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MKT 833 – ADVERTISING MANAGEMENT

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Module 1

Unit 1 – Overview of Advertising

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UNIT 1 – OVERVIEW OF ADVERTISING

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1.0   INTRODUCTION

The word "advertising" is a common term in our day to day activities. We see and hear it on the television, radio, newspapers and magazines; at street corners, on the walls and rooftops of houses, roadsides, airports, seaports, on vehicles, postage stamps, nozzles of petrol pumps, on bathroom tissues and so on. Advertising has become such a big

institution that commercial activities in the society cannot exist without it. Indeed, advertising uses various media in the society to deliver its message and achieve its objective of selling a product or service. Therefore, to begin this course, we shall start by introducing you to the concept of advertising, its origin and development. This will not only situate the subject, but also endow us with the knowledge of how advertising came about both in Nigeria and generally in the world.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

- trace the origin of advertising generally and how it began in Nigeria, in particular;
- identify the factors that impacted on the development of advertising;
- define advertising as a concept.

3.0   MAIN CONTENT

3.1   Origin and Development of Advertising

Advertising has a distant origin in ancient times. In fact, it is safe to say that advertising started with the advent of the town crier and the street hawker. What these people did was to shout their messages, telling people about their products. Later on, another form of advertising was introduced with the advent of tradesmen and craftsmen, who put trademarks and symbols on their products. These trademarks and symbols grew to become identities of these products.

However, advertising, as we know it today actually started with the advent of the printing press. With the introduction of the printing press in the middle of 15th century came the newspapers, some of them broadsheets. The newspapers became the first channels of advertising, as we know it today, especially as traders advertise their products for people to read in these newspapers.

However, the advent of photography brought a major turning point in advertising. With the introduction of photography, advertising format changed, as people were able to read as well as view products being advertised in the newspapers. We need to note, in particular, that with the advent of newspapers came the advertising agencies, the first being V.B. Palmer, who first set up in Philadelphia, in the United States, in
1841. This tends to confirm that modern advertising really started in America.

Palmer and a few others started as newspaper agents, which is slightly different from what we have today. They engaged in selling newspaper spaces to tradesmen and producers and collected a commission of 25 per cent. Today, this form of commission system has continued in the advertising industry, though it could

sometimes be reduced to 15 or 10 per cent depending on bargaining and whether the advertisement is A or B grade.

Indeed, the industrial revolution, which swept through Europe and other parts of the world led to the introduction of marketing. Producers engaged in mass production and, thus, realised that they needed to work harder to make the people know about their products, the product prices and their uses, so that they can dispose them more easily. This way, advertising also became recognised as part of marketing.

Another factor which facilitated the growth of advertising, was public education. With the advent of modern education, the literate audience started to emerge and advertisers tried to identify which section of the public could perceive and buy which products. Other factors included invention of radio, as well as black and white and coloured television at the different times when they were invented. Of course, the television more than the radio had greater impact on advertising, especially because of the benefit that advertisement could contain both product image and symbols, with the symbols reinforcing the product image. There also came the advantage of demonstrating product usage on television.

However, by the turn of the 19th century, the character of advertising changed considerably as agencies started to create space for clients. This was because there was competition in the business of advertising as many people embarked on sale of spaces. Thus, the agencies had to focus on creating space for clients and promotion and marketing packages. This way, the agencies began what we today regard as full marketing services for products.

With the global economy depression, big agencies started to break up into what was called hot-shops instead of providing full marketing services, they became specialist agencies. Even today, depending on the dictates of the global and national economies, advertising agencies have revolved around providing full marketing services and specialisation.

3.2   Advertising in Nigeria

Here in Nigeria, advertising also started with the introduction of the newspapers when traders began to place space in the available newspapers. The first advertising agency called West African Publicity Limited started in 1928. The agency was a subsidiary of the United African Company (UAC). Thus, we can say that the advertising agency business began with the expansion of the multinational sector of Nigeria's economy.

The West African Publicity Limited had branches in Accra, Lagos and Freetown. It was this same company that later became LINTAS Limited, a reputable advertising agency in Nigeria today. Pathetically,, at the inception of the West African Publicity Limited, the literacy level in Nigeria was still very low, so the indigenous languages were used for most of the, and they were then essentially for the UAC Group interests. What could be regarded as the first meaningful advertising campaign was done in 1948 for Kingsway Stores by the West African Publicity Limited. In 1964, however, the West African Publicity Limited merged with LINTAS International.

This international affiliation of agencies became a trend as many global agencies, such as OBL and Ogilvy and Mather, later had subsidiaries in Nigeria. However, the Indigenisation Decree of 1973 changed all that. With the promulgation of the law, advertising business was reserved for only Nigerians. Consequently, the international agencies had to sell their interests to Nigerians. Today, some of the local advertising agencies still have technical partnership with international agencies. With numerous advertising agencies in Nigeria and the huge advertising billings (the total amount of money spent on advertising), advertising has now occupied a significant space in the nation's economy.

Records show that advertising billings rose from N10 million in 1972 to N54 million in 1974 and by 1982, it was estimated to be at about N300 million. Presently, it runs into billions, as we shall later see in this course, indicating a steady growth of advertising in the country, even though the sector continues to be affected by the economic crunch as manufacturers scale down their advertising budgets due to reduced production capacity. Thus, from the crude posters of the West African Publicity Limited, advertising has become so sophisticated that many aspects of our lives are affected by its impact. For example, since the return of the country to democratic rule in 1999, politicians and political contestants as well as their political parties from time to time embark on major adverting campaigns to sell their manifestoes and candidates' programmes. This is apart from the fact that our cultural life, social life and all the economic activities are affected by advertising in Nigeria today.

3.3   Definition of Advertising

In simple terms, advertising is a sales tool. If we agree with this, it then follows that we can stretch this further that advertising should be combined with other areas of marketing. Therefore, we can be talking of advertising and public relations, advertising and sales promotion, because the ultimate aim of advertising is to sell a product, service or idea.

Indeed, advertising has lends itself to various definitions. Advertising as described by the American Marketing Association, Chicago is basically "any paid form of non-personal presentation of ideas, goods and services by an identified sponsor."

This definition states that advertising is a form of persuasive communication by an identified sponsor about a product or service. This definition of advertising may be considered as apt by some scholars. However, it may sometimes be considered too simplistic, especially when there is no identified sponsor in some such as sometimes, social responsibility, which we shall later discuss in subsequent units in this course.
Similarly, the definition also suggests that advertising is aimed at manipulating its audience because it is one-way. Thus, in this context, it would not be wrong to say that advertising forces itself upon its audiences, leaving little scope of response from the receiver's end.

Another definition, however, says advertising is a mass commercial communication. This definition identifies the wider spread of advertising message and insists on particular sponsors of the advertisement; that is the advertiser, who pays for its media exposure, in whatever for, on television, radio, newspaper and so on. It also identifies the process for the exposure of the advertisement before it gets to the consumer.

For this course, we shall take a more comprehensive and internationally accepted definition of advertising as:

> *"Advertising is a group of activities aiming at and inducing dissemination of information in any paid non-personal form concerning an idea, product or service to compel action in accordance with the intent of an identifiable sponsor".*

This is the definition of the International Advertising Association. It is a more acceptable and comprehensive definition of advertising. The definition shows a more complete description of the functions of advertising. For example, it shows that advertising involves copy writing, marketing research, production, arts and other functional aspects of advertising, which are aimed at disseminating information, which could be for a product, service or an idea, in any non-personal form. Besides, it also identifies that there must be a known sponsor of advertising, because the message has to be persuasive, otherwise it would not be effective.

4.0   CONCLUSION

From its beginning, advertising has permeated human activities and existence, especially with the current communication explosion in the world today. It is a pervasive phenomenon, so there is the need to study

its origin, growth and be able to conceptualise it because it uses various media of communication and impacts on human lives in all ways.

SELF-ASSESSMENT EXERCISE

Identify five major impacts on the development of advertising in Nigeria.

5.0 SUMMARY

In this unit, we have examined the various definitions of advertising and its origin with particular reference to Nigeria.

6.0 TUTOR-MARKED ASSIGNMENT

- Define advertising and trace its development, with special reference to Nigeria?

- "Advertising is a nonpersonal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." Explain.

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UNIT 2 – ADVERTISING MANAGEMENT: MEANING, ROLE AND SCOPE

CONTENTS

1.0 INTRODUCTION

From the previous unit, we understand that advertising is an activity of attracting public attention to a product, service, or business as by paid announcements in the print, broadcast, or electronic media. We can define advertising thus:

"Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media."

In this unit, we shall consider basically, the meaning, role and scope of advertising management.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Define advertising management;
- Explain the brand and the marketing mix;
- Discuss the role and scope of advertising/advertising management.

3.0 MAIN CONTENT

3.1 Meaning of Advertising Management

Advertising management is the process of overseeing campaigns that seek to inform and attract consumers regarding a particular good or service. This process begins with the first stages of the market research that helps to create the advertising strategy, moves on to the development of the general outline for the campaign, the creation of a specific plan of action and the launching of the completed project. Without effective advertising management, ad campaigns and public relations efforts tend to founder and produce little or no results.

Effective advertising always begins by engaging in competent advertising research. The research helps to identify the sectors of the consumer market that are most likely to positively respond to a given product. In order to identify these niche markets within the larger group of consumers, researchers will not only seek to understand what appeals to these buyers but why those goods and services have that inherent appeal. The data collected from the research can then be used to enhance the marketability of products, addressing everything from function to packaging.

The next phase of the advertising management process has to do with deciding exactly how to apply the data collected during the research stage. Here the basis for deciding on what forms of advertising are most appropriate begins to take shape. Depending on the specifics of the products and the nature of the niche markets that the campaign will seek to connect with, advertising services such as print media, and radio, television or the Internet may be deemed the most appropriate options.

Once the niche markets are identified and the determination of which types of advertising media are most appropriate for the campaign, advertising management focuses on the creation of the specifics of the overall campaign. This may involve such elements as the development of print ads for use in magazines and newspapers, audio campaigns for radio advertising, or commercials appropriate for television broadcast or streaming across the Internet. Because any given campaign may use several advertising options in one campaign, the process of advertising management

also involves making sure all strategies complement one another and present a unified public image to consumers.

To function in advertising management, it is necessary to possess the proper training. Advertising training is often a combination of formal education and experience derived from working under the direction of more seasoned professionals who have learned over time how to identify and interact with consumers in order to secure the data needed to structure a campaign. While creativity and inspiration are always vital elements in any advertising campaign, the ability to organize and view the greater picture are essential to managing the process and launching a campaign that will successfully reach the right consumers and generate the desired amount of revenue over the lifetime of the campaign.

3.2 The brand and the marketing mix

Advertising is just part of the marketing activity of a company, and part of the range of communications that can support a brand. Marketing, as a business discipline, can be thought of as the essential interface between a business and its customers or consumers. It is marketing's job to ensure that the business is, as far as possible, providing customers with what they want, rather than simply trying to unload on them what the business happens to have available to sell. In other words, it acts as a conduit, with the aid of market research, for consumer demand to reach the business. It then has to turn this demand into profitable sales, and, in most businesses, be sure that the customers are satisfied sufficiently to buy again—or, at least, not bad-mouth the company to all their friends.

To do this, the business deploys a range of tools and techniques, collectively known as the marketing mix: product formulation and variation; packaging; sales literature; the sales force, selling either direct to consumers or to retail distributors; pricing; sales promotion; direct mail; advertising; market research (see Figure 1.1). In particular, it usually aims to do this through the use of branding. The distinction between a product and a brand is important, because it explains much of what marketing tries to do, and much of the use of advertisements.

A product is simply something that may be offered to potential buyers: it may be good of its kind, but will not be systematically presented in a way that distinguishes it from its competitors. A brand, on the other hand, is a product whose producer has made every effort to make it uniquely desirable to potential buyers, consistently using every element in its presentation to do so. If this is done well, it makes the brand difficult to compete against—not necessarily because it is technically superior (though it may be), but because it has acquired an aura (a 'brand image') which makes it appear better than its competition.

| Gross margin | Operating contribution | Sales and distribution costs |
| | | The |

Net sales value   **Costs and contribution**   **The marketing mix**
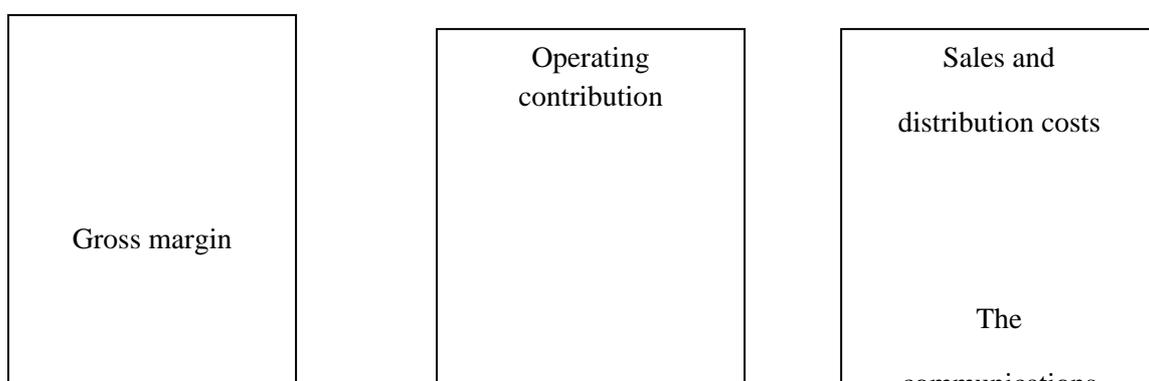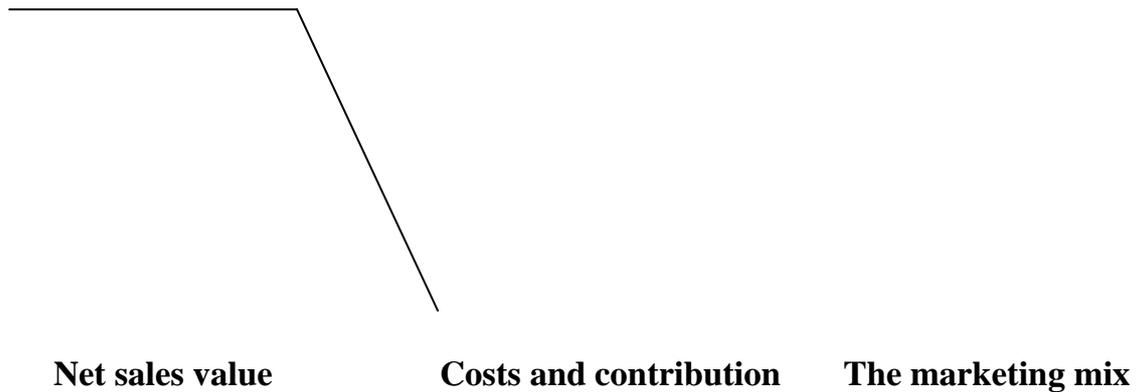
Figure 2.1 Advertiser's costs: a schematic view

A brand is created by all the elements of the marketing mix working together, consistently, to create a positive prejudice in people's minds: it has a place in their minds, where a mere product is simply a means of fulfilling a physical need. Indeed, it has been said that brands only exist in the minds of consumers. Certainly, a successful brand is seen by its market as having both rational and emotional characteristics that combine into a coherent and distinctive picture. The way a brand acquires this status can be illustrated simply by a diagram—which is, of course, a representation of the marketing mix (see Figure 1.2).

SELF-ASSESSMENT EXERCISE

What do you understand by 'advertising management'?

3.3 Role and Scope of Advertising/Advertising Management

Clearly, advertising is just one of the constituents of the mix that goes to build the brand. Advertising exists to help to sell things. In the case of off-the-page direct response ads, they actually do sell things, but mostly the process is less direct than this.
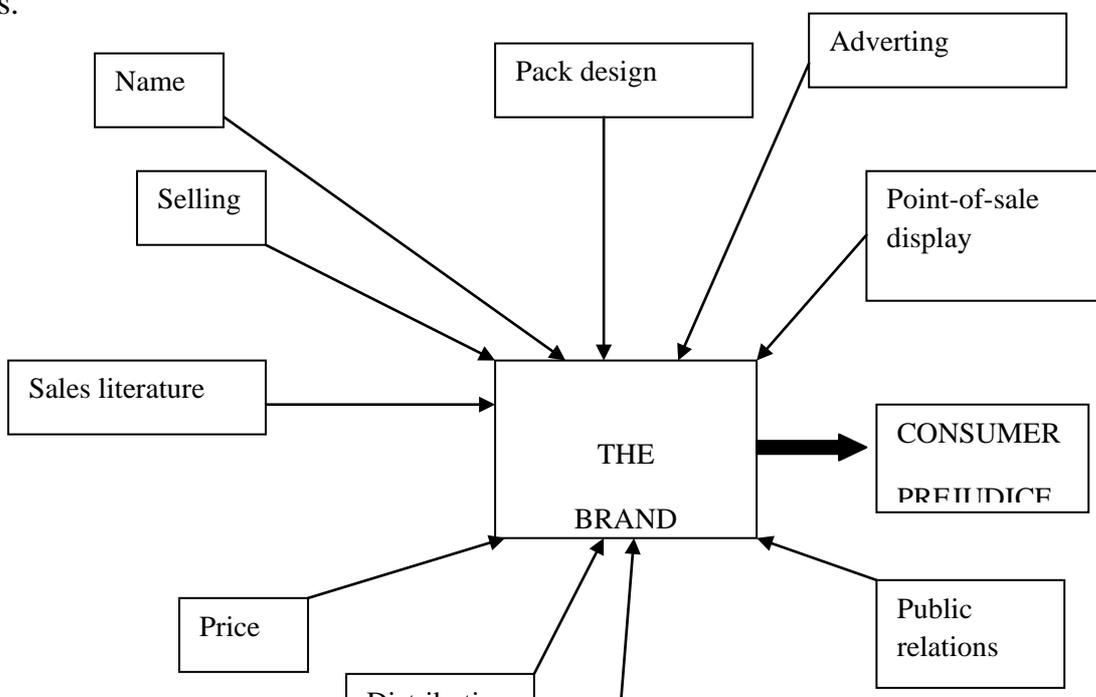
Figure 2.2 How a brand fits together

Advertising is mainly about brands. It is designed, consciously or unconsciously, to create and strengthen consumer impressions of the brand advertised, so that they will be more likely to buy it, or to buy it more often. An apparent exception to this is public service advertising, where governments use ads, for a variety of purposes that are essentially non-commercial in character.

However, a brand does not have to be advertised through media advertising. It is perfectly possible to devote the marketing budget to having salespeople knocking on consumer's doors or telephoning them to make a sales pitch, or to concentrate entirely on persuading suitable retailers to put the brand on their shelves so that the packaging and presentation will sell it to visitors to the store. The task of the marketing manager is to weigh up the costs and the likely benefits of alternative uses for the budget, and act accordingly. If advertising can be avoided, this can save a lot of money for other purposes.

What is reasonably certain, though, is that to do this will limit the brand's reach. Advertising is an ideal tool for reaching large numbers of people economically. There is a growing view that mass advertising and mass marketing are no longer the way forward for most consumer businesses, but it is equally true that the alternatives have their limitations. People still like to buy brands of which they have heard, and which they believe to be popular, in some sense. Media advertising is still the cheapest way of making sure that a brand is broadly known and recognized.

4.0 CONCLUSION

Advertising management is a career path in the advertising industry. Advertising and promotions managers may work for an agency, a PR firm, a media outlet, or may be hired directly by a company to develop branding for the company's product or service. This position can include supervising employees, acting as a liaison between multiple agencies working on a project, or creating and implementing promotional campaigns.

5.0 SUMMARY

In this unit, we have considered that:

- Advertising management is a complex process of employing various media to sell a product or service;
- Advertising is part of the marketing activity of a company as well as part of the range of communications that can support a brand;
- Advertising is an ideal tool for reaching large numbers of people economically.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the role and scope of advertising/advertising management.

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UNIT 3 – INTEGRATED MARKETING COMMUNICATIONS

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1.0 INTRODUCTION

One aspect of thinking about advertising and the marketing mix that is gaining currency is the idea that advertising must go hand in hand with other parts of the marketing mix—for instance, there is evidence that promotions are more effective, and brand building, when they are combined with advertising. This is an element in a change that has been developing for some years in how we approach advertising within the overall marketing and marketing communications mix. Integrated communications is now a well-established piece of jargon in the advertising and marketing world, although there is still a considerable debate about precisely what it means in practice, how to achieve it and who should be managing the process.

The principle is clear. If you accept that a brand is a combination of a product (which can be a service, like life assurance or a meal in Mr. Biggs) and of the communications about the product, it should go without saying that all the various communications designed to help present and sell the brand to its target consumers ought to work together to build a coherent, compelling picture of the brand.

They do not need all to be saying exactly the same thing, because they all work rather differently: what is needed is synergy between them, to make the sum of the communications more powerful than they would otherwise have been. Each of the activities—PR, advertising, direct mail, trade promotions, consumer promotions, packaging design, point-of-sale signage, brochures and other literature, spin-off merchandise, sponsorship, the web site ... —will have its own individual role in helping to achieve the marketing objectives for the brand. But each of them will also have a role in contributing to the brand's reputation among its customers. Some will communicate facts, or usage instructions and hints; some will be focused on convincing the potential buyer that the brand is excellent value for money; some will be providing it with positive and motivating associations; some will be calling attention to the brand's presence in the store, on the street, in a catalogue, on the Internet.

In this unit, therefore, we shall consider what this concept means as well as discuss the strategic goals of marketing communications.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:

- Explain the concept of integrated marketing communication;
- Discuss the process of integrated marketing communication;
- Discuss the strategic goals of marketing communications.

3.0 MAIN CONTENT

3.1 Integrated Marketing Communications

Integrated Marketing Communications (IMC) is a strategic marketing process specifically designed to ensure that all messaging and communications strategies are unified across all channels and are centred around the customer. The IMC process emphasizes identifying and assessing customer prospects, tailoring messages to customers and prospects that are both serviceable and profitable, and evaluating the success of these efforts to minimize waste and transform marketing from an expense into a profit-centre.

Thus, IMC is an approach to achieving the objectives of a marketing campaign, through a well-coordinated use of different promotional methods that are intended to reinforce each other.

As defined by the American Association of Advertising agencies, **integrated marketing communications (IMC)** is a concept of marketing communications planning that recognizes the added value of a comprehensive plan. Such a plan evaluates the strategic roles of a variety of communications disciplines – for example, general advertising, direct response, sales promotion and public relations – and combines these disciplines to provide clarity, consistency, and maximum impact through the seamless integration of messages.

IMC is the use of coordinated messages and media on regular bases to consumers. The messages are consistent and clear in all the channels of communication. Databases are used to keep in touch with consumers. Repeat sales, customer attitudes and related purchases are some of the tools used to measure the effectiveness of IMC. Thus, IMC is the integrating and coordinating of a company's communications, so that the message delivered is consistent and clear in all channels used. These channels include:

- **Advertising** - AV material, brochures, cinema, company vehicles, directories, displays, leaflets, logos, packaging, package inserts, posters, point of purchase displays, print advertisements, radio, symbols, television, transit, outdoor (billboards), videotape;
- **Direct marketing** – Bill inserts, catalogues, direct mail, e-mail, internet, TV shopping, telemarketing;
- **Public Relations** – Annual reports, community relations, company magazine, donations, internet sites, press releases, lobbying, publications, seminars, speeches, sponsorships;
- **Personal Selling** – Fairs, incentive programmes, presentations, trade shows;
- **Sales Promotion** – Allowances, contests, coupons, demonstrations, exhibits, financing, incentive programmes, lotteries, premiums and gifts, rebates, sampling, trade shows, trade discounts.

