

15.3: Major Decisions in Developing an Advertising Plan

Learning Objectives

By the end of this section, you will be able to

- List the steps involved in developing an advertising plan.
- Describe the details involved in each step of advertising development.
- Discuss methods for assessing and evaluating the advertising program.

Major Advertising Decisions in an Advertising Plan

As with any successful plan, certain decisions must be made while creating an advertising plan. Advertising is expensive and should have specific objectives with clear communication to the audience to ensure the right message is sent at the right time with the biggest impact. These steps include choosing the objective(s), choosing a push or pull strategy, establishing a budget, developing the strategy, executing the program, and assessing the impact (see Figure 15.3).



Figure 15.3 Decisions in an Advertising Plan (CC BY 4.0; Rice University & OpenStax)

Establishing Advertising Objectives

The aim of advertising is to communicate something to an audience. The objectives of such communication can vary depending on the goals of the advertisement. Some common advertising objectives include information, persuasion, comparisons, and reminders. Let's explore each of these objectives in more detail.

Informative Advertising

Informative advertising is most often used when a new product is introduced to the market. The goal of informative advertising is to bring awareness to a product through educational communication to increase demand for the product. A new product can only be successful if people know it exists and why.

Specific messages of informative advertising will vary depending on the product or service. A simple teaser of a new product is effective for some products, while for others, more detailed information may be necessary so the audience understands the product.

For example, when the newest iPhone is about to be launched, Apple often uses a short and simple advertisement with only a photo of the phone and its available date. This works well for an existing brand such as Apple because consumers are already familiar with the product's brand. Conversely, when a brand-new product is brought to market that consumers may not be aware of, more information may be necessary in the message.

Persuasive Advertising

The goal of persuasive advertising is to convince consumers to purchase by highlighting the benefits of a product or service being advertised. Whereas informative advertising often uses facts and figures to introduce a product, persuasive advertising often focuses more on the audience's emotions. For example, when an automobile company advertises a brand of its SUV, it might include a scene with a family and focus on the vehicle's safety (see Figure 15.4). This is an attempt to showcase the benefits of the automobile to the consumer on an emotional level.



Figure 15.4 Car advertisements are a form of persuasion intended to appeal to consumers' emotions by highlighting the product or service benefits to the consumer. (credit: "Audi Q5 Vs BMW X3 Vs Land Rover Freelander 2 - Comparison - NRMA New Cars" by The NRMA/flickr, CC BY 2.0)

Comparative Advertising

Comparative advertising aims to showcase the benefits and values of one product over its competitors. Wendy's, a fast-food burger establishment known for its "fresh never frozen" beef, has long used comparative advertising to showcase its freshness over competitors, particularly McDonald's—its biggest competitor. The marketing team at Wendy's often uses humorous advertisements to compare its food with competitors, and in recent years, the company has become known for its humorous social media posts.

Reminder Advertising

Reminder advertising aims to bring a product back into the forefront of the consumer's mind. Typically, reminder advertising is used during the maturation stage of the product life cycle. For any well-established brand, most advertisements are considered reminder advertisements—unless the brand introduces a new product or changes to an existing product. McDonald's 2021 advertisements that remind consumers to get their friends fries if they say they don't want them is an example of reminder advertising, as the company is not introducing a new product but rather reminding audiences that McDonald's is there as a choice in fast food (Riserbato, 2021).

Push Strategy versus Pull Strategy

After choosing an objective for the advertising plan, marketers must determine whether a push or pull strategy will be most effective. A push strategy is aimed at pushing the brand in front of an audience. Often, a push strategy will utilize multiple forms of advertising media so that the product or service is in front of the consumer at multiple times. Common push strategies involve sending postcards or emails and placing ads in print and television media.

Conversely, a pull strategy is intended to bring audiences to the product. For example, if a company is launching a new game app, the company may choose to advertise in another game app. The interested consumer would then click on the advertisement and be pulled into the new product (app).

📌 Link to Learning: GameStop

GameStop is a great example of a company with push and pull strategies. [Check out its website for examples.](#)

Establishing the Advertising Budget

The next step in the advertising decision process is establishing an advertising budget. There are several approaches to this decision, but it is important to keep in mind that the advertising budget is just one component of the overall promotion budget. Table 15.1 outlines the most common approaches to budgeting.

Advertising Plan Budget

Budget Approach	Definition
Percent of sales	Budgets are set as a percentage of prior years' sales or predicted future sales.
All you can afford	Budgets are set after all other necessary expenditures have been covered in the organizational budget.
Return on investment (ROI)	Budgets are set based on the expected return, in dollars, that an advertising campaign will produce.
Competitive parity	Budgets are set based on predictions of what competitors will spend.
Objective and task	Budgets are set based on the objectives set for activities planned.

