

## INTRODUCTION ADVERTISING

### Unit Structure

- 1.0 Objectives
- 1.1 Introduction
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- 1.4 Objectives of Advertising
- 1.5 Importance of Advertising
- 1.6 Active Participant in advertising
- 1.7 Role of advertising Marketing Mix
- 1.8 Role of advertising in Society
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### 1.0 OBJECTIVES

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After completion of this lesson the student will be able to understand:

- Meaning, Nature and Features of Advertising
- Objectives of Advertising
- Importance of Advertising
- Active Participant in Advertising
- Role of Advertising in Marketing Mix
- Role of Advertising in Society
- Advertising and Brand building

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### 1.1 INTRODUCTION:

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The word advertising comes form the latin word "advertere meaning" to turn the minds of towards". Some of the definitions given by various authors are:

According to William J. Stanton, "Advertising consists of all the activities involved in presenting to an audience a non-personal,

sponsor-identified, paid-for message about a product or organization."

According to American Marketing Association "advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor".

Advertising is used for communicating business information to the present and prospective customers. It usually provides information about the advertising firm, its product qualities, place of availability of its products, etc. Advertisement is indispensable for both the sellers and the buyers. However, it is more important for the sellers. In the modern age of large scale production, producers cannot think of pushing sale of their products without advertising them. Advertisement supplements personal selling to a great extent. Advertising has acquired great importance in the modern world where tough competition in the market and fast changes in technology, we find fashion and taste in the customers.

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## 1.2 DEFINITIONS OF ADVERTISING

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1. American Marketing Association has defined advertising as "any paid form of non-personal presentation of ideas, goods and services by an identified sponsor".
2. According to Webster, "Advertising is to give public notice or to announce publicity".
3. According to Gardner, "Advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production".

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## 1.3 FEATURES OF ADVERTISING

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- 1. Communication :** Advertising is means of mass communication reaching the masses. It is a non-personal communication because it is addressed to masses.
- 2. Information :** Advertising informs the buyers about the benefits they would get when they purchase a particular product. However, the information given should be complete and true.
- 3. Persuasion :** The advertiser expects to create a favourable attitude which will lead to favourable actions. Any advertising process attempts at converting the prospects into customers. It is thus an indirect salesmanship and essentially a persuasion technique.

**4. Profit Maximisation :** True advertising does not attempt at maximising profits by increasing the cost but by promoting the sales. This way It won't lead to increase the price of the product. Thus, it has a higher sales approach rather than the higher-cost approach.

**5. Non-Personal Presentation :** Salesmanship is personal selling whereas advertising is non-personal in character. Advertising is not meant for anyone individual but for all. There is absence of personal appeal in advertising.

**6. Identified Sponsor :** A sponsor may be an individual or a firm who pays for the advertisement. The name of reputed company may increase sale or products. The product gets good market because of its identity with the reputed corporate body.

**7. Consumer Choice :** Advertising facilitates consumer choice. It enables consumers to purchase goods as per their budget requirement and choice. Right choice makes consumer happy and satisfied.

**8. Art, Science and Profession :** Advertising is an art because it represents a field of creativity. Advertising is a science because it has a body of organised knowledge. Advertising is profession is now treated as a profession with its professional bodies and code of conduct for members.

**9. Element of Marketing Mix :** Advertising is an important element of promotion mix. Advertising has proved to be of great utility to sell goods and services. Large manufactures spend crores of rupees on advertising.

**10. Element of Creativity :** A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makes way for successful campaign.

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## 1.4 OBJECTIVES OF ADVERTISING

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The fundamental purpose of advertising is to sell something - a product, a service or an idea. In addition to this general objective, advertising is also used by the modern business enterprises for certain specific objectives which are listed below :

1. To introduce a new product by creating interest for it among the prospective customers.
2. To support personal selling programme. Advertising maybe used to open customers' doors for salesman.

3. To reach people inaccessible to salesman.
4. To enter a new market or attract a new group of customers.
5. To light competition in the market and to increase the sales as seen in the fierce competition between Coke and Pepsi.
6. To enhance the goodwill of the enterprise by promising better quality products and services.
7. To improve dealer relations. Advertising supports the dealers in selling the product. Dealers are attracted towards a product which is advertised effectively.
8. To warn the public against imitation of an enterprise's products.

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## 1.5 IMPORTANCE OF ADVERTISING

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Advertising has become an essential marketing activity in the modern era of large scale production and serve competition in the market. It performs the following functions:

**1. Promotion of Sales :** It promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning new customers both in the national as well as in the international markets.

**2. Introduction of New Product :** It helps the introduction of new products in the market. A business enterprise can introduce itself and its product to the public through advertising. A new enterprise can't make an impact on the prospective customers without the help of advertising. Advertising enables quick publicity in the market.

**3. Creation of Good Public Image :** It builds up the reputation of the advertiser. Advertising enables a business firm to communicate its achievements in an effort to satisfy the customers' needs. This increases the goodwill and reputation of the firm which is necessary to fight against competition in the market.

**4. Mass Production :** Advertising facilitates large-scale production. Advertising encourages production of goods in large-scale because the business firm knows that it will be able to sell on large-scale with the help of advertising. Mass production reduces the cost of production per unit by the economical use of various factors of production.

**5. Research :** Advertising stimulates research and development activities. Advertising has become a competitive marketing activity. Every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every

business firm to do more and more research to find new products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future.

**6. Education of People :** Advertising educate the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their knowledge. It is advertising which has helped people in adopting new ways of life and giving-up old habits. It has contributed a lot towards the betterment of the standard of living of the society.

**7. Support to Press :** Advertising provides an important source of revenue to the publishers and magazines. It enables to increase the circulation of their publication by selling them at lower rates. People are also benefited because they get publications at cheaper rates. Advertising is also a source of revenue for TV network. For instance, Doordarshan and ZeeTV insert ads before, in between and after various programmes and earn millions of rupees through ads. Such income could be used for increasing the quality of programmes and extending coverage.

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## 1.6 ACTIVE PARTICIPANT IN ADVERTISING

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Following are the group of people who are actively involved in advertising.

**1. Advertiser :** Seller who manufacture and market consumer products are the prominent group of advertisers. Hindustan unilever , proctor and gamble, Seimen and Larson and toubro are the examples of advertisers. Also the retailers are the second prominent segment among advertisers. They stock the products . and sell them to the ultimate consumers. Government and social organization are also the active participant in this category.

**2. Target audience :** It refers to the recipient of the advertising message. Every message is either directed to a mass audience and class audience. Advertising desire to cover this target audience for promoting sales. Advertising message intends to cover the potential user and non user who may purchase the product in future. The messages are also directed to the user of the competitor's product so that they switch over the advertiser's products.

**3. Advertising Agencies :** An advertiser has two options viz. (i) to design, develop and produce and advertising message and get it placed in desired media directly through his own sales or advertising department, or (ii) to entrust the entire job of advertising

to a team of highly professionalised, specialised, independent, advertising agency. An advertising agency is composed of creative people, who conceive design, develop and produce, advertising message with creative ideas and place it in the desired advertising media, for and on behalf of its client (the advertiser). The advertising agencies usually charge a commission of 15% on the media bills from the media owners. In addition, they charge out-of-pocket expenses to their clients, i.e. the advertisers. They employ copywriters, artists, photographers. Typographers, layout designers, editors and such other creative people.

**4. Advertising Production People (Artists) :** The production of impressive and persuasive advertisements is possible only with the active help and creative spirit of the artists like copywriters, artists, photographers, typographers, layout designers, editors and such other creative people. Such people are usually employed by the ad agencies or, their services may be hired by the ad agencies on job basis.

**5. Target Audience (Readers, Listeners, Viewers and Present and Future Buyers) :** Advertising messages are given about products services and ideas to readers, listeners, viewers and actual and potential buyers, who are known as the audience. The target audience may be classified into the following three categories, viz.,

(i) existing or, current consumers, who are reminded and influenced to continue their patronage and to increase the volume of their buying,

(ii) consumers, who buy and use, a competitor's brand; hence they are persuaded to buy the advertised brand, instead of the competitor's brand; and

(iii) those consumers, who do not use any such product; and even then, are persuaded to buy the advertised product.

**6. Mass Media :** Advertising messages are communicated to the target audience through different mass media, such as,

**(i) Print Media :** They consist of newspapers, magazines, journals, handbills, etc.

**(ii) Electronic Media :** They consist of radio, television motion pictures, video, multi-media and the internet.

**(iii) Outdoor Media :** They consist off posters, hoarding, handbills, stickers air balloons, neon sing bill boards, local cinema houses, and transit media.

**(iv) Direct Mail :** It consist of brouchers, leaflets, pamphlets, letters and return cards addressed to consumers.

The advertising agencies guide their clients (advertisers) in selection of the most appropriate advertising media, which is known as 'media planning'. Each medium has sits own merits and demerits.

**7. Government Authorities :** The business of advertising is regulated by the government department. The government adopts law and regulation which have a direct or an indirect bearing on the advertising. Apart from this ASCI (Advertising standards council of India) and ABC (Audit Bureau of circulation) are also some of authorities regulating advertising.

**8. Advertising Production Firms:** Advertising production firms are the support agencies which help in the production of advertisement. This includes copywriter, artist, photographers, typographers, producer, editors. These are the people who transform ideas into a finished forms Thus the success and failure of the advertisement depend on these people.

### Check your progress

1. "Advertising has become an essential marketing activity in the modern era of globalization". Explain.
2. Explain how the following group of people are involved in advertising.
  - a) Mass Media
  - b) Target Audience
  - c) Advertising Agencies
  - d) Government Authorities
3. "To sell something is not the only objective of Advertisement". Discuss.

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## 1.7 ROLE OF ADVERTISING IN MARKETING MIX

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Marketing mix consist of four important variables of marketing, i.e. 4Ps-Product, Price, Promotion and Place. Apart from the traditional 4 Ps, there are also other variables, i.e. Packaging, Postion, and Pace.

Advertising is an element of promotion. However, it not only assists in promoting the product, but also affects the other variables of marketing mix. This can be explained as follows:

**1. Advertising and Product :** A product is normally a set of physical elements, such as quality, shape, size, colour and other features. The product may be of very high quality .At times, the product is so designed that it requires careful handling and operations. Buyers must be informed and educated on the various aspects of the product. This can be effectively done through advertising. Thus, advertising plays the role of information and education.

**2. Advertising and Price :** The price is the exchange value of the product. A marketer may bring out a very high quality product with additional features as compared to competitors. In such a case, price would be definitely high. But buyers may not be willing to pay a high price would be definitely high. Here comes advertising. Advertising can convince buyers regarding the superiority of the brand and thus its value for money. This can be done by associating the product with prestigious people, situations, or events. Alternatively when a firm offers a low price products the job of advertising needs to stress the price advantage by using hard hitting copy. It is not just enough to convince, but it is desirable to persuade the buyer. Thus advertising plays the role of conviction and persuasion.

**3. Advertising and Place :** Place refers to physical distribution and the stores where the goods are available Marketer should see to it that the goods are available at the convenient place and that too at the right time when the buyers need it. To facilitate effective distribution and expansion of market, advertising is of great significance. Thus advertising do help in effective distribution and market expansion.

**4. Advertising and Promotion :** Promotion consists of advertising, publicity, personal selling and sales promotion technique. Businessmen today have to face a lot of competition. Every seller needs effective promotion to survive and succeed in this competitive business world. Advertising can play a significant role to put forward the claim of seller, and to counter the claims of competitor. Through effective advertising, sellers can face competition and also help to develop brand image and brand loyalty.

**5. Advertising and Pace :** Pace refers to the speed in marketing decisions and actions. It involves among other things the launch of new products or brand variations at greater speed than before. As and when new brands are launched, advertising plays an important role of informing, educating and persuading the customers to buy the product.



**6. Advertising and Packaging :** The main purpose of packaging is protection of the product during transit, and preservation of quality and quantity. Nowadays, marketers take lot of efforts to develop and design attractive packages as they carry advertising value. A creatively design package attract the attention of the customers. It also carries an assurance of quality and creates confidence in the minds of customers to buy the product.

**7. Advertising and Positioning :** Product positioning aims at creating and maintaining a distinct image of the brands in the minds of the customers. Through advertising the marketer can convey the positioning of the brand and accordingly can influence the buying decision of the target audience.

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## **1.8 ROLE OF ADVERTISING IN SOCIETY :**

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Advertising is the integral part of every day's life. It is a pervasive method of marketing in society. Though the methods by which marketers advertise have changed over the decades, the role and purpose of advertising has changed over the period of time. Without advertising modern society cannot survive .Advertising is useful to society in following ways.

### **Encourage Purchasing**

Encouraging people to purchase goods and services is the main role of advertising. Some industries rely on advertising more than others: A cereal company, for instance, must advertise more aggressively, due to the wide arrange of competing products, than a power company that faces little to no competition. Advertisers often influence members of society to purchase products based on instilling a feeling of scarcity or lack. .

### **Reflect cultural trends**

Advertising bridges the gap among people by communicating varied culture through advertising message. It bring variation in the social life

### **Promotes Economic growth**

Advertising contributes to bring about all round development of the economy by increasing demand and by encouraging economic activities it fuels the desire to shop and, in turn, shopping stimulates the economy.

### **Improves standard of living :**

Advertising is an economic activity. It provides opportunities to people to improve their income. It motivates people to consume more material and thereby improves their standard of living.

Provides employment: Effective advertising generates demand for goods and services. high demand calls for more production which requires more of physical and human resources thus creating employment opportunities.

### **Advertising and Brand building**

Brands are the identification that differentiates one business from another (through name, symbol etc.). However, today brands can also be defined as the personality they reflect to people in relation to status, emotional characteristics and subjective quality. They give the consumers a perceived knowledge of the product, its quality and uniqueness before they buy it.

Brands Ensure delivery of service as promised by them. For example, Pizza Company A claims to deliver pizza within a certain time and Pizza company B claims to deliver most delicious Pizzas. It makes easy for the consumers to identify what they want and which brand to choose for it. It is important for a brand to accomplish the claim advertised to retain Brand Image.

Advertising is one of the key elements in building a brand, which is equally important to the marketer and consumers. Brand personality acts as a potent brand differentiator and offers sustainable competitive advantage.

Advertising by creating or reinforcing brand's personality enhances brand value or equity which in turn can be leveraged through brand extension. Brand personality also helps brands to gain market share, command price premium and insulates from discounting Brands.

Building a strong brand name is key factor for business success. In the competitive business environment of today, consumer sophistication has altered business practices. Organizations are forced to anticipate customers' needs and convey clear messages to consumers by establishing strong brand names and focusing on brand building.

A brand's practical attributes and symbolic values are inherent elements that help the brand appeal on consumers' minds and emotion. When consumers relate brands with symbols, it becomes easier for an organization to raise consumer interest. For instance, Lexus is known for luxury, or Apple is known for innovation. Therefore, in consumers' minds, a brand is more than just a recognizable name: it is a promise that needs to be met on a regular basis.

Advertising is important for building brand awareness. By raising consumer interest and making consumers aware of their products and services, firms not only expand their customer base, but they also keep their loyal customers and increase their market share. In other words, the more aware consumers are of a brand, the more likely they are to buy from a particular business.

### **Approaches in Brand building :**

To make brand distinctive: brand building can be done through repetitive advertising. Also by highlighting unique selling proposition one can distinguish brand from one another.

**1. Constant innovation:** Consumers need continuous innovation and new products. It is not always a new product even an improvement on the existing product is acceptable to the consumers. Through intensive advertising such brands are built which is time consuming.

**2. Domination of brand:** brand building largely depends on the domination it creates on the competitors. Domination can take place either in national market or in niche market.

**3. Prompt availability:** Prompt delivery of the product is one of the factors that ensure brand building. This is possible if there is proper coordination between the finance, production, and marketing department.

**4. Integration of new and old media:** Consumers have ever changing demand. Due to availability of various media options the seller can push the product in the market by blending multiple media options. Thus advertising messages are flashed to consumers through media mix.

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## **1.9 SUMMARY**

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Advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization.

Advertising has become essential to promote sales, to introduce new products, to create good public, for large scale production, for educating people etc.

Advertising is the integral part of every day's life. Without advertising modern society cannot survive. Advertising is useful to society as it encourages people to purchase goods and services,

it bridges the gap among people by communicating varied culture through advertising message, it contributes to bring about all round development of the economy by increasing demand, it provides opportunities to people to improve their income.

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**1.10 QUESTIONS :**

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1. Define Advertising and explain its nature and features.
2. Define Advertising and explain the main objectives of Advertising
3. What is Advertising? Explain the importance of Advertising
4. Who are the Active Participants in Advertising?
5. What is the Role of Advertising in Marketing Mix?
6. Explain the Role of Advertising in the Society
7. What is the interface between Advertising and Brand building?  
Explain the main approaches in Brand building.



## **INTEGRATED MARKETING COMMUNICATION**

### **Unit Structure :**

- 2.0 Objectives
- 2.1 Introduction
- 2.2 Meaning of IMC
- 2.3 Tools of IMC
- 2.4 Importance of IMC
- 2.5 Framing Integrated marketing
- 2.6 Summary
- 2.7 Questions

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### **2.0 OBJECTIVES OF THE LESSON**

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After completion of this lesson the student will be able to understand:

- The concept of Integrated Marketing Communication
- Tools of Integrated Marketing Communication
- Importance of Integrated Marketing Communication
- Steps involved in framing Integrated Marketing Communication

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### **2.1 INTRODUCTION**

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Advertising is as old as civilization and has been used as the means of communication to buy and sell the goods and services to the society. Advertising is an important tool of promotion that can create wonders with beautiful words to sell product, service and also ideas. Advertising has, acquired great importance in the modern India characterized by tough competition in the market and fast changes in technology, and fashion and taste of customers.

Today as per the changing marketing situation advertising is not the only sufficient medium of communication. It has to be integrated with other mediums so as to create the long lasting

impact on the consumers. Thus the concept of integrated marketing communication is gaining considerable momentum due to challenges faced by the advertisers in designing and implementing their advertising communication messages.

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## **2.2 MEANING OF IMC**

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Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together. Integrated marketing communications (IMC) is a process of managing customer relationships that drive brand value primarily through communication efforts. Such efforts often include cross-functional processes that create and nourish profitable relationships with customers and other stakeholders by strategically controlling or influencing all messages sent to these groups and encouraging data-driven, purposeful dialog with them. IMC includes the coordination and integration of all marketing communication tools, avenues, and sources within a company into a seamless program in order to maximize the impact on end users at a minimal cost.

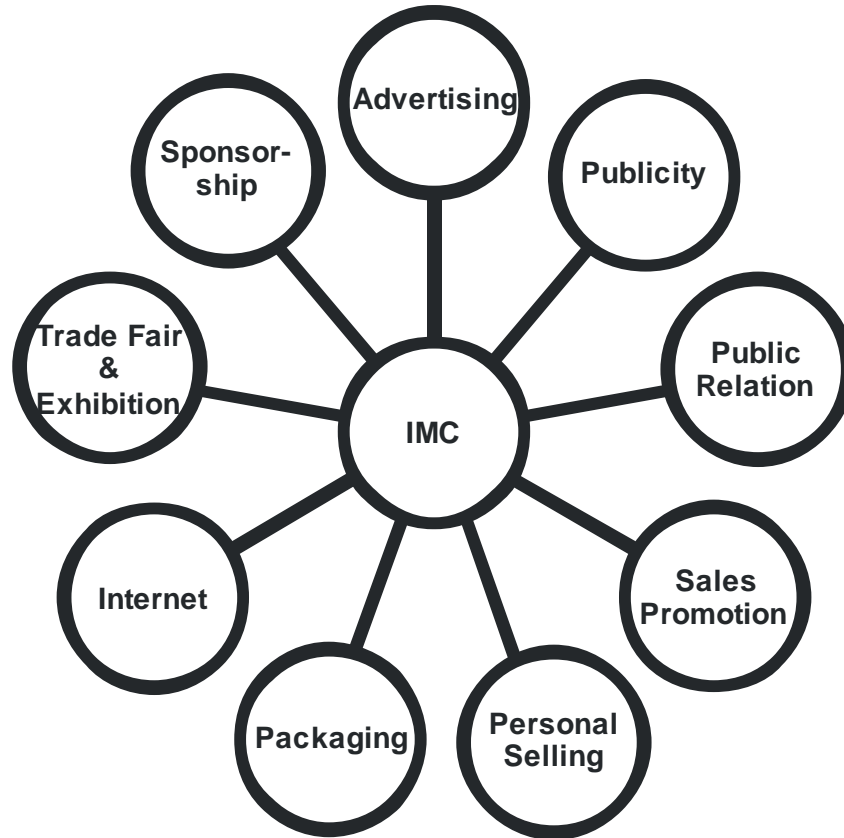
Ideally, IMC is implemented by developing comprehensive databases on customers and prospects, segmenting these current and potential customers into groups with certain common awareness levels, predispositions, and behaviors, and developing messages and media strategies that guide the communication tactics to meet marketing objectives. In doing this, IMC builds and reinforces mutually profitable relationships with customers and other important stakeholders and generates synergy by coordinating all elements in the promotional mix into a program that possesses clarity, consistency, and maximum impact.

Definition of IMC: According to American Association of Advertising Agencies IMC is a “concept of marketing communication planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication discipline”

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## 2.3 TOOLS OF IMC

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- **Advertising :**

Advertisement is a non-personal presentation of an idea or a product (where as personal selling or salesmanship help in personal promotional.) Advertisement supplements personal selling to a great extent. Advertising has, acquired great importance in the modern India characterized by tough competition in the market and fast changes in technology, and fashion and taste customers. It creates an active role in integrated marketing communication mix as it creates.

- Good image
- Top of the mind awareness
- Counterclaim the competitors
- Reinforce positive attitude

- **Publicity :**

Publicity is the non-personal presentation. It originates from the desk of the editor. It aims at only informing the public about the events, person, firm etc. There is no control on the publicity by the advertiser as it comes from the media owner. Publicity can be favorable or unfavorable. Large firms have separate publicity or

public relation department for publicity and cordial public relation. The secret of the publicity is to get placement in the desired media. Thus the use of publicity provides various advantages to the seller they are:

- It is available free of cost
- It provides more information than advertising as it comes from the editors desk
- Consumer believe publicity more than advertising

- **Public relation :**

A Public relations is defined as a management function which identifies, establishes, and maintains mutually beneficial relationships between an organization and the publics. Public relations consider multiple audiences (consumers, employees, suppliers, vendors, etc.) and uses two-way communication to monitor feedback and adjust both its message and the organization's actions for maximum benefit. It is used to generate goodwill for the organization. Public relation help the company and its public by relating each other for mutual benefits. The main objective of public relation is :

- To remove misunderstanding, doubts, confusion, and wrong impression in the minds of different social groups
- To maintain good corporate image.
- To have the public support to the future of the company.
- To fulfill social responsibility.

- **Sales promotion :**

Sales promotions are direct inducements that offer extra incentives to enhance or accelerate the product's movement from producer to consumer. Sales promotion constitutes devices like contests, coupons, free samples, premium, and point of purchase material. Sales promotion is action oriented. It motivates customers to buy the goods under incentive plans. Sales promotion not only covers consumers but also dealers and wholesalers. It acts as a connecting link between advertising and salesmanship. Thus in a competitive marketing sales promotion act as a effective tool to an advertiser to solve several short term hurdles in marketing.

- **Personal Selling :**

Personal selling includes all person-to-person contact with customers with the purpose of introducing the product to the customer, convincing him or her of the product's value, and closing the sale. The role of personal selling varies from organization to organization, depending on the nature and size of the company, the industry, and the products or services it is marketing. Many marketing executives realize that both sales and non-sales



employees act as salespeople for their organization in one way or another.

Personal selling is the most effective way to make a sale because of the interpersonal communication between the salesperson and the prospect. Messages can be tailored to particular situations, immediate feedback can be processed, and message strategies can be changed to accommodate the feedback.

- **Packaging :**

A properly designed package can induce the prospects to buy the product. A well designed package can communicate the type and quality of the product. Packaging plays an important role in converting the minds of the consumers as it provides

- Providing information of the product.
- Protection of goods while transportation and handling
- Preservation of quality of the products.
- Promotion of the product.

- **Internet :**

Just as direct marketing has become a prominent player in the promotional mix, so too has the Internet. Virtually unheard of in the 1980s, the 1990s saw this new medium explode onto the scene, being adopted by families, businesses and other organizations more quickly than any other medium in history. Web sites provide a new way of transmitting information, entertainment, and advertising, and have generated a new dimension in marketing: electronic commerce. E-commerce is the term used to describe the act of selling goods and services over the Internet. In other words, the Internet has become more than a communication channel; it is a marketing channel itself with companies such as Amazon.com, CDNow, eBay, and others selling goods via the Internet to individuals around the globe.

The interactivity of the Internet is perhaps its greatest asset. By communicating with customers, prospects, and others one-on-one, firms can build databases that help them meet specific needs of individuals, thus building a loyal customer base.

- **Sponsorships :**

Many advertisers heavily rely on sponsorship in order to create positive feelings toward a company. Sponsorships increase awareness of a company or product, build loyalty with a specific target audience, help differentiate a product from its competitors, provide merchandising opportunities, demonstrate commitment to a community or ethnic group, or impact the bottom line.

Like advertising, sponsorships are initiated to build long-term associations. Organizations sometimes compare sponsorships with advertising by using gross impressions or cost-per-thousand measurements. However, the value of sponsorships can be very difficult to measure. Companies considering sponsorships should consider the short-term public relations value of sponsorships and the long-term goals of the organization. Sports sponsorships make up about two-thirds of all sponsorships.

- **Trade shows and Exhibition :**

It is one of the oldest forms of promoting the sales of products. Trade shows and exhibition provide opportunities for face-to-face contact with prospects, enable new companies to create a viable customer base in a short period of time, and allow small and midsize companies that may not be visited on a regular basis by salespeople to become familiar with suppliers and vendors. Because many trade shows generate media attention, they have also become popular venues for introducing new products and providing a stage for executives to gain visibility. In India, India trade promotion organization (ITPO) has been set up by the government to organized trade fairs and exhibitions.

### **Check your progress:**

- 1) Give the share of tools of IMC.
- 2) Explain the following terms related to tools of IMC
  - a) Publicity
  - b) Sales promotion
  - c) Personal selling
  - d) Sponsorship
  - e) Internet

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## **2.4 IMPORTANCE OF IMC**

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**1) Awareness:** IMC tools play an important role in creating awareness of the products with respect to brand name and brand availability. It brings to the notice of the potential customer the new varieties of goods available in the market.

**2) Information:** Product information is needed when the product is recently launched in the market. Potential customer must know about the product, features. IMC provides this information through various techniques so that the buyer can take correct decision while buying the goods.

**3) To increase sales.** A proper communication mix tends to increase the sales of the organization. This is possible as increased sales brings economies of large scale production which enables the seller to reduce cost and increase profit.

**4) To inform the intermediaries.** IMC act as a communication channel between the sellers and the intermediaries like dealer and agents. These intermediaries are regularly informed through sales literature, pamphlets, brochures, price list etc.

**5) Expansion of the market:** IMC help the seller to expand the business from local level to regional level and to national level . This expansion provides his goodwill, recognition through out the country.

**6) More specialized media.** It used to be said that mass media was enough to cover any advertiser's needs. But with ever-increasing ad clutter, shorter attention spans and greater resistance to advertising, customers now tend to be a lot more selective: they shut out the stuff they feel they don't need, and go with the stuff that they want. Therefore with IMC sellers can retain the attention of customer by diverting their attention through various Communication Mix.

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## **2.5 STEPS INVOLVED IN FRAMING INTEGRATED MARKETING COMMUNICATION :**

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It is likely that integrated marketing communication will be expected to make a number of contributions toward meeting the marketing objectives. Thus the main steps in designing IMC are :

**1) Identification of target audience :** Defining the target audience is one of the first steps in designing the IMC. While thinking about the target audience one must look well beyond traditional demographic considerations. It is also important to 'think ahead' and ask the following question.

- What are the relevant target buyer groups?
- What are the target group's demographic, lifestyle ,and psychographic profile?
- How is the trade involved?

**2) Determining the communication objectives :** The next step is setting the communication objectives. There may be different communication objectives like increase in sales, brand image and good will, expansion of business. Thus the seller has to evaluate all this objectives and select the one which he intends to achieve.

**3) Determining the message :** An effective message should get attention, hold interest, arouse desire, & obtain action (AIDA model). In practice, few messages take the consumer all the way from awareness to purchase, but the AIDA framework suggests the desirable qualities of a good message. In putting the message together, the marketing communicator must decide what to say & how to say it. , who should say it. Thus the communicator should focuss more on message content, message format and message structure.

**4) Selecting the communication channel :** There are two broad types of communication channels - Personal and Non personal.

**a. Personal Communication Channels :** In personal Communication channels, two or more people communicate directly with each other. They might communicate face-to-face, over the telephone, through the mail or even through an internet chat. Personal Communication channels are effective because they are allowed for personal addressing the feedback.

**b. Non Personal Communication Channels :** Non personal communication channels include media at most yearend events. Media consists of:

1. Print media -newspapers, magazines, direct mail etc.
2. Broadcast media-radio, television etc.
3. Electronic media-audiotapes, videotapes, CD-ROM, web page etc.
4. Display media-billboards, signs, posters, banners, hoardings etc.

Most of the non personal messages come through paid media.

**5) Determining the budget:** This is one of the most important decisions of IMC process. The effective IMC depends upon the budget set for communication Mix. The marketer prepares the budget taking into nature of the customers, objectives, nature of competitions and also availability of funds.

**6) Promotion Mix decision.** After determining budget it is essential to determine the promotional mix. Promotional mix is the combination of various tools like advertising, public relation, personnel selling and so on. Because of different marketing environment thee has to be variation in communication mix. One medium which is effective in one market may not be equally effective in another market.

**7) Implementation of promotion mix:** The marketer then makes an arrangement to implement the communication mix. The seller has to select the right media in order to put across the promotion message.

**8) Follow up.** Here the advertiser has to review the performance in terms of sales and purchase. If the performance is as per communication objectives there is nothing to worry. On the other hand if the performance falls below the communication objectives then certain corrective steps have to be taken.

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## 2.6 SUMMARY

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Integrated marketing communications (IMC) is a process of managing customer relationships that drive brand value primarily through communication efforts.

Advertising, Publicity, Public Relation, Sales Promotion, Personal Selling, Packaging, Internet, Trade fairs and Exhibition, Sponsorship these are the main tools of IMS

IMC helps to create awareness of the products, provide the information of the new products, act as a communication channel between the seller and the intermediaries and expand the business.

Identification of target audience, Determining the communication objectives, Determining the message, Selecting the communication channel, Determining the budget, Promotion Mix decision, Implementation of promotion mix and then Follow up these are the main steps in designing IMC.

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## 2.7 QUESTIONS

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1. Define Integrated Marketing Communication (IMC)
2. What are the main tools of Integrated Marketing Communication
3. What is the importance of Integrated Marketing Communication
4. What are the steps involved in framing Integrated Marketing Communication
5. Write short note on Advertising
6. What is the importance of Advertising? Explain the objectives of Advertising.



## CLASSIFICATION OF ADVERTISING

### Unit Structure :

- 3.0 Objectives of the lesson
- 3.1 Introduction
- 3.2 Classification of Advertising
- 3.3 Types of Advertising
- 3.4 Difference between National Advertising and Retail Advertising
- 3.5 Summary
- 3.6 Questions

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### 3.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Broad classification of advertising
- Various categories of advertising : Social Advertising, Political Advertising, Advocacy Advertising, Retail Advertising
- Financial Advertising, Essentials for the success of Financial advertising, Advantages of Financial advertising
- Corporate Image Advertising, Public Relations Advertising, Institutional Advertising
- Internet Advertising, Types, Advantage and disadvantages of Internet Advertising
- Product Advertising, Service Advertising, National Advertising, Retail Advertising

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### 3.1 INTRODUCTION

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Different authors have classified advertising in different ways. Philip Kotler has classified advertising on the following basis :

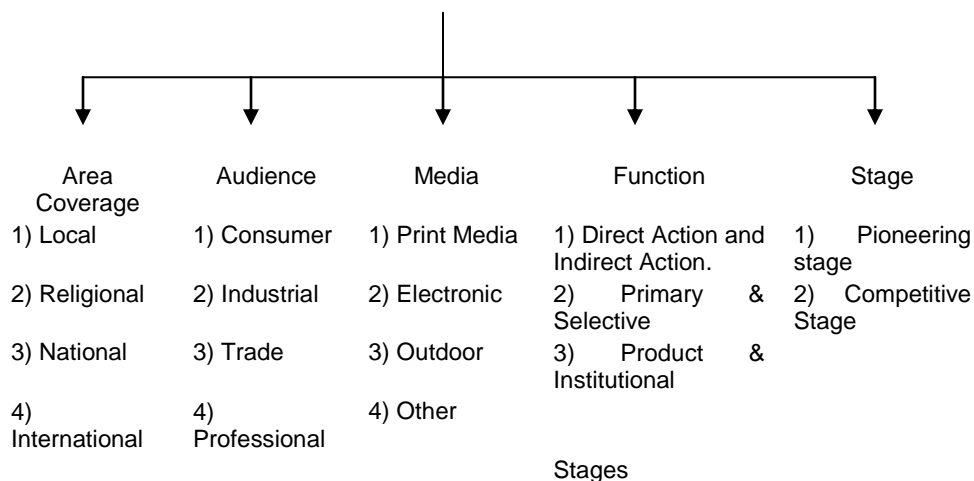
- (a) Geographical Area : National, Regional or Local.
- (b) Content : Product Advertising, Brand Advertising, Institutional Advertising.
- (c) Type of Appeal : Factual and Emotional.
- (d) Audience : Consumer, Industrial, Trade.
- (e) Sponsor : Manufacturer, Middlemen, Manufacturer - middlemen, private.
- (f) Intended Effort : Direct Action and Delayed Action.
- (g) Level of Demand Influence : Primary Product Level, Selective Brand Level.