The advocates of integrated marketing communications tend to agree on the following:

- there needs to be a consistent message in all communication vehicles;
- product design and packaging are integrated in the IMC plan;
- primary consumer research is key for targeting the right audience and message;
- a customer database can also be used to target.

3.2 Integrated Marketing Communications Process

Figure 3.1 shows the 5-step IMC process, which can be highlighted as follows:

- Customer identification from behavioural data;
- Valuation of customers/prospects;
- Creating and delivering messages and incentives;
- Estimating return on customer investment;
- Budgeting, allocation, evaluation and recycling.

Figure 3.1: The Five-Step IMC Process

Source: Journal of Integrated Marketing Communications (JIMC) Medill Department of Integrated Marketing Communications

3.3 Strategic Goals of Marketing Communications

Marketers seek to communicate with target customers for the obvious goal of increased sales and profits. Accordingly, they seek to accomplish several strategic

goals with their marketing communications efforts. We shall look at the following goals:

1) Create Awareness

Obviously, we cannot purchase a product if we are not aware of it. An important strategic goal must be to generate awareness of the firm as well as its products. Marketing communications designed to create awareness are especially important for new products and brands in order to stimulate trial purchases. As an organization expands, creating awareness must be a critical goal of marketing communications.

2) Build Positive Images

When products or brands have distinct images in the minds of customers, the customers better understand the value of what is being offered. Positive images can even create value for customers by adding meaning to products. Retail stores and other organizations also use communications to build positive images. A major way marketers create positive and distinct images is through marketing communications.

3) Identify Prospects

Identifying prospects is becoming an increasingly important goal of marketing communications because modern technology makes information gathering much more practical, even in large consumer markets. Marketers can maintain records of consumers who have expressed an interest in a product, then more efficiently direct future communications. Technology now enables marketers to stay very close to their customers. Websites are used to gather information about prospects, and supermarkets use point-of-sale terminals to dispense coupons selected on the bases of a customer's past purchases.

4) Build Channel Relationships

An important goal of marketing communications is to build a relationship with the organization's channel members. When producers use marketing communications to generate awareness, they are also helping the retailers who carry the product. Producers may also arrange with retailers to distribute coupons, set up special displays, or hold promotional displays in their stores, all of which benefit retailers and wholesalers. Retailers support manufacturers when they feature brands in their advertisements to attract buyers. All members of the channel benefit because of such efforts. Cooperating in these marketing communication efforts can build stronger channel relationships.

5) Retain Customers

Loyal customers are a major asset for every business. It costs far more to attract a new customer than to retain an existing one. Marketing communications can support efforts to create value for existing customers. Interactive modes of communication – including salespeople and websites – can play an important role in retaining customers. They can serve as sources of information about product usage and new products being developed. They can also gather information from customers about what they value, as well as their experiences using the products. This two-way communication can assist marketers in increasing the value of what they offer to existing customers, which will influence retention.

SELF-ASSESSMENT EXERCISE 1
1. Marketing communications perform many functions for consumers. What are they?
2. Mention and explain the strategic goals of marketing communications.

4.0 CONCLUSION

As defined by the American Association of Advertising Agencies, IMC "…..recognizes the value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – advertising, public relations, personal selling, and sales promotion and combines them to provide clarity, consistency, and maximum communication impact."

IMC is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each to work in isolation.

5.0 SUMMARY

In this unit, we have been able to:

- Explain that IMC is an approach to achieving the objectives of a marketing campaign, through a well-coordinated use of different promotional methods that are intended to reinforce each other;
- Discuss the five-step IMC process;
- Discuss the strategic goals of marketing communications.

6.0 TUTOR-MARKED ASSIGNMENT

- Explain integrated marketing communications and its implementation.

- Is advertising becoming more or less important to companies? Why should this be so?

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UNIT 4 – THE AGENCY WORLD

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7.0   References/Further Readings

1.0 INTRODUCTION

No business absolutely needs an advertising agency. It is perfectly possible to handle all marketing communications in-house, or buy the services and processes involved from a series of separate specialists. However, most businesses find it easier to use an agency (or several). That way, they also gain the benefits of simple lines of communication, expertise, creativity and, often, a great deal of experienced advice that they might pay much more for from a firm of consultants.

Advertising agencies come in a variety of shapes and sizes, with, increasingly, a range of specialist firms carrying out parts of what used to be done by a single firm—the so-called `full-service' agency, which was able and willing to carry out the entire range of advertising processes, and often a number of other related activities in addition. While full-service agencies are still common, it is increasingly rare for their clients to demand the full range of services. This unit starts from the full-service advertising agency, but also looks at how an advertiser may choose to use a creative agency in conjunction with
other specialists.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:

- Discuss the traditional agency;
- Explain the new agency structures;
- Enumerate and explain the growing range of specialists;
- Explain how the agency is selected and paid.

3.0 MAIN CONTENT

3.1 The Traditional Agency
An advertising agency has four key functions (see Figure 2.1): planning the strategy for the advertising, creating and producing the ads, planning and buying the media in which to run them, and managing this process together with the client. It will also have its own business support functions—finance, personnel, progress/production, information/library, office management, IT—and may be able to offer other forms of marketing communications. These range from public relations to sales promotion, and larger agencies have usually hived these off into separate profit centres. Of course, this gets in the way of effective integrated communications.

Agencies have for years organized themselves in departments, corresponding to the key functions, and in large agencies these are usually found on separate floors. The main departments you will meet are:

- *Account management:* These have the job of managing the agency's business with one or more clients. It is their responsibility to be in regular-even intimate- contact with the client's key people; agree with the client the

strategy, objectives and brief for each campaign or activity; ensure that the brief is understood within the agency; and organize the agency's resources to achieve the client's demands. This means that they have to understand the client's business in detail and be, in effect, business associates for the client. What's more, they are responsible to the agency's management for delivering a satisfied client and a continuing profitable business.

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                        ┌──────────┐
                        │  Client  │
                        └──────────┘
                             ↕
         ┌──────────────────────────────────┐      ┌──────────┐
         │            Account               │ ⇄    │  Agency  │
         └──────────────────────────────────┘      │  board   │
                                                    └──────────┘

  ┌──────────┐                              ┌──────────┐
  │ Account  │  ⇄                           │ Creative │
  │ planning │                              └──────────┘
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                        │  Media   │
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```
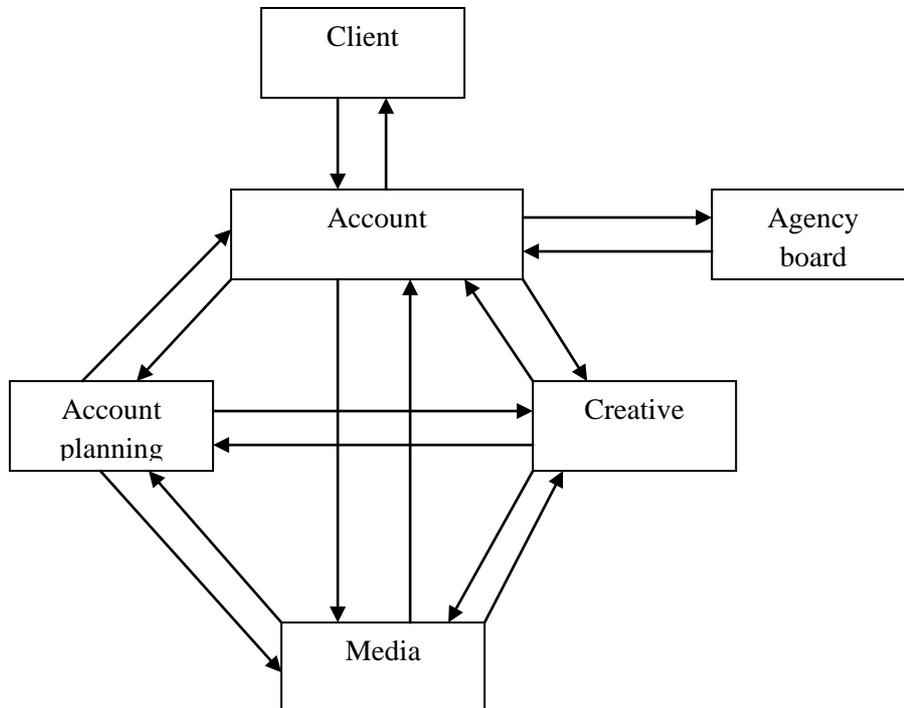
Figure 2.1 Traditional agency structure – the key departments

- *Creatives:* These are the ones with jeans and trainers and unpredictable habits, who have the task of turning the brief into ideas that will sell. While they can be extremely professional business people, with a real grasp of the realities of the market, they are sometimes frustrated poets and artists manques, and less disciplined than may seem ideal. Usually, creatives come in pairs ('teams'): an artist or visual thinker, and a writer; though the artist Cart director') may not be very good at drawing and the writer ('copywriter') can often be highly visual as well as reasonably literate.

- *Account planning:* Planners were a British invention that is now widely followed, especially in the US. Their role is to use detailed understanding of the customer or consumer, based on market research, experience and any other information, to develop the brief for the advertising. This involves defining the target audience as precisely and evocatively as possible and creating a strategy that can inspire the creatives to do great work. Planners have to combine a good knowledge of research techniques and interpretation with a more or less magpie mind and the ability to empathize, and argue, with the creatives. In some agencies, it is the planner's job to carry out personally a large part of the qualitative research that supports the creative development

process.

- *Media:* The department's job is to plan and buy media. They work with the rest of the team to identify the most effective and cost-efficient ways to reach the target audience, and then negotiate with the media to buy the specific spots or spaces to do the best job for the brand. With a growing range of media research available on-line, they have to be computer-literate and capable of extracting value from a mass of figures. Sharp negotiating skills are needed, too, to get the best value from the media owners—media planners and buyers are usually different people, though they have to work closely together.

Normally, as a client, you rarely meet anyone from an agency outside these functions, except for some of those involved in actually producing the ads, especially the agency TV production team.

The traditional agency structure has become a target for rethinking. This has taken two main forms: the hiving off of specialist functions into separate agencies and the development of more or less radical new ways of organizing agencies. While the first of these is longer established and more obviously successful, it is logical to start with the second.

3.2 New Agency Structures

Three key factors influence the ways in which new agency formats have emerged: technological changes, the growing importance of internationally held accounts for large agencies, and the recognition that different clients' demands on the agency vary widely. Allied to these is the belief that the old structures were not especially good at fostering teamwork and team thinking within the agency.

These factors have moved some agency managements to reorganize their businesses in one of several directions. The most common is to structure the agency around its clients, so that there is an office, or area of the office, for each account, with often—the furniture, furnishings and decoration designed to reflect the client's business. The idea is to create a focus for the account team, with an appropriate atmosphere to ensure that they keep close to the brand and what it stands for. It also gives the client the feeling that his or her interests are being closely cared for by a committed team—whereas, in every agency, almost everyone works on several accounts, and the team for each account will be different.

Closely related to the 'account room' approach, aided by modern technology, is the 'virtual account group' or 'virtual agency'. There is no real need to have everyone working on the account in the same room, the same building or even the same country. All you need is some carefully linked computers, an intranet, video-conferencing and ISDN or equivalent connections. There are virtual agencies and virtual departments in existence. The beauty of the virtual agency is that it can include, or leave out, anyone or any function: if the client needs specialized advice, a specialist consultant can join the team, for just as long as they are needed. If all that

is required is an occasional ad, there is no need to keep a permanent operation in place.

Somewhere between these formats comes the use of 'hot desking'. Lots of agency people spend much of their time out of the office, at meetings, producing commercials or at photographic shoots, and space is expensive. So, in some areas of the office, desks are available on a first-come, first-served basis. (When everyone turns up at once, there's an unholy scramble.)

All this is trying, with varying degrees of success and conviction, to get away from the things agencies have always criticized in their clients: a focus on products and production and too little attention to the needs of customers. The traditional agency format was specialty-driven, with the built-in assumption that creativity was the sole property of the creative department. In practice, although it is the job of the creatives to come up with the actual ads, anyone on the team should be able to contribute to the creative process.

3.3 The Growing Range of Specialists
There have always been specialist companies fulfilling some of the tasks that a full-service agency performs. Ad agencies themselves started in the early 19th century as brokers, selling advertising space for newspapers and news-sheets. It was only later that they realized that they could make more money, and give a better service, by providing the advertisers with copy to fill the space they had sold.

Media buying agencies
The big break-out from full-service dates back to the late 1960s, when a few pioneers set up specialist agencies to handle media buying. They recognized that this activity was different in character from other agency tasks, and argued that by concentrating purely on buying they could offer better value to advertisers than the traditional agencies. Practices varied between countries: in France, where Carat rapidly came to dominate the media business, media shops could buy blocks of space or time from media owners at a discount, and then sell on to their clients at whatever prices they judged appropriate—they became, in effect, media wholesalers. In the UK this was never the practice, and was probably actually illegal, and the French situation became so non-transparent, and possibly corrupt, that legislation—the Loi Sapin—had to be introduced to prevent abuses.

One advantage media shops have is that they can usually sell their services to competing—`conflicting'—clients in the same field (in France, Carat handle 10 car accounts). Ad agencies have always found this difficult, both because of their own scruples about confidentiality and, more importantly, because few clients were prepared to put their business into an agency working for a competitor. (There *are* specialist agencies that handle competing clients within selected markets, but these are mostly small.

Creative boutiques
Around the end of the 1960s, in the UK at least, several leading creative people from

agencies set up 'creative hot-shops', an idea that had originated a little earlier in the US. These agencies originally did nothing but create ads to meet a brief from the client. In time, they often found themselves acting as an extra creative resource for agencies that found themselves under pressure, while the more successful ones, such as The Creative Business, branched out to include account planners on their staff. Nowadays, it is more common to find creative teams working as freelances, rather than whole agencies. These freelances may work directly for a client, or supplement the resources of an agency that finds itself short of time or talent.

Direct marketing

Direct marketing—direct mail, off-the-page selling and now direct response TV (DRTV), radio and the Internet—has always been part of the advertising business. Some of the industry's founding fathers and pre-eminent figures, have been direct marketing specialists. For many years direct marketing has been regarded as a distinct branch of advertising, and specialist agencies have developed to handle it.

As direct marketing becomes more and more a key element in many companies' marketing, full-service agencies will expand their capabilities in this field: it certainly makes sense, in terms of integrated marketing, to have media advertising and direct marketing under common creative direction. Full-service agencies are acquiring or merging with direct specialists, or actively developing their own skills in the area, as well as moving into so-called 'new media' (the Internet and the World Wide Web). This last area is teeming with small specialist agencies and consultancies, though a shake-out seems inevitable.

Account planning

A relatively new phenomenon is the proliferation of specialist planning agencies. There have been one or two of these in the UK for years—The Planning Shop and The Planning Partnership, for example. The last few years have seen many more, such as Red Spider and Forrest Associates, spurred by a combination of the recession of the early 1990s and the realization that modern technology makes it perfectly possible for planners to operate outside the walls of an agency. There is a developing grey 'area between planning shops, marketing strategy consultants and market research companies with a planning focus.

The rationale for planning specialists lies in the way in which planning has developed: downsizing by agencies has led to planners being thinly spread across accounts, and downsizing by advertisers has meant that marketing departments need more help. Agency planners' ability to work in depth has been reduced. This provides the opportunity for specialist organizations either to take over the planning role for an agency, or to act as a supplementary source of ideas for agency or advertiser.

Management consultants

Recently, some senior agency managers have suggested that corporate managements have turned to the big general consultancy firms for advice on brand strategy, thus excluding ad agencies from a key traditional role and cutting off an important part of the agency's influence with its clients.

It has been argued—probably rightly—by some agency thinkers that this fails to recognize that agencies, uniquely among consultancy organizations, not merely analyse and recommend strategies but create solutions to marketing problems, but the threat remains.

There is some evidence of a trend for major advertisers to set their own strategies and then run creative contests to see who can come up with the best ideas to fulfil them. One logical conclusion of all this has been suggested by Coca-Cola's use of an American creative talent shop, CAA, to produce creative ideas in response to briefs developed by Coca-Cola's own marketers.

3.4 Selecting an agency

Every year, in the UK, some 300-400 advertising accounts move agencies. The larger moves create massive speculation in *Campaign,* the London agency 'village's' weekly magazine. Agencies vie to pitch for the business. A short-listed few get invited to compete. Midnight oil is burnt. Members of agency teams explore the client's business, go out into the streets to interview and—often—film consumers talking about the brand. Speculative campaigns are created, argued about, torn up, redeveloped, researched, and fought over. For large accounts, billing millions of pounds, a complete commercial may be produced. Over a brief period, the client's executives see formal presentations of strategy, creative material, media plans and unique 'deals', and a whole lot else. Eventually, a decision is reached: the account is assigned to a new agency (or perhaps the old one); there are headlines in *Campaign,* champagne in the winning agency, and then everyone goes back to normal.

The problem is human nature. Clients expect agencies to produce ads, and agencies like doing so. Indeed, agencies relish the freedom a pitch gives them to create ads without the detailed constraints that inevitably appear in a real-life relationship with any client's brands and management. So, even when the client has stipulated that creative work is not required for the pitch, it is a safe bet that one or more of the agencies will produce ads. Experience suggests that, if one agency does so and the others do not, that agency tends to win: so, of course, they all do it.

But how does a client decide who should pitch? The following screening questions are important:
- Have they fully understood the brief?
- Do they know how to use market research? Can they contribute to our thinking here?
- Is their strategic thinking sound?
- Is it imaginative? Have I learned anything useful from it?
- Are they professional and businesslike?
- Can I work with their senior people? And will they be actually working on my business?
- Are their capabilities high in all key areas—management, strategy, creative, media?
- Do they work well as a team—both among themselves and with our people?
- Is their creative work of a high quality?
- Is this confined to TV, or does it go across all media?

- Does this include below-the-line? New media? Can they offer an integrated service?
- Do they have real expertise in the specialist areas which we are looking at, e.g. direct marketing, new media?
- Can they work with us internationally (now or in the future)?
- How do they propose to evaluate the effectiveness of the campaign?
- What is their attitude to costs? Will they save us money?
- How will they relate to our media buying agency/ other specialists?
- Will they fit with our ways of working? Are they willing and able to be business partners, or will they simply be suppliers? (This depends—of course—on how we see our own style of dealing with agencies).
- How important to them will our account be? Will we be one of their larger accounts, or simply a small fish in a very large pool?

Each client needs to determine in advance what the basis for its judgement will be: this process is, in itself, a distinctly useful one, and may teach the company more than it expects about how it handles the advertising process and its relationships with agencies. Drawing up a score sheet, and deciding how it should be weighted, is an essential basis for a rational decision in this area.

3.5 Paying the agency
Traditionally, agencies earned commissions on the space or time they bought in the media —a practice going back to their origins as space brokers. In addition, agencies charged the same mark-up (or more) on production of ads and other materials, and most agency groups would negotiate an extra commission for handling advertising in foreign countries.

4.0 CONCLUSION
There is no doubt that fee systems are rapidly replacing commission, though the residual value of the commission system is that it is conceptually and administratively very simple to operate. The same is true of straightforward fee systems, which are, in fact, usually proposed by agencies on the basis of calculations about what the commission would have been. It is much more difficult to arrive at an effective payment by results (PBR) system that both motivates and rewards the agency and satisfies the client's desire for transparent value for money. A key factor promoting PBR is the growing pressure on marketing management to make their advertising budgets accountable: PBR provides a clear route to—at least—a specific, measurable result from the advertising. Of course, it still leaves open the trickier question of whether the advertising budget might have been better spent on other activities.

SELF-ASSESSMENT EXERCISES
Does it make sense for a modern agency to offer a full service? What are the arguments for and against?

5.0 SUMMARY

In this unit, we have been able to explain/discuss:

- The traditional agency;
- New agency structures;
- The growing range of specialists which include media buying agencies, creative boutiques, direct marketing, account planning, and management consultant;
- How agency is selected and paid.

6.0 TUTOR-MARKED ASSIGNMENT

- Discuss the relevance of the checklist in agency selection.
- What are the pros and cons of using specialist agencies? How can their efforts best be coordinated?

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Module 2

Unit 1 – Establishing Objectives and Budgeting for Advertisements

Unit 2 – Managing the Client-Agency Relationship

Unit 3 – How Advertising Works

Unit 4 – Planning Advertisements: The Strategy

Unit 5 – Planning Advertisements: Creative Briefing

UNIT 1 – ESTABLISHING OBJECTIVES AND BUDGETING FOR ADVERTISEMENTS

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

       3.1 DAGMAR: An Approach to Setting Objectives

       3.2 Establishing the Budget

4.0   Conclusion

5.0   Summary

6.0   Tutor-Marked Assignment

7.0   References/Further Readings

1.0 INTRODUCTION

Many companies have difficulty with the most critical step in the promotional planning process – setting realistic objectives that will guide the developmental process of Integrated Marketing Communication (IMC) programme, and invariably, advertisements. Complex marketing situations, conflicting perspectives regarding what advertisements and other promotional mix elements are expected to accomplish, and uncertainty over resources, make the setting of marketing communications objectives 'a job of creating order out of chaos'. While the task of setting objectives can be complex and difficult, it must be done properly because specific goals and objectives are the foundation on which all other promotional decisions are made. Budgeting for advertisements and other promotional areas as well as creative and media strategies and tactics, evolve from these objectives. They also provide a standard against which performance can be measured.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:
- Discuss the DAGMAR approach to setting objectives for advertisements;
- Explain advertising budget;
- Discuss approaches to develop advertising budget;
- Discuss the various factors that influence allocation of advertising budget.

3.0 MAIN CONTENT

3.1 DAGMAR: An Approach to Setting Objectives

Many marketing and promotional managers recognize the value of setting specific communication objectives and their important role as operational guidelines to the planning, execution, and evaluation of the promotional programme. Communications objectives are the criteria used in the DAGMAR approach to setting advertising goals and objectives, which has become one of the most influential approaches to the advertising planning process.

In 1961, Russell Colley prepared a report for the Association of National Advertisers entitled 'Defining Advertising Goals for Measuring Advertising Results (DAGMAR). In it, Colley developed a model for setting advertising objectives and measuring results in an ad campaign. The major thesis of the DAGMAR model is that communication effects are the logical basis for advertising goals and objectives against which success or failure should be measured. Colley's rationale for communications based objectives was as follows:

> *Advertising job, purely and simply, is to communicate to a defined audience information and a frame of mind that stimulates action. Advertising succeeds or fails depending on how well it communicates the desired information and attitudes to the right people at the right time and at the right cost.*

Under the DAGMAR approach, an advertising goal involves a communication task that is specific and measurable. A communication task, as opposed to marketing task, can be performed by, and attributed to, advertising rather than to a combination of several marketing factors. Colley proposed that the marketing task be based on a hierarchical model of the communication process with four stages:

- **Awareness** – making the consumer aware of the existence of brand or company.
- **Comprehension** – developing an understanding of what the product is and what it will do for the consumer.
- **Conviction** – developing a mental disposition in the consumer to buy the product.
- **Action** – getting the consumer to buy the product.

