

# Marketing Essentials



## Chapter 19

### advertising

#### Section 19.1 Advertising Media

#### Section 19.2 Media Rates



## Before You Read

**CONNECT** What effective advertisements have you seen recently?

## OBJECTIVES

- **Explain** the concept and purpose of advertising in the promotional mix.
- **Identify** the different types of advertising media.
- **Discuss** the planning and selection of media.

## **THE MAIN IDEA**

Advertising is an important element of promotion. Businesses advertise to promote their ideas, goods, and services.

## VOCABULARY

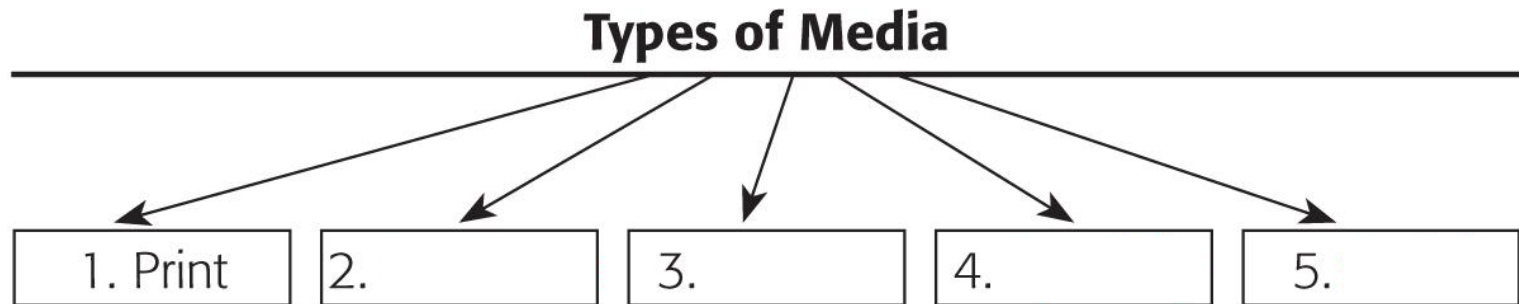
- advertising
- promotional advertising
- institutional advertising
- media
- print media
- transit advertising
- broadcast media
- Internet advertising
- podcast
- blogs
- specialty media
- media planning



# Advertising Media

## Graphic Organizer

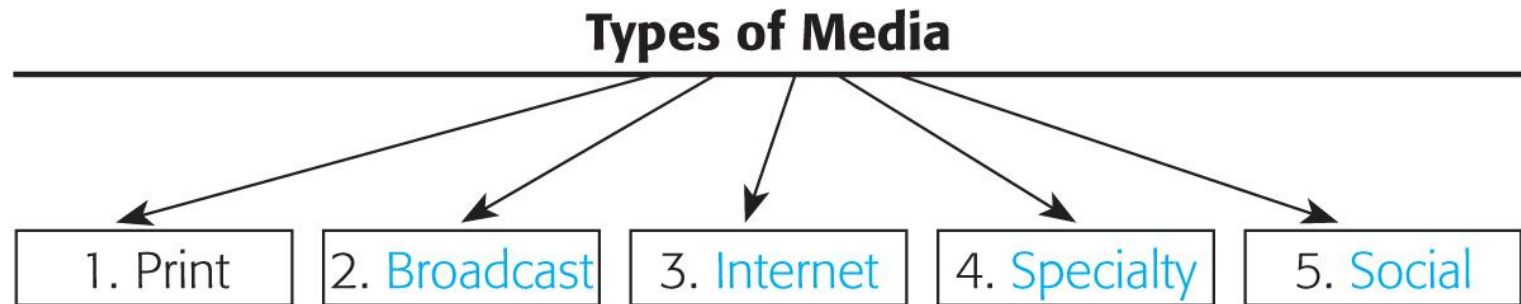
### Types of Media Used for Advertising



# Advertising Media

## Graphic Organizer

### Types of Media Used for Advertising



## Getting Ready to Sell

**The average city dweller is exposed to more than 3,000 advertising messages every day.**



### **advertising**

A form of nonpersonal promotion in which companies pay to promote ideas, goods, or services in a variety of media outlets.



