

Advertising Study Guide

Basic Marketing Functions

1. Explain the marketing concept and describe the benefits of marketing.
 - a. Marketing Concept: The philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs better than the competition. The firms should find a way to be more effective than its competitors in creating, delivering, and communicating customer value to its target customers.
 - i. Focusing on customer needs before developing the product
 - ii. Aligning all functions of the company to focus on those needs
 - iii. Realizing a profit by successfully satisfying customer needs over the long-term.
 - b. Benefits of Marketing:
 - i. Increases brand visibility
 - ii. Develops lasting relationships with your audience
 - iii. Improves brand awareness and recognition
 - iv. Creates loyalty and trust, with both current customers and prospective customers
 - v. Helps build authority and credibility
 - vi. Positions business as an expert in your industry
 - vii. Generates traffic to site to improve lead generation
 - Lead - A person who has indicated interest in a company's product or service in some way, shape, or form.
 - Lead Generation - The process of attracting and converting strangers and prospects into leads.
 - viii. Opens a channel of communication through social shares and comments
 - ix. Helps customers move through the purchase decision more quickly
 - x. Provides value with no strings attached.
2. Explain the functions in marketing goods and services - https://quizlet.com/_borb

- a. Distribution - Deciding how you'll get the goods or services you want to sell to the people who want to buy them.
 - i. Setting up shop in location of target customers vs. Taking products or services to the customers
 - b. Financing - Finding the money through investments, loans, or your personal capital to finance the creation and advertising of your goods or services.
 - c. Market Research - Gathering information concerning your target customers.
 - i. Who are the people you want to sell to?
 - ii. Why should they buy from you as opposed to a rival business?
 - d. Pricing - Setting the correct price for your product or service.
 - i. "Right" price normally comes through trial and error and market research.
 - Too high - Might lose customers
 - Too low - Might be robbing yourself of profits
 - e. Product and Service Management - Effectively managing the product or service.
 - i. Involves listening to customers, responding to their wants and needs, and keeping products and services fresh and up to date.
 - f. Promotion - Advertising your products and services is essential to attracting new customers and keeping existing customers coming back.
 - i. New Media (such as Facebook or Twitter) vs. Conventional Outlets
 - Use either or a mix of both?
 - g. Selling - Selling can happen only after you've determined the wants and needs of your customer base and are able to respond with the right products at the right price point and time frame.
3. Identify the elements of the marketing mix (4 P's)
- a. Product - The products or services you offer to your customer, including their physical attributes, what they do, how they differ from your competitors, and what benefits they provide.
 - b. Price - How have you priced your product or service so that your price remains competitive but allows you to make a good profit.

- c. Place (Distribution) - Where your business sells its products or services and how it gets those products or services to your customers.
 - d. Promotion - The methods you use to communicate the features and benefits of your products or services to your target customers.
4. Describe the process for new product and service development.
- a. Idea Generation - The development of a product will start with a concept. Using basic internal and external SWOT analyses (Strengths, Weaknesses, Opportunities, and Threats), as well as current marketing trends, one can distance themselves from the competition by generating ideas with take affordability, return on investment, and widespread distribution costs into account.
 - b. Screening the Idea - Ensures that unsuitable ideas, for whatever reason, are rejected as soon as possible. Ideas need to be considered objectively based on things such as ROI, affordability, and market potential in order to avoid product failure after considerable investment down the line.
 - c. Testing the Concept - Aside from patent research, design due diligence, and other legalities involved with new product development, knowing where the marketing messages will work best is often the biggest part of testing the concept.
 - i. Does the consumer understand, need or want the product or service?
 - d. Business Analytics - Once a concept has been tested and finalized, a business case needs to be put together to assess whether the new product/service will be profitable.
 - i. Should include a detailed marketing strategy, highlighting the target market, product positioning, and the marketing mix that will be used.
 - ii. Analysis needs to include: whether there is a demand for the product, a full appraisal of the costs, competition, and identification of a break-even point.
 - e. Product Development - If the new product is approved, it will be passed to the technical and marketing development stage.
 - i. This is when a prototype or a limited production model will be created.

- ii. Investigate exact design and specifications and any manufacturing methods, as well as giving something tangible for consumer testing, for feedback on specifics like look, feel, and packaging for example.
 - f. Test Marketing - Introduces the prototype product following the proposed marketing plan as a whole rather than individual elements.
 - i. Required to validate the whole concept and is used for further refinement of all elements, from product to marketing message.
 - g. Commercialization - Final decisions need to be made to move the product to its launch into the market.
 - i. Pricing and marketing plans need to be finalized and the sales teams and distribution briefed, so that the product and company is ready for the final stage.
 - h. Launch - A detailed launch plan should include decisions surrounding when and where to launch to target your primary consumer group.
 - i. A review of the market performance is needed to assess the success of the product and learn from any mistakes made.
- 5. Explain the rationale for extending product line.
 - a. Product Line - A group of related products under a single brand sold by the same company.
 - b. Rationale for Extension - Familiarity and reach
 - i. Companies create product lines as a marketing strategy to capture sales of consumers already buying the brand.
 - Consumers are more likely to respond positively to brands they know and love and are willing to buy the new products based on their positive experiences with the brand.
 - More likely to purchase products from brands with which they are already familiar.

- ii. Companies extend product-lines to introduce new brands to new customers - economy vehicles vs. environmentally friendly vehicles vs. luxury vehicles
 - Allows companies to maximize their reach.
 - iii. Product lines allow companies to diversify their markets by reaching regions and socioeconomic groups, sometimes worldwide.
6. Explain the functions of packaging.
 - a. Protection - The main/important function and objective of packaging is to keep the product safe and fresh.
 - b. Containment - Another important function of packaging is to provide a proper and safe container or place for keeping a product.
 - c. Information - The packaging conveys necessary information to the consumers, including general features of the product, ingredients, net weight of the contents, name and address of the manufacturers, maximum retail price (MRP).
 - d. Promotion - The other function/objective of packaging is to promote the sales of the product. By using attractive colors, logos, symbols, and captions, good packaging should draw the attention of customers, stimulate their interest toward the product, and motivate them to buy.
7. Describe the importance of branding, packaging, and labeling.
 - a. Branding - The process involved in creating a unique name and image for a product in the consumers' mind, mainly through advertising campaigns with a consistent theme.
 - b. Packaging - Aside from protecting the product from damage, packaging tells consumers why your product and brand are different from the competition.
 - c. Labeling - Labelling gives necessary information to the customers about the products. Customers can get knowledge about the quality and features of the product without tasting the product.
8. Describe factors (features, benefits, price, quality, competition, brand loyalty) used by marketers to position products and services.

