

## ADVERTISING AND SALES MANAGEMENT

### TOPIC: ADVERTISING BUDGET AND STRATEGIES

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## TOPIC COVERED

### Advertising Budget and Strategies

- Advertising
- Setting the Advertising Budget
- Developing Advertising Strategy

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## INTRODUCTION

Advertising has played important role in business today. Advertising has become an industry instead of a department of an organization. Organizations outsource advertising agencies in order to improve brand image and market share in the market.

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## MEANING

Advertising helps in sales, increase awareness in brand image, inform features of the products to the public including existing and prospective consumers in the market.

It helps in facing competition and enters in new markets.

Advertising is a paid and non-personal activity.



## SETTING THE ADVERTISING BUDGET

**Factors to consider when setting the budget**

- **Product life-cycle stage**
- **Market share**

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## Product life-cycle stage

- New products require larger budgets
- Mature brands require lower budgets

## Market share

- Building or taking market share requires larger budgets
- Markets with heavy competition or high advertising clutter require larger budgets
- Undifferentiated brands require larger budgets

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## DEVELOPING ADVERTISING STRATEGY

Advertising strategy is the strategy by which the company accomplishes its advertising objectives and consists of:

- Creating advertising messages
- Selecting advertising media

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## Creating the Advertising Message

**Advertisements need to break through the clutter:**

- **Gain attention**
- **Communicate well**

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## Creating the Advertising Message

**Advertisements need to be better planned, more imaginative, more entertaining, and more rewarding to consumers**

- **Madison & Vine—the intersection of Madison Avenue and Hollywood—represents the merging of advertising and entertainment**

## Creating the Advertising Message

**Message strategy is the general message that will be communicated to consumers**

- **Identifies consumer benefits**

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## Creating the Advertising Message

**Creative concept is the idea that will bring the message strategy to life and guide specific appeals to be used in an advertising campaign**

**Characteristics of the appeals include:**

- **Meaningful**
- **Believable**
- **Distinctive**

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## Creating the Advertising Message

- **Message execution is when the advertiser turns the big idea into an actual ad execution that will capture the target market's attention and interest.**
- **The creative team must find the best approach, style, tone, words, and format for executing the message.**



## Message execution also includes:

- **Tone**
  - Positive or negative
- **Attention-getting words**
- **Format**
  - Illustration
  - Headline
  - Copy

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- YouTube videos
- Brand Website contests
- Positives
  - Low expense
  - New creative ideas
  - Fresh perspective on brand
  - Boost consumer involvement



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## Selecting Advertising Media

Major steps include:

- Deciding on reach—frequency—impact
- Selecting media vehicles
- Deciding on media timing

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**Reach is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time**

**Frequency is a measure of how many times the average person in the target market is exposed to the message**

**Impact is the qualitative value of a message exposure through a given medium**



Selecting media vehicles involves decisions presenting the media effectively and efficiently to the target customer and must consider the message's:

- Impact
- Effectiveness
- Cost

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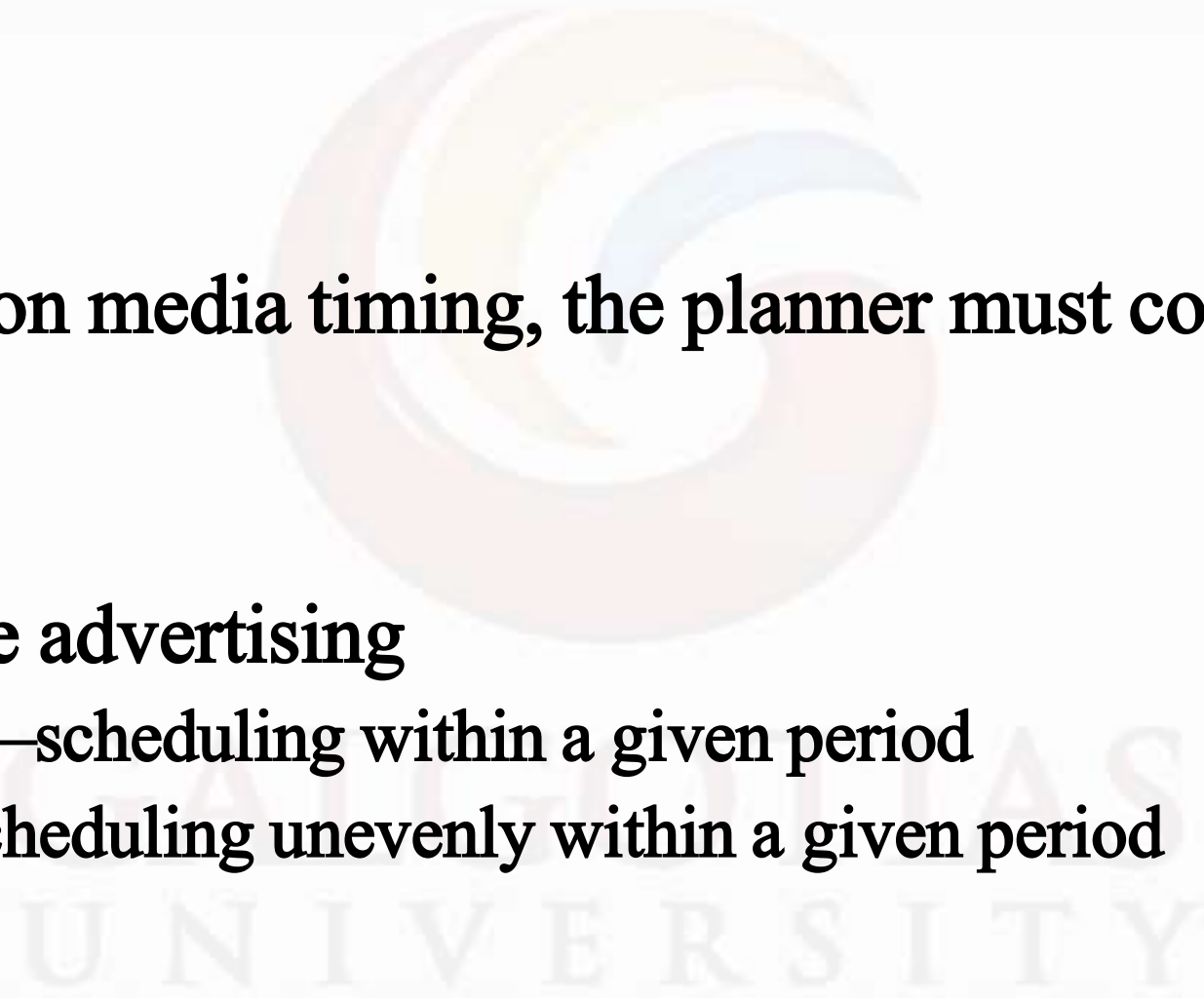
**Narrowcasting focuses the message on selected market segments**

- **Lowers cost**
- **Targets more effectively**
- **Engages customers better**

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**When deciding on media timing, the planner must consider:**

- **Seasonality**
  
- **Pattern of the advertising**
  - **Continuity**—scheduling within a given period
  - **Pulsing**—scheduling unevenly within a given period



# School of Finance and Commerce

Course Code : BCOM 3044

Course Name: Advertising and Sales Management



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# THANK YOU

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