## Getting Ready to Sell

### Promotional Advertising



#### **promotional advertising**

Advertising designed to increase sales.

### Institutional Advertising



#### **institutional advertising**

Advertising designed to create a favorable image for a company and foster goodwill in the marketplace.

## Getting Ready to Sell

**Mass advertising enables companies to reach large numbers of people with their messages.**

## Types of Media

**What is media?**



### **media**

The agencies, means, or instruments used to convey messages to the public.

## Types of Media

### Print Media

Newspaper  
Advertising

Magazine  
Advertising

Direct-Mail  
Advertising

Directory  
Advertising

Outdoor  
Advertising

Transit  
Advertising



#### **print media**

Advertising in newspapers, magazines, direct mail, signs, and billboards.



#### **transit advertising**

Advertisement seen on public transportation.

# Advertising Media

## Types of Media

Graphic  
Organizer

Advantages and Disadvantages of  
Newspaper Advertising

**Newspaper Advertising**

**Advantages**

**Disadvantages**



# Advertising Media

## Types of Media

### Graphic Organizer

#### Advantages and Disadvantages of Newspaper Advertising

##### Newspaper Advertising

Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Distribution is known.</li><li>• Targets people living in certain areas.</li><li>• Responses to ads and coupons are easily tracked.</li><li>• Cost is relatively low.</li></ul>	<ul style="list-style-type: none"><li>• Some sold to subscribers outside target market zone.</li><li>• Limited shelf life.</li><li>• Limited color availability.</li><li>• Ads are less appealing than those found in magazines or direct mail.</li><li>• Circulation and readership continues to decline.</li></ul>

## Types of Media

### Broadcast Media

#### Television Advertising

Companies can advertise nationally on network television or on local television stations.

#### Radio Advertising

Radio advertisers can carefully target their audiences when they select the station on which to broadcast their ads.



**broadcast media**

Radio and television.

## Types of Media

### Internet Advertising

Opt-In  
E-Mail Ads

Banner and Search  
Engine Ads

Rich-Media and  
Video Ads

Social-Media  
Advertising

Podcasts

Blogs



#### **Internet advertising**

The form of advertising that uses either e-mail or the World Wide Web.



#### **podcast**

Any brief digital broadcast that includes audio, images, and video delivered separately or in combination.



#### **blog**

Personal Web site where an individual shares thoughts, pictures, and comments with visitors.

## Types of Media

### Specialty Media

Books

Calendars

Magnets

Pens

Pencils

Shirts

Caps

Bags



#### **specialty media**

Relatively inexpensive useful items featuring an advertiser's name or logo; also called giveaways or advertising specialties.

## Types of Media

### Other Advertising Media

**Digital  
Billboards**

**On-Screen Movie  
Theater Ads**

**Bathroom  
Stalls**

**iPods®**

**Cell Phones**

**Laptops**

**Video Games**

**Vlogs**

**Web Logs**

**RSS News Feeds**

**Twitter®**

**Facebook®**



# Advertising Media

## Types of Media

### Graphic Organizer

Examples of Each  
Type of Media

Types of Media	
Type	Examples
Print	Newspaper;
Broadcast	Television;
Internet	Opt-in e-mail;
Specialty	Giveaways;
Other	In-store;

# Advertising Media

## Types of Media

### Graphic Organizer

#### Examples of Each Type of Media

Types of Media	
Type	Examples
Print	Newspaper; Magazine, Direct-mail, Directory, Outdoor, Transit
Broadcast	Television; Radio
Internet	Opt-in e-mail; Banner and search engine, Rich-media and video, Social-media
Specialty	Giveaways; Appointment books, Calendars, Magnets, Pens, Pencils
Other	In-store; New media, iPods®, Cell phones, Laptops, Video games

