

SAFA Entrepreneurial Lesson

Using advertisements to boost sales

Now that you have identified your target market, you are ready to start advertising.

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Advertising is a non-personal communication, paid by a sponsor to inform an audience about a product.

Let's break down this definition.

1. Non-personal means that you aren't just talking to your neighbor and telling them about your product. Often advertising efforts are directed to a much larger audience, most of whom you do not know personally.
2. The communication means which form you choose to advertise. There are multiple forms such as commercials, flyers, social media ads, newspapers, infomercials, etc.
3. The audience is the target market, and these are the people that advertising efforts are targeted towards. You want to inform an audience, who commonly experiences the problem that your product solves, about how your product is such a great solution.

There are multiple forms of advertising which you will learn in the next slides

Reminder Advertising

This is uncommon for a newly formed startup to use as an advertising technique.

This form of advertisements rely on the target audience already knowing what the brand is, and reminds them how good the product is for them to buy again.

Coca Cola commonly uses this strategy because it is very popular, and its advertisements remind the consumers about their likely enjoyable experience when drinking soda, and “reminds” them to buy it again.

As your business grows and time passes, this is a smart strategy to employ in order to attract past customers back.

Persuasive Advertising

This is the best, and most common form of advertising for a new start-up company. The goal of persuasive advertising is to emphasize the solution and quality of the product you are offering. The goal is to appeal to the emotion of the people viewing your advertisement.

You will often see this with car manufacturers like Honda and KIA. Car manufacturers commonly have popular T.V. commercials which emphasize the quality of the vehicles they sell and convince the audience that they want the cars.

Comparative Advertising

For our purposes, this is another uncommon form of advertising. These are probably the most entertaining advertisements because the company who is advertising their products will make fun of their competitor. Comparative advertising is when a company emphasizes how their products are better than their competitors.

This is uncommon to see in our simulation because the products you offer will not have competition. This is because your product was an innovation, meaning that it will not typically have competitors.

An example of this are phone carriers like Verizon, T-Mobile, and AT&T who claim that their coverage and offers are better than their competitors.

Activity Time!

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In your entrepreneur journal, write down which form of advertising you will use, and write about why you did NOT choose the other options. After you choose the type of advertisement, provide an example of a famous advertisement, which was not already mentioned, which uses the same advertising strategy.

Watch the following video about the importance of advertising

