



Information Booklet

# Sales and Marketing

# 11

# ADVERTISING

## for SMEs



## Introduction

**Small and Medium Enterprises Development Authority (SMEDA)** works under the Ministry of Industries and Production, Government of Pakistan and was established in 1998 with the objective to propel economic growth through development of SMEs. SMEDA serves as an SME strategy-advisory body for the Government of Pakistan and facilitates partners in meeting their SME development agendas.

SMEDA envisions growth of a globally competitive SME sector (in Pakistan), through creating an enabling environment and support services for increase in the national economy. SMEDA strives to achieve this vision by providing assistance in employment generation and value addition to the national income, through development of the SME Sector, by helping increase the number, scale and competitiveness of SMEs.

National Business Development Program for SMEs (NBDP) is a project of SMEDA which intends to provide hands-on support services to SMEs. The aim of this business development support provided by NBDP is to advance new businesses and improve efficiencies in existing SME value chains to empower them to contend in global market. NBDP expects to facilitate around 314,000 SME beneficiaries over the period of five years.

## Disclaimer

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## Objectives

- To elaborate the significance of advertising as a tool of marketing in small and medium enterprises.
- To explain the methods of advertising to increase the customers and the number of sales.

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Historically, businesses have relied upon advertisements for their promotion and business development. Advertising is the action of calling public attention to an idea, good, or service through paid announcements by an identified sponsor.

According to Kotler, a marketing guru – Advertising is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.



Essentially, advertisement is a paid communication message intended to inform people about something or to influence them to buy or try something.

There are 3 main purposes of advertising. These are:

### 1. To Inform

Advertisements are used to increase brand awareness and brand exposure in the target market. Informing potential customers about the brand and its products is the first step towards attaining business goals.

## 2. To Persuade

Persuading customers to perform a particular task is a prominent objective of advertising. The tasks may involve buying or trying the products/ services offered, form a brand image, develop a favorable attitude towards the brand etc.

## 3. To Remind

Another objective of advertising is to reinforce the brand message and to reassure the existing and potential customers about the brand vision. Advertising helps a brand to maintain top of mind awareness and to avoid competitors stealing the customers. This also helps in word of mouth marketing.

Other purposes of advertising are subsets of these three objectives. These subsets are:



### Importance of Advertising

1	<b>Reduces Per-Unit Cost</b>	The wide appeal of advertisements increases the demand for the product and resultant increase in sales benefits the organization as it capitalizes on the economies of scale.
2	<b>Helps in Brand Building</b>	Advertisements work effectively in brand building. Brands that advertise have greater recall and are therefore preferred over those which do not advertise.
3	<b>Helps in Launching New Product</b>	Launching a new product is easy when it is backed by an advertisement.
4	<b>Boosts Existing Customers' Confidence in The Brand</b>	Advertisements boost up existing customers' confidence in the brand as they get a feeling of pride when they see an advertisement of the product or the brand they use.
5	<b>Helps in Reducing Customer Turnover</b>	Strategic advertisements for new offers and better service helps reduce customer turnover.
6	<b>Attracts New Customers</b>	Attractive advertisements help the brand in gaining new customers and expanding the business.
7	<b>Educates Customers</b>	Advertisements inform the customers about different products existing in the market and also educate them in what they should look for in an apt product.

## To the Customers

## a Convenience



Targeted informative advertisements make the customer's decision-making process easier as they get to know what suits their requirements and budget.

## b Awareness



Advertising educates the customers about different products available in the market and their features. This knowledge helps customers compare different products and choose the best product for them.

## c Better Quality



Only brands advertise themselves and their products. This ensures better quality to the customers when they buy advertised goods and services as compared to unadvertised.

## To the Business

## a Awareness



Advertising increases the brand and product awareness among people belonging to the target market.

## b Brand Image



Intelligent advertising helps businesses to form desired brand image and brand personality in the minds of the customers.

## c Product Differentiation



Advertising helps businesses to differentiate its product from those of competitors' and communicate its features and advantages to the target audience.

## d Increases Goodwill



Advertising reiterates brand vision and increases goodwill of the brand among its customers.

## e Value for Money



Advertising delivers the message to a wide audience and tends to be good value for money when contrasted to other elements of the promotion mix.