# Advertising Media

## Types of Media

### Graphic Organizer

Advantages and  
Disadvantages of  
Print Media

Print Media	Advantages	Disadvantages
Newspapers		
Magazines		
Direct-mail		

# Advertising Media

## Types of Media

### Graphic Organizer

#### Advantages and Disadvantages of Print Media

Print Media	Advantages	Disadvantages
<b>Newspapers</b>	Distribution is known; Target people living in certain areas; Coupons easily tracked; Cost is relatively low	Some sold to subscribers outside target market; Limited shelf life; Limited color availability; Ads are less appealing than those found in magazines or direct mail;
<b>Magazines</b>	Longer life span than newspapers; Better quality graphics; Variety	Cost; Deadline limits flexibility to make change based on market
<b>Direct-mail</b>	Can send to select population; Can purchase mailing lists; Wide choice of printed advertisement formats; Flexibility	Yields low level of response; Image problems—"junk mail"; Cost

continued

# Advertising Media

## Types of Media

### Graphic Organizer

Advantages and  
Disadvantages of  
Print Media

Print Media	Advantages	Disadvantages
Directory		
Outdoor		
Transit		



# Advertising Media

## Types of Media

### Graphic Organizer

#### Advantages and Disadvantages of Print Media

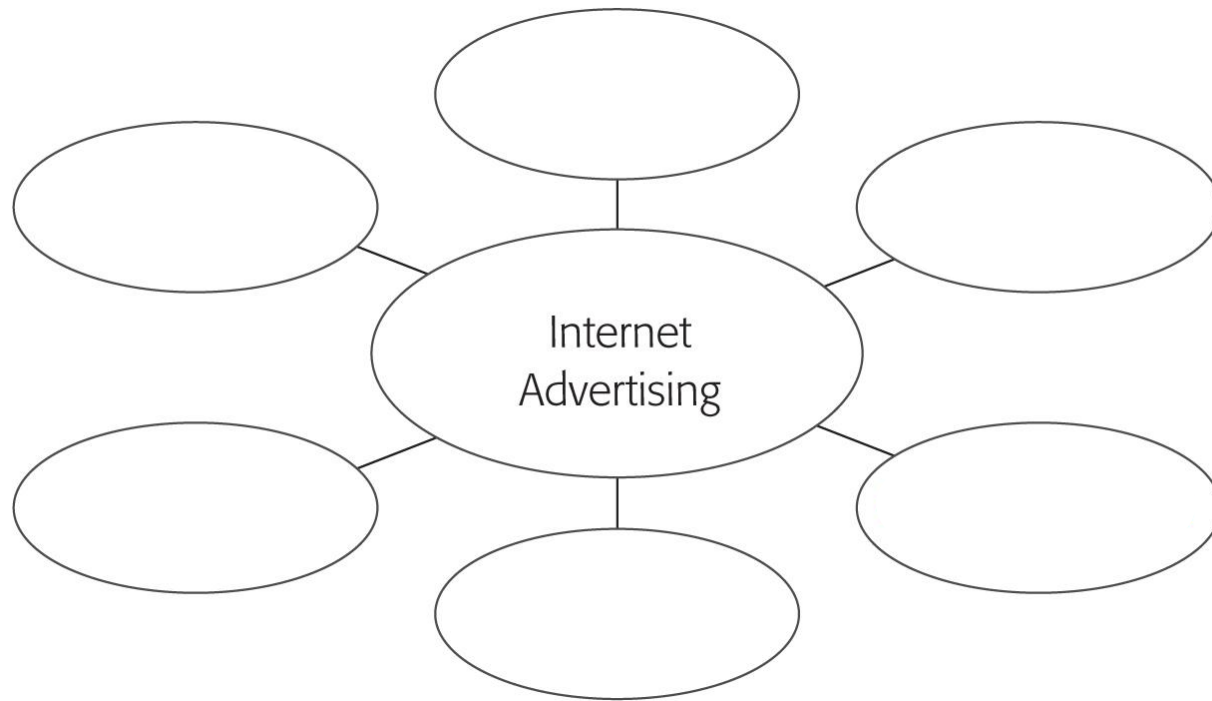
Print Media	Advantages	Disadvantages
<b>Directory</b>	Relatively inexpensive; Can target all demographic groups; Printed directories kept for a year	Printed version can only be changed when reprinted
<b>Outdoor</b>	Highly visible; Relatively inexpensive; Provides messages 24/7; Can be located in specific geographic area	Limited viewing time; Increasing government regulations; Restricted to highways, secondary roads, commercial/ industrial zones
<b>Transit</b>	Reaches a wide and captive audience; Economical; Defined market of travelers	Difficult to target specific markets

