

EXERCISES

These exercises look at the topics in the context of a 'communications mix'.

We start with an examination of what advertising objectives are (Exercise 7.1).

We then look at how to set advertising objectives for one of your own product/market areas (Exercise 7.2), how to choose the most appropriate advertising media (Exercise 7.3) and how to build up an advertising plan (Exercise 7.4).

Sales promotion is tackled in a slightly different way. The first question that is asked is: 'Is a promotion necessary?' (Exercise 7.5). If the answer to this question is affirmative, then Exercise 7.6 demonstrates how to plan a sales promotion.

Exercise 7.1 What are advertising objectives?

There are two basic questions that advertising objectives should address. 'Who are the people we are trying to influence?' and 'What specific benefits or information are we trying to communicate to them?'

Research has shown that many companies set objectives for advertising which advertising cannot possibly achieve on its own. For example, 'to increase sales' or 'to wipe out the competition'. Equally, it is unrealistic to set an objective 'to convince the target market that our product is best', when any rational analysis would clearly show this not to be true.

Often there is an element of confusion about what advertising objectives are and what marketing objectives are. Remember, marketing objectives are concerned with what products go to which markets, whereas advertising objectives are measurable targets concerned principally with changing attitudes and creating awareness.

Here is a list of marketing or other objectives and advertising objectives mixed up together. Read through this list and write against each objective:

- A – if you believe it to be an advertising objective, or
- M – if you believe it to be a marketing or other objective.

Marketing (M) or advertising (A) objectives?*

1. To make attitudes more favourable to a particular product.
2. To build an image for the product.
3. To stop existing users turning to competitive products.
4. To get across the idea of a unique product.
5. To create a brand leader to help the launch of additional products at a future date.
6. To win back previous product users who have defected to a competitive product.
7. To expand the whole market.
8. To reduce existing negative attitudes.

* Based on a list provided by Professor David Corkindale (formerly of Cranfield University School of Management) and used with his kind permission.

9. To keep building loyalty.
10. To establish the brand and position it in a particular way, e.g. as warm and friendly.
11. To create a brand leader in a particular market.
12. To increase sales among existing users.
13. To improve the frequency of purchase.
14. To keep new entrants out of the market.
15. To convey the idea that the product is 'value for money'.
16. To say how much people like the product.
17. To improve market share compared with competitors.
18. To maintain brand distribution.

The answers to Exercise 7.1 are as follows:

Advertising objectives: numbers 1, 2, 4, 8, 9, 10, 15 and 16.

Marketing or other objectives: numbers 3, 5, 6, 7, 11, 12, 13, 14, 17 and 18.

If you made some mistakes in identifying the objectives correctly, go back and have another look at them and see if you can work out where you went wrong.

Exercise 7.2 Setting advertising objectives

Behind all effective advertising there lies a lot of careful thought and planning, and much of it goes into ensuring that the advertising objectives are the right ones. If these are wrong, everything else which follows is doomed to failure.

In this exercise you are asked to concentrate on just one key market or market segment. It should be a relatively simple matter to repeat the process for other markets at some later date.

Make a note somewhere about which market or segment you will be addressing. Remember, from the Boston Matrix or directional policy matrix, 'stars' will probably be most deserving of the advertising budget.

Now make a note about the marketing objectives which have been set for this market/segment, e.g. what products? what quantities? to whom? etc. Having assembled this information, from the list of 'Possible advertising objectives' below:

1. Select the most appropriate objectives, i.e. those that look the most promising to help the company achieve these marketing objectives (tick in the column).
2. From those you have ticked, eliminate any objectives that you believe can only be achieved by personal communication, i.e. by the sales force.
3. List your remaining objectives in rank order, the most important being at the top of the list.
4. Use only the top objective (and perhaps the second) as a basis for your advertising campaign.

(Continued)

Possible advertising objectives

	<i>Tick here</i>		<i>Tick here</i>
<ul style="list-style-type: none"> • To establish an immediate sale • To bring a prospect closer to a sale • To change customer perceptions • To direct customer action • To support the sales force • To reinforce attitudes of existing customers • To open up distribution • To improve company image • To demonstrate the product capabilities • To generate enquiries • To impart information • To reassure customers • To 'score points' off competitors' advertising • To enter new markets • To give reasons for buying • To create awareness • To support retailers • To convey the idea of 'value for money' • To reach new geographical areas 		<ul style="list-style-type: none"> • To promote the idea of a unique product • To back up promotions • To develop favourable attitudes to a particular product • To counter price competition • To remind customers about our product • To reinforce the company image • To defend market position • To support the launch of a new product/service • To explain new uses for product • To emphasize range and choice • To reinforce brand recognition • To inform about product availability • To educate customers • To communicate company strengths • To build customer loyalty • To say how much people like the product 	

If you think this list omits possible advertising objectives for your company, then extend the list by adding your own objectives to it.

