

Advertising – dead or alive?

A Guest Article by Brian Ahearne
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Play a game with us

Did you read a newspaper, watch TV, listen to the radio or go online today? It doesn't matter whether it was the *FT*, GMTV, Radio 5 Live, FHM.com or your trade magazine. Just think about the content you consumed.

You might have read about the latest developments with Northern Rock, watched people interviewed about how women are earning more than men, listened to what Dave from Dagenham has to say about immigration, checked out the pictures on FHM.com or read about a new tool on sale to companies like yours.

What about the adverts? Yes, you might remember some now you're being asked, but primarily you were interested in the news and feature articles that made up the valuable content of your chosen media.

A tough market

It's no secret that the traditional advertising industry is in difficulties. TV, radio and print are complaining of a tough market. Last year ad spending on TV suffered a 4.7% fall, radio was down by 3% and there was a barely discernible 0.2% rise for national newspapers.

Traditional advertising is under increasing pressure to demonstrate return on investment (ROI) – particularly with the advent of online advertising. For the first time in the UK, spending online overtook national newspapers' share of the pie.

Wanted: predictable results

It's not so much that traditional advertising doesn't work – many businesses have been built on it. It's more that nowadays ROI is so important, unpredictable results aren't acceptable. The famous quotation that department store owner John Wanamaker coined in the 1800s still rings true: "Half the money I spend on advertising is wasted; the trouble is I don't know which half."

At least with advertising you can be sure that when you buy space for your marketing message – be it on a page of a magazine or newspaper, or in a TV or radio slot – it will be there, otherwise you don't pay. However, how many people actually take note of it is another matter.

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Riding the editorial vehicle

Tackling the problem of people ignoring your crafted marketing message is difficult. Nobody reads the papers for the adverts. Nobody watches TV, listens to the radio or even goes online for the adverts either. We flick past print ads, make a cup of tea during commercial breaks and click to close annoying pop-ups.

Adverts are an intrusion amid the information and entertainment – the editorial content – that people desire. So is the answer to create or place marketing messages in editorial content?

Growing sector

That's the stuff of the public relations industry, and the sector is growing. Veronis Suhler Stevenson, a New York investment bank that specialises in media, forecasts that, as in the case of online advertising, the combined annual growth rate (CAGR) of PR spending in the US will be between 10% and 15% until 2011. The CAGR prediction for traditional advertising is only 3.2%.

Consumers come into contact with PR every single day, mostly without even noticing. Research varies, but it is commonly estimated that 50% of the content of national newspapers is influenced by PR people. On business pages, the proportion is often much more.

Good returns

A couple of years ago Procter and Gamble – one of the largest marketers in the world – conducted an internal audit of the ROI from its various marketing activities. The return from P&G's public relations activities was frequently better than its traditional advertising campaigns.

One reason public relations delivers a good ROI is that in comparison with many other types of marketing, PR is cheap – a fact that challenges a widely held misconception that public relations is for the big company, the celebrity or the government department, not the small business.

Low costs

Public relations relies on very little capital expenditure. In P&G's case, PR can represent just 1% of a brand's marketing budget. PR people simply craft content – news, comment, features, sounds and images – and pitch them to media titles. Properly executed, the content – and hence the marketing messages – can appear in numerous media titles consumed by customers.

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Pros and cons

Of course, there are drawbacks. With PR, there aren't the same guarantees of buying the space as there are in advertising. The news agenda must come first. Otherwise the media outlet wouldn't keep the loyalty of its readers. That means that if something more important happens on the day you want your content to appear, you may be disappointed.

So it's swings and roundabouts in the battle for customers' attention.

Horses for courses

Online advertising works because it provides statistical results and can be paid for on success. Public relations works because it places marketing messages in editorial content – the stuff that people actually want to consume. With traditional advertising, when you pay for the space for your marketing messages they appear where and when you want them to.

So even though traditional advertising is being challenged by alternative methods of marketing, it's unlikely to disappear.

As Texas University's Professor of Advertising, Jef I. Richards, says: "The Death of Advertising? I think that's in the book of Revelations. It's the day when people everywhere become satisfied with their weight, their hair, their skin, their wardrobe, and their aroma."

Brian Ahearne
MD – Parker, Wayne & Kent

If you would like more information on any of the points covered in this Guest Article, please contact **TCii** on **020 7099 2621**.