### 3.2 CLASSIFICATION OF ADVERTISING

Management scientists have classified advertising on different such criteria as follows :

**Chart :**

#### Classification of Advertising on the various basis



Area Coverage	Audience	Media	Functions	Ad. Stages
- Local-	Consumer-	Press-	Direct & Indirect	- Pioneering
- Regional	- Industrial	- Broadcasting	-Action-	Competitive
- National	- Trade	- Outdoor	-Primary & Selective	
	- Retentive			
- International	- Professional-	Others		- Product & PRA

#### I) Classification on The Basis of Area Coverage :

On this basis advertising may be classified into the following four categories, viz., (1) local, (2) regional, (3) national, (4) international advertising.

**1. Local Advertising :** It is also known as 'retail advertising'. It is undertaken by local retail stores, departmental stores, co-operative stores, selling cloth, saris and other consumer goods and consumer durables. It is directed at local customers. Media, used for local advertising, are shop decorations, local newspapers, magazines, posters, pamphlets, hoarding, new signs, local cinema houses, etc.

**2. Regional Advertising :** It has wider coverage, as compared to local advertising. It covers a particular region, which may be one state, or, more than one state, the people of which may be having a common tongue, or, using one common product. It is undertaken by manufacture, or, regional distributor of a product. Media, used for regional advertising, include regional newspapers, magazines, radio, regional T.V., outdoor media, etc. It is considered to be an ideal form of advertising for launching and marketing a new product in a specific region.

**3. National Advertising:** It is generally undertaken by manufactures of branded goods, for which, advertising messages is communicated to consumers allover the country. Almost all possible mass media, including national newspapers, radio and television network, are employed for national advertising. Product services, and ideas, which have demand all over the country, are suitable for national advertising. In India, Indian Airline Hindustan Lever Ltd., Vicco, Godrej, Bajaj and Kirloskar are a few leading advertisers at national level. Likewise, detergents, soaps, toothpastes, cosmetics, scooters, cars, and bicycles, are some of the products, which are advertised all over the country.

**4. International Advertising :** This type of advertising is undertaken by those companies, which operate in more than one country, known as 'multi-national' companies. Exporters, generally advertise their products and services in foreign countries, where ready markets are available. Air India and other airlines, and multi-national companies advertise their products and services allover the world. Coca-Cola and Pepsi are advertised globally, as the sales are almost all over the world. International advertising is extremely expensive, involving the services of professional advertising agencies in different countries.

## **II. Classification on The Basis of Audience**

On this basis, advertising may be classified into the following four categories, viz., (1) consumer advertising, (2) industrial advertising, (3) trade advertising, and (4) professional advertising.

**1. Consumer Advertising :** This type of advertising is directed to the ultimate consumers of the consumer products, i.e., the individuals, who buy, or, use the consumer products, or services,



say, for example, toilet soap, toothpaste, toothbrush, tea, textiles, etc., for themselves and for their families. All types of consumer products need continuous and extensive advertising on T.V., radio, and press.

**2. Industrial Advertising :** This type of advertising is used by manufacturers and distributors of industrial goods. Such as, machinery, plants, equipments, spare parts and components, and are directed at industrial users or customers. Such advertisements usually appear in trade journals, trade dictionaries, business magazines and so on. The appeal made is tactual and rational.

**3. Trade Advertising :** This kind of advertising is employed by manufactures and/or distributors to influence and persuade wholesalers and dealers (retailers) to stock and sell the goods of the advertiser by offering incentive schemes to them, or, by inviting dealership for their particular products(s).

**4. Professional Advertising :** It is directed at professional like doctors, professors, engineers and others, who are expected to recommend, prescribe, or, specify the advertised products to ultimate consumers. This is done through professional journals and representative of the advertisers.

### **III. Classification on The Basis of Media**

On the basis, advertising may be-classified into the following four categories viz., (1) Print media advertising; (2) electronic, or, broadcast media advertising; (3) outdoor media advertising.

**1. Print Media Advertising :** The print media consists of newspapers, magazines, journals, handbills, etc. No newspaper or, journal, today, can survive without advertising revenue. Print media advertising, even today, is the most popular form; and revenue derived by mass media from advertising has, therefore, been progressively increasing year after year. Print media appeals only to the sense of sight, i.e. eyes.

**2. Electronic or Broadcast Media Advertising :** Electronic, or, broadcast media consists of (i) radio, (ii) television, (iii) motion pictures, (iv) video, and (v) the internet. The radio is audio in nature, appealing only to the sense of sound (ears). Radio advertising is more effective in rural areas, as compared to urban regions. Television, as an advertising medium, is more attractive and effective because it is an audio-visual medium appealing to both the senses of sight sound (eyes and ears). Different methods, such as, spot announcements, sponsored programmes, etc., are used for broadcasting advertising messages. However,

broadcasting media are very expensive form of advertising. Advertising is also undertaken through movies, video, and the internet.

### **3) Outdoor Media :**

This include posters, neon signs, transit, point of purchase (POP), etc. Outdoor advertising can be a good supporting media to other forms of advertising. It is a good form of reminder advertising, especially, the POP advertising.

### **4) Other Media :**

This includes direct mail, handbills, calendars, diaries, cinema advertising, internet and so on. These miscellaneous media can play an important supporting role to the major media such as television, and newspapers.

## **IV. Classification on The Basis of Function :**

**1. Direct Action and Indirect Action Advertising :** Direct action advertising is undertaken to obtain immediate response or action on the part of target audience. Examples include discount sales advertising, sale along with free gift offers, and mail-order coupon sales, etc. The media used is mostly newspapers, and television. Indirect action advertising is undertaken to influence the audience in respect of advertiser's brand. The advertiser expects the target audience to prefer his brand as compared to competitors whenever a buying decision arises in future.

**2. Primary and Selective Advertising :** Primary Advertising is undertaken by trade association or by cooperative groups. It is undertaken to create generic demand for products and services. For example, the Coffee Board may advertise to consume more coffee. Selective Advertising is undertaken by marketers of branded products. The advertiser intends to create selective demand for his brand. Examples include Pepsi Cola, Coca Cola.

**3. Product and Institutional Advertising :** Product or Service advertising is undertaken to promote the sale of products and services-branded or unbranded. Institutional advertising is undertaken to build name and goodwill of the organisation. It is also, known as corporate advertising or image advertising. It is mostly undertaken by large firms.

## **V. Classification on The Basis of Advertising Stages**

On this basis, advertising may be classified into the following three different categories, viz., (1) advertising at pioneering stage, (2) advertising at competitive stage, and (3) advertising at retentive stage.

**1. Advertising at Pioneering Stage :** Advertising at 'pioneering stage' is undertaken to make the audience fully aware of the new brand of product and to inform, influence, and persuade them to buy, or, use it by highlighting its unique features.

**2. Advertising at Competitive Stages :** Once the brand survives the introductory stage, it has, soon to face a stiff competition with other well established brands in the market. At this stage, competitive advertising is undertaken to promote sales effectively.

**3. Advertising at Retentive Stage or Reminder Advertising :** When the product has captured a large share of the market, 'retentive advertising' is undertaken to maintain, or retain the stable position in the market as long as possible. Moreover, if the same product is passing through the declining stage in the market, this type of advertising is used to remind the buyers about the product hence, it is also known as 'reminder advertising'.

### **Check your progress:**

- 1) Draw the chart showing classification of Advertisement.
- 2) Explain the following terms.
  - a) Local Advertising
  - b) Professional Advertising
  - c) Primary & Selective Advertising
  - d) Advertising at pioneering stage
  - e) Print Media Advertising
- 3) Show the classification of advertising as per Philip Kotlar.

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## **3.3 TYPES OF ADVERTISING**

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Advertising is also classified according to their functions and role. Some of the important classifications of advertising are as follows :

**1. Social Advertising :** Social Advertising is undertaken by non-commercial organisations such as Trust, Societies, Associations etc. The main objective of Social Advertising is to work for social cause. Advertisements for collecting donations for war victims or for victims of natural calamities, sales of tickets for a show etc. are examples of Social Advertising.

**2. Political Advertising :** Political advertising is undertaken by political parties to motivate the general public in favour of the ideology of the party in question. Political advertising are intensively made during election times to gain favour of the voters. Such

advertising promote plans and policies of the concerned party. It also try to expose weaknesses of the opposition with a view to convince the voters to vote for their party candidates. Some political advertisement are also made to assist the Government to implement its schemes for rehabilitation and national re-construction. Mumbai Regional Congress Committee children affected by communal riots in Mumbai under the scheme of National Foundation for Communal Harmony. Advertisements issued by a political party is essentially a political advertising.

**3. Advocacy Advertising :** We often come across advocacy advertised relating to the use of family planning methods. Conservation of scarce resources, maintaining green environment. An extreme example occurred in the 1960s, when a private citizen bought a two-page advertisement in the New York Times at a cost of \$12,000 to offer his peace plan for ending the war in Vietnam. In 1974, Mobil Oil Company began advocacy advertising concerning the need for offshore oil drilling to alleviate the energy crisis that existed at the time. NBC accepted the television commercial, but ABC and CBS did not, because of the controversial nature of the topic. As a result, Mobil Oil Company took out full-page newspaper ads, which reproduced in print the visuals and text for the commercial.

This is designed to alert people to the fact that such ads are not editorials or informational pieces, but are specifically advertisements. Companies can place advocacy advertising on billboards, in print magazines and newspapers, online, and on television.

In fact, many advertising firms consider candidates who have completed advertising internships far more attractive than those who have not. If you are planning to begin your career in advertising in the creative department of an advertising firm, a bachelor's degree may not be as essential.

#### **4. Advertising by Google**

**Ponds Age Miracle :** Looking young is now really easy Get Ponds tips and tricks!

[www.Ponds.in](http://www.Ponds.in)

**Use Olay Total Effects :** [www.Olay.in/SkinCare](http://www.Olay.in/SkinCare)

**Tips for Beautiful Skin :** Get the right beauty tips for your skin from the Experts. Apply Now! [KayaClinic.com](http://KayaClinic.com)

**Gym Management Course :** Learn how to successfully manage a Gym, Fitness Club or a Health Club! [www.keleven.com](http://www.keleven.com)

**Admissions Open For MSW :** Study MSW in Amrita College. Download free application here! [www.amrita.edu/MSW](http://www.amrita.edu/MSW)

**ICICI Health Care Plans :** One Health Policy For Entire Family No CheckUp or Paperwork. Buy Now! [ICICILombard.com](http://ICICILombard.com)

**5. Retail Advertising :** Retail advertising is the advertising by retailers who usually sell goods direct to the customers. Retail advertising has such objectives as : (i) to sell the stock; (ii) to establish the identify of business; (iii) to attract personal, telephone or mail order shoppers. Retail advertising is done through window display, neon signs, posters, leaflets etc. It is usually local in character. The various advertising approaches of Akbarallys, Amarsons, Asiatic Departmental Stores are the examples of retail advertising.

**6. Financial Advertising :** When an advertising message is directed to attract for raising capital, it is called financial advertising. The banks, insurance companies and commercial undertakings collect required funds from the savings of the people by motivating them to post-pone present expenditure to future-period.

An investor considers two things before investing his hard earned savings.

(1) Safety of investment (2) Return on investment

The safety of investment depends upon the reputation and goodwill of the company and the properties possessed by it. The institutional advertising helps in creating confidence in the minds of the investors. The financial advertisement inform the investors about the past performance in declaring dividends and the trend in declaring of dividend. The dividend depends upon the profitability of the company. The company with the help of charts, diagrams etc. communicate the rate of growth and rate at which profit is increasing.

The financial advertising aims at establishing financial, solvency of the company in the minds of the prospective investors. It is because of financial advertising the company have succeeded in floating of mega issue of shares arc in cores.

The financial advertising aims at establishing financial solvency of the company in the minds of the prospective investors. It is because of financial exports.

- **Essentials for the Success of Financial Ads :**

No financial ad campaign; howsoever creative and persuasive it may be, can produce the desired result, unless the following conditions are satisfied.

- (a) The performance and image of the company and its future prospects must be good.
- (b) The premium, charged on the share price, must be fair and reasonable.
- (c) The brokers and underwriters must extend unqualified support to the company.
- (d) The company should get wide publicity from the press through press conferences.
- (e) True statement of facts, made in the ads.
- (f) Finally, financial climate of the country plays an important role.

- **Advantages of Financial Advertising :**

Following are main advantages of financial advertising :

(a) Financial advertising transmits to target consumers all the material information about new investment opportunities for investment of savings, or, surplus funds.

(b) It provides education and guidance to consumers in respect of their investments in shares, debentures, and public funds, off companies.

(c) It serves as a reminder to consumers to take suitable follow-up action on their part.

(d) It helps to tap yet untapped rich areas in mini-metros, small towns, and even in villages for financial institutions.

(e) As financial ads are required to give the required information about the aims, objective business operation, for which additional funds are required by the advertiser, the company gets wide publicity through such ads.

(f) Financial advertising serves as a : backbone to brokers as well as underwriters, who as 'intermediaries' between the advertiser and the clients.

(g) Finally, financial advertising indirectly aids and supports the economic and industrial growth of country by mobilizing public funds for expansion and diversification of business.

**7. Corporate Image Advertising :** Corporate Image advertising designed or aimed to create a proper attitude towards the seller and to build goodwill or image for the advertiser (manufacturing concern or the selling concern) rather than to sell a specific product or service. Institutional advertising is done to build good public

relations' image in the market for the marketer and a patronage for its product or products. Institutional advertising can therefore be patronage advertising and public relations service advertising. Public relations institutional advertising is aimed to create a favourable image of the company (advertiser) among employees, investors or general public. Public service institutional advertising aims at changing the attitudes or behaviour of the people to the good of the community or public at large. Patronage advertising is aimed to attract customers by appealing to their patronage buying motives rather than product buying motives. Most of the companies are successful in making their image in the minds of the people by using their names, such as 'Bata', 'Tata', 'Dunlop', 'J.K.', 'Bombay Dyeing' etc.

**8. Public Relations Advertising :** It is a part of institutional advertising. The basic objective of public relations advertising is to establish co-ordial and healthy relations with the customers, bankers, suppliers, Government. Patrons and the general public.

Through public relations advertising company announces the changes in its policies, its developmental activities its position and stand when the employees are on strike. It helps the company to remove misconcepts about the company created by interested groups.

During the periods of short supply of goods the public relations advertising helps to hold the interest of the customers. The company assures about the normalcy of supply and request its customers to bear with the company.

Institutional advertising and public relations advertising are complimentary to each other. Both are directed in building up corporate image.

There are several reasons as to why a corporate firm may resort to public relations advertising. The reasons are :

- (a) To create a favourable image of the organisation.
- (b) To secure and keep good suppliers.
- (c) To build goodwill of the dealers.
- (d) To arouse and serve customers in a better way.
- (e) To arouse interest of the present and potential shareholders.
- (f) To correct misconceptions about the firm during strikes.
- (g) To win confidence of its employees.
- (h) To render community service.
- (i) To make people aware of social evils, health hazards, etc.
- (j) To obtain public support for certain cause.

**9. Institutional Advertising :** The object of institutional advertising is to build manufacturers reputation in the minds of the public in general.

The advertising message is directed to tell about the Company, its people, its contribution in promoting social welfare activities, in promoting consumer satisfaction its achievements in technology its broad philosophies, its share in economic progress of the Company etc.

Such advertisement do not bring benefits in the form of higher sales immediately. But they create good footing for the company in the long run. The competitive strength of the company goes up with the enhancement of corporate image. It is much easier for a highly reputed company to launch a new product in the market. Basically the institutional advertising aims at getting public support for raising the capital through public subscription.

The following points are normally referred in institutional ads :

- (a) Research & Development of the firm.
- (b) Number of factories or branches of the firm.
- (c) The number of employees and facilities provided to them.
- (d) Foreign collaborations, if any.
- (e) Distribution network of the firm.
- (f) Market position of the firm.
- (g) Products or services offered by the firm.
- (h) Social welfare programmes undertaken by the firm, etc.

**10. Internet Advertising :** The Internet facility has been around for some 30 years. It actually began in the early 1960s in USA, where the U. S. Department of Defense saw it as a means of supercomputer communication for researchers and military facilities across the country. Until its commercial explosion in 1990s, the Internet remained a relatively obscure network of linked computers - mostly by academics, military researchers, and scientists around the world to send and receive electronic mail, transfer files, and find or retrieve information from databases –

At present, Internet the fastest growing medium in history, offers incredible opportunities for a wide range of people in both business and advertising. For advertisers, there is a whole new world of potential customers.

**11. Primary Demand Advertising :** The main objective of Primary demand advertising is to create demand for a new product or product category. This is necessary in the case of a newly developed products or the products which are costly in nature. For



example, cars, refrigerators, washing machines, watches, etc. Such advertising is directed towards a class of customers, it is also described as selective demand advertising. It is heavily utilised during the introduction stage of product life cycle.

Primary demand is when a potential buyer, or prospect, is showing interest in a product or service for the first time. Often times it is because the prospect was never exposed to the “concept” of the product or service or never really understood it. But now due to new circumstances she has an apparent need all of a sudden.

**12. Selective Demand Advertising :** Selective demand advertising is done to meet the growing competition mainly in growth stage of the life cycle of the product. Here, the goal of advertising is to push the demand of specific product or service. Often, promotion becomes less informative and more emotional during this phase. Advertising may begin to stress subtle differences in brands with emphasis on brand name recall. At this stage, pricing may also be used as a weapon because products of all the competitors are almost similar in quality.

Selective demand is when a prospect has a need, has identified the need, and is ACTIVELY seeking out a solution. In these cases the prospect will come to you if he feels comfortable in your company's ability to solve his needs.

When someone has selective demand they are more proactive in their search for information. They usually give themselves enough time to compare the quality, value, and offers of different companies. So while they are calling you they are also likely calling others as well.

**13. Product Advertising :** Product Advertising refer to the advertising of tangible product. It is for the marketing of the product advertising as a powerful instrument has emerged. A product may be anything in which a trader deals or trade. A product may be tangible or intangible. Products like radio, soap, pen cloth etc. are tangible products and services of professional people like doctors, lawyers, engineers etc. are intangible products.

The fundamental of any advertising campaign is to establish the fact that among the substitutes the product advertised is the best. Thus product is the heart of any advertising programme. Advertising makes possible for the smooth entry of the new product in to the market.

**14. Service Advertising :** Service advertising is designed to operate in the public interest. It is undertaken to seek public welfare and social development. It is in the nature of non-commercial institutional advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behaviour and, as a result, benefit the public at large. It is generally used by government and other organisations to promote public welfare.

We often come across advertisements focusing on the need of small family norms, functional literacy and environmental sanitation and so on. The Government of India and many industrial houses have been sponsoring advertising campaigns pertaining to family planning programmes, national integration, employment assistance schemes, cleanliness campaigns, need for vaccinations, anti-dowry cause, drug addiction, AIDS, wildlife preservation, road safety measures, adult literacy programmes, etc. Today, most of the manufactures and businessmen have also started issuing advertisements in the interest of the public. Advertisements released by the Indian Railway appealing to the public to take care of public properties and ads released by Cancer Society of India for free Cancer check-up, are for socially relevant causes. Many companies have also taken up public causes such as supporting a leprosy eradication programme, avoiding pollution, safe driving, blood donation drive etc., by resorting to public service advertising. To create awareness of AIDS and its preventions Lintas has designed TV/film/video campaign.

**15. National Advertising:** It is generally undertaken by manufactures of branded goods, for which, advertising messages is communicated to consumers allover the country. Almost all possible mass media, including national newspapers, radio and television network, are employed for national advertising. Product services, and ideas, which have demand all over the country, are suitable for national advertising. In India, Indian Airline Hindustan Lever Ltd., Vicco, Godrej, Bajaj and Kirloskar are a few leading advertisers at national level. Likewise, detergents, soaps, toothpastes, cosmetics, scooters, cars, and bicycles, are some of the products, which are advertised all over the country.

**16. Retail Advertising:** Retail advertising is the advertising by retailers who usually sell goods direct to the customers. Retail advertising has such objectives as : (i) to sell the stock; (ii) to establish the identify of business; (iii) to attract personal, telephone or mail order shoppers. Retail advertising is done through window display, neon signs, posters, leaflets etc. It is usually local in character. The various advertising approaches of Akbarallys, Amarsons, and Asiatic Departmental Stores are the examples of retail advertising.

### 3.4 DIFFERENCE BETWEEN NATIONAL ADVERTISING AND RETAIL ADVERTISING

National Advertising	Retail Advertising
1. It is used in wider market, national advertising follows uniform message for all the consumer.	1. It is used in wider market. National advertising follows uniform message for all the consumers.
2. It is more interested in establishing long-range favourable attitudes.	2. It is more interested in establishing long range favourable attitudes.
3. It generally ignores price factor. Moreover, prices may vary from region to region.	3. It generally ignores price factor. Moreover, price may vary from region to region.
4. It mainly uses magazines radio and T.V.	4. It mainly uses magazines radio and T.V.
5. It requires big budget.	5. It requires big budget.
6. It advertises less frequently exception cases of consumer goods which are put to daily use like soap, tooth paste, etc.	6. It advertises less frequently except in cases of consumer goods which are put to daily use like soap, tooth paste, etc.
7. It is more spectacular and more attractive.	7. It is more spectacular and more attractive.
8. It advertises with emphasis for every aspect of the product, company and consumers.	8. It advertises with emphasis for every aspect of the product, company and consumers.
9. It concentrates advertise keeping in view business objective.	9. It concentrates on the entire country.
10. The prospective retail customers seek advertisements of their favourite store.	10. There is no such expectation on the part of consumers. As a policy of business, manufacturers advertising keeping in view business objective.

### 3.5 SUMMERY

Different authors have classified advertising in different ways. Generally the advertising is classified on the following basics 1. Area Covered, 2. Audience, 3. Media, 4. Functions, 5. Advertising Stages etc.

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### 3.6 QUESTIONS

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1. Give broad classification of advertising according to Area Coverage, Audience, Media and Functions
2. How would you classify different categories of advertising.
3. Write a brief note on (a) Social Advertising (b) Political Advertising (c) Advocacy Advertising (d) Retail Advertising
4. What is Financial Advertising? What are the essentials for the success of Financial advertising? Explain the advantages of Financial advertising,
5. Write short note on (a) Corporate Image Advertising (b) Public Relations Advertising, (c) Institutional Advertising,
6. What is Internet Advertising? What are the types of Internet Advertising?
7. What are the advantage and disadvantages of Internet Advertising.
8. Write short note on (a) Product Advertising (b) Service Advertising.
9. What is National Advertising and Retail Advertising? How does National Advertising differ from Retail Advertising.



## ADVERTISING MEDIA

### Unit Structure:

- 4.0 Objectives of the lesson
- 4.1 Introduction
- 4.2 Determinants of Advertising Media
- 4.3 Radio Advertising
- 4.4 Internet Advertising
- 4.5 Television Advertising
- 4.6 Press Advertising
- 4.7 Film Advertising
- 4.8 Purchase Point Advertising
- 4.9 Specialty Advertising
- 4.10 Video Advertising
- 4.11 Outdoor or Mural Advertising
- 4.12 Emerging Media options
- 4.13 Display or Indoor Publicity
- 4.14 Summary
- 4.15 Questions

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### 4.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand:

- Determinants of Advertising Media,
- Radio Advertising : Advantages and disadvantages, demerits or limitations of Radio Advertising, FM Radio broadcasting
- Internet Advertising : Types, advantages and disadvantages of Internet Advertising
- Television Advertising : Merits and demerits of Television Advertising
- Press Advertising : Merits and demerits of Newspaper Advertising
- Magazine and Journal Advertising : Advantages and disadvantages
- Outdoor or Mural Advertising : Types of Outdoor advertising, merits and demerits

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## 4.1 INTRODUCTION

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The most brilliant and original advertising ideas will be wasted if they are not presented through the right media in the right place at the right time to the right people. Hence the selection of right media is an important for achieving the objectives of advertising. However, before explaining the factors which should be kept in mind for selecting the right advertising media, it is essential that we must know the meaning of advertising media. An advertising media is a means or vehicle of delivering a definite message. It is a means through which an advertising message or information is passed on to the prospective customers, readers, viewers, listeners or passers-by. For instance, a producer seeks through advertisement media to keep in touch with old customers as well as to attract new customers. Medias are subject to intensive buying and selling activity. Examples of media are newspapers, magazines, radio, television, direct mail, posters, film, catalogues etc.

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## 4.2 DETERMINANTS OF ADVERTISING MEDIA

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Selection of a right type of advertising media is a difficult task. Any media that is selected must be capable of accomplishing at least the three main objectives :

1. It must reach the largest number of people possible.
2. It must attract their attention.
3. It must be economical.

But in practice there is hardly any single media that satisfies the above three objectives. There are number of advertising media choices available to the company in India. However, the real managerial task is to identify from among them the one (s) which is relevant for the company. For this purpose the management should consider the following factors:

**1. The Nature of the Product :** The nature of the product determines the choice of the advertising media. For instance, cinema, television, colour periodicals would be the obvious choice for products like fabrics and toilets requiring visual presentation. In this connection, management should develop a product-media match.

**2. Market Requirements :** While selecting advertising media, the company's market requirements should be considered. When they meet these requirements, they lend themselves to good use. For example, specialised high fashion colour magazines would be the proper media for consumers with high income groups and sophisticated tastes. Similarly, outdoor media would be appropriate when consumer action is to be induced at the point of purchase.

**3. Advertising Objectives :** The advertising objectives also determine the type of media to be selected. For example, the press is preferred to project corporate image while radio and television is relevant for product advertising.

**4. Distribution Strategy :** The advertising media should be compatible with the distribution strategy adopted by the company. For example, if the company is selling through middlemen-wholesalers and retailers etc., then outdoor advertising media duly supported by television, radio and cinema etc. may help to pull the product out of channel.

**5. Nature of the Message and Appeals :** The nature of advertising message appeal also determines the advertising media for a company. The media should be able to carry the message and appeal to the right persons in the perspective. For example, if time is the essence of communication, daily newspaper and radio may be the best choice. Mass consumption items like soaps, toothpastes, hair oil etc. may determine television, newspapers as the best selection.

**6. Budget :** The budget available for advertising purpose will decide the choice of media of advertising. For example, a manufacturer having comparatively large funds for advertising may choose television or radio or both as a media of advertising. On the other hand a medium or small sized businessman may prefer newspaper and magazine as an advertising media.

**7. Competitors Choices :** A company should also take into account the wisdom of competitors media choices despite differences in advertising objectives and appropriations. It is not desirable to outright dismiss their choices. Generally, the advertising media used by competitors are preferred so as to make an impressive appeal for the product.

**8. Media Circulation :** The company should take into account the circulation of the advertising media. Media circulation must match the distribution pattern of the product. This applies to the press media. Circulation should not be confused with readership. Circulation means the number of copies sold after deduction of free copies, returns and other differences between the total number of printed copies and total number sold at full price. The advertising media selected should have maximum circulation, such as Hindustan Times etc.

**9. Media Availability :** The question of media availability is quite relevant while considering advertising media alternatives because not all medias are available to a company at all times whenever

required. For instance, in 1973, and 1974, owing to acute newsprint shortage, space availability in national dailies was a real problem.

**10. Penetration :** How can we penetrate the market most thoroughly or how can we reach the greatest number of potential customers is also an important factor influencing the choice of a particular advertising media. Shall we reach housewives at the kitchen-sink by means of television or radio and which is likely to have the greater impact ? This fact should be considered.

**11. Size and Nature of the Business Enterprise :** The size and nature of the business enterprise also play an important part in making a choice for the advertising media. Different media will suit to departmental stores, chain stores, small shops, manufacturers and producers etc. A big business enterprise may make use of television, radio and newspapers having national network, whereas a small unit may prefer local newspapers and cinema-slides etc.

Thus the above factors are generally considered while selecting the advertising media for selling the products.

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### **4.3 RADIO ADVERTISING**

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Today, radio has emerged as one of our major advertising media. It provides a very large coverage of audience in urban and rural areas. Now almost every family has a radio set in our country. Radio advertising in India was started in 1967 when a commercial service on 'Vividh Bharati' was started. Commercial broadcasting is now undertaken by Delhi, Bombay, Madras, Calcutta, Poona, Nagpur and Bangalore stations etc. of All-India Radio. Ceylon Radio Commercial Broadcasting is quite popular throughout the country. Commercial broadcasting is a major source of income. Today, radio advertising is extremely popular with both trade and industry as the demand exceeds the time. Radio advertising may be described as 'word of mouth advertising on a wide scale'. The advertiser delivers the message orally and not visually. It makes appeal to the ear and not to the eye with the effect that the message is conveyed to the masses whether literate or illiterate.

#### **4.3.1 Advantages or Merits of Radio Advertising**

Radio advertising is quite popular in India on account of the following advantages:

1. It has a wide coverage. Even illiterate people are covered under this media. It can convey message even to small remote areas.
2. It is quite flexible as it can be used on a national or local level according to the need.



3. It gives message of the advertiser at the door of the prospects when they are in a respective mood.
4. It easily catches the attention of the people.
5. Today radio advertising is a major source of income.
6. It claims the advantage of memorising value. In this connection, psychologists say that anything learnt through the ears is not easily forgotten.
7. Radio advertising affords variety of programmes including entertainment on account of which the goodwill is developed. People buy the product advertised by radio because they enjoy the free show.
8. Radio advertising has human touch unequalled by any other media.

#### **4.3.2 Disadvantages, Demerits or Limitations of Radio Advertising**

Radio advertising has the following disadvantages, demerits or limitations :

1. The message given by radio advertising is short-lived.
  2. It is costly and is beyond the reach of small and medium sized advertisers.
  3. It only appeals to the sense of hearing and thus does not portray visually a picture of the package of the product.
  4. It is not suitable for all kinds of products, such as industrial goods which are not needed by the average radio listener. It is useful only for the goods of common use.
  5. Radio advertisements are very brief and thus details cannot be elaborated.
  6. Since there is a multiplicity of advertisements in a very short time, it is most likely that the listener may forget the name of the product.
  7. There is no possibility of demonstration in case of radio advertising.
  8. It is a selective media of advertising.
- **FM broadcasting** : FM broadcasting is a broadcast technology pioneered by Edwin Howard Armstrong that uses frequency modulation (FM) to provide high-fidelity sound over broadcast radio.

The term "FM band" is effectively shorthand for "frequency band in which FM is used for broadcasting". This term can upset

purists because it conflates a modulation scheme with a range of frequencies.

- **Modulation characteristics** : Frequency modulation (FM) is a form of modulation which conveys information over a carrier wave by varying its frequency (contrast this with amplitude modulation, in which the amplitude of the carrier is varied while its frequency remains constant). In analog applications, the instantaneous frequency of the carrier is directly proportional to the instantaneous value of the input signal. This form of modulation is commonly used in the FM broadcast band.

#### **Pre-emphasis and de-emphasis :**

Random noise has a triangular spectral distribution in an FM system, with the effect that noise occurs predominantly at the highest frequencies within the baseband. This can be offset, to a limited extent, by boosting the high frequencies before transmission and reducing them by a corresponding amount in the receiver. Reducing the high frequencies in the receiver also reduces the high-frequency noise. These processes of boosting and then reducing certain frequencies are known as pre-emphasis and de-emphasis, respectively.

The amount of pre-emphasis that can be applied is limited by the fact that many forms of contemporary music contain more high-frequency energy than the musical styles which prevailed at the birth of FM broadcasting. They cannot be pre-emphasized as much because it would cause excessive deviation of the FM carrier. Systems more modern than FM broadcasting tend to use either programme-dependent variable pre-emphasis; e.g., dbx in the BTSC TV sound system, or none at all.

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## **4.4 INTERNET ADVERTISING**

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The Internet facility has developed around for some 30 years. It actually began in the early 1960 in USA, where the US Department of Defense saw it as a means of supercomputer communication for researchers and military facilities across the country. Until it commercial exploded in 1990s, the Internet remained a relatively obscure network of linked computers - mostly by academics, military researchers, and scientists around the world to send and receive electronic mail, transfer files, and find or retrieve information from databases –

At present, Internet the fastest growing medium in history, offers incredible opportunities for a wide range of people in both

business and advertising. For advertisers, there is a whole new world of potential customers.

#### 4.4.1 Type of Internet Advertising :

Ads on the Internet can take a variety of forms. Most advertising on Internet can be classified as websites, banners, buttons, sponsorships, interstitials, Meta ads, classified ads, and e-mail ads.

