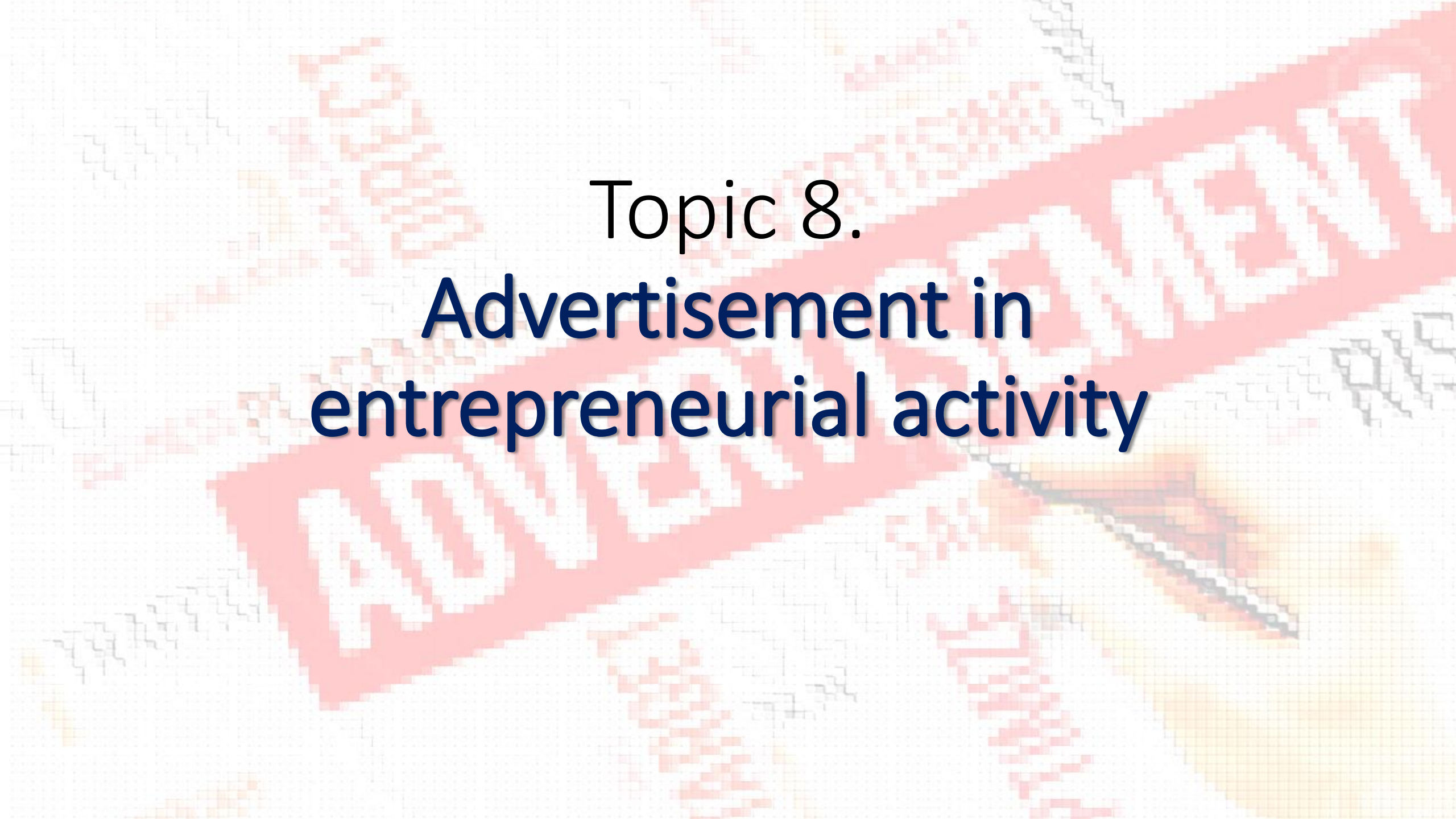


Entrepreneurship

Lecture # 8



Saltanat Kondybayeva, PhD



Topic 8.
**Advertisement in
entrepreneurial activity**

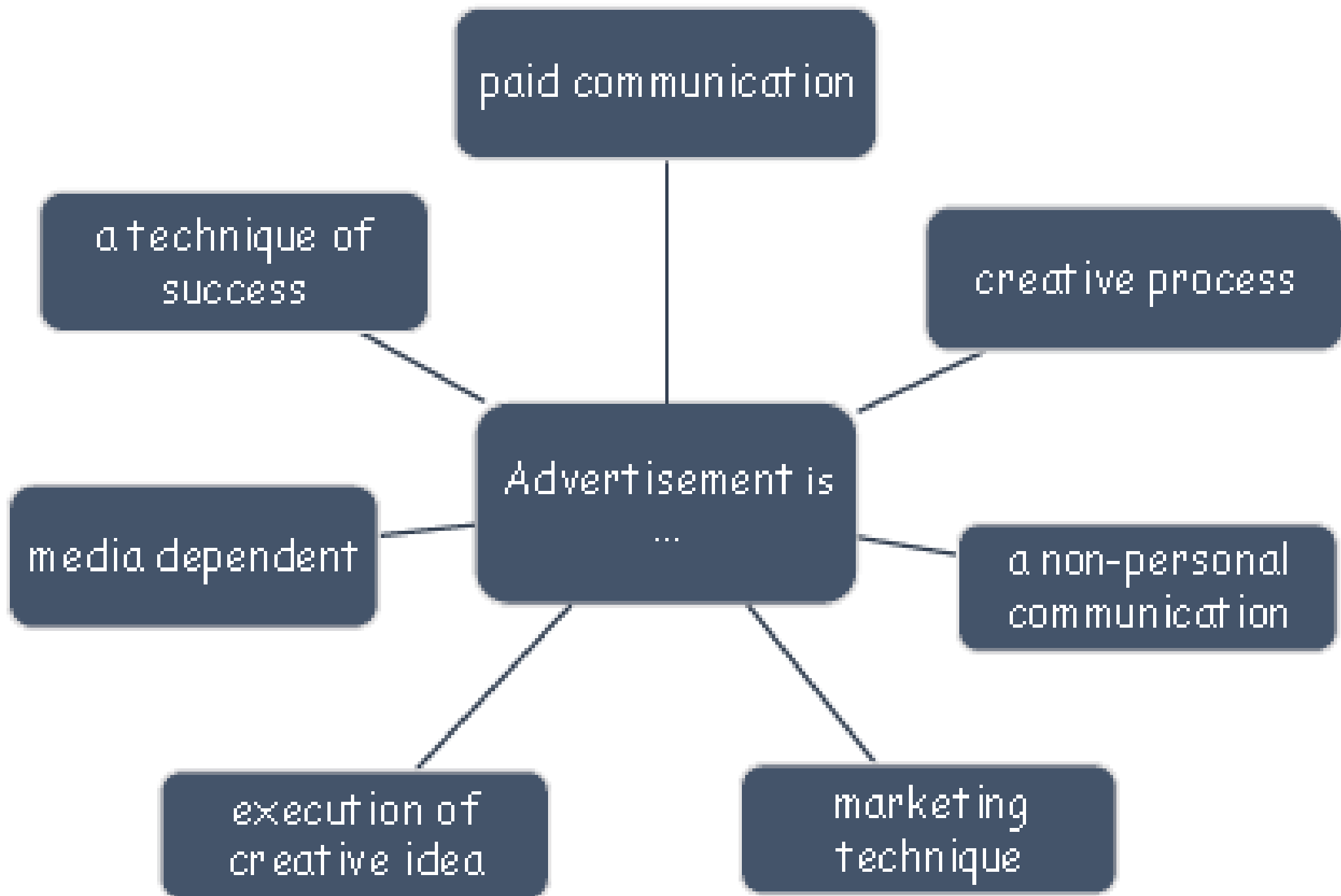
PLAN

- 1. What is the Advertising?**
- 2. Importance of Advertising**
- 3. Types of Advertising**
- 4. Advertising Trends**
- 5. The 6 Best Advertising Strategies For Small Business**

What is the Advertising?

Advertising is a non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement.





paid communication

a technique of success

creative process

Advertisement is ...

media dependent

a non-personal communication

execution of creative idea

marketing technique



Objectives of Advertising ?

- **To create Awareness.**
- **To Persuade.**
- **To create Image.**
- **To Remind.**



FIVE MS OF ADVERTISING



Importance of Advertising

Worldwide spending on advertising exceeds (US) \$400 billion

Advertising is an important contributor to economic growth, individual marketing organizations differ on the role advertising plays

ROLE AND IMPORTANCE OF ADVERTISING

- **Persuades customer**
- **Provides information**
- **Image creation**
- **Image creation**
- **Motivates distribution partners**
- **A tool to fight competition**



Advertising Agency Functions

- **Account Management**
- **Creative Team**
- **Researchers**
- **Media Planners**

Account Management

Within an advertising agency the account manager or account executive is tasked with handling all major decisions related to a specific client. These responsibilities include locating and negotiating to acquire clients. Once the client has agreed to work with the agency, the account manager works closely with the client to develop an advertising strategy. For very large clients, such as large consumer products companies, an advertising agency may assign an account manager to work full-time with only one client and, possibly, with only one of the client's product lines. For smaller accounts an account manager may simultaneously manage several different, though non-competing, accounts.

