# ON THE VALUE FOR CONSUMERS IN INSTRUMENTS OF ADVERTISING AND PUBLIC RELATIONS

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**Abstract**

*The purpose of this article is to present the results of studies on practical role of value for consumers, as a content of company's communication in the market. The main thesis is that communicational instruments are not only the vehicle to transfer the value for consumers, but the very instruments represent specific practical values. In the first part of this article some analysis of potential values of advertising and public relations are presented. In the next part, the author, on the basis of empirical data, shows how value for consumers dictates global trends in mass advertising.*

**Key words:** *mass advertising, value for consumers, value based marketing, public relations*

## 1. INTRODUCTION

The value as both goal and a subject of company's activities is becoming very popular in marketing and other managerial sciences. In the context of the so called value added marketing, success of a company is dependent upon offering maximal value to the consumer (Nilson 1992,p.44). The value, according to popular approach, is present in the product as one of marketing. This idea is explicitly expressed in formula 4 C's as marketing mixes: value for consumers, convenience, communication and cost (Lauterborn 1990).

## 2. THE NATURE OF A COMMUNICATIONAL PROCESS

If the value for consumers is basic category for contemporary marketing the value was not the main concern for traditional communicational experts. The whole content of communication was just the message sent from sender to receiver. Also traditional approach to communication was to consider consumer not as active partner. The whole art of communicating seems to be using powerful instruments, part of them to be based on imperfection of human perception.

Traditional model of the process is shown at the illustration 1.

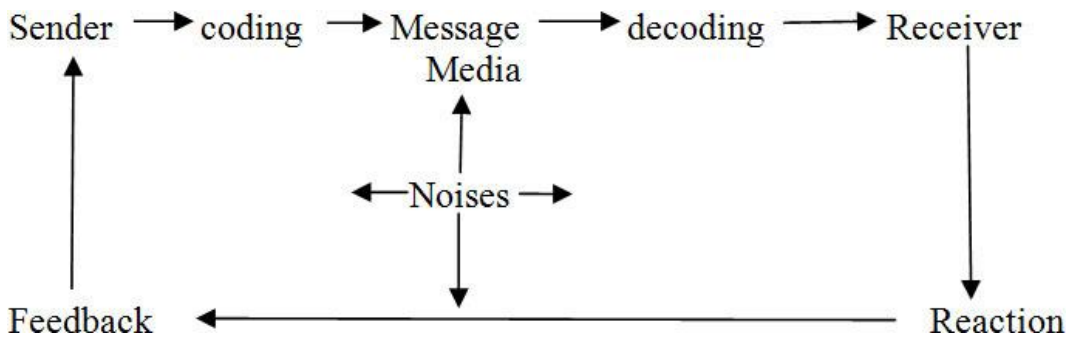


Fig.1. Traditional model of communication process.

Source: Kotler,,Armstrong et al, 2002,p. 828, Coopley 2004,p.33

The above model based on Lasswell's (1948) proposal is quite useful. First of all it helps to analyze communicational tools. What is however misleading suggestion here, is that receiver, mainly consumer in the market plays passive role.

In fact, because communication is necessary for consumer in the process of needs satisfying, consumer is also involved, as an active side in communicational processes. What could be considered also as a weakness of a model is suggesting that receivers are influenced be media tools alone. In fact, consumer as a receiver is influenced by many other factors.

So it is justifiable to use modified model of communication process as was proposed by Solomon (1999).

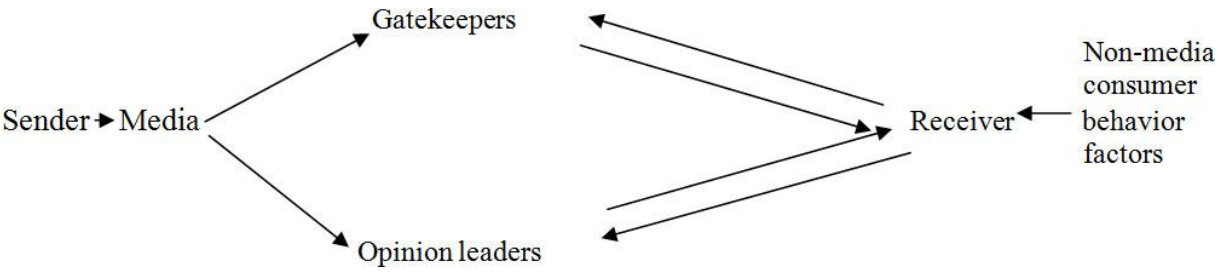


Fig.2 Modified model of communication

Source: Based on Solomon, 1999,p.355.