- **Websites** : Some companies consider their whole website as an ad. However, a website is more than an ad - it's an alternative location where customers, prospects, shareholders, investors, and others can come to find out more about the company, its products and services. Some companies use their website like an extended brochure to promote their goods and services. Others treat their website as an online catalog store, conducting business right on the Net. Still other websites act in information and entertainment provides. Websites typically consist of a home page and an indefinite number of subsequent pages that users can visit for further information. A web page refers to a single HTML (hypertext markup language) file, which, when viewed with a browser, may actually be several screens long. A large website may have hundreds of these pages of information. This means the site contains hundreds of different documents of various lengths (from 1 to 10 or more screens), each probably covering a different subject.
- **Banners** : The ad banner is the basic form of web advertising. A banner is a little billboard that spreads across the top or bottom of the Web page. At present one comes across larger banner ads that can dominate the screen or even provide television commercials. When users click their mouse pointer on the banner, it sends them to the advertiser's site or a buffer page.
- **Buttons** : These are similar to banners. They are small versions of the banner those often look like an icon usually provides a link to an advertiser's home page. Since they take less space than banners, they are less expensive.
- **Sponsorships** : A form of advertising on the Internet that is getting popular is the sponsorship of Web pages. Corporations sponsor entire sections of a publisher's Web page or sponsor single events for a limited period of time, usually calculated in months. In exchange for sponsorship support, companies are given extensive recognition on the site. Sometimes an added-value package is created by integrating the sponsor's brand with

the publisher's content. For instance, a Web page on Olympics or some other spots can be sponsored by a business firm.

- **Interstitials** : This is a dynamic form of Net advertising. It is a catch all term for a variety of animated ads that pop up on the screen while the computer downloads a website that the user has clicked on. There are now many types of interstitials including pop-up windows, splash screens, superstitials, etc.
- **Meta Ads** : Used in search engines (such as Yahoo, Google, etc.), a met ad is an advertisement displayed on the results page of a search, specific to the searched item. Meta ads are also referred to as keyword advertising. This method enables an advertiser to target a specific audience. Advertisers can pay search engines to display their banners only when relevant keywords are searched for by a user. For example, if a user searched for the term "handicrafts and handlooms", the Meta ads displayed might be for handicrafts and handlooms items.
- **Classified Ads** : Another growing area for Internet advertisers in the classified ad websites. Some of these websites offer free classified advertising opportunities because ad banners of other advertisers support them. They are similar to newspaper classified ads. You can search for homes, cars, jobs, toys, shoes etc.
- **E-Mail Advertising** : Advertisers can send e-mail advertising to customers who have asked for it. It is similar to direct mail advertising, and therefore, it is the most effective form of internet advertising. However, there is too much of span via the e-mail. Span refers to unsolicited, mass e-mail advertising for product or service that is sent by an unknown entity to e-mail addresses.

#### 4.4.2 Advantage of Internet Advertising:

1. **Interactive Medium** : It allows consumers to directly interact with an advertiser, thereby establishing future relationships.
2. **Enormous Audience** : With an audience of about 500 million people world wide (some estimates put the figure at 1 billion people), the internet is the only true global medium, providing information and commercial opportunities that are immediately accessible around the world.

**3. Immediate Response :** Products and information are available on demand made by the consumer, thereby, providing instant feed back for the advertiser.

**4. Selective Targeting :** Advertisers can reach the right target audience, especially through the Meta ads.

**5. Proximity to Purchase :** It may be the greatest advantage of Internet advertising. Purchasers can be targeted right wither they are, right at the moment when they are considering of making a purchase.

**6. Affluent Market ;** Most of the Internet users belong to middle-upper class or upper class audience. Therefore, Internet medium enables to reach the affluent market of the society.

**7. Provides In-depth Information :** Internet provides in-depth information about a company and/or products. Commercial websites provide detailed information about products or services to the Internet users seeking information.

**8. Reaches Business-to-Business Users :** The Internet medium can reach to B2B users when they are still at work, not only business related information, but also consumer products advertising while they are working.

#### **4.4.3 Disadvantages of Internet Advertising:**

**1. Lack Mass-Media Efficiency :** Internet is not a mass medium as the case of radio and television. Therefore, it may never offer mass media efficiency. Most marketers in developing countries like India, may find it as too complex, too cluttered or not worth the time and efforts.

**2. Slow Downloads :** The downloading of websites is very slow in many parts of the world, including India. The ads that pop up in between only irritate the Internet users.

**3. Problem of Span :** There is too much of Spam via the e-mail. Therefore, e-mail users do not consider going through even the responsible ads.

**4. Problem of Online Purchases :** In India, most consumers would like to physically inspect the goods before purchases. Therefore, they may not place orders online. Again, most people do not believe the internet as a sage place for financial transaction.

**5. Untested Medium :** There is hardly any research to test the effectiveness of Internet advertising. Therefore, a good number of markets in India do not give much importance to Internet advertising.

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## 4.5 TELEVISION ADVERTISING

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**Television Advertising :** It is said that to-day television advertising is the best selling media ever invented. It has a potential advertising impact unmatched by any other media. It is a means of bringing actual demonstration in the homes of the prospects and is therefore more effective media when compared with radio. That is why the position of radio advertising has now being gradually taken by television advertising.

Commercial television advertising was introduced in India on January 1, 1976 on the pattern of All India Radio. Thus, as an advertising media, television is of recent origin in India. It is also known by the name of 'Doordarshan' in India. Television makes full use of sight, sound and motion and thereby maximises impact on audience. On colour TVs, now colour may also be used to add to the impact. The coverage of television is increasing at a rapid pace in India. This media is particularly advantageous for those advertisers whose products require demonstration. Sponsored programmes have also been started on television in India.

### 4.5.1 Advantages or Merits of Television Advertising

**Television advertising has the following advantages :**

1. The main advantage of television advertising is that it combines the advantages of both radio and cinema. Thus it is a most powerful audio-visual media.
2. It makes the message more attractive and impressive.
3. It is most advantageous to those advertisers whose products and service require demonstration.
4. It is a source of major income to Doordarshan.
5. It possesses geographical selectivity. An advertiser can place his advertisements on selected few stations as per his requirements.
6. It has a wide coverage. At present television services are available to more than 80% of India's population.

### 4.5.2 Disadvantages or Demerits or Limitations of Television Advertising

Television Advertising is subject to the following demerits or limitations :

1. It is very expensive advertising media and would certainly exclude the small advertisers.
2. Television message is short-lived.
3. The range within which the telecasting reaches the audience is very limited.
4. In case of India, an average Indian cannot afford television as it is quite costly.
5. Television advertisements are very brief due to high cost of advertising on television.
6. Television advertising is a very deliberate media, requiring long term planning, the gaining of approval from the authority and also lacking flexibility.

### Check Your Progress

1. "The most brilliant and original advertising ideas will be wasted if they are not presented through media." Discuss.
2. Explain the following types
  - a. Website
  - b. Sponsorship
  - c. Banners
  - d. F.M. Broadcasting

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## 4.6 PRESS ADVERTISING

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### 4.6.1 Meaning of Press Advertising

Press advertising is the most popular and effective method of publicity today. It has become the part of the culture and political life of people today. Press, also referred to as print, is an advertising media comprising all those vehicles owned by others and which can carry the advertising message in print to be read by target customers. In India, this media is very commonly used by companies and account for nearly 70 per cent of their total expenditure on advertising media.

**4.6.2 Forms or Types :** Press advertising takes the following two major forms :

**1. Newspapers :** NP Newspapers are bought largely for their news values. Newspapers may be national/local daily/weekly. These are

a good vehicle to pass on information about new products, current products and price-off deals. They can be used for local, national and regional market coverage. In India, there are a number of newspapers both in English and also in regional languages. Many newspapers in English and Hindi have nationwide coverage. So a message given in newspapers may have a better impression on the minds of the people and it may be more specific, clear, complex and lengthy. Currently, 1173 daily newspapers and 5280 weekly newspapers are published in India, out of which the largest number is accounted for by the Hindi language newspapers followed by Urdu, Marathi and English newspapers in terms of number, and English, Hindi, Malayalam, Marathi and Gujarati in terms of circulation. Among the states, the largest number of newspapers are published in Uttar Pradesh followed by Maharashtra and Karnataka. Among the prominent national English language dailies are the Times of India, Hindustan, Indian Express, Statesman and Economic Times etc., whereas among the national Hindi language dailies include Hindustan Times, Navbharat Times, National Dunia and in Rajasthan - Rajasthan Patrika. However, among the different language groups, companies in India, both in the state and private sector, largely use English dailies as their advertising media. Small enterprises prefer local newspapers as their advertising media. The newspapers charge on the basis of column centimetre space used by the advertiser. They also charge premium for special positions and provide concession for space booking on contract. However, these rates vary from newspaper to newspaper as per their circular and coverage.

• **Advantages or Merits of Newspaper Advertising Media :**

The advantages of merits of newspaper advertising media may be summed up as under :

1. Their coverage is high as they reach every nook and corner in a very short time.
2. They offer a lot of flexibility. According to the convenience and necessity of the advertiser, the shape, size and appeal may be frequently changed to suit the need of the advertiser.
3. High frequency enables speedy preparation and publication of advertisement.
4. It is the cheapest media of advertising as far as its cost per reader is concerned.
5. The daily newspaper have strong repetitive value as it offers an opportunity to the advertiser to repeat its message at a short interval of only one day.
6. The public response towards newspaper advertising is very quick.



7. By inserting local advertisements (in local newspapers), the effectiveness of advertising copy could be tested quite easily.
8. By inserting frequent advertisements in the newspapers, their visual appeals may be created very easily.
9. The reputation of the newspapers is available to the advertisers and their products also. Leading newspapers provide space to reputed and reliable concerns only.
10. Newspaper advertising provides geographic selectivity.

• **Disadvantages or Demerits or Limitations of Newspaper Advertising Media :** The following are the disadvantages or demerits or limitations of newspaper advertising media :

1. The life of a newspaper is very short, i.e., only for the day. It is said, “Nothing is alive as today’s newspaper” and “Nothing is dead as yesterday’s newspaper.”
2. There is waste of circulation. The advertisement is carried even to those places where there is no market existing nor the possibility of creating a new market in the near future.
3. If the customers are limited in numbers, advertising in newspapers may be ineffective and costly too.
4. Visual effects may not be created in practice as the newspapers are generally printed on cheap newsprint.
5. There is lack of uniformity in advertising requirements. Lack of uniformity of publishers’ requirements with respect to rates, size, type of copy and so on.
6. Newspaper advertising is less popular in undeveloped countries where the masses are illiterate ignorant and poor.

**2. Magazines and Journals:** Another media under press advertising media is magazines and journals. They offer selective circulation throughout the country at a cost within reasonable budget limits. These are published periodically at regular intervals, i.e., weekly, fortnightly, monthly, quarterly or annually. Magazines and Journals are read at leisure and with care when the reader is mentally prepared to receive the advertisements. It has a long effective life. From the advertiser’s point of view, magazines may be classified under five groups : (i) Special Interest Magazines; (ii) Trade Magazines; (iii) Technical Magazines; (iv) Professional Magazines; and (v) Regional Magazines.

• **Advantages or Merits of Magazines and Journals :** The following are the advantages of magazines and journals as an advertising media :

1. The life of magazine is considerably longer than that of newspapers. These are kept ready for weeks and months.
2. Better reproduction of advertisement than newspapers is provided.
3. Magazines are highly selective in nature and waste of circulation is avoided.
4. Magazine advertising create prestige, reputation and an image of quality.
5. The number of readers per copy in case of magazine advertising is quite high. There is multiplicity of readership.
6. Magazines are ideals for introduction new ideas.
7. Magazine readership is usually a leisurely home readership for enjoyment relaxation, and 'with guards down'.
8. The printing, paper, colour combination is more attractive in case of magazine advertising than newspaper advertising.
9. Magazines reach specialised groups conveniently and effectively.
10. The cost of utilising magazines for advertising is quite low.

• **Disadvantages or Demerits or Limitations of Magazine and Journal Advertising :**

As compared to newspaper advertising, the magazine and journal advertising have the following disadvantages, demerits or limitations :

1. The chief demerit of magazine advertising is its low flexibility.
2. Preparation costs for magazine copy are usually rather high and sometimes exceed the cost of the space used in trade magazines.
3. The circulation is limited as compared to newspaper advertising.
4. It takes more time in printing etc. than newspaper advertising.
5. The size of magazines differs widely and hence the advertiser has to prepare the copy of advertisement according to the size of the magazine and journal.
6. Change in appeal cannot be effective quickly.

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## **4.7 FILM ADVERTISING**

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### **4.7.1 Meaning :**

Film is an audio-visual medium of communication and offers wide opportunities to the advertiser to screen commercial films and slides produced by them. Today cinema is an important and

effective media of advertising. Suitable short films may be prepared to create a lasting impression upon the audience. These may be presented in the form of a story or a cartoon. Through the merits of the product are presented to the audience effectively. Such films may be shown before the start of the feature film or during interval. At present there are three kinds of films used as media of advertising :

#### **4.7.2 Kinds of Films :**

**1. Straight Advertising Films :** These are most common now-a-days. These concentrate on advertising message relating to only one product of a particular company, such as Hindustan Lever, Tata Oil Mills (toilet preparations), D.C.M., Gwalior Rayon, Calico etc. These are of short duration lasting from 3 to 5 minutes.

**2. Documentary Films :** Documentary films are mainly used for publicity aspect and in most cases is educative in character. They are used to show various aspects of an industry as a whole.

**3. Sponsored Advertising Films :** It is a very good combination of advertisement and entertainment. Cartoon films come under this category.

In India, cinema has practically reached in all the parts of the country. Bombay has become the hub of advertising films and slides production. With all these, cinema as an advertising media holds great opportunities particularly, for those companies which are poised to penetrate the rural market of our country. It is particularly relevant for advertising consumer-products and farm inputs.

#### **4.7.3 Advantages or Merits :**

1. It has a quite wide coverage.
2. It is able to explain and demonstrate the use of a product quite conveniently.
3. Appeal is made to all sections of the society.
4. It is never wasted as no advertisement can escape the attention.
5. It is effective and may pay rich dividend to the advertiser.

#### **4.7.4 Disadvantages, Demerits or Limitation :**

1. The films are too short and need changes frequently.
2. Production cost of a film is quite high.

3. The audience may not like to waste time in seeing such films repeatedly. They resent to it as they come for entertainment only.
4. Restrictions are imposed against screening of films, e.g., there is censoring.
5. For screening films, the cooperation of theatres is a must which is not easily available.

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#### **4.8 PURCHASE POINT ADVERTISING**

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Purchase point advertising is that advertising which is undertaken at the premises of the manufacturer or the dealer for attracting the customers. This is a direct method because the advertising process is either undertaken by the manufacturer directly or through the dealer. Under this method, goods are displayed at the counters, windows or in almirahs. It is observed that the point of purchase is the exact point where the prospects are reminded finally about a product. It is considered as a powerful media now a day.

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#### **4.9 SPECIALTY ADVERTISING**

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Under this media of advertising, manufacturers provide various articles of low value free of cost to the existing and prospective customers. The articles constitute calendars, ball-pens, diaries, cigarette cases, bags and other executive gifts. Such articles bear the name and address of the advertiser. It is felt that recipients will do business with the firm in the near future even though articles are given on no obligation basis. It is also called Novelty Advertising. These articles are given to targeted customers.

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#### **4.10 VIDEO ADVERTISING**

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It is now considered as the latest media of advertising. Under this method, video-cassettes ad-films are prepared. Nearly 22 million people around the world watch Indian films on video. India alone has video-audience of about 30 millions which is increasing day by day. There are more than 50,000 video-libraries and about 1 lakh video-parlours/clubs in India. The video-cassettes released in India are also being screened in thousands of luxury buses. Besides the feature film they contain advertisements which are displayed at short intervals.

## Check Your Progress

1. "Press Advertising is the most popular and effective method of publicity today." Explain.
2. Explain the following terms.
  - a. Film Advertising
  - b. Documentary Films
  - c. Sponsored Advertising Films
  - d. Purchase Point Advertising
  - e. Video Advertising

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### 4.11 OUTDOOR OR MURAL ADVERTISING

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#### 4.11.1 Meaning of Outdoor or Mural Advertising:

Outdoor or mural advertising is the oldest form of advertising and remains the most common media even today. It is also called 'wall advertising'. Outdoor advertising consists of a display of advertisements out of door which may be in the form of posters, painted signs, field signs, neon light signs, hoardings and posters carried by sandwichmen. This is also referred to as mural advertising as posters consisting of a picture, are often placed on walls particularly a large one, printed directly on a wall or large photograph attached directly to a wall. Small playcards or posters placed outside or inside carriages such as trams, delivery-vans, buses, railway carriages etc. also come under this category. The new form of advertising by using balloons, kites and smoke-writing in the sky is also a part of outdoor advertising. Outdoor advertising is not always argumentative but suggestive. The effectiveness of such advertising materially depends on its positions. Therefore, outdoor advertisements must be placed in such a way as can be seen by a large number of prospective customers with ample attention. The articles suited for such advertising are those which the masses can buy, such as food products, soaps, medicines, cigarettes, shoes, clothes and other domestic requirements.

#### 4.11.2 Main Characteristics of Outdoor Advertising

1. It is a widespread popular advertising media which makes the goods and services of interest to mass appeal.
2. It has a comparatively longer life.
3. It has a high coverage.
4. Most outdoor advertisements are big and dominant so it is a very powerful eye-catching media.
5. It is a very flexible advertising media so that the advertiser can retain sites where he needs them most.

6. It is the oldest advertising media.
7. It also consists of suitable and popular slogans which can be easily remembered by the prospects.

#### 4.11.3 Types, Forms or Kinds of Outdoor Advertising

**Outdoor advertising may take any of the following forms :**

**1. Posters :** This is the most common and popular form of outdoor advertising. These are exhibited on a hoarding or on walls, roofs, fences, chimneys etc. A really commanding effect can be produced by posters which cost less than any other advertising media. Design is the basis of all poster-advertising. These mostly contain pictures. Advertising for a movie is done in this way. Even where no pictures are used, the proper arrangement of lettering is important. The posters should be simple, attractive and capable of telling its story at a glance. Posters also give considerable scope for the use of suitable and attractive colours. Humour can also be used with advantage in poster-advertising.

**2. Advertising Board :** These are also posters which are kept at certain fixed places especially at points where people frequently assemble, such as bus stops, railways, crossings etc. Generally these advertising boards are made of metallic sheet enclosed in a wooden frame and fixed with a panel having specified height at main junctions. These are fixed and well set with flood-lights.

**3. Vehicle Advertising :** It refers to moving advertisement. It consists of placing posters or playcards inside or outside vehicles such as trams, buses, taxies, delivery-vans, railway carriages etc. The main advantage of this system is the small space available for such posters. These posters are fairly sighted by the eyes and can be easily read. This method is a very common media and is considered to be very effective.

**4. Electric Displays and Signs :** Signs illuminated by electricity are today to be seen in large number in cities. This is the most modern and the most attractive form of outdoor display. It may consist of wooden letters studded with bulbs. Sometimes with a view to attract the attention, coloured bulbs are used and the colours are changed at short intervals. Another device used to attract attention is to turn on the light on each letter at a time to give the impression of the sign being written by an invisible hand.

**5. Neon Signs :** There are brilliantly coloured tubes available in various shades. These can be of the still or the flashing type. These signs are more attractive and interesting than the signs built up by a number of electric bulbs.

**6. Sky Advertising (Sky Writing) :** Sky advertising is another modern form of outdoor advertising. In this form of advertising media an aeroplane writes the name of the product or the producer in the sky. It is also known as 'smoke writing' because the message is written in the sky by means of smoke. Large sized printed balloons are also dropped from the aeroplane in the sky. Usually, near the circus-tents, a large sized balloon is floated on which the name of the circus is written.

**7. Sandwichmen :** They are hired persons and properly dressed who walk in the streets in a procession with boards, posters and notices placed about them. The idea is to attract the attention of the public. The cinema-theatres usually arrange this kind of advertising media when a new picture is released.

**8. Stickers :** It is also an important form of outdoor advertising. In this case, the advertiser enters in a contract with the popular players that whatever they will wear or use during the match will bear the sticker of the advertiser.

**9. Puppet Shows :** This is purely an Indian outdoor advertising media which provided entertainment while conveying a message. Now-a-days it is used widely in the family planning campaign in India mostly in villages. One such show tells how a rich man of the village who has large family, rejects the family planning campaign. But his wife has twins and there are complications. He calls in the midwife who tells him that his wife will not survive more births. He accepts the family planning advice and so becomes the innovator in his village.

The above are the most common forms of the outdoor advertising. However, there may be other forms of this type of advertising.

#### **4.11.4 Advantages or Merits of Outdoor Advertising Media**

1. It has a wide coverage.
2. It is capable of gaining more attention of the public.
3. Outdoor advertising is more useful for local dealers. Its results can be more readily secured by using this form of advertising.
4. In big cities and high traffic areas, outdoor advertising is the most effective form of advertising.
5. Outdoor advertising is more flexible.
6. It offers greater selectivity because it can be used locally, regionally or even nationally.
7. It can be easily remembered.

8. It is quite economical.
9. It has comparatively long life.
10. It is a very good media to stress brand names and package identity.

#### **4.11.5 Disadvantages or Demerits or Limitations of Outdoor Advertising Media**

The outdoor advertising media possess the following disadvantages, demerits or limitations and thus is subject to criticism :

1. It is subject to adverse reaction of the public on the ground that the walls of the houses are used for writing outdoor advertisement even without the permission of the owner of the house.
2. The message written under this type of advertising is too brief.
3. The exact effect created on prospects is difficult to measure.
4. The language used in writing on the wall advertising is usually defective and sometimes immoral too. It has an adverse effect on the public.

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### **4.12 EMERGING MEDIA OPTIONS**

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#### **4.12.1 Meaning**

There are several Media Options which have emerged due to increased popularity of advertising. Advertising through cell phones and marketing through social sites are some of the Emerging Media Options.

#### **4.12.2 Alternative Media Options**

We shall discuss the following Alternative Media Options

- **Car Cards** : Car cards are small size thick papers or posters placed inside the vehicles like the buses or railway trains. They are also posted on the window screens or the side glasses of motor cars. The main purpose is to remind the travelers about the product. However, it is possible that many travelers may not look at the cards while travelling.
- **Traveling Displays** : These car cards are posted outside the vehicles or local trains. Their purpose is to attract the attention outside public or of those who are standing on railway platforms.



- **Sandwich Boards or Tall Man Advertising:** Sandwich boards advertisement is carried by a man with two posters hung on his two sides. The man is known as a sandwich man as he is sandwich between two boards. He moves from one street to another and attracts the attention of the passerby. To add the unusual site, sometimes, a tall man carrying the boards walks with the support of long sticks and with funny mask and clothes and attracts the passerby.
- **Sky Writing or Sky Balloons :**  
In this type, a painted balloon or a plastic sheet having advertisement message may be attached to the tail of the flying aeroplane. This being very unusual thing. People are attracted towards it.

#### **Advantages :**

1. It acts as a supporting or supplementary to press media effectively.
2. It is constantly reminding prospects of the products.
3. It is colourful and has a pleasing appearance. So, prospects welcome this form of publicity.
4. It has a wide appeal. It attracts all human population of literates and illiterates.
5. This media is more permanent compared to newspapers, films, magazines etc.
6. It provides scope for talents, skill and art.

#### **Disadvantages :**

1. It is difficult in measuring response as it appeals to the general public and not in particular.
2. Selection of wrong sight, wrong materials, wrong methods etc. wastages may arise. Also, due to damages to the posters, hoarding etc. wastages are created.
3. This media can be used only as a supporting media to the others like T.V. Radio etc.
4. It is alleged that the posters, hoardings, neon signs etc. spoil the natural beauty of the places.

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### **4.13 DISPLAY OR INDOOR PUBLICITY**

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To display the goods means to show the goods to the people in order to induce them to enter the shop to buy them. It is a device by which customers and people are attracted to the shop.

#### **4.13.1 Importance of Display :**

1. It is only the part of publicity which allows the people to touch the products, to handle them or to actually see them. It is more realistic in salesmanship.

2. Another importance of display is that display is an important dealer aid. The display technique helps the dealers to conduct an effective publicity.

3. The third importance factor that has given importance to display is that, it attracts the attention of the prospects and makes the people walk into the shops.

4. Lastly Display is importance to its effects not only on prospects but also on suspects. It makes the message directly to the prospects through their eyes.

#### **4.13.2 Different Forms of Displays :**

(a) **Window Display** : It refers to showing of goods in the window of the shop. Window of a shop means a part of the front portion of the shop which can be seen from outside. Windows are meant for outsiders to keep in. Window display technique is used by retailers or small businessman because they can't afford to spend on other Medias. Window display is used for all types of consumer goods. It makes people eager to know and see the products.

**Following are the rules for the shopkeepers while displaying the goods in windows:**

1. Normally, the windows of rectangular shapes are selected and not the vertical one's because they provides for adequate space and easy movement of vision.

2. The items should be arranged horizontally and not vertically because this allows easy gaze movement. The background of window should be attractive and pleasant.

3. The windows should not be over-crowded with items because it strains the eyes of the viewers.

4. The position of the items displayed should be changed from time to time to create variety.

5. Proper lighting and illumination of the window should be done so that they focus on the special features of the product.

6. The display technique should not violate the basic rules of decent approach. There should not be overcrowding of expensive good in too fashionable setting otherwise, the respects would be frightened and the result would be negative.

(b) **Interior Decoration** : It refers to the various designs and equipments used by a retailer inside his shop. Showcases, counters, lighting arrangement, ventilation etc. It creates a pleasant atmosphere for the prospects and increases their comforts. Effective interior decoration does not require lot of space but it makes appropriate use of the available space to provide for easy movement and get up.

(c) **Counter Display**: It refers to arranging the products located within the shop. Counter display helps the customer to know about all the items which are available in the shop. Such a facility is not available in window display because all the items cannot be presented in the window.

A good salesman must see that he should not show any goods which may go against the window display. Secondly, counter display must bring out as many varieties as are related to the particular type displayed at the window. Thirdly, the salesman must see that goods are not placed one upon the other.

(d) **Showcases** : In this type, the items are presented in a cupboard with glass front of cabinets with glass front. These are similar to window display in the sense that, the showcases should be rectangular, items should be placed horizontally. In showcases, items of similar nature and even size should be grouped together so that, the customer knows the varieties of the same type available. The showcases should contain all the items available in the shops.

(e) **Showrooms** : A showroom is used by many producers or dealers not only to expose goods for sale but also demonstrate the uses and the working of the articles. It is meant for presentation of technical products, sophisticated goods etc. which require lot of explanation before buying the products.

Showrooms have technically qualified persons to assist the customers when they visit the showrooms and also advice and guide them to understand the goods better.

(f) **Exhibitions** : The trade exhibitions are meant for introducing new products or latest innovations in the fields of business. They are organised by Trade Associations of Chamber of Commerce. The main idea behind exhibitions is that various

traders, manufacturers etc. can be induced to visit and get information about the products displayed.

In exhibition there is only presentation of the products and no sale takes place. For this purpose, the stalls are decorated and the items are presented in an attractive manner. Exhibitions have mass approach because many people visit them.

(g) **Trade Fairs** : Trade fair is similar to exhibition except that in the trade fair not only the items are exhibited but are also sold. Besides, entertainment items are staged to attract hundreds of people. Thus, there is business and fun in the trade fairs.

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#### 4.14 SUMMARY

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Selection of right media is important for achieving the objectives of advertising. Selection of right type of advertising media depends on the factors like the nature of production, market requirement, advertising objectives, distribution strategy, budget, competitors' choice, media availability etc.

There are a number of advertising media choices available in India like Radio, FM Radio broadcasting, Internet, Television, Press, Magazine and Journals, Mural advertising act. But not any single media can satisfies all the objectives of the company.

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#### 4.15 QUESTIONS

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1. What is Advertising Media? Explain the main factors to be kept in mind while selecting advertising media.
2. What is Advertising Media? Explain the determinates of advertising media.
3. What do you understand by Radio Advertising? Explain its merits and demerits of Radio Advertising.
4. Radio Publicity has become a 'must' of the Modern Business". Comment.
5. What is FM broadcasting? Explain modulation characteristics of FM Radio broadcast
6. What is Internet Advertising? What are the types of Internet Advertising?
7. What are the advantage and disadvatanges of Internet Advertising.
8. Television Publicity has become a must of the Modern Advertising." Comment.

9. What is Television Advertising? Give its Merits and Demerits.
10. What is Press Advertising? What are its Forms? Describe the Advantages and Disadvantages of each.
11. What is Mean by Press Advertising Media? Discuss the Various Forms of Press Advertising. Explain the Merits and Demerits of each
12. Write notes on : (a) Film Advertising (b) Point of Purchase Advertising (c) Speciality Advertising (d) Video Advertising
13. What do you understand by Outdoor Advertising Media? What are its Forms? Explain its Merits and Demerits
14. What do you Mean by Mural Advertising? Discuss its Merits and Demerits.
15. What is Meant by Outdoor Advertising? What are its Main Characteristics? Discuss its Advantages and Disadvantages.
16. What are different forms of Displays?



## **MEDIA PLANNING**

### **Unit Structure :**

- 5.0 Objectives of the lesson
- 5.1 Introduction
- 5.2 Steps in Media Planning
- 5.3 Media Vehicle choice
- 5.4 Significance of Reach Frequency and Continuity in media planning
- 5.5 Zipping and Zapping
- 5.6 Summary
- 5.7 Questions

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### **5.0 OBJECTIVES OF THE LESSON**

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After completion of this lesson the student will be able to understand :

- Media Planning : Process involved in Media planning
- Major Media types - Media-Vehicle, Media Vehicle Choices
- Significance of (a) Reach (b) Frequency and (c) Continuity in media planning
- Objectives of Greater Frequency : Media Mix
- Zipping and Zapping

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### **5.1 INTRODUCTION**

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Media planning is an exercise to find the best medium or combination of media that will produce the best overall effect relative to the needs of the advertised brand. Media planning in general should involve optimum benefits in the long run. The media mix, in terms of balance of usage for TV, radio and print media or other types of media vehicles, should be such that the best utility of the advertising budget is obtained, and duplication of audience is avoided as far as possible.

There is no single best media strategy that is applicable in varied situations or sometimes even in similar situations. Media strategies also differ because of changing situations. For example, the state of the economy changes just as consumers' tastes change. Advertisements for luxurious cars would therefore not be effective during times of economic depression. Similarly, advertisements about blue jeans, when jeans are not in fashion, would not have much impact.

To select the right media and to search the right target audience for a desired response the advertiser or his advertising agency should go for a systematic media planning.

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## 5.2 STEPS IN MEDIA PLANNING

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**The following are the steps in media planning:**

**1. Decide Target Market :** It is necessary to decide specific market where planned efforts can be directed.

**2. Media Objectives :** Media objectives are often stated in term of reach, frequency, gross rating points and continuity.

**(a) Reach :** It refers to the number of different persons or household exposed to a particular media schedule at least once during a specific time period.

**(b) Frequency :** It refers to the number of times within the specified time period that an average person or household is exposed to message.

**(c) Gross Ratings Points :** It refers to the total weight of a media effort in quantitative terms. GRP's are equal to each multiplied by average frequencies. E.g. 80% of the homes watch Chitrahhar and they are exposed on average 2.5 times within the 4 week period. The total impact or GRP's =  $80 \times 2.5 = 200$ .

**(d) Continuity :** It refers to the timing of the media insertions.

**3. Selection of Media Types :**

Every media plan requires that specific media types to be selected. There are a number of advertising media available to the advertiser for advertising the goods etc. These may be grouped under the following heads:

1. Press Advertising Media - (a) Newspapers and (b) Magazines and Journals.

2. Outdoor or Mural Advertising Media - (i) Posters, (ii) Advertising Boards, (iii) Sandwich Boards, (iv) Electric Display, (v) Vehicular, (vi) Sticker, and (vii) Sky Writing.

3. Direct Mail Advertising Media - (i) Circulars, (ii) Price-lists, (iii) Booklets, (iv) Leaflets, and Folders, (v) Business Reply Envelops and Cards, (vi) Gift Novelties, and (vii) Personal Letters.

4. Broadcast Advertising Media - (a) Radio, (b) Television

5. Promotional Advertising Media - (i) Window Display, (ii) Show-Room, (iii) Exhibitions and Fairs, (iv) Interior Display, (v) Trade Shows, (vi) Samples, Coupons and Premiums etc.

6. Miscellaneous Advertising Media - (a) Cinema and Cinema Slides, (b) Speciality Advertising, (c) Purchase Point Advertising, and (d) Video Advertising etc.

**4. Selecting Specific Media Vehicle :** Once a decision is made on media types, specific media vehicles within each medium must be chosen.

**Media Mix:** Once the media selection is decided upon, the next step is to determine the mix of the media one must use. This will be arrived at by considering the advertising company's marketing objectives, its target market, media characteristics, and its matching with the target market. The overall advertising budget also influences the nature of such mix, in addition to the available audience. For example, to achieve certain advertising objectives, one may require to use a mix of 50% newspaper, 25% magazine and the rest 25% television. However, more than one mix may fulfill the advertising objectives, and yet be within the overall budget cost. But one should aim at balanced mix.