- a. Attribute Positioning - A company positions itself on an attribute such as size or number of years in existence.
 - b. Benefit Positioning - The product is positioned as the leader in a certain benefit.
 - c. Use or Application Positioning - Incorporates positioning the product as best for some use and application.
 - d. User Positioning - Involves positioning the product as best for some specific use group.
 - e. Competition Positioning - The product claims to be better in some way than a named or unnamed competitor.
 - f. Product Category Positioning - The product is positioned as the leader in a certain product category.
 - g. Quality Positioning - The product claims to be of best quality.
 - h. Price Positioning - The product offers the best price to the consumers.
9. Identify and explain factors that influence a product's price (cost, quality, competition, brand loyalty).
- a. Cost - When fixing the prices of a product, the company should consider the cost involved in producing the product, which includes both variable and fixed costs.
 - b. Competition - If there is high competition, the prices may be kept low to face the competition. If competition is low, the prices may be kept high.
 - c. Consumers - When fixing prices, a company must take into consideration various consumer factors including the price sensitivity of the buyer, purchasing power, etc. In addition, the image of the company can determine the price of the product. For example, companies that enjoy goodwill in the market can demand a higher price for their brands.
10. Demonstrate knowledge of basic advertising terms.
- a. Advertising: https://quizlet.com/_2urjsz
 - b. Marketing: https://quizlet.com/_1aowwd

Personal Selling and Sales Promotion

1. Explain the steps involved in the sales process (generate leads, approach customers, determine customer needs, present the product, overcome objections, close the sale, follow up).
 - a. Generate Leads - Search for new and qualified potential customers who might want to buy your product.
 - b. Approach Customers - Step where you begin to build a relationship with the prospect and the intelligence gathering continues.
 - c. Determine Customer Needs - Allows you to determine how you can truly be of service to your prospect.
 - d. Present the Product - Present the benefits of your product, which are usually either financial or emotional. Not only are you selling your product, you are also selling yourself as a person to trust.
 - e. Overcome Objections - Answer questions from your prospect about your product. Objections are a sign that your prospect is at least considering buying.
 - f. Close the Sale - After making the presentation, answering your prospect's questions, and addressing his or her objections, ask for the sale.
 - g. Follow Up - There should be some next step each time there is contact.
2. Describe reasons why sales promotion is needed (influence consumer decisions, encourage trial of new products, strengthen brand loyalty, influence consumer behavior)
 - a. Luring New Customers - By offering a reduced price on a popular item, you can lure customers away from competitors, which may ultimately help turn them into regular shoppers.
 - b. Encourage Repeat Purchases - Use rewards programs to encourage customer loyalty.
 - c. Entice Reluctant Consumers - Giving away free products or services is a good way to get people to try them for the first time, which may lead to a purchase.
 - d. Providing Information - A sales promotion can help you provide information to potential customers that aids time in making a decision.

Traditional Advertising Media

1. Describe traditional types of advertising media (television, radio, print, direct mail, flyers and brochures, outdoor).
 - a. Print
 - i. Newspapers - Newspapers are one of the oldest and most disposable type of advertising. The effect must be gathered before the consumer turns the page or the usefulness of the advertisement is gone forever. Most local newspapers have a readership that consists mostly of local people in your area.
 - Advantages - short lead time, flexible, reach large audience, community prestige, intense coverage, reader control of exposure, coordination with national advertising, merchandising service, segment consumer by geography.
 - Disadvantages - short life span, may be expensive relative to other media, reading, poor reproduction, lack of creativity.
 - ii. Magazines - Magazines are a more long-term form of advertising. Magazines are more likely to be kept longer and passed off to others than newspapers. In addition, the high gloss and color content of a magazine makes it a desirable form of advertising.
 - Advantages - selectivity for demographic and geographic segments, high in quality reproduction, lasts as long as magazine is kept, prestigious advertisement if credibility of magazine is high, extra services, issue may be read by more than one person.
 - Disadvantages - long lead time, lack of flexibility in gaining attention, often limited control over location of advertisement.
 - iii. Flyers and Brochures - A more intimate, and long-form, way of engaging the consumer. Use this when you have more information than you can cram into a print ad.

- iv. Direct Mail - Printed pieces are mailed direct to the consumer. If done right, direct mail can be an effective way to engage the customer.
 - Advantages - flexibility in reaching target audience, short lead time, intense coverage, flexibility of format, complete information, easy to personalize.
 - Disadvantages - high cost per person, dependency on quality of mailing list, consumer resistance, may be considered as junk mail, may be difficult and expensive to access mailing lists.
- b. Broadcast (Television, Radio) - Until recently, broadcast advertising has been the most dominant way to reach a large number of consumers.
 - i. Television
 - Advantages - impact mass coverage, repetition, flexibility in getting attention of consumer, prestige, visual and audio capabilities, short lead time.
 - Disadvantages - temporary nature of message, high cost relative to other media, high mortality rate for commercials, evidence of public distrust, lack of selectivity, hard to target customer, requires production specialists.
 - c. Outdoor (Billboard, Point of Sale Displays, Street Furniture, Transit Advertising and Wraps, Guerrilla Advertising) - Must be short and very visible to have an impact, as well as placed in an area that receives a lot of traffic.
 - i. Advantages - inexpensive relative to other media, quick communication of simple ideas, repetition of exposure to customers, ability to promote products available for sale nearby.
 - ii. Disadvantages - brevity of the message, short exposure time, cannot target customer, public concern over ethics.
2. Identify advertising media selection criteria (reach, frequency, lead time, cost).
 - a. Nature of the Product - Consumer vs. Industrial goods

- i. Consumer goods can be advertised in mass media such as newspapers, magazines, broadcast, and outdoor advertising.
 - ii. Industrial goods can be advertised in the specialized trade, technical, and professional journals.
- b. Nature of the Market - Determined by factors such as the geographical region, size of the population, and purchasing power of the population.
- c. Objectives of Advertising - The objectives of the campaign should determine the choice of advertising media. Objectives include introducing a new product, increasing demand of an existing product, or to avoid competition by competitors.
- d. Reach - If the media has greater circulation, the message of the advertiser will reach a larger number of people.
- e. Cost - The cost of the media should be considered in relation to the amount of funds available and the circulation of the media.
- f. Type of Audience - Education level, languages, etc.
- g. Life of Advertisements - Outdoor displays, magazines, and direct mail have a relatively longer life. The life of newspaper, radio, and television advertisements is very short unless repeated regularly. Advertisers should also take into consideration the duration for which he or she wants to create the impression in the minds of the prospective customers.
- h. Media used by Competitors - The choice of media also depends upon the media used by competitors.
 - i. For example, if a product is being advertised in a newspaper, competitors will find it better to advertise them in the same newspaper.

