

Advertising Policy and Geographic Information

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Abstract

The geographic information in advertising has known an increasing importance in the last years, being described as a mass communication made for the account of interests which are identified: that of an advertiser who pays a media to diffuse a message which is generally created by an advertising agency. The principal objectives of a commercial campaign are to increase the awareness of the brand, to create a preference for a product, to lead consumers to buy, etc. For the last few years, the sectors that have invested most in the communication domain are: distribution, food stuffs, mobile telephony, automobiles, services and beauty/hygiene products. The commercial strategies of firms, in the majority of cases, have been developed by advertising agencies specialized in creation, direct marketing, promotion, etc. These agencies assume several roles including strategic thought, conception, realization and production of commercial announcements, negotiation and transactions with the different suppliers, as well as the choice of means to diffuse the message.

Keywords: advertising, geomarketing, commercial objectives, creative content, media, relational marketing, mass communication, territorial strategies

JEL Classification: L81, M31, M37

The sums invested in advertising campaigns are very large. Thus one campaign can cost many thousands of Euros between the creation and the purchase of space in the mass media. In the light of such expenses, firms go all out and ensure that the message conceived will be effective in affecting the intended advertising target. It is to respond to this expectation, legitimate on the part of the advertisers, that geomarketing was introduced into the advertising world. This tool allows the impact of a commercial to be improved as a result of a better understanding of the individuals that it addresses in terms of socio-demographics (age, sex, socio-professional category, etc.). This information is increasingly associated with the territories of occupation and with the zones of mobility of the prospects, leading to a geo-coded information system called *geomarketing of zones* (or *of stocks*) or *of flows*. The geomarketing of stocks links the socio-demographic and behavioral characteristics of the population to spatial data (region, city, etc.). The geomarketing of flows follows the travel of individuals in a given geographic area associated with the information that qualifies them. All of these data are stored in *data warehouses* and give rise to the concept of a digital cartography system.

Increasingly, numerous service providers promote software that links map backgrounds to databases. The development and visualization of these computerized tools represent the most highly specialized uses of geomarketing. However, throughout subsequent discussion, this last term will be employed when dealing with associating with a geographic territory the quality of its inhabitants and of its passers-by.

The use of geographic information in advertising strategy

Advertising strategy can be broken down into two elements: copy strategy and the media plan. The first constituent, or the creation strategy, concerns the content and form that the message will take, which are essential factors in the performance of a commercial advertisement in terms of memorization and adhesion. More closely linked to the spatial dimension because of the geographic distribution of the media, the second constituent, or media strategy, concerns the choice of media. The objective of media planning is defined as the “selection and definition of the means of use of the media and of the supports. A media is a collection of supports of the same nature (television, radio, etc.), and a support is a physical vehicle that transports the information to the audience (CBS News, *The Financial Times*, etc.). Depending on the budget of its client, its objectives, the specificity of the product, etc., the advertising agency first asks itself where the broadcasting location of the message will be (mass media or communications channel of outside that media?).

The mass media is the collection of the vehicles of information carrying a large broadcast potential (radio, television, press, display ads, cinema, Internet). Below-the-line advertising encompasses all forms of support that do not go through the mass media (corporate patronage, sponsorship, on-site advertising, public relations, etc.). The next step is selecting the media and the support or supports to choose in order to develop the communications campaign. These are chosen according to their capacity to transmit the message to the intended target while minimizing cost, in other words by addressing the individuals who are “useful” for the advertiser (potential consumers, leaders of opinion, etc.), and this at a cost that corresponds to the budget of the client. In summary, the advertising agency’s mission is to conceive a message that will meet the objectives assigned to the campaign. To verify a campaign’s success, effectiveness tests are sometimes carried out before or after the launch of a commercial message. These tests measure indicators such as the degree of the message’s visibility, its memorization potential, its attention value, its comprehension, the membership that it sparks, its credibility, the modifications of intention and of behavior that it generates, etc.

The specific effectiveness criteria of the media plans are also evaluated in order to ensure that the advertising message has been diffused to a large number of individuals belonging to the target audience intended by the advertiser, as many times as possible, all while promoting the brand. All of these indicators together offer the advertiser more guarantees concerning the impact of the conceived message and the pertinence of the media plan chosen. They reassure, and this is why advertising agencies, firms that sell media space, are on the lookout for such criteria, which become sales arguments in attracting advertisers. Geomarketing is used in this context of research into the effectiveness of mass communications campaigns.

Geomarketing, commercial objectives and copy strategy

Increasing the effectiveness of an advertisement can be achieved through knowing the target of communication better in terms of socio-demographic characteristics, purchase behaviors, location, travel zone, etc. Geomarketing, which collects such data, aims at improving the effectiveness of campaigns, because first it allows more precise and more pertinent communication objectives to be fixed with regard to the situation of an advertiser in a considered market. For example, the national French newspaper *Le Monde* visualizes, thanks to a geomarketing system, its market shares on a map of France. Rather than launching an identical campaign throughout the national territory, territories that are under-penetrated compared to the potential sales are identified and promotions are carried out

in these particular regions (more forward placing of the newspaper on display stands, more intense point-of-sale advertising, etc.).