Some advertisers prefer to concentrate on one media type mix whereas others like to have a widely varied mix. While the former offers the advertiser an opportunity to make a great impact on a specific market segment, the latter, being an assortment of media, can deliver different messages about the same product in different market segments more effectively.

**Media Buying :** The specialist who is the counter part of the media sales representative is the media buyer. Most of these specialists work for advertising agencies, although some are retained by advertisers and some work for firms of media specialists who offer media buying services to both advertising agencies and advertisers. Media buying service is likely to be more personal and direct.



The media buying specialist helps to decide what media should be used for a product, purchases the media, and controls and evaluates the performance of the media purchased.

There is growth of Media Buying Units (MBUs) throughout the world. Advertising Agencies merge and form a group and then set up an independent MBU to buy advertising space. The MBU benefits not only the advertising agencies, and the advertisers because of cost-effective rates, but also the media sellers. The media sellers can negotiate for rates, with one media buying unit on behalf of a group of ad agencies.

**5. Allocation of Funds :** The planner should then decide on the amount of funds that would be allocated to each media type and vehicle.

**6. Media Scheduling :** Media scheduling could be used depending upon the requirements of the advertisers.

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### 5.3 MEDIA-VEHICLE CHOICE

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After indemnifying the various advertising medias, as available for a company, the subsequent managerial task is to evaluate each media vehicle against certain criterion and then only to decide which of the particular vehicles are suitable for him. For such a decision, he has to evaluate the available media vehicles against certain criterion. The major vehicle evaluation criterion are as follows :

**1. Coverage :** It is the most important and powerful criterion for evaluating vehicle media. Coverage refers to the number and spread message outlets provided by the media vehicle. When the media vehicle provides large coverage, the changes of message exposure to customers is also greater. Thus a media vehicle providing larger coverage should be more acceptable. For example, in case of a newspaper, the coverage refers to the circulation of that particular newspaper. But this is not enough. We must also consider other criteria which are as follows.

**2. Consumer Confidence :** It is also an important criteria for evaluating the selection of a vehicle media. Consumer confidence refers to the credibility of media in the mind of target customers. It is a relevant criterion for evaluating a media vehicle since the credibility of advertising message is positively related to the media vehicle's credibility. For example, a recent study in India revealed that newspapers and magazines are considered to be the most credible of all media, scoring high on usefulness and information.

**3. Reach :** Reach as an evaluation criterion refers to the vehicle's access to different homes or individuals over a given period of time. In case of press media, it is indicated by readership which is arrived at by multiplying circulation of the paper with the average number of readers per copy.

**4. Cost :** Cost is also an important criterion against which each media vehicle choice should be evaluated. Cost refers to the money spent on using a particular vehicle media. In order to make a decision, it is suggested that the advertiser should make out an inter-vehicle cost comparison.

**5. Timing :** The last but also equally important criterion for evaluating vehicle media choice is the timing of advertisement. The reasons for the importance of the decision may be two-fold - (i) Seasonability of product sales, and (ii) staggered effects of advertising. The advertiser should, after considering these two elements, decide on the scheduling of advertisements to improve the effectiveness.

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## 5.4 SIGNIFICANCE OF REACH, FREQUENCY AND CONTINUITY IN MEDIA PLANNING

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Media planning means devising a programme in such a manner as to optimally use the advertising space, the broadcast time, or other advertising media, in exposing an advertiser's message to potential consumers. There are basically three concepts that are generally incorporated in most planning processes:

**(a) Reach :** Advertisers are mainly interested in the percentage of the total market that they can reach their messages through the media in a given area of coverage. Reach refers to the total number of households that will be exposed to a message through a particular media vehicle over a set period of time. This period of time may vary from advertiser to advertiser, but generally, four weeks is considered adequate for calculation purposes. Reach is usually expressed as a percentage of the total number of households in a prescribed area that have been exposed to the advertising message. For example, if there are a total number of 1000 households and 200 of these have been exposed to the message then the reach is calculated to be one-fifth or 20 per cent.

**Objectives of Greater Reach :** The purpose of reach is optimal exposure. The idea behind the strategy for greater reach is that the advertisement be received by as many people as possible in the first instance. A strategy for greater reach would be desirable under the following circumstances :

1. When a new product is introduced the idea is to initially expose the product to as wide an audience as possible, irrespective of whether they immediately remember the product or not.
2. When introducing a new use for the product in order to expand its share of the market. If a product is already known but a new aspect of the product needs to be advertised, then greater reach is desirable. For example, if a well established brand of toothpaste adds mouthwash ingredients to it, it would call for greater reach so as to inform a wide audience about this additional feature.
3. When seeking to increase the recognition of the company through a campaign or to promote the image of the company. For example, the advertising campaigns for Godrej made the name of the Godrej Company, a household name for quality and variety of product.
4. When the creative message is so dramatic that most people will react to it and retain the message after only the first exposure. For example, when a famous film star is promoting a product or when the message is unique, eye-catching, attention getter, then reach becomes more important than the frequency.

**(b) Frequency :** Frequency is the average number of times in a give period that each person has been exposed among the target audience by the brand's advertising. If the message reaches the audience by the brand's advertising. If the message reaches the audience just once, is it enough to influence their buying or should they be exposed to the message more than once in order to reinforce the message? If so, then how many times should a household be exposed to the same message? Thus, frequency refers to the number of exposures to the same message that each household supposedly receives. Since the frequency may differ for different sets of households, an average frequency is calculated by the following formula :

$$\text{Average frequency} = \frac{\text{Total exposures for all households}}{\text{Reach}}$$

If the total number of exposures is 400 and the reach is 50 then the average frequency is 8. This means that the average household is exposed to the same message eight times.

**Objectives of Greater Frequency:** Frequency primarily means repetition of the same message and the objective of greater frequency is to promote interest and desire for the product on a continuous basis instead of a simple awareness. Even though frequency is achieved at the expense of reach, it is advisable to go for frequency under the following situations:

1. When the competitor is using high frequency to reach the same segment of the market. For example, in the case of soap and detergent commercials, a competitor has a distinctive edge, if he continuously reinforces the quality and utility of his product in the customers minds by repeated advertisements. This offensive can only be countered by frequency of advertising rather than reach.

2. When a reaction is desired within a limited time period. For example, a sale on for just one week would necessitate advertising the same message on the radio or TV repeatedly or in daily newspapers everyday. Continuous repetition of a message that includes the warning 'sale ends on Friday', provides a sense of urgency. Similarly, the message accompanied by 'first come, first served' would excite more immediate sales for a given product.

3. When the message is not easy to remember, for example, if the advertising message consists of prolonged explanation of the product's features, then the audience should be exposed to the message a number of times so that people become aware of all aspects of the product.

4. If the product or brand is not sufficiently differentiated from products and brands of competitor. For example, a distinctive brand of Maruti of Premier can does not necessarily require greater frequency. But a specific brand of soap or toothpaste that does not have any distinguishing characteristics does require greater frequency.

**(c) Continuity :** The message should be relayed continuously to the potential households. A long period of abstinence from advertising (that is, lack of exposure) will jeopardize the advertisement investment of the firm. It is necessary to have a continuous programme of advertising. When customers continue to hear about the product and the company at the time of 'need.' Continuity has a cumulative effect of advertising on the customer. Continuity refers the length of time the advertisement runs, or whether it is periodic.

### Check Your Progress

1. "Media planning is an exercise to find the best medium to produce the overall effect related to the advertised brand." Discuss.
2. Explain the following vehicle evaluation criterion:
  - a. Coverage
  - b. Reach
  - c. Timing

3. Define the following terms:
  - a. Media Buying
  - b. Media mix
  - c. Continuity
  - d. Reach
  - e. Frequency

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## **5.5 ZIPPING AND ZAPPING**

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### **5.5.1 Meaning :**

We can trace the concept of zipping and zapping to the era of VCRs and remote controls, each of these devices brought a change not only in the TV viewing habit but also led to a proliferation in the number of TV channels. When VCRs launched they also introduced time shifting viewing pattern and the remote control helped evolve TV viewing beyond a family setting. By the 1960s TV sets were cheap enough to afford more than one per household and with that it also brought about the beginning of different channels that catered to more varied taste. The remote control made it easier for the viewers to zap through commercials i.e. viewers could now change channels during the commercials thereby avoiding ads. Some experts argue, ad avoidance was in existence even before the remote, people would leave the room during the commercial break.

DVRs also cause similar concerns, how attentive are the viewers to the ads, if at all? But time shifting helps find new audiences as well, people who otherwise would have missed the show. VCRs gave viewers more control, and so do DVRs that have helped viewers watch more of programming they like, i.e. they are therefore more likely to be engaged hence more willing to pay attention. However, we are still not addressing the problem of ad avoidance behavior.

### **5.5.2 Could Game play Combat TV Ad Zapping and Zipping**

Game play during commercials may be an effective way to get more people to pay attention to sponsored ads on broadcast television. Interestingly, it is very rare to see any type of contest or game-like promotion to reward people for watching commercials, even though that behavior is highly desirable to broadcast advertisers.

Can game play be used as incentives for attentive T.V.. commercial viewing? Could games help television advertisers cultivate the interactive engagement and motivation that lead to direct response after ads are viewed?

Are commercial games rare because games were not effective in this role in the past? Or is it because so many marketers assume any type of game has to involve an expensive prize or legal consultation to make sure the promotion is on the right side of gambling and lottery laws?

What types of games would be compelling during live broadcast commercial breaks? What issues would need to be addressed to prevent people who did not watch the commercial from simply scraping the commercial contents from a web resource after the actual broadcast?

### **5.5.3 Zapping and Zipping Commercials into Extinction :**

Since the development of the home VCR, advertisers have been concerned with zipping-fast forwarding through commercials during recordings of sponsored television programs. Newer technologies have only increased advertiser paranoia that television viewers are prerecording shows and then skipping the commercial breaks. A similar concern was raised with the advent of remote controls which let users change the channel during commercial breaks with very little physical effort (zapping).

When advertisers complained, the television networks produced studies that showed viewers were already avoiding annoying or boring commercials by leaving the room or otherwise diverting attention during commercial breaks regardless of the remote control or recording devices. The general result was that big brands had to make more interesting commercials or utilize product placement and other clever ways to integrate ad messaging into television programs.

#### **More Watchable Commercials = More Expensive Commercials**

Commercial production values are often very good. Feature-film quality t.v. commercials are not uncommon today and some commercials are enjoyable enough that they can function as short-form programming (these top-shelf commercials tend to go viral online too). Many commercials have been episodic or featured some type of comedy skit to keep viewers from zapping or zipping away.

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## **5.6 SUMMARY**

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There are a number of advertising media available to the advertiser for advertising the products. But not a single media can satisfies all the needs of various time periods.

Media planning means devising a programme in such a manner as to optimally use the advertising space, the broadcast time, or other advertising media, in exposing an advertiser's message to potential consumers. Systematic media planning is the responsibility of advertiser or the advertising agency. It is a proper process which includes the steps like deciding target market and media objectives, selecting specific media vehicle, allocating funds etc.

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## 5.7 QUESTIONS

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1. What is Media Planning? Explain the process involved in Media planning
2. What are the steps in Media Planning
3. What are the Major Media Types? Explain in brief.
4. What can be the Possible Media of Business Advertisement? Explain each in Brief.
5. While Making Media-Vehicle Choice (s) Coverage is but an Inadequate Decision-Input. Do you agree? What other Decision Inputs are required for Making Media Vehicle Choices?
6. What is the significance of (a) Reach, (b) Frequency and (c) Continuity in media planning?
7. What are the objectives of Greater Frequency
8. Write short note on : (a) Media Mix (b) Zipping and Zapping



## MEDIA RESEARCH

### Unit Structure:

- 6.0 Objectives of the lesson
- 6.1 Introduction
- 6.2 Role of Media Research
- 6.3 Audit Bureau of Circulation (ABC)
- 6.4 Television Rating Points (TRPS)
- 6.5 National Readership Survey (NRS)
- 6.6 Media Survey
- 6.7 Summary
- 6.8 Questions

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### 6.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand:

- Media Research and its importance
- Audit Bureau of Circulation (ABC)
- Television Rating Points (TRPS)
- National Readership Survey (NRS)
- Media Survey
- Syndicated Research Services

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### 6.1 INTRODUCTION

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'Media Research' involves the collection of data about the various advertising media, surveying consumers on their media preferences and habits, and carrying out primary and secondary research on effectiveness of each medium for selling particular types of products. Few advertising agencies or advertising departments in India have 'media research departments'; where these exist; it is the department's responsibility to draw up media plans and strategies. Most advertising agencies, however, have a



‘media department or media division’ which carries out the task of media planning. The majority of agencies depend upon outside marketing agencies to conduct readership or audience surveys for them.

Media research is concerned with advertising reach, frequency and the effectiveness of different media and combination of media (media-mix) in reaching target audience. Media research attempts to find out the most suitable media or media-mix that would suit the needs of the advertiser.

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## 6.2 ROLE OF MEDIA RESEARCH

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The role of media research can be stated as follows :

**1. Readers’ Profile :** Media research helps to understand the profile of the readers, listeners and viewers. Readers’ profile relates to the data on the age, income, occupation, buying pattern and other demographic and socio economic details. Such profile helps to draft effective ad messages to the target audience.

**2. Selection of Media :** Proper media research helps to select the most suitable media mix that would be required by the advertiser depending upon the type of product, prospects, ad budget etc. The advertiser will select that media which has maximum readership or viewership or listenership of the target audience.

**3. Booking of Time and Space :** Media planning department or the media operations department can book time and space in the media depending upon the programmes viewed or articles read by the target audience.

**4. Importance to Media Owners :** The media research helps the media owners to improve their programmes or editorial contents so as to increase listenership, viewership and readership. It also helps the media owners to fix charges for their time and space that would be used by the advertisers. For example, if the research indicates that the programme has increased the viewership by 50% then the advertisers will have to increase frequency of advertise.

**5. Sponsorship of Programmes :** It helps the advertiser to select a particular programme for sponsorship. The advertiser may elect the sponsorship of that programme which is mostly viewed or listened by the target audience.

**6. Benefit to Audience :** Audience get better editorials and programmes as the media owners make every effort to improve

their contents. The media owners try to improve their programmes or editorials, so as to attract the attention of large number of readers, listeners, or viewers. This would bring them more advertising revenue.

**7. Benefit to Media Planners :** It helps the media planners to understand the rating from the various programmes on TV channels and on radio through Television Rating Points (TRP) reports. Again, it helps them to understand the circulation trends of newspapers and magazines through Audit Bureau of Circulation Reports.

**8. Benefit to Research Organisations :** Media research enables the research Organisation such as Indian Marketing Research Bureau (IMRB), the Operations Research Group (ORG) and others to keep their activities moving in the right direction.

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### **6.3 AUDIT BUREAU OF CIRCULATION (ABC)**

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Audit Bureau of Circulation is research agency operating in India for more than 44 years, which for a fee does circulate assessment for newspaper and magazines. Media Research agencies are specialised agencies which collect information about various advertising media (Operations, circulations, popularity, cost etc.) and supply necessary information to their clients. ABC is one of such agencies operating in India. Initiative for establishing ABC was taken by people from advertising profession. As a result of their efforts, the ABC was established in 1948 as a voluntary, self regulatory, co-operative association of advertiser and publisher.

The ABC is incorporated in 1948 as a non-profit making organisation with liability limited by guarantee. The management of ABC is by a council of management. Equal representation is given to nominees of publishers on the one hand and to advertisers and advertising agencies on the other hand. ABC is a co-operative agency or an association of advertisers, advertising agencies and publishers of periodicals and disseminates information about newspapers and periodicals. For this, each publication supplies periodical information to this Bureau.

All important publications are the member of this Bureau and nearly every daily, newspaper circulation is audited by ABC. Only those publishers where publications are paid by the readers can become the member of ABC. These publications, which are distributed on free basis, cannot become the members of this Bureau. ABC charges a fee and every six months it provides its members with Audited Circulation Certificate in respect of important newspapers and periodicals published in the country.

### 6.3.1 Functions :

The ABC performs the following important functions:

1. The ABC has its own field force that collect circulation figures of its member published by contacting newspaper and magazines distributors.
2. It disseminates the information relating to the circulation figures of various periodicals and publication member of advertisers and agencies.
3. It conducts its own tests and readership surveys to assess the reading habits of particular publication.
4. The ABC also assesses the impact of various available media on different segment of the society. Thus, an advertiser can obtain reliable comparative picture of effectiveness of different media.
5. The certified figures published by ABC are taken as the true Index of the circulation and popularity of the newspaper / magazine.
6. The ABC collects its data from the vendors of the periodicals and publications by using standard techniques of mail interviews or personal interviews.

The ABC plays an important role in providing reliable and authentic data relating to the circulation of newspapers and magazines. This information becomes the basis of buying space, in different newspapers and magazines.

The membership of ABC is purely voluntary and any publisher willing to follow the rules and procedures of ABC regarding his circulation data can join its membership.

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## 6.4. Television Rating Points (TRPS)

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The TRP system was introduced in July 1986 to provide quick feedback on the viewership of different television programmes.

TRP is conducted by Indian Market Research Bureau (IMRB). It is conducted in 9 major cities of India - Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Bangalore, Kanpur, Ahmadabad and Trivandrum. The TRP system involves collection of viewership data in respect of TV programmes on a weekly basis from a panel of sizeable number of respondents. The member of the panel record

their viewership of different TV programmes daily in a special diary provided to them. The filled diaries are collected every week from the panel members and the data is analysed.

#### **6.4.1 TRP panel members belong to either of the two groups :**

**1. Primary Audience :** Adults from TV owning house-holds (irrespective of their TV viewing habits).

**2. Secondary Audience :** Adults from non-TV owning households who view TV at least once a week. Programme rating is the percentage of the panel members who viewed that programme. One TRP is equal to one per cent of TV audience. For example, if 60% of the audience viewed Crime Petrol, then Crime Petrol gains 60 TRPs.

#### **6.4.2 TRP report: TRPs report is as under :**

**(a) TRP Weekly Reports :** The TRP Weekly Reports provide data on weekly viewership of different programmes by cities. The viewership details are provided separately for primary audience and for the total audience (Total Audience = Primary Audience + Secondary Audience). Weekly viewership data is given across sex, age and income of the viewers.

**(b) TRP Monthly Reports :** The Monthly Reports present additional analysis like frequency of viewing, duplication in viewership between leading programmes, cumulative reach gained over several episode of the same programme and the profits of readers.

**(c) Special Reports :** They provide rating for a specific event of programme.

#### **The TRPs are very useful in media planning.**

- (a) It assists in selecting the programme that is to be sponsored.
- (b) It helps in placing the spot ads before a particular programme.

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### **6.5 NATIONAL READERSHIP SURVEY (NRS)**

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The history of NRS in India dates back to 1970. Since then, four NRSs have been conducted. The first was carried out by ORC in 1970. The second jointly by IMRB and ORG in 1978. The third was conducted solely by IMRB in 1983-84, and the Fourth NRS jointly by IMRB and MARG in 1990.

### 6.5.1 Objectives :

The objective of NRSs is to provide advertisers, ad agencies, publishers and others with estimates readership of major publications and to make broader comparisons exposures to press, cinema, radio and television.

**The objectives of NRS can be broadly divided into two :**

**1. Primary Purpose :** The primary purpose is to provide information that can be used as the basis for buying and selling advertising space in the press medium.

**2. Secondary Purpose :** The secondary purpose of the NRS is to provide the media users with data on comparative exposure levels to other major mass media namely, television, video, cinema and radio.

### 6.5.2 Information Areas Covered by NRS :

The NRS provided information on the following areas :

1. Readership estimates for various selected publications.
2. Listenership of radio.
3. Viewership of television, video and cinema.
4. Inter-media duplication (i.e. those persons who are exposed to more than one media), and
5. Duplication between publication (duplication means those readers who read more than one publication magazine or newspaper).

The survey is conducted only on urban readers across the country. The country is primarily divided into four zones i.e. North, South, East and West. For instance, the survey in West Zone covered towns in Gujarat, Madhya Pradesh, Maharashtra and Goa.

The NRS-IV has covered Urban India excluding all off-shore territories (such as Andaman & Nicobar Islands), Punjab, Jammu & Kashmir, and Himachal Pradesh. Punjab and Jammu & Kashmir were excluded because of the uncertain law and order situation. Himachal Pradesh could not be included since the sample size after the exclusion of Jammu & Kashmir was too small to provide representative estimates of readership habits and media exposure.

The selection procedure of respondents for the survey was made using a two-step procedure, which are:

- (a) A sample of voters was first drawn from the electoral rolls in group of a pre-determined size.
- (b) The addresses where the selected voters were residing were located. Within each such contacted household, adults' age 15+ years constituted the frame for randomly selecting an individual for the readership interview.

### **6.5.3 Publication :**

A special Publications Committee, comprising of senior media controllers and directors from advertising agencies, decides on the Publications to be included in the NRS. The Committee identifies and includes those publication covered by ABC depending on their circulation figures. They use their collective judgment to include publications not covered by the ABC. NRS III covered 322 publications, whereas NRS IV included 288 publications.

It is to be noted here that Operations Research Group (ORG) did conduct a similar study in 1989-90 called ORG-NRS, which covered 604 publications and interviewed readers in both urban and rural areas.

**6.5.4 Social-Economic Classification :** For the first time, NRS-IV provides the distribution of households by social class, according to the new Socio-Economic Classification (SEC) system that has been developed by the Market Research Society of India (MIRSI). This system, which is based on the occupation and education of the chief wage earner of the household, has been created so as to provide an alternative to household income which has so far been the basis of classifying households.

The socio-economic classification as developed by MRSI consists of eight socio-economic classes labeled as A1, B2, C, D, E1 and E2, A1 denotes the upper most socio-economic class, and E2 stands for the lowest socio-economic class.

### **Check your progress:**

1. Give the full forms of:
  - a. NRS
  - b. ABC
  - c. TRPs
  - d. IMRB
  - e. ORG
  - f. SEC
  - g. MIRSI

## 2. Fill in the blanks

- a. The history of NRS in India dates back to -----.
- b. The TRP system was introduced in -----.
- c. The ABC is incorporated in -----.
- d. Media research is concerned with advertising reach, ----- and ----- of different media and combination of media.
- e. The second NRS has been conducted jointly by ----- and ----- in 1978.

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## 6.6 MEDIA SURVEY

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Media survey refers to the research survey conducted on various facets of media such as press circulation and readership exposure levels to television, video, cinema and radio. Media survey provides useful information about readership for various publications, viewership of television, video and cinema, listenership of radio etc.

There are several organisations which conduct media survey on a regular basis for their clients. They conduct marketing research according to the requirements of their clients on payment basis and supply them useful data. Such services in marketing research are known as syndicated research.

Syndicated research is conducted in the area of movement of consumer and products through retail outlets, advertising audit by measurements of newspaper readership, survey of TV viewing etc., periodic survey of consumers' attitude and behaviour research. These studies choose a number of samples from the all India market and obtain estimates of the consumer response (e.g., brands consumed, newspapers/magazines read viewership of particular TV programmes etc.) at different point of time on regular basis. Such surveys are of great help in estimating the marketing potentials.

**6.6.1 Syndicated Research Services** : The following agencies offer syndicated research services :

1. **National Readership Survey (NRS)** : Five NRS studies have so far been conducted. The first one was conducted by ORG in 1970, second NRS was jointly done by ORG and Indian Market Research Bureau (IMRB) the third and the fourth NRS was conducted exclusively by IMRB. The third NRS was conducted in 1985. The following NRS conducted in 1990 whereas the fifth NRS was completed in 1995.

2. **Businessmen's Readership Survey (BRS)** : IMRB has initiated a syndicated research about the readership habit of professionals engaged in various activities in India. It mainly highlights the newspapers read, the place of reading and obtains some profile of the readers from about 8,800 respondents located in twelve large cities in India.
3. **Television Rating Point (TRP)** : IMRB conducts a panel based study of about 3000 households in 9 cities about their television viewing patterns. It cross-classifies the viewership data on age, sex, income basis for each television programme watched.

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## 6.7 SUMMERY

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Media research is concerned with advertising reach, frequency and the effectiveness of different media and combination of media (media-mix) in reaching target audience.

Media research is helpful to understand the profile of the readers, listeners and viewers, to select the most suitable media mix, to book time and space in the media, to improve media owners' programmes or editorial contents, it helps the advertiser to select a particular programme for sponsorship, it helps the media planners to understand the rating from the various programmes on TV channels and on radio through Television Rating Points (TRP) reports.

ABC is a Media Research Agency. These are specialised agencies which collect information about various advertising media and supply necessary information to their clients.

The TRP is a system which provides quick feedback on the viewership of different television programmes.

The objective of NRSs is to provide advertisers, ad agencies, publishers and others with estimates readership of major publications and to make broader comparisons exposures to press, cinema, radio and television.

Media survey provides useful information about readership for various publications, viewership of television, video and cinema, listenership of radio etc.



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**6.8 QUESTIONS**

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1. What is Media Research? Explain its importance
2. Audit Bureau of Circulation (ABC)? Explain its functions
3. What are Television Rating Points (TRPS)? Explain in brief
4. Write short note on National Readership Survey (NRS)?
5. Explain the objectives of National Readership Survey. Also point out Information Areas Covered by NRS.
6. What is Media Survey?
7. What is Syndicated Research Services?



## EMERGING MEDIA OPTIONS

### Unit Structure :

- 7.0 Objectives of the lesson
- 7.1 Introduction
- 7.2 Media Options
- 7.3 Marketing through Social Sites
- 7.4 Marketing Through Social Networking Sites
- 7.5 Advertising through Cell Phone
- 7.6 Summary
- 7.7 Questions

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### 7.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Media options available to Indian viewers
- Satellite Television : Advantages and limitation
- Cable Television : Limitations
- Marketing through Social Sites : Objectives of marketing campaigns on social networks
- Marketing Campaigns on Social Networks
- Advertising through Cell Phone

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### 7.1 INTRODUCTION

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There are several media options available to viewers. The viewers today have not only a greater choice but freedom to choose as well. There has been an influx in the media market over 200 different TV channels both Indian and foreign are now beaming in. By one estimate, they deliver a total of 750 hours of TV footage every day.

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## 7.2 MEDIA OPTIONS

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The various media options are as follows:

1. Transit Advertising
2. Satellite television.
3. Cable television
4. FM channel.
5. Video advertising.

**7.2.1 Transit Advertising :** Transit advertising also called vehicular advertising. We find advertising in the mainline trains, suburban trains, buses, taxis, auto-rickshaws, etc.

Suburban railways in Mumbai have allowed outside compartments of local trains for advertising purpose. BEST buses carry advertising messages in the buses. They generate revenue to the advertiser. Thus advertising in any form through transit media is called transit advertising.

**7.2.2 Satellite Television :** With satellite TV, and plethora of new channels, Indian viewership base is expanding. It is estimated that the viewers would have more than 500 satellite channels by 2010 A.D.

### Advantages :

**The following are the main advantages of satellite television.**

- 1. Global Recognition :** Satellite television has provided global recognition to Indian business. It has facilitated global publicity of domestic goods.
- 2. Global Contacts :** Satellite television has brought Indian business community within the functional life of the whole world.
- 3. Open Door Policy :** Satellite television accepts advertisement of products which are banned on doordarshan such as cigarette and liquor.
- 4. Mass Appeal :** Satellite television has become very popular among the masses because of contents and coverage.
- 5. Prime Time :** It was generally believed that television has prime time viewership, but the experience of satellite television has shown that a television channel can broadcast all 24 hours.
- 6. Variety of Programmes :** Satellite television provides a variety of programmes. They include serials, shows, teleplay, children

programmes, talk shows, game shows, fashion shows, chat shows etc.

- **Limitations** : There are several problems associated with satellite television.

1. The first one is the lack of talent. Since the TV explosion is so recent, the competent people happen to be with the existing houses. This has led to a lot of turnover involving huge spurts in manpower costs.

2. The second difficulty is to assess what the consumers want. It is difficult to get a clear picture of the target audience their attitude and likings.

3. Another important problem of satellite television is the entry of groups with virtually no synergy with media operations. For examples from the diversified Chennai based NEPC group to the London based hinduja group all are new to the field.

### 7.2.3 Cable Television

Cable Television (CATV) stands for community antenna television and is popularly referred to as cable television. It was introduced to provide good video reception for people who could not otherwise receive signals well.

The concept of cable television is also changing. Originally, it paid a copy right charge, picked up net work and independent stations' broadcasts and delivered them to home that were wired for cable for a subscription fee. As cable systems grew in size and sources they acquired the rights to movies, television reruns, and sporting events which they transmitted to their subscribers. These offerings usually took the form of pay television – subscribers paid a special fee for programmes without commercials.

Advertising expenditure for cables is increasing day by day and the cable TV has opened up various avenues for the advertisers to promote their products. Most of the advertising currently on cable is in the form of spots sold to national advertisers. Cable offers the local advertisers an opportunity to create innovative advertisements. In future cable advertising will be extensively used by regional and national advertisers for promoting their products.

- **Limitations** : The following are the limitations of Cable television:

1. C-TV is at its infancy. It has not been developed as an organised activity in India.

2. Each new entrant encounters a series of reach restricting filters.

3. The ability of the cable operators to receive beams from the particular satellite.
4. The willingness of the operator to expand their capacity to actually deliver the service.
5. The major problem remains with the TV set itself. More than half of the TVs in metro centres can tune in to only 12 channels.

#### **7.2.4 FM broadcasting :**

FM broadcasting is a broadcast technology pioneered by Edwin Howard Armstrong that uses frequency modulation (FM) to provide high-fidelity sound over broadcast radio.

The term "FM band" is effectively shorthand for "frequency band in which FM is used for broadcasting". This term can upset purists because it conflates a modulation scheme with a range of frequencies.

#### **7.2.5. Video advertising**

It is now considered as the latest media of advertising. Under this method, video-cassettes ad-films are prepared. Nearly 22 million people around the world watch Indian films on video. India alone has video-audience of about 30 millions which is increasing day by day. There are more than 50,000 video-libraries and about 1 lakh video-parlours/clubs in India. The video-cassettes released in India are also being screened in thousands of luxury buses. Besides the feature film they contain advertisements which are displayed at short intervals.

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### **7.3 MARKETING THROUGH SOCIAL SITES**

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Marketing on social networks require the use of Facebook, MySpace or private label social networks.

Social Networks are attractive because consumers are connecting with other consumers and the trust tends to be higher. There is a tremendous amount of buzz from the media for this newest form of marketing. There is lots of folks using social networks.

The main objectives of marketing campaigns on social networks are as follows:

**1. Meets a business objective:** First and foremost, any marketing campaign or activity should match with a business objective, regardless of the tools being used.

**2. Supports Community Goals:** Every community is different, and each has unique goals (from supporting products, to each other, or to just be entertained) the campaign focus should therefore meet the needs of the community, before the needs of the marketer. Effective campaigns will first understand the core drivers, interests, and rituals of the community and learn how to meet those desires.

**3. Member Interaction:** The most successful social networking campaigns and efforts involve the audience.

**4. Quickly scale:** Social networks are designed for information to quickly move from member to member, so campaigns that lean on these capabilities perform the best. These attributes known as Velocity, Virality, and Spread are key.

**5. Utilize Media:** In some campaigns, the best way to get members to return is to offer them media. Depending on demographics and community needs, this could be audio, videos, or demos

**6. Self-expression or communication:** Members in social networks like to communicate with each other, or self-express. As a result, campaigns should satisfy these needs with the appropriate tools

**7. User satisfying :** This encompasses the overall experience of the campaign, the content and navigation items should be where expected, the language familiar to the audience, and overall look and feel of the site appealing.

**8. Provide longer term utility:** Successful campaigns have a longer term value, rather than a short term 'disposable campaign". These campaigns add value by being a useful application to the members, rather than just quick dose of entertainment.

**9. Enhance Value as Community participants:** As more people contribute or interact with the campaign, the value is increased. This can be in the form of content that is created by the community, contests, voting, or games.

**10. Integration with other marketing activities:** Successful marketing campaigns aren't single channel, in fact they utilize multiple channels and mediums to enhance the overall activity. The same thing applies to marketing campaigns on social networks, those that are promoted from other locations such as (corporate websites, email newsletter, blogs, podcasts) outside of the social network have a great chance for success.

**11. Maintain agility during the campaign:** Social networks are living, breathing organisms made up of real people connecting with

each other. Marketing campaigns also should share these attributes and show be flexible to change in-flight, yield to legitimate requests or complaints of the community. Those campaigns that reflect the same dynamic behavior as human interaction have a higher chance to be interacted -and accepted -by the community.

**12. Company Participation:** In some cases, companies that participate in the discussions or conversations will yield to a more successful marketing campaign. Activities can range from recognition, company interaction, or attention to members perhaps from a community manager.

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## **7.4 MARKETING THROUGH SOCIAL NETWORKING SITES**

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There are a myriad of different social networking sites and practically everyone and anyone are part of these networking sites. Such sites are great online marketing tool, one that you can use to improve your business or career.

What is social networking? Similar to the traditional form of socializing, social networking is getting to know people; the only difference is that it's online and not face to face. If you like someone or share similar interests, these people become part of your network.

As your network grows and develops, it is advertising by word of mouth. When people in your network, start discussing or talking about you, the marketing has begun.

The wonderful thing of online networking sites is that people are not restricted by geographical location, time or any other thing for that matter. You can interact with people whom you want to and when you want to.