Creative Team

The principle role of account managers is to manage the overall advertising campaign for a client, which often includes delegating selective tasks to specialists. For large accounts one task account managers routinely delegate involves generating ideas, designing concepts and creating the final advertisement, which generally becomes the responsibility of the agency's creative team. An agency's creative team consists of specialists in graphic design, film and audio production, copywriting, computer programming, and much more.

Researchers

Full-service advertising agencies employ market researchers who assess a client's market situation, including understanding customers and competitors, and also are used to test creative ideas. For instance, in the early stages of an advertising campaign researchers may run focus group sessions with selected members of the client's target market in order to get their reaction to several advertising concepts. Researchers are also used following the completion of an advertising campaign to measure whether the campaign reached its objectives.

Media Planners

Once an advertisement is created, it must be placed through an appropriate advertising media. Each advertising media, of which there are thousands, has its own unique methods for accepting advertisements, such as different advertising cost structures (i.e., what it costs marketers to place an ad), different requirements for accepting ad designs (e.g., size of ad), different ways placements can be purchased (e.g., direct contact with media or through third-party seller), and different time schedules (i.e., when ad will be run). Understanding the nuances of different media is the role of a media planner, who looks for the best media match for a client and also negotiates the best deals.

Types of Advertising

- **Product-Oriented Advertising**
- **Image Advertising**
- **Advocacy Advertising**
- **Public Service Advertising**



Types of Advertising

1. **Product-Oriented Advertising**

- Informative (new product launches)
- Persuasive (convince to purchase)
- Comparative (comparative activities)



2. **Image Advertising**

- What we do? (image of an organization)





