

# [Impact of advertising assignment](https://assignbuster.com/impact-of-advertising-assignment/)

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Companies will typically employ creative advertising strategies in order to cut through other competing advertisements. The reason is simple: Without that first trial of a product by customers, there will not be any re peat purchases. Continuity Continuity advertising is a strategy to keep current customers using a particular product. Existing customers are targeted and are usually provided new and different information about a product that is designed to build consumer loyalty. Brand Switching Companies adopt brand switching as an objective when they want customers to switch from competitors’ brands to their brands.

A common strategy is for company to compare product price or quality in order to convince customers to switch to its product brand. Switchback Companies subscribe to this advertising objective when they want to get back former users of their product brand. A company might highlight new product features, price reductions, or other important product information in order to get former customers of its product to switchback. Advertising Budget Once an advertising objective has been selected, companies must then set an advertising budget for each product.

Developing such a budget can be a difficult process because brand managers want to receive a large resource allocation to promote their products. Overall, the advertising budget should be established so as to be congruent with overall company objectives. Before establishing an advertising budget, companies must take into consideration other market factors, such as advertising frequency, competition and clutter, market share, product differentiation, and stage in the product life cycle.

Advertising Frequency Advertising frequency refers to the number of times an advertisement is repeated during a given time period to promote a product’s name, message, and other important information. A larger advertising budget is required in order to achieve a high advertising frequency: Estimates have been put forward that a consumer needs to come in contact with an advertising message nine times before it will be remembered. Competition and Clutter Highly competitive product markets, such as the soft-drink industry, require higher advertising budgets just to stay even with competitors.

If a company wants to be a leader in an industry, then a substantial advertising budget must be earmarked every year. Examples abound of companies that spend millions of dollars on advertising in order to be key players in their respective industries (e. G. , Coca Cola and General Motors). Market Share Desired market share is also an important factor in establishing an advertising budget. Increasing market share normally requires a large advertising budget because a company’s competitors counterattack 1 32 with their own advertising blitz.

Successfully increasing market share depends on advertisement quality, competitor responses, and product demand and quality. Product Differentiation How customers perceive products is also important to the budget-setting process. Product differentiation is often necessary in competitive markets where customers have a hard time differentiating between products. For example, product differentiation might be necessary when a new laundry detergent is advertised: Since so many brands of detergent already exist, an aggressive advertising campaign would be required.

Without this aggressive advertising, customers would not be aware of the product’s availability and how it differs from other products on the market. The advertising budget is higher in order to pay for the additional advertising. Stage in the Product Life Cycle New product offerings require considerably more advertising to make customers aware of their existence. As a product moves through the product fife cycle, fewer and fewer advertising resources are needed because the product has become known and has developed an established buyer base.

Advertising budgets are typically highest for a particular product during the introduction stage and gradually decline as the product matures. Selecting the Right Advertising Approach Once a company decides what type of specific advertising campaign it wants to use, it must decide what approach should carry the message. A company is interested in a number of areas regarding advertising, such as frequency, media impact, media timing, and reach. Frequency Frequency refers to the average number of times that an average consumer is exposed to the advertising campaign.

A company usually establishes frequency goals, which can vary for each advertising campaign. For example, a company might want to have the average consumer exposed to the message at least six times during the advertising campaign. This number might seem high, but in a crowded and competitive market repetition is one of the best methods to increase the product’s visibility and to increase company sales. The more exposure a company desires for its product, the more expensive the advertising campaign.

Thus, often only large companies can afford to have high-frequency advertisements during a campaign. Media Impact Media impact generally refers to how effective advertising will be through the various media outlets (e. G. , television, Internet, print). A company must decide, based on its product, the best method to maximize consumer interest and awareness. For example, a company promoting a new laundry detergent might fare better with television commercials rather than simple print ads because more consumers are likely to see the television commercial.

Similarly, a company such as Mercedes-Benz, which markets expensive reduces, might advertise in specialty car magazines to reach a high percentage of its potential customers. Before any money is spent on any advertising media, a thorough analysis is done of each one’s strengths and weaknesses in comparison to the cost. Once the analysis is done, the company will make the best decision possible and embark on its advertising campaign. Media Timing Another major consideration for any company engaging in an advertising campaign is when to run the advertisements.