## Positioning

Whether, product positioning is part of promotion or it is considered a separate 'P' within the marketing mix, it is an important element for any business. The positioning can only be achieved through very careful and rigorous advertisement.

The habit of thinking continually about how the business is positioned in the hearts and minds of the customers should be developed. How do people think and talk about the business owner when he/she not present? How do people think and talk about the business? What positioning does it have in the market, in terms of the specific words people use when they describe the business and its offerings to others? Almost all of these things are primarily dependent upon advertisement.



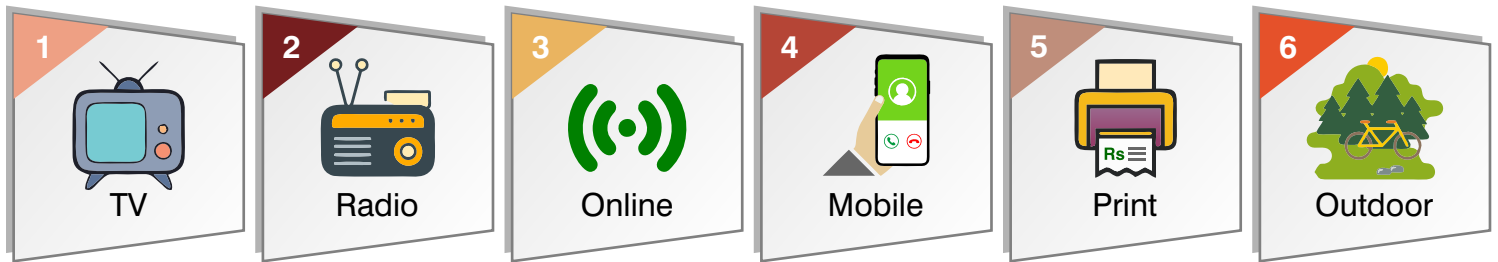
# C

## Different Methods and Types of Advertising

There are different types and methods of advertising including print, electronic, hard, direct and social media etc. in terms of channels, whereas the advertising content includes its message which is usually referred as copy and pictures (or visuals) etc. which has many forms as well. Following are some of the media channels for advertisement;



### Advertising Media



### 1. Newspaper Advertising



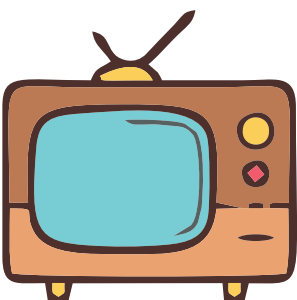
Rates vary with newspaper advertising. Qualifiers can post jobs, sales or business promotions. Sales ads provide opportunities to boost sales or getting rid of items and encourage customers to visit the place of business or to try a new product.

### 2. Journals/Magazine Advertising

Magazine rates vary widely, from beauty to the insurance, education and even crafts. Because magazines are aimed at certain specific audiences, businesses can easily address certain types of customers. For example, a beauty magazine will have more beauty products like perfume or makeup, and advertisers promote their newest cosmetics through them.



### 3. TV Advertising

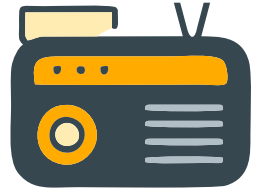


TV gives its viewers a visual representations of products or services. Advertisers pay television companies to advertise their products through commercials during films, popular television programs, news, sports events etc. The more viewers a television channel has more it would usually cost to advertise on it. The products advertised on television can include everything for home, to a toothpaste, a restaurant or even a political event.



## 4. Radio Advertising

Advertising on the radio works the same way as television where advertisers pay for commercials. Radio advertising regularly rests with popular slogans to promote products and services. Many customers associate product with a chosen slogan of a business.



## 5. Internet Advertising



Internet advertising is versatile. Most newspapers, radio stations, magazines and television programs also have an online presence. Many websites have links to advertisement web pages, and website owners are paid per click. Advertising via email is also a commonly used advertising option. One of the most commonly used online advertising medium is social media platforms.

## 6. Others

Other methods include direct mail advertising, word of mouth or advertisements in the yellow pages. Direct mail involves the business to send advertising to the home, which may include coupons, pamphlets or small items like refrigerator magnets. Word of mouth advertising will be easier for new businesses when they provide good or satisfactory service/product to customers who may in refer the product/service to tells their family, friends or colleagues.



