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Advertising - advanced

What is an infomercial?

The term infomercial refers to a very specific form of television advertising. The following applies to an infomercial:

- An infomercial is an advertisement.
- An infomercial must be program long.
- An infomercial must solicit a specific direct response from a viewer.

First and foremost, an infomercial is simply another form of advertisement. It is a commercial message, and, as such, represents the viewpoints and serves the interest of the sponsor. It is what is known as a paid program.

It must be program long, and like conventional 30 second TV ads, an infomercial can run for at least a half an hour or more. A half hour is the smallest block of airtime that a television will sell without interrupting its normal programming schedules.

An infomercial must solicit a response, which is specific and quantifiable. The solicitation and the delivery of this response must be direct between the advertiser and the viewer.

Types of advertising media

TYPE	ADVANTAGES	DISADVANTAGES
Daily newspaper	Immediate exposure, reasonable cost, information stays in print.	Can be lost in large papers, high competition for consumers' attention.
Local newspaper	Good interest in local areas	Competition from national newspapers, comes out weekly only.
Magazines	By use of colour, copy can be attractive, products can be advertised in specialised industry publications.	Cost generally is high, more limited audience.
Radio	Quick and efficient, can create awareness of a product and service to target audiences, good for reaching young people and specialised groups.	Cost, needs to be consistent for the message to be effective.
Yellow Pages	Very selective audience because can be under your industry group, able to include a lot of information.	High cost, limited to those who are looking with a purpose.



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TYPE	ADVANTAGES	DISADVANTAGES
Television	Huge impact through demonstration and use of colour, motion and audio. Very large reach to target markets.	Very high cost for production, as well as for television time.
Bill boards	Size of billboard can be used to get the message across with impact.	Cost for production, as well as for rental.
Direct mail	Can select audience, timing can be planned, approach is more personal, results can be researched quickly.	High cost of production, as well as postage and printing.
Catalogues and Leaflets	Much information can be supplied; can target audiences in that market. Cheap to print. Good filler with other products	Production time and costs are high; catalogues can go out of date. Cost of preparation and delivery.
Internet	Can reach huge audience globally at low cost.	Cost of web site development and support to buyers

How much to spend

Deciding how much to spend on advertising means thinking about your costs and your cash flow as well as your intentions in the market. Since advertising is designed to boost sales you must be sure that you can produce those sales if and when they increase.

Have you costed the goods or services you intend to advertise to ensure you will make a profit on them? Remember, if you're not making a profit, then the more you sell, the more money you're going to lose.

You must also look at your cash flow situation. If you're in manufacturing remember that advertising will increase your outlay before your cash flows in. As the orders are received, you will need to purchase more goods and raw materials for production. These goods will not be paid for, for some time after production has been completed and of course you must still consider the cost of advertising, which must be met on a due date.

One of the most important questions that must be asked is "what do you want to do in the market this year and in the longer term". Do you intend to break into a new market, launch a new product or merely keep the market share that you already have? As you plan your spending to suit your aims, think about last years budget and what you can afford to spend, as well as expansion.



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What can you afford?

Some businesses take a more cautious approach and devote to advertising only what they can afford to lose. Though at first glance policy may seem safe, it can lead to a waste of money for the following reasons:

- The amount is too small to make an impact in the marketplace.
- Your expansion is so slow that competitors have time to out-manoeuve you.
- Your idea of using "only what we can afford" leads to sudden cutbacks in advertising when business declines - with the result that sales only decline further.

Further information

The following fact sheets provide further information on these issues:

- Advertising – introduction
- Marketing plan

