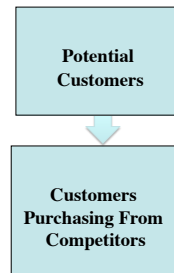


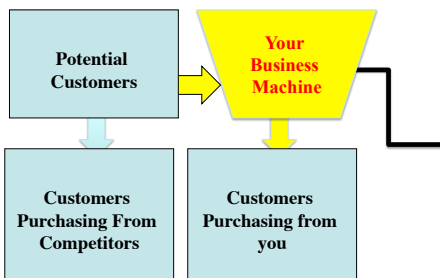
## Traditional Advertising to Purchase A Direct Model of Audience Response

Ted Mitchell

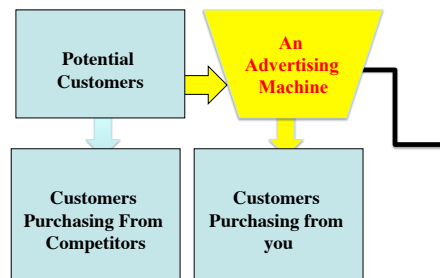
There is a simple model of business which says: if you build it they will come



If They don't Come! The business model needs Promotion and Advertising



The business model needs Promotion and Advertising



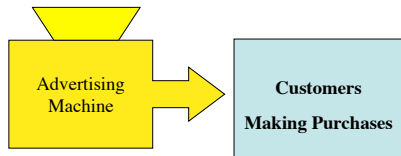
## Early Days of Advertising

- The **three classic roles** of advertising
- **1) Promote product features**
- **2) Promote a special event such as a short term price cut, end of season, fire-sale, new inventory (aka Sales Promotions)**
- **3) Reminder Advertising**

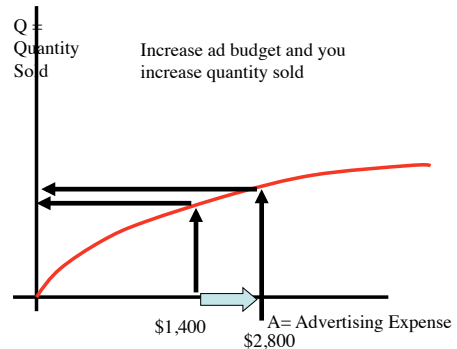
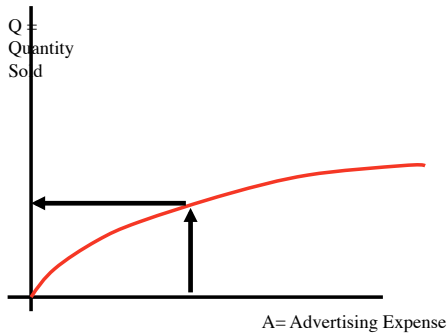
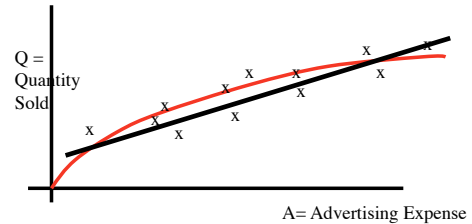
Marketing Converting Advertising into Customer Demand



In the early days of advertising the relationship between the advertising budget and the volume of goods sold was considered to be a direct relationship



Classic approach to advertising was direct:  
You advertise more and you sell more stuff