Alternative Forms of Advertising Media

1. Recognize alternative forms of advertising media outlets (transit, aerial, cinema, product placement, directory)
 - a. Transit - Advertising placed in or on modes of public transportation or in public transportation areas.

- b. Aerial - The use of aircraft to create, transport, or display advertising media. The media can be static, such as a banner, or dynamic, such as sky-writing.
- c. Cinema - On screen and lobby ads
- d. Product Placement - The promotion of branded goods and services within the context of a show or movie, rather than an explicit advertising.
- e. Directory - Advertising that appears in a specific type of directory, such as the Yellow Pages.

Branding and Positioning

1. Explain why branding is important to the success of a business
 - a. Branding is not only about getting your target market to select you over the competition but also getting your prospects to see you as the sole provider of a solution to their problem or need.
2. Describe product positioning strategies.
 - a. Attribute Positioning - A company positions itself on an attribute such as size or number of years in existence.
 - b. Benefit Positioning - The product is positioned as the leader in a certain benefit.
 - c. Use or Application Positioning - Incorporates positioning the product as best for some use and application.
 - d. User Positioning - Involves positioning the product as best for some specific use group.
 - e. Competition Positioning - The product claims to be better in some way than a named or unnamed competitor.
 - f. Product Category Positioning - The product is positioned as the leader in a certain product category.
 - g. Quality Positioning - The product claims to be of best quality.
 - h. Price Positioning - The product offers the best price to the consumers.

Advertising and the Economy

1. Identify economic factors that affect advertising.
 - a. Changing Media
 - b. Economic Conditions
 - i. Good economic can mean bad business for some establishments.
 - In a healthy economy, many marketers and business persons are forced to offer huge discounts on their products and services to make sales.
 - c. Speculation
 - i. Marketing with end in mind
 - Savvy marketers will always monitor their external business environment to determine how it is going to affect the demand for product and services.
 - d. Price of Commodities
 - i. Marketers can make huge profits if current rates are favorable.
 - e. Availability of Subsidies
 - i. Keep the prices of goods and services lower because they provide alternatives to consumers who would have otherwise bought the needed products and services despite high prices
2. Describe how advertising stimulates the economy.
 - a. “Advertising is a powerful tool of competition. It provides valuable information about products and services in an efficient and cost-effective manner. In this way, advertising helps the economy to function smoothly - it keeps prices low and facilitates the entry of new products and new firms into the market.”

Promotion

1. Define promotional mix and explain its importance.
 - a. All the forms of communication that an organization uses to establish meaning as well as influence the buying behavior that exists among the existing and also the potential customers.

- i. It should be designed in a way that it will inform the target market about the values and benefits an organization's products or service offers.
2. Identify the steps in developing the promotional plan.
 - a. Begin with a snapshot of your company's current situation - "situation analysis"
 - i. Defines your company and its products or services, then shows how the benefits you provide set you apart from your competition.
 - b. Describe your target audience.
 - c. List your marketing goals.
 - d. Develop the marketing communications strategies and tactics you'll use - promotional mix
 - e. Set your marketing budget.

Advertising and Public Relations

1. Discuss the advantages and disadvantages fo advertising.
 - a. Advantages
 - i. Introduces a New Product in the Market
 - ii. Expansion of the Market
 - iii. Increased Sales
 - iv. Fights Competition
 - v. Enchances Good-Will - Reputation
 - vi. Educates the Consumers
 - vii. Elimination of Middlemen
 - viii. Better Quality Products
 - ix. Supports the Salesmanship
 - x. More Employment Opportunities
 - xi. Reduction in the Prices of Media (newspapers, magazines, etc.)
 - xii. Higher Standard of Living
 - b. Disadvantages
 - i. Adds to Costs

- ii. Undermines Social Values
 - iii. Confuses the Buyers
 - iv. Encourages the Sale of Inferior Products
 - v. Some Advertisement is in Bad Taste
2. Explain the need for public relations
- a. Public relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes a program of action to earn public understanding and acceptance.
 - b. Impacts of Public Relations
 - i. Maintaining a clean image, making potential customers feel at ease about working with you.
 - ii. Building community relationships which often leads to increased sales because customers want to work with people they know and respect.

The Advertising Plan

1. Identify the steps in creating an advertising plan (perform a SWOT analysis, set advertising objectives, determine the budget, develop the creative strategy, execute the plan, evaluate the plan).
- a. Perform a SWOT analysis
 - i. Strengths, Weaknesses, Opportunities, and Threats of company.
 - b. Set Advertising Objectives
 - i. What message is to be delivered to the audience?
 - c. Determine the Budget
 - i. A budget has to be planned so that there is no short of or excess of funds during the process of advertising and also there are no losses to the company.
 - d. Develop the Creative Strategy
 - e. Execute the Plan

- f. Evaluate the Plan
- 2. Recognize the various types of analyses that should be performed when creating an advertising plan.
 - a. Budget
 - b. Target Audience
 - c. Method of Advertising
 - d. Return on Expense

Creation of the Advertisement

- 1. Describe different advertising creative formats.
 - a. Format - The size, shape, layout, typography, and arrangement of information in an ad.
- 2. Identify processes involved in copywriting, art, and production stages of advertising.
 - a. Copywriting - The written element of an advertisement
 - i. Copywriting is the act of writing text for the purpose of advertising or other forms of marketing. Copywriting aims to increase brand awareness and ultimately persuade a person or group to take a particular action.
 - b. Art - The visual element of an advertisement. Designs the graphics and images used in an advertisement.
 - c. **Production**
 - i. <http://smallbusiness.chron.com/advertising-production-process-45162.htm>
 - ii. http://www.ehow.com/how-does_5406667_advertising-production-process.html
- 3. Describe various methods used to evaluate advertising effectiveness.
 - a. Pre-Testing Methods
 - i. Check-List Test
 - ii. Opinion Test
 - iii. Dummy Magazine and Portfolio Test

- iv. Inquiry Test
- v. Mechanical Tests
- b. Concurrent Testing Methods
 - i. Coincidental Surveys
 - ii. Consumer Diaries
 - iii. Mechanical Devices
 - iv. Traffic Counts
- c. Post-Testing Methods
 - i. Inquiry Tests
 - ii. Split-run Test
 - iii. Recognition Tests
 - iv. Recall Tests
 - v. Sales Tests

Consumer-Oriented Advertising

1. Define consumer-oriented advertising and explain how it is used.
 - a. Consumer-oriented advertising are ads created from the customer's perspective to make the message more appropriate and significant for customers.
2. Describe how sponsorships can be used to make a connection with consumers.
 - a. Sponsorship Advertising - A type of advertising where a company pays to be associated with a specific event or group. The idea is to get your name out and be viewed positively as a participating member of your community.

