



# Advertising PowerSource

*Growing Your Business Through  
the Power of Advertising*

**A**dvertising is everywhere, and for good reason. At its core, advertising is about grabbing attention and conveying information. At its best, advertising inspires emotions and crafts lasting messages that ultimately change behavior.

In robust economic times, advertising is an essential tool for growing businesses and maintaining market share. In challenging economic times, it's even more essential—giving companies a crucial edge in a competitive landscape. That's not just speculation, it's a fact. It's been proven that companies that advertise own a competitive advantage over those that don't, regardless of the economic climate.

When done correctly, advertising will empower your business, build momentum and sustain growth. The amount you spend on your advertising budget is entirely up to you. However, there are some ways to maximize your bang for the buck. So without further ado, let's look at growing your business through the power of advertising.

## Getting to Know Your Marketing Options

The following are important elements in a strong marketing strategy:

- Print
- Internet
- Radio
- Television
- Collateral Materials
- Billboards

To best utilize these media, you must first determine a strategy. Below are the steps necessary to determine a strategy for your business.

- Identify target audience
  - o Determine geographic and demographic target (i.e. Women 18-49)
  - o Determine product usage (i.e. heavy, medium, light users)
  - o Psychographic factors (i.e. marital status, # of children in the household, etc.)
- Specify media objectives
- Select media categories and vehicles
- Create your media plan
  - o Determine your ads' reach, frequency, weight, continuity and cost

## Media Matters

Understanding the ins and outs of your media environment will make your ad work harder and make your money go farther. Unless you're addressing all of the above factors, you risk wasting your marketing dollars. The most successful campaigns are able to integrate multiple media, and this should be your goal as well. However, budget limitations are common in smaller businesses. You may only be able to utilize one medium. You can still achieve success with one medium if you focus on the above factors during your planning stage.

Once you have created a media plan, it's time to negotiate and buy the media. When negotiating, it's best to shop around to be sure you are paying a fair price. For example, if a radio station presents you with a promotion or package, compare the rates with a competing station to be certain the deals are fair for the market. In some cases, however, there may not be a competitor. A good example of this is that there is likely only one major daily newspaper in your market. In this instance, you can still make sure your marketing budget is working its hardest by calculating *cost-per-thousand* (CPM). By calculating your CPM on any medium, you can compare the costs across media and determine the best value.

## Not All Audiences are Created Equal

One important thing to remember about costs: The more targeted the medium, the higher the cost-per-thousand. Broad reaching media, such as television and out-of-home, tend to be cheapest on a CPM basis. This does not always mean it is right for your campaign. You will have to determine how important it is for you to reach the masses, or is it more important for you to reach a smaller, select audience? Many times, your budget will help you in this determination.

## Strengths and Weaknesses

The following section outlines the strengths and weaknesses of each medium. Keeping these in mind will help you determine if they are a fit for your campaign and help you meet your marketing objectives.

### Television

#### **Strengths**

- Combines sight, sound and motion to draw the viewer in
- Intrusive medium (a good thing, as it grabs attention)
- Messages can be clever, creative and entertaining
- People spend more time with TV than any other medium
- Can create an impact on the popular culture
- High believability factor and influences consumers
- Perceived as exciting and authoritative

#### **Weaknesses**

- Escalating costs
- Audience decline
- Remotes and DVRs lead to zipping (channel surfing during commercials) and zapping (fast forwarding or skipping commercials)
- Viewing is seasonal
- High clutter
- High cost of production
- Audience fractionalization – consumers have an ever increasing array of entertainment options available to them

## Radio

### **Strengths**

- Targets specific narrowed demographic age/gender cells
- Ability to reach customers on a personal and intimate level
- Relatively low cost of ads and production
- Short lead times
- Frequency generates top-of-mind awareness
- Easy to incorporate promotional tie-ins

### **Weaknesses**

- High clutter
- Audio only – no visual component
- Inability to reach broad audiences
- Smaller coverage area than TV
- Difficult to achieve high reach

## Magazines

### **Strengths**

- High reproduction quality
- Long ad life
- Ability to pinpoint specific audiences
- Ability to convey detailed product information
- High pass-along readership
- Ads are tangible
- Can be read anywhere and are portable

### **Weaknesses**

- Long lead time
- High cost of ads and production
- High clutter
- Some pubs are not audited, so their circulation is not confirmed
- Very little time is spent with magazines
- Circulation is limited to the frequency with which the publication is issued
- Non-intrusive or passive medium
- Offers fewer geographic options

## Newspapers

### **Strengths**

- Traditional medium with wide acceptance
- Mass audience coverage
- Ad is tangible
- Excellent for complex or detailed messages
- Zoned additions allow flexibility in matching ad to specific audience
- Short lead times
- Newspaper readers tend to have higher incomes and education levels
- Editorial articles are credible and lend credibility to the product being advertised

### **Weaknesses**

- High clutter
- Non-intrusive or passive medium
- Declining audiences
- No shelf-life
- High costs/difficult to maintain frequency

## **Out-of-Home**

### **Strengths**

- Low cost
- Large reach and frequency
- Geographic flexibility
- Product identification is substantial
- Advertiser's message is displayed 24 hours a day

### **Weaknesses**

- Billboards have a negative environmental image
- Consumers view board for only 3-5 seconds
- Non-intrusive or passive medium
- Not efficient for reaching targeted segments
- Difficult to measure audience
- Long production deadlines