Exercise 7.3 Choosing the advertising media

The previous exercise should have helped to identify the advertising objectives for your chosen market/segment. The next logical step would be to decide exactly what you want to communicate – your creative platform.

However, such a step does not really lend itself to an exercise. Indeed, copywriting is such a specialized form of communication that most companies engage outside specialists to deal with it. Even so, having decided upon the advertising objectives, you must switch your focus of attention now to the target population you hope to influence:

- Who are they?
- What positions do they hold?
- What is their influence on the purchasing decision?
- What personality traits do they exhibit?
- What socio-economic groupings do they belong to?
- What lifestyles do they have?
- How old are they? What sex are they? Are they married? And so on.

Please note that it is usually easier to determine the most appropriate media in the case of *business-to-business* customers, although the same logic applies.

You need to assemble as much information as you can about the target population. The more you know about them, the better your chances of selecting the best medium for your advertising platform.

The accompanying worksheet gives a list of possible advertising media. Study this list and select what would be the best choice, taking into account your objectives and the profile of the target audience.

In making your choice, you will need to take four factors into account:

1. *The character of the medium* – the geographical coverage it gives, the types of audience it reaches, its frequency of publication or showing, its physical possibilities (such as colour, sound, movement), its power or potential to reach special groups, etc.
2. *The atmosphere of the medium* – its ability to convey an image consistent with your objectives, e.g. hard and punchy, discreet, elegant, exclusive, etc.
3. *The 'size' of the medium* – the number of people exposed to the medium in terms of being aware of the contents. For example, a newspaper might be read by two or three members of a family, whereas a technical journal might be circulated to a large number of managers within a company. Alternatively, a poster might be passed by tens of thousands of people.
4. *The comparative cost* – how much will it cost to reach a specific audience.

The cost per 1,000 viewers is often used as a comparative ratio.

There is space on the accompanying worksheet to make notes about these factors, should you be required to keep a record of what influenced your choice of medium.

Worksheet Advertising media (Exercise 7.3)

	<i>Medium</i>	<i>Characteristics</i>	<i>Atmosphere</i>	<i>Size</i>	<i>Comparative cost</i>
Printed media	Local newspapers				
	National newspapers				
	Trade and technical press				
	Magazines and periodicals				
	Direct mail				
	Leaflets				
	Directories (Yellow Pages, buyers' guides, etc.)				
Others	Television				
	Posters (static)				
	Transport (on trains, buses, vans, etc.)				
	Cinema				
	Radio				
	The internet				
	Other (specify)				

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Having decided what you want to communicate (your advertising objectives, Exercise 7.2), worked out the creative platform of the exact message you wish to convey, and decided on the choice of media (Exercise 7.3), you have assembled the key ingredients of an advertising plan. What remains to be done is to establish when the advertising will be used, who will be responsible for the various activities in bringing what is still an idea into life, how progress will be monitored and the criteria by which success will be judged.

The accompanying worksheet provides a simple format to record all this information. We would recommend that you try using it, and then adapt it to your particular purposes, so that you finish up with something that is genuinely tailor-made.

Exercise 7.4 The advertising plan

Worksheet Advertising plan (Exercise 7.4)

ADVERTISING PLAN FOR _____ (either product or service/ market or segment)							
ADVERTISING OBJECTIVES TO _____							
<i>Selected media</i>	<i>Brief description of advert</i>	<i>Timing</i>	<i>Responsibility</i>	<i>Budget</i>	<i>Actual cost</i>	<i>Criteria by which success will be judged</i>	<i>Evaluation comments</i>

Note: Now complete advertising plans for other products/services and market segments.

Exercise 7.5 Is a promotion necessary?

Sales promotions should be seen as the logical development of the company's marketing strategy. As such, they should be complementary to all other parts of the communications mix and should not be seen as an alternative, or some disconnected activity.

There are three key questions to be answered.

1. How do we decide whether or not to run a promotion?
2. What form should the promotion take?
3. How do we plan it?

The first two questions are addressed by this exercise. The planning element is covered in Exercise 7.6.

