



ADVERTISING: WHAT'S YOUR MEDIUM?

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Two decades ago, advertising was a simpler process as organizations had limited advertising options. Should we advertise on radio or television? If so, what time slot? Should we focus on print advertisements? Which magazines or newspapers? Is our target audience local, national or global? With so few options gut feeling and budget constraints often took the place of strategy.

Now fast forward to the 21st century. Not only are the same advertising mediums available, there are more of them in each category. When you add the choices created by technology, the number of possible selections can seem overwhelming. Banner and pop-up ads, streaming video, interactive video, e-mail, and promotional CDs are all viable options, depending on the specific needs and resources of the organization. In short, finding ways to touch the target audience the critical 9 times is more complex than ever before. As in days past, choosing the right advertising strategy for a specific product or service can mean the difference between success and outright failure.

Linking Advertising to ROI

The wealth of choice comes at a time when most organizations are forced to limit their selections. In today's highly competitive environment marketers must show how the advertising medium selected will increase revenues over the short and long-term. One common mistake is selecting a marketing medium simply because it worked in the past or because it seems to have mass appeal. Today's consumers are far more discriminating. Remaining loyal to advertising strategies of the past can leave an organization vulnerable to the moves of competitors or to the changing taste and knowledge levels of the target audience.

The importance of devising the right advertising strategy is demonstrated in the bottom line. In the United States, total expenditures for advertising exceed \$160 billion a year. Advertising expenditures vary according to industry, with some companies spending as little as 0.5% and some as high as 16% of total revenues. With marketing budgets shrinking, selection of the right advertising medium is critical.

Getting It Right the First Time

So which advertising medium is the right one? The right advertising medium will accomplish a firm's goals of informing, educating, persuading, and reminding the target audience. It has a strategic base and emotional appeal. In short, it is the medium used more often by the target audience.

The Pros & Cons

At the turn of this century, television and newspapers were the most popular mediums for advertising (23%), followed by direct mail (15%), radio (7%), magazines (5%), outdoor advertising (1%) and interactive media (1%). There are benefits and drawbacks associated with each:

- ❖ Television advertising is capable of reaching a large audience, takes advantage of repetition and adds a level of prestige but is hampered by high cost, lack of selectivity, and the temporary nature of the message.
- ❖ Radio advertising is low-cost, flexible, and targeted yet is prone to fragmentation due to the channel flipping habits of listeners.
- ❖ Newspapers allow for nationwide coordination, flexibility, and the use of special advertising techniques, yet the message has a short life span and may easily be missed by the hasty reading habits of consumers.
- ❖ Direct mail is profitable but profits are dependent on the selection of the mailing list, the quality of the mailer, and levels of customer resistance.
- ❖ The benefits for magazine advertising include selectivity, higher quality of reproduction, and possible prestige but the tradeoff is extremely low levels of flexibility.
- ❖ Outdoor advertising can be a beneficial way to increase local sales, yet is prone to public backlash over aesthetics.
- ❖ Internet advertising is gaining in popularity and has the potential to reach a large target audience.

However, Internet advertising is subject to target market backlash when the advertisements are intrusive or not sought by the user. And, current research indicates that only 1% of Internet users actually click on the paid-for advertising links.

Where Strategy and Advertising Intersect

So which advertising medium is best for you? That depends. However, you can initiate the process by answering a few simple questions. Are you targeting baby boomers or generation Y? Is your target audience more likely to Tivo or sit through commercials? Are they Internet savvy? Are there specialty publications aimed at this market? Why and how do they make their purchasing decisions?

For larger corporations, selecting the wrong advertising medium can cost millions. Though smaller, the potential cost – and loss – for a small business is just as great. But, with the development of a strategic marketing plan and researched knowledge of the target audience, an organization can avoid the missteps of preconceived ideas. Strategic marketing begins with a thorough analysis of the target audience and the competitive landscape. It explores the tastes, lifestyle and spending habits of the target audience, pinpoints the advertising strategies of competitors, and identifies opportunities for strategic positioning. It narrows the list of choices and increases the possibility that the choice selected will be the right one. It creates a roadmap for decision-making before and after the selection process. A solid plan reduces advertising costs, increases ROI, and links marketing and business goals to achieve the firm's overall strategy. That's smart advertising!

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