# Advertising Media

## Types of Media

Graphic  
Organizer

### Types of Internet Advertising

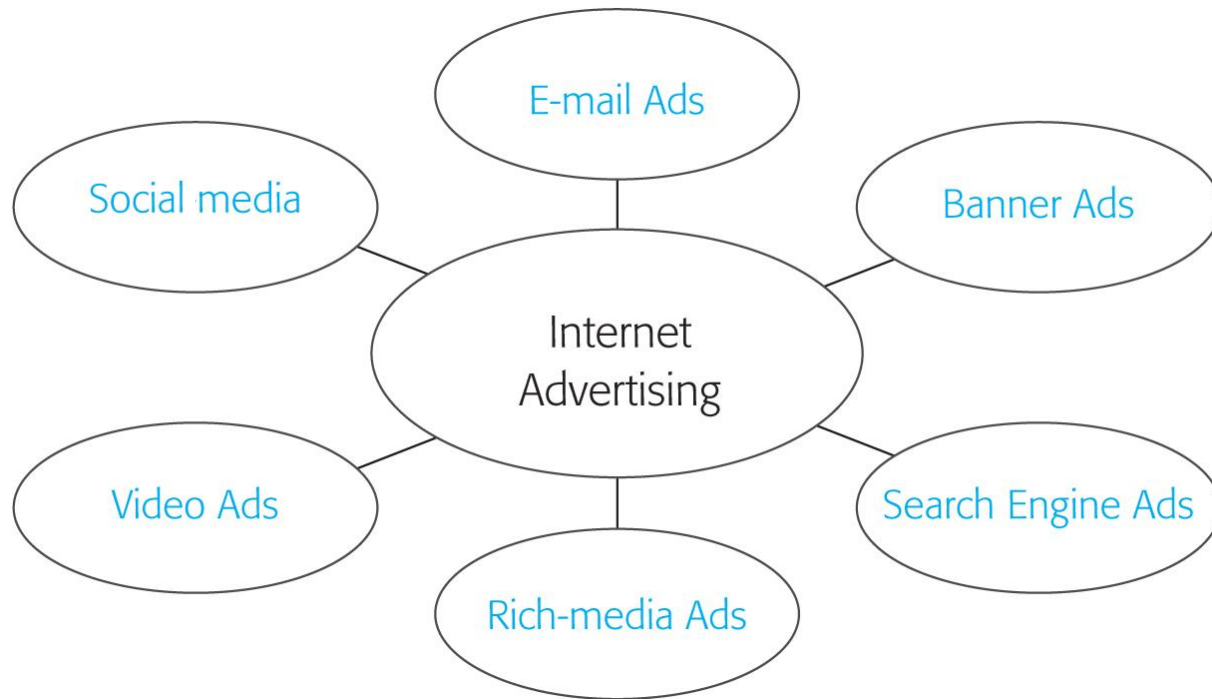


# Advertising Media

## Types of Media

Graphic  
Organizer

### Types of Internet Advertising



## Media Planning and Selection

### Media Planning and Selection Tips

**Accomplish a marketing objective**

**Use media-planning software**

**Use media-cost data**

**Use audience information**



#### **media planning**

The process of selecting the appropriate advertising media and deciding the time or space in which ads should appear to accomplish a marketing objective.

# Advertising Media



## After You Read

## Section 19.1

1. **Determine** which form of advertising would most likely be used by a small company with a limited budget.

Print advertising in the form of newspaper ads would likely be the best value for a small company with a limited budget. Through newspaper ads, the company could target local customers or those with interests that might connect them to the company.



# Advertising Media



## After You Read

## Section 19.1

2. **Identify** potential drawbacks with using the two types of broadcast media.