While the hierarchical model of advertising effects was the basic model of the communications response process used in DAGMAR, Colley also studied other specific tasks that advertising might be expected to perform in leading to the ultimate objective of a sale. He developed a checklist of 52 advertising tasks to characterize the contribution of advertising and serve as a starting point for establishing objectives.

Characteristics of Objectives

According to Colley, objectives should be stated in terms of concrete and measurable

communication tasks, specify a target audience, indicate a benchmark starting point and the degree of change sought, and specify a time period for accomplishing the objectives(s).

Assessment of DAGMAR
The DAGMAR approach of setting objectives has had considerable influence on the advertising planning process. Many promotional planners use this model as a basis for setting objectives and assessing the effectiveness of their promotional campaigns. DAGMAR also focused advertisers' attention on the value of using communication – based rather than sales-based objectives to measure advertising effectiveness and encouraged the measurement of stages in the response hierarchy to assess a response hierarchy. Colley's work has led to improvements in the advertising and promotional planning process by providing a better understanding of the goals and objectives toward which planners' efforts should be directed. This usually results in less subjectivity and also leads to better communication and relationships between the client and its agency.

SELF-ASSESSMENT EXERCISE
Discuss DAGMAR as an approach to setting objectives.

3.2 Establishing the Budget
While establishing objectives is an important part of the planning process, the limitations of the budget are important too. No organization has an unlimited budget, so objectives must be set with the budget in mind. The budgeting decisions have a significant impact not only on the firm itself but also on numerous others involved either directly or indirectly. Two primary budgeting decisions are establishing a budget amount and allocating a budget. However, there is no universally accepted method of setting a budget figure.

Advertising Budget

In this advertising world, we see much advertisement of different products or brands. Organisations invest heavily in advertising to make their product popular and to increase sales. But, here the question is - how the organisations decide - how much to advertise? How much to invest in advertisement? What should be the size of advertising budget?

"Advertising budget is an estimated amount an organisation decides to invest in its promotional expenditures over a period of time. An advertising budget is the money a company set aside to accomplish its marketing objectives."

It is difficult to measure the effect of advertising on business sales. Advertising is just one of the variables that affect sales in a period of time. As a percentage of sales, advertising expenditure varies from business to business. Because of such complications it is very difficult for business organisations to decide the size of

advertising budget. There are various approaches that can be used to set advertising budget.

Approaches to Develop Advertising Budget

1. Percentage of Sales Budget
2. Competitive Parity Approach
3. Objectives and Task Approach
4. All Organisation can Afford Approach
5. Market Share Approach
6. All Available Fund Approach
7. Managerial Judgment Approach

- **Percentage of Sales Budget**

According to this approach the business organisation have to set their advertising spending at a fixed percentage of either past or anticipated sales. This Approach can be followed by organisations operating in markets with stable and predictable sales pattern. As it is simple in application, it is most commonly used by small business organisations. This approach has some disadvantages, as sales is not directly related to advertising, it get affected by different variables too.

- **Competitive Parity Approach**

This approach is followed by organisations whose product is well established and operating in market with predictable sales pattern. Organisations following this approach compare their advertising spending with that of its competitors. As the organisation is aware of how much its competitors are spending in advertising, it can logically decide its advertising budget either equal, more, or less to that of the competitors.

Here, considering competitors advertising budget organisation should consider its objectives too, as the competitors' objectives may not be similar or comparable.

- **Objectives and Task Approach**

This approach is followed by big organisations having well defined marketing objectives, and business goals. Following this approach advertiser can correlate its advertising spending to marketing objectives. In long term, this correlation is important to keep organisational spending focused on business goals.

- **All Organisation can afford Approach**

It is difficult for small business organisations to invest heavily in advertising. Small business organisation's advertising spending depends more on their affordability. According to this approach advertisers base their advertising budget on what they can afford.

- **Market Share Approach**

Similar to competitive parity approach, the market share approach bases its advertising spending on external market trends. With this method a business equates its market share with its advertising expenditures.

- **All Available Fund Approach**

According to this approach, all available profit is used in advertising spending. It can be too risky for any size of organisation as the all available fund is used in advertising and no fund is allocated to help business grow in other ways like-technology up-gradation, or work force development. This approach is useful for new business organisations trying to develop its brand.

- **Managerial Judgment Approach**

In long run managers gain expertise in their field of operation. Similarly, some of the marketing managers working over the years develop a feel for the market that permits them to arrive at appropriate decisions. According to this approach the organisations advertising spending depends on the judgment of experienced managers.

Allocating the Budget

Once the budget has been appropriated, the next step is to allocate it. The allocation decision involves determining which markets, products and/or promotional elements will receive which amounts of the funds appropriated. Allocation can be influenced as follows:

- Allocation to advertising and promotion elements
- Client/agency policies
- Market size
- Market potential
- Market share goals
- Economies of scale advertising
- Organisational characteristics

4.0 CONCLUSION
Setting specific objectives should be an integral part of the planning process. However, many companies either fail to use specific advertising objectives or set the ones that are inadequate for guiding the development of the promotional plan or measuring its effectiveness. Many companies fail to recognize the specific tasks that advertising and other promotional mix variables must perform in preparing customers to buy a particular product or service.

5.0 SUMMARY
We have considered the following in this unit:

- The DAGMAR approach to setting advertising objectives, pointing out that the approach has had considerable influence on the advertising planning process;
- Establishing advertising budget, and observed that there is no universally accepted method of setting a budget figure;
- Approaches to develop advertising budget;
- Various factors that influence the allocation of advertising budget.

6.0 TUTOR-MARKED ASSIGNMENT

In meeting with your new boss, he informs you that the only goal of advertising and promotion is to generate sales. Present your argument as to why communications objectives must also be considered.

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UNIT 2 – MANAGING THE CLIENT-AGENCY RELATIONSHIP

CONTENTS

1.0 INTRODUCTION

In this unit, we shall discuss management of the client-agency relationship. Once the client has selected the agency that is going to help the business to hitherto undreamed-of heights, the two parties to the deal have to do two things. One is relatively trivial in the greater scheme of things, though it may well carry the seeds of future divorce: agreeing the commercial and financial terms of the relationship. More important is the need to establish exactly how the relationship is going to work, on a day-to-day basis. The quote above is not the only way to run the relationship, though it is likely to be the most fruitful.

Exactly how this works will depend on the client company's attitude to its ad agency or agencies. Most agencies are hoping to arrive at a relationship with their clients where they become, in effect, business partners. Some clients, however, prefer to see their agency as simply a supplier: just another business from whom they buy, with the transactions concerned being tightly defined, and a subject for often aggressive price negotiation.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Discuss the essential features in respect of setting the terms in client-agency relationship;

- Discuss the methods of payment relative to the client-agency relationship;
- Explain the running of the relationship between the client and the agency.

3.0 MAIN CONTENT

3.1 Setting the Terms
The ways in which clients pay their agencies have been changing. Indeed, the current situation can best be described as one of flux. There is a need first to define, in detail, precisely what the client expects of the agency; and then to define the methods of payment for this.

Both agency and client need to have a clear understanding on a whole range of issues as the basis for a formal contract. Within this, the key areas are likely to be remuneration, the handling of intellectual property, and—unfortunately—severance arrangements. The contract should be an essential element confirming the relationship. The contract is not usually of day-to-day importance in a successful ongoing client–agency relationship—only when things start to go wrong (which, as Murphy's Law states, they inevitably will).

From the agency's point of view, the vital issue is to be sure that they get paid, adequately, for everything they do for the client. The client, naturally, wishes to get as much as he can from the agency, while paying as little as possible. A good client will realize that the best way to achieve this is not, in practice, to screw the agency down and exploit every opportunity to get extra work beyond what is in the contract. This means that the scope of the agency's responsibilities should be clearly spelled out and agreed, and it should be recognized that the agency is entitled to ask for extra money if it is asked to go significantly beyond the agreed tasks. (This should not preclude the agency from taking a speculative initiative from time to time, but it should not expect to get paid for that: it is a standard ploy in the continuing game of seducing the client to give the agency more business.) In the last resort, both sides need to recognize that the agency is in business to make a profit. If it cannot do that on an account, it has to renegotiate the terms, or resign the account.

3.2 Methods of Payment
Essentially, there are four main methods, with a variety of variations and combinations. The issues that emerge when the agency contract is being drawn up are specific to the format used, and most of these provide opportunities for negotiation.

Commission
The main issue here is the rate of commission:

- Its absolute level.
- Whether it should vary with, for instance, different media, different levels of total spend.

- How—if at all—it should apply to non-media items (mostly production costs).

The alert client will be aware, too, that while media discounts are built into media rate cards, studios and production houses often pay discounts to agencies, which can make the production side of the business far more profitable to the agency than appears on the surface.

The key problem with commission, though, is that it distorts—or can distort—an agency's advice to its clients. There are clear benefits from persuading the client to use media and creative material that entail limited work by the agency for large expenditure, which is why large agencies have become rich on the back of TV campaigns. You produce one expensive commercial (or group of commercials in a campaign), on which you earn substantial production commissions, and then run , the campaign for some time on national TV, the most expensive medium, without any need to do more creative work. By contrast, a good press campaign requires far more individual pieces of creative work for the same level of expenditure and is therefore significantly less profitable to the agency.

Fees
Time-based fee systems look like the answer to the problem just described. In essence, the agency is paid for the work it does on the client's behalf, and this should mean that every option is given equal weight in the agency's recommendations.

Again, however, there are problems. First, the agency has to have in place an effective and efficient time-sheet system as the basis for charging. Most agencies have such systems, as part of their internal financial controls, but they are not always the most religiously observed part of agency life. Then, the agency and the client have to be prepared to agree on the rate for the time of each member of the team. This may be easy enough, but it focuses the client's attention either on how costly it is to have the services of the top people, or on the fact that he or she gets a nice cheap deal, but never sees the top people who were promised, at the pitch, to be working on the business. Finally, from the agency's point of view, the most costly People are the creative talent, and the most valuable thing the agency can do for the client is to produce a great creative idea. Great creative ideas may take many hours' hard work, but are equally likely to emerge from 10 minutes' thought in the bath. This does not give the agency much reward for the idea.

Menu systems—work-unit pricing
These operate on a cost-per-task basis. The agency draws up a schedule of the types of activity it is likely to have to do for the client, and puts a price on each. Developing the idea for a national TV campaign will, on these systems, be considerably more costly than designing a sales brochure, even though the latter may involve more physical work, in time terms.

The main virtue of this approach is that it provides a transparent price structure, lends itself to tight cost control by the client and meshes well with standard cost-accounting processes. It also can be a valuable tool for the agency's management,

since devising the scheme requires detailed understanding of how the agency's operating costs are structured, something many agencies are surprisingly vague about.

The obvious problem is that it treats the job of devising and producing a client's communication campaign as a series of discrete elements, and fails to allow for the possible existence, and value, of synergy between them. From the agency's point of view, too, it lays them open to the client looking for competitive quotes, purely on a price basis, which can quickly erode the scale of the business and the trust in the relationship between agency and client. Finally, it needs some way of dealing with quality: a cheap bad idea is no use to anyone, but how do you devise the necessary system for rewarding great ideas? Unless you can do this, the agency has little motivation to go the extra mile on your behalf.

Payment by results
Payment by results (PBR) systems are usually combined with one of the other approaches, so that the agency can earn a bonus for exceeding agreed targets, however these are set. Thus, Unilever's international agencies operate on commission, but can earn up to an extra 3-4% for above-target performance.
The obvious problem for both client and agency is to develop attainable targets and measure progress towards them. The obvious way of setting targets is in relation to sales, but there are considerable pitfalls in this, even for direct response operations. As a result, many clients adopt a 'softer' approach, agreeing ratings for each aspect of the agency's service, and rewarding attainment over a certain level. From the agency's point of view, it is probably better to have a system that focuses more closely on the attainment of agreed advertising objectives, expressed in the forth of some type of communication measure. This will require the regular use of consumer research to monitor progress against the benchmarks. The crucial issue is that both client and agency have to be able to agree, fairly precisely, how they expect the advertising to work and what to measure to see that it has done so. This can be difficult to achieve.

The creative fee
There is the view that what clients are buying is their creativity, so that that is what they will charge for. Their practice is to use a two-part charging system: they charge a monthly fee based on the proportion of the work of each individual assigned to the account that the client can be expected to require; this fee includes an allowance for overheads, and is designed to enable the agency to break even on its service to the client. Then, they determine a value for the creative idea that can meet the client's needs: this is agreed in advance, but payable only once the client is satisfied that the right idea has been delivered. The basis for deciding this fee varies, but may relate to the scale of the intended effect on the client's business, or be fixed in relation to the total marketing budget. For ideas used beyond the first year, there is a pre-agreed basis for charging, in effect, a royalty for continuing use of the idea. Similar arrangements can be agreed for use in international markets. Clearly, the major issues here are, first, to agree the basis for the fee and, second, to agree whether the creative solution is worth what is being charged for it.

Whatever system is used, there will need to be detailed arrangements to ensure that

non-standard items are adequately covered. Mostly these will occur in the area of production and special events, such as sales conferences, in which the agency may become involved. A particular issue that the clients need to be aware of is that TV contractors expect to be paid in advance of the break of a campaign, and the agency will expect to be paid accordingly; no agency can afford to be a banker for its clients.

3.3 Running the Relationship

Once the details are agreed—or, often, in advance of this—client and agency will actually start working together. Very often, the change of agency takes place with a view to developing a major new campaign with a considerable leadtime, but equally often there is on-going activity to be attended to, quickly.

This means that both teams have to get up and running very fast. They have to get to know each other, and to establish day-to-day systems for contact and contact reporting. These days, they will probably want to set up electronic links to exchange information and data and to enable both sides to look at rough ads and other material without incurring massive courier charges. A video-conferencing link, too, may be needed.

At the same time, the agency team will want to learn everything they can about the client's business and the brands being advertised. This should involve visits to offices and factories, conversations with distributors or retailers selling the brand, a complete review of all available market research and, of course, getting to know each other's teams of people.

The most important immediate element to get into place, though, is the structure and basis of day-to-day contacts. Who will talk to whom, and how often? What arrangements should be made for reviews and evaluation? How should this all fit into the client's business planning cycle?

Structuring contact

The primary contact between the agency and the client is the account manager (account director, account executive or whatever). This manager is responsible for the smooth running of the account and the effective use of the agency's resources on the client's behalf. On a large account, or in a large agency, there will usually be two or even three levels of account management: an account director (who is often on the agency's board); a senior account executive or account manager (titles vary); and an account executive, who is usually quite a junior assistant, who may be learning the business.

On the client side, there will usually be a marketing director who is ultimately responsible for the advertising, along with the rest of the marketing mix. Increasingly, though, the chief executive takes an active interest in the advertising, and will want to be involved in major discussions. Under the marketing director, structures vary widely, and not simply with the size of the company. Some very large companies have specialist advertising or communications directors or managers, and perhaps also—again among the very largest—a specialist media manager. Most

companies have some sort of brand or market manager system, where one or more layers of management take the responsibility for the marketing of specific brands or product categories within the business. They will always be involved in the preliminary stages of advertising development, but increasingly they are not in any position to give the final sign-off to a campaign. This decision will be taken at a higher level, and this means that brand managers can typically say 'no', but not 'yes', to an idea. Increasingly, too, the purchasing department has a role in the client's advertising management, particularly in the area of controlling production operations and costs.

Most agencies aim for a structure where, for a particular client, the agency has one contact person for each level of the client's business. Thus, the chairman or CEO talks to the managing director; the account director to the marketing director; and so on down the line. Obviously, this is purely formal and there is no reason, in principle, why the links should not cross each other: in practice they do, frequently, in most cases.

This is not least because most agencies these days like to have in-depth contacts with their clients. The appropriate people at the client company are able to talk with-say-the media planner, or the account planner, or the TV production department, without always having to go through the account management team. The one possible exception to this, which is very much a matter of agency style, is that access to the creative department of the agency tends to be carefully protected.

There are two reasons for this. One is the practical one, that the creatives are supposed to be busy creating, and do not want their train of thought broken by an importunate client. The other is that creative people are widely—and sometimes rightly—seen as 'loose cannon' within the agency, and liable to tell the client a few unwelcome home truths that might do fatal damage to the relationship.

Formalizing contacts Day-to-day contact
It makes sense for the key managers on either side to meet regularly: depending on the scale and nature of the business, this may be weekly, fortnightly or monthly; though at times of major activity meetings may be daily. These meetings are effectively progress chasing, as well as providing the opportunity to discuss new work, exchange a new brief, look at media plans, and the like. Obviously, between meetings there are always the telephone, fax and, increasingly, email (even if security dictates that this should be via a joint intranet) and even video conferencing.

Where the exchanges at these meetings are not in writing, each meeting or contact will be routinely (and briefly) reported, through what the business calls 'call reports', or 'contact reports'. These are usually simply a note of decisions made and areas discussed, not essays on the state of the world, and are circulated to everyone involved with the account, on both sides. They provide a record of decisions and, in some cases, a call to action by named individuals.

Major meetings
Day-to-day meetings between the key managers are not an adequate forum for discussing major issues. These come in two main varieties: new briefs for major

campaigns, the presentation of new campaign proposals, research debriefs and so on—what may be called 'operational' meetings—and 'review' meetings designed to look at progress and results and to develop ideas for the future. Both categories demand a significant level of preparation from the agency, and sometimes (especially for new briefs) from the client as well.

SELF-ASSESSMENT EXERCISE
Discuss the methods of payment in the client agency relationship.

4.0 CONCLUSION

Playing on the fact that most people in the agency, not just the creative team, and, indeed, on the client side are quite capable of being creative, they spend a day in a team brainstorming session, focused on solving the communications problems for the campaign.

5.0 SUMMARY
Let us summarize our thoughts in this unit as follows:
- Working with an agency should be a professional business relationship and structured accordingly;
- This requires a formal contract, with especial attention paid to the thorny question of how the agency will be remunerated for its efforts. The contract should also cover a range of other details;
- The agency will aim to tailor its account team to fit with the client's structure, with the main contacts going through the account management team and the client marketing department. This should not preclude direct contact between the client and other departments of the agency;
- The relationship will – inevitably – revolve around a series of meetings, which need to be a call reported to provide a record of the decisions taken.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the running of the client-agency relationship.

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UNIT 3 – HOW ADVERTISING WORKS

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1.0 INTRODUCTION

Advertising sells. Advertisements inform, persuade, remind, influence, change opinions; they may even alter attitudes and feelings. Advertising changes society, and makes people buy things they do not want. Before we start looking at the process of planning, creating and placing advertisements, it is important to understand what advertisements can be expected to achieve, and how they do this.

It may seem somehow obvious that ads persuade people to buy things; and, indeed, it is frequently claimed by people who want to control or suppress some form of advertising that advertising 'forces people to buy things they don't want'.

Things are not as simple as this, and there is considerable argument about just what ads can and cannot do, and how they do it. The fact that this argument exists is important for anyone involved in advertising, because our assumptions affect our

expectations of what an ad campaign can achieve, and the way in which we set out to measure the results (or to pre-test the ads, in order to try to establish that they will work).

In practice, most people who work with advertising do not think very hard or often about these questions. They carry built-in assumptions, based on their experience, or on something they may have read or been told, and which direct their thinking in ways which may not be inappropriate. It is assumed that ads can do, basically, one or more of the following: create awareness of the brand, inform people about it, encourage—or even persuade—them to try it and create some sort of emotional or attitudinal bond between consumers and the brand that will lead to regular purchase (brand loyalty). The ways in which ads can do this are seen through a variety of different theories.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:

- Explain the relationship between advertising and brands;
- Discuss the marketing input to the brand;
- Discuss the key functions of advertising.

3.0 MAIN CONTENT

3.1 Advertising and Brands
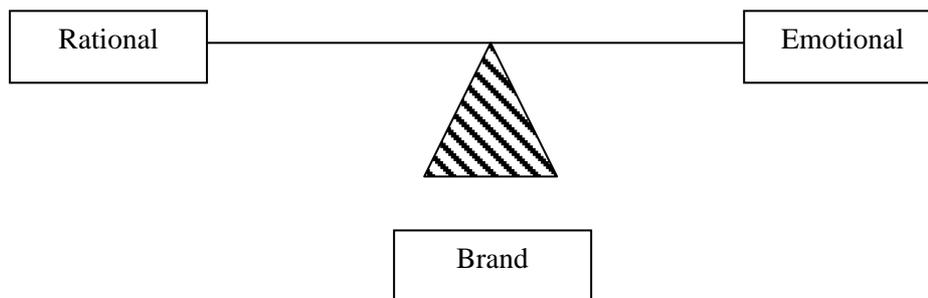
Figure 3.1 The brand

We should recognize from the start that most advertising (with the possible exception of some public service campaigns and the occasional generic campaign for a commodity) is concerned with *brands*.

A brand is the way in which its owner sets out to identify and differentiate a product or service from those of competitors. This is done both by exploiting the brand's functional qualities (its taste, texture, efficiency, quality, etc.) and by endowing the brand with an attractive set of emotional associations or 'values'. The combined

effect of this process is to make the brand more or less unique in its market, with recognizable advantages over its competitors and a positive relationship with its users. As a result, the brand can be maintained in its market, even if competitors achieve functional parity and it may well be able to hold a price premium over the market as a whole.

Stephen King (1970) said:

'A product is something made in a factory: a brand is something that is bought by customers. A product can be copied by a competitor: a brand is unique. A product can be quickly outdated: a successful brand is timeless.'

A brand is, in fact, a combination of what the brand owner has fed into it, through the marketing mix, and how the consumer has perceived this, rationally, emotionally and—above all—through experience of the brand. As Figure 3.1 suggests, all brands have a balance of rational and emotional elements. These are built up by the brand owner's various inputs, especially advertising and other communications (see Figure 3.2). When the brand touches the consumer, this input is processed—not always exactly as the brand owner wishes—and the consumer's knowledge, attitudes and experience combine with the rest to create the brand's real-world position (see Figure 3.3). (Note that the brand only really exists as a set of images and associations in the minds of consumers.)