Financial Planning for Advertising

1. Explain strategies used for setting the advertising budget (percentage of sales, competition matching market share, objective and task, response model).
 - a. Percentage of Sales - Consists of calculating the percentage of sales, sales goals, and gross markup. A company should look at their past sales in order to determine how they should advertise in the future.

- i. Pros: Easy to understand and safe. Rather than predict the future, you're dealing with a known amount. Keeps budget in relation to sales volume.
 - ii. Cons: The budget is based on past performance. You may lose the opportunity to capitalize on shifts in the business climate or customer trends. Method also assumes that sales are directly related to advertising.
 - b. Competition Matching Market Share - Takes a direct look at what other leading companies in the same industry are doing and compares budgets. Comparing advertising budgets is beneficial because you can learn what advertising channels they are using and how much money they're putting into each channel.
 - i. Pros: This is an easy approach for companies with predictable sales patterns.
 - ii. Cons: Method assumes that the industry average applies to all businesses in the marketplace. Companies may ignore local market forces - and miss opportunities to increase market share - if they stick rigidly to this figure rather than boost spending.
 - c. Objective and Task - Determines a company's goals and then assigns money depending on the task that needs to be completed.
 - i. Pros: It's an accurate method because it ties the use of funds directly to the tasks you want to accomplish. If properly executed, the advertising becomes an investment, not an expense. By spending whatever is needed, the company may grow at a faster rate.
 - ii. Cons: If the advertising campaign flops, it can be pricey. You may not recoup costs on a bad promotion.
- 2. Describe the financial reports a business can use for planning and operating the company.
 - a. Balance Sheet - Provides an overview of assets, liabilities, and net worth on a stated date.
 - b. Income Statement (profit and loss statement) - Shows how the net income of the firm is arrived at over a stated period. Provides an overview of revenues, expenses, net income and earnings per share.

- c. Cash Flow Statement - Shows the inflows and outflows of cash caused by the firm's activities during a stated period.
- 3. Describe factors that affect the advertising budget.
 - a. Company's Current Situation
 - b. Role of the Advertising
 - c. Budgeting Method
 - d. Affordability
- 4. Determine whether advertising spending generates brand awareness
 - a. Yes?
- 5. Identify the cost for different forms of advertising.
 - a. Broadcast Media - Include production as well as air time and depend on how elaborate the design, talent fees, and time of day it airs.
 - b. Print Media - Determined by the size, placement, and time of year. Cost also includes creation ideation, production, and development costs.
 - c. Online - Include graphic design, copyrighting costs, and pay-per-click fees.
- 6. Explain the purpose of an advertising budget.
 - a. An advertising budget is an estimation of a company's promotional expenditures over a period of time.
 - i. The money a company is willing to set aside to accomplish its marketing objectives.
- 7. Explain rate of return on advertising investment.
 - a. Rate of Return - The gain or loss on an investment over a specified time period, expressed as a percentage of the investment's cost.
 - b. Rate of Return on Advertising - Cost of advertisement versus the extra money it brought in to the business through more sales.

Consumer Behavior

1. Identify the five-step consumer decision-making process.

- a. Problem Recognition - Consumer develops a need or a want that they want to be satisfied.
- b. Search Process - Consumer researches for products or services that can satisfy their needs or wants.
- c. Evaluating Alternatives - Consumer begins to seek out the best deal, reading reviews and comparing prices, ultimately choosing the one that satisfies most of their parameters.
- d. Selection Stage - Customer now decides on what they will purchase and will.
- e. Evaluation of Decision - Once the purchase has been made, does it satisfy the need or want? Above or below expectations?

Consumer Purchase Classifications

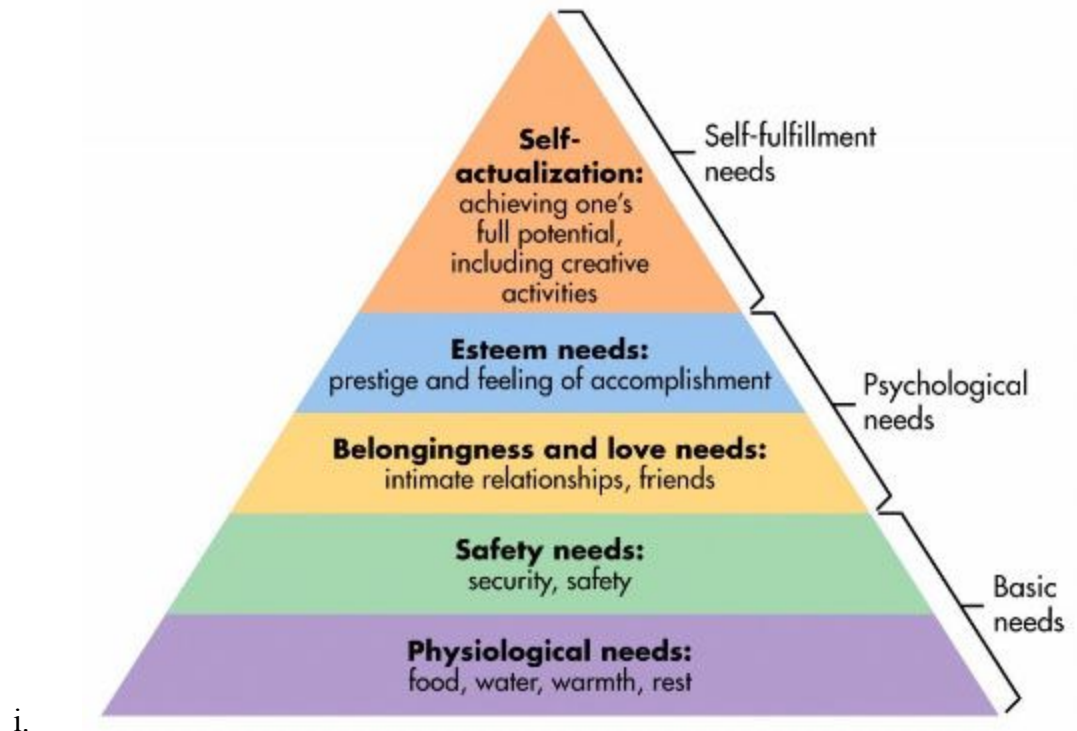
1. Distinguish between types of consumer purchases and recognize the level of consumer involvement in buying decisions.
 - a. Impulse Purchases - Consumer makes a purchase with little to no thought or planning involved. In most instances this happens with low-priced items.
 - b. Routine Purchases - Items consumers are used to purchasing on a usual basis. Customers spend very little time deciding whether or not to purchase these items and don't typically need to do research before they make routine purchases.
 - c. Limited Decision Making - Consumer may research a few options or seek advice/suggestion from someone they know, but the search is not as thorough, or as time consuming, as with a higher priced item.
 - d. Extensive Decision Making - Purchases for high priced electronics or major purchases require consumers to use extensive decision making. Consumers spend substantial amounts of time researching a high number of potential options before they buy. The decision making process lasts longer, as the consumer is investing a substantial amount of money.
2. Describe different types of consumer products.