Interacting on these social networking sites is relatively easy, and there are a number of ways to do so. Also a lot depends on your main reason for being part of the network. Are you looking for exposure for your business or your website? What are your business goals? Are you looking for work? Or are you a potential employer looking to hire professional employees?

So basically your goals and objectives will dictate how you want to present your profile, and more importantly whom you want as part of your network. There are several different types of people you should consider, who will help you out in different ways. Consumers are people who will benefit from the service or products you have to offer.

People from large organizations, along with media will help to spread the news about your or your company. Then there are the consultants whom you may consider hiring.

There are number of social networking websites that you can become a part of such as LinkedIn, MySpace etc.

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## **7.5 ADVERTISING THROUGH CELL PHONE**

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Mobile phone advertising is the promotion of ring tones, games and other mobile phone services. Such services are usually subscription-based and use the Short Message Service (SMS) system. Another method is broadcasting messages to the mobile phone is idle-screen, enabling the mobile operators or advertisers to reach millions in real-time. The advertising and sale of ring tones in particular has seen a massive growth in recent years, with some commercial breaks, particularly on music television channels and in motor racing being dominated by such adverts.

While advertising via a mobile phone is still relatively new, inventors have developed ways to use a mobile phone to present advertising to persons standing near a mobile phone user while the user speaks in a non-hands free mode.

A new approach to mobile content advertising is the use of viral marketing. Through specially designed programmes users can send recommendations for mobile content they like to their contact lists.

Content advertising through mobile phone is a common event and mostly all of the mobile phone users are greatly aware of it. This feature is used to promote various products, ring tones, games, quizzes, mobile accessories and many more things, either directly associated or indirectly associated with mobile phone features. In general, these types of advertising are solely dependent on user-end subscription. Primarily this is done through SMS messaging service; sometimes it is done through broadcasting messages in the idle screen of the mobile phone.

The most common and easily customizable form of content advertising is through displaying the logo of the mobile network operator. This comes either in text message or in small monochromatic image, which can easily be replaced with customer's own customized text or images.

On the other hand, handset manufacturers introduced a better method for advertising their product by developing specialized ring



tones, which distinctively sets apart one brand to another. In their websites, they also start advertising by supplying freely downloadable ring tones of popular songs or melodies. They did it either with a very low service charge or absolutely for no charge at all. This leads to an increase in their rating and popularity among the mass.

Also mass media campaign contributed greatly in terms of content advertising. This form of advertising drew attraction of the mass just within a limited time phase.

The first known operator to execute brand advertising campaign was none other than AIS in collaboration with Honda, the first international advertiser using the mobile's idle screen to display advertisement.

The current trend includes the ad-supported content advertising to the phone service model. Almost all renowned network service providers offer their users to experience subsidized service in exchange of viewing a specific amount of advertisements in their mobile phones.

The content advertising method is continuously evolving and it incorporates different features including approaches like 'one person per presentation' or 'persons standing near'. In both of the cases the objective is to provide the advertiser multiple views per presentation within a specific demographic area, however, the processes are somehow different.

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## **7.6 SUMMARY**

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Now a day DD has not been remain the only option to the viewers. The viewers have a greater choice and freedom to choose a proper channel. Transit Advertising, Satellite television, Cable television, FM channel, Video advertising are the main emerging options.

If you are using Face book or MySpace or private label social networks for marketing it means you are marketing on social networks.

Social networking means socializing or getting to know people online and not face to face. If you like someone or share similar interests, these people become part of your network. The wonderful thing of online networking sites is that people are not restricted by geographical location, time or any other thing for that matter.

In today's world, we can see that mobile phone has become a potential diamond mine for advertisers through which the advertisers are able to reach to the potential customer following the most personal and intimate way.

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## 7.7 QUESTIONS

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1. What are the media options available to Indian viewers?
2. What are the advantages and limitation of satellite television?
3. What is Cable television? Explain its limitations?
4. Write short note on Marketing through Social Sites
5. What are the main objectives of marketing campaigns on social networks?
6. What makes a Successful Marketing Campaign on Social Networks?
7. Write note on Marketing through Social Networking Sites
8. What are the advantages of advertising through Cell Phone



## **ECONOMIC AND SOCIAL ASPECTS OF ADVERTISING**

### **Unit Structure :**

- 8.0 Objectives of the lesson
- 8.1 Introduction
- 8.2 Effects of Advertising on Production Cost
- 8.3 Effects of Advertising on Distribution Costs
- 8.4 Effects of Advertising on Consumer Prices
- 8.5 Advertising and Monopoly
- 8.6 Wastes in Advertising
- 8.7 Social Aspects of Advertising
- 8.8 Ethics in Advertising
- 8.9 “Truth” in Advertising
- 8.10 Summary
- 8.11 Questions

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### **8.0 OBJECTIVES OF THE LESSON**

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After completion of this lesson the student will be able to understand:

- Effects of Advertising on Production Cost
- Effects of Advertising on Distribution Costs
- Effects of Advertising on Consumer Prices
- Advertising and Monopoly
- Waste in Advertising
- Advertising and Cultural Values
- Advertising and Standard of Living
- Ethics in Advertising
- “Truth” in Advertising

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## 8.1 INTRODUCTION

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A business has an optimum (or maximum) level of production which it can manage, at any given time, at the lowest cost per unit, depending on its present equipment and facilities. These factors are the main determinants in deciding whether advertising raises, or lowers down the cost of production.

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## 8.2 EFFECTS OF ADVERTISING ON PRODUCTION COST

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Advertising is generally believed to lower down the production cost. This opinion is based on the assumption that by stimulating demand, it is quite possible for advertiser to reduce production cost. If advertising leads to an increase in sales volume, the manufacturer due to economies of large scale production permits the producers to buy in large quantities and receive sufficient quantity discounts from his suppliers. Economies of scale can also include savings in transportation, in utilization of plant and personnel, and in over head expenditure. The general experience is that mass production reduces the real cost of products. Advertising also lowers the overhead costs of production by generating demand. Through advertising, a manufacturer with a considerable seasonal demand may be able to expand the demand over a broader time period. The producer can have economies of reduced storage capacity, because he needs lesser storage space for lesser period of time as the products are being sold over a larger time period during the year. The larger turnover would mean that during the season the storage space would be used extensively. This in turn would mean that larger number of units of production would be sharing the overhead costs and this would help reduce that cost of production.

Every manufacturing unit has an optimum production, which determines whether the advertising increases or decreases the cost of production. The cost of production involves : (a) Material cost (b) Labour cost, and (c) Overhead cost.

Suppose a unit having one machine in a room which is operated by the owner himself produces 2,000 units per month. The total production cost, inclusive material cost, labour cost, overhead costs amounting to Rs.2,000. To produce 2,000 units the owner spends Rs. 2,000. In this case the cost per unit is Re. 1/-. However, the same unit can make an additional 2,000 units at a marginal cost of Rs. 800 being the cost of advertising and other inputs that would be required. Thus, it can be concluded that

advertising can bring down the cost of production from Re. 1/- to Re. 0.80/- per unit as is evident from Table.

**Table 1 : Effect of Advertising on Production Cost**

Particulars	Before Advertising	After Advertising
Units Produced	2,000	4,000
Advertising Expenses	Nil	1,000
(a) Material Costs	1,200	500
(b) Labour Costs	500	700
(c) Overhead Costs	300	600
Total Cost of Production	2,000	2,800
Per Unit Cost	Re. 1 = 00	Re. 0 = 80

Advertising increases sales which in turn demand large scale production, thereby ensuring the benefits of economies of scale. Further advertising expenditure do not constitute a part of production cost, it will never increase the cost of production. However, advertising can indirectly bring down the cost of production capacity, provided advertising generates demand upto the level of optimum production capacity.

The volume-cost-price relationship is quite complex and there is no proof of what advertising does to a manufacturer's cost of production. Advertising lowers total costs for some, increases total costs for others. Advertising can help reduce per unit production costs for certain manufacturers operating below plant capacity. Total unit costs can be lower with heavy advertising than without it.

### **8.3 EFFECTS OF ADVERTISING ON DISTRIBUTION COSTS**

Advertising is generally believed to increase the overall distribution costs. Distribution cost includes advertising and sales promotion costs such as display, demonstration, dealers' commission and incentives etc. Since advertising expense is a part of selling it will naturally add to the total selling and distribution costs. Increase in advertising costs may not result into proportionate increase in distribution costs, Sometimes, advertising may reduce the distribution costs for the manufacturer, because effective advertising cuts down the expenditure on personal selling, thus making substantial savings in selling costs. Suppose a business firm distributes 2000 units per month. The total distribution cost inclusive salary to salesman and other distribution expenses amounting to Rs. 1000. In this case the distribution cost per unit is

Rs.0.50 before advertising. However, to distribute another 2000 units, an expenditure of Rs. 1600 is incurred after the product is advertised. Here distribution cost per unit is Rs.0.40. It can be concluded that the distribution cost per unit is reduced from Rs.0.50 to Rs.0.40. This is illustrated in Table 2.

**Table 2 : Effect of Advertising on Distribution Cost**

Particulars	Before Advertising	After Advertising
Units Distributed	2000	4000
Advertising Expenses	Nil	1000
Sales promotion cost	900	1400
(Salary to Salesman)	100	200
other distribution exp		
Total distribution cost	1000	1,600
Per unit cost	0.50	0.40

Advertising creates demand for the advertised product and increase in demand reduces advertising cost.

Successful advertising helps to keep prices rigid (fixed). Economists dislike price rigidity because of general, long-term economic welfare, flexible price competition helps our economic system.

The total cost includes costs of production and distribution. Advertising costs are part of costs of distribution (or 'selling cost' or marketing cost'). Advertising cost is one of the several costs the other being finance, warehousing, transport, and distribution.

Costs of distribution show a yearly geometric increase, due to sharp market competition. So, large sums are spent on advertising, and other distribution aids, to 'capture' the markets.

High advertising costs of a manufacturer may be beneficial to the retailer. Manufacturer's advertising efforts may reduce the distribution costs of the retailer because the product may be pre-sold due to advertising done by the manufacturer.

## 8.4 EFFECTS OF ADVERTISING ON CONSUMER PRICES

Consumer price consists of production costs, selling and distribution costs and profit margin of the seller. An expenditure on advertising will increase marketing costs.

Consumers and buyers of the advertised goods and services pay for advertising. If the consumer feels that he is not getting desired utility from a brand, he switches to some other brand. But in the long run, advertising may well work toward lowering down the prices. Effective advertising increases sales volumes and lowers down the prices. Many new products such as refrigerators, colour T.V., washing machines, computers, electronic typewriters have lowered down the price due to mass production distribution and consumption. This growth gives the seller a large volume over which to spread his overhead. This is also evident from the analysis of data in Table 1 and 2 that advertising ensures economies of large scale production and distribution. The effects of advertising on consumer price are shown in Table 3.

**Table 3 : Effect of Advertising on Consumer Price**

Particulars	Before Advertising	After Advertising
Per unit cost of production (Table 1)	Rs. 1.00	Rs. 0.80
Per unit cost of distribution (Table 2)	Rs. 0.50	Rs. 0.40
Profit margin Per unit (Assumed)	Rs. 1.00	Rs. 1.10
Consumer Price	Rs. 2.50	Rs. 2.30

### **Advertising affects consumer prices because:**

(a) Price is fixed by adding the desired profit on costs of production. Advertising is one of the elements of cost. Price of a product or service, therefore includes advertising cost.

(b) Advertising is an element of distribution cost. An increase in advertising cost increases, total cost which increases the price of advertised goods or service.

(c) Advertising cost increases due to competition. So, prices rise. However, under certain conditions, advertising checks prices. Severe competition makes a producer struggle to increase his market share by charging reasonable prices. So, even if a price-rise occurs, his freedom to raise the price is controlled by competition.

Raising prices is also difficult because of government rules on trade and business. This forces a producer to reduce costs and not to raise prices.

(d) Advertising acts negatively to keep prices down. It first creates demand for a 'brand' and, finally makes it popular. So, 'brand loyalty' emerges and the consumers want the specific brand only. Therefore, since the producer enjoys the respect of consumers, he cannot lose it by raising prices.

(e) Greater advertising may lead to greater demand and expansion of markets. The producer then finds that greater demand permits production only on a large scale, and with greater economies. If he passes these economies to the consumers, prices fall. Here, advertising is indirectly responsible for a fall in prices.

(f) Through good advertising, other selling costs may fall such as cost of personal sales, point-of-sale displays. Therefore, prices fall.

(g) Advertising does raise price, but consumers are willing to pay it for the brand of their choice. The consumer must pay a higher price if he wants a better product. His reason, not his emotions, guides him to choose a better product. So, advertising can succeed by appealing to reason.

Competition comes from other advertised brands, unadvertised brands, and private brands or from substitute and alternative types of product. Competition is a powerful influence on a seller's prices. Incidentally, unless there were advertised brands, the prices of unadvertised brands would most probably be higher. The key issue is not whether advertising adds to the consumer price of a product. The key issue is whether advertising makes the consumer pay more for the same amount of satisfaction.

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## **8.5 ADVERTISING AND MONOPOLY**

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When a single firm is the only supplier of some goods or services for which no close substitute is generally available and when the firm is free from the treat of competition, it is called monopoly; the monopolist can set his own prices and levels of output.

Whether advertising leads to monopoly or not can be understood from two different viewpoints:

1. Advertising acts to control consumers in such a way that the advertiser has command over the consumer's mind and buying actions. In this line of reasoning, any monopoly that results would stem from a control of demand rather than of supply.



2. A more strongly supported position which related advertising to monopoly examines the ways in which advertising may act to limit the number of firms competing in a specific industry. The large companies can spend heavily on advertising to make their products appear different for all other products. This win helps them to take over sizable part of the market. In this way, advertising creates a barrier to new firms and a high level of concentration result. High monopolistic prices result in high monopoly profits.

Advertising is said to breed monopoly by restricting open competition. Advertising aim at enjoying monopoly powers to introducing a separate trade mark for their products. The reputation attached to a, trade mark does not increasingly involve advertising although advertising can play an important role. If people desire to have a rational trade mark, they must invariably buy from the marker. A manufacturer with brand of product differentiated form all other brands in the same business enjoys monopoly of that brand. He fully controls the supply and sells it at a profit. He tries to build large and stable following for his brand.

A manufacturer who has been able to build a substantial market may tend to hold his prices somewhat rigid. To the extent that he can, he will compete on the basis other than price but he cannot avoid price competition altogether. No manufacturer with or without advertising has been able to obtain monopoly position for himself. Because of this fact, no manufacturer can successfully manipulate supply price at will.

Product differentiation, a phenomenon of imperfect competition, would continue to exist even if there were no advertising. In the absence of advertising, consumers might still be induced to pay more because of product differentiation. However, advertising occupies its important status in bringing product differentiation to the attention of consumers. There should be no objection about this if the advertising is truthful and informative. If there were monopoly in advertising i.e., if advertising were available to only one manufacture, it would be different matter.

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## **8.6 WASTES IN ADVERTISING**

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### **8.6.1 Meaning :**

Waste in advertising refers to the failure of the advertisement or campaign to achieve its desired objectives. The main objective of every ad is to attract the attention of the audience and then to induce them to act upon the advertiser's message. If the ad fails to attract the attention and induce the audience, then one can say that there is waste in advertising. Some people talk of waste in

advertising when they feel that more money is spent on advertising than what is actually needed.

### **8.6.2 Factors responsible for the Waste in Advertising :**

A number of factors are responsible for the waste in advertising. Some of which are explained below :

#### **1. Introduction of Wrong Product or Service in the Market :**

Waste advertising takes place, when huge amounts are spent on an advertising campaign for a wrong product, or service introduced without adequate research and testing as regards its quality. If the quality of the product, or, service is such that it does not satisfy the needs. Requirements and tastes of consumers, no amount of advertising can boost its scale, and there will be a waste in advertising.

**2. Making Tall Claims in an Ad :** Sometimes, tall claims are made in advertising, that raises the expectations of consumers : far beyond the performance of the advertised product. Disappointed and disillusioned consumers never go for second purchase of the product.

**3. Target Market :** Wrong Selection of Target Market (Consumers) and Wrong Positioning of the Product. Manufacturers, sometimes, make a wrong selection of target market (consumers) for the advertised product / service and its wrong positioning that cause a waste in advertising.

**4. Wrong Direction of Advertising :** Wrong direction is allied to wrong selection of target market. The target market (consumers) may not be rightly selected; however, advertising efforts may not be made in the right direction. If a fertilizer firm, for example, places posters all over the city of Mumbai, to sell its fertilizers to farmers, it is a case of wrong direction.

**5. Wrong Timing of Launching :** If an advertising campaign is launched at a wrong time on television or on radio, it causes waste in advertising. If an ad campaign for umbrellas, for example is launched in the month of January or October, it will be a complete waste.

**6. Wrong Selection of Advertising Media :** Wrong selection of advertising media, causes a waste in advertising. If industrial products, for example, are advertised in sports magazine, or, on television, it is a case of wrong selection of advertising media, as the advertising message will not reach to the target consumers.

**7. Wrong Placing of Ads:** If an ad on the posters or display boards is wrongly placed, which can hardly be seen by the passerby, or, if an ad in the newspaper is placed on a page, which is hardly read, it causes a waste in advertising?

**8. Wrong Selection of an Ad Agency :** If an advertiser makes a wrong selection of an ad agency. It causes waste in advertising. The ad agency must be competent and experienced in the field.

**9. Poor Planning of Advertising Campaign :** The advertiser will not receive the expected responses from the target audience (consumers) if the advertising campaign is poorly planned. Poor planning refers to (a) the lack of the required frequency of ads. (b) lack of the required funds, to be allotted to a particular media and (c) more advertising in one place to the total neglect of the other market areas, where advertising is essential, such conditions and bound to cause waste in advertising.

**10. Poor Drafting of Ads :** If an ad is poorly designed, drafted and illustrated, due to lack of creativity and knowledge with an inappropriate appeal, and / or, in an unsuitable language, on the part of participants in the ad, like copy writers, artists, layout designers, etc. it can cause waste in advertising.

**11. Poor Sponsored Programme in Quality :** If the programme, sponsored on T.V. or Radio by an advertiser, is poor in quality So that there are hardly any audience to view it, it is bound to cause waste in advertising, as the message will not reach the target audience.

**12. Excessive Advertising :** Some advertisers to excessive advertising, i.e. much more than what is actually required. If the markets for the advertised product are small, excessive advertising cannot cause an increase in demand beyond a particular point. There is bounded to be waste in advertising.

**13. Lack of Follow-up Actions :** A good advertising campaign can go waste, if it is not fully supported by follow-up actions by other departments of the firm, as for example, non-availability of the advertised product in the market due to some distribution problem. The result is inadequate response from consumers and waste in advertising.

**14. Unfavourable Marketing Environment :** Finally, if the overall marketing environment is not favourable for getting favourable response to an advertising campaign, it is bound to cause waste in advertising. In such a situation, advertisers are bound to lose a good amount of money on ads.

### Check your progress :

- 1) "Advertising is generally believed to lower down the production cost." Explain.
- 2) Explain the effects of advertising on the following items. Through table.
  - a) On production cost
  - b) On distribution cost
  - c) On Consumer price
- 3) Explain the following terms.
  - a) Waste in advertising.

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## 8.7 SOCIAL ASPECTS OF ADVERTISING

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Culture is total of tangible and intangible concepts that define a way of life culture includes art literature, music (tangible) and knowledge, morals, customs, laws etc. (intangible). It covers the attitude and values of the whole society which are passed from one generation to another.

Habits, customs, attitude, beliefs and values are thus, a part of culture. Advertising is a product of culture. Advertising is an art of persuasion, but still people buy only those goods and services which they needs. What they purchase is the outcome of the cultural values. The consumer's behaviour is influenced by his family status, family life cycle, social relations, opinion leaders, reference groups etc. The value system is ever changing with the passage of time. With these changes on value system, the role of advertising keeps pace with the changing times. Once a particular set of values have been accepted by a society, the advertising as a social and business process tries to bring all those goods and services which are made to respect the value system.

Critics of advertising points out that mass media supported by advertising have encouraged what is popular rather than what is good and in doing so have encouraged materialistic values rather than cultural ones. They cite the examples of films, serials that are shown on TV and on the big screen, which depicts scenes of rape, murders, and other acts of violence and crime.

However, there are various social, religious and educational institutions to guide the people of a particular society in their behaviour.

On the other hand, supporters claim that advertising do upgrade the cultural values for the betterment of the society. They cite the instances of advertising campaigns on family planning, drug abuse, noise pollution and other such public awareness advertising.

Thus it can be concluded that advertising upholds and upgrades the cultural values in several respect but in some cases advertising may be directly or indirectly responsible to the evil craze of materialism.

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## 8.8 ETHICS IN ADVERTISING

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Ethics is a set of moral principles, norms or values. It is a branch of social science. It deals with good and bad with reference to a particular culture. It refers to the moral duty and obligation and advertiser has towards the society. Moral principles are the rules or standards of what is “right” or “wrong”.

Every advertising tries to persuade the people. In the modern competitive market each advertiser wants to win over his rivals by effective advertising. In this process, there are chances of hiding truth and facts in order to succeed in increased sales and profit. But the advertiser has social and moral duty or obligation towards consumers. An advertiser should maintain a high degree of ethical stands i.e. he must inform the facts or truth to consumers. An advertisement with false claims may succeed in short run but it will definitely give a bad name to the product in long run. Because one can fool some people all the time, and all the people for sometime, but one can not fool all the people all the time.

If unethical practices are continued they will destroy the image of the business as a whole and advertising itself will become less effective. Some of the moral codes developed in advertising are :

1. It should avoid attacking competitors unfairly.
2. It shall be free from offensive to public decency.
3. It shall make clearest claims regarding price reduction guarantees etc.

Ethics, as a tool of communication, plays a significant role both in business as well as in the profession of advertising, norms or ideals, that are accepted and upheld by the society as essential to good life should be followed while advertising any products or service, or, idea.

1. Ethics in advertising means that the advertisers should do only good advertising, meaning thereby honest advertising. It means that only true facts, no exaggeration and no lies, about the product, service, idea or institution should be stated, in clear Tenos, in the ad.

2. Ethics in advertising also means that only good products, services and ideas should be advertised and that too to the right consumers. Advertising for products like cigarettes, beer, whisky,

rum, gin, tobacco, pan parag and other harmful products should be avoided.

3. Ads showing testimonials should be restricted to competent persons, who must express honest views and choices.

4. Ads in poor taste and offensive to public decency with double meaning tone must be avoided.

5. Ads should avoid attacking unfairly competitors. In sum, advertising should be honest, objective, informative and persuasive in contents.

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## 8.9 “TRUTH” IN ADVERTISING

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Truth refers to facts which can be observed and verifiable. In law, truth means a swear taken by each person entering a witness box. This truth is the whole truth and nothing but the truth.

Advertising is said to render greatest service by presenting the commercial knowledge. It has to be good and true because it can not afford to be bad or untrue. Advertisements carrying correct and true information will be build confidence in the minds of consumers and build goodwill of the product. A wrong or untrue information presented by advertising damage the image of the company. They are different ways of presenting untruth in advertising.

**1. Misrepresentation :** This is a deliberate attempt to tell untruth. It takes place by attributing to good qualities which the products may not possess quoting names of users not in existence, giving statistics of assumptions not justified by the facts. In misrepresentation, there may not be intentional twisting of the facts but still misrepresentation in advertising undesirable.

**2. Make-Believe Statistics :** The idea in these is to give such statistics as to make the readers believe that the figures are concise and precise while actually they may not be so. Such statistics mislead the consumers.

**3. Total Lies :** Advertisements of products which claim mirage e.g., reduction of 10kg. weight in 8 days or white hairs will become black within one month.

**4. Misuse of Testimonials :** Advertisements in which testimonials of firm stars and sportsmen are used simply for sales promotion.

**5. Alcohol and Tobacco Advertising :** Advertising which induce people to use tobacco and alcohol are harmful to human life e.g., pan masala and gutka.

**6. Vulgar Taste :** Advertisements in which undue importance is given to women or sex objects are unethical.

**7. Awards / Prizes :** Advertisements wherein consumers are asked to send entries against which awards / prizes and free gifts are offered are unethical.

**8. Undue Emphasis :** In this, information is carried beyond truth. Emphasis is laid on certain factors which may not be in reality existing or pertaining to the company concerned.

**9. Misleading Names and Brands :** Name of persons, areas or countries well-known for certain things are associated with the names of goods in order to create favourable impressions about the attributes of such goods.

**10. Fantastic Claims :** By fantastic claims, minor virtues are magnified. Small things are exaggerated beyond limits.

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## 8.10 SUMMARY

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Due to advertising total cost of the production increase but it reduces the production cost, distribution cost, per unit. Finally the consumers can get the product comparatively at low price due to advertising.

Waste in advertising refers to the failure of the advertisement or campaign to achieve its desired objectives. A number of factors are responsible for the waste in advertising like Introduction of Wrong Product or Service in the Market, Making Tall Claims in an Ad, Wrong Selection of Target Market, Wrong Timing of Launching, Wrong Selection of Advertising Media, Poor Planning of Advertising Campaign and Poor Drafting of Ads etc.

Truth refers to facts which can be observed and verifiable. Advertisements carrying correct and true information will be build confidence in the minds of consumers and build goodwill of the product. But through Misrepresentation, Make-Believe Statistics, Misuse of Testimonials, Vulgar Taste, Undue Emphasis, Misleading Names and Brands untruth has been presented in advertising.

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## 8.11 QUESTIONS

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1. Explain the effects of advertising of (a) Production cost, (b) Distribution cost and, (c) Customer price.
2. Write short notes on the following :
  - (a) Effects of Advertising on Production Cost

(b) Effects of Advertising on Distribution Costs

(c) Effects of Advertising on Consumer Prices

3. Does Advertising Create Monopoly ?
4. What is waste in Advertising? Explain the factors responsible for the Waste in Advertising
5. How does Advertising affect Cultural Values?
6. Explain the affects of Advertising on Standard of Living.
7. What are ethics in Advertising?
8. What is "Truth" in Advertising?





## **REGULATION AND CONTROL ON ADVERTISING**

### **Unit Structure :**

- 9.0 Objectives of the lesson
- 9.1 Introduction
- 9.2 Advertising Standards Council of India (ASCI)
- 9.3 Doordarshan code
- 9.4 Ministry of Information and Broadcasting
- 9.5 Summery
- 9.6 Questions

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### **9.0 OBJECTIVES OF THE LESSON**

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After completion of this lesson the student will be able to understand :

- Advertising Standards Council of India (ASCI)
- Codes of ASCI
- Doordarshan Code
- Organisation of Ministry of Information and Broadcasting
- Criticism and Controversies about ministry of I&B

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### **9.1 INTRODUCTION**

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There are Regulation and Control over Advertising business. The Government of India has setup separate ministry to promote, regulate and control over advertising. We shall discuss each of regulatory and controlling agencies of advertising separately as follows :

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## 9.2 ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)

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There are certain laws, standards and codes which provide guidelines for ethical and professional management of business. These laws are called self regulation laws.

These self-regulation laws provide guidelines for the advertisers, publications and advertising agencies. These laws mainly prohibit those aspects of advertising which are either untruth or harmful to the society.

There are more chances of being wrong or untruth advertisements in the market, which mislead the consumers. Unethical advertisements not only harm the consumers but it also produces losses to the society. In long run such advertisements do not succeed.

### 9.2.1 Codes of ASCI :

The main objective of the code is to control the content of every advertisement. This is helpful to manufacturers also as it regulates their ads. Because of these codes the consumers are mostly benefited as they are not supplied wrong information and they are not misled.

### 9.2.2 Objectives:

The codes of ASCI have following objectives:

1. It ensures the truthfulness in the advertisements and checks that no misleading information is presented.
2. It puts control on offensive ads of public decency.
3. It ensures true and fair competition and avoids artificial competition.
4. It restricts ads of hazardous products from the society.

### 9.2.3 Characteristics:

The codes laid-down by ASCI have following characteristics:

1. **Extent of Application** : The codes apply to all the advertisements that appear by any media. For example it may be on television, over radio, in cinema or posters.

**2. Code and Consumers :** The code does not permit any ad misleading the consumers. The untruthful advertisements with false information's are not allowed. If any such ad is presented, the consumers can bring it to the notice of ASCI.

**3. Aim of Code :** The code is laid down with the aim to ensure the public protection and guard them against false and untruthful advertisements.

**4. Responsibility of Media Owner :** Any media owner must view each advertisement offered for publication to them from the point of view of the code. If he feels that any particular ad is against the code, he can approach to ASCI and inform accordingly. If ASCI finds the violation of code, the media owner must not publish the advertisement.

**5. Ads for Children :** The ASCI code also keeps control on ads meant for children. Such ads should not contain any information or idea either in illustration or words, which might cause moral, physical or mental harm to children.

**6. Code and Foreign Ads :** The ASCI code is limited to advertisements Published in India only. It does not apply to advertisements on foreign medias.

**7. Identical Ads :** The code also requires that an ad should not be just a copy of other advertisements. It should not be identical in respect of general layout, copy clogs, visual, presentation, music, etc. This restriction is put in order to avoid confusion and misleading of consumers.

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### 9.3 DOORDARSHAN CODE

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Advertising should be designed as to conform to the laws of the country and should not offend against morality, decency and religious susceptibilities of the people.

#### 1. No advertisement should be permitted :

- (i) To derides any race, caste, colour, creed, nationality except wherein such usage would be for the specific purpose of effective dramatisation, such as combating prejudice;
- (ii) Which is against any of the objective principles, or provision of the constitution of India;
- (iii) Which will tend to incite people to crime or to promote disorder, violence, or breach of law or glorifies violence or obscurity in any way;

- (iv) Which presents criminality as desirable;
- (v) Which would be adversely affect friendly relations with foreign States;
- (vi) Which exploits the national emblem, or any part of constitution, of the person or personality of a national leader of State Dignitary;
- (vii) No advertisement shall be permitted the objects whereof are 'hi1o11y or mainly of a religious or political nature. Advertisements must not be directed towards any religious or political end or have any relations to any industrial dispute;
- (viii) Advertisement for services concerned with the following are not acceptable : (a) Money lenders; (b) Chit Funds and Savings Schemes other than those conducted by nationalised banks; (c) Matrimonial agencies; (d) Unlicensed employment services; (e) Fortune-tellers or sooth-Sayers, etc., and those with the claim of hypnotism would be excluded from advertising on TV;
- (ix) Betting, tips and guide books, etc., relating to horse-racing or other games of chance shall not be accepted;
- (x) No advertisement shall contain reference which are likely to lead the public to infer that the product advertised or any of its ingredients has some special property or quality which is incapable of being established, e.g., cure for baldness;
- (xi) Scientific or statistical excerpts from technical literature, etc., must be used only with a proper sense of responsibility to the ordinary viewer. Irrelevant data and scientific jargon must not be used to make claims appear to have a scientific basis they do not possess. Statistics of limited validity should not be presented in such a way to make in appear that they are universally true;
- (xii) Advertisers of their agents must be prepared to produce evidence to substantiate any claims or illustrations.

2. No advertisement message shall in any way be presented as News.

3. The items advertised shall not suffer from any defect or efficiency as mentioned in Consumer Protection Act, 1986.

4. No advertisement shall contain the words 'Guarantee tee' or 'Guaranteed', etc., unless the full terms of the guarantee are available for inspection by the Director General Doordarshan, and are clearly set out in the advertisement and are made available to the purchaser in writing at the point of sale or with the goods.

5. In its depiction of women no ad shall violate the constitutional guarantees to all citizens such as equality of status and opportunity and dignity of the individual. In particular, no advertisement shall be permitted which projects a derogatory image of women. Women must not be portrayed in a manner that emphasizes passive, submissive qualities and encourages them to play a subordinate, secondary role in the family and society. The portrayal of men and women should not encourage mutual disrespect. Advertiser shall ensure that the portrayal of the female form is tasteful and aesthetic, and is within the well established norms of good taste and decency.

6. No advertisement for a product or service shall be accepted if it suggests in any way that unless the children themselves buy or encourage other people to buy the products or services, they will be failing in their duty or lacking in loyalty to any person.

7. No advertisement of any kind of jewellery or precious stones shall be accepted. Also no ad should be permitted on cigarettes, alcohol, tobacco products and other intoxicants.

8. Information to consumer in matters of weight, quality or prices of products where given shall be accurate.

9. Any such effects which might startle the viewing public must be incorporated in advertisements. For example the use of the following sound effects will not be permitted:

- (i) Rapid gunfire or rifle shots
- (ii) Sirens
- (iii) Bombardments
- (iv) Screams
- (v) Raucous laughter and like

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## **9.4 MINISTRY OF INFORMATION AND BROADCASTING**

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The Ministry of Information and Broadcasting, a branch of the Government of India is the apex body for formulation and administration of the rules and regulations and laws relating to information, broadcasting, the press and films in India.

The Ministry is responsible for the administration of Prasar Bharati-the broadcasting arm of the Indian Government. The Censor Board of India is the other important body under this ministry being responsible for the regulation of motion pictures shown in India.

