

THE FALL OF ADVERTISING AND THE RISE OF PR

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MAIN IDEA

Marketing has moved away from the advertising era and into the public relations (PR) era.

As evidence of this, look at all the great brands which have become established in recent years – like Starbucks, Wal-Mart, The Body Shop, Amazon.Com, Yahoo!, eBay, PlayStation, Harry Potter, Microsoft, Oracle and Intel. None of these brands have spent anything much on brand name advertising. Instead, all of these brands have become well known in their respective industries through the publicity that has been generated by having third parties in the media write about them or talk about them. Any advertising which these companies have done to build the brand came after they were well known, not before.

Public relations has now become the most effective way to build and grow a brand. PR has credibility, whereas most consumers are skeptical of any claims made in advertisements. PR generates positive perceptions of any product or service by allowing a company to tell its story indirectly through third parties, primarily the media. And, most importantly, publicity generates stories that consumers like to see or hear about because they think they're hearing about something new and exciting. By contrast, any claims made in advertising are considered to be an interruption at best and an annoyance at worst.

All of which means in any marketing campaign, PR should take the lead role. Advertising should be used to supplement and repeat the positive perceptions which have been created through the initial publicity. PR creates the brand and advertising can then be used to defend the brand. Get this balance right and your marketing campaigns can zoom ahead with confidence.

"It's the end of the era of advertising domination. Today, great brands are built with PR."

– Richard Edelman, CEO, Edelman PR Worldwide

1. The Fall of Advertising Pages 2 - 3

Advertising today is not nearly as effective at marketing products as it once was. The reasons?

1. Advertising lacks credibility with consumers.
2. The cost of any individual advertisement is now very high.
3. There is an increasing volume of ads everywhere.
4. There is a huge expansion of advertising media.

As a result, advertising has become less effective. Therefore, the advertising industry has attempted to divert attention away from generating sales towards creating awareness through "creativity" or winning industry awards.

2. The Rise of PR Pages 4 - 5

The smart way to build a brand today is with PR rather than advertising. Virtually all of the consumer brands which have become successfully established in recent times have been built with PR rather than advertising. Why? Simply because in modern life, most people are short on time. Therefore, rather than do their own research, they find out what other people think is best and go with that. And to find out what's best, they either go with word-of-mouth from people they know personally or what the media commentators state is best. PR is all about building your marketing efforts on third party endorsements from others.

3. The Future Rebirth of Advertising Page 6

Eventually, every brand runs out of publicity potential. There is nothing new to say about it. At that point, the smart thing to do is to use advertising to maintain awareness of what the brand stands for. Note, however, these types of advertisements cannot be "creative" – that will just confuse consumers. Instead, this type of advertising touches the ideas and concepts which already exist, brings them to the surface and strengthens them. The true function of advertising is to reinforce an existing message, not to try and send a new and unfamiliar message to consumers.

4. The Key Differences Between Advertising and PR Pages 7 - 8

1. Advertising is like the wind in Aesop's fable. PR is more like the sun in that same fable.
2. Advertising is spatial – it uses everything available. PR is linear – one thing leads to another and so on.
3. Advertising always launches with a "big bang". PR uses a slow, gradual sustained buildup.
4. Advertising uses pictures – it is visually oriented. PR uses words – it is verbal.
5. Advertising tries to reach everybody. PR concentrates on reaching somebody who counts.
6. Advertising is self-directed. PR lets the media dictate your marketing strategy.
7. Advertising has a limited life span. PR lives on forever.
8. Advertising is enormously expensive. PR is inexpensive.
9. Advertising has a natural bias towards line extensions. PR favors launching new brands.
10. Advertising likes using old brand and product names. PR works best with new names.
11. Advertising likes to be funny and cute. PR is serious.
12. Advertising works with existing perceptions. PR generates new and original perceptions.
13. Advertising lacks credibility. PR is highly credible.
14. Advertising is good for brand maintenance. PR is good for brand building.

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