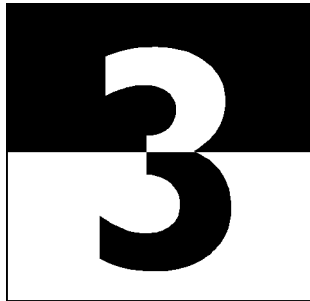


*Certificate in*  
**Advertising**



*Level 3*

*Series 2 2003*

*(Code 3002)*

**Model Answers**



# **Certificate in Advertising Level 3**

## **Series 2 2003**

### **How to use this booklet**

Model Answers have been developed by LCCIEB to offer additional information and guidance to Centres, teachers and candidates as they prepare for LCCIEB examinations. The contents of this booklet are divided into 3 elements:

- (1) Questions – reproduced from the printed examination paper
- (2) Model Answers – summary of the main points that the Chief Examiner expected to see in the answers to each question in the examination paper, plus a fully worked example or sample answer (where applicable)
- (3) Helpful Hints – where appropriate, additional guidance relating to individual questions or to examination technique

Teachers and candidates should find this booklet an invaluable teaching tool and an aid to success.

The London Chamber of Commerce and Industry Examinations Board provides Model Answers to help candidates gain a general understanding of the standard required. The Board accepts that candidates may offer other answers that could be equally valid.

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## **Certificate in Advertising Level 3**

### **Series 2 2003**

#### **QUESTION 1 (Compulsory)**

Prepare a 30-second script for a **radio commercial** to encourage young people to be more aware of pedestrians and other road users when they ride their bicycles. You can make up the details of the government department or safety organisation commissioning the commercial, but the script **must** include a contact number **or** address for listeners to request a copy of a booklet giving hints on how to be more considerate as a bicycle rider.

**(20 marks)**

#### **Model Answer to Question 1**

Script format which should show:

- Required number of spoken words (60-100)
- Technical instructions (sound effects [SFX] or other effects [EFX])
- Voice overs (indicating gender, age and tone of delivery)
- Use of music
- Sign-off/contact number/address
- Creativity based on relevance to target audience

## QUESTION 2

Write a **letter** to a potential client, explaining remuneration via commission from media owners and any other charges it would make to advertisers such as the client to whom you are writing.

**(20 marks)**

### Model Answer to Question 2

**LCCI Advertising**  
High Street  
Sidcup  
Kent DA16 8JB  
United Kingdom  
*Tel: 020 8300 5640*  
*Fax: 020 8300 5694*  
*email: lcci@btinternet.org.uk*

1 April 2003

Mr J Johnston  
Marketing Director  
ABC Manufacturing Limited  
Main Street  
Dartford  
Kent  
DA1 7FT

Dear Mr Johnston

### Payment and Charges for an Agency's Services

There are 2 basic means whereby an advertising agency receives payment for its services – commissions, in the form of discounts from the media owners, and handling charges (sometimes called 'service fees' or, wrongly, 'mark-ups').

### Commissions

Commissions were once bulk of the income for an advertising agency and they still play an important role in contributing to the agency's income especially where there is a heavy commitment to using 'above-the-line' media.

Once the schedule is agreed, the media buyer negotiates the final price for space or airtime with media advertisement manager when the commission level will be established.

Although the rate card price might be £10,000, the commission system would work as follows once the final price has been set:

|                         |   |           |                        |
|-------------------------|---|-----------|------------------------|
| Negotiated price        | = | £9,000    |                        |
| Commission (10%)        | = | £900      | (discounted to agency) |
|                         |   | <hr/>     |                        |
| Cost to agency          | = | £8,100    |                        |
| Mark-up/Handling Charge | = | £1,429.65 | (17.65%)               |
|                         |   | <hr/>     |                        |
| Actual total cost       | = | £9,529.65 |                        |

To receive these discounts the agency has to have 'Recognition' from the trade associations representing the media which, among other things, ensures that the agency has creditworthiness.

## **Model Answer to Question 2 continued**

In some cases, the discounts can be split with the client and agency sharing rebated commissions but the commissions paid to the advertising agency are for acting as an agent for publications and broadcasting stations but it plays fair with the advertiser (its client) by passing on savings and buying prudently.

### **Handling charges**

With the move towards a fuller range of services, advertising agencies also earn income from the mark-ups and handling charges for projects that they undertake on behalf of clients (including sales promotion, exhibitions and display material). This applies when work is done entirely within the agency or when it may be only managed by the agency and let out on contract to external suppliers or subsidiary divisions or companies. A standard 17.65% is added onto the internal costs or the charges made by the external supplier which also includes creative or production work on advertisements and commercials.

