Advertising 101

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During the pandemic, a lot of brands have been promoting their products and services using advertisements. Some businesses choose to incorporate the pandemic into their advertising, while others tend to stick to their usual plan.

Whichever approach you chose, knowing the fundamentals of advertising and marketing will help you communicate thoughtfully during this time. This guide covers how to differentiate your brand through understanding the general concept of advertisement, positioning yourself, finding your target audience, and budgeting.

Part 1: Introduction to Advertising

What is advertising?

Advertising is one of many ways to promote your brand and products. It communicates your values to consumers and informs, persuades, and reminds people of your brand or product. There are many ways to promote your product, including:

- Advertising
- Direct marketing
- Interactive/ internet marketing
- Sales promotion
- Publicity/ Public relations
- Personal selling

Making a good advertisement

To advertise your product, don't boast about your products or services too much. Instead, think about how your products can connect and resonate with your target audience.
A successful advertisement should be:

- **Noticeable** - Does your ad reach your target audience? Will your ad catch their eye?
- **Insight-based** - Have you done enough research about your customers and competitors before you launch your ad?
- **Memorable** - Is there something specific that the target audience can remember your brand when they go shopping?
- **Branded** - Is the ad related to your brand? Can the target audience tell this ad is from your brand?
- **Integrated** - Is your ad integrated into your communication plan?
- **Financially sustainable** - Do you have a sufficient budget for your ad?
- **Ethical** - Is your ad ethical? Avoid doing anything immoral just to attract attention.
- **Motivating** - Target audience will be motivated or feel 'something' after watching your ad.
- **Differentiated** - Try not to be too generic. To break through the clutter, you need to stand out.

Having a goal with advertising is also key. When setting a goal, remember SMART:

- **Specific** - It should be clear.
- **Measurable** - It should be possible to measure.
- **Achievable** - It should be achievable and attainable.
- **Realistic** - It should be realistic given company resources.
- **Timely** - It should include a time frame.

Segmentation, Targeting & Positioning (STP model)

Segmentation

When creating an ad, keep in mind that we always target a specific group. A market segment is a group of customers who share a similar set of needs and wants. You can segment customers based on:

- **Behavioral segmentation**
  Based on *how people behave* rather than in terms of their attitudes and lifestyles; their age, income, or ethnicity; or where they live.
- **Psychographic segmentation**

Such as attitudes, values, motivations, or lifestyles and to evaluate how best to influence consumers to respond favorably to Marcom efforts.

- **Geodemographic segmentation**
People who reside in similar areas, such as neighborhoods or postal ZIP code zones, also share demographic and lifestyle similarities and general market-place behaviors.
- **Demographic segmentation**
Three major demographics are especially relevant for marketing and communications:

  1. The age range of the population
  2. The changing household composition
  3. Ethnicity of the population you're trying to reach

Targeting

When choosing customers to target, keep these ideas in mind:

- **Measurable** - Do you have enough information about this segment to know advertising to them will be profitable?
- **Substantial** -Is the segment is large enough to market to and make a profit?
- **Accessible** - Can you effectively communicate with or reach this audience?
- **Differentiable** - Can you distinguish this group from others?
- **Actionable** - Can you effectively market to this segment?

Positioning

Create a perception in the consumer's mind regarding the nature of the company and its products relative to the competitors. To define your positioning, create a positioning statement. It should convey the entire brand in a few words. It represents the key feature, benefit, or image that a brand stands for in the target audience's mind.

You might position your product based on:

1. Attributes and benefits
2. Price or quality
3. Use or application
4. Product class
5. Product user
6. Competitor
7. Cultural symbols

Budgeting

In advertising, you need to know your budget before developing a strategy. Here are some considerations when it comes to budgeting:

- Marketing objectives
- Product or service availability
- BDI/CDI index review*
- Marketing strategy
- Company's advertising objectives & spending trend

*BDI = Brand development index, (% brand sales/%US population) *100
CDI = Category development index, (% Market Category Sales / % Market Population) *100

Consider these strategies when making a budget:

1. **Percent-of-sales budgeting**
   Set the advertising budget based on the predetermined percentage of past sales or a prediction of future sales. It is the most popular method. However, some of the marketers think it's not logical since this method assumes sales determine advertising expenditures, but on the flip side, advertising can also drive sales.
2. **Affordability method**
   It means only to use the money left over after everything else has been budgeted.
3. **Competitive parity method**
   (1) SOM (Share of market): Brand revenue/ category revenue
   (2) SOV (share of voice): Brand ad expenditure/ category ad expenditure
4. **Objective-and-task method**
   Establish specific marketing objectives that need to be accomplished.