Advertising's job is to help to communicate to consumers the relevant information about the brand, and the emotional values that the marketer wishes to associate with it, so as to make the brand as strong and attractive as possible. This involves informing, persuading and motivating; it also involves maintaining the established reputation or image of the brand, once it has developed its position in the market. Over time in the life of the brand, the role for the advertising shifts from an aggressive search for new customers to a more defensive stance, to protect the ground won.
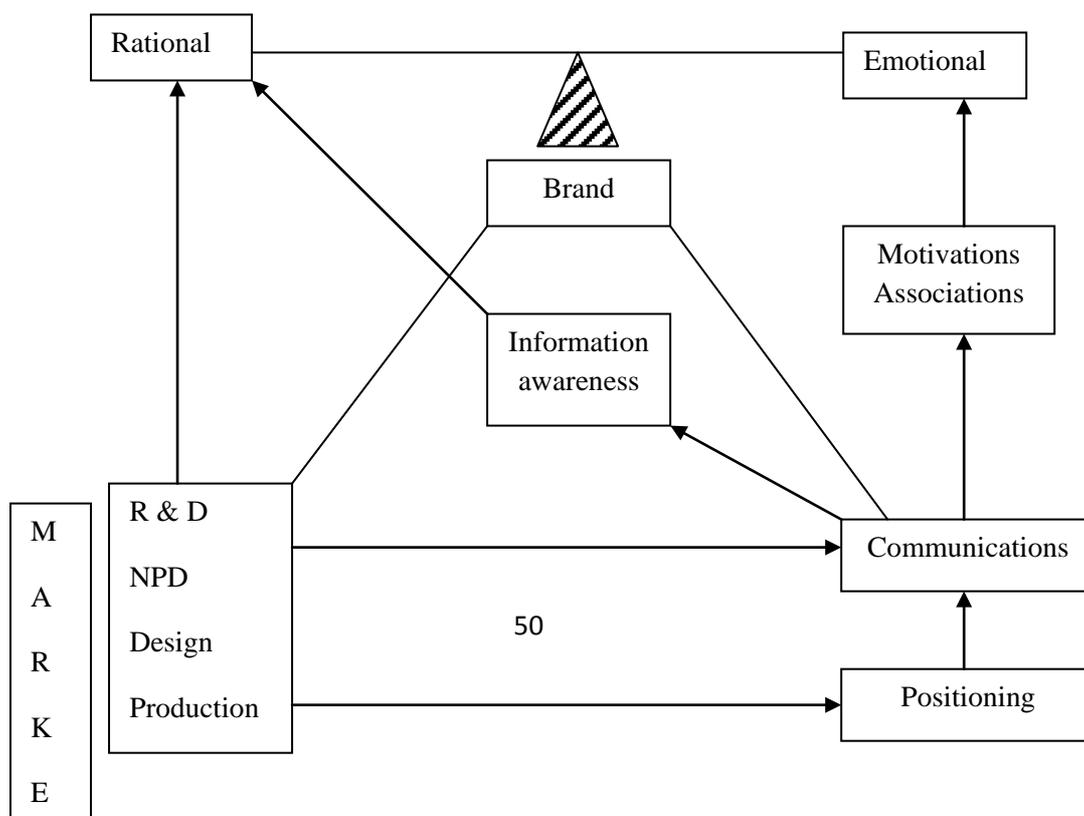
Figure 3.2 The Marketing Input to the Brand
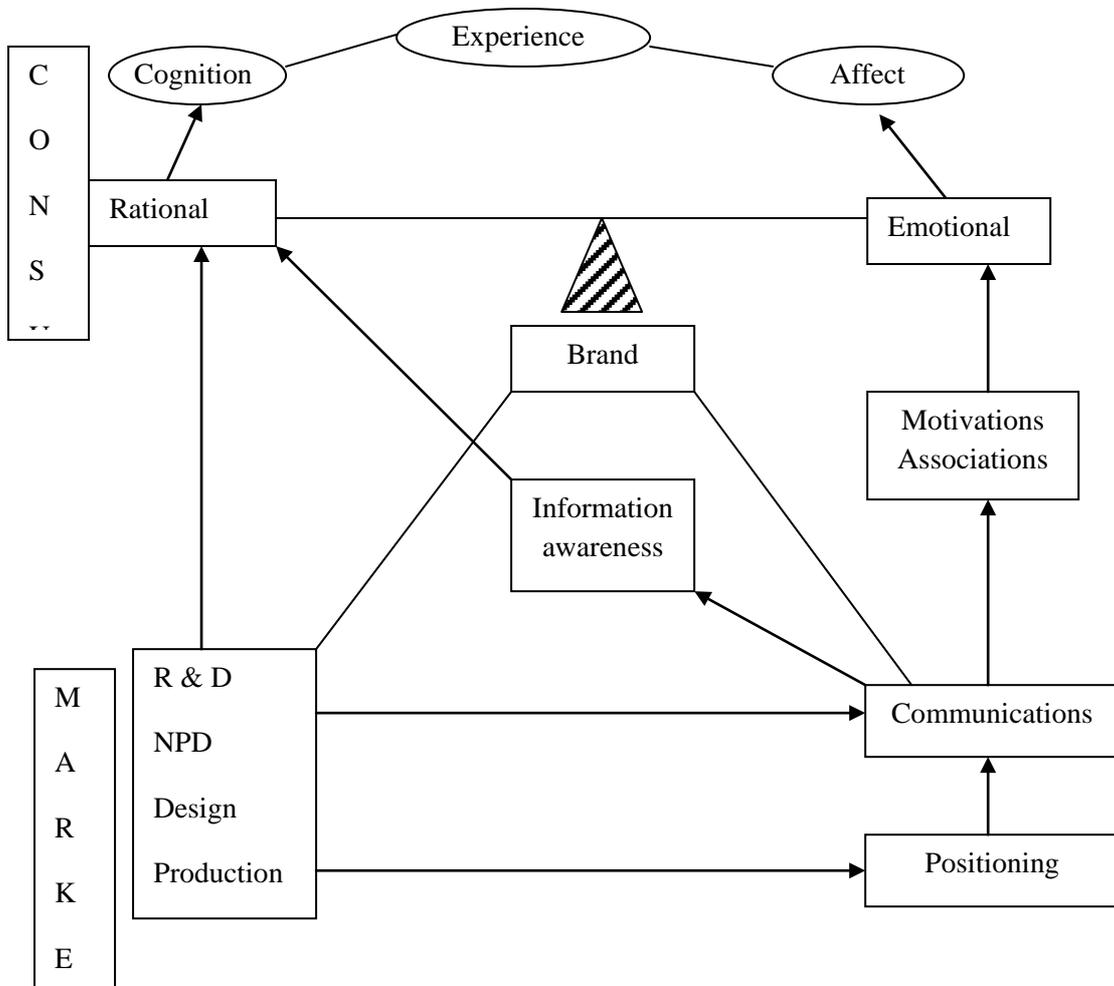
Figure 3.3 The Brand and the Consumer

3.2 The Traditional View

For many years, most people in advertising thought that an ad worked in a tidy, structured, linear way: the ad attracted the consumer's attention, then created interest in the brand, which led, in turn, to the desire to buy it and, hence, to a purchase. The first 'model' of this kind was formulated by Elmo St J. Lewis in 1898 and was called 'AIDA': Attention—Interest—Desire—Action. This type of model of how ads work is called a 'hierarchy of effects' model, and many people still act as if this is how they

think ads work, even today.

AIDA, and a member of more refined successors, is now really a museum piece. It doesn't fit the facts, in terms of what actually happens in the marketplace; it does not fit what we know from psychology, which tells us that whatever happens in people's minds, it certainly does not follow the orderly sequence suggested; and it takes absolutely no account of the fact that mot ads, most of the time, are seen by – and indeed targeted at – people who have already bought the brand at least once. Furthermore, it makes the fundamental assumption that ads do things to people.

SELF-ASSESSMENT EXERCISE
Explain the marketing input to the brand.

3.3 People using ads
Modern analysis shows rather clearly that people do things to (or with) ads: they are not the passive recipients of messages from people who want to sell things. Rather, people decide which ads, from the thousands they are exposed to every day, they will take any notice of. They pay attention only to part of the ad. Some people are quite resistant to looking at ads at all, especially on TV. Others treat ads as a subject for derision or discussion in the pub—or even, sometimes, as information to be remembered. What's more, people very rarely take any immediate action on seeing an ad, except sometimes for direct response ads. Whatever they do as a result of seeing the ad will happen when they next go shopping, or when they next run out of the product category advertised, which may be weeks or months later.

What this means, therefore, is that ads depend on what sticks in people's memories. This raises further technical questions, because it is easy to assume that it is essential that people should remember as much as possible of your ad. This is not, really, the important thing (though it can be reassuring). What matters is that they remember enough about your *brand,* so that when they are next in the market, your brand is the one they choose. A lot of research about the effects of advertising has concentrated on the recall of the advertisement: what it said about the brand, what the story was, who the star actor in it was, the slogan at the end. While this can tell us something about the memorability of the ad as such, it says little about its effect on the brand. Indeed, Gordon Brown, founder of market research agency Millward Brown, which is the world leader in advertising tracking research, concluded that the only important measure of recall of the advertising was, quite simply, that it had been advertised recently.

What is important is that consumers take out of the advertising enough memorable associations with the brand, so that when faced by a brand choice in a store (or wherever), they will tend to choose the advertised brand, because of its favourable associations. In other words it is not what the advertiser puts into the ad that ultimately matters: it is what the consumer takes out of the ad.

3.4 Consumer Expectations

We can look at advertisements from the point of view of consumers to start to shed further light on the whole process. What do people want from an ad—always assuming that they are remotely interested?

Information
One of the key functions of advertising is to provide information (which includes, of course, reasons for purchase—'persuasion'). In fact, for many years, this was the only value that economists were prepared to attribute to ads, and this led, logically, to calls from left-wing economists and politicians to restrain or tax advertising that was not providing information in support of new products. This, of course, failed to recognize the need for advertisers to keep competing, by reminding their customers of products that they might already buy, in the face of the clamour for attention from new competitors.

Consumers, certainly, look to ads for information, sometimes. In general terms, this can be seen from the relative success of ads that offer what we now describe as 'new news' about a brand. If you run an ad that tells people something new and relevant about a brand, the ad will score well in various forms of research. More specifically, there is a whole class of products, in particular durables and financial services, that demand a great deal of understanding by consumers if they are to make a sensible choice. These 'high information' products can be effectively advertised with advertisements that carry a great deal of information: people in the market will make the effort to attend to a commercial or to read a long-copy press ad.

The converse of the need for information for 'high-information' products is, of course, that it will always be difficult to keep people's attention if you try to provide a lot of information about a low-information brand or category. This is why most fragrance ads, for example, carry almost no information. It can be argued, indeed, that most perfume ads are quite simply saying 'Here I am', and that they are purely announcements. A look at a variety of perfume ads would tend to confirm this, if we want to take it literally. However, it is equally clear that most of them embody an attitude or character which is inviting a specific type of consumer to identify emotionally with the idea of the brand and, hence, to try it.

Support and confirmation
An important use to which consumers put ads, which is not readily recognized by commentators outside the industry, is to use ads as an endorsement of a purchase or purchase habit already established. There is plenty of evidence to show that car buyers will read ads for the car they have just bought, sometime after the purchase, looking for reinforcement of their decision. Even for quite trivial grocery brands, the knowledge that the brand is popular, that it is putting out advertising with which the consumer feels in tune, is support for its continued use.

This, of course, underlies the massive use of advertising in support of established brands: it also underlines the risk inherent in radically changing the nature of a brand's advertising. If a set of users of the brand is contented with the product and happy with the image that the brand conveys in its advertising, a major change may

start to undermine this confidence and identification with the brand.

Entertainment

One of the most surprising research findings of recent years for much of the advertising community was the discovery, in a 1991 project mounted by the US Advertising Research Foundation, that the best research predictor available in pre-testing of ads that were proven to be successful in the market was whether consumers liked the ad or not. This was, in fact, a formal recognition of academic research dating back some 10 years earlier, but it ran heavily counter to existing research thinking.

Ad liking does not necessarily entail the ad being, literally, entertaining. This may help, but if it is also irrelevant to the consumer, the ad will not be liked. Liking, in fact, can result as easily from the provision of necessary information in an accessible and helpful way as from a magical song-and-dance routine. A growing body of research shows that ad liking can be successfully related to other measures of advertising effects, such as recall and sales effectiveness.

Attention

There is rarely any very good reason for a consumer to pay any attention to an ad. The only time that ads may be deliberately looked for is when a particular purchase planned and the Consumer is actively seeking information. Then, ads may be seen as one place to look, along with others. Other ads are typically only attended to if they have something that actively attracts the consumer's attention. Even then, they may well get a good deal less than full attention. This does not mean, however, that they will have no effect. Modern analysis of the processes of attention and memory shows that memory works by the stimulation of the neural networks in the brain, and each time a stimulus activates the relevant set of neurons, the memory trace is strengthened. This can happen virtually subconsciously: in fact, we operate like this all the time in our daily life. No one sets out deliberately to learn the layout of their living room, but it takes little use of it before we can walk through it in the dark without bumping into anything or knocking things off tables.

This is, in fact, a learning process, but one which is unlike the active rehearsal that goes into school learning. Nonetheless, as we see, over time, several ads for a brand, and perhaps buy the brand to try it, this all strengthens the memory traces in the brain, so that, when faced by an in-store display, we recognize the brand as familiar and, perhaps, desirable.

From the advertiser's point of view, there is a massive and obvious temptation to do everything possible to get noticed: to achieve what the business calls 'cut through'. The reason is simple enough. We are exposed to a massive range of advertising stimuli every day.

From what has gone before, there is clearly a conflict between this kind of attention-seeking and the need for an ad to be likeable. Consumers like ads to be likeable: one of the things they tend *not* to like about ads is when they force themselves upon their

attention.

Attitudes

It has long been believed that advertisements work, ultimately, by their effect on people's attitudes. This is what persuasion is all about. So, we ought to be able to measure changes in people's attitudes to our brand and its competitors, and use this information to forecast changes in the relative market shares. Similarly, if we can identify the key attitudes in our market, we can seek to strengthen our brand's position in respect of these.

Unfortunately, this raises problems. First, there is now a lot of evidence that, in many markets, changes in attitude—whatever they can be attributed to—follow purchasing behaviour, rather than preceding it. It has pointed out that attitude differences between brands among a population of all users of the category can be accounted for almost completely by the relative market shares of the brands. (This argument looks less good if the research is done so as to separate out users of each individual brand.) Finally, it appears to be quite difficult to get attitudes, as measured by standard research techniques, to change at all.

4.0 CONCLUSION

It seems reasonably clear that, whatever else advertising can or cannot do, successful advertising does involve, at least over time, some form of shift or strengthening in consumers' attitudes. The only problem is how to measure it both satisfactorily and sensitively enough. We need to recognize, too, that attitudes interact with brand experience as well as with brand advertising. Just because we have been advertising, and an attitude changes, it is not necessarily safe to assume that the advertising is responsible.

5.0 SUMMARY

In this unit, we have been able to:

- Discuss the relationship between advertising and brands;
- Explain the marketing input to the brand;
- Examine people using ads;
- Discuss the key functions of advertising.

6.0 TUTOR-MARKED ASSIGNMENT
- Discuss the major functions of advertising.

- 'Persuasion' is a task for advertising. How could you decide whether or not an ad is persuasive? What different meanings can you attach to the word in an advertising context?

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UNIT 4 – PLANNING ADVERTISEMENTS: THE STRATEGY

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      3.2 Developing the Strategy

      3.3 What should the Target group get from our Ads?

4.0   Conclusion

5.0   Summary

6.0   Tutor-Marked Assignment

7.0   References/Further Readings

1.0 INTRODUCTION

Advertisements do not usually spring fully-formed from the fertile brain cells of an agency's resident creative genius. They are derived—often painfully and laboriously—from a careful process of strategic analysis. The client and agency team work together to identify precisely what the advertising is intended to do, to what target audience or audiences; what information it must convey; what emotional

values or associations..it needs to ally with the brand. Only when all this has been done do the creatives get let loose on the project, and the strategy agreed between agency and client provides the guidelines and the control mechanism for the creatives' work.

As a client, you may be impatient to see ideas from the agency: that's what you hired them for. As an agency, you may be anxious to develop ideas; particularly for a new client and a new brand, you may be bursting with half-formed thoughts that look as if they may turn into valuable, indeed sensational, ads. If you succumb to these temptations, you are liable to be wasting your time. Unless you have a very good idea of where you are trying to get to, you will find the whole process very frustrating.

It's for precisely this reason that most large- or medium-sized agencies have a planning department: in some agencies, especially smaller ones, the job of developing strategies belongs to the account director. It should be recognized, however, that planning is too important to be left to the planners: a good planner will work with both agency and client teams as the strategy is formulated, and the fine-tuning of the detailed creative brief may well be discussed with the creative team before it reaches its final form. As ever, good ideas may come from anyone: the number 3 on a player's shirt does not preclude the odd successful shot on goal.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Distinguish between objectives and strategies;
- Explain the planner's aim relative to developing the strategy;
- Explain the concept of SWOT analysis;
- Identify what the target group should get from the ads.

3.0 MAIN CONTENT

3.1 Strategies and Objectives

First, we need to distinguish between objectives and strategies, as these still seem to be regularly confused in marketing documents. Objectives are, simply, targets: what we wish to achieve. These may be set in terms of sales, market share, consumer penetration (the proportion of the target audience buying a brand), brand awareness, etc. The advertising objectives will be a subset of the overall marketing objectives for the brand (see Figure 4.1).