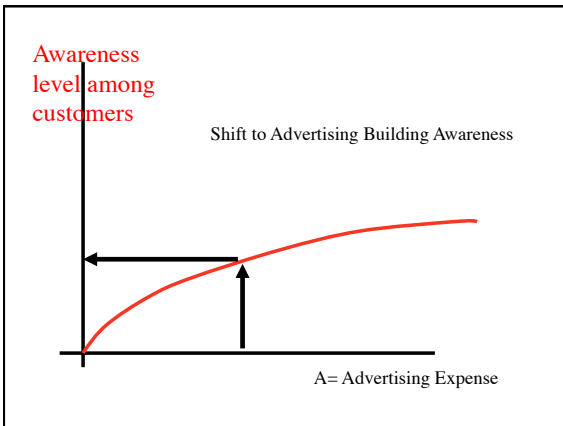
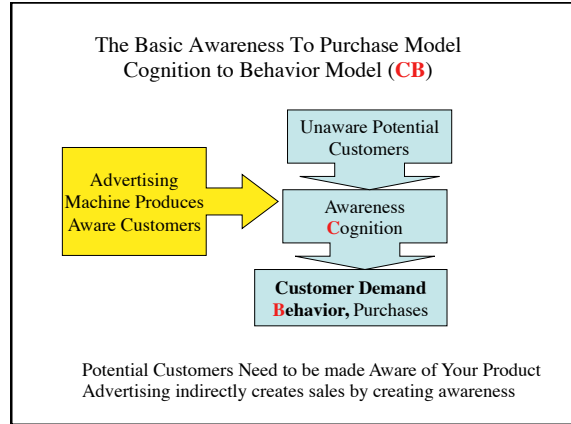
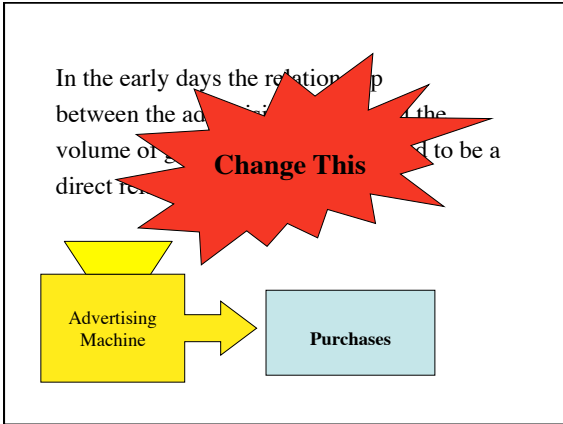


### Early Days of Advertising

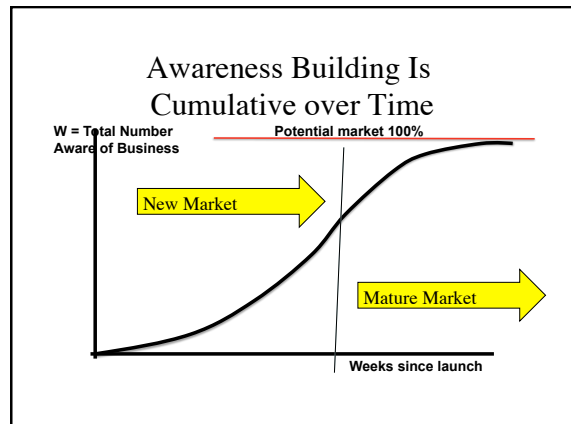
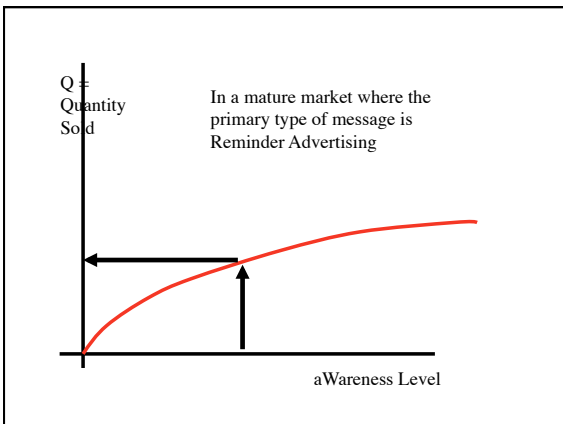
- All about the size of the potential audience
- Your advertising is so good it can convert 20% of any audience to purchase your product.
- Purchasers = 20% x audience size
- 14 purchasers = 0.2 x 70 households
- 20 purchasers = 0.2 x 100 households
- **How to get more households to see your ad?**

### Today Advertising is Part of a Indirect Communication strategy

- Change from a Direct Relationship between advertising and demand (sales volume)
- To an Indirect Relationship between Advertising to Awareness to Demand