The main conclusion to be deducted from the model is that the starting point in communication can be receiver /consumer who wants a value from a sender. An analysis of the expected value can be important criterion for the company in the communicational processes. What is commonly accepted today is that value is something apart from communications, and communications only "transports" the value (included in product). This is accented in modern definitions of marketing. Kotler, Gronros et al. say: marketing is value creating, communicating and delivering (Kotler, Armstrong et al. 2009).

More precisely taking, however, the very communicational tools represent specific values. For instance, sales promotions may offer interesting experience, apart from financial benefit or possibility of free trials of a product. From personal selling people may expect possibility to participate in the demonstration of how product can be used.

## 3. VALUE FOR CONSUMERS IN MARKETING ADVERTISING

What is commonly accepted is informational role of advertising. General value for consumer here is information. In specific situation, however, consumer may be interested in some aspects of information, for instance, complexity of information. This is accepted today in the context of the so called content marketing.

Other value may be credibility of information. Search for credible information may result in choosing one advertising media and rejecting another. Specific version of this value is possibility for consumers to control reliability of information. This is value represented for instance, in possibility for clients of booking.com server in internet, to review the list of opinions of other clients.

Information related values are main but not the only values. Many advertising vehicles are of high functional value. It is specialty advertising that represent a whole set of utilities: watches, apparels, pieces of arts. In all above examples functional value comes well before information.

Specific values concerned with advertising may be additional functional values. Even if information remains important there are some other values that matter. Advertising media like luxury magazines

may represent value of pleasure of dealing with. TV may be convenient as a device not requiring a lot of manual activities. Social media offer value for those searching for touch with other people.

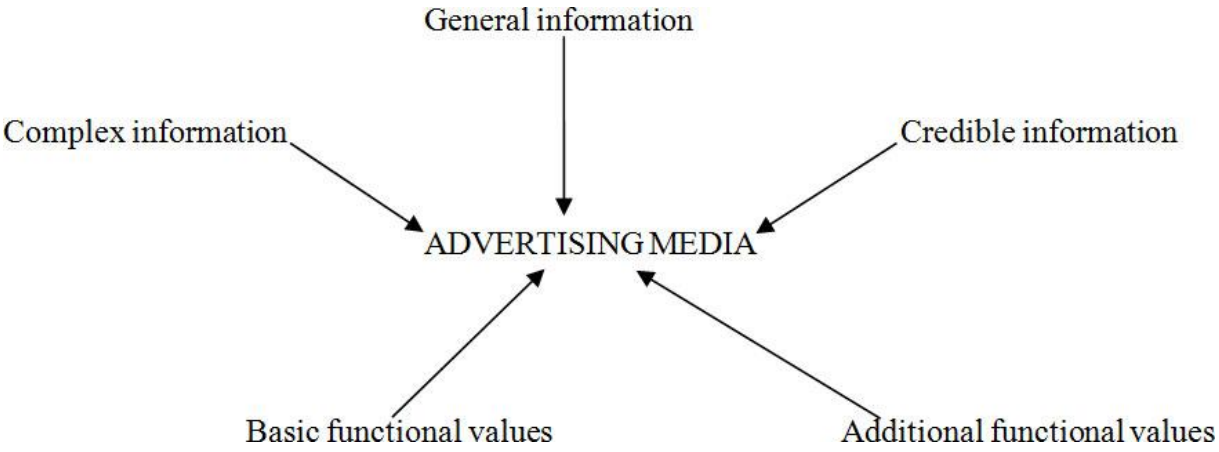


Fig.3. Values in advertising media

Source: author's own concept.

Practical use of the concept of values in advertising is better adjustment of advertising tools. Value oriented advertising may be some alternative to advertising focused on gaining big reach or on out performing other advertisers in getting to people. Also it is an alternative to focus technical power of advertising tools.