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                                   ↕
           ┌───────────────────────┴───────────────────────┐
           ↓                                                 ↓
┌────────────────────────┐                    ┌────────────────────────┐
│   Creative objectives  │                    │     Media objectives   │
└────────────────────────┘                    └────────────────────────┘
```

59
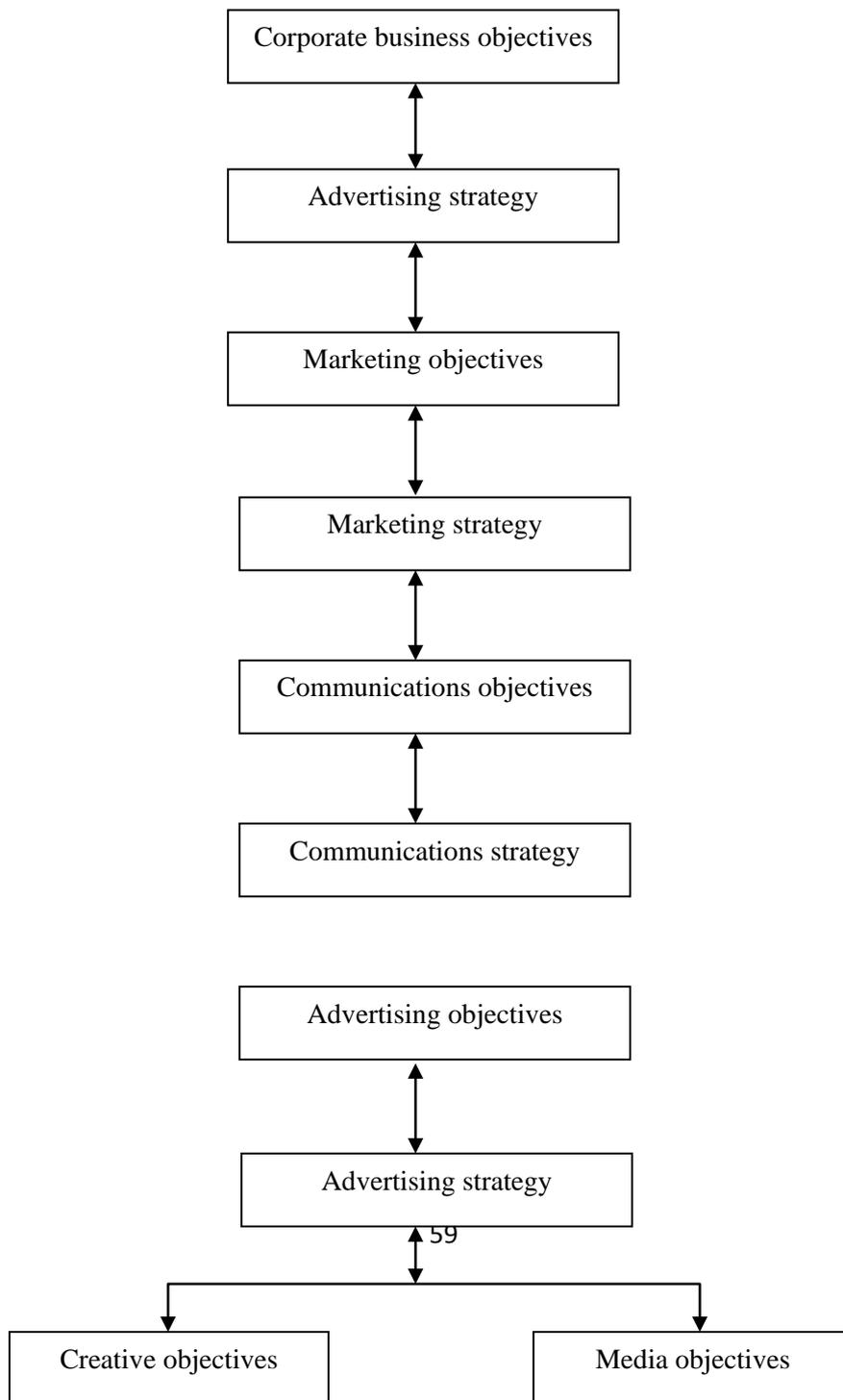
Strategy is the means by which we aim to achieve the objectives. Our marketing strategy will cover all the main aspects of the marketing mix. While it may be prefaced by an overall vision statement ('We will continue to lead the market in quality, innovation and customer service'), it will define elements such as: the overall brand positioning and any desired changes; distribution strategy; pricing strategy; range policy; communication strategy (which includes advertising, but also other forms of communication); service standards; and so on.

The development of the marketing strategy and the marketing objectives sets the framework for developing the advertising strategy. Advertising strategy development starts by identifying specific objectives that can be met by the advertising, and which will enable advertising to fulfil its role in the overall marketing mix.

Advertising *objectives* are more or less specific statements of what is to be achieved by advertising, in terms of (for example) increased awareness, or improved scores on certain attitude scales, or increased liking of the ads, or response rates for direct response campaigns.

Advertising *strategy* is a statement of how the objectives are to be achieved, in terms of creative content and media deployment. These two elements—specific objectives and specific strategy—provide the basis of the brief to the creative department.

3.2 Developing the Strategy: The Planning Cycle
The advertising strategy may be a lengthy document, which has, in turn, to be translated into a creative brief; the latter, ideally, should occupy no more than one or two sheets of paper, and will present a tightly refined summation of the strategy. We will go into this in more detail in the next unit.

The planner's aim is to provide the answers to two deceptively simple questions:

- Who do we want to talk to?
- What do we want them to get out of our advertising?

To arrive at the answers, you have to go through a more or less logical process of analysis, based on a combination of the advertiser's and the agency's knowledge of

the brand, market research and experience. Then, to turn the answers into a creative brief that will genuinely inspire the creative team, there is a need for imagination and creativity on the part of the strategists.

What the planner needs to know can be viewed as a cycle of information and analysis. It is a cycle because marketing and advertising are continuous processes, and the knowledge gained from one campaign can be built on as we develop the next. The planning cycle is illustrated in Figure 4.2
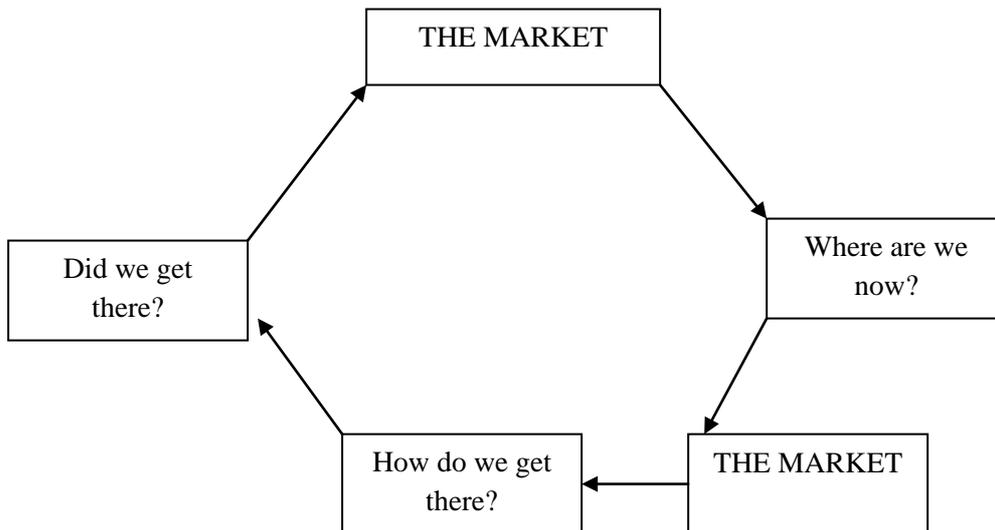
This version starts at the top with an examination of the marketplace, and the various terms used in the figure cover the following areas:

The marketplace
The market in which our brand competes: trends in sales, market share, consumption, distribution; the state of product development and innovation; patterns of consumption—who are the heavy and light users of the category, and why? This material can provide us with the basis for an understanding of how our brand stands in the marketplace.

The present—where are we now?
This is the next area for examination. We describe the brand's position in the market: brand shares and trends in brand share; product advantages and disadvantages over the competition both in physical terms (lab tests and blind consumer tests) and in terms of consumer attitudes and opinions; planned and possible product improvements; recent marketing activity, together with that of competitors. This stage can usefully include a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats).

The future—where could we be?
Here we are looking initially at the marketer's ambitions for the brand, as expressed in the marketing objectives: what are the targets for sales, brand share, consumer penetration and consumer usage of the product? This immediately focuses attention

on two things: whether the targets are realistic (or ambitious enough), and what is going to be required to attain them. The first of these can usually be answered, to an extent, by looking at recent market history. But the answer will ultimately depend on the availability of the required resources, and the successful use of the resources to influence the target audience in the right way. (It may be, for example, that the market share targets are unrealistic unless retail distribution is significantly improved. It is better for the agency to point this out in advance than to find itself blaming the client's sales force for a failure that is being attributed to the advertising.)

Objectives and strategy—how do we get there?
The marketing objectives can be translated into a series of communication (and, other) objectives. The communication objectives are where advertising fits in, but it is important to recognize the role of other forms of communication—PR, point of w sale, direct marketing, staff communications and so on. All these different items ought to be integrated in a way that ensures that together they build up the brand's communications in the right way. Each of the possible elements in the communications plan can contribute something rather different, and for an individual brand the pattern may have its own variations.

In defining specifically the role of advertising, we need to be aware of what advertising can and cannot do. It cannot, for example, do the *complete* job of selling a product, in most cases. It cannot usually do the job assumed by much retail advertising, of providing consumers with a list of prices that they will then remember: this is done much more efficiently at the point of sale—but what such ads do achieve is to put across the idea that here is a store with a wide range of interesting products at what must be competitive prices, or they would not bother to advertise them.

Advertising objectives and strategy
From this analysis, we can begin to develop specific objectives and strategies for advertising.

Effects—did we get there?
Your advertising, if it is well-planned and works together with the rest of the marketing mix, should have an effect! It is clearly essential, within the planning cycle, to measure the effects of the advertising, because this provides a key part of the input for the start of the next planning cycle.

SELF-ASSESSMENT EXERCISE
Explain the SWOT analysis.

3.3 What should the Target group get from our Ads?
Every marketer's dream is the product that meets some fundamental human need, perfectly, and does this in a way that no other product can match. In today's competitive markets, very few—if any—products are like that, and, if they are, you can bet that pretty soon someone will have either matched it at a lower price or

introduced something 'even' better.

This means that any brand you find yourself advertising is going to have to compete, and compete against other brands that, by and large, deliver exactly the same benefits to buyers, in much the same way, to much the same standard of quality.

As a result, advertiser and agency are going to have to work hard to sort out what has to be said about the brand to ensure that enough consumers buy it, or go on buying it, regularly. The object of the exercise has become to try to *differentiate* your brand effectively from its almost identical competitors (think of Coke and Pepsi).

Deciding what should be said about the brand has to start from two related points:

1. The brand itself and the product it embodies; and
2. The way in which the brand is—or is intended to *be—positioned* in people's minds and in the market.

4.0 CONCLUSION

A good brand positioning, which can be hard to develop, should be true to the brand and its products, distinctive, relevant to consumers and competitive. A positioning is a way of describing what is really important about the way in which the brand is meant to fit into its market. It must, obviously, represent a truth about the brand, and it must offer benefits to its potential buyers that are strong enough to make them interested in buying. And it needs to be a means of differentiating the brand, in a relevant way, from its key competitors.

5.0 SUMMARY

May we summarize as follows:

- A clear and defined strategy is an essential prerequisite for advertising development.
- The process of defining a strategy is essentially logical and analytical. It goes through a series of steps – the planning cycle – which are, in fact, a continuous process through the life of the brand. The strategist may use a variety of tools, such as SWOT analysis.
- The aim is to establish realistic and attainable objectives, and to identify appropriate strategies to achieve them, with the aid of market research and other information available about the brand and its market.
- For advertising, the focus of analysis is the consumers: who are they and how do they relate to the brand and its competitors?
- The key output of the analysis, providing the basis for creative strategy, is the definition of the target audience and of a competitive and distinctive positioning for the brand.

6.0 TUTOR-MARKED ASSIGNMENT

Take a brand that is very familiar to you (perhaps you use it every day). How would you describe its strengths and weaknesses in its market? Which of these strengths or weaknesses lend themselves to, or require, action that might involve advertising?

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UNIT 5 – PLANNING ADVERTISEMENTS: CREATIVE BRIEFING

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1.0 INTRODUCTION

It is one thing to sort out the strategy. It is another to turn it into something that the creative team will respond to with enthusiasm and imagination—and the better the creative team, the more demanding they are likely to be. This unit suggests some of the ways in which a creative brief can be designed both to meet the demands of the strategy and to turn on the creatives.

It is important to recognize two things about creative briefs: first, that they are not the same thing as briefing the creative team: it is no good distilling the strategy into two carefully crafted pages of A4, and then throwing it to a 'team and telling them to get on with it. We will come back to this. Secondly, there is undoubtedly room for the creatives to contribute to the development of the brief: while they may want to argue with the original version simply because something else appears, to be easier to execute, they may
also have more positive contributions to make. The brief can often be sharpened through a dialogue between the planner and the creatives.

2.0 OBJECTIVES
After a careful study of this unit, you should be able to:

- Describe some of the ways in which a creative brief can be designed both to meet the demands of the strategy and to turn on the creatives.

3.0 MAIN CONTENT

3.1 Creative Briefing Forms
Nearly all agencies of any size have a 'creative briefing form'. This is a short series of headings that the planner has to complete, together with various administrative details, such as the media to be used, the dates of key meetings and presentations-- and the first insertion or airdate—and the signatures of key people who have to sign off the brief before it can be given to a team to work on.

Most of these forms follow pretty similar formats, though there are variations. In all of them, however, there are three key elements that define the way in which the brief will work: the description of the target audience and its relationship with the brand, the 'proposition' and the supports for the proposition. Some would say that the tone of voice of the communication is also a key ingredient (see Figure 6.1).

KAY	KAR	KAN
1. The role of Advertising - What do we want people to do as a result of our ads? - How do we believe the	The product is: What is the brand personality?	What is this brand called? Who do we want to buy it?

ads will work to achieve this? 2. Who are we talking to? 3. What is the single most important thing the ads should convey? 4. Why should people believe this? 5.What practical considerations are there?	Who is the target audience? What are we advertising for? What is the proposition? What is the support for this? What do we want people to think or do?	Why should people buy this brand?

All three briefing forms also include details of timings, media to be considered, etc.

Figure 5.1: Creative Briefing Forms: Main Headings

3.2 Describing the Target Audience

As we have seen, there are many ways in which a planner can look at market data to identify the target audience for a campaign. But the audience still needs to come alive in the minds of the creative team if they are to find it at all easy to write ads that will get over the barriers that lie between an ad and success.

The planner has to put into the brief enough information to define the audience, to identify its existing relationship with the brand, and to bring it to life. So, a marketing plan may talk about the target audience in almost purely demographic terms: 'Younger families with children: XYZ housewives aged 25-40, especially occasional users of Brand X'. But an advertising strategy and the brief that is based on it will say something more like this (for a confectionery brand):

- Women, aged 25-40, who love—but may feel guilty about—eating chocolate. A bit self-indulgent, and able to afford little luxuries. They enjoy most forms of pampering.
- They are well aware of [our brand], but buy it (or several of the direct competitors) infrequently, and for special occasions: they do not see it as a day-to-day, casual eat.
- They think of the brand as special, and like eating it, but they don't know what the product contains, and they rarely think about how nice it is.
- They see it as being a bit distant—aloof, stuck-up, probably foreign.
- They are reluctant to buy [our brand] for themselves, but they like being given it.

This definition is, clearly, based on quite detailed research and specific decisions about which people to target (most boxed chocolates have an older age profile than that of the target), and the sort of things that the planner is hoping to achieve.

In a different sort of market—say cars—the target might be specifically defined in terms of owners of particular competitive models that could be seen as susceptible to switching makes at their next purchase. It would need, in addition, the sort of psychological characteristics mostly used in the chocolate example, in order to show how the target group look at cars and approach buying them.

More generally, it is quite important to be clear about what sort of relationship the target consumers have with the brand to be advertised: are they very familiar with it? Are they current light users, who we wish to encourage using our brand more often? Are they lapsed users, who will, we hope, respond to news of a relaunch or reformulation by trying the brand again? Are we hoping to attract people who have never tried—or perhaps never heard of—our brand?

Why this matters should be fairly obvious: if we are trying to get new users, we are going to have to work hard to attract their attention, and give them good reasons (rational or emotional, or both) to try the brand. This may require a combination of salience and persuasion—perhaps with a bit of involvement thrown in If, on the other hand, we are aiming to make sure that our heaviest users keep taking the juice, what is needed is going to be almost pure involvement, wrapped round a gentle reminder of all the things that—we hope—make them love the brand.

3.3 The Strategy: What should the Target group get from our Ads?

As can be seen, the analysis to define the target group has gone into some detail about who uses the product, how they use it, what they think of it, and so on. This provides the basis for deciding what the advertising has to achieve. This starts from studying the brand itself, in order to identify its strengths and weaknesses (SWOT analysis).

The task of the advertising is likely to be to try to strengthen the brand's good points, or to bring these points to the attention of a new audience. Equally, however, it may be to try to redress a weakness. From the target audience description for our chocolate brand, it is easy to deduce that whoever is doing the thinking about the brand believes that it is too 'special' for its own good: the idea is to try to get people to loosen up about it, to buy it and eat it for more casual occasions. To do this, it looks as if the brand has, somehow, to become friendlier and more accessible. Further, targeting it at a younger audience than the majority of regular eaters of boxed chocolates suggests that someone has identified either a weakness in the brand's user profile or the opportunity to influence a more susceptible and less habituated group of women.

We have, in fact, applied behavioural, attitudinal and demographic segmentation to our search for the target group.

We are also beginning to get towards what we would like them to get out of our ads. Why do I put it like this? Why not 'what we want to tell them about our brand'? The answer goes back to what actually happens to ads when people see or hear them. Ads

are not something that people especially want to take any notice of. They intrude into our lives, sometimes noisily and aggressively; they get in the way of what we are reading; they interrupt our favourite TV programme. So we very often switch them off altogether (mentally, or physically, by 'zapping' with the remote control on the TV): we are very good at this. Or, when we do attend to an ad, our response to it is filtered through a whole range of diversions and mental barriers. We very often only take notice of part of an ad, and succeed in ignoring the key points that the advertiser really wants to get across. It is rather as if people are involved in a game of 'Chinese whispers' with the ads.

We also, very often, get far more out of the visual clues in the ad than the words, because our eyes are quicker, usually, than our ears, and memory tends to be more efficient at preserving visual stimuli than absorbing verbal material. So much so, that research has shown that a radio commercial that picks up on key elements of the sound track of a TV campaign can easily stimulate visual images from the TV commercials—a process known as 'visual transfer' .

What this means is that we need to be very careful about how we think about the communication process by which our ads will work. Communication is not a simple, one-directional stimulus response process: between the sender and the desired recipient of a message, there is a great deal of distortion and noise, rather like lots of short-wave radio; and the recipient can decide—voluntarily or instinctively—to accept only part of the message. Increasingly, too, people are coming to recognize that communication should, ideally allow for the chance to reply: people like dialogue. At its simplest, this means that ads with a response mechanism—a coupon, and address to write to, a telephone number to call, a web site to visit—are often more attractive than ads without.

3.4 Creative Briefs
Creative briefs are not easy to write. Potentially, they can lead to great advertising, but to do so they have to start out with that aim. As Steve Henry, creative director of HHCL, one of the top creative agencies in the UK, has said, you should write the brief to change the world. This is, obviously, easier to do for an exciting product and a client who is committed to great things. One of the advertising world's great problems is that it is too easy to produce routine creative briefs and routine advertising—and that both agency and client are often happy with that: it's safer.

3.5 Briefing

It is not enough for the planner to write the brief, get it signed off by the account director and—probably—the creative director, and then drop it off on the desk of the designated creative team. This is fine for a minor job within an on-going campaign, though even then it is probably worth a few minutes' discussion.

For a major new campaign, more is needed. The creative team needs to emerge from the briefing both knowledgeable and inspired with enthusiasm. This means that they have both to become immersed in the brand and be given a direction and momentum

towards it. At some stage in the process, they need to go round the factory, visit the shops or restaurants, apply for the bank account or the loan, fly the airline ... They need to meet the people who make the products and run the business, the people who have to handle the customers (and their complaints and queries) ... They should get a chance to talk to consumers about the brand, or at least to be exposed to videos of consumers describing their experiences. They will need to have available the fact sheets, the brochures, the technical specifications.

Much of this is part of the pre-planning process, and it can produce the sort of insights that can be crucial for the eventual campaign. As the team absorbs the brand experience, the shape of the brief is being developed, and rough ideas are being developed in (at least) the back of the team's minds.

This all becomes crystallized in the actual brief, and what is then needed is to create an event that will reestablish the key points in everyone's minds before they go off and start the hard work.

4.0 CONCLUSION

There are, obviously, an infinity of ways in which a briefing session can be made into an event. Certainly, it will be helped by a bit of 'theatre'. This can involve simply the use of the agency's presentation facilities to show video clips, display the product, and so on; but it could involve a carefully structured visit to one of the client's outlets or branches, or an 'away-day' in an unusual location.

5.0 SUMMARY

At this juncture, we can summarize as follows:

- The creative briefing process is designed to guide and stimulate the creative team to produce brilliant advertising. The planner and the team should, ideally, work together to agree the brief.
- All agencies have creative briefing forms. These vary, mostly in fine detail, but are designed to be succinct and precise.
- A brief should bring the target audience to life, as literally as possible, and show how the audience is expected to relate to the brand and respond to the advertising.
- The brief should provide the creative team with enough supporting evidence to back up the proposition – but not too much.
- Briefing the team can be a crucial factor in stimulating their enthusiasm. A good briefing can, and sometimes should be, theatre.

6.0 TUTOR-MARKED ASSIGNMENT

Take an advertising campaign you admire. Deconstruct it to arrive at the brief. Who are the target audience? What are their attitudes to the brand? What is the advertising trying to modify or strengthen in these attitudes? What is the

proposition? What evidence do we find in the ads to support the proposition? What are the audience expected to do as a result of seeing the ad?

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Module 3

Unit 1 – Creating the Adverts

Unit 2 – Evaluating Advertisements

Unit 3 – The Media

Unit 4 – Response and Interactive Advertising

Unit 5 – Planning the Campaign

UNIT 1 – CREATING THE ADVERTS

CONTENTS

1.0 INTRODUCTION

There are a number of principles that can usually prevent the creation of positively bad advertising, and a substantial number of guidelines that may help refine the details of individual ads and enable them to work better. Since the world is full of very ordinary advertising, this may help to reach at least a good average standard. The problem is always to do better than that, and that is where creativity and imagination, rather than any rules, have to dominate. This unit focuses on creating the ads.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Discuss the essential elements of creating the ads.

3.0 MAIN CONTENT

3.1 Essential Elements of Creating the Ads

Branding and category identification

Any ad needs to make it clear what is being advertised—the product category and,

most importantly, the brand. An important role for advertising is to enable the brand to say 'Look! Here I am'. It is possible, of course, to play a bit of a guessing game, and this is quite common on TV, where brand names are often not revealed until the end of the commercial

Research evidence quoted by Franzen suggests that suppressing the brand name can be counter-productive: the-earlier the brand name appears in a commercial, the more people will correctly make the link between ad and brand. You have to trade off this fact against the possible benefits of giving viewers a 'reward', in terms either of guessing the brand before it is revealed or of satisfying their curiosity towards the end.

Similarly, in press ads, there is a well-known desire among agency art directors to reduce the size of the client's logo or other branding devices, and a corresponding requirement among clients to have it as large as possible. It seems reasonably obvious that there is no point in being anonymous, though there may—just may—be some point in playing a bit of a 'guess the brand' game in some circumstances.

Attention -getting devices

Advertising has to attract attention, somehow, in order to penetrate the divided interests of the audience. There are far too many commercial stimuli fighting for our attention, and most are ignored. So, ads have to find ways of breaking through the noise.

This leads, frequently, to excess. Loud music, hectoring voices, the over-use of what are believed to be key 'trigger' phrases: 'new', 'don't miss this', 'listen', 'free', `now'—frantic speed of delivery of voice-overs, funny voices, press ads full of starbursts and bold print, fast-cut TV commercials, flashing lights, the use of provocative headline words ('sex', swear words), exploitative sexy pictures ..., and so on. The list is almost endless, though disappointingly predictable.

Looking constructively at the problem, it is clear that the keys to effective attention getting lie in a combination of the media context and the brand concerned. You stand a better chance of getting attention in a medium if what you are saying stands out in contrast to the programme or editorial in which it appears, or if it tunes in so closely with its context that it becomes almost seamlessly part of that context, and the reader or viewer is simply carried into the ad by the flow. Bearing in mind, too, that you are often going to be among other ads, a distinctive tone of voice—quieter, perhaps—may make the difference.

Then again, if the brand carries its own interest, because it has something new or fascinating to say, this is a far better way of getting attention—in its own right—than

standing up and shouting. What's more, it has a better chance of working for the brand than a 'bolt-on' attention-getting device that can actually divert attention from the brand; you then get an ad that people notice, at least superficially, but no benefit for the brand.

Likeability

American research in the late 1980s identified the likeability of an ad as a key factor in its effectiveness. People respond better to ads they like.

Likeability is a complex concept: it does not simply mean that an ad should set out to be humorous or to entertain. It means that the audience should feel that it is useful, informative, helpful, pleasing, constructive—and, perhaps, entertaining and/ or humorous.

As should be apparent, this tends to run counter to many of the ways in which ads seek to attract attention, and emphasizes the problems associated with the more obtrusive attention-getting devices, since these can induce irritation.

By now, likeability is a common element in many TV strategies, and almost essential for cinema, but is less consistently aimed for in press. Part of the reason for this lies in the severely functional and informative nature of much press advertising, especially newspaper ads for retailers and financial services. It is notable, however, that press advertisers in these fields who do try to make their ads more palatable seem to do well.

Simplicity

In general, people are not particularly interested in what ads have to say. This means that ads have to have a straightforward, concentrated message, and to avoid confusing this message with extraneous matter.

On the face of it, this is a recipe for very boring ads—which will fail on the grounds of both attention getting and likeability—so it has to be recognized that simplicity on its own is not enough. What it does mean, though, is that the number of points that an ad tries to make has, in general, to be limited. This depends, ultimately, on the medium used and the nature and purpose of the ad, but it is a reasonable generalization that a single point made well and strongly will always be more effective than several different points, almost however well they are put across. Ideally, every ad should feature *one* key point, and this applies just as much to a long-copy press ad for a financial service or selling a complex product off-the-page as to a 30-second TV commercial or a poster. Posters, of course, are the ultimate discipline, because the maximum number of words that you can hope to use

successfully is reckoned to be seven, and even fewer are better: quite simply, the amount of time available for scanning a poster as you drive past it limits the number of words you can take in.

Have an idea: be original

Implicit in the importance of novelty for getting and retaining attention is the need for originality. Ads that work tend to contain original ideas. The use of the word 'idea' here is important: it is not especially difficult to present a brand in a way that is novel—more or less. It is a lot more difficult to present it through the medium of an original idea, that says something new and interesting to the target audience and wraps it effectively around the brand.

Offer the audience real benefits

One of the great—and true—advertising clichés is 'Sell the sizzle, not the steak'. In other words, make people salivate by offering them the rewards (or the anticipation) of the product, not the product itself. This heightens the desire for the product.

Mostly the benefits you offer should be those conferred by the product: the results people can expect to obtain by buying or using it.

There is a need to be a careful with humour. Obviously, there are some product categories where humour is clearly inappropriate, if not actually in bad taste (which may be seen as a recommendation for it in some circles!). Equally, humour can get in the way of an advertising message, unless the proposition and the brand are very carefully integrated into the joke. Finally, of course, you come up against the ultimate problem of all humour.

4.0 CONCLUSION

A number of analyses of the contribution of humour to advertising show that humour tends to contribute to advertising recall and liking, but may be slightly less good at persuading or modifying attitudes. Humour can get in the way of an argument. Overall, however, it is clear that there are benefits to be had from getting humour right, and its ability to be liked is an important incentive to try.

5.0 SUMMARY

May we summarize as follows:
- Creating good ads depends on creativity: having ideas. This cannot really be taught, though a good creative director can help the process develop and improve, by example and by advice and constructive criticism.