## **Internet**

### **Strengths**

- Can conceivably reach millions of people
- Tracking is easy
- Unlimited creative possibilities
- Cost-efficient
- Can give complex, detailed messaging
- Copy can be changed frequently
- Offers audio and visual
- Excellent fulfillment vehicle
- Can link directly to point of sale
- Endless placement options (you choose where and how to reach your audience)

### **Weaknesses**

- Endless placement options (deciding where to place ads online and how to best manage them can be overwhelming)
- No universal search engine; Google dominates the search world, but there are many others (i.e. Yahoo, Lycos, Bing, Ask, etc.)
- Some consumers don't have internet access
- Don't know WHO is being reached – only how many have seen it
- Security concerns/threat of hacker altering website is real
- No standardized research for universal measurement
- Service can be interrupted

## The Road Ahead

Remember, every business and market is different. In addition to finding the various nuances of your own situation, there are countless changing variables that require constant analysis and adjustment. That said, the basics of marketing are true for everyone. And when you follow these rules, you're on the road toward better marketing investments and greater commercial success.



## APPENDIX: Glossary of Terms

Advertisers can benefit from learning some of the language, planning and protocol.

<b>Media</b>	The means of communication, as radio, television, newspapers, and magazines, with wide reach and influence.
<b>Public Relations</b>	Gaining public notice through press releases, publicity, and other non-paid sources.
<b>Advertising</b>	Gaining public notice through paid advertising and sponsorships.
<b>Rating</b>	The percentage of individuals or homes exposed to an advertising medium (generally used in Radio and TV).
<b>Share</b>	The percentage of HUT (PUT or PUR) tuned to a particular program or broadcast (Households Using TV, People Using TV, People Using Radio).
<b>Gross Rating Points</b>	Abbreviated as GRPs – the sum of the ratings delivered by a given list of media vehicles. Also known as TRPs (or Target Rating Points).
<b>Impressions</b>	The sum of all advertising exposures. Impressions are the same as GRPs but are expressed in terms of numbers rather than a percentage.
<b>Reach</b>	The number of <i>different</i> individuals (or homes) exposed to a media schedule within a given period of time (generally expressed as a percentage).
<b>Frequency</b>	The <i>average</i> number of times individuals (or homes) are exposed to advertising messages. Optimal frequency is up to debate. However, it is generally regarded that frequency needs to be 3 or higher to be effective.
<b>Weight</b>	Level of advertising, such as heavy (i.e. 200 GRPs), moderate (i.e. 150 GRPs), or light (i.e. 100 GRPs).
<b>Continuity</b>	Running ads for a continuous period of time.
<b>Flighted</b>	Running ad campaigns in bursts or short intervals with hiatus weeks in-between; generally utilized to minimize cost.
<b>Cost-per-Thousand</b>	Abbreviated at CPM – cost-per-mille from Latin. Can be calculated for any medium or demographic group. It shows the relative cost of one medium (or vehicle) to another (formula is cost of advertising divided by number of thousands of people reached).
<b>Cost-per-Point</b>	The cost of purchasing one rating point. Primarily used for radio and TV for showing relative cost of one station to another.
<b>Circulation</b>	The quantity of issues distributed by a publication or newspaper.
<b>Out-of-home readers</b>	Primary or pass-along readers who read the publication outside of their home.
<b>Showing</b>	Used in out-of-home (OOH) advertising. Represents the percentage of the market reached per day with OOH campaign.
<b>Poster Panels</b>	Poster advertising is preprinted (on paper or vinyl) and affixed to a permanent structure that is either freestanding or on a building wall.
<b>Poster sizes</b>	30-sheet (the most widely used); term comes from size of 30 standard double-truck broadsheet pages. 8-sheet or 6-sheet (about ¼ the size of a 30-sheet); primarily seen in inner-city areas or transit shelters. 3-sheet is a vertical display, typically measuring 3' x 7'.
<b>Painted Bulletins</b>	Outdoor structures on which advertising is directly painted. Generally larger than posters (14' x 48'). Can be either in a fixed position or rotary (rotary physically moves to new locations within the market at stated intervals).
<b>ROP</b>	Stands for Run of Press, a term in newspaper that represents display advertising within the publication.
<b>Column Inches</b>	Method of calculating size of display ads which is used to calculate the advertising cost; generally used by newspapers. Newspaper pages are divided into columns. To determine the column inches, you multiply the number of columns wide the artwork is by the number of inches high (i.e. 3 columns x 5" = 15 column inches).

<b>SEO</b>	Search Engine Optimization – the practice of increasing a specific web property’s relevance to the major search spiders and indexes.
<b>Pay-per-click</b>	Primarily consists of “Sponsored Links” on search engines or portals. Pay-per-click means that advertisers are only required to pay for media that is actually “clicked” on by the user.
<b>Banner ad</b>	Display advertising utilized on an internet website. There are a variety of standard ad units (measured in pixels): 728 x 90, 160 x 600, and 300 x 250 are a few of the most popular.
<b>Visitors</b>	The total number of people to access a website.
<b>Unique Visitors</b>	The total number of individual people (without duplication) to access a website (one individual may visit a website many times in a week or month; in this number, they would only be counted one time).
<b>Page Views</b>	The number of pages viewed by all visitors to a website.
<b>Page Views per Visit</b>	Represents the average number of page views per visit. Higher numbers are more attractive, since that would indicate a higher level of engagement with the site.