MARKETING AND ADVERTISING STRATEGIES

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1 author:

Machu Samson
St. Paul's University

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Marketing strategy

Marketing is defined as the process by which companies create value for customers and build a strong customer relationship in order to capture value from customers in return (Kotler & Armstrong, 2008: 80).

Grant (1995) defines strategy as the overall plan for deploying resources to establish a favourable position.

Kotler and Armstrong (2009) define marketing strategy as logic by which company units hope to create customer value and achieve profitable relationships.

D**eveloping a marketing strategy**

1**. Product-market definition and analysis**

The first step in developing a marketing strategy is to set marketing objectives that you want to achieve at the end of the marketing efforts. Marketing objectives must be in line with the company's objectives and goals. They should be used to realize the overall objectives and goals of the company. It involves evaluating the complexity of the product-market structure and establishing product-market boundaries. The marketers must define product-market structures, customer profiles industry, distribution or competitive analysis and market size estimation (Douglas et al. 2006).

2**. Market segmentation**

The market consists of many types of consumers, products and needs, therefore, marketers must decide which segments offer the best opportunities. Market segmentation is the process of dividing the market into distinct groups of buyers who have different needs, wants and characteristics. Market segmentation can be based on demographics, psychographics and behavioural factor. A market segment consists of consumers who respond the same way to a given set of marketing efforts (Kotler & Armstrong, 2008: 80).

3. Defining and analyse the industry structure

After identifying and segmenting markets, the next set is for marketers to define and analyse industry structure. It involves defining the competitive areas, understanding the competitive structure and anticipating changes in the structure. Marketers must identify sources of competition, industry structures and strategic group analysis (Douglas et al. 2006).

4. Competitive analysis

After a company has decided on the market segments to enter, it must differentiate its marketing offerings for each of the target segments ads what position it wants to occupy in those segments. Differentiation is actually differentiating the marketing offerings to create superior customer value. Positioning is arranging for a product to occupy a clear, distinctive and desirable place relative to competing for products in the minds of the target consumers. Product positioning is the place the product occupies, relative to the competitor’s products in the consumer’s mind. If a product is perceived to be exactly like others on the market, consumers will have no reason to buy it. Marketers, plan positions that distinguish their products from competing for the brand and give them the greatest advantage in the target markets (Kotler & Armstrong, 2008:81).

5. Market targeting and developing a marketing mix

Market targeting involves evaluating each market segment’s effectiveness and selecting one or more segments to enter. Robinson (1978), developed two factors that should be considered in market targeting- (i) assessing market attractiveness and (ii) evaluating the company’s current or potential strengths in serving that market (Kotler & Armstrong, 2008: 83).

A company targets a market segment in which it can profitably generate the greatest customer value and sustain it over time. A company with limited resources might decide to serve only one or a few special segments while one with adequate resource might choose to serve several related segments. Most companies enter a new market by serving a single segment and if this proves successful, they add segments and eventually seeking full coverage, for example, Safaricom, when it first began its operations in Kenya, it first existed to serve as a mobile service provider, but as the results continue being successful, they added, mobile money services, internet services and selling of mobile phones.

The marketing mix is the set of controllable tactical marketing tool- price, product, promotion and place - that a company blends to produce the response it wants in the target market.

Elements of the marketing mix;
Price- the amount of money customers must pay to obtain the product or services.
Product- goods and services combination the company offers to the target market
Place- company activities that make the products available to target consumers.
Promotion- activities that communicate the merits of the product and persuade consumers to buy it.

Advertising strategy

Different companies handle advertising in different ways. In small and medium-sized companies, it can be done by the sales or marketing departments while large organizations might set up an advertising department. In both, it's important to have an advertising strategy to help them in the creation and communication of the commercials. Advertising refers to any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor (Kotler & Armstrong, 2009). An advertising strategy is a plan to reach and persuade a customer to buy a product or a service.

Developing an advertising strategy

1. Setting advertising objectives

Advertising objective refers to a specific communication task to be accomplished within a specific target audience during a specific period. Advertising objectives can be classified on the basis of primary function - inform, persuade or remind (Kotler & Armstrong, 2009)

(i) Informative advertising

It's used to inform consumers about a new product or features and to build primary demand. Its aimed at informing the market of price changes, correcting false impression, describing available services or brand, building a brand and company image, communicating customer value, telling the market about new product and suggesting new uses for a product. For example, GoTV advert that explains who to use the decoder.

(ii) Persuasive advertising

It is an advertising use to build selective demand for a brand by persuading consumers that it offers the best quality for the money. Persuasive advertising aims at persuading customers to purchase now and convincing customers to tell others about a brand.

(iii) Reminder advertising

Advertising used to maintain customer relationships and keep consumer thinking about the product or services. The objective is to keep the product in the customer's mind and reminding customers where to buy the product. For example, KFC is now open at Junction Mall. Reminder advertising is important for mature products as it helps to maintain customer relationships and keep consumers thinking about the product. Advertisers might want to maintain customer relationships by assuring existing customers that they made the right choice in buying the company's products. It can also be used to move people into immediate action.