### **Fee based systems**

These are other forms of payment that an advertising agency and a client could negotiate:

- *Fee plus commission*
- *Flat fee only*
- *Cost plus*
- *Cost plus fee*

The first system with charges for executive time, advice and consultancy (in addition to the monies earned from commissions) is typical where the agency is to give objective advice and not suggest solutions that rely solely/heavily on media advertising.

I hope that this explains the situation.

Yours sincerely

**James Smith**

James Smith  
Account Director

### QUESTION 3

Write notes for a presentation consisting of **5** slides to convince the Board of Directors why marketing should be supported by advertising.

**Note** – *this question does **not** require you to discuss Advertising Objectives.*

**(20 marks)**

#### Model Answer to Question 3

- Advertising (along with selling, sales promotion, direct marketing, public relations etc) supports marketing. It fulfils customers' demands by informing the customers that the company has products and services which fulfil these needs and wants.
- The factory makes what the market wants in the quantities required rather than pursuing the old concept of marketing which was selling what the company produced by dressing it up in advertising and packaging.
- Companies should not, and cannot offer their products and services to the market in the hope that they will sell.
- Customers can be informed that products and services are available (and will meet their demands) by advertising and will be guided to retail outlets to purchase them.
- It therefore becomes a lot easier to sell a product or service (especially where shop assistants are no longer required to convince the customers of the effectiveness of any one brand or product).
- Products may be exactly the same as the competitors' goods – or have 'parity' with others – so advertising can help to differentiate between the products hence each one is perceived in such a way that it occupies its own market position or 'niche'.
- It is necessary to initiate 'push', by 'selling in' the products to the wholesalers and retailers so that they will stock them (against competitive products) once the customer has seen the consumer advertising (ie advertising aimed at purchasers and end-users).

#### **QUESTION 4**

List, describe and explain the contents of a **media information pack** of a local **or** regional newspaper.

**(20 marks)**

#### **Model Answer to Question 4**

Contents of the media information pack for a local or regional newspaper should include:

- (1) Circulation and readership figures (eg ABC/NRS)
- (2) Profile of readers by demographics or other forms of segmentation (based on independent research such as NRS and research undertaken by the publication)
- (3) Area of coverage (in geographic terms)
- (4) An editorial schedule of subjects to be covered in the publication so that advertisers can place their advertisements in special issues, features or sections on specific dates
- (5) Advertising rates (including rates for special positions)
- (6) Frequency (daily, weekly or monthly appearance)
- (7) Mechanical details (eg method of printing and requirements for film with printed media).

## QUESTION 5

(a) Describe the specialist advice and services provided by a recruitment advertising agency. (5 marks)

(b) List and explain the main duties that should be included in the **job specification** for an **advertising manager** for a company of your choice. (15 marks)

**(Total 20 marks)**

### Model Answer to Question 5

(a) Specialist services of a recruitment advertising agency should include:

- preparation of advertisements to match job descriptions/personnel specifications
- use of appropriate media to attract suitable applicants for management, technical, professional and administration posts
- advice on employment law (including sex and race discrimination acts).

(b) Main duties in the job specification include the following (but the list should have fuller explanation of each role/responsibility):

- strategic planning and determining policy
- determining aims and objectives
- promotional planning
- budgeting
- departmental organisation
- ensuring that the promotional programme is implemented effectively
- finding, selecting and liaising with advertising agency
- liaising with other suppliers (of sales promotion and other services)
- managing and maintaining the company's image and reputation
- liaising with other departments such as marketing, sales and production.

### QUESTION 6

Write a **memorandum** to the marketing manager of a company that makes consumer goods, explaining how **sales promotion** could be used to support the company's product range. Illustrate your answer with **3** methods of sales promotion, **2** aimed at the end-customer and **one** aimed at intermediaries.

**(20 marks)**

## Model Answer to Question 6

### MEMORANDUM

To: Mr A Smith, Managing Director  
From: Miss B Jones, Advertising Manager  
Date: 1 April 2003  
Subject: **Use of Sales Promotion**

Sales promotion can be defined as:

'Sales promotion comprises that range of techniques used to attain sales and marketing objectives in a cost effective manner by adding value to a product or service either to intermediaries or end-users, normally but not exclusively within a defined time period.'

The Institute of Sales Promotion.

Customers still need that final incentive to actually buy and so manufacturers, in conjunction with retailers and wholesalers, use sales promotion techniques to attempt to ensure that they get the sale.

It is no longer a panic measure used when sales are slow or the stockroom is too full – sales promotion is a strategic tool used in a planned way to achieve marketing objectives.

