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Advertising 101

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Introduction

While advertising may not be a typical marketing strategy for traditional farming operations, farmers and agri-entrepreneurs involved in direct-marketing, value-added or agritourism enterprises should include advertising in their marketing plan. These entrepreneurs need to become familiar with advertising fundamentals and concepts.

What is advertising?

While the term “advertising” is often thought to be synonymous with the term “marketing,” advertising is only one option for promotional strategies within a complete marketing plan. A marketing plan will likely include a combination of promotional strategies, including advertising, publicity, sampling, word-of-mouth referrals and discounting.

Advertising is an announcement made to the public to call attention to the desirable characteristics of a product or service. It requires investments of both time and finances. Done well, investments in advertising may generate sales. Done poorly, consumers may develop a negative impression of the business.

Advertising Media

Advertising can be accomplished through many types of media including newspapers, radio, magazines, television, direct mail, point of sale, outdoor (signage and billboards) and the Internet. The media type used by the target audience to learn about products and services and to make purchasing decisions need to be consistent with the advertising media chosen. It is also important to consider the advantages and disadvantages of each media type. The types of media are compared in Table 1.

Once the type of media is chosen, the specific media outlet, such as the specific newspaper or radio station, must be selected. Consider the geographic reach of the publication or station and the demographics of the readers or listeners to determine if they match the target audience of the product or service being advertised.

The placement or timing of the advertisement is also an important factor to determine. When is the target audience likely to tune in to a radio or television station? Which section of the newspaper or magazine is the target audience likely to read?

Table 1: Advantages and Disadvantages Associated with Specific Advertising Media¹

<i>Media</i>	<i>Advantages</i>	<i>Disadvantages</i>
Newspaper	Potentially large coverage area Low cost relative to other media Immediate/timely (daily or weekly) Access to many socioeconomic groups Target specific audience via specialty section Can use color Flexibility in ad size and cost Visibility of the product (i.e., picture) Use of coupons to measure effectiveness Short lead time	Inconsistent reproduction Typically one-day exposure Clutter (can be lost among other ads) May be limited to text or black-and-white Lack of movement and sound
Radio	Specific audience (demographics) Immediate/timely/multiple exposures Possible high entertainment value of ad Celebrity endorsement or pitch Time and content flexibility Use of a human voice (celebrity) Sound reinforcement	Time limitations restrict message Need for repetition Clutter (can be lost among others) Ad recall is low “Station surfing” during commercial breaks Short ad exposure
Magazines	Potentially large coverage area Can target a specific audience Can use color Flexibility in size and cost Visibility of the product (i.e., picture) Use of coupons to measure effectiveness Large repeat and secondary exposure	Clutter (can be lost among others) Cost associated with repeat exposure Lack of movement and sound Not immediate; publication may be weekly, monthly or less frequent
Television	Large coverage area Can target a specific audience Uses both visual and auditory stimulants Large repeat exposure	Can be costly to produce and air Time limitations restrict message Need for repetition/short ad recall Clutter (can be lost among other ads) Inverse relationship between hours watched and audience income
Direct Mail	Can target a specific audience More opportunity to educate on product/service benefits	Expensive (\$1 to \$2 per piece) Difficult to obtain “clean” mailing list May be perceived as junk mail/discarded unopened
Point of Sale	Can influence impulse purchasing Helps product stand out among competition Customer has opportunity for direct response at time of ad presentation (i.e., purchase)	Can be expensive Clutter (ad can be lost among other point-of-sale material)
Outdoor (signage and billboards)	Large audience exposure depending on placement Use of color Can provide information and directions Continuous exposure	Limited message length Initial production and preparation costs Ideal sites are difficult to access
Internet	Information available 24/7 Customers access at their convenience Relatively cost effective Can target types of viewers Messages can be timely Ads can be interactive Ability to use coupons to measure effectiveness	Maintenance necessary Not effective as stand-alone strategy Difficult to gauge impact Costs of development and maintenance can vary

Developing Advertisements

Advertisements should be developed to reach the target audience and designed around the business' desired image. Advertising can only be effective if the message reaches the business' specific target audience.

Advertisements and all other promotional materials should portray a consistent image for the business enterprise. The portrayal of a consistent image through all of your marketing efforts will help to build customer recognition of your business or product and decrease the potential for customer confusion.

The development and use of an appealing business name and an attractive logo will help to build awareness and recognition of the enterprise and to create consistency in marketing efforts. A graphic artist could assist in the development of a logo. The business name and logo may be trademarked so that it cannot be used by other businesses.

Preparations for advertising should begin at least two months prior to the time when the advertisements will be run. Preparations include contacting media for costs and scheduling information. If development of the advertisements will be outsourced, more time will be needed. A professional advertising agency may be able to assist in the development of effective advertisements and in determining advertisement placement. If possible, advertisements should be developed by the same source to maintain consistency.

When developing advertisements, consider the six point advertising strategy. This strategy will assist in creating a focused and comprehensive advertisement that will effectively communicate needed information to potential customers. Be sure to carefully check the advertisements for grammar and spelling errors.

Six Point Advertising Strategyⁱⁱ	
1. Primary Purpose	<i>What is the primary purpose of our advertisement?</i>
2. Primary Benefit	<i>What unique benefit can we offer customers? What primary customer value or need can my enterprise meet?</i>
3. Secondary Benefit	<i>What other key benefits will customers receive from our products or services?</i>
4. Target Audience	<i>At whom (what target market) are we aiming this advertisement?</i>
5. Audience Reaction	<i>What response do we want from our audience (come to the operation, visit a Web site, call an information line)?</i>
6. Company Personality	<i>What image do we want to convey in our advertisement?</i>

Purchasing Advertisingⁱⁱⁱ

Like many products and services, advertising is often a “get what you pay for” business. Although the rates for a four-line classified advertisement in the newspaper or a radio spot running at 3:00 am may seem like a bargain up front, they may not be an effective method to reach the specific target audience of a particular product or service.

Remember that media agencies are businesses too. Selling advertising space is how these businesses earn revenue. Media agencies and advertisers support each other in their business endeavors and need each other.

Evaluating the Effectiveness of Advertisements

During and following an advertisement campaign, it is important to evaluate the effectiveness of the advertisements in meeting the established purpose. This evaluation will help to determine if the correct media type, specific media outlet or advertisement placement was chosen or if the customers received the desired message. The information learned from the evaluation can be used to develop future advertising campaigns or make adjustments to the current campaign.

The effectiveness of advertisements can be evaluated using several methods including

- Tracking and evaluating total sales, average sales per customer or customer visits before, during and after an advertisement or series of advertisements is run
- Recording the number of coupons redeemed (if a coupon was included in the advertisement)
- Asking new customers how they heard of your business

Summary

Advertising is an investment necessary for many value-added agriculture businesses. With proper choices of media types, placement and design, advertising can be an effective component of an enterprise’s overall marketing plan.

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ⁱ Adapted from Dalton, Anne, Rob Holland, Shasta Hubbs and Kent Wolfe. *Marketing for the Value-Added Agricultural Enterprise*. The University of Tennessee Agricultural Development Center. May 2002.

ⁱⁱ Adapted from: Marchall, Maria I. The Marketing Mix: Putting the Pieces Together. Purdue University. Available online < <http://www.foodsci.purdue.edu/outreach/vap/materials/marketing.pdf> > Accessed February 15, 2005.

ⁱⁱⁱ Adapted from Clark, Patricia. *Communications Plans for Small Enterprises*.