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GCSE Business Studies

Promotion - advertising

Advertising presents or promotes the product to the target audience through media such as TV, radio, billboards to encourage them to buy.

When deciding which type of advertising to use – known as an **advertising medium** – a business needs to consider the following factors:

- ▶ **Reach of the media** – nationally or locally, the number of potential customers it could reach.
- ▶ **Nature of the product** – the media needs to reflect the image of the product; a recruitment ad would be placed in a trade magazine or newspaper but a lipstick ad would be shown on TV or women's magazines.
- ▶ **Position in product life cycle** – launch stage will need different advertising from extension strategies.
- ▶ **Cost of medium** – radio cheaper than TV, but may want to consider cost per head if reaching a larger audience.

In the printed media, advertising can take two forms:

- ▶ A **classified advert** is normally put into a newspaper by an individual and is expressed solely in words and numbers.
- ▶ A **display advert** is where space is bought in the newspaper or magazine and can be filled with words and/or pictures.

Display adverts have more impact, but are more expensive.

Advertising can also be split into two main types:

- ▶ **Persuasive advertising** - this tries to entice the customer to buy the product by informing them of the product benefit.
- ▶ **Informative advertising** - this gives the customer information. Mostly done by the government (e.g. health campaigns, new welfare benefits).

Sometimes a business will employ an **advertising agency** to deal with its needs. An agency plans, organises and produces **advertising campaigns** for other businesses. The advantage of an agency managing the campaign is that it has the expertise a business may not have, e.g. copywriters, designers and media buyers.

Businesses need to be fully aware of the laws that govern advertising. The main law is the **Trade Descriptions Act** – goods advertised for sale must be as they are described. Also the advertising industry has its own Code of Practice, and is **regulated** by the **Advertising Standards Authority** where complaints about the nature of advertising can be dealt with.

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