele Blakeslee, Senior Vice President, Chief Financial Officer and a member of our Board, believes that Progressive Bank is more than just a bank. She states, "We are committed to helping keep the financial matters of our local community organizations in shape and running smoothly."

Community service like this shows a commitment to helping others. And you can take that to the bank.

Get to know Michele better — call her at 318-812-5226.

PROGRESSIVE BANK
Banking reinvigorated

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