- a. Convenience Products - A consumer product or service that customers normally buy frequently, immediately, and without great comparison or buying effort.
 - i. Bought most frequently
 - ii. Usually low-priced and placed in places readily available when consumers need or want them.
 - iii. Fast food, magazines
- b. Shopping Products - A consumer product that the customer usually compares on attributes such as quality, price, and style in the process of selecting and purchasing.
 - i. Consumers spend much more time and effort in gathering information and comparing alternatives.
 - ii. Usually less frequently purchased and more carefully compared.
 - iii. Furniture, clothing, used cars
- c. Specialty Products - Consumer products and services with unique characteristics or brand identification for which a significant group of consumers is willing to make a special purchase effort.
 - i. Requires a special purchase effort, but applies only to certain consumers.
 - ii. Specific cars, professional and high-prices photographic equipment, designer clothes
- d. Unsought Products - Consumer products that a consumer either does not know about or knows about but does not consider buying under normal conditions.
 - i. Consumers do not think about normally, at least not until they need them.
 - ii. Require much more advertising, selling, and marketing efforts than other types of consumer products.

Influences on Consumer Behavior

- 1. Discuss consumer buying motives.
 - a. Buying Motives
 - i. Desire for Financial Gain

- ii. Fear of Loss
 - iii. Comfort and Convenience
 - iv. Security and Protection
 - v. Pride of Ownership
 - vi. Satisfaction of Emotion
- b. Maslow's Hierarchy of Needs



2. Describe individual, social, and marketing influences on consumer behavior.

a. Cultural

- i. Culture - Includes the human society, the roles that the society plays, the behavior of the society, its values, customs and traditions.
- ii. Sub-Culture - The group of people who share the same values, customs, and traditions.
- iii. Social Class

b. Social

- i. Reference Groups - People whose attitudes, behavior, opinions, preferences, and values are used by an individual as the basis for his or her judgement.
 - ii. Family
 - iii. Role and Status - The roles and status that they have to maintain also influences consumer behavior as they decide to spend accordingly.
- c. Individual
 - i. Age and Life Cycle Status
 - ii. Occupation
 - iii. Financial or Economic Situations
 - iv. Life Style
 - v. Self Concept and Personality

The Target Market

1. Define target market and advertising **strategies to reach different targets.**
 - a. Target Market - The market a company wants to sell its products and services to, and it includes a targeted set of customers for whom it directs its marketing efforts.
2. Explain the process for selecting target markets.
 - a. Analyze the features of your products and services.
 - i. Determine the benefits that your customers get from your products and how your products fill the needs of those customers.
 - b. Look at the types of customers who are likely to purchase your products and use your services.
 - c. Consider the personal characteristics of your potential customers and determine how the customer's lifestyle affects a need for your products.
 - d. Look at your competition's target market.
 - i. Analyze the needs that your competition fills for their target market. Seek to fill the void within the market overlooked by the competition.

- e. Take a look at your current customer base, if your business is already operating.
- f. Compile all of your research findings to determine which types of customers have the most need for your services.

Market Segmentation

1. Differentiate between market segmentation and mass marketing.
 - a. Market Segmentation (rifle) - The process of defining and subdividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics.
 - i. Objective to design a marketing mix that precisely matches the expectations of customers in the targeted segment.
 - b. Mass Marketing (shotgun) - An attempt to appeal to an entire market with one basic marketing strategy utilizing mass distribution and mass media.
2. Describe market segmentation categories.
 - a. Demographics - Divides the larger market into groups based on several defined traits, such as age, race, gender, marital status, occupation, education, and income.
 - b. Geographic - Used by companies that sell products or service specific to a certain community, state, region, country or group of countries.
 - c. Psychographics - Identify consumers based on interests and activities in lieu of demographics.
 - d. Behavioral - Based on user behaviors, including patterns of use, price sensitivity, brand loyalty, and benefits sought.
 - e. Business Segmentation - Similar to that with consumer segmenting, which may include business size or the nature of the business.
3. Define demographics.
 - a. Demographics - The study of a population based on factors such as age, race, and sex.
4. Explain how demographics influence advertising campaigns.