Part 2: Branding

Now that you understand the basics of advertising, we'll talk about branding.

Branding & Brand Equity

Branding

Branding is a name, term, sign, symbol, or design, or a combination of these that identifies the maker or seller of a product or service. It requires maintaining three relationships between customer, product, and brand.

How to build a brand concept

1. **Functional needs**
   It shows how your brand solves problems. For example: Pantene shows its product can take care of users' hair so that the hair is shinier and stronger.
2. **Symbolic needs**
   It's associated with symbolic objects. For example, Coca Cola is known for happiness and even though its beverage is pretty much the same as Pepsi cola, when people think of happiness, they always relate to Coca Cola first.
3. **Experimental**
   It's connected to personal experience or sensory pleasure. Such as Redbull, it's often associated with extreme sports.

Brand personality

A brand is like a person, it has its own style, tone, and personalities. Normally it's divided into five personality types which are:

- Sincerity (think banks and real estate)
- Excitement (extreme sports such as GoPro or RedBull)
- Competence (such as Microsoft)
- Sophistication (think luxury brands)
- Ruggedness (brands like Harley)

Brand awareness

Brand awareness is divided into two parts, brand recognition, and brand recall. The brand awareness pyramid below illustrates different stages of brand recognition. Customers start at the bottom, not knowing your brand, and advertising helps reach top-of-mind awareness. This means your brand is the first that comes to mind when they think of your product.

Brand Equity

Brand equity is the goodwill that an established brand has built up over its existence. Of course, if a brand establishes its brand equity, there are some benefits.

Benefits of brand equity

- Increased market share
- Increased loyalty - Customers are highly possible to revisit a goodwill brand and hence increase their loyalty.
- Price premium - The brand is able to set a higher price than the average market price.
- Reduce marketing costs - Since the reputation is well-known, it won't be necessary for a brand to spend extra budge promoting itself.

How to build brand equity?

- Name awareness
- Association & image
- Channel relationship
- Satisfaction
- Loyalty
- Perceived quality

How to enhance brand equity?

1. Let the brand do the talking.
2. Creating message-driven associations.
3. Leverage current meanings/ associations.

Part 3: Creative Strategy and Implementation

During this crisis, many ads are conveying the same idea - "We are in this together." But few brands stand out or have different messaging.

In this article, we will be talking about how to implement the ideas we learned from the last two articles, and how to be mindful when generating ads during COVID-19.

Creative Strategy

After knowing how to position a brand, finding the target audience, knowing the budget, and building a brand image, it's time to start developing the creative strategy.

Creative strategy is determining what the advertising message will say or communicate, and the creative tactics are to determine *how* the strategy will be executed.

Remember, being creative doesn't always mean being effective. Use these elements below to assess if our ad is effective AND creative.

6 elements that help guide effective & creative ads

1. **Sound strategy**
   In the ads, not only the visual but also the sound is important too. Is your ad cheerful or sad? Choosing the right music can help your audience develop the right emotions. In this Pepsi's ad, it utilizes Cardi B's famous 'okurrr' and her song to end the funny commercial.
2. **Consumer's view**
   Always remember, the ad is to attract consumers' attention. In this Nike's ad, it focuses entirely on consumer's view
3. **Persuasive**
   Your ad should be convincing enough to push the consumers to action. In this Amazon's superbowl ad, it strongly shows how vital it is to have Alexa
4. **Break the clutter**
   How does your ad stand out from other ads? In this Google's ad, it uses strong emotions, its search engine and Google assistant to stand out from other ads
5. Deliver on promise
   Tell your consumers what you can offer. Like this Apple ad, it demonstrates what functions it has
6. **Don't overwhelm**

Show what you want the audience to know but don't scare them away! In this [Always ad](#), you can see it has strong incentive but it's not too overwhelming.

What is ad creativity?

Ad creativity is the ability to generate fresh, unique, and appropriate or relevant ideas that can be used as solutions to communications problems.

Besides these elements mentioned above, we also need to evaluate our ad creativity using CAN elements.

CAN elements

- Connectedness
- Appropriateness
- Novelty

Two dimensions of creative advertising

- **Divergence**
  The ad contains elements that are novel, different, or unusual.
- **Relevance**
  The degree to which the elements of the ad are meaningful, useful, or valuable to the consumers.

5 factors to measure divergence

- Originality - elements are surprising or rare.
- Flexibility - switch from one perspective to another.
- Elaboration - Unexpected details to make it more sophisticated.
- Synthesis - Combine unrelated objects or ideas.
- Artistic - Contain artistic impressions.