Organisation

Broadcasting

FM Radio Phase(FM Radio Broadcasting Services Through Private Agencies)

Conditional Access System (CAS)

Community Radio Stations

Prasar Bharati

Doordarshan

Akashvani (All India Radio)

Broadcast Engineering Consultants India Limited

Uplinking/Downlinking of TV Channels

Content Regulation on Private TV Channels

DIRECT TO HOME(DTH)

Internet Protocol Television (IPTV)

Headend-in-the-Sky (HITS)

Digital television transition

Radio And Television Licence Around The World

Broadcasting Authority of India

Information

Directorate of Advertising and Visual Publicity (DAVP)

Directorate of Field Publicity

Photo Division

Publications Division

Research Reference & Training Division

Song & Drama Division

Office of the Registrar of Newspapers for India (RNI)

Press Council of India

Press Information Bureau (PIB)

Indian Institute of Mass Communication (IIMC)

Films

Directorate of Film Festivals (DFAI)

Films Division (FD)

Central Board of Film Certification

Children's Film Society, India

Film and Television Institute of India (FTII)

Film Certification Appellate Tribunal

National Film Archive of India (NFAI)

Satyajit Ray Film and Television Institute

National Film Development Corporation

Mandate

The mandate of the Ministry of Information & Broadcasting are:

News Services through All India Radio (AIR) and Doordarshan(DD) for the people

Development of broadcasting and television.

Import and export of films.

Development and promotion of film industry.

Organisation of film festivals and cultural exchanges for the purpose.

Directorate of Advertising and visual publicity DAVP

Handling of press relations to present the policies of Government of India and to get feed-back on the Government policies.

Administration of the Press and Registration of Books Act, 1867 in respect of newspapers.

Dissemination of information about India within and outside the country through publications on matters of national importance.

Research, Reference and Training to assist the media units of the Ministry to meet their responsibilities.

Use of interpersonal communication and traditional folk art forms for information/ publicity campaigns on public interest issues.

International co-operation in the field of information & mass media.

**Criticism and Controversies** : The Ministry has often been criticized for the actions of the various bodies under it:

**Doordarshan:** This is the Indian Public Television Broadcaster. It has posted losses for several years despite being granted exclusive access to several events including cricket matches and having the largest terrestrial network in the country.

The decision of the Censor Board of India to censor some films due to political reasons like foreign ones while allowing several others which may often contain several suggestive and deeply disturbing scenes has been questionable.

Arbitrary actions taken in the past to ban television channels which ostensibly showed explicit scenes, as well as actions taken to ban general use websites like Yahoo Groups, have been widely criticized in most quarters of the country.

All India Radio is the only radio broadcaster allowed to broadcast news within India, though this is likely to change with the recommendations of the TRAI.

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## 9.5 SUMMERY

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There are more chances of being wrong or untruth advertisements in the market, which mislead the consumers. The self-regulation laws mainly prohibit those aspects of advertising which are either untruth or harmful to the society.

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## 9.6 QUESTIONS

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1. What is Advertising Standards Council of India (ASCI)
2. Explain the codes of ASCI
3. What are Doordarshan Code?
4. Explain the Organisation and functions of Ministry of Information and Broadcasting
5. What are the Criticism and Controversies against Ministry of Information and Broadcasting?





## ADVERTISING AGENCY

### Unit Structure :

- 10.0 Objectives of the lesson
- 10.1 Introduction
- 10.2 Meaning and Definition
- 10.3 Service Rendered by an Ad Agency
- 10.4 Agency Selection Criterion
- 10.5 Agency Accreditation
- 10.6 Agency Client Relationship
- 10.7 Organisation Structure of an Advertising Agency
- 10.9 Changing of Advertising Agency
- 10.10 Career Options in Advertising
- 10.11 Summary
- 10.12 Questions

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### 10.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Advertising Agency and its functions
- Criteria for Selection of an Advertising Agency
- Structure of an Advertising Agency
- Services rendered by an Advertising Agency
- Advantages of the Advertising Agency to the Firm
- Methods of remunerating Advertising Agencies
- Agency Accreditation
- Agency-Client Relationship
- Client Turnover
- Career Options

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## 10.1 INTRODUCTION

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An Advertising Agency is selected by a manufacture or trader to present the advertisement on his behalf. The advertiser who does not have the capacity of carrying out advertising activities take the help on services of advertising agencies who are specialized in those fields.

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## 10.2 MEANING AND DEFINITION

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The advertising agency carry out the activity on behalf of their client against remuneration called fees. They conduct market research, consumer research, product research etc. They advice the manufacturer on product design or package design, pricing of product channels of distribution. Besides, they advice on the market condition from time to time.

Advertising agency conduct the production activities of visualization, layout, illustration, headlines, copy etc. They also help in the selection of proper media and the frequency at which the advertisement should be presented.

Thus, the advertising agency relieves the burden of the trader or manufacturer of the responsibility of advertising, production and distribution.

### **Definition :**

The American Association of Advertising Agencies (AAAA) defines an advertising agency as : “An independent business organization, composed of creative and business people, who develop, repair and place advertisements in advertising media for sellers seeking to find customers for their goods and services”.

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## 10.3 SERVICE RENDERED BY AN AD AGENCY

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The main function of advertising agency is to see that its client's advertising leads to greater profits in the long run. The agency thus plans, prepares and places with advertising with the objective. The main function of a full-service advertising agency are as follows :

**1. Selection of Clients :** The first and the foremost function of an advertising agency is to contact and select clients who are desirous of advertising their products, services or anything which they want to sell. The preference in contacting and choosing the clients is

given to those firms which have sound values, able management, efficient operative products and services. The financial position, size and nature of business, efficient management and operative products etc. must be given due weight.

**2. Media Selection :** Media selection is another major function of the advertising agency. In making a media selection several factors such as cost, circulation, population which it serves, audiences, nature of the product, types of customers and above all needs of the clients should be kept in mind.

**3. Advertising Planning :** The third as well as the major function of advertising agency is the advertising planning for its clients. For this purpose, the advertising agency requires a detailed knowledge of the firm's products, its advertising history, market conditions, channel of distribution, knowledge of competitors' products and their advertising techniques, field to be covered, nature and type of consumers etc.

Next planning job is to decide about the advertising medium in which the advertisement is to appear. The advertising message must be adapted to the medium in which it is to appear.

**4. Creative Function :** The creative function starts when the planning function ends. It includes the preparation of an advertising copy, layout, illustration, photographs, advertising messages, theme of advertisement etc. These functions are performed by a varied group of creative people including writers, designers, artists, producers, photographers and graphic art specialists employed by the advertising agency.

**5. Research Function :** It is the fifth major function of an advertising agency. It supports the decisions taken in the media and creative areas. In this connection the advertising agency gathers and analyse actual information about the product, extent of market, competitors' strategies and buyers' habits etc. that may help the creative personnel to make the advertising copy more attractive and effective.

**6. Approval of the Client :** As soon as the advertising copy etc. are prepared, the next function of the advertising agency is to show the copy to his client and obtain his approval. In case if any changes are suggested by the client, the same may be incorporated and thus the final approval should be taken from the client.

**7. Marketing Function :** The advertising agency also performs marketing functions such as selecting target consumers, designing

products and packages, developing channels of distribution strategy, determining prices and rate of discount etc. It gives useful advice to its clients with regard to the nature and trend of the market conditions. Accordingly, the client produces goods keeping in his mind the prevailing conditions in the market.

**8. Evaluation Function :** Simply drafting advertising copy and handing over the same to the media is not enough. The next major function of the advertising agency is to have an exhaustive evaluation of the advertising effects for the benefit of his client. In case of any deficiency, necessary suggestions should be given and the same be made effective after approval of the client.

**9. Coordination Function :** The last but not the least important function of the advertising agency is to establish effective coordination with client's sales force and distribution network to ensure the long running success of the advertising campaign. Each time the advertising agency contacts the client regarding advertising media to be used and the number of times the advertisement is to be repeated after giving effect to changes, if any, as suggested by the advertiser.

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## 10.4 AGENCY SELECTION CRITERION

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Following are some points to be taken in account while selecting the advertising agency:

**1. Suitability :** The advertising agency which suits the requirement of manufacturer or trader is selected depending upon the type of advertisement, location of agency, credit policies, etc.

Normally, an agency which is located near the advertisers place is selected. This helps in approaching the agency. Secondly, the size of agency in terms of personnel, projects, and services provided is considered. Thirdly, the connections and relations with the various media. Fourthly, the policies like conservative policy, outgoing policies etc. are taken into account. Finally, the advertising also considers whether the agency has competitors account or not.

**2. Facilities and Services Provided :** Some agencies have modern facilities of photography, type setting, printing, filming etc. The agencies which provide maximum services with minimum costing preferred.

**3. Imagination :** Imaginations and creative skills of the personnel of agency is duely considered. Creativity in photography, layout, copy writing, media etc. creates an identity and unique for the products and services of the advertiser.

**4. Past Record :** Past records of the agency in terms of number of clients, effectiveness, credit reputation etc. helps in selecting the agency. The advertiser enquires about the agency's timeliners, punctuality, past record helps to show whether the agency is reliable or not.

**5. Reputation :** The reputation of the advertising agency helps in selection. The popularity of the agency depends upon timeliners, successful presentation, good relations, prompt services etc.

**6. Management :** Proper selection of advertising agency depends on the ownership and management and their policies. Their policies may be either conservative or dynamic which influence the selection.

**7. Rates Charged :** The advertiser considers the rates charged by the agency. Normally, the rates depend on reputation, facilities provided techniques adopted etc. Therefore, an advertiser will select such agency which will provide facility according to his requirement and which suits its budget.

**8. Size of the Agency :** The size of the advertising agency must be considered. The larger the size, the more it is preferred, however, at times, small is beautiful because a small agency may give more attention to its client's work.

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## 10.5 AGENCY ACCREDITATION

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The principle of accreditation by the Indian Newspaper Society, Doordarshan and All India Radio, ensures professional status to ad. Agencies. Accredited agencies enjoy credit from the media owners. They pass this benefit to their clients who also enjoy credit facilities. Moreover such agencies have to follow the code of ethics laid down by the media owners. This ensures that the client gets a minimum standard of the Ad Campaign.

The granting of accreditation to an agency means that the agency has fulfilled the following criteria:

(a) The agency has fulfilled the minimum business limits with Doordarshan / AIR and the Indian Newspapers Society.

(b) The agency has proved its creditworthiness during the period of its provisional accreditation status.

(c) The agency has adhered to the rules of accreditation as specified by the media.

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## 10.6 AGENCY CLIENT RELATIONSHIP

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Agency client relationship must be that of mutual trust and confidence. The perfect relationship results in optimum advertising effectiveness at a reasonable cost and reasonable compensation for the agency. It is characterized by continuous and complete two way communication between individuals in the two organizations in an atmosphere of mutual trust. Interdependency of the advertiser and the agency helps in creating effective advertising as part of the company's marketing effort.

### **What the clients have to do? :**

1. Treat the agency with courtesy at all times.
2. Provide all possible information about the product that is to be advertised and about the organization. This facilitates the agency to do their job much better.
3. Not unnecessarily bargain for the fees charged by the agency.
4. Motivate the agency to do a good work. Agency charges such as media bills, fees and other costs must be paid well in time. In no way the client should wait for the agency to remind of payment.
5. Not change the agency for the sake of change.
6. Approve the proposals submitted by the agency. The client should not argue for the sake of arguing.
7. Give sufficient time to the agency to develop a good advertising campaign. The client should not put the agency unnecessarily in deadline crisis.
8. Reduce disputes to a minimum.
9. Finalise well in advance the charges for a particular plan or campaign.
10. Up-date the agency with any information from his side that would help the agency to serve the client better.

Yet, whenever something goes wrong, the brunt of criticism comes on the agency and many times the relationship terminates. Many a times, there is a change just for the sake of change. Advertisers prefer an agency that is currently popular in the market, such as the Lintas and the Everest in India. Sometimes the agency itself voluntarily resigns from an account on some ground or the other. There may be different puritans, opinions, thoughts, etc., or the agency may be wanting to accept another competitive account. Usually an agency keeps on abandoning consistently losing accounts, i.e. those advertisers who make losses over the years. It may also resign when a client becomes over-bearing. May creative people in the field of advertising do not like to be simply dictated by

their clients about their own professional work. If things go too far, such clients may be abandoned. However, client turnover is not a healthy practice as it puts both the parties to a loss. But under the unavoidable circumstances, there may be no other alternative but to turnover too another client.

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## **10.7 ORGANISATION STRUCTURE OF AN ADVERTISING AGENCY**

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### **10.7.1 Meaning :**

The organization structure differs from agency to agency depending upon functions performed and size of the business.

Because of the highly personalized nature of the advertising agency business, it is difficult to say which type of organizational structure would be suitable for it. Many agencies are organized according to the personal preferences of the management. Most large and medium sized agencies followed one of the two systems, the group system and the departmental system and some combine them.

**1. Group System :** Under this system the writers, artist, media planners, buyers and other specialists are assigned to a group of accounts. All are under the general direction of an account executive or group head.

**2. Departmental System :** Under the departmental system, same type of specialists are grouped in the same department. For instance, all writers in the copy department, all artists in the art department and so on.

### **10.7.2 Organisation and Working of an Advertising Agency :**

Since advertising agency is an independent business organisation, it may be in the form of a sole proprietorship, partnership or joint stock company form of organisation. However, an advertising agency of reasonable size may naturally adopt the Joint Stock Company form of organisation. In such a case, it may have a Board of Directors under the Managing Director. Under the Board of Directors we may have General Manager and the General Manager may have a number of Departmental Managers under his control. The number of Departmental Managers will vary from one advertising agency to another advertising agency as per the nature and size of business. The organisational structure of a large sized or reasonably sized advertising agency is as follows :

## Advertising Agency Limited

Board of Directors				
General Manager				
Contact	Media	Copy	Radio & TV Production	Merchandising
Department	Department	Department	Department	Department
Art	Mechanical	Research	Finance	Public Relations
Department	Department	Department	Department	Department

### 10.7.3 Departments of an Advertising Agency

The organisation of an advertising agency may be divided in various departments entrusted with a specialised function to be performed under each departmental manager who is specialised in the task allotted to him. The main departments of a large sized or reasonably sized advertising agency are as follows :

**1. Contact Department :** Contact department works under a senior executive officer known as the departmental manager. The main function of this department is to contact the new clients on the one hand and maintain the existing clients on the other hand. A number of contact men work under him. They function as the liaison people between the agency and the client. The contact men represent the agency when in the advertiser's office, they study the advertiser's need and inform the various departments what is required by the respective clients.

**2. Art Department :** This department is headed by the art manager who is assisted by artists, layout men and visualisers. A visualiser is a person who prepares the rough layout of the advertisement which is later developed into a comprehensive layout. The art department is responsible for the physical appearance of the advertisement for preparing layouts, illustrations, photos and for specifying the types to be used.

**3. Media Department :** This is a very important department which works under the supervision and control of a media manager. This department is entrusted with the work of selection of media for the advertiser according to the needs, directions and budget of the client. He remains in constant touch with different medias.

**4. Mechanical Production Department :** It is also a very important department which works under the control of a technical manager. The main function of this department is to look after block-making, printing, proof-reading and such other technical jobs.



**5. Copy Department :** This department is headed by a copy manager and is duly assisted by a number of copy-writers. This department is concerned with the preparation of a copy for all advertisements. Copy-writing requires flair and fluency of language, imagination and a method of representation. The department works closely with the art, research and accounts departments. It is also an important department.

**6. Research Department :** In case of large sized advertising agencies a separate research department is established under the supervision and control of a research manager. The research manager is assisted by a number of analysts, investigators, marketing assistants, statistical clerks and librarians etc. The main function of this department is to study markets, medias and other subjects of interest to the advertising agency. It helps better advertising for clients.

**7. Radio and T.V. Production Department :** In case the advertising agency provides advertisements on the radio and television, it would have a separate department for this purpose. This department works under the supervision and control of a manager who is duly assisted by a number of assistants, musical consultants, script-writers etc.

**8. Finance Department :** The main function of finance department is to arrange and control finance. Thus this department is responsible for maintaining proper accounts, billing and collection of dues from the clients, verifying whether the advertisement in the different media actually appeared on the days it was scheduled, if so whether correctly, and whether the text was properly printed and also looking after all the routine matters relating to accounting, recording etc.

**9. Merchandising Department :** In case of large sized advertising agency, a separate merchandising department is established under the supervision and control of a merchandising manager which is specialist in displays, exhibits and preparation of various advertising aids.

**10. Public Relation Department :** In case of a large sized advertising agency, a separate public relation department is established under the supervision and control of a public relation officer - manager. The main function of this department is to establish and maintain contact and mutual understanding between the organisation and the public. It performs a liaison work between the clients and the various sections of the public - customers, employees and shareholders etc.

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## 10.8 METHODS OF REMUNERATING AN ADVERTISING AGENCY

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The method of remunerating the advertising agency has been a subject of much discussion now-a-days at almost all the meetings of advertising agency associations and advertisement clubs. There are basically the following three methods of remunerating an advertising-agency in practice in our country :

**1. Commission Method :** This is the oldest, and most common method of remunerating an advertising agency. Under this method the advertising agency has a fixed commission by the media owners on the advertising bill for the advertising space bought by the respective advertising agency. The fixed rate of commission is 15% in India as well as in U.S.A. Though the rate of commission varies from media to media and from country to country but the rate of 15% is almost universal. For example, an advertising agency places a full page advertisement in a magazine at an agreed charge of Rs. 50,000. The magazine will bill the agency for Rs. 50,000 less 15% i.e., Rs. 42,500 net. The advertising agency will bill the advertiser for Rs. 50,000 (cost of advertisement charged by the media). Thus the difference of Rs. 7,500 will be treated as the remuneration of the advertising agency. Generally, a cash discount @ Rs. 2% is also offered by the media for prompt payment within a stated period. This cash discount is usually passed on to the advertiser on similar terms by the advertising agency. The general criticism of this method is that the advertising agency is always tempted to recommend expensive media in order to draw a higher remuneration.

**2. Fee System :** The fee system came into effect following a controversy between the advertiser and the advertising agency. The former argued that 15% commission was too high a rate, whereas the agency took the stand that it was unremunerative in view of many services rendered to the client by the advertising agency. Under fee system, the agency payment consists only the service charges which are to be computed on the basis of cost plus system. Under the system a certain fixed percentage (flat rate) on cost may be charged from the client as fee to be paid to the agency along with the bill. This system enables the advertising agency to make fair profits on services rendered by it and, in turn, the advertiser pays for what he gets - nothing more and nothing less. The fee system is generally used in radio and television-advertising.

**3. Service Charges :** Under this method, service charges are added to the cost of materials and services bought by the

advertising agency for the client in art work, photography, typography, plates etc. Normally, it is cost plus 15%.

In actual practice one of the above methods of compensation or a combination of the fee-and-media-commission plan or a method by which commission granted by the media are credited against profession fee, is used. When a new product advertising is involved, the advertising agencies are remunerated on a special fee basis.

### **Check your progress:**

- 1) Give the chart of organisation structure of an Advertising Agency.
- 2) Explain the following terms.
  - a) Advertising agency
  - b) Agency Accreditation
  - c) Client Turnover
  - d) Copy Department
  - e) Art Department
  - f) Commission Method
- 2) “Advertising Agencies relieves the burden of the Manufacturer or Trader”. Explain.

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## **10.9 CHANGING ADVERTISING AGENCY OR CLIENT TURNOVER**

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### **10.9.1 Meaning :**

When an advertiser leaves one advertising agency, and shifts to another, this practice is termed as client turnover. Highly frequent rate of client turnover results in great loss to advertisers. When an agency is changed the advertiser suffers on two counts, on having to do away with the old agency and another with the new one. It is very much like an employer suffering financial and other kinds of losses on account of high ‘rate of labour turnover in his enterprise. Productivity is the main factor of loss of the employer as well advertiser. Just as the old employee’s experience with organization is an important factor in policy decisions and implementation. Similarly the old agency’s experience in advertising the company’s product lines is a total loss in case of turnover to another agency. The old agency must have already collected considerable data about the company’s product, the market, the nature and the extent of competition the consumers and host of other subjects. Such a mass of information and data cannot be easily transferred to the new agency. Researchers have identified as many as forty factors that influence the sale of a product, advertising being one of them.

When an advertiser leaves one advertising agency and switches over to another, it is known as 'changing of advertising agency' or 'client turnover'. The tendency to change advertising agencies now and then is most common amongst many advertisers. This may result in an reduction of the effectiveness of their advertising campaign.

**10.9.2 The main reason for changing the advertising agencies may be summarized as under :**

1. Dissatisfaction to the advertiser from the services of the advertising agency.
2. The advertiser is interested in a new criteria with which the present agency is not familiar.
3. The client and agency perceive the advertisement strategy in a drastically different manner.
4. Change for the sake of change.
5. Lack of coordination between the top executives of the client and the agency.
6. Loss of confidence.
7. Staff changes also lead to change of advertising agency.
8. Perceived unreasonableness of the other party.
9. Politics and nepotism also result in change of advertising agency.

Changing of advertising agency is not always fruitful. The loss might be more as compared to gain on account of the change. In the first year the new agency has to digest the problems of the advertiser, the nature of the products and the competitive situation that exists. The first year of change may be referred to as the study year. Thus change of agency amounts to leaving one which is quite familiar with the advertiser's problems and going to a stranger at least as far as the advertiser is concerned. In case of any dissatisfaction with the existing agency, it is better to find out and discuss it with the top management team of the agency so that the misunderstanding, if any, may be removed and also to give a chance to the agency for improving its services. The selection of an advertising agency should be made carefully so as to avoid a subsequent change. It should be kept in mind that the agency advertiser relationship is like the physician-patient or the lawyer-client relationship. The patient pays fee to the physician whether he gets relief or not. The lawyer too takes fee, irrespective of the judgement in the case. However, in both the cases they perform their duties faithfully and therefore why make a change ? This fact should be given due weight while taking any decision to change the advertising agency.

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## 10.10 CAREER OPTIONS IN ADVERTISING

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Advertising is an important profession and advertising industry provides enormous opportunities for career development. The advertising industry consists of the advertising agencies, the advertisers, the media and the ancillary services. Each of these active participants in advertising provide challenging career options to the students to build up career in this fast developing industry.

**1) Advertising Agencies :** An advertising agency is a team of professional advertisers appointed by client to plan, produce, and place advertising campaign on the behalf of client.

The total number of advertising agencies in India is believed to be around-4,000, including studios and non-accredited set-ups. The accredited agencies or those with partial accreditation account for 550. The number of new advertising agencies especially one-man or owner-manager type ad agencies are increasing at a faster rate. This is because advertising business provides ample scope for growth and development. Advertising is most suited profession for strongly motivated individuals, who have high degree of conviction and belief to make their endeavour a success whatever may be the odds.

Advertising agency has grown by leap and bound and now they account for billing over Rs. 2000 crores per annum. They are constantly in need of talented and creative staff in their following functional departments:

**2) Account Executive :** The word 'Account' in advertising terminology means 'Client' and an Account Executive is the man on the agency staff responsible for handling a particular client. He approaches different potential clients for seeking new business for the ad agency which he represents. He is the main link between the agency and the client.

Account executive is an important career option in ad agency. He explores the possibilities to book new business by approaching new clients. Successful account executives are promoted upto the positions of Account Director.

**3) Copywriter :** Copywriting is an art and the persons with good communication skills stand a fair chance to be copywriters. They contribute to the theme of an advertisement. In most ad agencies, there are creative teams headed by either a copywriter or a visualizer.

A good copy can be destroyed if the words are badly set. Equally, unwise choice of type faces, sizes and weights can destroy

the layout. Creation of an effective copy for the client establishes them as copywriter.

It is the job of the copywriter to conceive advertising themes of copy flat forms, and to write the wording, including heading headlines and slogans.

**4) Visualisers :** Visualisers are those artists who translate the imaginations of the copywriter on the paper. Visualisers help shaping an effective ad. The visualisers usually have professional degree in fine art or commercial art. It is not essential for a good visualiser to have professional degree or diploma. Visualizing and layout is an important career option.

**5) Creative Department :** Creative department is the key department in an ad agency. It is in this department that the idea or theme behind the advertising campaign is born and the complete advertising plan is executed. Creative Director is the head of creative department. The department comprises of visualisers, creative artists and copywriters and their duty is to create advertisements. The creative director coordinates the copy-writing and designing.

**6) Production Department :** Production department also provides good opportunities for career building. The production department can be divided into two sections: one section is responsible for the mechanical preparation of the advertisement or the printed material, and the other for the administration of the detail work. The mechanical production section has many people to deal even technically with block-makers, printers, photographers, DTP operators in designing print outs. Many production departments also handle the job in different languages and need people to assist the advertising job.

**7) Art Department :** The approved layout pass into the hands of artists to prepare finished drawings for reproduction. Art department is in the charge of an Art Director and it is his duty to co-ordinate the work to select the correct type of treatment so as to prepare the visuals and then the final art-work.

**8) Free Lancers :** These are professionals who work in dependently and have a successful track record. They are copywriter, jingle singers, radio announcers, artists, visualizers, technical writers, etc.

Thus, advertising can be an exciting and rewarding career, provided those in this profession understand the full social implication of advertising and their responsibilities to the profession.

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## 10.11 SUMMARY

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The Ad Agencies conduct market research, consumer research, product research etc. for the manufacturer or trader.

A full-service advertising agency provides various services like, Media Selection, Advertising Planning, Preparation of an advertising copy, layout, illustration, photographs, advertising messages, theme of advertisement etc., showing the copy to his client and obtain his approval, Selecting target consumers, designing products and packages, developing channels of distribution strategy, determining prices and rate of discount, exhaustive evaluation of the advertising effects etc.

While selecting the advertising agency some points are to be observed such as Location, Facilities and Services Provided, Imaginations and creative skills of the personnel of agency, past records of the agency, the reputation of the advertising agency, Rates Charged, the size of the advertising agency etc.

Since advertising agency is an independent business organisation, it may be in the form of a sole proprietorship, partnership or Joint Stock Company form of organisation.

Some of the departments of advertising agency are Contact Department, Art Department, Media Department, Mechanical Production Department, Copy Department, Research Department, Radio and T.V. Production Department, Finance Department, Merchandising Department, Public Relation Department etc.

Advertising is an important profession and advertising industry provides enormous opportunities for career development. The advertising industry consists of the advertising agencies, the advertisers, the media and the ancillary services.

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## 10.12 QUESTIONS

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1. What is an Advertising Agency? State and explain the functions of an Advertising Agency.
2. What is meant by an Advertising Agency? What are its main functions?
3. What factors are considered for selection of advertising agency?
4. Outline the Organisation of an Advertising Agency.
5. State and explain the functional organisation of Advertising Agency.

6. What are the services rendered by an advertising agency?
7. Explain the Organisation and Working of an Advertising Agency.
8. What Factors would you keep in mind while Selecting an Advertising Agency?
9. What should be the Criteria for Selection of an Advertising Agency?
10. Discuss the Advantages of the Advertising Agency to the Firm
11. State and explain the Methods in which Advertising Agencies are Compensated for the Services Rendered by them
12. Write short notes on the following :
  - a) Agency-Client Relationship
  - b) Client Turnover
  - c) Agency Accreditation





## PLANNING AN ADVERTISING CAMPAIGN

### Unit Structure :

- 11.0 Objectives of the lesson
- 11.1 Introduction
- 11.2 Process of Planning the Advertising Campaign
- 11.3 Market Segmentation
- 11.4 DAGMAR Model
- 11.5 AIDA
- 11.6 Unique Selling Proposition (USP)
- 11.7 Advertising Appeal
- 11.8 Summary
- 11.9 Questions

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### 11.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Importance of planning the Advertising Campaign
- Process of Planning the Advertising Campaign
- Factors influencing the Planning of an Advertising Campaign
- Bases of Market Segmentation
- Importance of Market Segmentation
- DAGMAR Model, AIDA, Unique Selling Proposition (USP)
- Appeals used in Advertising

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### 11.1 INTRODUCTION

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Advertising campaign can be defined as a series of advertisements with an identical or similar message, place in one or more of the advertising media over a particular period of time.

An advertising campaign must be co-ordinate with other marketing efforts and activities. This means the campaign must be

correlated with the personal selling activities of the sales force, those of the distributors of the product and with the various other promotional efforts, which may be a part of marketing mix.

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## 11.2 PROCESS OF PLANNING THE ADVERTISING CAMPAIGN

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### 11.2.1 Meaning :

The campaign planning is the joint effort of both the advertiser and his ad Agency. The advertiser supplies much information about the product, the channel of distribution, competition the product, and the firm. The agency may collect other information from the market, in respect of target audience etc.

Advertising campaign planning simply means planning the advertising campaign. Advertising campaign planning concerns many people in the advertising agency, but mainly concerns the advertising manager (for the client), account executive, marketing manager, creative director, media planner, and PR manager. They design and plan advertising campaign for the client.

**11.2.2 Steps in Advertising Campaign Planning :** The main steps in advertising campaign planning are as follows :

**1. Prototype Stage :** Let us assume that a manufacturer has the prototype of a new product. The basic product has been thoroughly tested, but the packaging has not been determined, it has no name, no price, and perhaps no defined market. In some respects this seems to contradict modern marketing principles. This situation is not uncommon. The company now wish to advertise its new product and appoints an advertising agency and calls it to explore the possibilities to promote the sales.

**2. Initial Briefing by Client :** The most likely procedure is for the managing director to ask his advertising manager to fix up a meeting with the account executive of the advertising agency. This first meeting may be held at the factory, at the company's head office, or at the advertising agency. Probably the best venue will be where the account executive can see the product and meet the people who have been involved in its development. The factory might be the best place, but much depends on how the company is organized.

For this initial discussion, the right choice of venue can be important to the account executive's clear understanding of the proposition. It can be dangerous for the advertising agency to start

off on the wrong foot because of inadequate or faulty interpretation of policy and problems. The need then is for best possible understanding at the beginning. This is the joint responsibility of the advertising manager and the account executive.

**3. Contact Report :** Whenever a meeting has been held with a client a contact report should be written at once and circulated to all those present at the meeting, with additional copies for others not in attendance who should be informed, both inside the company and inside the agency.

The importance of a contact report lies in its confirmation of agreed action, so that nothing depends on people's memories, and if it is submitted directly after the event it serves to remind of necessary action that must be taken by people present at the meeting. Agreed contact reports, when placed in a file or binder as instructions to proceed, may be referred to as the facts book. Should a dispute occur, reference can be made to the respective contact report: at the end of the year these reports form the basis of a report to the client on the year's work.

**4. Account Executive's Report to Agency Management :** The account executive will also give his superiors - the account director and perhaps the agency managing director - a verbal report. If new business is coming into the agency it may be necessary to make changes in the deployment of staff, engage extra staff, and consider the use or expansion of equipment and premises.

**5. Account Executive's Briefing to Agency Department Heads :** The account executive now writes up a detailed, factual but as far as possible unbiased report on the assignment, setting out his understanding of the product and the client's requirements. In this report he should try to avoid expressing any personal observations because the object is to inform others whose ideas and opinions are being sought. Each department head is asked to study the report and to attend a plans board meeting.

**6. Proposition :** At this stage, the account executive invites the managing director of the client company to attend a meeting at which the scheme is presented in report form with a presentation of ideas in rough visual form. At this meeting the client party may consist of the managing director, marketing manager, sales manager and advertising manager and the members of the agency party may include the account director, account executive and the marketing director. Once the scheme is approved and adopted in principle the agency will be instructed to prepare a full visual presentation at the client's expense.

Now, the agency will engage in actual copywriting, photography and drawing. Detailed media scheduling will now be done by the media buyer.

**7. Presentation to Client :** At this stage the complete campaign is demonstrated to the client. The campaign is presented visually. Advertising campaign planning must be flexible. Moreover, at such a meeting with the client there will be a number of company directors and executives present who disagree with one another as well as with the agency over what makes an advertising campaign. Everyone likes to argue about advertising! The account executive, supported by the advertising manager in deal circumstances, must sell his campaign on the basis of sales and readership figures of publications, show the results of copy testing, and offer alternative media plans with evidence of the reasoning behind them. Much of the comment and criticism from the client side will often represent arguments which were considered and rejected in the agency much earlier. This has to be expected, accepted courteously and gently dismissed by means by persuasive reasoning and statistics which reveal that the agency has really taken pains to produce not just a clever scheme but one based on businesslike thinking.

Once the scheme has been approved, the account executive and his companions will return to the agency, ready to execute the campaign. At this stage when the media start buyers, creative staff, print buying production and traffic takeover, working under the direction of the account executive.

### **11.2.3 Factors Influencing the Planning of an Advertising Campaign :**

1. The Organisation its reputation, position in the market.
2. The product e.g. Consumer (Perishable, durable or speciality) goods, or industrial goods etc.
3. The market the nature of customers, their income, their buying behavior, and their location.
4. The competition.
5. The absolute price of the product, Competitor's price etc.
6. The channels of distribution.
7. The budget, the advertising theme, etc.
8. The media, the advertising schedule etc.
9. The Govt. regulations and controls, restriction on certain products, restriction on certain media to carry out certain ads. Etc.

