Chapter 7
Advertising Planning and Strategy

Strategic Planning: Making Intelligent Decisions

- Strategic planning is the process of determining objectives (what you want to accomplish), deciding on strategies (how to accomplish objectives), and implementing the tactics (which make the plan come to life).
- An objective is a goal or task to be accomplished — the destination.
- A strategy is the means by which the goal is accomplished — the route to the destination.
- Possible tactics could be: a demonstration, a testimonial, or an emotional or funny story.

The Business Planning Process (Fig. 7.1)

The Business Planning Process

- Business Mission Statement
  - supports the corporate mission and includes the broad goals and policies of the business unit.

- External Environment
  - opportunities: area for the company to develop an advantage over its competition.
  - threat: trend or development in the business environment that will erode business unless the company takes purposeful marketing action.

- Internal Environment
  - Strength and weaknesses: could revolve around financial conditions, personnel issues, or technical expertise.

The Business Planning Process

- The entire procedure is called a SWOTs Analysis.
- Next step is to develop specific objectives and goals for the planning period.
- Follow this with outlines of specific strategies that relate to each goal.
- Next, work out specific supporting programs (tactics) for carrying out strategies formulated.
- Implement the plans, then evaluate the results and make any needed adjustments.

Steps in the Marketing Plan (Fig. 7.2)
Steps in the Marketing Plan

- Marketing Objectives
  - Select Objectives Such as Desires for a Percentage of Market Share, Unit Sales, Store Traffic or Profit.

- Marketing Problems and Opportunities
  - Review Information to Determine Problems and Opportunities.

- Selecting Target Markets
  - Company Selects Market Segments that Can Best be Served From a Competitive Point of View.

- Marketing Strategies
  - Key Strategic Decisions that Will Give the Product or Firm a Competitive Advantage in the Marketplace.

- Executing Plans
  - Implementing a Marketing Plan Requires a Number of Decisions.

- Evaluating Plans
  - Compare Actual Performance with Planned Performance.

Typical Advertising or Campaign Plan Outline (Tab. 7.1)

I. Introduction
   - Executive Summary or Overview is provided.

II. Situation Analysis
   - Advertising Problems
   - Advertising Opportunities

III. Key Strategy Decisions
   - Advertising Objectives
   - Target Audience
   - Competitive Product Advantage
   - Product Image and Personality
   - Product Position

IV. The Creative Plan

V. The Media Plan

VI. The Communication Plan
   - Sales promotion
   - Public relations
   - Direct marketing
   - Personal selling
   - Sponsorships, merchandising, packaging, etc.

VII. Implementation and Evaluation

VIII. Evaluation

IX. Budget

The Advertising Budget

- Historical Method
  - Common budgeting method.
  - May be based on last year’s with a percentage increase.
  - Objectives to do with advertising objectives.

- Task-Objective Method: Bottom-Up
  - Most common method.
  - Looks at objectives set for each activity, and determines the cost of accomplishing each objective.

- Percentage-of-Sales Method
  - Compares total sales with the total advertising (or marketing communication) budget during a specific time period to compute a percentage.

The Advertising Budget

- Competitive Methods
  - Related the amount invested in advertising to the product’s share of market.
  - Must understand share-of-mind.

- All You Can Afford Method
  - Allocates whatever is left over to advertising.
  - Companies who use this don’t value advertising very much.
Creative Plan and Copy Strategy

- **Creative platform** is a document that outlines the message strategy decisions for an individual ad.
- Creative platforms combine the basic advertising decisions – problems, objectives, and target markets – with the critical elements of the sales message strategy – main idea and details about how the idea will be executed.

## Message Strategies

### Generic Strategy

- **Product**
  - Advertisements that focus on the product itself by looking at attributed.

- **Benefit**
  - Product is promoted on the basis of what it can do for customers.

- **Promises**
  - Promises that something will happen if you use the advertised product.

- **Reason Why**
  - Based on logic and reasoning and clearly states a reason for the benefit gained.

- **Unique Selling Proposition**
  - A benefit statement that is both unique to the product and important to the user.

- **Support**
  - Lends credibility to the selling premise.

### Creative Strategy

### Information Strategy