For example, some companies run ads during the holidays to promote season-specific products. The other ajar consideration for a company is whether it wants to employ a continuous or pulsing pattern of advertisements. Continuous refers to advertisements that are run on a scheduled basis for a given time period. The advantage of this tactic is that an advertising campaign can run longer and might provide more exposure over time. For example, a company could run an advertising campaign for a particular product that lasts years with the hope of keeping the product in the minds of customers.

Pulsing indicates that advertisements will be scheduled in a disproportionate manner within a given time frame. Thus, a company could run thirty-two television commercials over a three-or six-month period to promote 133 the specific product is wants to sell. The advantage with the pulsing strategy is twofold. The company could spend less money on advertising over a shorter time period but still gain the same recognition because the advertising campaign is more intense. Reach Reach refers to the percentage of customers in the target market who are exposed to the advertising campaign for a given time period.

A company might have a goal of reaching at least 80 percent of its target audience during a given time frame. The goal is to be as close to 1 00 percent as possible, because the more the target audience is exposed to the message, the higher the chance of future sales. The impact of advertising has been a matter of considerable debate and many different claims have been made in different contexts. During debates about the banning of cigarette advertising, a common claim from cigarette manufacturers was that cigarette advertising does not encourage people to smoke who would not otherwise.

The (eventually successful) opponents of advertising on the other hand, claim that advertising does in fact increase consumption. According to many media sources, the past experience and state of mind of the person subjected to advertising may determine the impact that advertising has. Children under the age of four may be unable to distinguish advertising from other television programs, whilst the ability to determine the truthfulness of the message may not be developed until the age of 8.

Public perception of the medium As advertising and marketing efforts become increasingly ubiquitous in modern Western societies, the industry has come under criticism of culture jamming which criticizes the media and consumerism using advertising own techniques. The industry is accused of being one of the engines powering a convoluted economic mass production system which promotes consumption. Recognizing the social impact of advertising, Media-watch-UK, a British special interest group, works to educate consumers about how they can register their concerns with advertisers and regulators.

It has developed educational materials for use in schools. The award-winning book, Made You Look How Advertising Works and Why You Should Know, by former Media-watch (a feminist organization founded by Ann Simonton not linked to media-watch- UK) president Shari Grayson, provides context for these issues for young traders. Compensation demanded Public interest groups are increasingly suggesting that access to the mental space targeted by advertisers should be taxed, in that at the present moment that space is being freely taken advantage of by advertisers with no compensation paid to the members of the public who are thus being intruded upon.

This kind of tax would act to reduce what is now increasingly seen as a public nuisance. Efforts to that end are gathering momentum, with Arkansas and Maine considering bills to implement such taxation. Florida enacted such a tax in 1987 but was forced to repeal it after six months, as a result of a encounter effort by national commercial interests, which withdrew planned conventions, causing major losses to the tourism industry, and cancelled advertising, causing a loss of 12 million dollars to the broadcast industry alone.

Negative effects on communication media An extensively documented effect is the control and vetoing offered information by the advertisers. Any negative information on a company or its products or operations often results in pressures from the company to withdraw such information lines, threatening to cut their ads. This behavior makes the editors of the media self-censor content that might upset their ad payers. The bigger both companies are, the bigger their relation gets, maximizing control over single information.

Advertisers may try to minimize information about or from consumer groups, or consumer controlled purchasing initiatives or consumer controlled quality information systems. Another indirect effect of advertising is to modify the very nature of the communication media where it is shown. Media that get most of their revenues from publicity try to make their medium a good place for 134 communicating ads before anything else. The clearest example is television, where this means trying to make the public stay for a long time and in a mental state that encourages spectators not to switch the channel through the ads.

Programs that are low in mental stimulus and require light concentration and are varied are best for long sitting times. These make for much easier emotional jumps to ads, which can become more entertaining than regular shows. A simple way to understand the objectives in television programming is to compare contents from channels paid and chosen by the viewer with channels that get their income mainly from advertisements. Future With the dawn of the Internet have come many new advertising opportunities. Pop-up, Flash, banner, advert-gaming, and email advertisements (the last often being a form of spam) abound.

Each year, greater sums are paid to obtain a commercial spot during super sporting events like cricket and football championships. Companies attempt to make these commercials sufficiently entertaining that members of the public will actually want to watch them. Another problem is people recording shows on DVD’s (ex. Tivoli). These devices allow users to record the programs for later viewing enabling them to fast forward through commercials. Additionally, as more seasons or “ Boxed Sets” mom out of Television shows; fewer people are watching their shows on TV.