6 elements that make an ad "sticky"

Everyone wants to have a good impression and wants people to remember them. So do ads! Sticky ad means it's memorable and the audience can remember it and your brand after watching the ad. It's important to create a sticky ad, otherwise if the audience can't remember your ad, what's the point of spending so much money on advertisement?

- Simplicity
- Concreteness
- Emotionality
- Storytelling
- Credibility

- Unexpectedness

Persuasion

Persuasion is how people's attitudes or behaviors change as a result of communication. There are six tools of persuasion influence that we can also use when creating an advertisement:

1. **Reciprocity** - the ad provides something valuable to the consumers, and in turn, consumers perform actions to purchase the product.
2. **Commitment & consistency** - Highlight loyal customers.
3. **Social Proof** - Such as reviews, it provides other people's opinions to increase its credibility.
4. **Liking** - If the endorsers are celebrities, most of the time it can attract the audience's attention.
5. **Authority** - Like hiring lawyers, doctors or other authorities to prove the credibility.
6. **Scarcity** - People hate missing stuff. Generating a sense of scarcity can encourage consumers to action faster.

Develop a creative strategy

Now it's finally time to develop our strategy. Here are four steps to developing a creative strategy:

1. Identify your target audience
2. Identify your audience's basic problem, issue, or opportunity
3. Highlight your product or service's major selling idea or key benefit
4. Provide more information about your product

3 orientations of creative strategy

When creating a strategy, you may advertise your product based on one of the following:

- **Category-dominance orientation (Best for a company that has dominance)**
  - It is the best for a company that dominates a product category and it does NOT claim superiority.
  - Preemptive: Claims superiority.
- **Functional orientation (How your product is different)**
  - The Unique selling point (USP)
    1. Benefit - You get benefits if you buy this product.
    2. Unique - Something rivals can't offer.
    3. Potent - Promise must be strong enough to move people.
- **Symbolic orientation (A unique and memorable symbol of your brand)**
  Strong, memorable identity for the brand through image advertising.

Creative brief

Once you've created a plan with the previous steps, it's time to create a creative brief. A creative brief is a written document which specifies the basic elements of the creative strategy. This includes:

1. Client
2. Product/service
3. Product/market background (problem to solve)
4. Competition
5. Advertising objectives
6. Target audience
7. Major selling idea (proposition/promise/benefit)
8. Proposition support points
9. Creative strategy statement (theme, appeal, tone, and execution)1
10. Mandatories: supporting information and requirements

Media Planning

Media planning is a series of decisions involving the delivery of messages to audiences, and the goal is to find a combination of media that will enable the marketer to communicate the message.

Media objectives

- **Weight*** - How much total advertising is necessary to accomplish reach & frequency?
- **Continuity** - How should we allocate the advertising budget over time?
- **Recency** - How close to time of purchase do we want to expose the target market to advertising?
- **Cost** - What is the most economically justifiable way to accomplish objectives?

*how much advertising volume is required to accomplish advertising objectives.

Develop a media plan

A standard media plan consists of four stages:
1. Stating the media plan
2. Evaluate media
3. Selecting & implementing media choices
4. Determining the media budget

Patterns for advertising scheduling

- Continuous - an equal number of ad dollars are invested throughout the campaign.
- Flighting - some advertising is used during every period of the campaign, but the amount of advertising varies from period to period.
- Pulsing - the advertiser varies expenditures throughout the campaign and allocates **zero** expenditures in some months.
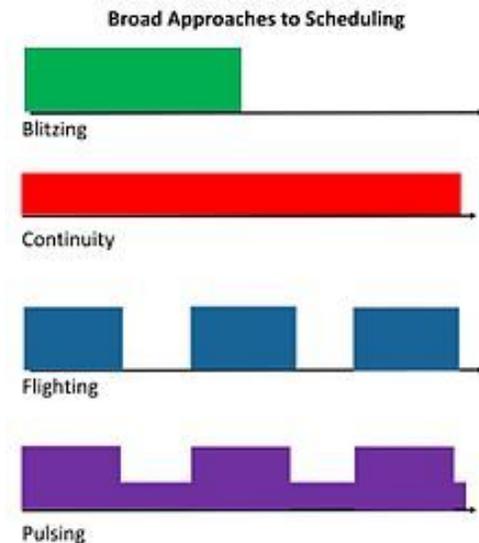
(image from [Wikipedia](https://wikipedia))

About the Author

Evelyne Kuo designs and leads virtual events, consults with clients and shares best practices for hosting digital gatherings. She also has digital advertising and multicultural marketing experience. Evelyne is a video production assistant for the University of Washington School of Nursing and a full-time student in the Master of Communication of Digital Media program.

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