Drawbacks for television advertising include: high production costs, and viewers often change stations or leave the room during commercials, or use devices that allow them to view commercial-free programming. Drawbacks for radio advertising include: goods or services can only be described, not seen, and radio ads have a short life span.

**After You Read****Section 19.1**

3. **Connect** the practice of media planning to the concept of market segmentation.

Market segmentation—the process of classifying people who form a given market into even smaller groups—is a part of media planning. The demographics and lifestyles of the target audience must be considered during media planning.



## Before You Read

**PREDICT** What financial and design factors do advertisers have to consider?

## OBJECTIVES

- **Identify** media measurement techniques.
- **Explain** techniques used to evaluate media.
- **Summarize** how media costs are determined.
- **Explain** promotional budget methods.

## **THE MAIN IDEA**

Businesses need to reach as many targeted customers as possible. It is important to calculate costs and measure media effectiveness to reach a potential audience.

## VOCABULARY

- audience
- frequency
- impression
- cost per thousand (CPM)



# Media Rates

## Graphic Organizer

### Media Measurement and Rates

MEDIA RATES	
<b>Newspaper</b> How Are Rates Determined?	<b>Magazine</b> How Are Rates Determined?
<b>Internet</b> How Are Rates Determined?	<b>Radio &amp; Television</b> How Are Rates Determined?

# Media Rates

## Graphic Organizer

### Media Measurement and Rates

MEDIA RATES	
<b>Newspaper</b> How Are Rates Determined? Classified ad or display ad Amount of space Timing Location of ad	<b>Magazine</b> How Are Rates Determined? Circulation Type of readership Production techniques
<b>Internet</b> How Are Rates Determined? Display format CPM rate based on views Paid listings at portal sites Per-click rates Pay-for-sale advertising	<b>Radio &amp; Television</b> How Are Rates Determined? Network radio, national spot-radio, or local radio Time of day

## Media Measurement

### Key Terms in Media Measurement

**Audience**

**Frequency**

**Impression**

**Cost per Thousand (CPM)**



#### **audience**

The number of homes or people exposed to an ad.



#### **frequency**

The number of times an audience sees or hears an advertisement.



#### **impression**

A single exposure to an advertising message.