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## 11.3 Market Segmentation

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### 11.3.1 Meaning :

Market Segmentation is a technique of dividing the market of a product into several homogenous groups. Under this technique, customers of a product are divided according to such common characteristics as age, sex, income level rural urban composition. The concept of market segmentation is based on the assumption that markets of all commodities are heterogeneous. For every product, there is a group of customers having different nature, buying habits, and attitudes. Two customers are not alike. They differ each other. On the basis of their characteristics, customers may be divided into several groups. These groups are formed on the basis of some similar qualities and such division is called Market Segmentation.

**11.3.2 Definition of Marketing Segmentation :** The term 'Market Segmentation' has been defined by several authors as follows :

**Philip Kotler**, 'Market Segmentation is the sub-dividing of a market into homogeneous subsets customers, where any subsets may conceivably be selected on a market target to be reached with a distinct marketing mix.'

**William J. Stanton**, 'Market Segmentation consists of taking the total heterogeneous market for a product and dividing it into several sub-markets or segments, each of which, tends to be homogeneous in all significant aspects.'

Market segmentation are grouping of consumers according to such characteristic as income, age, sex, urban rural, etc. This helps forming the market into a meaningful buyer group.

### 11.3.3 Bases of Market Segmentation:

Market segmentation divides the whole market of a product into several different groups. Segmentation is the process of partitioning a large heterogeneous market into smaller groups of people or businesses which show similar needs and/or characteristics thus resulting into similar purchase behaviour.

**Techniques of Market Segmentation:** Markets can be segmented on the basis of the total demand for the product, the desire and the interests of a group of buyers which exhibits certain characteristics. They can be based on geographical, demographic, psychographic, status, volume entities. The entire market of a country is sub-divided into marketing zones. The most commonly used bases for segmenting consumer goods markets are as follows

**1. Geographic Segmentation :** Many organisation segment their market into different geographic units such as nation, states, districts, regions, cities and taluka places. Geographic segmentation is based on the assumption that consumer needs and responses vary geographically. National newspapers, for example, are published from different cities and also in different languages to meet the readers spread all over the country. Different market locations have different costs, demand and other features which are considered while formulating an appropriate marketing strategy. In geographic base, regional differences in terms of geography, climate, population and its density are used as base for market segmentation. Most of the national manufacturers split up their sales areas into sales territories either state wise or district wise.

**2. Demographic Segmentation :** Demography is the study of dynamics of population change. The markets are segmented according to demographic characteristics such as age, sex, income, occupation, education, language, religion, race, nationality and rural urban base. Demographic variables are used commonly and extensively by large number of producers for market segmentation. Demographic segmentation is comparatively easy as required data are available in census and other published reports. Demographic data on population distribution by sex help segmenting market for male and female population. Titan have segmented their market on the basis of sex and are manufacturing wrist watches for male and female buyers separately. Watches of different price in both the categories are brought in the market. Producers of confectioneries segment their markets on the basis of age. The same is the case with toys. In the case of certain products like bicycles, women demand special styles and manufactures adjust their production to suit male as well as female. This gives more turnover and satisfaction to buyers. Demographic segmentation is important as the nature of demand is closely related to the size and composition of population by age, sex, rural and urban base.

**3. Socio-Economic Segmentation :** The segmentation, here is done on the basis of income group, consumption levels, and other cultural aspects. The population is differentiated for marketing efforts on these considerations. In a country like India, such type of segmentation is necessary as the society is divided into different groups on socio-economic cultural factors. In India, people follow different cultural background. Naturally, suitable segmentation for the purpose of marketing is useful. Socio-economic segmentation is used extensively as information in this regard is more easily available. The lower class, middle class, working class is one example of economic classification. Since market potential is intimately connected with the ability to buy, this segmentation is meaningful in deciding buying patterns of a particular class.

**4. Psychographic Segmentation :** Psychographics attempts to segment according to psychographical profiles of people in terms of their life style and attributes. Psychographics attempt to segment according to psychological profiles of people in terms of their life style and attitudes. In this type of segmentation, certain psychological variables such as social class, life-styles or personality characteristics are used for segmentation. Manufacturers of cars, textiles and home furnishings divide buyers on the basis of social class and life styles. Such segmentation is also possible on the basis of reading habits and leisure activities. Marketing efforts are adjusted according to such variables. It may be pointed out that in the case of geographic, demographic and socio-economic bases, the required data for segmentation are either readily available in census and other reports or can be collected through survey. However, in the case of psychological variables, relevant information is not readily available and has to be collected through behavioural research. Moreover, market segmentation on psychological variables is complicated as it is always difficult to expose individuals to a battery of psychological test and to find out their specific personality traits. Moreover, consumers behave or react differently from what they say, if new benefits or bundles of benefits are offered to them. Psychographic segmentation can be made on the basis of (a) Social class (Upper class, upper middle, lower middle class, etc.) (b) Personality (Self-confidence, ambitious, aggressive, sociable, etc.) and (c) Life-style (Liberal, conservative, religious, health and fitness-oriented, etc.)

**5. Behaviouristic Segmentation :** Here, the buyers are grouped or separated on the basis of their knowledge, attitudes, views, or response to the product. This is useful in order to find out what role price or package or colour or service can play in influencing buying decisions. This segmentation is also called product related segmentation as the response of consumers dividing into different convenient groups for the purpose of marketing. In India, the supply of consumer items, electronic goods, two-wheelers, cosmetics etc. is fast increasing. The supply is more as compared to demand. The income of people of all categories are also increasing. People are also willing to spend more. They get information about new products from different media. This creates proper background for behaviouristic segmentation is similar to but slightly different from psychographic segmentation.

**6. Product Segmentation :** When the segmentation of markets is done on the basis of product characteristics that are capable of satisfying certain special needs of customers, such a method is known as product segmentation. The products, on this basis, are classified into (1) Prestige products, (Automobiles and jewellery) (2) Maturity products. (Cigarettes and Blades), (3) Status products, (Most Luxuries), (4) Anxiety products, (Medicines, Soaps and

Perfumes) and (5) Functional products, (Fruits and Vegetables). This type of product segmentation is directed towards differences among the products which comprise markets.

**7. Benefit Segmentation :** Under this method the potential buyers form the basis of segmentation. They are interviewed to learn the importance of different benefits they may be expecting from a product. These benefits or utilities may be classified into primary utilities and secondary or evolved utilities. Toothpaste has primary utility of cleaning and secondary utility of good tasted breath freshening and rightness. Likewise, Shampoo has primary utility of cleaning and secondary utility of shiny hair and thickening hair.

**8. Volume Segmentation :** Markets can be segmented into bulk users, medium users and unit users. This method is based on the volume of purchases. The heavy users may constitute a small percentage of the numerical size of the market but forms a major percentage of the unit volume consumed. This analyse is also capable of showing the buying behaviour of different groups.

**9. Status Segmentation :** Markets can be differentiated into non-ex-users, users, potential users, first-time users and regular users of a product. High market share companies like the DCM generally look for potential users, whereas small competitive companies are contended to concentrate on regular users who always patronise their products and tend to remain to their brands.

#### **11.3.4 Importance of Market Segmentation :**

Market segmentation is a technique of dividing the market of a product into several homogeneous groups on the basis of their common characteristics. The concept of market segmentation is based on the fact that markets of all the commodities are heterogeneous. On the basis of their characteristics, customers may be divided into several groups. These groups are formed on the basis of some similar qualities and such division is called market segmentation.

Following points explains the importance of Market Segmentation :

- 1) Market segmentation are grouping of consumers according to such characteristics as income, age, sex, urban, rural, etc. This helps forming the market into a meaningful buyer group.
- 2) Market segmentation ensures certain advantages. Infact market segmentation is the most important factor in media planning because the decision of the media selection would depend mostly upon the people who comprise the market. However, it is not a very difficult task to provide precisely the necessary facts.



Where the market is restricted and clearly demarcated, as a particular section of the community such as doctors, architects, engineers, hoteliers or even telephone or car owners, the media strategy can be simple and straight forward, making use of the selective media like direct mail, etc., depending of course, on the budget available.

It is only when a wider mass market is to be reached that the problem of selection of media becomes complex. Here the problem arises because a mass market does not permit its definition as precisely as is required to make corresponding media selection predictable.

3) Markets for a new product or the existing products may be divided into segments on the basis of geographic, demographic and psychographic variables. Good segmentation involves the division of a market by a succession of variables. The market manager must always be open to the possibility of finding new segmentation variables and combinations that will reveal fresh marketing potentialities.

4) The market may also be divided into different locations such as nations, states, districts, talukas, etc. It could be recognised that market potentialities and cost vary with market location. Thus, it determines the geographical markets which could serve best.

5) Marketing manager may also segment a market on such criterion as the age, sex and marital status of the population. A product for use of infants will have high sales potentiality in suburbs or extended suburbs where the level of fertility is expected to be high as compared to the city. Likewise toothpaste will have better market in urban rather than rural areas. As such market will be segmented on the basis of urbanisation.

#### **11.3.5 Markets are segmented due to following reasons :**

1. It would be in a better position to spot and compare marketing opportunities. It can examine the needs of each and every segment against the current competitive offerings and determine the extent of current satisfaction. The segment with lower levels of satisfaction from current offerings represents good opportunities.
2. It can make finer adjustments of its product and marketing appeals. The seller can evolve a separate marketing programme to meet the needs of different buyers.
3. Marketing programmes and budgets could be chalked out on the basis of response characteristics of specific market

segments. Funds may be allocated efficiently to bring out the desired effects in different parts of the market.

4. Market segmentation is undertaken with the purpose of locating the tastes, temperaments and buying habits of different groups or segments. The behavioural scientists feel that all buyers are different. They are keenly interested in segmenting the market as the significant differences in market behaviour between the various segments of society rarely exists. In this background, the formulation of marketing policies or programmes or tactics for all segments becomes urgent.
5. Market segmentation is done with the purpose of locating new markets. The group wise or segment wise study of buyer's tastes, temperaments, living habits and so on help a marketer, while searching for new market.

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## 11.4 DAGMAR MODEL

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DAGMAR model for arousing consumer interests was developed by Russen Colley in his study entitled "Defining Advertising Goals for Measured Advertising Results." The name DAGMAR model is derived from the study's title. The study begins from a point where the prospect is not aware about the existence of the product. From this point of non-awareness the prospect advances ahead towards awareness. He will have to go through the following steps :

- 1. Awareness :** When the prospect is asked to mention the name of a brand of product, perhaps he is in a position to recollect the name of a specific brand only.
- 2. Comprehension :** The prospect is conscious about the main sales theme of a brand of product. When asked upon, he is able to associate a brand with the sales theme, which is already known to him.
- 3. Conviction :** At the stage of conviction, the prospect is able to foresee how the benefits of the brand of goods will serve his need. He is convinced that if he purchases this brand of goods it would be a right decision.
- 4. Motivation :** Having been convinced, the prospect is motivated to buy a specific brand of goods.

DAGMAR model suggests that all consumers will not be at the same stage but they would be at different stages. The advertising efforts required to move on person from non-awareness to

awareness could be very taxing as compared to the efforts involved in moving persons from conviction to motivation. DAGMAR model also illustrates the success of means of communication. After advertisements have been carried out, how people associate themselves with a specific brand of product.

### Check your progress :

- 1) Explain the following terms,
  - a) DAGMAR
  - b) Market Segmentation
  - c) Benefit Segmentation
  - d) Behaviouristic Segmentation
  - e) Psychographic Segmentation
  - f) Advertising Campaign
  - g) Advertising campaign Planning
- 2) "The advertising Campaign Planning is the process of collective efforts made by the advertiser and the Advertising agency." Explain.

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## 11.4 AIDA

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AIDA is a functional formula devised by E.K. Strong. It is the acronym for Attention (A), Interest (I) Desire (D), and Action (A). Strong postulated that before becoming a user of a product to an Interest in it. From this stage he develops a Desire for the product and this then result in.

**1. Attention :** The main function of an advertisement is to attract attention of the consumers. It is because of this fact that the advertiser will use various devices like the use of attractive colour, headlines display and overall layout.

**2. Interest :** An advertisement is designed to create interest for the goods or services of the advertiser, interest is closely related to attention. An advertiser has to take note of these two aspects while developing an advertisement. A good advertisement starts with a point of interest to the reader and proceeds to a point of interest to the advertiser.

Advertising aims at stimulating primary demands for a new product. It is used for existing product to bring a greater bit of the marketing share. It is also used to remind the consumers about their needs. A good advertisement should arouse interest of the prospects in the advertised product.

**3. Desire :** A good advertisement should be able to create desire in the minds of the readers about the product. It is not enough for a good advertisement to attract attention create interest but also arouse desire in the heart of the prospect to have the product. The advertiser should make use of proper appeals and selling points while creating desire for the product. Making use of proper appeal will depend on the seasonal consumption of the product. For example, the sale of rain-coats in monsoon will emphasise self-protection against rains. It is through the sales appeal that the advertiser creates a desire for the product.

**4. Action :** This is an important stage where the advertiser can study the impact of his advertisement. If the advertisement has attracted attention, aroused interest, created desire, then the advertisement should appeal the prospect to act i.e., to come forward for making purchases.

The advertiser should tell the prospect about the product, their main features, how they can be consumed and where they are available. For example, the prospect who wants to book new scooter should get such information in the advertisement as: place of display, place and date of booking. Every advertisement normally carries such basic information to guide the prospective buyers. It is this stage which plays a decisive role in generating the sale of the advertiser's product.

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## 11.6 UNIQUE SELLING PROPOSITION (USP)

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Unique Selling Proposition (USP) is an offer an advertiser makes to his target customers which is unique in relation to competing offers and promises to deliver a certain distinctive benefit or satisfaction. Unique selling proposition is a creative approach and style which was originated at the Ted Bates Advertising Agency in the early 1940s. Its originator, author and copy-writer was Rosser Reeves. He developed this central idea of Unique Selling Proposition (USP). This concept has been adopted by many agencies all over the world. It is the combination of three words - (i) Unique, (ii) Selling, and (iii) Proposition. In order to make the concept clear, the meaning of these three words is given below

**(i) Unique :** The word unique describes an attribute or feature which the product or brand only possesses or no claim of the attribute or feature is currently being made by any other competing brand.

**(ii) Selling :** Selling refers to sales value. The claim whatever it is - must be strong enough, important enough, believable enough to convince consumers that it is absolutely in their interest to purchase the product or brand in question.

**(iii) Proposition** : Proposition is a promise made by the advertiser that the product, if purchased, will satisfy the needs of the consumers. The proposition should be strong enough to move the mass millions, i.e., pull in new and old customers to your product or brand.

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## 11.7 ADVERTISING APPEAL

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### 11.7.1 Meaning :

An advertising appeal is a statement designed to motivate a person to act. The appeals which the advertiser makes usually focus the buying motives of the consumers. Pleasing total quality of a radio becomes basis to motivate the music and the vitamin contents of a drug form an appeal to motivate public and listen to people to preserve their health. However, numerous appeals may be made for any product.

**11.7.2 Essentials of a Good Advertising Appeal** : The following are the essentials of a good advertising appeal :

- 1. It must be Communicative** : An advertising appeal must successfully tell what it wishes to convey. As far as possible, the message must be communicated in a simple language.
- 2. It must have a Good Theme** : A good theme means there must be something which has to be told to the prospects. Only meaningful words become effective in conveying the story.
- 3. It must be Distinctive** : An advertising appeal must be distinctive. It should present a product in a distinctive way. If it is a new product, then 'new' alone makes it distinctive.
- 4. It must be Interesting** : A good advertising appeal must be interesting. An advertisement must provide interest to the readers or the listeners or viewers and this can be done by telling the story of an advertisement in an interesting manner.
- 5. It must be Believable** : The theme of an effective advertising appeal must be believable. The message which is doubted can never be effective. Only facts are presented in an interesting manner.
- 6. It must be Complete** : An advertising appeal should be complete and must not be superfluous. Such information which is likely to confuse the prospects in making buying decision should be avoided.

**11.7.3 Types of Appeals Used in Advertising :** The following are the appeals widely used in advertising :

**1. Emotional Appeals :** Emotional appeals are used in advertising the consumer product. They are used for inducing initial interests and arousing interest in the advertised product. Goods like toys for children and baby food are sold on emotional appeals.

**2. Intellectual Appeals :** These appeals are free from emotional touch and are based on intelligence. Intellectual appeal are used for selling high priced industrial goods. They are based on rational thinking. Emotional appeals work fast to create interest and desire but it is intellectual appeal of the Bombay Dyeing advertisement where a young and beautiful girl is shown wearing eye-catching prints. The picture of the girl and prints provide emotional appeal but the headline 'icy summer prints' provide an atmosphere of coolness and appeals to the intellect.

**3. Human Instincts Appeal :** Human beings are guided by such instincts as: self-preservation, parental care, food, clothing, curiosity and so on. When a copy makes proper appeal to the appropriate instinct, it will create a desire in the minds of the reader to buy the article. For an appeal to the self-preservation instinct health, food, woolen clothes and physical fitness courses are appropriate articles. Baby food can be sold more easily by making an appeal to the parental instinct and the natural affection of the parents for their children.

**4. Physical Sense Appeal:** Appeals to physical senses evoke greater response. For example, food and beverage products are sold by inciting taste appeal. During summer, cold drinks can be effectively advertised with pictures of cool, refreshing summer drinks but during winter this advertisement would be a misfit if appeal is made to the sense of taste alone, a more viable approach would be to appeal to the instinct of self-preservation.

**5. Positive Appeal:** Appeals that follow positive approach are called positive appeal. They create situations under which prospects are likely to attain happiness and peace of mind with the possession of advertised goods.

With a view to arouse product interest, the following positive emotional appeals are used e.g., appeals to comfort, healthy, living, family affection, pleasure, personal appearance, sympathy, love, pride etc. These appeals are positive because they create awareness under which prospects are likely to attain happiness and the mental satisfaction of possession of materials.

**6. Negative Appeal :** Negative appeals are those which follow negative approach. They normally include feelings like jealousy, anger, pain and fear. These are the unpleasant feelings and no prospect would desire to associate himself with frustration

It would be unwise to assume that negative appeals are ineffective. Sometimes they work very fast. We shall present a few negative appeals from illustrative advertisements. For example, Motwane Manufacturing Co., in its advertisement for Motwane Digital Millimeters used the negative appeal which gave striking impact.

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## 11.8 SUMMARY

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Advertising campaign planning concerns many people in the advertising agency, but mainly concerns the advertising manager, account executive, marketing manager, creative director, media planner, and PR manager. They design and plan advertising campaign for the client. Planning is a process it includes various steps like, Prototype Stage, Initial Briefing by Client, Contact Report, Account Executive's Report to Agency Management, Account Executive's Briefing to Agency Department Heads, Proposition, Presentation to Client etc.

The reputation of Organisation, product, nature of customers, competition, price of the product, Competitor's price, channels of distribution, budget, Govt. regulations and controls etc are the various factors which affects on the Planning of an Advertising Campaign.

Market Segmentation is a technique of dividing the market of a product into several homogenous groups. Under this technique, customers of a product are divided according to such common characteristics as age, sex, income level rural urban composition. The concept of market segmentation is based on the assumption that markets of all commodities are heterogeneous. For every product, there is a group of customers having different nature, buying habits, and attitudes. Two customers are not alike. They differ each other. On the basis of their characteristics, customers may be divided into several groups. These groups are formed on the basis of some similar qualities and such division is called Market Segmentation.

Segmentation is the process of partitioning a large heterogeneous market into smaller groups of people or businesses which show similar needs and/or characteristics. Markets can be segmented on the basis of different geographic units, demographic characteristics, Socio-Economic aspects, psychographical profiles

of people, behaviour, product characteristics, different benefits that the consumers are expecting from a product, volume of purchases etc.

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**11.9 QUESTIONS :**

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1. What is Advertising Campaign? Explain the importance of planning of an Advertising Campaign.
2. Explain the Process of Planning the Advertising Campaign
3. What are the steps in Advertising Campaign Planning?
4. What are factors influencing the Planning of an Advertising Campaign?
5. What are the bases of Market Segmentation?
6. Explain the importance of Market Segmentation.
7. Write short note on the following : a) DAGMAR Model b) AIDA c) Unique Selling Proposition (USP)
8. What are the essentials of a good advertising appeal? Explain the different types of appeals used in advertising.





## ADVERTISING BUDGET

### Unit Structure :

- 12.0 Objectives of the lesson
- 12.1 Introduction
- 12.2 Meaning of Advertising Budget
- 12.3 Process of Advertising Budget
- 12.4 Methods of Framing the Advertising Budget
- 12.5 Approaches to Advertising Budget
- 12.6 Summary
- 12.7 Questions

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### 12.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Advertising Budget
- Steps involved in preparing an Advertising Budget
- Methods of Framing the Advertising Budget
- Approaches to Advertising Budget

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### 12.1 INTRODUCTION

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Some people think that money spent on advertising is expenditure. Some consider it a waste of money. Some are of the opinion that we spend money on advertising because our competitors spend a lot of money on it. They consider advertising as an evil. Here we do not intend to discuss the benefits of advertising and its necessity for business growth and survival. Nowadays, money spent on advertising is treated as a long term investment in the image of a brand. Planned advertising expenditure is required to build a consumer franchise for the advertised brand, apart from its being of direct return. That is why every business enterprise spends a lot of money on advertising campaign every year out of its budget provisions.

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## 12.2 MEANING OF ADVERTISING BUDGET

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Advertising budget is an estimation of total expenses that are to be incurred on advertising during a given period of time. The advertising budget includes items of expenditure relating to advertising programmes, cost of space, advertising material (including advertising copy) production expenses, media expenses, agency commission and advertising research etc. In the most elementary form, it states the proposed advertising expenditure and informs and suggests the company management of the anticipated cost of executing the advertising plan. It is the translation of advertising plan into money. The advertising budget must be realistic, flexible and adequate for the advertising programmes. The advertising budget must consider the advertising goals and the size must relate to advertising needs. It should be tailored to suit the needs of the business enterprises. An advertising budget will show also how much, where and for what purposes the amount provided in the budget is to be spent. The amount provided in the advertising budget is not fixed arbitrarily but is determined on scientific lines keeping in view the nature of the product, size of the market to be covered by the enterprise, types of consumers and the strategy of the competitors etc. it is a plan for the company's future advertising programme. It provides a programme of the best assortment of types of advertising to be undertaken along with its time table and frequency. In addition to planning function, the advertising budget also serves as a control of advertising expenditure.

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## 12.3 PROCESS OF ADVERTISING BUDGET

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Advertising budget is prepared by the advertising manager of the company. The advertising budget process includes the following major steps:

### **1. Collection of Data and Preparation of Advertising Budget :**

The starting point of any advertising budget process is the determination of the size of advertising appropriation. The requisite information keeping in view with the products, packaging, target markets, advertising copy, new product introductions, types of consumers, extent of competition along with the competitors' strategy, media selection etc. is gathered. Having decided upon the above variables, the advertising manager takes a decision on the very important issue 'how much to spend' for advertising. Once the total expenditure is arrived at, the next step is the apportionment of this fund among various advertising units over a period. By advertising unit, we mean a specific advertisement delivered through various media vehicles. The fund allocation has to take into account the market potential within various segments, the time

period and the geographical areas over which advertising will be spread in accordance with the overall advertising strategy.

**2. Presentation and Approval of the Budget :** After the preparation of advertising budget, the next step in a budget making process, is to present the same before the top management through the chief of the marketing division for necessary approval. In some organizations, there is a separate budget committee, comprising of the representatives of the financial and other functional areas. The budget committee or the top management, as the case may be, will evaluate such proposed expenditure to achieve the targeted sales in a given budgeted period. Since advertising budget is employed to increase sales, the advertising budget must be compatible with the sales goals of the company. Besides increasing sales, it should be adequate enough for the new product to make a successful entry in the chosen segment of the market. After considering all these factors if satisfied, the budget committee or the top management, as the case may be, will finally accord his approval over the budget proposals and thus will return the same to the advertising manager for execution.

**3. Budget Execution :** After the approval, the next step in budget making process is the execution of the budget. During the execution of the budget, the advertising manager has to exercise monitoring control so that the funds that have been allocated are spent in accordance to the approval plan and in economical manner. Whenever there are critical changes in the marketing situation, necessitating an adjustment in the advertising support, the necessary modifications should be effected in the advertising budget. That is why, advertising budgets should be flexible and provision is made for the contingency account to face the critical changes in the marketing environment. The advertising manager should be duly authorized by the budget committee or the top management for making the required modifications etc. as and when required.

**4. Control of Budget :** The fourth and the last step in the budget making process is to have a control over the budget. It is the prime duty of the advertising manager to see whether the actual expenditure coincide with the budgeted expenditure or not. The advertising manager should also see that the amount appropriated for advertising is being used only on the item and activity as expressed in the budget.

### **Determining Advertising Appropriation**

Advertising appropriation is that part of company's budget which is to be spent or, say, invested on media, men and other advertising material so as to impersonally communicate with the

target-prospective customers. Determining the appropriation advertising outlay is essential for the development of creative media strategies because in a large measure the tempo and tenor of the advertising campaigns depend on how much is available for spending. However, from the managerial point of view, it is the most difficult work.

Cost factor is one of the deciding factors in determining the advertising appropriation. A cost analysis study of different media of advertisement and their effectiveness should be considered while determining the advertising appropriation.

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## 12.4 METHODS OF FRAMING THE ADVERTISING BUDGET

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Actually there are no scientific methods available which can be employed in determining the amount of the advertising fund to be spent during a given period. However, there are several approaches which may serve as guidelines to advertising appropriation decisions. These approaches are called methods. These should not be employed blindly because there is no single method which is applicable to all the situations and may provide correct results. The popular methods which are commonly used in determining advertising appropriation or for framing the advertising budget are as follows :

**1. Affordable Method :** In this method one has to find out what the company can afford in a given business situation. Particularly, those companies which have limited resources use this method. When funds availability is a constraint, a limited fund is allocated after other unavoidable expenses have been duly met. Under this method it is usually assumed that advertisers do not spend too heavily. Under this method, advertising activity is blocked-up at last.

**Merits and Demerits (Weaknesses) :** Since the company does not spend more than it can afford and, therefore, there is an element of financial discipline in this method. Nevertheless, this method suffers from the following weaknesses:

(i) The budget decisions are left to the whim of the management and thus are not based on rational business needs. Whims are most irrelevant and subjective rather than based on an objective approach.

(ii) It overlooks the contributory rule of advertising in the achievement of marketing objectives.

(iii) It also ignores the need, importance, nature of advertisement and other factors like long-range planning of advertising investment.

On the whole, affordable method is not a scientific one and hence is used by small companies only.

**2. Percentage of Sales Method :** Under this method, the amount to be appropriated to advertising is arrived at by multiplying the value of past year's sales or the projected sales for the budget period with a pre-determined percentage. It may be explained as under :

$$\frac{\text{Advertising}}{\text{Appropriation}} = \text{Past year's sales or anticipated sales or both} \times \text{Pre-determined percentage}$$

The sales on which advertising appropriation is based may be historical – immediate past year's or an average of past years or anticipated or both. Percentage figures, on the other hand, may be arrived at on the basis of management's historical experience, judgement or industry practice.

- **Merits :** This method is most popular with managements on account of the following reasons :

- (i) It is a very simple, workable and relatively safe method.
- (ii) Since it directly relates advertising expenditure to sales, it seems to be very satisfactory for many advertisers.
- (iii) It encourages management to think in terms of the relationship between advertising expenses, prices and profits.
- (iv) By relating appropriation to sales, this method ensures that the advertiser will spend only what he can afford. Advertising will earn its share out of sales.
- (v) It helps the industry in preventing advertising wars because advertising expenses are proportional to market share/sales.

- **Demerits or Weaknesses :** In spite of being the most popular method of framing advertising budget, this method is subject to criticism on account of the following weaknesses :

- (i) It considers advertising as the result of sales whereas the fact is that it is the cause of sales.

- (ii) It discourages experimentation with counter-cyclical advertising and aggressive selling.
- (iii) It does not provide a logical basis for the choice of a multiplier, i.e., percentage.
- (iv) It militates against the planning of long range advertising programmes.
- (v) It represents a static approach to advertising and does not allow it to repond to market needs and advertising opportunities. For example, when sales decline for some reasons a better course of action might be to maintain the level of promotional activity until the sales decline can be corrected.
- (vi) It is not a scientific method.

Inspite of the above weaknesses and criticism, percentage of sales method is very popular and is widely used in Indian industries also.

**3. Competitive Parity Method :** This method envisages determination of advertising appropriation in such a way that a company maintains a parity with its competitors' advertising outlays. This method is based on the principle that you are at par with competitors. Spend as much as the competitors do. Here, advertising is taken as a defensive device and not an offensive tool to achieve marketing objectives. Advertisers want to spend as much as their competitors are spending so that they are not placed at any disadvantage. For this purpose, company has to collect relevant data about competitors' advertising appropriation, for example, previous year's absolute figures, advertising/sales ratios etc.

• **Merits :**

- (i) This method is most appropriate where competition is rigorous as the management is supposed to keep itself in line with its competitors. Under this method, the management always keeps himself alert.
- (ii) It reduces considerably the possibilities of advertising wars amongst competitors.
- (iii) It enables the management to maintain or increase its share of the market in accordance with the objectives of the company.
- (iv) It enables the management to monitor the marketing programmes of its competitors. Thereby the marketing strategy may be changed accordingly.

- **Demerits or Weaknesses :**

- (i) It is not a rational method because the need, size, problem, opportunities and resources of every company vary considerably from each other. These are hardly similar to each other.
- (ii) There is no empirical or other evidence to suggest that competitive parity in advertising appropriations has prevented advertising wars.
- (iii) The use of competition as a yardstick for appropriation makes it easy for a company to ignore the needs of analyzing the realities of its own competitive situation and to visualize the possibility of other and better available strategies.

**4. Objective and Task Method :** Objective and Task Method for framing the advertising budget is considered to be the most desirable and realistic method. It is also known as 'research-objective method'. It envisages appropriation of advertising funds on the basis of objectives to be achieved and the task involved therein. It means advertising objectives are set for the coming budget period and the cost of achieving these objectives are calculated in details in terms of task to be performed, the total of which indicates the appropriation level. In short, this method includes :

- (i) Defining advertising objectives as far as possible in quantitative terms.
- (ii) Outlining and listing tasks to be performed in achieving these objectives.
- (iii) Estimating the cost of performing these tasks. This method takes into consideration the fact that advertising is an investment and an effective vehicle of achieving company's objectives.

- **Merits :**

- (i) This method is more realistic, imaginative, objective, and replaces the rule of thumb and customary thinking.
- (ii) It forces the management to think in terms of advertising objectives and awakens it to the need for their achievement.
- (iii) It is flexible and may be adapted to changing company needs.
- (iv) This method has a special merit in the introduction of a new product.
- (v) It does not operate on the inaccuracies of the percentage of sales basis.

- **Demerits or Weaknesses :**

- (i) This method is difficult to use, for it calls for adequate research data and past experience.
- (ii) This method is objective-oriented. However, its objectives are ill-defined, the whole expenditure and the efforts will then go to waste.
- (iii) It is difficult to translate objectives into task that will lead to objective achievement.

On the whole, this Objective and Task Method is more rational, realistic, pragmatic and need based as compared to other methods.

**5. Return on Investment Method :** In this method money spent on advertisement is considered as an investment and not an expenditure. It is an investment in the sense that a certain return in terms of profit is expected under this method. The advertising budget is prepared; under this method by taking into account the increased profits generated by an increase in sales and goodwill on account of advertising. If sales and profits are higher, the excess may be assumed to the result of advertising.

The major problem in this method, however, is that the return is very often spread over a period of time, hence it may be difficult to arrive at an appropriate budget appropriation on the basis of this method. In spite of this problem, the return on investment method is no doubt a realistic way of approaching the problem because it correlates the sales and profits generated by advertising.

**6. Judgement Method :** Judgement method of framing an advertising budget is based upon the judgement of experienced managers of the company. This method is also referred as the 'arbitrary method' because it is based on the arbitrary thinking of some experienced managers only, this not based on any scientific lines. This method involves no clerical or statistical or field work. It is solely based upon the experience and judgement of some old and experienced managers. They frame the advertising budget considering all situations, i.e., objectives, anticipated behaviour of the customers and the competitors, market to be covered, types and cost of media etc.

Although this method is very cheap and simple but is not reliable as it is based on the subjective approach of its experienced managers and is subject to bias and error.

**7. Fixed Sum Per Unit Method :** This method is similar to the percentage of sales method except that a specific amount per unit



is appropriated rather than a percentage of the value of sales. The advertising appropriation may be based on units of a product sold in the previous period or on a forecast of unit sales in future period. This method is most suitable in advertising appropriations for industrial and durable consumer products. The most important advantage of this method is that despite price changes advertising appropriation may be kept unaltered.

From the above study, it is evident that no single method is perfect and free from defects. Hence a mix of the above methods may be used in accordance to the requirements and need of the company for framing the budget keeping in view the marketing objectives of the company.