Second, geomarketing allows the content of an advertising message (copy strategy: promise, tone, benefit) to be targeted on the basis of local, regional or national specificities of the intended target so as to create a stronger impact. In practice, the more that individuals are implicated in and concerned by the objective of the advertisement, the higher the chance that it will be effective. For example, an advertisement for banking products will have more impact if it presents student credit in a majority student neighborhood, and real estate credit in an area where the majority of families rent their homes. In summary, having a geographic representation associated with the characteristics of the intended target is important in guiding advertisers in the objectives of their campaign and in the creation of their message. This is even more true today, now that local actions are carried out by a growing number of firms which feel that national campaigns addressing everyone but no-one in particular are not effective enough. Such territorial strategies, known as micro-marketing, result in taking a geographic criterion into account for a better adaptation of the objectives and the content of the commercial advertisement. Advertising agencies confronted with communication dilemmas segmented in territorial terms therefore have a particular interest in having a geomarketing tool to meet their expectations.

When the target of the advertiser is international, taking the culture of a given geographic area into account is equally essential to the optimization of an advertisement's creative content. The adaptation of messages is actually strongly advised in order to make gains in effectiveness. Thus, it is preferable to adopt an honest and informative tone in Germany, an entertaining and clever tone in France, a serious tone of good taste in Denmark, etc. The problem is that for obvious reasons of cost and homogeneity of the brand's image, the implementation of a strategy of adaptation is sometimes tricky. An alternative solution between total adaptation (which optimizes the impact of the campaign) and the standardization of the message (which allows substantial savings to be realized) consists of opting for a standardized positioning or *glocalization* (a neologism constructed from the expression "think global, act local"). The advertising theme and positioning are therefore identical in all countries, but marginal local modifications are carried out from the point of view of the creation of the advertisement (change in tone, colors, actors, etc.). International firms often adopt such a strategy, following the example of Coca Cola or McDonald's, which do not diffuse exactly the same message throughout the world and integrate the language and the symbols of the country in which the brand is displayed. The modification of advertisements in relation to the geographic zone of diffusion is, however, less necessary when the advertisements show basic products or high-tech products that

respond to the same objectives of use from one country to the next (razors, baby diapers, VCRs, CD burners, etc.).

Furthermore, advertisements for products that are “symbols” of a country (Levi’s jeans, hamburgers for the USA) or products that represent the *savoir-faire* of a region (luxury products for France, pasta for Italy) do not require an adaptation because they are desired because of their geographic origin, which is a synonym for image and for quality, and a commercial advertisement should, in contrast, insist on the origins of the brand by using evocative visual or verbal elements. The modification of advertisements in relation to the geographic zone of diffusion is also not necessary when the advertiser’s target is transnational, or relatively homogeneous, even if the target occupies distinct geographic territories. It has been noted that young Parisians, New Yorkers and Muscovites have similar sensibilities in terms of values, hobbies, musical tastes, etc.

Users of geomarketing for advertising means

The technology advance that has occurred makes the establishment of databases possible and the French economic crisis of the 1990s have resulted in a reduction of communications budgets dedicated to the mass media in favor of ‘below-the-line’ activities outside the media: corporate patronage, sponsoring, public relations, direct marketing. This reduction of budgets is explained by the difficulty of measuring the effectiveness of mass communication actions, by the sometimes prohibitive costs of space in the media, on the radio, in the cinema, in the press, in display ads, and by the weak impact of messages diffused in an environment overloaded with information. Because of this, advertisers are neglecting mass communication and lean more toward more individualized and relational marketing. Such a situation has obviously not left the advertising world unaffected, and more particularly the sellers of commercial space in the mass media.

Most of the time, the purchase of space goes through specific firms that manage a particular support. The clients of these firms (buyers of commercial space) are the media agencies, the advertising agencies and the advertisers. The media agencies are very important clients who negotiate with advertising space sellers the purchase of large quantities of advertising space in various types of media (television channels, radio stations, display/billboard networks, movie theaters, press inserts, websites, etc.), which are then resold to the advertising agencies or the advertisers. These products are often accompanied by related advice on the optimization of the media strategy. The growing concern of advertisers about better productivity from their investment and an increasingly competitive context have led sellers of space and media agencies to equip themselves with increasingly high-performance tools for research and optimization of media plans.

In practice, it has been proved that this tool allows an advertiser to optimize his or her advertising strategy at three levels. This will first be at the level of objectives and of the copy strategy, since this tool allows the content of a commercial message to be refined and made more effective. It is also a valuable aid in the media strategy creation framework as it allows more targeted communications actions to be developed. It offers the double advantage of optimizing the communications expenses of the advertisers while addressing a large number of prospects. Thanks to geomarketing, among other things, communications costs in certain types of mass media have regained certain dynamism and it has been possible to increase the selling price of the supports. These advantages explain why an increased number of sellers of advertising space have turned to this method.

In conclusion, when the use of geomarketing in optimizing the creation objectives and strategy of an advertising campaign is considered, it must be underlined that the precision of the information used by firms varies according to their means and their communication territory: the information is often cursory and intuitive in the case of an international communication strategy because of the cost and the difficulty of collecting reliable data that are not out of date. However, in the case of a national advertisement, the level of cartographic analysis is sometimes rather sophisticated: the decision-maker relies on administrative maps (regions, blocks) or urban maps (streets of a city) in order to adapt the objectives and the content of a commercial campaign.



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