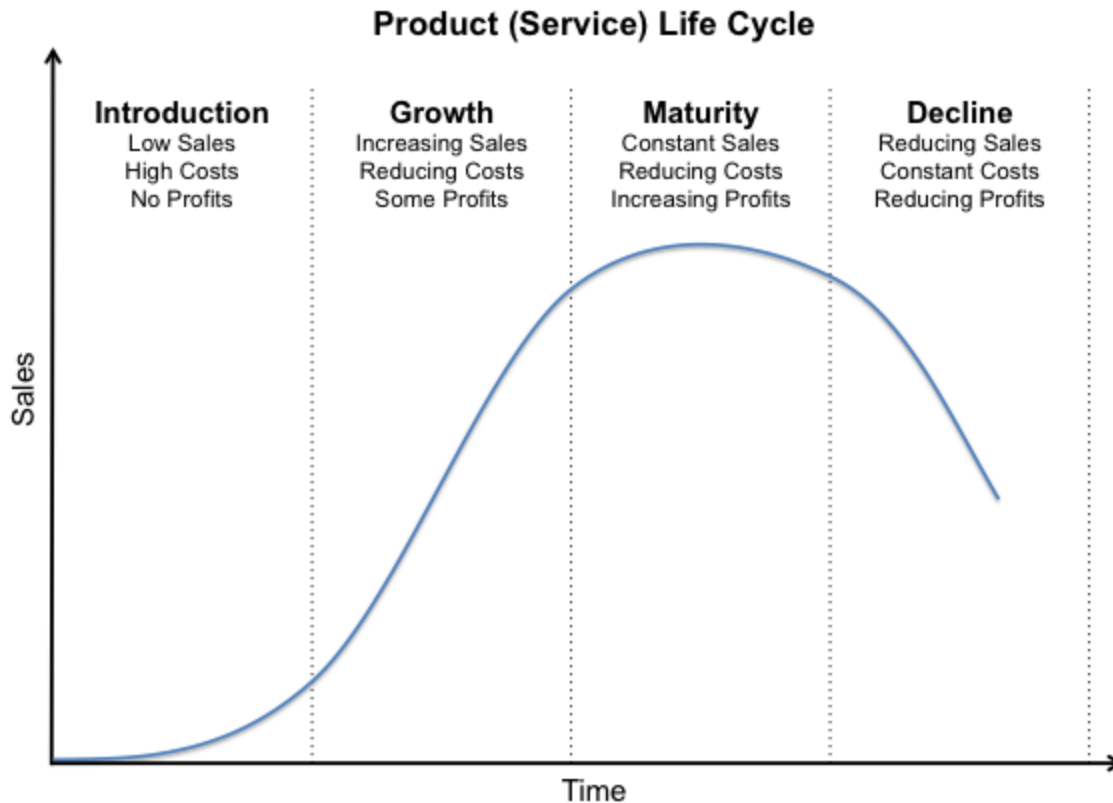
- a. Targeting consumers with similar demographic characteristics help maximize a company's sales and profits.
5. Differentiate between buying habits and buying preferences.
 - a. Buying Habits - The tendencies customers have when purchasing products and services.
 - b. Buying Preferences - Certain characteristics any consumer wants to have in a good or service to make it preferable to him or her.
6. Explain how to select market segments that have market potential.
 - a. To be useful, market segments must be measurable, accessible, substantial, differentiable, and actionable.

Product Development

1. Identify the stages of new product development.
 - a. Idea Generation
 - b. Screening the Idea
 - c. Testing the Concept
 - d. Business Analytics
 - e. Product Development
 - f. Test Marketing
 - g. Commercialization
 - h. Launch
2. Explain the various levels of products and components that make up the product mix.
 - a. Product Mix - A range of associated products that yields larger sales revenue when marketed together than if they were marketed individually or in isolation from other.
 - b. Components of Product Mix
 - i. Width - The number of product lines that a company sells.
 - ii. Length - The number of total products or items in a company's product mix.

- iii. Depth - The total number of variations for each product, which can include size, flavor, and any other distinguishing characteristic.
- iv. Consistency - How closely related product lines are to one another in terms of use, production, and distribution.

Product Life Cycle



1. Explain the stages of product life cycle.
 - a. Introduction - When a new product is first brought to market, before there is a proven demand for it, and often before it has been fully proved out technically in all respects.
 - b. Growth - Demand begins to accelerate and the size of the total market expands rapidly.
 - c. Maturity - The product is established and the aim for the manufacturer is now to maintain the market share they have built up.
 - d. Decline - Product begins to lose consumer appeal and sales drift downward.

Price Planning

1. Discuss pricing objectives used by businesses when setting prices.
 - a. Survival - Short-term losses for the sake of long-term viability.
 - b. Profit - Maximize price for long-term profitability.
 - c. Sales - Seek to boost volume or market share.
 - d. Status Quo - Encourages competition on factors other than price.
2. Compare and contrast pricing strategies (price skimming, penetration pricing, competition pricing, supply and demand pricing).
 - a. Price Skimming - Charging the highest initial price that customers will pay, then, as the demand of the first customers is satisfied, lowering the price to attract another, more price-sensitive segment.
 - b. Penetration Pricing - Offering a low price for a new product or service during its initial offering in order to lure customers away from competitors. Relies on the idea that low prices can help make a customer aware of and more willing to buy a new product.
 - c. Competition Pricing - Setting the price of a product or service based on what the competition is charging.

Channels of Distribution/Supply Chain Management

1. Explain the functions of the channel of distribution and channel members (producers, retailers, wholesalers, transportation companies, warehouses, agents and brokers, consumers).
 - a. Channel of Distribution - A chain of businesses or intermediaries through which a good or service passes until it reaches the end consumer.
 - b. Producers
 - c. Retailers - Organizations that sell products directly to final consumers
 - d. Wholesalers - Organizations that purchase products from suppliers and in turn sell these to other resellers.

- e. Transportation Companies
 - f. Warehouses
 - g. Agents and Brokers - Organizations that mainly work to bring suppliers and buyers together in exchange for a fee.
 - h. Consumers
2. Identify various distribution channel options (direct, indirect, multiple, nontaditional).
- a. Direct Channel of Distribution - Producer sells a product directly to a consumer without the help of intermediaries.
 - b. Indirect Channel of Distribution - A chain of intermediaries through which a product moves in order to be made available for purchase by a consumer.
 - c. Multiple - Using more than one type of distribution channel.
 - d. Nontraditional -
3. Describe the processes involved in supply chain management (purchasing, processing orders, warehousing and shipping, managing supply chain risks).
- a. Purchasing
 - b. Processing Orders
 - c. Warehousing and Shipping
 - d. Managing Supply Chain Risks
4. Identify factors that can influence supply chain decisions (international markets, outsourcing, digital distribution, eco-friendly practices).
5. Define logistics and explain its role in distribution
- a. Logistics - The detailed coordination of a complex operation involving many people, facilities, or supplies.
 - b. Logistics encompasses more elements of planning and information flow, whereas distribution more often describes the physical movement of goods.
6. Explain the importance of product storage, handling, and packaging in the distribution process.

Types of Promotion

1. Describe types of promotion (endorsements, word-of-mouth promotion, direct marketing).
 - a. Endorsement - A specific type of advertising that employs a celebrity or other professional to say good things about the product or service. In effect, that person is lending his or her name, and the equity that comes with it, to the brand.
 - b. Word-of-mouth Promotion - Oral or written recommendation by a satisfied customer to the prospective customers of a good or service.
 - c. Direct Marketing - Directly contacting and influencing chosen prospects with means such as telemarketing and direct mail advertising.
2. Explain the purpose and components of visual merchandising.
 - a. The purpose of visual merchandising is to display your product in a way that's visually appealing to your prospective customer and inducing them to buy it.
 - b. Components of Visual Merchandising

Marketing Research for Advertising

1. Explain the marketing research process (identify/define the problem, develop the research design, determine the method for collecting data, collect the data, analyze the data, report/present the data).
 - a. Identify/Define the Process
 - b. Develop the Research Design - Plan out the type of research that will best obtain the necessary data; the plan
 - c. Determine the Method for Collecting Data - the tool
 - d. Collect the Data
 - e. Analyze the Data - Start to formulate the story you will tell.
 - f. Report/Present the Data
2. Describe the benefits and limitations of marketing research.
 - a. <http://www.yourarticlelibrary.com/marketing/marketing-research-concept-objective-advantages-and-limitations/22286/>
3. Define primary and secondary market research.