- Correspondingly, the 'rules' that exist for helping create ads are, at best, guides to possible formats, suggestions as to how to organize the ad, lists of elements that should be included.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the essential elements of creating the ads.

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UNIT 2 – EVALUATING ADVERTISEMENTS

CONTENTS

1.0 Introduction

2.0 Objectives

3.0 Main Content

1.0 INTRODUCTION

If you manage a substantial brand, and the agency is developing a new campaign, you want to be reassured, before spending perhaps several million pounds behind the ads, that what you are doing will work. Moreover, your senior management will take a dim view of a campaign that invests large sums and then bombs. So, you will want reassurance, preferably from consumer research, that what the agency is recommending is right. What's more, because you are probably a numbers person, and your management, especially the finance director who has to sign off your budget, certainly are, you would prefer this evidence quantified. Indeed, since a new commercial may cost millions to produce, and a series of them a good deal more, it would be nice to have this evidence *before* the investment in production takes place.

Even if you have not taken this precaution, you will certainly want evidence from the marketplace that the campaign, once running, is meeting its objectives—and, ideally, you would like early warning of success or, more vitally, failure.

We are, then, talking about two things: in the jargon, 'pre-testing' and 'post-testing'. As we shall see, post-testing now includes a variety of complex and sophisticated considerations, while pre-testing raises a number of difficult issue.

First, though, it is worth thinking about how you should set about judging an ad.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

-　Discuss the evaluation of adverts in general;

- Highlight the considerations in Pre-testing and Creative Development Research;
- Discuss the factor in Post-Testing and Campaign Evaluation.

3.0 MAIN CONTENT

3.1 Is it a good ad? Why? Why not?

If you are involved with advertising, you will find yourself, all the time, looking at ads and asking yourself these questions. When you are the client, or the agency account director, faced by the creatives' latest gem, it is your job to do the same thing. How should you go about it?

Basically, there are just three questions that are fundamental:

- Is the ad on strategy?
- Is there a real idea here?
- Is it fresh and/or original?

There is, also, a fourth, which inevitably intrudes. It should, ideally, be ignored, but rarely is:

- Do I like it?

Is it on strategy?

Assuming the strategy is clear, it should not be too difficult to answer this. You do have to remember, though, and it can be difficult, that the ad is usually designed to appeal to someone very different from yourself. You need to remember, too, that it is what people get out of the ad that matters—and that this will depend as much on the way it is said as on what is said. Further, a fact about the brand does not have to be spelled out if it is abundantly apparent from the visual—and vice versa.

Is there a real idea here?

How do you recognize an idea, or at least a relevant one? Arguably, it has two key features: it is at least slightly unexpected; and it works indirectly, through metaphor or simile or analogy, as well as directly. And, if it is any good, it is absolutely appropriate to, and tied in with, the brand. An idea enhances and expands the brand: it goes beyond the mere words in the strategy, and adds something to them.

Is it fresh and original?

You will find that creatives set great store by being original, and that the snidest criticisms in. Consumers set no store by originality for its own sake: creatives do. What grabs consumers is what is to *them* a new, fresh, exciting, enjoyable way of looking at a brand or product category. So, does your new campaign provide this? Does it redefine the rules of your competitive marketplace in some way? If so, is it *relevant* to the consumer? Then, you may have a winner on your hands.

Do *I like it?*

The most difficult decision you will ever take is the one that says 'I hate it: but if you tell me it is right for the market, I'll run it'. Unless you are slap in the middle of the target group for your campaign, it really doesn't matter whether you like it, or not. It does matter whether they do: as we have seen, likeability is a key characteristic of successful ads. But remember, you will have to defend the ads to your colleagues: so be prepared!

Few people, however, are prepared to rely solely on their own judgement where large sums of money are concerned. Corporate cultures are all against it. So what can you do to use research to guide and confirm your decisions?

3.2 Pre-testing and Creative Development Research

Pre-testing

In spite of this, many research agencies operate pre-testing systems that involve recruiting an audience to watch, in a typical example, a film show in a theatre. Into this a commercial or a series of commercials is inserted, much as in a TV commercial break. Before the show, they are asked a number of questions, more or less carefully masked, about the product category concerned in the test, and these questions include a form of brand choice designed to discover their preferences among the main brands, in the category. After the film show, further questions are asked, which show how imported attitudes to the various brands may have changed after exposure to the commercial and, in particular, whether the brand choice has moved in favour of the advertised brand.

Creative Development Research

Obviously, the first essential use of research for creative development is to ensure that the strategy is developing on the right lines. At a very early stage in the creative process, it makes sense to talk to real consumers about how certain ideas and ways of looking at the brand grab them—or fail to. A variety of very rough stimulus material—scrap art, snatches of music, rough drawings, tentative headlines or endlines for ads—can be used in qualitative research to confirm hunches about what may make a campaign work. Indeed, you can formalize even this stage of the exercise and carry out quantified research to rank in order of apparent attractiveness

a range of appeals, concepts, product features, possible celebrity endorsers for the brand, and so on, though this will usually be more appropriate later in the process.

The aim of this sort of research is essentially 'creative': it is there to rule out obvious dead ends, but it is also intended to encourage new hypotheses and directions. It should, as far as possible, involve the creative teams directly, because contact with the target audience will improve their understanding of the task and the restrictions that people's sophistication and knowledge (or lack of them) may impose. On the basis of the research, the planner and the creatives can improve the brief and even the underlying strategy, and build a more rounded picture of where the brand can go, and how to steer it there.

The next stage is to develop ideas for advertisements. These will be debated within the account group and, ideally, with the client. Although some agency creative directors prefer not to show the client anything until there is a fully-fledged recommendation on the table, I believe that the process works best when the client is involved in creative development from quite an early stage. For this to happen, however, there has to be a high level of confidence in the relationship, on both sides.

Then, there is room for a further round of research. Again, this will usually be qualitative, and designed to find out primarily how well the ad ideas are communicating to the target group. Do they understand, quickly and easily, what it's all about? Are they interested? What personality for the brand is projected by the ads? Are there specific elements in any of the ads that seem to be especially intriguing/ exciting/confusing/ new/strange, etc.? Does what is being put in front of them fit their idea of the brand or at least come close enough to be a realistic point to aim for? Do any ideas really grab them? Again, the aim should be to increase our—and particularly the creatives' - understanding. To help find out which words, which images, which thoughts carry resonance with the target audience, and can be used to build the brand. Finally, we have the finished product—or, perhaps, a couple of alternatives.

3.3 Post-Testing and Campaign Evaluation

There are many ways to assess the success of an advertising campaign. All of them require at least some market research, and some are complex and expensive.

How do we know our advertising is working? A few suggestions:

- Sales have increased (beyond reasonable expectations).
- Market share has increased.
- More consumers are aware of the brand.
- More consumers have tried the brand, or are using it regularly ('trial' and 're-purchase').
- Consumers' attitudes to the brand have improved significantly, in ways that

the advertising was aiming for.
- Consumer responses have increased.
- Conversion rates from responses to sales have increased.
- The retail trade is willing to stock more/more retailers are stocking the brand.
- Our brand's price is higher relative to the market, with no loss of market share.
- Traffic in our stores has increased.
- People's behaviour has changed.
- The media liked our ads.
- Brand profits increased over time by five times the advertising investment.

3.4 Consumer Feedback

Apart from specific purchasing behaviour, information on how your target consumers are behaving, and how they are thinking about your brand and its competitors, is likely both to provide evidence of your advertising's direct effects and the potential means of diagnosing problems and refining future strategy. More or less regular consumer research is therefore a highly desirable part of post-campaign evaluation.

There are basically two ways of going about this. Traditionally, advertisers used to carry out an appropriate consumer survey before launching a new campaign, and then repeated the process, either at the end of the campaign or, if they were rich enough, at intervals throughout it. The latter makes most sense, because it avoids the possible problem of measuring what appears to be success, but is actually an incipient decline.

4.0 CONCLUSION

Real-life managers and marketing analysts approach the evaluation of advertising campaigns, with whatever tools are available. It just sometimes needs a bit of imagination.

5.0 SUMMARY

Advertisements can be judged purely subjectively. A good ad: is on strategy; contains a real, relevant idea; and is fresh and original (to its target market).
Commercial pressures dictate that ads should be researched, both before they run, to be sure they will work; and after they have run, to see how they have worked.
Pre-testing should, ideally, be designed to improve the ads, and ensure that they communicate effectively. While theory says that you cannot test ads to predict their effects, much pre-testing sets out to do this.
Post-testing, or tracking, aims to establish both that the ads have had the desired effect and to identify changes in consumer behaviour and attitudes that may be

attributed to the campaign and/or provide clues for future development. This research is best done more or less continuously.

6.0 TUTOR-MARKED ASSIGNMENT

You are responsible for advertising a new brand of ready meals. What market and research information would you hope to have in place to measure the success of the campaign? Realistically, how long do you think it would be before you could judge success or failure? Why? 'What factors are likely to affect this?

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UNIT 3 – THE MEDIA

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1.0 Introduction

2.0 Objectives

3.0 Main Content

        3.1 What is Media?

        3.2 Media Characteristics

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0 INTRODUCTION

All advertisements appear in the media. Media as an ad agency function is rapidly being separated from the creative side of the business, and handled by specialist agencies. Companies are faced with the challenge of which media to use. This unit considers, primarily, what the available choices are.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:

- Define media;
- List and explain the various terminologies in media;
- Enumerate and explain the available choices of media.

3.0 MAIN CONTENT

3.1 What is Media?

The word **media** comes from the Latin word "middle". Media carry messages to or from a targeted audience and can add meaning to these messages. The following terminologies can be found in media:

Media Planning - Media Planning is the process of designing a strategic course of action that shows how advertising space and time can be used to present the message in order to achieve the advertisers' goal.

Media Objectives - Media objectives are goals to be attained by the media strategy and program.

Media Strategy - Decisions on how the media objectives can be achieved.

Media - The various category of delivery systems including broadcast and print media.

Broadcast Media - T.V., or Radio network or local radio station broadcast.

Print Media - Publications like Newspaper, Magazine, Direct Mail, etc.

Media Vehicle - The Specific Message Carrier, it can be a specific Television Show, or a Specific News Paper.

Coverage - Refers to the potential audience that might receive the message through the media vehicle.

Reach - Reach refers to the number of people that will be exposed to a media vehicle at least once during a given period of time.

Frequency - Frequency refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.

3.2 Media Characteristics

There are two types of media for communication - mass media and interpersonal media. Interpersonal media is an expensive medium but highly useful for focused

reach. On the other hand mass media like television, or radio, or newspaper are cost efficient and characterised by wide reach. Now, let's examine the characteristics of each of the mass medium.

1. **Television**

Following are the specific characteristics of television:

- It is more impact-full as it is the combination of sound, sight, and motion,
- It has broad reach and mass coverage,
- It is highly intrusive medium,
- It has high absolute cost but cost per thousand is moderate.

Television Characteristics	
Advantages	**Disadvantages**
• Mass Coverage • High Reach • Impact of sight, sound, and motion • High prestige • Moderate cost per thousand exposure	• Low selectivity • High absolute cost • Short message life • High production cost • Clutter

2. **Radio**

Following are the specific characteristics of radio:

- It can reach out to remote audiences,
- It is most cost efficient among all mass media,
- Radio can reach mobile population,
- Radio has local market identification.

Radio Characteristics	
Advantages	**Disadvantages**
• Local coverage • Low cost • High frequency • Low production cost • Well segmented audience	• Audio only • Clutter • Fleeting message

3. **Newspaper**

Following are the specific characteristics of newspaper:

- Newspaper is a better option to provide detailed information,
- A publication have different editions for different areas, so there is a geographic flexibility in newspaper,
- Newspaper have different sections, so there is opportunity of targeting special interest groups,
- Newspapers are vehicle for coupon delivery.

Newspaper Characteristics	
Advantages	**Disadvantages**
- High coverage - Low cost - Short lead time for placing ads - Ads can be placed in interest sections - Timely or current ads - Can be used for coupons	- Short life - Only visual - Clutter - Poor reproduction quality - Selective reader exposure - Low attention getting capability

4. **Magazine**

Following are the specific characteristics of magazine:

- There are magazines for sports, corporate, business, women. children, etc., so we can say magazines have specific audience selectivity, as they are specialised,
- Magazines have longer life,
- Magazines provide them opportunity for message scrutiny, and geographic and demographic flexibility.

Magazines Characteristics	
Advantages	**Disadvantages**
- Segmentation potential - High information content - Longer life - Compatible editorial environment - Multiple readers - Quality reproduction	- Only visual - Long lead time for ad placement - Lack of flexibility

5. **Outdoor**

Following are specific characteristics of outdoor media:

- Outdoor media is easily noticeable, and it provides 24 hours coverage,
- Outdoor is location specific media, it has local market presence,
- Outdoor media is Cost efficient medium,

- It can be good reminder media.

Outdoor Characteristics	
Advantages	**Disadvantages**
• 24 hour coverage • Location specific • High resolution • Easily noticed • Cost efficient medium	• Short exposure time requires short ads • Poor image • Local restrictions

4.0 CONCLUSION

Media planning and buying are becoming ever more sophisticated, in the face of burgeoning volumes of research data about an increasingly extensive and fragmented range of media. What's more, there is a growing business for specialist media auditors—companies who advise advertisers on the quality and efficiency of their media planning and buying.

5.0 SUMMARY

In this unit, we have considered the following:

- The meaning of media as well as the terminologies in media;
- The available choices of media open to companies (media characteristics) which include television, radio, newspaper, magazine and outdoor.

6.0 TUTOR-MARKED ASSIGNMENT

You have a product that, ideally, needs to be demonstrated to consumers. What media would you consider using, and what factors might influence your decision?

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UNIT 4 – RESPONSE AND INTERACTIVE ADVERTISING

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2.0 Objectives

3.0 Main Content

       3.1 The-One-to-One Agenda

       3.2 Direct Response Advertising

       3.3 Direct Mail

       3.4 Telemarketing

       3.5 Interactive Media

       3.6 The Internet

4.0 Conclusion

5.0 Summary

6.0 Tutor-Marked Assignment

7.0 References/Further Readings

1.0 INTRODUCTION

Direct response advertising has long been a core element within advertising as a whole, and many serious theories about advertising in the 1920s and 1930s were based on direct response: Claude Hopkins, who wrote *Scientific Advertising* in 1924, derived his thinking from selling by mail order to the rural mid-West. This is the focus of this unit that will consider direct response advertising in conventional media, and going on to look briefly at the mail, telemarketing and the Internet and webvertising.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Explain response and interactive advertising with reference to
- The one-on-one agenda
- Direct response advertising
- Direct mail
- Telemarketing
- Interactive media
- The internet

3.0 MAIN CONTENT

3.1 The-One-to-One Agenda

In the 1990s, the growing power of computer databases has provided the technological infrastructure to enable advertisers to approach direct marketing with potentially far greater precision. At the same time, thinking about customer relationships, and the value to a business of its existing customers, has led to the development of a whole industry of 'relationship marketing' (or the new acronym CRM—customer relationship management. This movement is predicated on the Pareto principle: that approximately 80 per cent of your business (or profits, or whatever) will be generated by 20 per cent of your customers. Calculations originally by Bain & Co., widely banded about by the marketing press, suggest that it costs 5 to 10 times as much to get a new customer as to keep one, and that businesses should therefore concentrate efforts on the retention of their customers.

The way to do this is through 'one-to-one' marketing, which is where direct response, direct mail, the Internet and the interactive opportunities of digital TV come together. The key to success in customer retention lies in developing and maintaining a dialogue with the customer, and tailoring this dialogue, through the knowledge that is gathered into the data warehouse, to create, as far as possible, a genuinely one-to-one relationship with each individual.

Direct response and direct marketing, both through media advertising and the mail, the telephone and the Internet, is a massive growth sector of the advertising business, and worth a book on its own. The UK Direct Marketing Association (DMA) produces an annual 'Census' of direct marketing activity, which claims a total expenditure on all forms and aspects of direct marketing in 1997 of over £7 billion, compared with total advertising expenditure of some £12 billion. That is for 'over there'!

In the context of integrated communications, direct marketing can be simply part of a programme, 'combining with brand-building advertising and PR. Or it can take over the whole, or virtually the whole, communications programme, as the business becomes more established. It is important to remember, however, that marketing is a 'leaky bucket' business: however hard you try, you will lose some customers, over

time, and need to replace them—and, too, you will need to gain new customers if your business is to maintain dynamic growth.

3.2 Direct Response Advertising

Direct response advertisers use ads almost purely for recruitment of new customers, and then maintain contact with them by letter or telephone. Even where substantial volumes of business are done 'off the page', this is only the start of a relationship, at least for the more sophisticated operators.

Media selection can be, and is, done on the basis of systematic testing, though experience can be valuable: among national newspapers. Newspapers will normally work faster, and generate more responses, than magazines—even though the latter offer more precise targeting and less wastage. As ever, the media equations require balancing of costs, volumes, timing and the value of the responses obtained: in the last resort, what matters to the direct response advertiser is making a sale—an enquiry that remains unconverted is not good enough.

From direct response operations, it is possible to cross-check the analyses of conventional advertisers' research into the effectiveness of different sizes and positions of ads. The square root relationship between size and effect is common to both disciplines, which encourages the thought that the less direct measures of effect have at least something relevant to tell us about what our advertising can achieve.

3.3 Direct Mail

Mailing lists come from two sources: from customers who have—one way or another—got into contact with the firm and from bought-in lists. Increasingly, companies are building databases of customers, which can become comprehensive and extremely well-informed banks of information about individuals. This provides the basis for the company to decide what to offer to a particular customer, how to do it and when to do so.

Apart from your own customers, lists can be purchased from a variety of sources, collectively described as 'list brokers', which may include other commercial organizations (and you can rent your list to others, so long as you have obtained permission to do so when you collected respondent's details). In theory, at least, you can buy lists of people or companies against very detailed specifications, in terms of their demographics, their interests and at least some of their buying behaviour.

Once you have attracted a customer, of course, your direct mail need not always be selling anything—at least not too openly. If you have an established customer relationship (something that the customer is, of course, the best judge of) you may be providing information, thanking him or her for their business, or whatever. You should not, of course, miss the opportunity to use a contact to try to sell, but it can be done discreetly, through an offer of information on a new product, or an invitation to ask about some new topic.

3.4 Telemarketing

Telemarketing in the UK consumer market is predominantly 'inbound'—handling responses to ads, customer queries and complaints, and so on. There is considerable resistance among consumers to 'cold calling'—or, in the jargon, 'unsolicited outbound telemarketing'. The telephone is, however, a vital link in the direct marketing chain, since so much of the market is now geared to this form of contact. This means, in turn, that there is an enormous onus on marketing management to ensure that the call centre operators are able to 'live the brand', as represented in all those positioning statements and the advertisements.

3.5 Interactive Media

Direct response is, of course, interactive. But doing it electronically, via Teletext, a TV screen or the computer, has hi-jacked the name. Teletext, by now, is becoming outdated, and is not very flexibly interactive, but it has acquired, in the UK at least, a substantial role in one or two markets, notably travel.

The exciting new frontier, however, is interactive digital TV and the Internet, which are rapidly converging, and causing headaches for marketers and advertising agencies alike. At present, there are few, if any valid, business models of how to manage these channels in consumer markets, although `e-commerce' has become a reality for some business purposes, and there are IT marketers, such as Dell computers, who do most of their business in this way.

3.6 The Internet

To advertise interactively on the net, you have, first, to establish a web site, to which your ads can be linked. You then have to buy space—'banner' ads, page sponsorships, etc.—on suitable sites that can provide you with traffic that may click on your link and visit your site. You then have to provide the visitors to your site with enough excitement, stimulation, information and motivation for them to place an order—and you need to give them the reassurance that you can be relied on to deliver and that the transaction is secure enough to avoid their credit card being hijacked.

This means that your site has to be well designed—not just pretty, but functional, too. There is nothing a web surfer hates more than hanging around while an elaborate set of graphics slowly loads itself on to the screen. Also, if your site is good, popular, and attracts a lot of traffic, you have to be prepared to alter it—or at least parts of it—quite frequently, so that regular users' interest remains stimulated. The same applies to web ads, too. The life of a single creative for a banner is reputedly no more than a week or so, in most cases. The great thing, though, is that you can get systems that will measure the response to both the ads and the individual pages of your site,

so that you can tell which ones are getting a good response and when it is starting to wear out.

4.0 CONCLUSION

Like all marketing communications, direct marketing has to be planned strategically, and may work better when integrated with other types of activity.

5.0 SUMMARY

We can summarize as follows:

- Direct marketing, of all kinds, is a dynamic part of marketing communications.
- Direct techniques offer the ability to target precisely and limit wastage – though even then response rates may be quite modest.
- In modern marketing jargon, direct marketing is the key to building and maintaining profitable customer relationships.
- Direct marketing lends itself to testing and experiment, and, correspondingly, to precise evaluation.
- It has permeated all advertising media, but its more potent weapons are 'non-media' – the mail and the Internet.

6.0 TUTOR-MARKED ASSIGNMENT

A marketing strategy that relies solely on direct marketing may be unable to maintain a company's customer franchise. Why should this be so? And what should the company do about it?

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UNIT 5 – PLANNING THE CAMPAIGN

CONTENTS

1.0 INTRODUCTION

Most advertising campaigns are planned over a year. This is simply because most companies' operations are usually planned on this time-scale. The fact remains that

although the half-life of a burst of advertising is unlikely to exceed three or four months, we will usually hope that our activities have an effect beyond the confines of a year. This is, in essence, what the whole concept of brand building, and its measurement by brand evaluation or brand equity, is all about.

What this means is that we have to approach a brand's communication programme by looking at it over the whole of the planning period, and with an eye to the future beyond that. It will not be very satisfactory to blast off all our money in the first two months of the year, and then watch helplessly as the brand gradually declines and we have no money to do anything about it. We have to think about the shape of an annual programme, and about how our various activities—of which advertising is only one—can be effectively knitted into a powerful whole. We need to integrate the relatively expensive advertising activity with other, usually less costly, forms of communication, so as to provide continuity of messages to our target audience. And we are also going to have to be able to convince our CEO and CFO that the whole project is earning its keep.

Obviously, the thinking that goes into planning the campaign is likely to be rather different for different sizes of brand and budget. If you have N10 or N15 million to spend, you can be reasonably confident of providing a high degree of continuity of message through the year, if you judge that to be appropriate. If you only have N250 000, or less, the problem is altogether different.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Evaluate the planning of advertising campaign considering
- A big budget;
- A small budget;
- Forms of communication;
- Different media.
-

3.0 MAIN CONTENT

3.1 A Big Budget Campaign

Usually, if you have a large budget, you have competitors who are equally well endowed. You have to work hard to compete. Nonetheless, you have a wide range of options. You can be selective about when and where you spend your money; you can address particular subgroups of your target audience in different or unusual ways; and you can afford to put sophisticated evaluation research in place. The big questions are strategic (and apply equally to any scale of budget). The issues that you need to address, long before you get down to the detail of the planning of any particular medium, are questions such as these:

o   'What are the precise, detailed objectives of our communications programme, in order of priority?

o   What are the roles of the various forms of communications in reaching our objectives?
o   What proportion of the budget should be devoted to each objective?
o   And which method(s) are best for achieving the objectives concerned?
o   Does seasonality matter in our market? If so, do we support strong seasons, or are we aiming to extend into weaker periods?
o   Does geography matter? Should we support stronger or weaker areas differentially?
o   How far do we aim to respond—aggressively or defensively—to anticipate action by each of our leading competitors?
o   Can we see ways of leveraging the effects of specific campaigns or activities with the aid of other kinds of communication?

Out of the answers to these questions—which will have informed the entire strategy for the brand in ways discussed in earlier chapters, based on the way consumers buy in our market and the factors that are known to influence them—it becomes possible to start to plan the campaign.