## 4. VALUE FOR CONSUMERS IN PUBLIC RELATIONS

It is remarkable that despite the fact that public relation is very old communicational instrument, it has not deserved enough sophistication in managerial terms. It can be observed using majority of definitions of public relations. For instance most definitions enlarge the role of PR to creating company's image or good will for a company. Classical interpretation of PR is one proposed by the UK Institute of Public Relations in 1948. PR is the deliberate planned and sustained effort to establish and maintain mutual understanding between an organization and its public (Copley, 2004, p. 236). In fact, both image and understanding is primarily created by basic activities by a company including product, its quality, ecological responsibility etc. So PR plays only supportive although very important role from communicational view point. To see specifics of PR as confronted with advertising, original model of the process of communication can be used (see fig.1). First of all, it is important that receivers in the context of PR, are not only consumers or potential consumers, but also many publics (Schoell, Guiltinen, 1992).

As for the channel, the specific of PR is indirect acting. This would mean that PR is necessary when direct acting is problematic. Finally as for reaction of receivers, in the context of PR, it is not direct goals like sales. Instead it is indirect effects like understanding, support or good emotion. So justification for the use of PR is the need to gain those indirect effects.

In the case of PR the scale of values is much bigger that in the advertising (see figure 4).

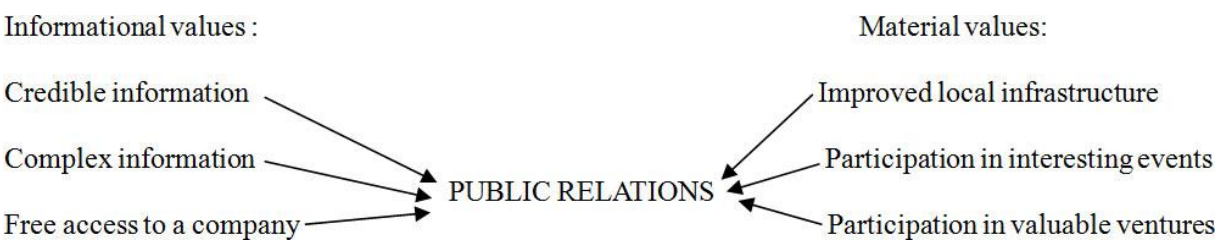


Fig.4 Examples for values in PR

Source: Author's own proposal

It is long tradition to focus on informational aspects of PR. These aspects used to be stressed even in definitions of PR. Engel et al.(1991,p.692) explained that the goal of PR was to inform many publics in environment about some aspects of company's policy or limiting the effect of company's crisis. In the context of information related values, PR differs from advertising. Value of information in PR should be credibility. It can be advocated that the providing people with more credibility makes PR stronger.

At the figure 5 some hierarchy of PR tools in the context of credibility.