Table 15.1 Advertising Plan Budget

Companies often use previous year (or period) data to set objectives for the current or future years. Marketing budgets can use the same approach. The percentage-of-sales approach utilizes prior or predicted year sales and sets a percentage of those sales aside for advertising. This is a simple way to budget, particularly in stable markets. However, it is somewhat backward of what you have learned thus far in marketing: instead of advertising creating sales, it assumes sales creates advertisements.

Some companies budget their advertising dollars after all other organizational budgeting is complete. The all-you-can-afford approach to budgeting ensures everything else in the organization is budgeted for and then sets aside the remaining funds for advertising. This is a practical and simple approach, but it can often lead to budgets with less money than desired for much-needed advertising.

Unlike other approaches to budgeting, the return-on-investment (ROI) approach views advertising as an investment rather than a cost. The idea behind the return-on-investment (ROI) approach is that for every dollar spent on advertising, a return of that dollar—plus some—is expected. The disadvantage to this approach is the difficulty in determining exactly which ad, media, or campaign is specifically contributing to the return.

The competitive-parity approach relies on setting budgets based on the expected budgets of competitors. This approach works well in stable markets where competition is well established. However, with this approach, marketers are setting rather important budgetary decisions based on competition and can lose sight of internal objectives.

The final common approach to budgeting for advertising is the objective and task approach. The objective-and-task approach is budgeting based on the objectives set previously for the advertising plan. This approach does not consider previous sales or expected competitor budgets. However, marketers must be aware that this approach can lead to overspending when other factors are not considered.

Developing the Advertising Strategy

After marketers and other company executives set a budget for the advertising plan, it is time to work toward the advertising strategy. In this planning stage, marketers create the message and choose the appropriate media.

Creating the Advertising Message

Creating an advertising message can be difficult for marketers, particularly in the current media climate. The advertising message is the visual or auditory information that is used in an advertisement to inform or persuade the audience regarding the product,

service, or organization. Messages are usually broken down into five areas: the headline, subheading, copy, images, and call to action (SendPulse, 2022). See Table 15.2. Each area must be consistent with the others, the overall strategy of the advertising plan, and the company's values and mission.

Advertising Message Components

Message Component	Purpose	Example
Headline	Grabs the attention of the target audience	Buy One Get One Free! (BOGO)
Subheading	Clarifies the headline or provides attention details	Buy a couch, get a matching recliner free
Copy	Answers any immediate questions of the audience	Add a stylish yet comfortable look to your living room with our new rich brown couch and recliner in soft chenille fabric, built to last for generations
Image(s)	Visuals to enhance the message	An image of a family sitting on a new couch and recliner watching television
Call to action	Tells the audience what they need to do now that they have seen the advertisement	Come to our showroom today to select your couch!

Table 15.2 Advertising Message Components

Link to Learning: Advertising Messages

There are numerous examples of the message components listed in Table 15.2. Check out these articles discussing ways each of these can be successful:

- Live About article: "[Buy One Get One Free \(BOGO\) Sales Events](#)"
- Ecwid article: "[5 Effective “Buy One, Get One Free” Promotions for an Online Store](#)"
- Drip article: "[Limited-Time Offers: 10 Creative Ways to Drive More Online Sales](#)"
- HubSpot article: "[50 Call-to-Action Examples You Can't Help But Click](#)"

Selecting Advertising Media

Once the message is determined, the marketer will select which advertising media is appropriate for the message. The selection of advertising media will often be determined based on reach, frequency, impact, and engagement that the marketer is hoping for.

Reach refers to the estimated number of potential customers that can be reached with an advertising campaign. Frequency refers to how many times someone is exposed to an advertisement in a given period or how many times an advertisement is shown in a specific period.

Impact refers to how quickly members of the audience receive an advertising message. The form of media that is used will help to determine the impact of the message. For example, a direct mailing may take longer to be received by the audience than a Facebook advertisement. Finally, engagement refers to any interaction with advertising content. This becomes particularly important in digital marketing. The number of times members of an audience click on an Internet ad would measure the engagement of that particular advertisement. Clearly, the more engagement, the more likely a consumer is to make a purchase. Keep in mind that engagement can also be negative—such as a “dislike” or negative comment on a social media advertisement.

There are trade-offs between reach and frequency. It seems obvious that marketers would want an advertising campaign to reach the greatest number of people possible with one advertisement. But is one exposure enough to call a person to purchase the product? Potential consumers often must be exposed to a message more than once before they purchase. Therefore, the marketer must decide whether reaching the most people or reaching the same people the most is more beneficial to the advertising strategy.