What, in practice, are the key decisions?

These fall into five main areas:

o   Should we use bursts of activity or aim at continuity of message through the year?
o   How should we balance and combine different types of activity?
o   How should we balance and combine different media?
o   What do we expect the competition to be doing, and how will our plans counter this? Do we need to allocate resources to counter unexpected threats?
o   How are we proposing to evaluate the campaign?

In addition, the manager planning the campaign will have to take due note of the lead times involved both in booking the advertising time or space and in producing the ads to fill it. At the same time, too, the whole plan needs to be closely coordinated with other functions within the organization—especially sales (the goods have to be in the right shops at the right time, or the training programme for the telesales operation put in place); production (who will need to know what they have to produce, when, and where it needs to be sent to); and finance (who will want to manage cash flows, quite apart from hoping to have your budgets justified in advance).

3.2 Forms of Communication
Media advertising is, in capital terms, relatively expensive. PR practitioners will argue—without very adequate tools to prove it—that PR can be vastly more cost-effective, in terms of its ability to deliver media coverage of the brand, in an editorial context that actually provides an authoritative third-party endorsement for the brand.' The problem, of course, is to guarantee that the PR story actually appears in the media, and that it does so in the form the brand owner would like. Undoubtedly,

though, PR can work with the advertising--and, indeed, sometimes feed off it.

Similarly, sales promotion—which can be quite economical to use, except when it involves price reductions, which are always highly expensive--can work to bridge gaps in the ad schedule, or to enhance the message of the ads. For example, there is a specialist agency, JIG, which develops promotional programmes that are designed to get people to watch ads in order to participate in quiz games; and another, Fast Marketing, which uses a technique of combining door-to-door sampling with advertising to generate product trial, both with very positive results.

Sponsorships—of various kinds—provide a means of keeping the brand name in front of the public, while giving the company opportunities for entertaining customers and for creating linked promotions and even advertising campaigns.

And then there's always the company web site—if you know how to manage it properly—though for most brands the potential coverage of the target audience is, and will remain for some time, rather limited.

Finally, if you have the right sort of brand, you are likely to have, or be developing, a customer or potential customer database, which can be used for direct marketing.

3.3 Different Media
The increased fragmentation of the media means that it is no longer possible to reach huge audiences through a limited number of TV spots. We know, too, that there are substantial groups of 'rejecters' of some or all advertising, but who may be more susceptible to press or radio or outdoor ads than to TV.

Further, there is growing evidence, from the work of the magazine publishers, that a combination of TV and magazines is likely to be more effective than TV alone; and the same appears to be true of TV and radio in combination. Similarly, we know that people use the ads in different media in rather different ways, taking from TV the more emotional brand values, or simply a desire to know more, but using press ads, or direct mail or leaflets, to gather more detailed information.

The chances are that any campaign will be aiming to achieve a combination of brand awareness, brand understanding and knowledge, and the development of more or less emotional brand values. The balance between the media used should depend on the priorities between these types of objectives. A typical example is the way in which car manufacturers generally use TV, or perhaps posters, to create awareness and a desire for a model; but use press ads (plus direct mail and point-of-sale material) to provide more detailed information about the car's specification and features, and to set up the basis of a deal.

3.4 Small Budgets in Practice

Possible solutions to the problems posed by smaller budgets can be illustrated by two examples. The first is a financial product. Here, the brand is just one of many products marketed by a leading institution, so it may benefit from other parts of the company's substantial ad budget; but the product has to compete within its own market, and attract customers off the page—to telephone the company for more information and, perhaps, to buy over the phone.

The resulting programming has six characteristics:

- It uses small press spaces—nothing more than a broadsheet 25 x 4 cols, plus very selected magazine inserts.
- It uses a very narrow selection of media (which have been proven by experiment to work for this brand in this market).
- It aims as far as possible to spread the advertising over the year (in this, it is helped by the observation that too frequent ads in any one publication lead to reduced response, so that a 3-4 week interval is regarded as obligatory).
- The advertising is supported, as far as possible, by PR in the specialist press and the publications used.
- There is a small-scale supporting effort using statement stuffers to selected customers of the company's regular-contact products (current accounts, credit cards, for example).

4.0 CONCLUSION

There are some proven solutions to the problems a small budget raises. Mostly these revolve around targeting: the more precisely you can identify your target audience, the easier it is to find one or more media that reach it effectively.

5.0 SUMMARY

- Planning the whole campaign, especially when it is an integrated operation involving a mix of activities, is quite complex. The key to it is to retain an overall perspective, and a focus on the agreed objectives.
- While large campaigns present greater potential complexity, and the opportunity for radical and creative thinking, smaller budgets are equally challenges, because they demand the identification of ways to extend and amplify the money available.
- In both cases, the major problem is to find ways of stretching the money across the year at a rate that will be competitively powerful.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the considerations for planning a big budget campaign in the context of advertising.

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Module 4

Unit 1 – Legal Issues in Advertising

Unit 2 – Advertising and Society

Unit 3 – Globalization and Advertising

Unit 4 – The Future of Advertising

UNIT 1 – LEGAL ISSUES IN ADVERTISING

CONTENTS

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6.0   Tutor-Marked Assignment

1.0   INTRODUCTION

This unit focuses on the history of APCON, its organisational structure regulatory and control functions, as well as areas where APCON needs more regulatory work.

2.0   OBJECTIVES

At the end of this unit, you should be able to:

• Explain what APCON stands for;
• Discuss the regulatory and control functions of APCON;
• Identify other laws concerned with the regulation of advertising in Nigeria.

3.0   MAIN CONTENT

3.1   History of APCON and Its Operations

We have noted in one of the earlier units that the main regulator of advertising practice in Nigeria is the Advertising Practitioners Council of Nigeria (APCON). It is the body established by the Federal Government to regulate advertising activities through APCON Decree 55 of 1988 and the subsequent amendments: Decree 93 of 1992 and Decree 116 of 1993. The adoption in January 1988 by the National Council of Ministers of a broad National Mass Communication Policy was an important milestone in the birth of the Advertising Practitioners Council of Nigeria. Various discussions were said to have led to the articulation of the relevance of advertising in the nation's social, political and economic activities as well as the need for recognition and regulation. The Advertising Practitioner Council of Nigeria (APCON), established by Act 55 of 1988, was a logical outcome of the legislative recognition to advertising as a profession in Nigeria.

Functions of APCON

Section One Act 55 of 1988, which set up APCON, states its functions as:

a.   determining who are advertising practitioners;
b.   determining what standards of knowledge and skill are to be attained by persons seeking to become registered as members of the advertising profession and reviewing those standards from time to time;
c.   securing in accordance, with the provisions of the Decree, the establishment and maintenance of a register of practitioners and

the publication, from time to time, of list of those persons;

d. regulating and controlling the practice of advertising in all its aspects and ramifications;

e. conducting examinations in the profession and awarding certificates or diplomas to successful candidates and when appropriate and for such purpose, the council shall prescribe fees to be paid in respect thereof;

f. Performing the other functions conferred on the council by the Act.

Membership

The Decree makes provision for four grades of membership:

- Fellow
- Full Member
- Associate Member
- Student Member

Registration as an Ad Practitioner

Associate Member

Anyone above the age of 21, who possesses any of the degrees or diplomas listed under the student category, and is employed in a recognised organisation where he or she can acquire professional experience. He or she must be of good character and must not have been convicted in Nigeria or elsewhere of a criminal offence.

Full Member

Anyone, who has met the requirements for associate membership and in addition has been in continuous advertising practice for a minimum of five years.

Fellow

To be a fellow, the applicant must have fulfilled the conditions for associate and full membership. In addition, he or she must have been in continuous active advertising practice in the 15 years preceding the date of his or her application, and must show evidence of significant contributions to the practice of advertising.

Student Member

Anyone who satisfied the Council that he or she is undergoing a course of studies recognised by the Council and leading to the award of:

- APCON Diploma/Professional Certificate
- CAM or BEEC Diploma in Advertising
- Degree/HND in Marketing, Mass Communication, Graphic Arts or Advertising
- NIJ PGD Advertising

Enrolment for the Examination

Application for registration as a student must be made on the prescribed form, which requires an undertaking on the part of the applicant to abide by the rules laid down by the Council from time to time. Every applicant will be required to produce satisfactory evidence of age, name, character and eligibility together with certified photocopies of educational certificates and four certified passport size photographs.

Examination Philosophy

The examination is designed to test candidates' knowledge both in the theory and in practice of advertising. Emphasis is on professional knowledge and application of principles to practice. The challenge from the contemporary advertising environment requires that present and future advertising practitioners demonstrate knowledge and ability in solving advertising and marketing communications related problems. Thus, the syllabus is guided by the need to provide the students a perfect blend of professional and theoretical knowledge. The APCON Processional Diploma in Advertising is a qualifying certificate for registration into the advertising profession. The basic qualification for enrolment into the programme is a bachelor's degree or the Higher National Diploma in any discipline. Candidate who holds degree or HND in Marketing, Mass Communication and Graphic Arts would be exempted from some of the courses on individual/Merit. The examinations are conducted twice a year: June and November.

Specifically, with the APCON laws, the APCON is statutorily saddle with the regulation of advertising in Nigeria. This is in spite of the self-regulation of the profession through other bodies, such as the Association of Advertising Practitioners of Nigeria (AAPN), which is the umbrella association of all advertising practitioners in Nigeria, and other sectoral associations like ADVAN, OAAN, BON and NPAN.

APCON is composed of a 20-member Council, which is its highest policy body. The Council is headed by a Chairman, and a Secretariat, also headed by a Registrar. The composition of the Council is made up of representatives of interest groups in advertising in Nigeria, including AAPN, ADVAN, OAAN, BON, NPAN and others. The chairman of the council is appointed by the President of the country. He must however be a fellow of the advertising practice in Nigeria; this requirement is compulsory.

Bel-Molokwu (2000), a former Registrar of APCON, presents the

structure of advertising in Nigeria as approved by the APCON:

a) APCON
b) Workforce
c) Individual practitioner
d) Organised practice
e) Corporate practice
f) Organised sectoral groupings: ADVAN, AAPN, OAAN, NPAN, BON

Indeed, the advent of APCON since 1988 changed a situation where advertising was an all-comer affair and agency operations and practice were loose. With the law, APCON defines the structure of advertising, regulates the functions and activities of the component groups and practitioners.

3.1   Control Functions of APCON

In putting effect to the APCON law, a Secretariat was created, saddled with the responsibility of monitoring and enforcing the provisions of the APCON law and the Code of Advertising Practice in Nigeria.

In this regard, the Council appoints other bodies to support the secretariat in executing the provisions of the law. These bodies are:

a) Investigating Panel: this body hears complaints from and against advertising practitioners and stakeholders in the industry.

b) The Advertising Practitioners Disciplinary Committee: this body is charged with adjudicating in these cases.

c) The Advertising Standards Panel – this ensures that practitioners maintain standards set in the industry.

Besides this regulatory structure of the industry, Fadipe (2002) also identifies other functions of APCON as set out in the law setting it up. These are:

i. screening and registration of practitioners
ii. induction of new practitioners
iii. assessing and upgrading practitioners
iv. vetting of new advertisements
v. monitoring of the exposure of advertisements
vi. education of practitioners and training of new members
vii. accreditation of departments offering advertising courses in universities and polytechnics
viii. publishing reading and reference literature on advertising
ix. enforcing discipline
x. ensuring that ethical standards are maintained.

Apart from these functions, APCON also ensures that advertising practice is developed and upgraded to international standards. Essentially, APCON recognises excellence in the practice of advertising in Nigeria by giving awards and an annual lecture series to increase debate and body of literature in the industry. These include:

a)   Annual Advertising Day/Lecture, at the end of very year.
b)   Student Encouragement Awards. These are sponsored by eminent and registered members of the advertising industry, corporate bodies and other practitioners in the practice.

However, issues continued to be raised by advertising practitioners where they think APCON needs to do more work. Some of these are:

i. they believe that direct media buying and selling, which involves placement of advertisements by an advertiser without the knowledge of the practitioners, is against the APCON law and therefore unhealthy for the advertising industry

ii. they believe that the entry into the profession is loose as many unregistered people still engage in the business of advertising in the country. They say this is also against the spirit and tenets of the APCON law

iii. members of the public have continued to raise issues about the need to strengthen the effectiveness of the APCON laws regarding deceptive advertisements

iv. in addition, issues of compliance with the advertising code of ethics are raised against APCON too as we shall see in subsequent units.

SELF-ASSESSMENT EXERCISE

Which areas of advertising would you give APCON credit and where does it need to do more work?

3.2   Other Laws Governing Advertising in Nigeria

Other agencies, organisations, or decrees put in place by the Federal Government to address the problem of unwholesome practices between producers, marketers, suppliers, service providers and the consumers in Nigeria include:

• Food and Drug Decree of 1974: this law prohibits sale of certain category of food and drugs, and or of such food and drugs because they are considered to be either unsafe or their   are misleading the public. For example, you are not allowed to advertise a drug, which claims to cure obesity in Nigeria. Unfortunately, this is now flouted with impunity in Nigeria and APCON and some of the regulatory bodies concerned have proved incapable of dealing with these infractions.
• Standards Organisation of Nigeria (SON)
• National Drug Law Enforcement Agency (NDLEA)
• National Agency for Food and Drug Administration and Control (NAFDAC), 1993
• Nigerian Communication Commission (NCC)

- Economic and Financial Crimes Commission (EFCC).
- Independent Corrupt Practices and other related offences Commission (ICPC).
- Federal Environmental Protection Agency (FEPA)
- National Lottery Regulatory Commission
- The Counterfeit and Fake Drugs Decree No 21 of 1988
- The Food and Drugs Act Cap 150 of 1990
- The Poison and Pharmacy Act Cap 366 of 1990
- Consumer Protection Council (CPC), a parastatal of the Federal Government established by Act No. 66 of 1992 established to promote and protect consumers' interests in all areas of products and services, provide speedy redress to their complaints, inform, educate and empower them (consumers) to act as discerning and discriminating consumers in the market place. There is also the Consumers Association of Nigeria and other such groups, which we shall deal with under consumerism.

4.0   CONCLUSION

Since 1988 when APCON came into being, advertising in Nigeria cannot be said to be without laws and regulations. The APCON law has provided the structure for operations and growth of the industry in Nigeria. There are of course, many areas in the advertising industry in the country that needs improvement and more work, especially the areas of direct media selling and buying and proper registration of members to weed out non-professionals. In addition, APCON needs more work in the area of regulating messages of advertisements to guide against deception, negative advertisements, misleading claims of products and other marketing abuses. It is hoped that the seeming protective cover of the practitioners against detection, report and prosecution of deceptive advertisements would be fought by the rising consumerism flavour in the country.

5.0   SUMMARY

This unit has looked at the statutory regulation of advertising in Nigeria. In this regard, we have examined the composition of APCON, the structure of advertisements industry, control and functions of APCON in Nigeria. We have also identified the main areas where APCON needs to do more regulatory work. In the same vein, we have identified some other laws and organisations set up by the Federal Government to regulate the relation between producers, advertising agencies, marketers and the consumers in the country.

6.0   TUTOR-MARKED ASSIGNMENT

Discuss the composition of APCON and its control functions in regulating advertising in the country.

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UNIT 2 – ADVERTISING AND SOCIETY

CONTENTS

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3.0 Main Content

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        3.2 Encouraging Antisocial and Dangerous Products and Behaviour

        3.3 Dishonesty, Misleading, Cheating

        3.4 Exploiting the Arts, Defacing the Environment
        3.5 Promoting Consumerism
        3.6 Undermining standards and values

4.0   Conclusion

5.0   Summary

6.0   Tutor-Marked Assignment

7.0   References/Further Readings

1.0 INTRODUCTION

Advertising is blamed for many of the ills of society. Significantly, the word used when a politician—or a judge, a social worker, a clergyman, a pressure group or even the person next door—accuses advertising of some heinous crime against humanity is virtually always 'advertising'. Advertising clearly sets out to encourage 'consumerism' (a word that used to mean concern for consumers, but suddenly changed meaning, and, as such, exploits the gullibility of people who cannot afford the goodies portrayed in the ads.

Undoubtedly, there are real criticisms that can be levelled at advertisements, and possibly at the industry that produces them as well. Most of these criticisms are in fact more criticisms of the market economy and its workings than specifically of advertising, though they recognize advertising as its most obvious commercial face. There are a number of areas where society can reasonably attack advertisements and advertising—

and plenty more where someone may find cause to complain about an individual ad.

The main areas are:

- Influence and effects on children.
- Encouragement of antisocial or dangerous purchases or behaviour.
- Dishonesty, misleading or cheating the public.
- Bad taste, exploitation and devaluing of the arts, defacing the environment.
- The encouragement or acknowledgement of sexism and other 'isms'.
- The creation of unattainable desires among people who cannot realize them—the encouragement of 'consumerism'.
- The insidious undermining of standards and values.

Therefore, this unit will focus on the effects of advertising on the society.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Discuss the effects of advertising on the society.

3.0 MAIN CONTENT

3.1 Advertising and Children

The Codes of Practice are especially stringent in the attempt to control and regulate the content of advertising to children.

There are four related issues involved here. First, are children capable of recognizing that ads are ads, and understanding that the aim is to sell them something? Second, should we, in any event, regard them as a legitimate target for advertising? Third, because the way in which most advertising to children has to work is through 'pester power', is it right that advertisers should be encouraging children to put pressure on their parents in this way? Fourth, specific to nutrition, is the argument that the concentration of food advertising on 'junk' food (of a variety of kinds, according to current theories, or who is doing the complaining) leads to the development of a whole range of ailments.

Children do, in fact, learn to recognize ads as ads from quite an early age. Research by both commercial and academic researchers shows that they are well aware, as young as four or five, of what an ad is, and what it is trying to do. (This is younger than classical child development theory, exemplified by Piaget, would suggest, but the evidence seems clear). The Code of Practice aims to control the effects of advertising by (for example) ensuring that ads make clear to children the size and capabilities of, in particular, fantasy toys.

The broader issue is the one of involvement in the market, and how this affects parents. I do not see how children can avoid the market. It therefore makes sense that they should learn how to deal with it. This will (inevitably) mean that they meet with disappointments, when they have believed too much of the (inevitable) hype. You can argue that they should not have to cope with this until they reach a certain age--but what age makes sense? Eight? Ten? Fifteen? Some people already remain incurably naïve until they reach their dotage. It seems to me that—almost—the earlier you learn not to believe everything you hear in the ads (just as you should learn not to believe everything you read in the papers or see on TV) the better.

3.2 Encouraging Antisocial and Dangerous Products and Behaviour

This is an area where the Code of Practice and the self-regulatory system, together with a growing body of law, have the effect of making it very difficult to use advertising to promote anything harmful. Except, of course, that smoking and alcohol are both addictive and at times antisocial; and driving fast cars, to take the other main area, is potentially antisocial and dangerous. (Illegal drugs, by contrast, are not advertised, but there is frequent—sometimes justified—criticism of individual ads for using the language of the drug culture. It is extremely difficult for those not in this culture to prevent this happening: most people over about 30, even in ad agencies, find themselves in much the same position as the much-criticized judges.

More generally, the very extensive literature on the relationship between advertising and smoking is distinctly inconclusive as to whether ad bans lead to a reduction in smoking, or the presence of advertising creates extra volume demand. The manufacturers argue that the advertising is solely about brand competition; their critics vociferously disagree.

Alcohol is a more complex issue, because it is quite possible for children from quite a young age to see ads that sell the brands and the habit of drinking in a reasonably appealing way. Again, however, it is by no means clear that it is advertising that *starts* people drinking: parental example—and, indeed, encouragement—seems the most potent factor, followed, again, by peer encouragement. Certainly, it is easy for a young person to use ads as a means of finding a repertoire of drinks to explore.

On the positive side, it should be pointed' out that government-sponsored advertising to prevent many of the dangers and abuses discussed in this area has been quite successful in changing attitudes—to drink and driving, in certain areas of the drug culture (a highly successful and totally unadvertised vice, incidentally), and so on.

3.3 **Dishonesty, Misleading, Cheating**

Ads put the best face of the product forward, and may well conveniently forget to point out the disadvantages. This is a recognized part of the way the game is played.

Interestingly, however, there is a growing trend towards greater frankness, which has arisen alongside the apparently growing interest among consumers in the companies they deal with. If there is pressure on companies to be, and to be seen to be, ethical, environmentally concerned, and so on, there is definite pressure on their brands and their advertising to conform to the same sorts of standards. There is probably a great future for campaigns that acknowledge (small) weaknesses, at the same time as boosting the brand's advantages.

In the long run, it is in no advertiser's interests to mislead the public. A dissatisfied customer is the worst sort of advertisement: people are up to ten times as likely to tell their friends about a bad experience with a purchase as about a good one.

3.4 **Exploiting the Arts, Defacing the Environment**

The ad business has a quite incestuous relationship with the arts. Many people who work in the arts have worked—or even do work—in advertising, and advertising uses the arts all the time. The relationship is complex, and complicated by the fact that every now and then people in advertising act as if their latest ads actually are works of art. In fact, the only advertising form that seems to have got recognition as art is the poster, though there are those that claim some TV commercials to be works of art.

Of course, too, ads damage the environment. Think how much prettier our townscapes would be without all those posters, shop signs, street furniture. Think of all the paper wasted on printing all these ads that encourage us to consume, to deplete the earth's resources, to deposit rubbish (most of it packaging, which is also advertising) and further pollute the environment we live in.

3.5 Promoting Consumerism

Ads encourage wasteful and excessive consumption. They promote the idea that all that matters is to own things and consume things. They persuade people to buy things they cannot afford—or else rub the noses of the poor in the fact that these desirables are out of reach.

3.6 Undermining standards and values

Advertising is, of course, all about cheap-jack commercialism. It panders to the lowest common denominator. It helps to drive out what is good, in favour of what is popular—

and, of course, that's simply awful. If there was less advertising, or even if it was more responsible, standards and values would be higher.

4.0 CONCLUSION

No one is perfect, and it would be mad to suggest that all ads are socially responsible and dedicated to the furtherance of humanity. It is considerably less easy to accept any of the blanket condemnations of advertising, at least without agreeing that the capitalist market economy in which we mostly live and work is fundamentally immoral and damaging. This may be true, but raises a different agenda.)

What is unhelpful and misleading is to blame advertising for all the faults both of the market and of society, without recognizing that it is merely an element in that system, and not necessarily the source of the problems under consideration. In particular, it is very easy to attribute to advertising powers that it does not possess. If it did, everyone in the business would be mightily richer!

5.0 **SUMMARY**

- Where advertising is most vulnerable is in its relationship with children. Here, we need to recognize just what children do and do not understand about advertising, at what ages, and recognize that they are in fact remarkably perceptive critics of ads from quite an early age.
- Advertising campaigns, on the whole, reflect society, rather than changing it-and this is primarily because it is remarkably difficult to change society by active intervention: societies evolve, in response to a very complex range of stimuli, of which advertising is a small part.

6.0 TUTOR-MARKED ASSIGNMENT

You work for a snack food manufacturer. A food lobby has accused your company of promoting bad diet by advertising, intensively, products that are full of empty calories and excessive fat. Draft a reply.

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UNIT 3 – GLOBALIZATION AND ADVERTISING

CONTENTS

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2.0 Objectives

3.0 Main Content

4.0   Conclusion

5.0   Summary

6.0   Tutor-Marked Assignment

7.0   References/Further Readings

1.0 INTRODUCTION

A number of factors encourage the concept of global advertising campaigns. In this unit, we shall look at the concepts of globalization and advertising, and consider a compromise between 'global' and 'local' in advertising.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- Discuss globalization relative to advertising;
- Explain why 'glocal' advertising is relevant.

3.0 MAIN CONTENT

3.1 Globalization

The formalized concept of globalization of markets and commerce has been around for over 25 years, and the idea of global advertising is nearly as old. If firms can produce products to a uniform specification for the world's markets, why should they not have global brands under which to sell them, and back these with global advertising? Production facilities have begun to migrate around the world, seeking suitable low-cost locations, and companies have grown ever larger, through internal expansion and through mergers and acquisitions. At the same time, as we have seen, media companies have begun to develop worldwide coverage, and even to sell space and time on an international basis.