*End Customer Promotions (choice of two from):*

Listed below are some of the other objectives that the supplier may want to achieve together with techniques that might be employed:

- To increase volume of sales by offering money off coupons, banded offers (2 for the price of one), multi-packs or a financial incentive such as 0% credit.
- To increase trial by offering free samples or trial packages, money-off coupons (in newspapers or magazines or delivered by door to door leaflet drops) or demonstration or test drive (including a trial period in the home).
- To encourage repeat purchase by on-pack coupons and collector promotions (eg saving petrol coupons and more recently 'loyalty cards').
- Increased usage by offering recipe books with foodstuffs, trial packages with associated products (eg sauce mix with pasta) or associated offers (eg free airline ticket for partner when booking a business flight).
- Fostering customer loyalty by goodwill visits (to the Body Shop factory), long term collector schemes (ie Airmiles) or clubs (eg Mazda Car Owners Club which has its own magazine).
- Creating awareness and interest by promotions related to certain events (eg Olympic Games/World Cup), association with a charity/voluntary group, link up with a celebrity or connections with educational establishments (eg supermarkets giving away coupons which the local school can exchange for computer systems for their students).
- Reducing the impact of price by offering cash back or share outs, 'extra- fill' packs (eg 13% extra for the same price as a standard pack) or long term collector schemes (eg petrol stations giving away coupons which can be exchanged for gifts from a catalogue).
- Additionally extra benefits may be offered such as a 'free' help-line', maintenance or insurance.

*Intermediary Incentives (choice of one from): -*

- Incentive schemes with rewards to stock and display products including discounts (to increase profitability), gifts and prizes (such as free holidays) and competitions aimed at owners and proprietors as well as the staff selling or recommending the goods.
- Hospitality/entertainment at sports and social events.
- Display material at the point of sale, shelf displays, window or door stickers, leaflets and leaflet racks, display racks or dump-bins.
- In-store demonstrations and demonstrators (which may also be used at trade exhibitions as inducements to consider the product).

## QUESTION 7

- (a) As the advertising manager of a company of your choice, describe the information you should supply to advertising agencies to instruct them to prepare a competitive pitch for an advertising campaign in the:
- (i) campaign brief (4 marks)
  - (ii) advertising brief. (4 marks)
- (b) Describe the stages that the creative department of an agency would follow to develop a press advertisement to be presented at the pitch to a client. (12 marks)
- (Total 20 marks)**

### Model Answer to Question 7

(a) (i) **Campaign Brief**

This should consist of:

- Background on the company's market (market size, market share and competitors)
- Marketing objectives
- Target audiences/Market segments
- Product/Service (including total product offering)
- Timing (for launches or seasonal selling)
- Budget

(ii) **Advertising Brief**

This should consist of the background to the market and the target audiences as above (as this will help the agency create advertising appropriate to the needs and wants of the customers and end-users) but it should also include the following:

- Advertising objectives
- Proposition (or theme for positioning the product, brand or service)
- Support (benefits, advantages or features that the product might have to differentiate from its competitors)
- Tone or style required (humorous or prestige, for example)
- Mandatory client requirements (such as use of corporate identity or house-style and straplines)

(b) **Creative Brief**

The creative director to establish the creative brief instructing the creative department on what is needed from the campaign based on being briefed by the account handling team.

Use of brainstorming sessions involving account handling staff, media department, creative and production departments plus agency's research staff (previously called the 'plans board').

#### **Creation of the Concept**

Creative team set up copy chief and/or art director consisting of (external/in-house) copywriter and visualiser. Jointly produce 'roughs' and 'scamps' or even 'scribbles' for discussion with creative director/copy chief/art director.

### **Model Answer to Question 7 continued**

Creation of copy platform or central proposition agreed by creative director for concepts to be brought up to a finished standard.

Account handling staff consulted and concepts discussed in an open forum with a number of the agency staff present to test out the potential of various ideas. (Sometimes referred to as 'review board' as agency personnel involved who have had nothing to do with campaign study the final presentation in an objective way.)

Copywriters and visualisers then develop the best ideas (either as a single advertisement or series of advertisements on the same theme) to highly finished standard for presentation to the client.

Copy chief/art director do quality checking to see that the visual is up to the right standard to be presented to the client.

Creative director ensures the message suits the product/service (with correct branding and positioning) to communicate benefits and advantages of the company and its goods/services based on the campaign and advertising briefs.

Account handler liaises with creative team to confidently present and defend the concept and ideas when in front of the client.