Types of Advertising

3. **Advocacy Advertising**

- Underlying benefits
- Political issues

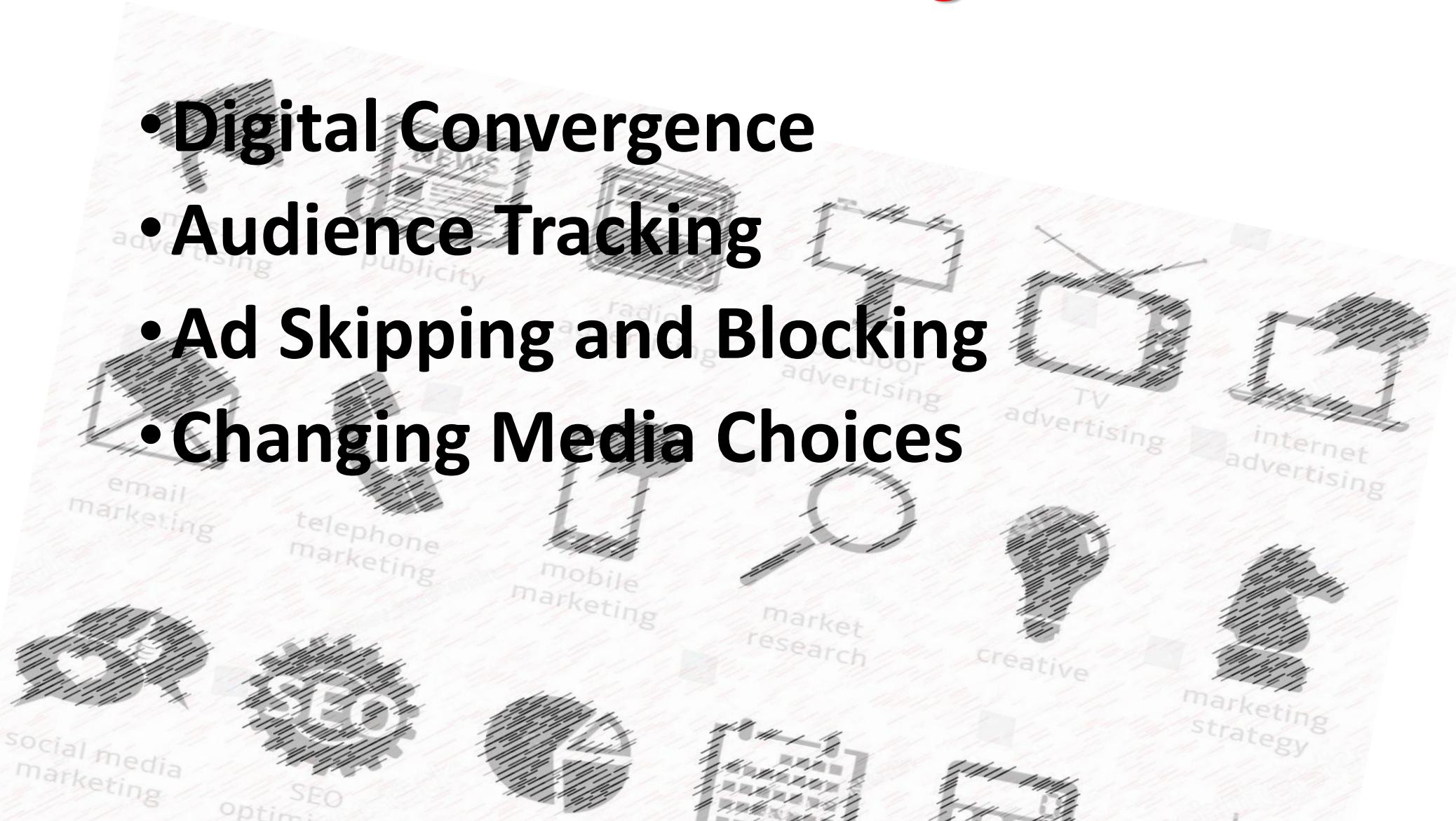
4. **Public Service Advertising**

- Non-profit
- Social causes (Teen-age smoking, illegal drug use, etc.)



Advertising Trends

- Digital Convergence
- Audience Tracking
- Ad Skipping and Blocking
- Changing Media Choices