- a. Primary Market Research - Information that comes directly from potential customers. You can compile this information yourself or hire someone else to gather it for you via surveys, focus groups, and other methods.
- b. Secondary Market Research - Market research that's already compiled and organized for you, such as reports and studies by government agencies, trade associations, or other businesses within your industry.

Developing an Effective Sales Promotion Strategy

1. Identify consumer sales promotions (coupons, price deals, rebates, premiums, loyalty marketing program sampling, contests, sweepstakes, point-of-purchase displays).
 - a. Coupons - A form of a document or electronic graphic that can be redeemed for a discount when purchasing goods or services.
 - b. Price Deals - Marking down all products, specific types of products, or a single product by a set dollar amount or a percentage.
 - c. Rebates - Return of a portion of a purchase price by a seller to a buyer, usually on purchase of a specified quantity of goods within a specified period.
 - d. Premiums (cereal toy) - Free gifts or products that consumers get when they buy the product carrying the promotion.
 - e. Loyalty Marketing Program - A rewards program offered by a company to customers who frequently make purchases.
 - f. Sampling - Gives a consumer a chance to see how well they like a product or try something they otherwise would not normally buy.
 - g. Contests - Offer the customer a chance to win prizes.
 - h. Sweepstakes
 - i. Point-of-Purchase Displays - Marketing material or advertising placed next to the merchandise it is promoting.
2. Identify trade sales promotions (push money, deal loader, trade allowance).
 - a. Push Money - Cash incentive paid by a manufacturer or distributors to the retailers to stock up on a product and display it prominently to stimulate its sales.

- b. Deal Loader - A premium given by a manufacturer to a retailer for ordering a certain quantity of product.
- c. Trade Allowance - Discount offered by producers or marketers to distribution center members usually as a short-term promotional incentive.

Consumer-Oriented Advertising and Sales Promotion

1. Explain the components of the communication process (sender, encoding the message, communication channel, receiver, decoding the message, noise, feedback).
 - a. Sender - The party that sends a message.
 - b. Encoding the Message - Transforming thoughts of the information to be conveyed into a form that can be sent, such as words.
 - c. Communication Channel - The matter in which the message is sent.
 - d. Receiver - Target of the communication.
 - e. Decoding the Message - Mentally processing the message into understanding.
 - f. Noise - Anything that interferes with the transmission and decoding of a message from its sender to its receiver.
 - g. Feedback - A message sent by the receiver back to the sender.
2. Explain the purposes of advertising and promotional communication.
3. Explain the purpose of consumer-oriented sales promotions.
 - a. Consumer-Oriented Sales Promotions - Offered to consumers as an inducement to get them to buy. Used to generate revenue or cash flow, clear out merchandise, or launch new products.

Types of Communication

1. Explain why interpersonal communication is an important part of advertising and promotion.
 - a. Term usually applied to spoken communication that takes place between two or more individuals on a personal, face-to-face level.
2. Describe other types of communication used by businesses.

- a. Verbal - Meetings, in-person interviews, telephones, and video conferencing.
- b. Written - Internal business memos, formal letters, bulletin boards, posters, etc.
- c. Electronic - email, web conferencing, social networking, company websites, online chat, text messages, etc.

Effective Advertising and Promotional Messages

1. Explain the four C's (comprehension, connection, credibility, contagiousness) of communication.
 - a. Comprehension
 - i. Does the audience get the message, the main idea, the point? What does the message instantly communicate? Can the audience play the message back?
 - b. Connection
 - i. Making a connection with a communicated idea or message means not only that the audience "gets it," but that it resonates with them, has meaning and significance for them, and usually triggers an irrational or emotional response.
 - c. Credibility
 - i. The audience needs to believe who is saying it, what is being said, and how it is being said.
 - d. Contagiousness
 - i. You want your audience to catch the message, run with it, and spread it around.
2. Describe how to create effective advertising messages

Legal and Ethical Issues Affecting Advertising

1. Explain the need for government regulation of advertising and the role of the Federal Trade Commission.
 - a. Primary Roles of the Federal Trade Commission (FTC).

- i. Protecting consumers by stopping unfair, deceptive, or fraudulent practices in the marketplace
 - ii. Ensuring that markets are open and free by enforcing antitrust laws.
2. Describe the purpose of other government regulatory agencies.
 - a. <http://adage.com/article/adage-encyclopedia/government-regulation/98679/>

Ethics in Advertising

1. Identify the ethical aspects of advertising.
 - a. Truth in Advertising
 - b. Advertising to Children
 - c. Advertising Harmful Products
 - d. Advertising Tactics
2. Explain how the FTC assures truth in advertising.
 - a. When the FTC finds a case of false advertising, it files actions in federal district court for immediate and permanent orders to stop scams; prevent fraudsters from perpetrating scams in the future; freeze their assets; and get compensation for victims.

Advertising in a Multicultural Market (Global Vision)

1. Recognize factors that have an impact on global marketing.
 - a. Political Factors
 - i. Tax policies can tempt a particular business to expand into regions where the taxes paid by businesses are significantly lower than the ones in their country of origin.
 - ii. Political Stability of Countries
 - iii. Government initiatives, which support local producers in certain regions, may work against international firms.
 - b. Economic Factors

- i. Consumers' financial status, their emotional relationship with certain products, and the ability to preserve or build upon their social status.
 - ii. Affluent vs. Emerging Markets
 - c. Social Factors
 - i. Demographics, level of education, age distribution
 - ii. Customers' motivation for purchases of products and services often stems from the perceived importance of a product for their lifestyle.
 - iii. Traditions, values or, social interactions between customers within a region.
 - iv. Gender roles within cultures
 - d. Technological Factors
 - i. Extent to which the targeted audience has access to certain technologies
 - ii. Level of confidence of customers in these regions in online payment systems
 - e. Legal Factors
 - i. Consumer protection, trade regulations, and restrictions
 - ii. Reputation of the firm
 - f. Environmental Factors
 - i. The ethical behavior of a firm in relation to the environment
 - 1. Often country - specific or, at least, region specific.
 - ii. Level of education and awareness of local consumers in relation to the importance of firms' corporate social responsibility
- 2. Describe global marketing challenges facing marketers.
 - a. Identifying a True Market Need
 - b. Dilution of Brand-Name Power
 - c. Cultural Nuance
 - d. Communication Style
 - e. Distance and Time
 - f. Finding Reliable Partners