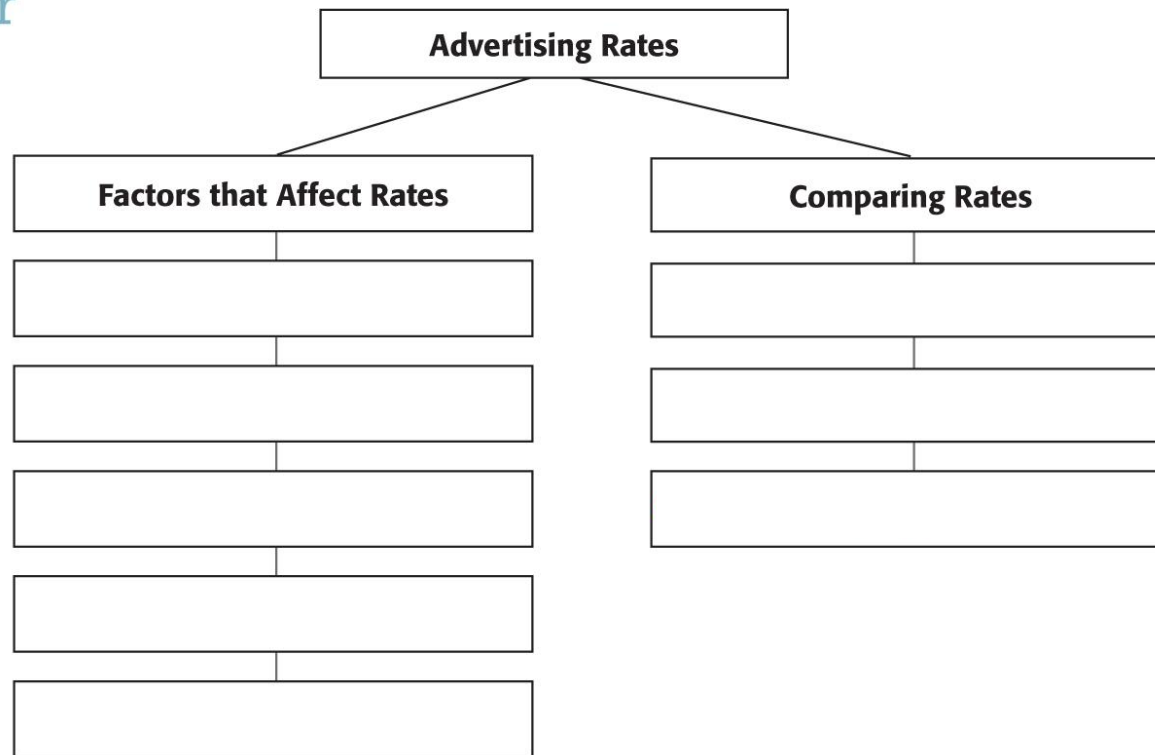
#### **cost per thousand (CPM)**

The media-measurement cost of exposing 1,000 readers or viewers to an advertising impression.

## Media Rates

Graphic  
Organizer

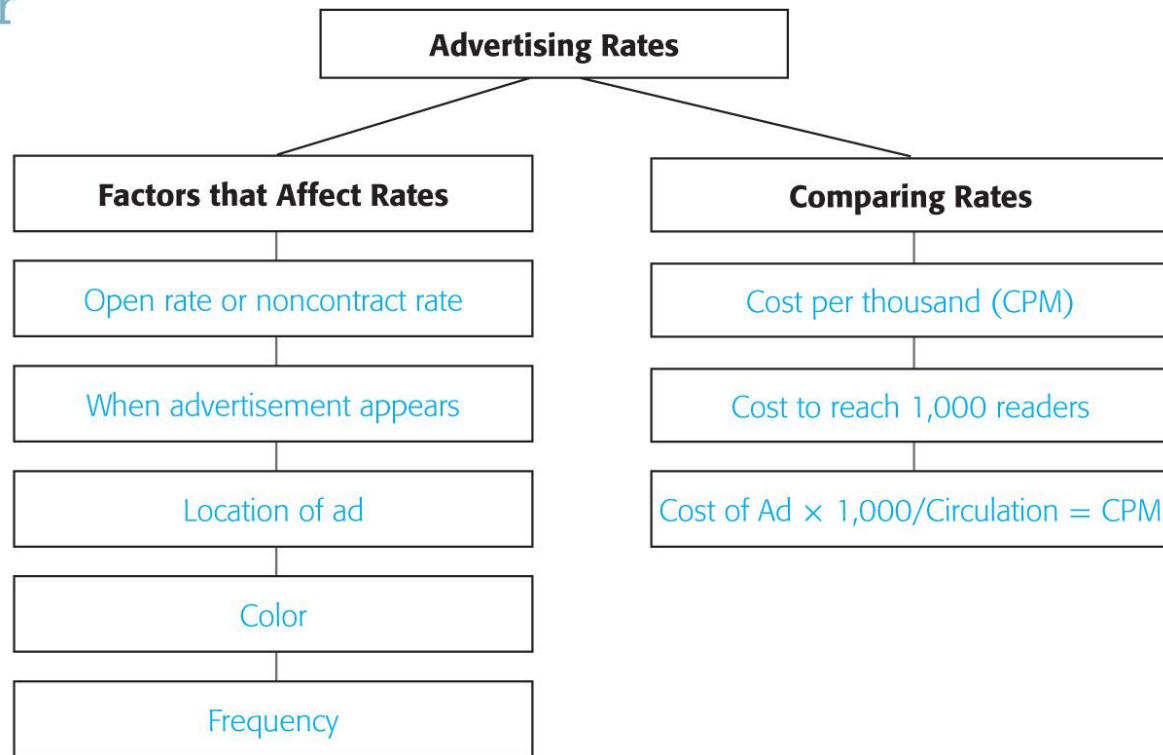
## Factors That Affect Newspaper Advertising Rates