Advertising Trends

- **Digital Convergence**

- Via cable
- Telephone
- Satellite





Advertising Trends

- **Audience Tracking**

- Via cable
- Telephone
- Satellite





Advertising Trends

- **Ad Skipping and Blocking**
 - Digital Video Recorder



Changing Media Choices

Social Media

User Generated Video Sites

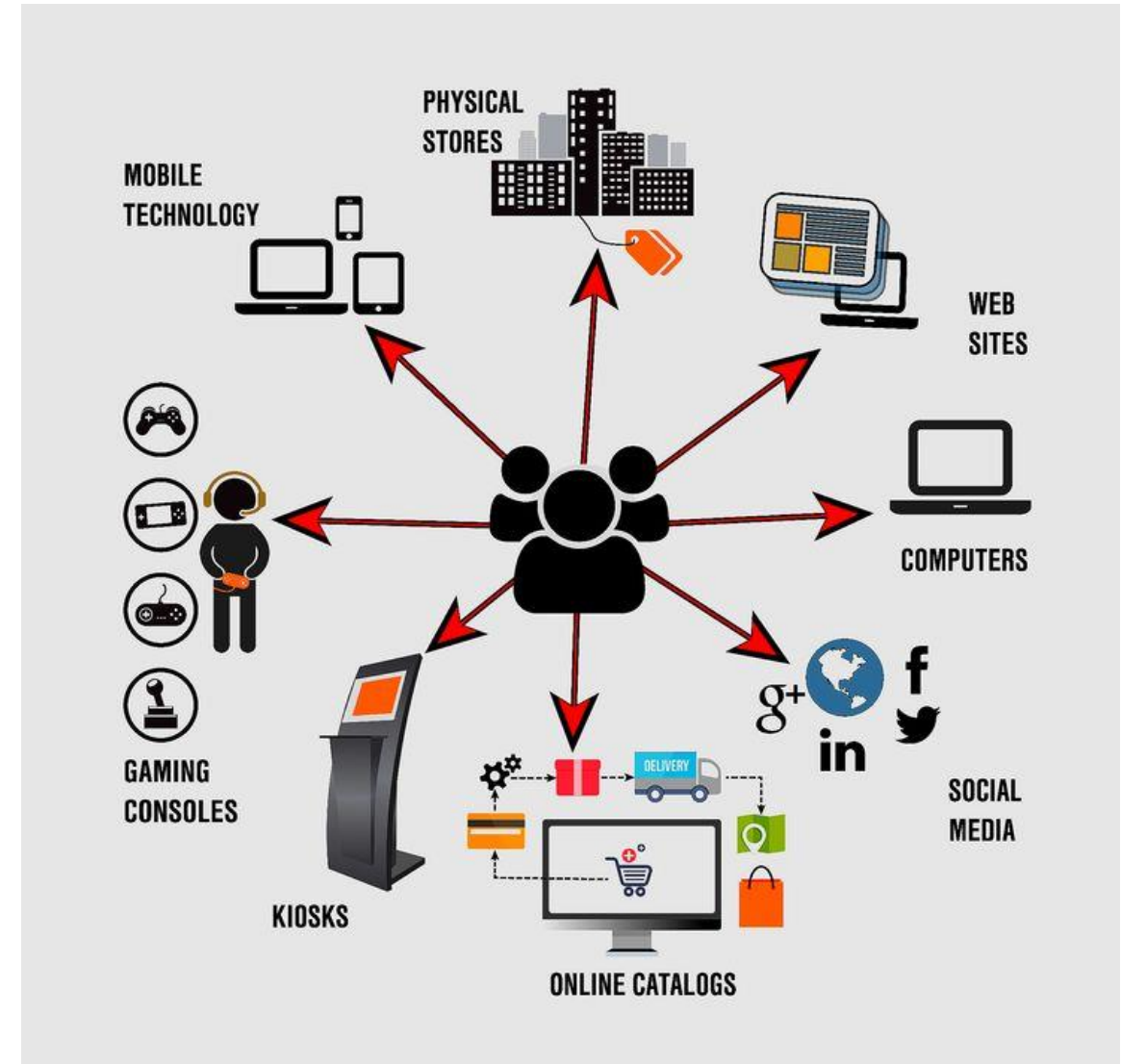
Small Screen Video

Mobile Device Apps

RSS Feeds

Podcasting

Online Gaming



The 6 Best Advertising Strategies For Small Business

- **1. Target your audience.**
- **2. Measure and track your advertising.**
- **3. Know when to advertise.**
- **4. Brand well.**
- **5. Use your resources well.**
- **6. Show up in the right places.**



Emotional and Rational appeals

- The most important types of advertising appeals include emotional and rational appeals.
- **Emotional appeals are often effective for the youth while rational appeals work well for products directed towards the older generation. Here are just some of the various different kinds of advertising appeals seen in the media today**

Rational appeals



- **Rational appeals** as the name suggests aims to focus on the individual's functional, utilitarian or practical needs for particular products and services.
- Such appeals emphasize the characteristics and features of the product and the service and how it would be beneficial to own or use the particular brand.
- Print media is particularly well suited for rational appeals and is often used with good success. It is also suited for business to business advertisers and for products that are complex and that need high degree of attention and involvement.

Appeal	Description	Example
Fear	Social embarrassment, growing old, losing health etc	Saffola ad (chasing a thief)
Vanity / Snob value	Luxury	Skoda Laura
Profit	Product will save you money	Low current bills with voltage stabilizer
Health	Appeals to those who are body conscious	
Love or romance	Perfumes, sprays etc	Liril ad
Fun and pleasure	Something funny and catchy	Fun - Tata Indica guy ad Pleasure - all tnagar textile ads
Admiration	Using celebrities on ads	Amitabh
Progress	Shows that a product is now new and improved	3 blade razor (better than 2 blade razor)
Testimonial	Proof that someone is really benefited	Vatika hair oil
Scientific evidence	Using research results	ads that start with "research lab of ..."
Egotism		

Types- continued

- **High Quality** - Some products are preferred for their quality not merely because of their taste or style, such products are advertised by highlighting the quality attribute in advertisement .
- **Low price** - Many people prefer low priced goods. To target such audience products are advertised by highlighting the low price tag of the product.
- **Long Life** - Many consumers want product of durable nature that can be used for a long period, in advertisement of such product durability is the dominant point of the message.
- **Performance** - Many advertisements exhibit good performance of product.
- **Economy** - Many customers consider savings in operation and use of product, for example in case of automobile the mileage is considered while selecting the brand or model.

- **Scarcity** - Another appeal that is occasionally used is scarcity. When there is limited supply of a product, the value of that product increases. Scarcity appeals urge consumers to buy a particular product because of a limitation.
- **Other Rational Appeals** - Other rational appeals include purity, more profits, time saving, multifunction, more production, regular supply and availability of parts, limited space required, artistic form, etc. that can make advertising effective.

Final thoughts

The key is in knowing who your target customers are, where they like to hang out -- and thus where to find more people like them -- and allocating your resources to those specific channels.