## Steps Involved in Creative Advertising

While there can be many variations in creating an advertisement, it is generally assumed to follow a systematic approach and pattern. Following is believed to be an effective step by step process for creating an advertisement:

### Step 1: Statement of Intent

The advertiser needs to state about his intent to advertise the product, service or any other goods which has to be advertised, preferably with a brief about the business and the product.



### Step 2: Establishing the Objective

Once briefed, the ad agency starts with establishing an objective or the purpose of advertising. i.e. what message is to be delivered to the audience?



### Step 3: Market Research

The next step involves finding out the market behavior, knowing the competitors, what type of advertising they are using, what is the response of the customers, availability of the resources needed in the process, etc.



### Step 4: Target Market

It is required to identify the target market (customers) most likely to buy the product. The target customers should be comprehensively identified without any confusion, if the product is a health supplement for growing kids, then the target customers will be their parents who are going to buy it and not the kids who are going to take it.



### Step 5: Channels of Advertisement

Once the target audience is identified, an appropriate media or mix for advertising should be selected so that the customers who are to be informed about the product and are willing to buy are reached effectively and efficiently.





### Step 6: Creating a Budget

Once the preliminary concept has been acquired, the advertising budget has to be planned so that sufficient funds are available during the process of advertising and also there is no loss to the ad agency.

### Step 7: Creating the Ad

There is a detailed creative process to develop any advertisement. Initially, the outline of an ad is made on sketch board by the copywriters of the agency, then the eventual ad is prepared with help of the art section and the creative team.

### Step 8: Finalizing the Ad

The copy of ad is reviewed internally and approved by client, then the ad is refined to its final shape to be released to different channels.

### Step 9: Release and Frequency

To decide where and when the ad will be shown according to the prospective target market and determination of where and when the ad is going to be most noticeable. The duration of each release and the different times at which the ad will be telecasted or shown on the selected media will be verified by the agency.

### Step 10: Implementation

Once the release details are finalized the advertisement is placed with respective channels for execution, at appropriate place and time.

### Step 11: Monitoring and Review

To review the performance of the advertisement in terms of the response, outreach and customer's satisfaction with the advertisement and the product, and the capability of advertisement to compete with the other advertisements, etc. all the aspects are studied in detail.

Developing advertisements with these steps, the product is successfully marketed.



The brand leader must stay focused on strategy and positioning and be open to creative expression.



Following laws and obligations are present in Pakistan related to advertisements:

- Advertisements shall be in conformity with the laws for the time being in force.
- Advertisements intended for children shall not directly ask the children to buy the product.
- Advertisements shall not promote obscenity, violence or other activities harmful to human health or property.
- Advertisements of any alcoholic beverages, tobacco products, illegal drugs or narcotics shall not be aired.
- Any health-related advertisement shall not be aired without prior permission of the Federal Government or Provincial Government, as the case may be, as required under the relevant applicable laws and the advertisement aired after obtaining necessary permission shall strictly comply with the terms and conditions of the permission.
- Advertisements of lotteries, gambling or betting as prohibited under Pakistan Penal Code (Act XLV of 1860) or any other law for the time being in force shall not be aired.
- A licensee shall not advertise or promote black magic, quackery or superstition.
- Exploitation of religious or nationalistic sentiments and use of religious or national symbols and anthem purely for the purposes of promotion of a product or any quality in such product shall be prohibited.
- Advertisements shall be readily recognizable as such and kept separate from programs.
- A sponsor, advertiser or other authority shall not influence the content of a program in such a way as to impair the responsibility and editorial independence of the broadcaster.
- Where prior permission for any advertisement or program is required to be obtained under any law, such advertisement or program shall not be aired unless requisite prior permission has been obtained.



## Conclusion



Advertising is the action of calling public attention to an idea, good, or service through paid announcements by an identified sponsor. Incidentally, the purpose of advertising is to inform, persuade or remind. There are different methods of advertising including print, electronic, hard, direct and social media etc. in terms of channels, whereas the advertising content includes its message which is usually referred as copy and pictures (or visuals) etc. which has many forms as well. The advertising follows a structured approach for successful promotion of product and services. While advertising, there are legal obligations and boundaries within which advertising must remain.



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