## Media Rates

## Graphic Organizer

## Factors That Affect Newspaper Advertising Rates



## Media Rates

### Magazine Rates

- § Circulation
- § Type of readership
- § Production techniques
- § Frequency discounts

### Internet Rates

- § Banner ads
- § Rich media ads
- § Popup ad
- § Pop-under ads
- § Pay-for-sale

### Radio Rates

- § Network ads
- § National spot-radio
- § Local radio
- § Time of day

### Television Rates

- § National
- § Local
- § Time of day



## Media Rates

### Graphic Organizer

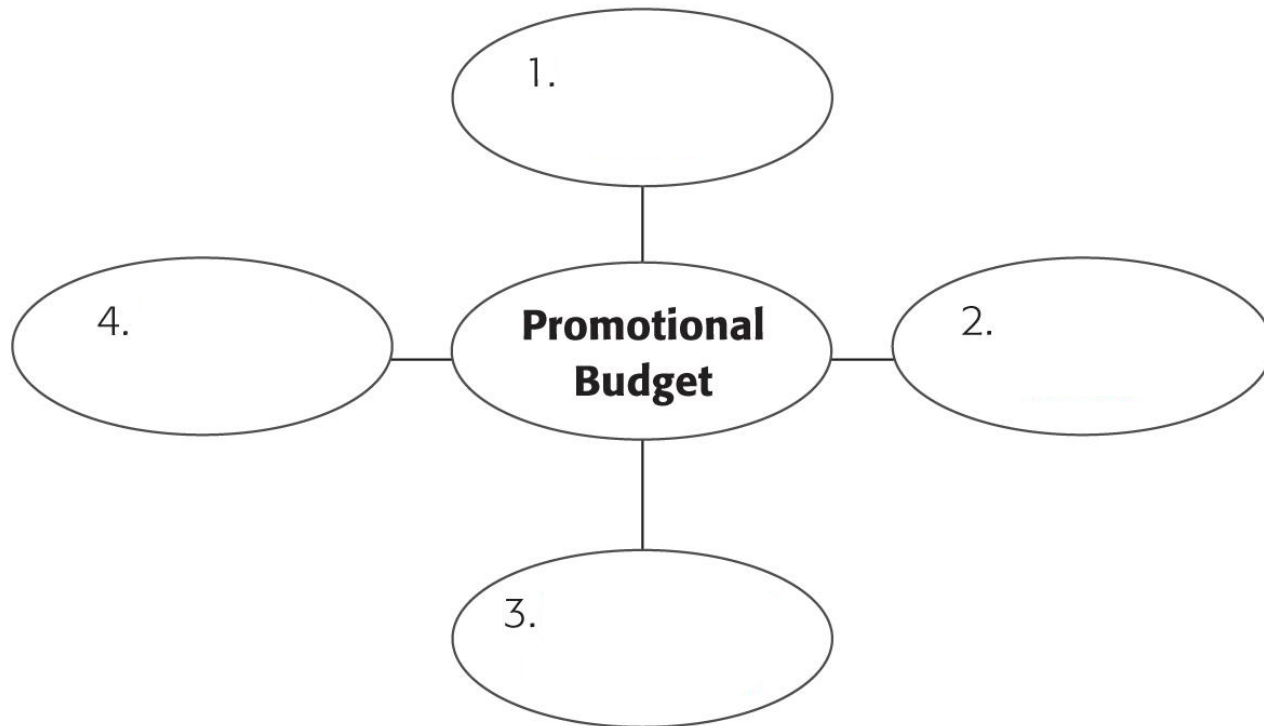
Acquire recordings of radio advertisements for four radio airtimes. After students have listened to all advertisements, conduct a class discussion. Ask questions such as:

Air Time	Product	Description
Class A		
Class B		
Class C		
Class D		

## Promotional Budget

Graphic  
Organizer

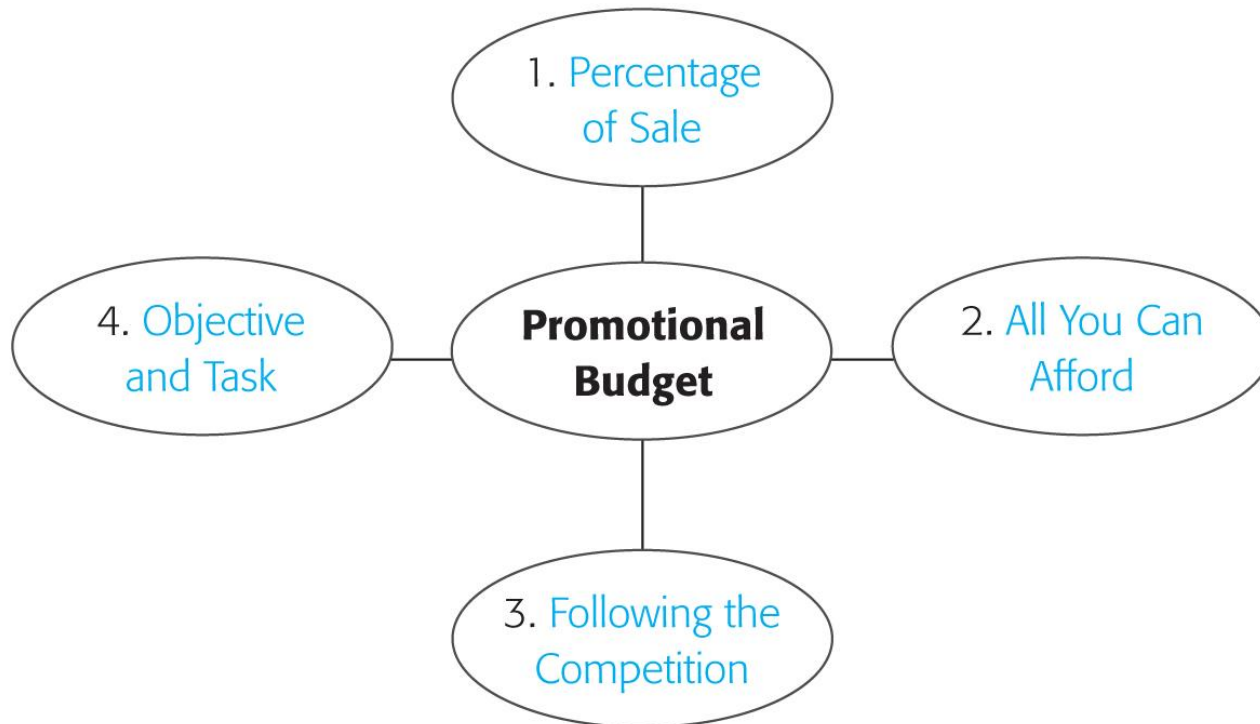
### Promotional Budgeting Methods



## Promotional Budget

Graphic  
Organizer

### Promotional Budgeting Methods





## After You Read

## Section 19.2

1. **Contrast** possible ad rates for a small weekly newspaper with a large daily newspaper.

With all things except circulation being equal, comparing rates using cost per thousand (CPM) measurement, it would cost less to advertise in a large daily newspaper. For example: Cost of ad for both papers = \$500. Circulation for small weekly newspaper = 10,000. Circulation for large daily = 200,000. Calculate: small weekly newspaper ( $\$500 \times 1,000/10,000 = \$50$  per 1,000 readers. Large daily newspaper ( $\$500 \times 1,000/200,000 = \$2.50$ )

**After You Read****Section 19.2**

2. **Explain** how CPM determines the rates television and radio stations charge for advertising.

CPM is the cost of exposing 1,000 viewers or listeners to an advertising impression. For television and radio, as the number of viewers or listeners increases, the cost of the advertising increases, so the CPM increases.

**After You Read****Section 19.2**

3. **Suggest** a reason that following the competition is not the best model for creating a promotional budget.

Possible answer: The competition's goals may be very different than your goals. Following the competition's advertising will likely not help you reach your goals.



# Marketing Essentials



## End of Chapter 19

### advertising

#### Section 19.1 Advertising Media

#### Section 19.2 Media Rates