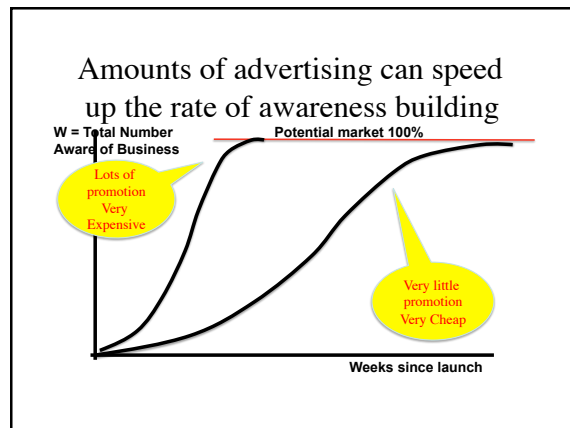
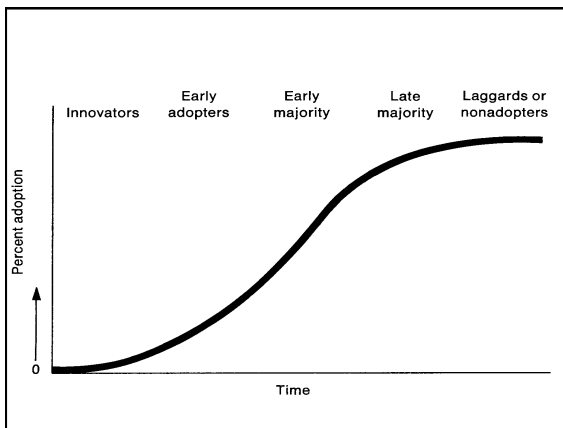
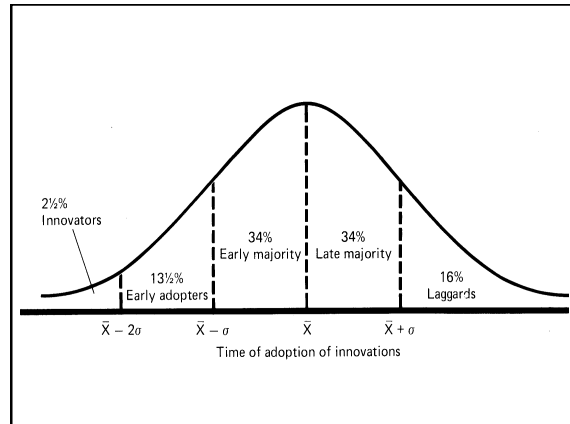


- The **three roles** of modern mass advertising
- 1) Promote **Awareness** of new product features and whole new products
  - 2) Promote **Awareness** of a special event such as a short term price cut, end of season, fire-sale, new inventory (aka **Sales Promotions**)
  - 3) Promote **Renewed Awareness** Reminder Advertising



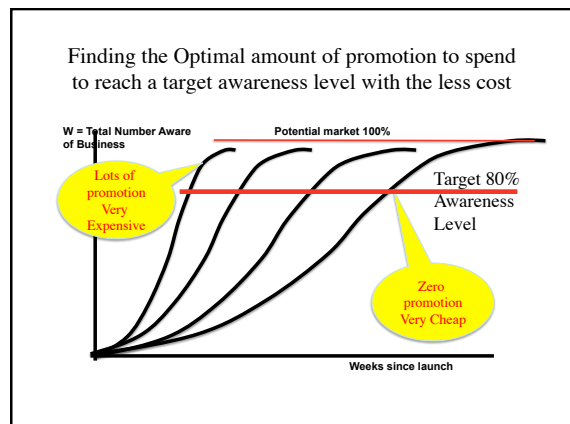
## With the Promotion of New Products

- The awareness level builds on its self through buzz, word of mouth, etc.
- Different types of people become aware at different points of time



## Move From a Single Shot Promotion every Week

- To a Cumulative Effect of an Introductory Campaign
- Track the Cumulative Promotional Effort and the Awareness



## Dashboard Items for Tracking Awareness building

Keep the rest of the mix constant	Monthly Trial #1	Monthly Trial #2	Monthly Trial #3	Monthly Trial #4	Monthly Trial #4
Total Radio Spots					
Total Print Insertions					
Type of Print Promotion					
Cumulative Promotion Budget					
Awareness level					
Monthly Revenue					
Monthly Income					

## Use a Monthly Time Frame for Groundhog Replays

Keep the rest of the mix constant	Monthly Trial #1	Monthly Trial #2	Monthly Trial #3	Monthly Trial #4	Monthly Trial #4
Total Radio Spots					
Total Print Insertions					
Type of Print Promotion					
Cumulative Promotion Budget					
Awareness level					
Monthly Revenue					
Monthly Income					

## Any Questions on

- The shift from a direct sales relationship with advertising to an indirect relationship
- Advertising to Sales
- Advertising to Awareness to Sales
- Awareness building is a cumulative process
- Rate of Awareness Building is Impacted by the amount of advertising
- Three Main Roles of Modern Advertising