

Introducing Advertising PowerSource
Growing Your Business Through the Power of Advertising



We see advertising everywhere. But knowing how to create your own can seem overwhelming. At its core, advertising is about grabbing attention and conveying information. Advertising is beneficial in robust economic times, and absolutely essential in more challenging economic times. In fact, it's been proven that companies that advertise regardless of the economic climate own a competitive advantage over those that don't.

When done correctly, advertising will empower your business to start building—and sustaining—momentum. The amount you spend on your advertising budget is entirely up to you. However, there are some ways to maximize your bang for the buck. So with no further ado, let's look at growing your business through the power of advertising.

Getting to Know Your Marketing Toolkit

The following marketing items are important elements in marketing your business:

- Print Ads
- Online Ads
- Radio Ads
- Television Ads
- Collateral Materials
- Billboards

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

Determine a media strategy

- Identify target audience
 - Determine geographic and demographic target (i.e. Women 18-49.)
 - Determine product usage (i.e. heavy, medium, light users)
 - Psychographic factors (i.e. marital status, # of children in the household, etc.)

- Specify media objectives
- Select media categories and vehicles
- Create your media plan

Five objectives fundamental to media planning

- Reach
- Frequency
- Weight
- Continuity
- Cost

You must keep the above factors in consideration during your planning stage. Having an adequate level of only *one* of the above factors has the potential to waste your marketing dollars. You must be certain that you addressed each of these factors to be sure you have a successful campaign.

The most successful campaigns are able to integrate multiple media, and this would be a goal to strive for. However, budget limitations are common in smaller businesses or campaigns. You may only be able to utilize one medium. You can still achieve success with one medium if you focus on the above factors during your planning stage.

Media Matters

Once you have created a media plan, it's time to negotiate and buy the media. When negotiating, it's best to shop around to be sure you are paying a fair price. If a radio station presents you with a promotion or package, shop a competing station to be certain the rates included are fair for the market. In some cases, there may not be a competitor in the same field. A good example of this is that there is likely only one major daily newspaper in your market. By calculating a cost-per-thousand on any medium, you can compare the costs of various media.

One important thing to remember about costs: The more targeted the medium, the higher the cost-per-thousand. Broad reaching media, such as television and out-of-home, tend to be cheapest on a CPM basis. This does not always mean it is right for your campaign. You will have to determine

how important it is for you to reach the masses, or is it more important for you to reach a smaller, select audience? Many times, your budget will help you in this determination.

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

Television – Strengths and Weaknesses

Strengths

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

Weaknesses

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

Radio – Strengths and Weaknesses

Strengths

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

Weaknesses

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

Magazines – Strengths and Weaknesses

Strengths

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

Weaknesses

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

Newspapers – Strengths and Weaknesses

Strengths

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

Weaknesses

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

Out-of-Home – Strengths and Weaknesses

Strengths

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

Weaknesses

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

Internet – Strengths and Weaknesses

Strengths

- Can conceivably reach millions of people
- Tracking is easy
- Unlimited creative possibilities
- Cost-efficient
- Can give complex, detailed messaging
- Copy can be changed frequently
- Offers audio and visual
- Excellent fulfillment vehicle
- Can link to other websites

Weaknesses

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

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

Glossary of Terms

Media	The means of communication, as radio, television, newspapers, and magazines, with wide reach and influence.
Public Relations	Gaining public notice through press releases, publicity, and other non-paid sources.
Advertising	Gaining public notice through paid advertising and sponsorships.
Rating	A rating is the percentage of individuals or homes exposed to an advertising medium (generally used in Radio and TV).
Share	The percentage of HUT (PUT or PUR) tuned to a particular program or broadcast. (Households Using TV, People Using TV, People Using Radio)
Gross Rating Points	Abbreviated as GRPs – the sum of the ratings delivered by a given list of media vehicles. Also known as TRPs (or Target Rating Points).
Impressions	Impressions are the sum of all advertising exposures. Impressions are the same as GRPs but are expressed in terms of numbers rather than a percentage.
Reach	The number of <i>different</i> individuals (or homes) exposed to a media schedule within a given period of time (generally expressed as a percentage).
Frequency	The <i>average</i> number of times individuals (or homes) are exposed to advertising messages. Optimal frequency is up to debate. However, it is generally regarded that frequency needs to be 3 or higher to be effective.

Weight	Level of advertising, such as heavy (i.e. 200 GRPs), moderate (i.e. 150 GRPs), or light (i.e. 100 GRPs).
Continuity	Running ads for a continuous period of time.
Flighted	Running ad campaigns in bursts or short intervals with hiatus weeks in-between; generally utilized to minimize cost.
Cost-per-Thousand	Abbreviated at CPM – cost-per-mille from Latin. Can be calculated for any medium or demographic group. It shows the relative cost of one medium (or vehicle) to another. (Formula is cost of advertising divided by number of thousands of people reached.)
Cost-per-Point	The cost of purchasing one rating point. Primarily used for radio and TV for showing relative cost of one station to another.
Circulation	The quantity of issues distributed by a publication or newspaper.
Out-of-home readers	Primary or pass-along readers who read the publication outside of their home.
Showing	Used in out-of-home (OOH) advertising. Represents the percentage of the market reached per day with OOH campaign.
Poster Panels	Poster advertising is preprinted (on paper or vinyl) and affixed to a permanent structure that is either freestanding or on a building wall.
Poster sizes	30-sheet (the most widely used); term comes from size of 30 standard double-truck broadsheet pages. 8-sheet or 6-sheet (about ¼ the size of a 30-sheet); primarily seen in inner-city areas or transit shelters.

3-sheet is a vertical display, typically measuring 3' x 7'.

Painted Bulletins Outdoor structures on which advertising is directly painted. Generally larger than posters (14' x 48'). Can be either in a fixed position or rotary (rotary physically moves to new locations within the market at stated intervals).

ROP Stands for Run of Press, a term in newspaper that represents display advertising within the publication.

Column Inches Method of calculating size of display ads which is used to calculate the advertising cost; generally used by newspapers. Newspaper pages are divided into columns. To determine the column inches, you multiply the number of columns wide the artwork is by the number of inches high. (i.e. 3 columns x 5" = 15 column inches.)

SEO Search Engine Optimization – the practice of increasing a specific web property's relevance to the major search spiders and indexes.

Pay-per-click Primarily consists of "Sponsored Links" on search engines or portals. Pay-per-click means that advertisers are only required to pay for media that is actually "clicked" on by the user.

Banner ad Display advertising utilized on an internet website. There are a variety of standard ad units (measured in pixels): 728 x 90, 160 x 600, and 300 x 250 are a few of the most popular.

Visitors The total number of people to access a website.

Unique Visitors The total number of individual people (without duplication) to access a website. (One individual may visit a website many times in a week or month; in this number, they would only be counted one time.)

Page Views

The number of pages viewed by all visitors to a website.

Page Views per Visit

Represents the average number of page views per visit. Higher numbers are more attractive, since that would indicate a higher level of engagement with the site.