In order to give this exercise a clear focus, please select just one of the product/market areas of your portfolio and work with it. Once you have worked through this process, you will see how it can be used elsewhere, with other products/markets.

Step 1 On a separate piece of paper, write down the problems you see affecting sales of the product or service in the market/market segment you have chosen. If there are no problems, you might question why a sales promotion is being considered in this area. Your efforts might be better spent focusing on another part of your product/service range.

Step 2 Look at the problems you have listed and rank them in order of 'seriousness', 1 being the major problem, 2 the next, and so on.

Step 3 Transfer the information you have just assembled to column 1 of the accompanying worksheet.

Step 4 Taking the major problem first, work across the page on the worksheet and consider the possible solutions to the problem listed there. You will note that there is space to add solutions of your own.

Clearly, a sales promotion is not always going to be the way to resolve a sales problem. However, the economics or convenience of one type of solution compared with another might well sway the argument. For example, the best solution to the sales problem might be to modify the product, but this might be very costly and take time to achieve. In such circumstances, a sales promotion might work in terms of both costs and immediacy.

Therefore, considered judgement has to be used in weighing up the costs and likely chances of success of each possible solution. *Only* when the sales-promotion option looks favourable should you take matters to the next stage of deciding upon the type of promotion.

Step 5 If a sales promotion will not make any impact on the major sales problem, work across the page again for the next problem down. Continue this process for other sales problems until a sales promotion is found which would appear to hold the promise of success.

Ideally, the sales promotion should make an impact on a fairly serious sales problem. If it is only going to affect a marginal issue, it raises questions about whether or not it is worth spending the time and effort on the promotion and whether another area might be more deserving of attention.

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Worksheet Deciding if sales promotion will help (Exercise 7.5)

PRODUCT/SERVICE/MARKET SEGMENT UNDER CONSIDERATION _____														
Problems affecting sales	POSSIBLE SOLUTIONS													
	More advertising		More sales effort?		Change price?		Change product?		Sales promotion?		Other ideas (add your own)			
	Cost	Likely success	Cost	Likely success	Cost	Likely success	Cost	Likely success	Cost	Likely success	Cost	Likely success	Cost	Likely success
Major problem	1													
	2													
	3													
Problems listed in reducing order	4													
	5													
	6													

Having established that a sales promotion is a suitable way to have an impact on a particular sales problem you must now decide on the nature of the promotion.

In broad terms, a promotion can be aimed at three target groups:

1. Customers or consumers
2. Channels/intermediaries
3. Your own sales force.

The promotion can also take one of three forms:

1. It can involve money
2. It can involve goods
3. It can involve services.

You will have to decide first of all which target group needs to be influenced most to make impact on your sales problem. You might even decide it is more than one group.

Having made that decision, you then have to work out what type of promotion will have maximum appeal to that group. Ideally, you will be able to devise something with maximum appeal, at a modest cost. However, when considering the cost element, you must remember that the promotional costs have to be weighed up against the benefits of reducing the specific sales problem.

Table 7.4 provides a number of ideas about sales promotions and enables you to select the most appropriate type for your purposes.

Exercise 7.6 Planning a sales promotion

It is important to ensure that any sales promotion is well coordinated in terms of what happens before, during and after the promotion. At different stages, different people might be

participating and special resources might be required. Therefore a plan needs to be prepared in a simple way that most people can follow. In essence, this is all you need in a plan.

Heading	Content
Introduction	Briefly summarize the problem upon which the promotion is designed to make impact
Objectives	Show how the objectives of the promotion are consistent with the marketing objectives
Background	Provide the relevant data or justification for the promotion
Promotional offer	Briefly, but precisely, provide details of the offer
Eligibility	Who is eligible? Where?
Timing	When is the offer available?
Date plan	The dates and responsibilities for all elements of the promotion
Support	Special materials, samples, etc. that are required by the sales force, retailers, etc.
Administration	Budgets, storage, invoicing, delivery, etc.
Sales plan	Briefing meetings, targets, incentives, etc.
Sales presentation	Points to be covered
Sales reporting	Any special information required
Assessment	How the promotion will be evaluated

Using these guidelines, and the accompanying worksheet, try to extend the information you assembled in Exercise 7.5 into a complete promotional plan.

Worksheet Promotion plan (Exercise 7.6)

	Heading	Content
1	Introduction	
2	Objectives	
3	Background	
4	Promotional offer	
5	Eligibility	
6	Timing	
7	Date plan	
8	Support	
9	Administration	
10	Sales plan	
11	Sales presentation	
12	Sales reporting	
13	Assessment	