In response, ad agencies have become more multinational in character, continuing a process which started in the 1920s, when, for example, J. Walter Thompson had an agreement to open an office wherever their then largest client, General Motors, asked them to. Agencies, again, are the subject of frequent mergers and acquisitions, as well as the forming and reforming of international alliances. There is an interesting contrast between the acquisitiveness of major US agency groups such as Omnicom and Interpublic, and the alliance-based strategy of the Japanese giant Dentsu.

The WPP Group's 1997 Annual Report carries an interesting brief analysis of the parallel processes of agency mergers and the consolidation of very large multinational advertising accounts into a small number of agencies on a worldwide basis. While 23 of the top 30 US agencies are now owned by just nine multinational groups, major multinational client companies such as Colgate, IBM, S C Johnson, Reckitt 8c Colman and Citibank have reduced their roster of agencies from as many as 40 or more to just one or two. This means that the big global networks have an overwhelming advantage over even the best local agencies in trying to win business from most major multinational clients. The fact that a major world brand such as Coca-Cola could suddenly start to buy advertisement ideas from a creative 'boutique' organization that was not even really in the business of producing advertising shows how potentially fluid the situation is.

The rationale for consolidating international business into just one or two agencies is largely one of management efficiencies: shorter chains of command and simpler co-ordination of activities, leading—hopefully—to reduced costs. These latter can certainly accrue from a reduction in the amount of management time that needs to be devoted to dealing with the agency, and may include a reduction in the amount that the agency or agencies is or are paid. At the same time, too, centralized negotiation, whether through the creative agency operating as a full-service agency, or through a multinational media specialist agency, could lead to reduced total media costs. In practice, it is worth noting that at least some financial arrangements reported (by agencies) appear to give the agency

more than the traditional 15 per cent commission (or its equivalent in fees), rather than any reduction.

3.2 **What about the ads?**

Part of the economy of effort to be looked for from international agency consolidation lies in the cost of creating and producing the ads. If you can produce one campaign, centrally, and use this all over the world, there should be savings to be gained: with a good major TV commercial costing perhaps £300 000 or more to produce, a 30-country campaign could spend nearly £10 million before ever putting an ad on air. In theory, you can instantly save about 90 per cent of that total, by developing and producing just one commercial.

Of course, this is naïve. The ad will have to be translated and the verbal part of the soundtrack rerecorded, at the very least—but this need not be very costly, except where the commercial's dialogue has been produced in lip-sync, where dubbing may be unacceptable in some key markets, such as the UK. We are still going to be well ahead— just so long as the ad works as well in every other country as in the one for which it was originally produced.

What's more, the process will be making the maximum use of the most difficult bit of advertising development: having a great creative idea—always assuming that we have one. Great ideas, the argument goes, are too valuable to be wasted on a single market or group of markets: it would be sheer dereliction of duty on the part of the advertiser's management if they failed to use the idea in as many markets as possible. At least one major global marketer, Unilever, has a policy of taking excellent, successful advertising concepts, wherever they have been developed, and applying them elsewhere to whichever of their many brands seems appropriate. Because of the company's history, its brands tend not to be global, but their ad concepts sometimes are. By contrast, another multinational, Mars, has spent the last few years globalizing long-established brands, so that the UK has seen Marathon become Snickers, and Treets become M&Ms, for example, as part of this harmonization.

The big question, assuming we have a great idea—and the ability to recognize it as such—is whether it is realistic to expect it to work equally well all over the world; or, failing that, what we will have to do to adapt the idea to enable it to do so.

Again, there is a naïve assumption, most frequently, but by no means exclusively, found among senior managers of US multinationals, that what works there will work anywhere else. After all, the US is a very large and quite diverse set of markets, so a successful ad there has to have a degree of acceptability among people of widely differing backgrounds and, even, languages.

There are a number of reasons why this assumption is naïve—even though it is not necessarily wrong. These can be divided into two broad categories: country-specific and

market-specific.

Market-specific reasons for questioning the assumption derive primarily from the standing of the brand in different countries. Very few brands are equally strong or equally well developed in terms of their product life cycles, in more than a few 'of the countries in which they are sold. A brand may be a long-established market leader in the US; a well-known second or third brand in some other English-speaking countries such as the UK and Australia; a struggling newcomer in (say) France and Germany; and a luxury brand for the very rich in most of the South. In each of these markets or groups of markets, it may be faced by a different group of competitors (which will, to be sure, consistently include some well-known multinationals), and these, again, will occupy different positions within the market. A well-known example of the sort of differences that arise in this way is Levi's: in the US, Levi's jeans are mass-market and price-competitive; but in much of Europe, Levi's is a premium-priced, high-quality brand.

A further complication may be the way in which the product or product category is used or consumed in the various countries: Kelloggs have had a long uphill struggle to develop a market for breakfast cereals in Continental Europe, where some of their products have found a completely unexpected (to an American or Briton) niche in the snack market.

Clearly, where a brand's position can be so radically different from country to country, and if the optimum advertising strategy should be derived from a detailed analysis of the brand's specific position in its market, it is logically improbable that the same advertising could fit every country equally well, simply on the grounds of the brand's competitive situation.

Then there are country-specific factors. These interact with the market factors, but are primarily concerned with the nature of the society in the individual country, the values of that society, and characteristics of the culture that may involve body language, frames of reference, sense of humour, taboos, religion, and so on. It is quite easy to construct a case that makes it very difficult to believe that an ad that works excellently in one country could ever work as well in another. A most convincingly argued example of this is that any 'global' advertising campaign must be quite radically adapted to local needs if it is to stand a chance of success.

That there are national styles of advertising is undoubtedly true, as anyone who goes to any of the growing number of international advertising awards festivals would readily acknowledge. What is more, these styles seem to emerge most strongly in the best work from each country, which suggests that they are reflecting the reality of the national cultural character.

3.3 Tribes and Tribulations
It is often suggested that particular groups of consumers have common characteristics and

interests that transcend national boundaries and that, therefore, it is right to target them with international advertising campaigns. The two groups that have traditionally been cited in this way are businesspeople and teenagers. Businesspeople, it is claimed, are now so used to travelling across national boundaries and ; interacting with other nationalities that they may be regarded in a way as international hybrids; while teenagers, as is well known, listen to the same music, wear the same (grungy) uniform, eat the same fast food and are, therefore, simply a global tribe. To these two groups can be added the growing 'Internet Community', which is assumed to have completely globalized instincts and interests—in the apparently total absence of any evidence.

One final argument that is sometimes used to support the concept of the global campaign is that with tourism rapidly becoming the world's number one industry, it would be immensely confusing to people if they travelled to another country and saw their familiar brands advertised in a totally different way. Quite apart from the fact that the numbers of people involved are still small when viewed against the total populations of either the hosts' or visitors' countries, there are two highly questionable assumptions built into this argument. First, that the tourist will be remotely in a frame of mind in which ads are relevant; and, second, that he or she can understand an ad in a foreign language.

We may not actually forget about global advertising.

3.4 **Glocal Advertising**
The argument about the cultural differences between countries looks extremely powerful. Indeed, it is, as it applies to the ends of the various scales of culture, attitudes and beliefs that she quotes. The only problem is that most countries are not at the extremes: they tend to cluster towards the middle, where the differences are far from clear-cut. The result of this is that it is frequently feasible to group broadly similar countries together, and to run the same—or virtually the same—advertising within the group. For example, you might treat northern and southern Europe as two rather different areas, or run a common campaign in most of the Middle East, or Latin America, without striking major problems.

Overall, then, the message from research seems to be that it is difficult, if not impossible, to run an absolutely homogeneous campaign across national borders, unless the countries concerned have a lot in common. You have to adapt: you have to take account of local idioms, metaphors, body language, and sense of humour. You have to recognize national styles. In a word, the ideal multinational campaign is not 'global', but `glocal': it embodies the widely quoted view that you should think global, but act local.

The fact remains that there are successful multinational—or even global—campaigns. Marlboro and Coca-Cola, to take two prime examples, have successfully sold what is, in effect, an American dream to the world for years. Esso's (Exxon's) tiger is pretty much global. Even, slightly surprisingly, British Airways' arrogant and improbable repositioning of itself as the World's Favourite Airline worked, with remarkably little

variation, more or less all over the world.

4.0 CONCLUSION
This careful tailoring and adaptation of core campaign concepts to be the inevitable way forward for most global brands' advertising, if they are to reap the full benefits of their creative ideas. In some cases, it may be impossible even to do this type of adaptation in an individual market, and a specific campaign will be required.

The ideal remains the purely local campaign, because this will be created and fine-tuned to its direct market, with all the style, humour, panache or whatever that is relevant to the local market situation. The one problem this inevitably raises is that it is unlikely that an advertiser can call on comparable levels of creativity and production excellence in all markets, and that the costs of production will be disproportionately high. If the results can be good enough, this would not be a problem: the best ads can be shown to outsell even average ads by so wide a margin that they can justify the expense.

So, the final message has to be one of compromise. Get a really good campaign—from somewhere—and adapt it as carefully and imaginatively as possible to local market conditions. And be prepared to reject it in one or two markets if all the evidence is that it really will not do the business.

5.0 SUMMARY

- A number of factors encourage the concept of global advertising campaigns: the spread of global brands: the increased reach and centralization of TNCs; the apparent economies of scale of creation, production and management of advertising; the increased convergence of lifestyles and attitudes around the globe; the specific development of identifiable international 'tribes' (teenagers, the jet set).
- Experience shows, however, that these factors can be illusory. In particular, there are substantial and fundamental cultural differences between countries (or even between regions within countries) that demand consideration, and suggest caution.
- Increasingly, sophisticated managements are treating their advertising on a 'glocal' basis: using, as far as possible, global or regional strategies, but executing the ads locally, or adapting them heavily. There are genuinely global campaigns, but they are likely to remain few in number.

6.0 TUTOR-MARKED ASSIGNMENT

What categories of product would you most expect to be able to advertise with multinational ads? Why?

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UNIT 4 – THE FUTURE OF ADVERTISING

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1.0 INTRODUCTION

We live in a time of rapid change, and that this is not merely a source of stress for anyone in business but an opportunity for management. This unit looks at some of the key themes for the future that will affect advertising and the context in which it is created and managed. Furthermore, the Nigerian situation will be presented.

The six themes are:
o   Globalization—of clients, agencies and media.
o   The 'unbundling' of the traditional functions of the full-service agency, and their erosion by specialist and non-specialist consultancies.
o   The increased focus on integrated communications or 'total communications'.

o   The development of consumer-centred marketing, based on interactive and one-to-one responsive communication, sales and delivery systems.
o   The growing importance to management of (rapid) evaluation of all of a firm's commercial activities.
o   The continuing development of technologies that affect the creation, production and distribution of advertising messages.

2.0 OBJECTIVES

After a careful study of this unit, you should be able to:
* Evaluate the future of advertising
* globally;
* Assess the future of advertising in Nigeria.

3.0 MAIN CONTENT

3.1 Globalization
The last unit took a hard look at the way in which advertising can be effectively global, and outlined the pressures behind globalization. It has been estimated that the top 1000 advertisers account for 90 per cent of the world's ad expenditures. Assuming that this is remotely true, one possible implication is that there is room for no more than 40-odd global agencies, each handling, on average, 25 of these advertising giants. The vision in Pohl and Kornbluth's sci-fi classic *The Space Merchants,* of just two vast advertising mega-agencies effectively controlling the world, appears to be almost conceivable--especially since it seems reasonably certain that at least 10 per cent of the top 1000 advertisers will merge with, or acquire, one of the others in the next couple of years.

The question is then what good does this sort of giantism do? For whom? And, for an advertising text, does it help produce good, or excellent, advertising? It seems to me that this process of corporate aggrandisement runs counter to most other trends within the advertising business and—more significantly—within society as a whole. Huge organizations progressively lose contact with their customers, and become entirely reliant on bureaucratic system-building and system maintenance. This removes the possibility of any creative response to changing circumstances, and encourages a paralysis of the *status quo.*

This progressive giantism offers numerous opportunities for the smaller, swifter, more agile operator to start to pick off the juicy bits around the edges. Large businesses neglect their smaller, outlying operations, and this applies both to advertisers and their agencies. For many years now, the leading Italian ad agency has been the local Armando Testa—

the only non-multinational in the top 20 agencies in Italy. They have attained and held this position by being good at being Italian: something that none of their competitors is any longer able to do so well. As their founder says, this process has been helped by the agency's refusal to go public, which has relieved it of the need to damage the structure of the business in the search for ways to boost profits for the shareholders.

The problem for the smaller operator remains that it is difficult to penetrate the businesses of the large multinationals. Multinational executives find it a source of comfort that their agency has offices in outlying parts of the world—there is almost a process of ticking off the flags on the map, and no one got fired for buying IBM. The fact remains that it is perfectly possible for any agency to place advertising in a country where it has no office of its own, and perfectly possible for an advertiser to buy advertising from a creative source that has no agency network and to use this all over the world.

Agency commentators—mostly from the large groups—have for long observed that it is very difficult to be a medium-sized agency in most developed markets. In practice, most such agencies get taken over by larger groups, and this leaves a fertile source of material for smaller agencies to feed on. Meanwhile, there is an observable ebb and flow in large corporations' relationships with agencies: consolidation and concentration tend to be followed by a period in which local (especially) reins are loosened, and smaller firms are allowed to get a bite at the peripheral and minor brands where the pressures for conformity and the safe solution are fewer, and the opportunity to do something spectacular greatly enhanced.

If to this is added the current fashion in corporate management for 'focus', which means, in effect discarding brands, divisions and whole markets that no longer fit the vision of the company's expertise and future, and there are lots of quite rich pickings for the less gigantic agency to feed off. This will continue, in one form or another.

3.2 Unbundling
Creative and media started to separate as long ago as the end of the 1960s in the UK, and the process is far advanced in most major advertising markets. It has proved less easy to hive off the creative function from the main agency that remained, and most of the creative boutiques seem to have transformed themselves into something else, while it is now more common to find freelance creative teams operating on a small scale. Yet Coca-Cola was able to reinvent the concept by going to CAA, which was, in effect, a talent agency.

More recently, the UK's planning initiative has begun to develop `splittise tendencies, with a variety of planning consultancies and individual consultants providing services that compete with, or complement, those of the agencies. These strategists do not have the monopoly of thinking about brand strategy, however: there is a new breed of brand

strategy consultants, and the marketing divisions of the big management consultancy companies are also starting to intrude in this area—to the disquiet of some agency managements, who recognize that the consultants have access to higher levels of clients' management, and therefore pose a threat to the agency's assumed leadership in brand thinking.

By now, in fact, you can buy almost any advertising agency function from a specialist organization or consultant—there are even account managers who will run an account for a period if an agency is for some reason short of people to handle it.

However, the fact that it is possible to do this does not necessarily make it the right thing to do. While it is tempting to think that, as an advertiser, you should buy the best expertise available to perform every process involved, there is no guarantee that the experts you assemble will be able to work together as a team, especially as a creative team and creativity is, above all, what advertisers seek from their agencies, and the point where the agencies' advantage over management consultants identifiably lies. Certainly, what this 'cherry-picking' will achieve—unless you buy the services of an account manager to organize the whole process—is an enormous increase in the detailed workload that you have to undertake.

There is, however, a more fundamental problem with unbundling, and this lies in the way in which advertisers are, increasingly, looking at their communications.

3.3 Total Communications

If a brand is the sum of its physical characteristics, plus whatever intangible values may be derived from the various brand communications, and if it is becoming more difficult to differentiate brands physically so that their emotional values become more important, then it becomes vital that every message the customer or consumer receives about the brand works to build a coherent story. This means that the brand's communications have to be integrated.

Further, as the media available become more fragmented and complex, and the possible ways of using them move from straightforward ads to a variety of forms of sponsorship, product placement, editorial and advertorial messages, and so on, the need to approach all of these options with both understanding and imagination begins to demand new ways of thinking about both the media and the creative material that should go into them.

If all these elements are being assembled from a range of different and specialist agencies and organizations, the task of coordinating and orchestrating the diverse contributions rapidly becomes awesomely complicated and extremely difficult—both because of the technical requirements of the different activities and because of the politics of the various parties involved.

It can be argued, too, that because the ways in which media can be used are proliferating,

the primary communications planning decisions should now be about the media, and that media thinking should precede any creative planning this would turn traditional practice on its head, though the more enlightened agencies have long tried to keep media thinking at least in parallel with creative.

The logic of this is that unbundling media from the creative agency is strategic mistake, however enticing it may be in terms of apparent economics. Either you have to create a new breed of media planner, separate from the media buying agency, and closely linked to the creative agency; or you have to reintegrate media with creative into a new type of full-service agency. Media agencies have already recognized part of this, by force of financial pressures: by the time they had turned buying successfully into a commodity business, they desperately needed to find ways of adding value to their operations, by developing more sophisticated planning systems and approaches.

What is very clear is that any large and forward-thinking advertiser will be looking to manage its use of media and of the types of communication it puts through each medium in a much more sophisticated, coherent and synergistic way than in the past. For large users of media advertising, in particular, this requires something of a sea-change in thinking, and a reappraisal of their whole marketing communications function.

3.4 Technology
Technology has permeated the advertising world since the invention of the printing press. It affects the availability and nature of media; the ways in which we can create and produce ads; the ways in which we communicate our plans and strategies to colleagues and clients or agencies; the ways in which we conduct research into the media, into our ads, into our customers. It has created a whole new range of media opportunities, through the Internet, digital TV, interactive point-of-sale material of all kinds, the new plasma video screens appearing in shopping centres, and so on. Even printing has gone digital, so that in theory one could, for example, tailor a customer magazine to a single customer.

The technological revolution has had its most obvious impact on advertising in three areas: in media research, where modern computers make it possible to analyse vast tracts of data almost in real time; in production, especially for TV, where post-production wizardry has almost no bounds; and in the understanding of consumer information that underpins modern direct marketing

Agencies have so far tended to be erratic and cautious in their acceptance of most forms of new technology. Few have gone far in investing on their own behalf, and they have preferred to use specialized suppliers to provide the specific services that they have wished to adopt. There are exceptions to this, and I think that the next few years will see the larger agencies embarking on a quite massive move into owning, as opposed to merely renting, a variety of technologies. In particular, it seems very clear that the life of

so-called 'new media' agencies as a specialist group is going to be relatively short-lived: the good ones will be bought by established ad agencies, and the poor ones will die. Similarly, as production facilities become more computerized, the existing tendency for large agencies to acquire their own will gather momentum.

Quite simply, if the agencies do not become wired, to a high degree of sophistication, they will find themselves losing business. This will come to apply, too, to more mundane facilities such as video-conferencing: for international business, this is becoming an essential tool in most large client organizations and, although agencies tend to hate it, they will have to learn to live with it.

3.5 The Nigerian Situation
As one of the important dynamics that will determine the future direction of this industry, there is currently a squabble going on between the major players in the industry. One of the main issues at stake is that of allowing foreign advertising agencies to invest their capital in the Nigerian advertising industry. Remember that the outgoing board of advertising practitioners' council of Nigeria (APCON) has instituted a law banning foreign advertising agencies from owning more than 25% stake in any advertising agency in the country. There are those that believe that the move will help protect local advertising industry by protecting it from the predatory practices of global advert agencies, thereby, allowing it to grow to a level where it will compete with bigger global brands not only on Nigerian soil but on the global scene.

Government has already reconstituted the board of APCON as well as appointing new interim chairman. Hopefully, the new board will steer the course of the body in the interest of all stakeholders in the industry and for the rapid development of the Nigerian advertising market.

The good thing with globalization is that it brings with it world- recognized parameters to bear on a local industry. Our local industry still needs the creativity, capital, and managerial know how of the big global advertising companies.

As the global marketing communication industry adopt the latest cutting edge technology in order to make it operations more efficient and satisfy the changing taste of consumers worldwide, Nigerian chapter is bound to follow suit spending billions of Naira in the years to come in the purchase of some of the best technology in the market money can buy. Already new satellite TVs are coming on stream together with new TV and radio stations. The increasing adaptation of the internet as a means of advertising has awoken the Nigerian advert industry on the need to quickly catch up with the global practice. Already numerous Nigerian corporate agencies are now allocating part of their annual advert budget on internet sites such as Yahoo, Face book, Google, LinkedIn, and others. The target is to reach the largest target audience possible at the most efficient cost possible.

As the economy continues to grow, major companies' efforts to boost their image through branding increase. Already major brands in the country such as Dangote, First Bank, MTN, Glo, BUA, and GTBank have been spending billions of Naira in order to increase the strength of their brand. Despite all these, the Nigerian advertising industry is still at developing stage, as it will take years before it will reach the level of maturity we are seeing in advanced markets such US, France and Japan. The total annual advert budget for the whole economy combine is still meager compared to South Africa.

In terms of creative content in our advertising, we still lag behind what is found in the Arab world, whose creative content does not even reach the level found in advanced countries. The Nigerian market is still being dominated by some few big local advert agencies (with monopolistic tendencies) who do not like new entrance into the business whether they are local or international; thus, for the interest of development of the industry there is need for fair play, healthy competition and effective regulations.

4.0 CONCLUSION

Advertising depends on understanding the target customer. It is clear that advanced industrial societies have reached a stage where much consumption is purely discretionary for large numbers of people, and this means that widely different products or services may compete for consumers' attention. The consumer remains the great challenge, and the great fascination of the advertising business.

5.0 SUMMARY

- Globalization will continue to affect the advertising business, the clients it serves, and the media it uses. This appears to run counter to the growing expectation of sophisticated consumers that they will get individual attention from companies.
- The traditional full-service agency has been progressively 'unbundled' as functions have been spun off: this runs counter to the growing pressures for integrated marketing communications, and raises the question of who is going to do all this integration.
- Customer-centred, one-to-one marketing is a strong trend, which threatens media advertising budgets, but also calls in question most of the effects of globalization. A role for media advertising will remain, but it may be substantially smaller, within overall marketing budgets, than today.
- Firms are increasingly expecting to measure the value of marketing inputs. This puts heavy pressure on advertising, as opposed to some other marketing communications disciplines, to improve measurement techniques.
- The entire advertising industry is being changed and moulded by technology, to a greater extent than ever before. This is affecting, and will continue to affect, the

production of ads, and is changing the balance of the media used for advertising. It also has a significant impact on the way in which agency businesses can be organized and managed, especially on an international scale.

6.0 TUTOR-MARKED ASSIGNMENT

You have been asked by the management of large international agency to design an agency for the future. List the key features of your recommendations. Assume that you have total freedom to exploit new technology and new thinking about people in organizations.

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