2. Setting the advertising budget

After determining the objectives, the company next set is the advertising budget for each product (Kotler & Armstrong, 2009). An advertising budget is an estimate of a company's promotional expenditures over a certain time period. Before deciding on a specific advertising budget, companies should make certain determinations to ensure that the budget is in line with their promotional and marketing goals;

(i) Spend as much as possible: This strategy, which sets aside just enough money to fund operations, is popular with startups that see a positive return on investment on their advertising spend. The key is anticipating when the strategy will start showing diminishing returns and knowing when to switch strategies.

(ii) Allocate a percentage of sales: This is as simple as allocating a specific percentage based on the previous year's total gross sales or average sales. It is common for a business to spend 2% to 5% of annual revenues on advertising. This strategy is simple and safe but is based on past performance and may not be the most flexible choice for a changing marketplace.

(iii) Spend what the competition spends: This is as simple as adhering to the industry average for advertising costs. Of course, no market is exactly the same and such a strategy may not be sufficiently flexible.

(iii) Budget based on goals and tasks: This strategy, wherein you determine the objectives and the resources needed to achieve them, has pros and cons. On the upside, this can be the most targeted method of budgeting and the most effective. On the downside, it can be expensive and risky.

3. Creating an advertising message

No matter how big the budget, advertising can succeed only if commercial gains attention communicates well. Kotler & Armstrong (2009), there are two essentials in creating advertising messages;

(i) Message strategy

The main aim of an advert is to get target consumers to think about or reach to the product or company in a certain way. This can only be achieved by making people believe they will benefit from doing so. Developing an effective message strategy first is identifying target consumers benefits that can be used as an advertising appeal. Message strategy tends to be plain, straightforward outlining benefits and positioning points that advertisers what to stress. The advertisers must, therefore, develop a compelling creative concept that will bring the message strategy to life in a distinctive and memorable way.

Advertising appeal must be ; (a) meaningful - pointing out benefits that make a product or service more desirable or interesting to target consumers. (b) Believable - consumers must believe that the product or services will deliver the promised benefits. (c) Distinctive - telling the consumers how the product is different from or better than competing brands.

(ii) Message execution

Message execution involves finding the best style, tone, words and forms that will capture the attention of the target markets attention and their interests. The impact of an advertising message does not only depend on how it’s said but also the way it’s said. In message execution, advertisers must use elements such as style, tone, words and forms together to persuasively present customer value.

4. Selecting advertising media

After creating an advertising message, the advertiser must next decide upon which media to carry the message. Kotler & Armstrong (2009), there are factors that are considered when selecting media which include;

(i) Reach, frequency and media impact

Reach - a measure of the percentage of people in the target market who are exposed to advertising campaign during a given period of time.

Frequency - the number of times the average person in the target audience is exposed to an advertising message during a given period.

Media impact - the qualitative value of a message exposure through a given medium (impression).

(ii) Choosing among major media types

The major types of media include; television, radio, newspapers, direct mail, outdoor and magazines. Each of these media has it owns advantages and limitations. Choose a medium that will effectively and efficiently present the advertising message to the target consumers. Key here is to consider the medium's impact, message effectiveness and cost.

(iii) Selecting a specific media vehicle

Media vehicle is a specific media within each general media types such as television shows and radio programmes. Advertisers must critically evaluate each media vehicles that are offered by different media types. They must look at each media vehicles' rating- the percentage of a given population group consuming a media at a particular time. Share- the percentage of homes using TV or turned to a particular programme. Impression- a sum of all advertising exposure. And the cost per thousand (CPM)- it the cost which media vehicles charge per 000's homes or individuals delivered (Katz, 2003)

(iv) Deciding media timing

Advertisers must decide how to schedule an advert. Most adverts follow a seasonal pattern. Some do only one seasonal advertising, usually during their sales seasons (Kotler & Armstrong, 2009), for instance, St. Paul's University advertise only during intakes, to attract potential students. Advertisers can ensure greater efficiency by analysing media impacts and costs by shifting into cheaper ones. Advertisers must also choose the pattern of adverts; (i) continuity - scheduling adverts evenly within a given period, for example, Haptic advert. (ii) Pulsing - scheduling adverts unevenly over a given time of period.

5. Evaluating advertising effectiveness and returns on advertising

Kotler & Armstrong (2009) advertisers can use two ways in evaluating advertising effectiveness and returns;

(i) Communication effect

Tells whether the adverts and media are communicating well. Individual adverts can be tested before or after they run. Before an advert is placed, advertisers can show it to consumers ask how they think about it and measure message recall or attitude changes resulting from it. After an advert runs, advertisers can measure how the advert affects recall or products awareness, knowledge and preference.

(ii) Sales and profits

Although it's not easy for advertisers to directly measure the results of an advert in terms of sales and profits, they can compare past sales and profits with past advertising expenditures. Another way of measuring returns on sales and promotion is through experiments.

In conclusion, strategies are important in realizing both advertising and marketing efforts. They provider both marketers and advertisers with a blueprint.

Reference

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