Diversity and Advertising

1. Describe the impact of diversity on advertising.
 - a. “If your customers are different that you and they feel unrecognized, you will begin to lose them
2. Explain advertising needs for different parts of the world.
 - a. <http://smallbusiness.chron.com/examples-functional-needs-advertising-36949.html>
3. Explain the impact of multiculturalism and multi-generation of advertising activities.
 - a. Multi-Culturalism - The presence of, or support for the presence of, several distinct cultural or ethnic groups within a society.
 - b. Multi-Generation - Several generations

History of Advertising

1. Explain how advertising has changed to meet the needs of changing times.
 - a. <http://adage.com/article/special-report-the-advertising-century/ad-age-advertising-century-timeline/143661/>
 - b. https://www.youtube.com/watch?time_continue=2&v=7d3VAYGnXjY
 - c. Infograph: <http://mashable.com/2011/12/26/history-advertising/#NMJ0FOqIK5q1>
2. Describe inventions that have impacted advertising.
 - a. Radio -
 - b. TV
 - c. Video-Recording Devices - “Fast forwarding” through commercials.
 - i. In response, brands turned to product placement to integrate themselves directly into programming, and creating ads that viewers would either opt to watch or that included a logo that could be seen as a static image despite fast-forwarding.
 - d. The Internet
 - e. Cellphones/Smartphones

f. Social Media

Influences on Advertising

1. Describe environmental influences on advertising.
2. Describe consumer influences on advertising.

The Advertising Industry and Careers

1. Explain how the advertising industry works.
 - a. <https://www.thebalance.com/how-does-an-advertising-agency-work-38447>
2. Describe careers in the advertising industry.
 - a. Art Director
 - i. Responsible for creating the look of an ad, using a keen artistic eye to promote a brand or product.
 - b. Account Executive/Supervisor
 - i. Acts as the bridge between client and agency, ensuring the smooth running of client accounts.
 - c. Account Planner
 - i. Leads the team that formulates strategies and briefs for a creative team after meetings with the client.
 - d. Copywriter
 - i. Responsible for the development of advertising concepts and copy.
 - e. Production Designer
 - f. Production Director
 - i. Ensure the vision of the creative department, and the client, is brought to life in the best possible way, whilst also making sure budgets and timelines are met.
 - g. Media Buyer/Planner
 - i. Negotiating and purchasing media space and airtime on behalf of the clients.

- ii. Plans which media channels would best suit a client's campaign
- h. Creative Director
 - i. Leading the creative team in an advertising agency, the Creative Director is a motivator, communicator, and creative with a strong commercial track record.
- i. Web Designer
 - i. Bringing creative ideas across a variety of digital formats, a web designer ensures a strong visual product to meet client needs.
- j. Traffic Manager
 - i. Work closely with members of the account management and creative teams to ensure that work flows efficiently through the agency from the initial brief to the point where it is released.

3. Determine characteristics necessary for a successful career in advertising.

4. Identify the skill set needed for a successful advertising career.

- a. Listening
- b. Time Management
- c. Persuasion
- d. Decision Making
- e. Patience
- f. Money Management
- g. Problem Solving
- h. People Skills
- i. Creativity
- j. Team Player

The Internet and Advertising

- 1. Describe various types of internet advertising (e-mail, banner and pop-up advertising, search engine advertising, website advertising, blogs, social media advertising, Twitter).
 - a. Email Advertising

- b. Banner and Pop-Up Advertising
 - i. Banner Ads - Traditional frame ads; Website publishers incorporate frame ads by setting aside a particular space on the web page.
 - ii. Pop-up Ads - New windows that appear in front of the website content; newly-opened window displays the full ad so visitors can see.
 - c. Search Engine Advertising - Businesses bid on keywords in an effort to get their websites up higher on the search engine results page.
 - d. Website Advertising
 - e. Blogs
 - f. Social Media Advertising
 - i. Can be anything from a banner or image to an auto-play video.
 - ii. You can target your audience perfectly.
2. Explain what factors businesses should consider when using internet advertising (hits, page views, visits, unique visitors).
- a. Hit - Each time a web server sends a file to a browser. The number of recorded hits in a period is used as a rough measure of the website's traffic.
 - b. Page Views - An instance of an Internet user visiting a particular page on a website.
 - c. Visits - Requests for documents (webpages) from a single user or site for the first time that day, or during some other predetermined period.
 - d. Unique Visitors - The number of distinct individuals requesting pages from a website during a given period.

Self-Regulation

1. Explain the concept of self-regulation and identify how it is applied in the advertising industry.
 - a. Self-Regulation - A system created by the industry, outside of legislation, to set its own boundaries.
 - i. Advertising Industry Self-Regulation Council (ASRC)

2. Recognize how consumers can regulate business practices.

Cross-Cultural Communication

1. Recognize how verbal and nonverbal communication differ in other cultures.
 - a. High-Context vs. Low-Context
 - i. High-context cultures (Mediterranean, Slav, Central European, Latin American, African, Arab, Asian, American-Indian) leave much of the message unspecified, to be understood through context, nonverbal cues, and between-the-lines interpretation of what is actually said.
 - ii. Low-context cultures (most Germanic and English-speaking countries) expect messages to be explicit and specific.
 - b. Sequential vs. Synchronic
 - i. Sequential cultures (like North American, English, German, Swedish, and Dutch) view time synchronically, as a constant flow to be experienced in the moment.
 - In sequential cultures, businesspeople give full attention to one agenda item after another.
 - Short-term view
 - ii. Synchronic Cultures (including South America, southern Europe, and Asia) view the flow of time as a sort of circle, with the past, present, and future all interrelated.
 - Long-term planning
 - Viewed as grossly disloyal not to favor friends and relatives in business dealings.
 - c. Affective vs. Neutral
 - i. Affective - Readily showing emotions. Members of affective cultures show their feelings plainly by laughing, smiling, grimacing, scowling, and sometimes crying, shouting, or walking out of the room.
 - Italy, France, the US, Singapore

- ii. Neutral - Emotionally neutral. Members of neutral cultures do not telegraph their feelings, but keep them carefully controlled and subdued.
 - Japan, Indonesia, the UK, Norway, the Netherlands

2. Explain the importance of the translation process in global marketing.