## QUESTION 8

Prepare notes for a presentation to a new client on the ways that technology is changing the production of press advertisements.

**(20 marks)**

### Model Answer to Question 8

#### Note format

- (1) The use of desk top publishing systems (eg Apple Mac and Quark Express) to produce finished artwork.
- (2) Digital electronics in telecommunications systems also make it easier to transfer the artwork from the agency studio to the printing works of the publisher so that film can be produced ready for platemaking.
- (3) Transfer of digital images (from digital cameras) with the elimination of transparencies/prints and processing.
- (4) Digital enhancement of images for special effects or removing mistakes and blemishes.
- (5) Theoretical ability to transfer images (including artwork) perfectly without any deterioration so eliminates need for PMTs.
- (6) Manipulation of artwork to incorporate local variations (including different languages).
- (7) Constant saving and archiving work so that the original is available for up-dating with client and other amendments as the job progresses.
- (8) Scanning of images at creation and finished artwork stage including logotypes etc to ensure standardisation.
- (9) Standard typefaces are already loaded into the computer and can be called upon for the typesetting.
- (10) Availability of photo-libraries for creation of visuals or for inclusion in final artwork.

## QUESTION 9

List and explain in full the **advertising objectives** for a brand of toilet soap:

- (a) at the launch stage (5 marks)
- (b) during the initial growth period (5 marks)
- (c) when consolidating market share (5 marks)
- (d) when competitors enter the market. (5 marks)

**(Total 20 marks)**

### Model Answer to Question 9

Answer to consist of lists from the following (preferably up to four per part) but candidates should be aware that there may only be repetition with explanations given for the same objectives included in more than one part so the overall answer must show some changes in marketing conditions.

(a) **At the launch stage**

- To launch the product or service
- To create awareness
- To generate interest
- To generate initial sales enquiries
- To overcome resistance to new ideas or product concepts
- To promote the corporate/brand image
- To attract and support distributors

(b) **During the initial growth period**

- To increase awareness
- To maintain interest
- To generate repeat sales enquiries
- To convert enquiries to sales
- To reinforce the corporate/brand image
- To gain additional distributors

(c) **When consolidating market share**

- To remind existing users
- To reassure previous purchasers
- To maintain acceptance as the profile of the customer changes
- To keep the market informed when the market is changing
- To reinforce the corporate and brand image
- To promote product ranges
- To sell by-products and spin off services (supplies, after sales repair and maintenance)

(d) **When competitors enter the market**

- To maintain loyalty of existing users
- To keep sales persons or outlets busy (including building store traffic) and so maintain loyalty of intermediaries
- To support individual sales persons or outlets
- To promote new or improved versions
- To promote subsequent product ranges
- To sell by-products and spin off services (supplies, after sales repair and maintenance)

## QUESTION 10

- (a) Describe the freelance creative services that an advertising agency might use. (10 marks)
- (b) State the **advantages** of using freelance services to the advertising agency. (4 marks)
- (c) State the **advantages** to the advertiser (client), of using such services employed by the advertising agency. (6 marks)

*Do **not** include any reference to media independents or 'a la carte' agencies in your answer.*

**(Total 20 marks)**

### Model Answer to Question 10

- (a) Answer to cover the following:
- Use of visualisers and copywriters who are independent freelancers or brought in from a studio that specialises in creative concepts.
  - Copywriter and visualiser working as teams usually evolving from like minded individuals who join together rather than be formed by the agency itself as they will feed upon each other to make sure the words fit the pictures and vice versa to put over the client's complete message either on a page or less or in a 30 second slot at prime time.
  - Techniques like desk-top publishing which means that the freelance designers will now see the job through to the production of camera artwork where it is required as much of the final production work is now done digitally using information technology (IT) systems.
  - Other freelance/bought in services of photographers and illustrators can be included especially if they specialise in advertising work as well as lay-out artists, typographers, typesetters and finished artists especially in areas where DTP and electronic methods of creation and production are not common.
- (b) Advantage for the advertising agency include:
- Commissions only placed when services are required
  - High overheads (especially for the most talented free-lance teams) are not borne by the agency full-time as it may not always be fully utilised
- (c) Advantages to clients could be:
- Cost (emphasising that the advertiser only pays for what they use (albeit with the agency's mark-up) rather than have to cover the overhead for when it is not employed.
  - Savings on the administrative overheads or the floor space that a similar agency team would occupy in an expensive city centre office (provided that the savings are passed on to the client).
  - Possible improved quality of the work especially if freelance creative teams may bring a fresh approach or alternatively have a special style that precisely reflects the tone and quality wanted by the client.



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