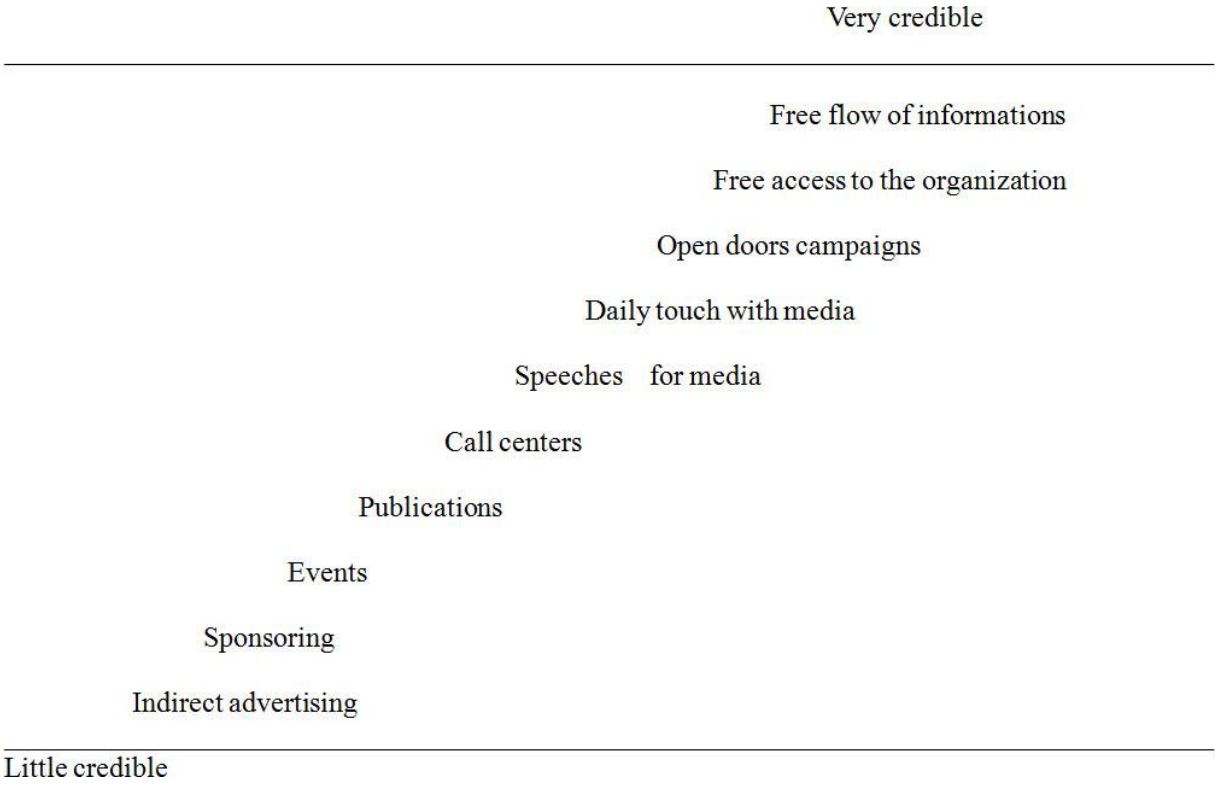


Fig 5. Ranking of PR tools with respect to the content of credibility

Source: Author's own proposal

PR tools at the bottom are less credible since they are visibly intentioned. When these tools stop being credible, the better is use next tools indicated higher in the hierarchy at the figure. So it can be argued that value expected by customers dictates what PR tools are appropriate.

PR represents a set of material values. It can be argued that consumers expect from a company some positive social activities. It may be involvement in improving local infrastructure, financing societally accepted initiatives, help to charities etc.

## 5. ROLE OF VALUE FOR CONSUMERS IN GLOBAL ADVERTISING

Even if communicational tools exert high impact on consumer behavior, it is interesting to observe on mass markets, how consumers influence communicational tools. Empirical studies were conducted on trends in global advertising (Prymon, 2013). As basic data to identify trends were used spending on advertising in the world.

General assumption posed in the interpretation of data is that in long run, structure of expenditures on advertising reflects usefulness of particular media and, in other words advertisers act in rational way.

Tab.1 Global changes in structure of advertising spending 2000-2013, share in %

| Media | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---|---|---|---|---|---|---|
| TV | 35,4 | 36,0 | 37,6 | 37,7 | 38,4 | 37,8 | 37,5 |
| Print | 46,5 | 45,9 | 44,4 | 43,6 | 42,2 | 41,3 | 39,6 |
| Radio | 9,3 | 9,2 | 9,2 | 9,2 | 9,0 | 8,8 | 8,3 |
| Out-of-home | 5,5 | 5,8 | 5,8 | 5,9 | 5,9 | 5,9 | 6,0 |
| On-line | 3,1 | 3,1 | 2,9 | 3,2 | 4,5 | 6,2 | 8,6 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

| Media | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|
| TV | 37,2 | 37,7 | 39,0 | 40,2 | 39,2 | 40,0 | 40,2 |
| Print | 37,6 | 35,0 | 32,0 | 31,3 | 29,7 | 27,4 | 26,9 |
| Radio | 8,1 | 7,7 | 7,4 | 7,2 | 7,1 | 7,0 | 6,9 |
| Out-of-home | 6,3 | 6,3 | 6,2 | 6,7 | 7,2 | 6,9 | 6,9 |
| On-line | 10,8 | 13,1 | 15,4 | 15,6 | 16,1 | 18,3 | 21,1 |
| Total | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Source: Calculated on the bases: Magnaglobal 2011 Forecast and e-Marketer, Sept 2012, Zenit Optimedia 2015

What was the most distinct observation concerned with changes at the table 1 was growing popularity of internet, as a medium. However, what was more interesting is growing importance of all remaining media, except for print media, and is still the leading role of TV. Statista (2015) projects that TV will remain the strongest medium. In 2017 it will still, according to forecasts, amount to 38,3% of global expenditure on media.

Data show the strongest position of TV ads in total advertising spending (share of 40,2%). Next comes, as still strong, print advertising (26,9%). Medium that is getting stronger is on-line advertising (21,1%).

Of minor role are out-of-home and radio (6,9% and 6,9% respectively).