Figure 15.5 Newspapers are a form of print media advertisement. (credit: “Business Newspaper” by bestpicko.com/flickr, CC BY 2.0)

Different Media Alternatives

As you learned earlier in this chapter, marketers choose from different forms of advertising media. Most marketing strategies do not focus on only one media but rather on a mix of media most likely to reach the target audience. Print media includes magazines, newspapers, brochures, and fliers (see Figure 15.5). Broadcast media includes radio and television.

Outdoor advertising is a very economical option because it has such a large reach. Banners, flags, wraps, events, billboards, and even automobiles are types of outdoor advertising. Most companies have shifted their budgets away from some of these more traditional media and moved to digital media. Digital media is any advertising done via the Internet, mobile phones, and other devices other than television and radio (Kindles, iPads, etc.).

Link to Learning: Car and Social Media Advertising

Have you ever seen a car drive by advertising a company or service? Some companies will pay you to advertise on your car. [Read more about three companies](#) that will pay you to put their advertisement on your car.

Check out these thought leader articles on [social media marketing trends in 2022](#) from Digital Agency Network. Also, learn about the [value and impact of social listening](#) here.

Each media has advantages and disadvantages and best uses. When marketers decide on media to be used, they must consider the product or service, the target market, and any budgetary constraints. For example, a product primarily targeted toward senior citizens would be best advertised through traditional media, while millennials are more likely to see advertisements in digital form.

Executing the Advertising Program

At this stage in the advertising plan, marketers are almost ready to release their advertisements to the chosen media. However, before doing so, most marketers will choose to test their advertising to a small group of the target audience to ensure all the messaging is clear and concise.

Pretesting the Advertising

Pretesting advertising involves research that predicts the performance of an advertisement before it airs. The three most common types of pretesting are portfolio tests, jury tests, and theater tests.

Portfolio tests consist of respondents browsing various versions of an advertisement and then being asked to recall certain details from each. Respondents are chosen from the target audience, and those advertisements most recalled by participants are chosen to air for the entire target audience.

Similarly, jury tests are a form of pretesting in which the respondents discuss the advertisements most likely to induce a purchase.

Theater tests utilize a sample of the target audience as well. In this form of pretesting, the audience is shown advertisements—usually television ads—in the context that they would be shown to the entire target market.

Assessing and Evaluating the Advertising Program

After pretests are completed, it is time for the marketers to make any necessary changes and disseminate the ads to the target audiences through the chosen media. But the advertising planning does not end there. Once advertisement messages have been out, marketers must assess and evaluate the programs. Even the best-planned and best-tested programs can still be failures.

Post-testing the Advertising

Post-testing simply refers to testing the effectiveness of a campaign after it has launched. Marketers have several ways in which they can posttest the advertising campaign.

Aided recall is a type of advertising posttest that uses cues to assist a sample audience in recalling brands and products in an advertisement.

The opposite of aided recall, unaided recall uses no cues or prompts to test the recollection of the advertisement message. The respondent is typically asked open-ended questions to gauge information retained from the advertising message.

Attitude tests investigate the attitudes of a sample target audience toward a product or service. Often, the attitude test asks the respondent to compare the advertised product with a competing product.

An inquiry test is a type of advertising posttest that runs two or more similar ads on a limited scale and determines which ads are most recalled by and effective for respondents.

Another form of advertising posttest is the sales test. The sales test determines how many sales will be made based on a test market. This test can be done as either a pretest or a posttest. As a pretest, it is used to estimate or predict future sales that the advertisement will attract. As a posttest, it measures the actual sales that can be linked to the advertisement.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

David is a marketer looking to measure the success of his new marketing campaign. Which of the following would you suggest to David?

- a. Posttest
- b. Pretest
- c. Jury test
- d. Portfolio test

2.

As a marketer in charge of a new advertising campaign, what is the first step you will utilize in planning?

- a. Determine a budget
- b. Decide on a push or pull strategy
- c. State the objectives
- d. Execute the plan

3.

If the target market for a product or service is millennials, which advertising media would you most likely choose?

- a. Digital media
- b. Outdoor advertising
- c. Newspapers
- d. Billboards

4.

Jamal is trying to explain the difference between reach and frequency to his classmates. Which of the following best describes *reach*?

- a. Interactions with an advertisement
- b. Estimated number of times a potential customer will see an advertisement
- c. How quickly the audience will be reached with an advertisement
- d. Estimated number of potential customers to see an advertisement

5.

Which of the following is the final step in the advertising plan?

- a. Assessment
- b. Strategy
- c. Budgeting
- d. Execution

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