In the period 2000-2013 the share of TV rose from 32,0 to 40,2%., so the change is 127,5%. In part, the change is due to growing popularity of TV in emerging economies. In India, in 2001 less that one third of households had TV set. At the beginning of 2015 the rate was about 46,0% (Trade Economics 2015). However, also in the richest countries the position of TV is dominant and is getting stronger. An average American watched 280 minutes of TV each day in 2009, which is three minutes a day more than year before (Kervin 2010).

Kervin stresses as big advantage of TV is transmitting some events- football matches, soap operas and programs like „Idol". Such programs attract huge audiences so they offer big reach for advertisers. Hypothetical explanation for dominance of TV in media is on the one side, infrastructure, the very huge usage rate of TV in households and what is more important, good context for presentation of ads on TV. Also what is remarkable is that it is especially paid TV, that gains popularity as a medium. In the period 2000-2009 the growth rate was 222,3%, and as for broadcast TV it was only 108,8%. This should advocate the conclusion that good context (attractive programs) is an advantage of TV advertising.

What is the source of problems for TV, in the light of competition from the side of internet, is that TV loses its unique specific „exclusive" advantages of color, move and so on. One of remaining advantage of TV can be impact. Impact is probably accomplished with some level of credibility. So far TV is,to some extent, „an official" medium. Bovee and Arens (1985 p.382) call this "believability". In the context of this paper it can be said that, to an extent, TV represents value of credibility.

Very visible tendency is decline in the use the print media. In the period in the period 2000- 2013, share of print media declined from 59,5% do 26,9%. In part the decline was due to declining circulation of newspapers. eMarketer evaluates that in the period 2008-2012 circulation of newspaper dropped in North America 13%, in Western Europe 24,8%, and in Eastern Europe 27,4%. In other regions there is however some increase: in the Middle East and Africa 10,8%,in Asia 9,8%, in Latin America 9,1% and in Australia 1%. At global level in 2011 there appeared some moderate increase of newspaper circulation-1,1% (Wan-Ifra,2013).

In general, however, the decline in print advertising goes much faster than decline in circulation. This decline has taken place everywhere except for Latin America, where print media revenues increased by 37,6% in the period 2008-2013. Its looks obvious that decline of print media is in part due to growth in on-line advertising. What can contribute to the declining role of newspapers is also that CPM (costs per thousands average impressions) is in newspapers five time more expensive that on-line displays (Magnaglobal 2011). Even if the idea the cheaper the better should not apply to communication, the difference between costs of two media is too big to be ignored.

Despite the decline, print media are still number two media. So it is interesting, what is advantage of print media now. Comparison between advertising in newspapers and magazines shows different potential of two media, from the view point of advertisers. One of advantages of newspapers is that they well serve local campaigns by retailers. It should be noted that the medium offers some level of measurability (inserts with coupons). Also what matters, is probable quick use the medium, as compared with TV.

Magazines traditionally offered both brand engagement and better selectiveness than newspapers. However with respect to selectiveness, magazines are more directly exposed to rivalry from internet advertising.

What can be supportive for print media, especially for newspapers is just people's life style and since then, the reach of print media. People still are reading. Research conducted in 2013 by World Association of Newspapers and News Publishers shows that more than half of worlds' adults read a daily newspaper, 2,5 mld people is doing so in the print and 0,6 mld in digital form (e-Marketer 2013). Of those who read digital press on line 0,5 mld uses both print and on-line press, and only 0,1 mld reads only on-line press. So even if today there appears more opportunities for people to get information from different media, newspapers represent important kinds of functional values for readers.

If the decline of shares of print ads is commonly observed, it is also radio that started to lose its position. In 2013 share of radio was only 73% of its share in 2000. The decline is probably concerned with high creativity constraints of radio advertising as compared with TV or internet. Even if decline of the role of radio advertising is visible, the role of the very medium is still strong. It was McLuhan (1964,1994) who predicted the death of radio. He believed that radio's time would pass because it would be gradually displaced by the so called cool media of the electronic revolution. His classification of media on hot (radio) and cool (TV) was based of aspects of information provided to receivers. In fact, radio shows a set of values other than information. Hendy (2002) pointed to the role of popular music as a value (Hendy 2002). Also Magnaglobal evalution advantages of radio indicates that in the past what was advantage of radio was offering free access to variety of music. So the value of radio was free music. Today the value is less distinct since, it is much easier for people to posses their own „stocks" of music (Magnaglobal 2011,p.22). What used to be traditional advantage of radio were participation and contribution of listeners. Some external factors could be still favorable for radio : quick use and availability for people who are in the move. So favorable factor for the growth of radio advertising is growing number of people who spend their time when driving cars.

What was some advantage of car radios, in addition to music, was an access to special information programs for drivers. Magnaglobal indicates, however, that in an addition to the fact that radio music is not necessarily the main source of music, also traffic information are today accessible using GPS based services, so the radio is not necessary (Magnaglobal, 2011 p.22).

What is really strong tendency, is the growth of on-line advertising. In the period 2000 –2013 the rate of growth of internet advertising was 680,6%. In general on-line advertising is now number three medium on global markets. In some countries it is stronger. It is already number one medium in the UK (Bruell 2014). Potential of internet in global markets is restricted by still low level of accessibility of internet, not only in the third world. However in matured countries with long tradition of the use of internet and big rate of the use of internet, like in the USA, the role of TV remains strong. What is interesting, however, are some tendencies within the framework of the medium. As indicates e-Marketer in the structure of on-line advertising spending in USA in 2011 dominant role played „Search". Its share mounted to 47,2%, and the next position belonged to „Display" –38%. Minor role played: „Classified 8%, and „ Lead generation" 5%. For mobile ads and e-mails the share was less than 1,0%. (source: eMarketer, Sept.2012). The leading role of „Search" is a result of both selectiveness of medium and creativity potential. The role of "Search" is visibly appreciation of active role of consumers in communication processes. The value offered by on-line ads is broad choice of proposals.

Comparing both „Search" and „Mobile" the two media represent some similar disadvantages. They require receiver's introductory interest in an offer. John Fanning asked the question: who is going to explore the web to find about the frozen peas?" (Smith & Taylor, 2002; 299). It is difficult to attract attention of indifferent consumers.

One of very dynamic media linked to on-line TV is mobile internet. According to forecasts by Magnaglobal growth of mobile advertising will be associated by decline in desktop internet advertising (Digiday, 2014)

What is observed is some consumers shift towards operating their smart-phones all days rather than watching TV. Magnaglobal (2014) stresses that mobile media are not devices for consumers in the move. Also at homes consumers are replacing notebooks or computers by mobile media (Magnaglobal 2014).

So one of the recent trends is growth of mobile ads spending. In 2014 these spending rose 42% (Bloomberg 2014). Statistical data shows fast growth on mobile internet advertising in the whole group of digital advertising. In 2014 the share of mobile internet reached 25% globally. Forecast for the share in UK and USA, in 2018, are about 70%.

From the view point of advertisers it is technical problem -very small screen. Also to make use of mobile internet ads is difficulty in tracing consumers by the so called cookies. Small screen may influence consumers attitudes towards the observed content. It is predictable, that there appear different attitudes toward content observed on desktop internet and smartphones and tablets. It seems that finally specific functional value expected from mobile media will dictate effectiveness of mobile advertising. What can be confusing factor could be rivalry between functionality and impact of fashion.

Probably the most rumor in todays advertising is about the role of social media ads. In fact, their role is not impressive so far. Zenith Optimedia calculates that paid for ads, appearing in social media accounted in 2011 for only 14,4% of global on-line display ads (Zenith Optimedia, 2011).

There are some constrains upon the potential of social media. IPSOS made in 2013 research on the importance of social media for people at the age 18-64 in 24 countries, and indicates that only 32% people in the USA confessed that those media are important to them. Much more acceptance was gained in less developed countries: in Turkey 64%, Brazil 63%, Indonesia 62%. In France that share was only 17% and in Japan 24% (IPSOS).

Exchange of information on products and brands between customers should, theoretically taking, vital for advertisers. In fact, talking on brands is not the most interesting topic for people. Research by IPSOS shows that only 18% Americans confessed that they forwarded the link concerned article about any product or brands to other people. For Japan it was only 2% (IPSOS 2013). From the view point of consumers however an unbeatable value offered by social media is just social contact.

## CONCLUSION

Identification of value for consumers in advertising media provides one of factors to be considered in the process of marketing communication. Consumers are active members of the process and their relations to media have to be appreciated. This appreciation is not only the question of positive attitude by a company, it is also requirement for successful communication. Companies should be less concerned with communicational creativity and searching for ways to capture as many people as possible, and more with understanding values for consumers in communicational tools.

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