### Check Your Progress:

- 1) Explain the following terms.
  - a) Advertising Budget
  - b) Affordable Method
  - c) Percentage of Sales Method
  - d) Competitive Parity Method
  - e) Research Objective Method
  - f) Judgement Method

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## 12.5 APPROACHES TO ADVERTISING BUDGET

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Nothing except the mint can make money without advertising. Mass production and mass distribution totally depend on advertising. That is why the advertiser spends lakhs of rupees every year on advertising campaign just to influence consumers and prospective customers to purchase the company's products. Now the question arises whether the money spent on advertising should be treated as an expenditure or investment. Opinions differ on this subject. These may be classified under the following two heads:

**1. Traditional Approach - Money Spent on Advertising is an Expenditure :** The traditional approach is that money spent on advertising should be treated as an expenditure and hence should be debited to Profit and Loss Account of the business enterprise at the end of each year. Advertisers treat the cost of advertising like other costs appearing on the debit side of the Trading and Profit and Loss Account in order to earn more profits during a given period. That is why most accountants list the advertising expenditure as a business expense and the revenues authorities do

accept this view for income purposes also. They further argue that press, radio and television advertisements have short life span and thus why the money spent on advertisement should not be debited to Profit and Loss Account in the same accounting year. The fruits of the advertisement have already been derived in the form of increase in sales during the concerning accounting year. In their opinion there is no rational reasoning in carrying forward the advertising expenditure onwards for a number of years.

**3. Modern Approach - Money Spent on Advertising is an Investment:** The modern and the correct approach about the money spent on advertising is that it is an investment because (i) advertising contributes not only the current sales but the future sales also; (ii) Creates image of the product or brand and of the advertiser; (iii) builds goodwill and confirms acceptance for future products also; and (iv) consequently serves as an investment towards future profits also. Joel Dean, a leading business economist, considered advertising as a capital investment rather than a current expenditure. Like other capital assets, the advertising provides larger returns in future also.

From the above discussions, we conclude that money spent on advertising should be treated as an investment and not expenditure. It is a capital investment like investment in other capital assets.

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## 12.6 SUMMARY

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Mass production and mass distribution are the main characteristics of today's business world. That is why the advertiser spends lakhs of rupees every year on advertising campaign just to influence consumers and prospective customers to purchase the company's products.

Advertising budget is prepared by the advertising manager of the company. The advertising budget process goes through the steps such as Collection of Data and Preparation of Advertising Budget, Presentation and Approval of the Budget, Execution of the budget, Control over the budget etc.

Actually there are no scientific methods available which determines the accurate amount of the advertising fund to be spent during a given period. However, there are several approaches which may serve as guidelines to advertising appropriation decisions. No single method which is applicable to all the situations and may provide correct results. Some important methods are, 1. Affordable Method, 2. Percentage of Sales Method,

3. Competitive Parity Method, 4. Objective and Task Method, 5. Return on Investment Method, 6. Judgment Method, 7. Fixed Sum Per Unit Method.

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## 12.7 QUESTIONS

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1. What is Advertising Budget? Discuss the various steps involved in preparing an Advertising Budget.
2. Define Advertising Budget and Explain methods of framing the Advertising Budget.
3. What are the approaches to Advertising Budget?
4. What is meant by determining advertising appropriation? Describe the methods of determining advertising appropriation.
5. What are the methods of framing the Advertising Budget? Explain.
6. What are the Common Practices in use for determining the size of an Advertising Budget?
7. What are the methods of framing the Advertising Budget.
8. "Money spent on Advertising is an Investment and not an Expenditure." Comment on this statement.
9. Do you think that money spent on advertising is an investment? Discuss.



## CREATIVITY IN ADVERTISING - I

### Unit Structure :

- 13.0 Objectives of the lesson
- 13.1 Introduction
- 13.2 Consumer Psychology
- 13.3 Buying Motives
- 13.4 Selling Points
- 13.5 Visualisation
- 13.6 Copy
- 13.7 Headline
- 13.8 Slogan
- 13.9 Logo
- 13.10 Summary
- 13.11 Questions

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### 13.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand

- Buying Motives and Selling Points
- Factors Influencing Consumer Psychology
- Process of Visualisation
- Techniques of Visualisation
- Essentials and types of a Copy
- Elements of Copy
- Functions and Forms
- Characteristic of a good Slogan

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### 13.1 INTRODUCTION

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Creativity in advertising is an art. It is concerned with the perception, attitude, values, personality, and motivation including buying motives. It also include visualisation techniques, types of

advertising copy and its elements such as headline, slogan etc. All these elements must be creative in attracting the attention of consumers.

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## 13.2 CONSUMER PSYCHOLOGY

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### 13.2.1 Meaning :

Consumer psychology deals with consumer behaviour. Consumer psychology is the process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and services. In consumer behaviour we consider not only 'why', 'how', and 'what' people buy but other factors also, such as 'where', 'how' and 'under what circumstances the purchases are made'.

The decisions taken by consumers in relation to the purchases are influenced by various factors. They are aimed at solving consumer's problems.

### 13.2.2 Factors Influencing Consumer Psychology

According to Philip Kotler, the major factors which influence consumer psychology or behaviour are as follows:

**1. Culture :** The most important determinant of consumer behaviour is the culture. In case of animals, their behaviour is generally triggered by instinct, whereas in case of human beings, behaviour is normally learned. When the child grows up, he is largely influenced by all those things which he sees around him. It includes his family and the society as a whole in which he lives. His preferences and behaviour patterns etc. are all influenced and result in his behaving in a particular way. Marketers try to spot cultural shifts so that they can aim their marketing activities accordingly. For example, Indian culture emphasises the purchasing and wearing of new dresses on festivals like Deepawali. Naturally, there will be good demand of new dresses on the eve of Deepawali. These are variables within the cultural aspect of consumer behaviour.

**2. Subculture :** Within a culture group, there is a smaller group, which has been termed as subculture by Philip Kotler. He gives as illustrations, groups such as, Catholics and Jews; racial groups such as blacks and whites having their different culture styles and attitudes. Similar subculture segmentation can also be applied in India where we have several types of linguistic, religious and communal groups (Hindu, Muslim, Sikh, Christian etc.) as well as behaviour patterns which vary from north to south and east to west.

**3. Social Class :** It refers to several homogeneous groups that exist in the society. For instance, take the case of caste system in India. Different castes constitute different social groups. People within such a social class tend to behave on similar lines as per the caste pattern. They can be motivated by similar marketing appeals.

**4. Personal Factors :** According to Philip Kotler, personal factors also influence buying decisions of the consumers. Personal outward characteristics, such as age, income, occupation, life style and personality also count. Tastes in clothes, furniture, food, recreation etc. vary according to age and income of the individual.

As modern marketing is customer-oriented, the study of consumer's behaviour is vital in framing production policies, price policies, decisions regarding channels of distribution and above all decisions regarding sales promotion.

Consumer psychology aims at understanding the consumers' behaviour, the factors responsible for such behaviour and the factors that can influence decision of the advertisers. Each individual customer has a different psychology. His character, nature, status, taste, aptitude and inner forces are different. Consumer behaviour analysis is useful in estimating the potential size of a market for a product in the market segmentation, in locating preferred trends in product development, in finding out suitable communication methods with consumers and finally in designing the most favourable media mix to achieve the advertising objectives. A clear understanding of consumer behaviour is essential in advertising planning.

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## 13.3 BUYING MOTIVES

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### 13.3.1 Meaning :

Buying motives are the urges which compete consumers to buy. People buy the product because they need them. Thus need motivates people to demand product. Hunger is a need which motivates man to demand food and therefore, he purchases food items.

Buying motive is a combination of two words buying + motive. Buying means the urge for the satisfaction of which a consumer makes such purchase. Motive is the force which inspires the consumer to make a purchase and which directs his behaviour. Thus, a buying motive is the force for the satisfaction of which a customer purchases some goods and services.

**13.3.2 Classification of Buying Motives :** Buying motives are generally classified as follows:

**(a) Primary Motives :** They are the basic needs of men. An individual has to satisfy such motives to some extent or the other. They exert the strongest influence. They are according to psychologists 'biogenic needs.' Examples of such motives are food, drink, security etc.

**(b) Secondary Motives :** When a person overcomes the basic needs then secondary motives come into existence. They are developed or learned. Since they are developed or learned, they vary with the conditions of learning. They may be less dependable motives. Although for some products they may influence as strongly as primary motives. The most commonly known secondary buying motives are as follows:

**1. Fear :** This is a very powerful motive. It forces a person to do many things which otherwise he would have not done. Fears may be of several types. Thus there are fears of meeting with an accident, fears of financial loss, fears of loss of wealth, fears of uncertainty of human life etc.

**2. Profit :** This motive springs from a person's desire to have more money. A person requires money to satisfy many wants. This motive may take two forms: (a) to make money; and (b) to save money.

The first form is positive whereas the second one is negative. The persons of the first form will spend money in order to accumulate it further but those of the second form will spend money in order to accumulate it further but those of the second form may prove misers as they want to save only.

**3. Vanity :** This is also an important motive. It also influences Purchase of many articles. Normally women suffer from vanity. They require to be flattered. The sale price of sarees, perfumes, beauty aids, etc. depend upon the principle of vanity.

**4. Habit :** It is said "habit once formed become second nature." They are powerful forces to initiate purchases. Therefore this motive is equally important. A person may chew paan or supari, smoke cigarettes inhale snuff out of habits.

**5. Curiosity :** Man does many things out of curiosity. Man landed on the moon out of sheer curiosity to find out whether life existed on it or not. A person may put efforts to acquire knowledge out of curiosity. Curiosity of children cannot be disputed.

**6. Sex :** The most powerful motive is sex. It is powerful because it has greater impact on human nature. All the changing fashions in dresses owe their origin to this motive. Thus boys and girls dress will to win over each other. The sale of fashionable articles is due to sex.

**7. Love :** A man purchases household goods, toys, tonic, children's food etc., out of love and affection towards his children. When we analyse love as a motive, it may be parent's love for children and their close kith and kin.

**8. Comfort :** It is said "man does not live by bread alone." He wants additional things over and above food, clothing and shelter. Modern age has provided great comforts to man. Good furniture, air-conditioners etc., are purchased by man in order to lead a comfortable life.

**9. Patronage Motive :** In addition to the motives described above, another set of motive spring up which are known as patronage motives. Patronage motives exist out of buyers' desire to purchase or patronise a particular seller rather than other sellers. A person may patronise a particular store because of (i) Location of the store, (ii) Services rendered by the store, (iii) Reputation of the store in the locality, (iv) Attitude of the salesman, and (v) Goods available.

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## 13.4 SELLING POINTS

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### 13.4.1 Meaning :

Selling points refer to important features of a product that influence the decision of people to buy it. They indicate the advantages accruing to those who decide to buy the product. The unique methods of production, and design, varied colours, suitable, sizes, special merits, attractive packing, liberal discounts, competitive prices and so on constitute the selling points of an article.

Selling points differed from product to product. Necessity goods are sold on points of utility, durability and price, speciality goods are sold on the basis of unique utility, economy, convenience, comfort. Likewise, luxury goods are saleable on the score of the points which underline fashion, prestige, variety and so on. If these selling points are revealed to the prospects, they will motivate them to own the product.

**13.4.2 Essentials of Selling Points :** The essentials of selling points are as follows :



**1. It must be Truthful :** A copywriter should try to create repeat business for his firm through his copy. In order to achieve to achieve the same, he has to include true facts in his copy. False claims and misleading statements will destroy repeat business.

**2. It should be Specific :** It means, a claim made by a copywriter should be supported by facts or explanations. Therefore expressions such as 'most delightful', 'most dependable', 'most economical' etc., will be meaningless if they are not properly amplified and supported by explanations.

**3. It must be Believable :** The facts and figures finished should be such as can be easily believed by readers. Sometimes readers fail to accept facts and figures though it is correct. Therefore the copywriter should cautiously proceed with while giving details of the product.

**4. It must be Understood by the Reader :** The copywriter should have before him the prospects while writing the copy. Therefore the ideas should be easily communicated, since a reader will not waste much of his time in reading it. In short, the language used in the copy should depend upon the type of readers.

Buying motives are concerned with the urges which compel the prospect to buy. Selling points are the talking points for the salesmen.

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## 13.5 VISUALISATION

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Visualisation is a mental process. Visualisation means 'seeing in the mind's eye the form of the idea as it would appear in the advertisement'. It is communicated to the prospects by way of an advertisement. Fundamentally, visualisation is the process of playing with different ideas. A visualiser must possess fertile mind so as to develop worthwhile ideas. Later, these ideas are transformed into effective advertising message.

Advertisement comprises of several component parts like headline, sub-headline, slogan, body-text, illustration etc. Visualisation is the skill to determine which elements an advertisement should contain and also how they should be featured. Through a gradual process, a visualiser imagines how his advertisement will appear when it takes the final form. Visualisation is generally undertaken by copywriters and art directors.

### 13.5.1 Meaning :

Visualisation is the process of seeing through one's mind, eye about the construction of it. It is forming initially a mental picture of the idea that would appear in the Advertisement. Visualisation is a process of creating ideas about overall construction and contents of the advertisement i.e. the layout, the contents, the size of headlines, the colours etc. Visulation takes place before the copy is thought of and before preparing illustrations. Visulation helps in converting abstract ideas into concrete forms or shape of layout of an advertisement.

Visulation thus, deals with language - language of vision which is also a very powerful means of communication of one's thoughts, emotions, feelings, ideas etc.

However, it differs from layout because it is an abstract form whereas layout is a concrete physical arrangement of things in the advertisement. Visualisation precedes layout and layout is the result of visualisation.

### 13.5.2 Process of Visualization :

The process of visualisation is a team work of copy writers, artists, producers etc. who work together to develop ad copies not only for press media but even for Radio, TV. and other media. Because of the importance of visualisation in introducing creativity in ad copies, the process of visualisation has become a specialised profession of some people who offer expertised services in visualisation.

The visualiser may follow the following steps to conceptualise an idea for advertisement :

- 1. Study the product / service to be advertised** i.e. its features, merits, uses, etc.
- 2. Study advertising objectives** - the objective may be to influence the consumer or it may be to influence the dealers to stock the product or the objective may be to counter competitive advertising.
- 3. Collect relevant information** - about the product, competitors products, prospects and other relevant information.
- 4. Conceptualise ideas** by adopting various techniques such as brain storming, juxtaposition and association, divergent thinking, etc., taking into account the relevant information.

**5. Analyse the ideas** from various angles-as to how the prospect would view it and interpret it, how far it will be effective, what impact it will make and so on.

**6. Select two or three version or ideas** which requires further probing. The visualiser then passes on the ideas to the copywriter and the artist.

### 13.5.3 Techniques of Visualisation

The well-known techniques of visualisation are as follows :

**1. Identifying or Pinning Down the Problem :** The matter to be advertised must be in co-relation with the problem. Thus, the problem must be first clearly laid down so that the advertising copy can be accordingly prepared.

**2. Forming Pool of Observations Facts Collected and Information Gathered :** Before preparing an advertising copy and its construction, the several types of information has to be collected. This collection should be properly arranged in sequence, so that the entire amount of information can be used when needed.

**3. Generating Brain Waves :** This involves thinking on the part of the copy-writer. In this process, the information collected is thought over and a tank of storage collection is formed in the mind.

**4. Brain Storming :** It means group thinking and generating cross-currents of ideas, thoughts and imagination. Group discussions are arranged in which exchange of thoughts takes place and ideas of each other are known.

**5. Mediation :** Then follows the analysis and synthesis of the ideas. In this stage, the search for tranquility and calmness of mind takes place, where a quiet churning of ideas after waves and storms would lead to the obtaining of vision.

**6. Rough Layout :** A sketch of a rough work out is prepared of final vision which is the preliminary stage of visualisation.

**6. Giving Final Shape :** Copy, art work, layout design and illustrations are the products of final touches given to the vision that is the idea is given the final form. All these techniques of visualisation are time-tested.

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## 13.6 COPY

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### 13.6.1 Meaning :

A 'Copy' means a written matter in any advertisement. It may consist only one word or many words. A copy consist of headlines, subheads, captions etc. The copy supports the illustration and contains description of the products merits, demerits, uses, services etc.

A copy is the heart of an advertisement. It shoulders the responsibility for influencing the buyers.

### 13.6.2 Characteristics of Copy :

**(a) Brevity :** A copy should be brief because readers have no time to go through the lengthy text and they must be able to, read within a short time. So a copy should use simple language and small and easy words. The message should be concise and precise.

**(b) Clarity :** A copy should be self-explanatory. The message to be delivered must be clear at first reading.

**(c) Aptness :** The message should be pointed towards the prospects. It must have a tone agreeable to the respects. The viewers' attention should be led to the product and the message should be coached in such a way that it would create interest in the readers to read the message.

**(d) Interesting :** A copy should be interesting-provoking. It must stimulate the readers' curiosity to read the message. The reader should himself decide to read '0 the message in detail.

**(e) Sincerity :** Sincerity can be achieved by using facts and quoting figures. Vague generalisations or stray opinions must be avoided. Sincerity can be achieved if the copy contains one or two illustrations so that the message will have an instantaneous appeal.

**(f) Personal :** The message should be directly addressed to the readers so that every reader forms the opinion that it is directed to him only. This kind of direct personal attitude catches and retains the reader's or listener's attention.

**(g) Convincing :** A copy provides information with a view to create in the mind of a reader first a desire and then a conviction to possess the product. This means that the copy should be persuasive enough to lead the readers towards buying the product.

### 13.6.3 Types of Copy :

**1. Scientific Copy :** A Scientific copy is prepared for technical products describing about the features, advantages, uses, contents and all the technical details about it. It is prepared for machineries, computers etc. Scientific copy is directed, towards well versed customers who know about the product. For instance, a medicine may be advertised to appeal to doctors. Thus, it explains the ordinary people in general and professional men in particular about the technicalities of the product.

**2. Descriptive Copy :** It is a non-technical copy presented in such a manner that any layman can easily understand. It does not require a professional expert to an the copy. It is just an ordinary, announcement of a new items.

**3. Narrative Copy :** It is in the form of a fictitious story which narrates the uses advantages, after effect etc., of the product. The story narrated is humorous to make it interesting.

**4. Topical Copy :** This copy establish a connection between the product and a particular happening e.g., A watch company may advertise that those who were successful in climbing Mount Everest had with them the watches of the company thus proving their excellent quality.

**5. Personality Copy :** This copy takes advantages of the opinion of an important personality. The statements are made by leading personalities like sportsman, film actors, politicians etc. Their statements act as certificates about the superior quality to increase the sales.

**6. Colloquial Copy :** In this type, informal language may be used to convey the message. The terms which are used in daily conversation are in the copy.

**7. Reasoning Copy :** It is one which reasons to the customer as to why he should buy a product. This copy explains to the customer in detail all the particular product must be purchased.

**8. Questioning Copy :** In this type, the text asks one or more questions to readers not for any answer but only for the sake of response to it. For e.g. Do you want quiet holiday in Summer? (Then stay at Hotel ABC at the XYZ hill station).

**9. Prestige Copy :** In this type, the position and prestige of the customer is emphasised. It creates a favourable atmosphere by changing the position of the customer for the sale of product. Normally luxury items are advertised by such copies.

**13.6.4 Elements of Copy :** A copy normally includes the following elements or parts :

**1. Main Headline :** Headlines is the starting or the top line of an advertisement, usually printed in bold and of larger type size. The prime function of the headline is to gain immediate attention.

**2. Sub-Headlines :** At times, some ads have more than one headline. Of these, one is usually the main headline, and the others are sub-headlines. There may be overlines - that precede the main headline and there can underlines - that follow the main headline. The subheadlines are used to support or to complete the meaning of the main headline.

**3. Body Copy :** It refers to the text of the advertising message. Favourable information about the product and its features is provided in the copy text. It is through effective copy writing the audience can be converted into prospects and the prospects into customers.

**4. Captions :** Captions do form part of copy text. Captions are small sentences that seem to come out the mouth of the people shown in the ads. Comic strip type of copy make use of captions. For example, you must have come across such captions in the print ads of Tortoise Mosquito Coil.

**5. Slogans :** Most ads do make use of slogan. It is a small catchy phrase used to sum up the advertising message. Ideally the slogan should be short, preferably 3 to 6 words. Many a times the slogan says it all. For instance, 'The best tobacco money can buy' Rothmans.

**6. Logo :** Logos or signature cuts are special designs of the advertiser or its products which are used to facilitate identification. There is no rule as to where a logo should be placed. However, in most of the cases, the logo is placed at bottom right.

### **Check Your Progress :**

- 1) "Each Individual customer has a different Psychology". Explain.
- 2) Explain the following Buying Motives -
  - a) Fear
  - b) Vanity
  - c) Curiosity
  - d) Comfort

- 3) Explain the following terms.
  - a) Selling point
  - b) Visualization
  - c) Narrative Copy
  - d) Colloquial Copy

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## 13.7 HEADLINE

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### 13.7.1 Meaning :

A headline is a word or phrase printed in large letters above the advertising message. Headline gives in brief a fair, idea of the contents of the copy.

A good headline attracts attention and arouses interest. So that the reader would be induced to read the advertisement.

Normally, the headline finds 10010 of the entire copy. Some advertising men believe that 50% to 75% of the performance of an advertisement must be credited to the headline.

As people go through a newspaper or a magazine the headline is the only thing that attracts its attention. Thus the headline carries the heaviest burden of attracting readers to the advertisement.

### 13.7.2 Role of Headline:

A headline plays a significant role in advertise by performing the following important functions :

- a. to attract attention of readers to the ad;
- b. to attract attention of the target consumers easily and quickly and to persuade them to read the whole of the ad;
- c. to create curiosity and interest in the ad;
- d. to make the illustration and the copy more meaningful;
- e. to introduce a unique selling proposition;
- f. to sort out useful ads from useless ads;
- g. to serve as the essence of the whole ad copy.

In the words of David Ogilvy, the advertising guru, "The headline is the most important element in most advertising. It is the telegram, which decides for the reader whether to read the copy".

### 13.7.3 Essentials of a Good Headline :

1. **Original** : A good headline should be unique and should not be an imitation of any other headline. Originality of headline creates a separate interest in the minds of readers.
2. **Concise** : A good headline must be brief i.e. it should not have more than 8 to 10 words and should form a maximum of two lines.
3. **Specific** : The headline should be relevant and appropriate to the copy and illustration. It should convey the advertising message specifically and not vaguely.
4. **Provocative** : A good headline should be forceful enough to induce the readers to go through the copy and the entire advertisement.

### 13.7.4 Classification of Headlines

1. **Benefits Headline** : Such headlines indicates the benefits of the product or the service advertised.
2. **News Style Headline** : It emphasises on the quality, performances, services, advantages of the product list this types, words like 'Now'. 'Atleast' etc. are added to the headline.
3. **Advice Headline** : It advices the customers to purchase a product or avail of a service which will be beneficial to them. e.g. "How to bake better cakes".
4. **Challenging Type of Headline** : This type of headline challenges the customer about the quality service, price, performance etc. Such headlines emphasis on the superiority of the advertisers product..
5. **Selective Headline** : A selective headline is directly appealed to a selected group of customers. It may be specially directed towards children, students, housewives to be used by those selected customers.
6. **Situation Headline** : It puts the customer in a situation and enquires whether the prefers to be in such a situation. Such headlines supports the illustration.
7. **Label Headline** : A label headline announces not only about the lable of the product but also the selling points. Such headlines are 'introducing type' or 'warning type'.



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## 13.8 SLOGAN

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### 13.8.1 Meaning :

A slogan is phrase or sentence used repeatedly by a company or an organisation or an advertiser to aid in the formulation of his message. A slogan is repeatedly used to create certain kind of effect on the minds of people. Slogan is an important part of advertising copy. Like headlines and illustrations, slogans are communication devices which are used to present an idea rapidly and concisely. It may be used throughout an advertising campaign or over a period of many years. Some advertisers develop and use new slogans for each new advertising campaign. A slogan suggests the thing and he advertises. It suggests the use of product again and again or several times so that readers know it by heart. Generally, slogans are used for headlines in advertisements. They are similar in structure to the summarizing headlines and try to summarise some advertising idea just as a headline does. Slogans are mainly used in outdoor advertising. In such outdoor advertising, a slogan becomes headline and the sales message. Slogans are generally developed from incidents in the life of a product; such incident that optimise the use or value of a product when the incident is happily expressed in a pleasing phrase and is used in advertising. The right frame having appeal becomes a good slogan.

A slogan sentence used repeatedly by a company of any organisation to create an impression in the minds of the customers.

A slogan should suggest the thing it advertises. Slogans be used fur headlines in advertisements because of the limitation on the length of a copy in this medium. The slogan then becomes headline and sales message all in one.

Good slogans are not invented monthly by the advertiser. But they develop from incidents in the life of a product of clause of a product etc. Then a incident is happily expressed in a pleasing phrase and used in advertising, it becomes a good slogan e.g.

1. "Any surface that needs ainting needs Asian Paints".
2. "A filter so true that the taste comes through". (Bristol Cigarette).

### 13.8.2 Characteristics of a Good Slogan :

A good slogan should :

1. Contain a definite sales idea :
2. Be compact in their construction :
3. Be hardly more than 7 words long :

An ideal slogan is short, simple, easily remembered and filled with pleasing suggestion of the product. The simplest slogans are the hardest to create. To create a good slogan is to define what you want to say in as many words as necessary.

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## 13.9 LOGO

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### 13.9.1 Meaning :

The word 'logo' comes from the Greek word 'logos' meaning 'simply the world'. The noun 'logos' also appears in the Bible signifying 'the word of God'. Today the world logo is used in marketing and in advertising parlance. From the coveted double 'R' of Rolis Royce to the immediately recongruable script that Coca-Cola uses, logos are quickly identified by everyone. Apart from large corporations in every country even the small businessman and one-man enterprises have adopted the corporate logo as a means for creating brand recognition and corporate image.

**13.9.2 Need for Logo :** The need for a logo arises from the need to be different, followed closely by the need to be recognised.

Your own given name could be a good example of a logo. In your childhood days, the name is a device to attract your attention and to differentiate you from others. Over time as one grows up, the name takes on newer meanings to yourself and finally becomes a matter of great pride when you dash off a signature on a letter, cheques or some other document. It is your expression (difference, distinction and recognition) saying "this is me".

The company's logo is the corporate signature. It reposes in itself the collective pride of the company and is designed with great care to represent the personality of the company and product. Diversified Corporation use a variety of symbols as part of their logos. ITC uses the upwards steeply, which also conveys the sense of growth as well as excellence.

Welcome group uses unique folded hands symbols to denote hospitality in the inimitable Indian style. Others too use Indian leitmotifs like LIC which uses two cupped hands to denote security is care. Logos today go beyond just being mere symbols. They represent the spirit, the belief, the raison d'être of companies and brands. Logos the world over have their own logic which is distinguishable, easily recognised and identifiable.

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## 13.10 SUMMARY

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Consumer psychology is the process whereby individuals decide whether, what, when, where, how and from whom to purchase goods and services. In consumer behaviour we consider not only 'why', 'how', and 'what' people buy but other factors also, such as 'where', 'how' and 'under what circumstances the purchases are made'.

The decisions taken by consumers in relation to the purchases are influenced by various factors such as culture, subculture, Social Class, Personal Factors such as age, income, occupation, life style and personality etc.

Buying motives are the urges which compete consumers to buy. Buying motives are generally classified as **(a) Primary Motives (b) Secondary Motives**: The most commonly known secondary buying motives are fear, profit, vanity, habit, curiosity, sex, love, comfort, patronage motive etc.

**Selling points** refer to important features of a product that influence the decision of people to buy.

**Visualisation** is the process of seeing through one's mind's eye about the construction of it. It is forming initially a mental picture of the idea that would appear in the Advertisement.

**Copy** means a written matter in any advertisement. It may consist only one word or many words. A copy consists of headlines, subheads, captions etc.

**Headline** is a word or phrase printed in large letters above the advertising message. Headline gives in brief a fair, idea of the contents of the copy. As people go through a newspaper or a magazine the headline is the only thing that attracts its attention.

**Slogan** is a sentence used repeatedly by a company of any organisation to create an impression in the minds of the customers.

The word '**logo**' comes from the Greek word 'logos' meaning 'simply the word'. The noun 'logos' also appears in the Bible signifying 'the word of God'. Apart from large corporations in every country even the small businessman and one-man enterprises have adopted the corporate logo as a means for creating brand recognition and corporate image.

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**13.11 QUESTIONS**

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1. What is Consumer Psychology? Explain the main factors Influencing Consumer Psychology.
2. What are Buying Motives and Selling Points?
3. What is Visualisation? Explain the process of Visualisation.
4. What are the techniques of Visualisation? Explain them in brief.
5. What is Copy? What are the essentials of a good copy.
6. What are the different types of Copy?
7. What are the main elements of Copy?
8. What is the Headline? Explain its functions.
9. What are the essential of a good copy?
10. Explain the different forms of Headlines
11. What is Slogan? What are the characteristic of a good slogan?



## CREATIVITY IN ADVERTISING - II

### Unit Structure :

- 14.0 Objectives of the lesson
- 14.1 Introduction
- 14.2 Illustration
- 14.3 Layout
- 14.4 Summary
- 14.5 Questions

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### 14.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Essentials of a good illustration
- Functions and Types of Illustration
- Features of a Good Layout
- Types of Layout Process of Layout

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### 14.1 INTRODUCTION

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Illustration is world of pictures. People have become visual minded. People like to see more than to read or may even to hear. Therefore, there is a good need for illustrations or pictures in the advertisements.

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### 14.2 ILLUSTRATION

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#### 14.2.1 Meaning :

An illustration is a picture, photograph or drawing that is used in the advertisement to convey visually the idea or message of the advertisement. An illustration, therefore, means a picture used in an advertisement to tell the prospects the message of an

advertisement. The presence or absence of a picture in an advertisement can cause marked difference in its effectiveness. With the help of illustration over-emphasis in the subject matter can be avoided and display appeal can be made clear and direct. The inadequacy of language is compensated for the use of an illustration.

#### **14.2.2 Essentials of a good illustration :**

- (a) It must support and compliment the copy theme and not detract from it.
- (b) It must be “faithful reproduction” of the advertised product, if the illustration is that of the product.
- (c) The use of colour combination in an illustration must be in harmony with fundamental human nature, as it influences the emotional behaviour of individuals.
- (d) It must be simple enough to convey the ad message clearly, easily and quickly.
- (e) It must be suggestive in design and construction. Though simple, it must be attractive, appealing and beautiful to look at.
- (f) It must create a lasting impression on the mind of the reader.
- (g) It must match with the lifestyle of the target consumer.
- (h) It must occupy the proper place in the total layout of an ad.
- (i) It must be capable of reproduction in the various advertising media.
- (j) It must match with the headline of an ad and convey the same message to the reader.
- (k) It must be original, unusual, and unique in design and presentation in an ad.
- (l) Multiple illustrations must be used with a purpose in an orderly manner.
- (m) Finally, illustrations must occupy and enjoy a dominant place in outdoor ads like posters, or, billboards.

#### **14.2.3 Functions of Illustration :**

**1. Quick Attention :** Without illustration an advertisement may look dull and unattractive. Illustration helps consumers to quickly understand the message and motivates them to buy the product. Therefore, illustration must capture the attention of the readers.

**2. Demonstrate the Product :** Illustration shows the product and its features at a glance. Illustration indicates use of the product and how it works. Demonstration is usually visual and it passes on the message immediately.

**3. Creates Right Atmosphere :** Illustration creates the right atmosphere by using rainfall, river and forest with the picture of the product. Such illustration has soothing effect on the consumers.

**4. Communicate Message :** Illustration can carry the advertising message quickly e.g., a bottle of perfume conveys quickly the idea that the perfume is being advertised.

**5. Support to Copy :** Illustration is an important part of copy. Pictures carry message instantly and support the message given in the copy.

**6. Symbolize the Quality :** The visuals used in the advertisement indicates power, speed, value, strength, etc. e.g. MRF Tyres - 'Myscled Man', symbolizes strength and quickly of tyres.

**7. Dramatise the Advertisement :** Illustration dramatizes - story of the product. Illustration supports the headline of the advertisement by pointing out the details of the product.

**8. Provides Technical Details :** Many consumers buying consumer durable products are interested to know the technical details of the product. Advertisements of computers, washing machines, refrigerators and cell phones gives many technical details of the product through picture of the product.

**9. Lasting Impact :** Illustration can make lasting impact on the mind of the consumers. Seeing is more convincing than being told. Pictures represent reality.

**10. Fights Illiteracy :** In a country like our where a large number of people are illiterate, picture of a soap immediately communicates to all what the advertisement is about.

#### **14.2.4 Types of Illustrations**

There are various methods by which an illustration can be prepared. They are :

**1. Product Alone :** In this type, major portion of illustration is covered by the product for e.g. advertisement that show Colgate tooth paste. The purpose is to give more importance to the product and to create image in the minds of prospects.

**2. Product in a Setting :** In this type, the product is presented along with a background which is favourable to it i.e. it is presented in an atmosphere wherein it is used.

**3. Product in Use or Action :** In this type, model may not be shown using the product or the product may be shown in movement for e.g. A Cigarette company does not show merely a cigarette or packet but it shows a person smoking a cigarette of a particular brand.

**4. Result of a Products Use :** In this type, the after effect of the product may be shown. The attention is to emphasis advantages or benefits more dearly. For e.g. an advertisement of a cupboard of a cupboard will show the space available, various as shelves etc.

**5. Dramatisation of a Headline :** In this type, the illustration supports the head line i.e. whatever is given in the headlines is shown in action in the illustrations are combined, the effect is that the interest and attention of the reader is attracted.

**6. Dramatisation of a Situation :** In this type, the illustration presents a situation in which a customer will be if he uses the product or if he does not use a product.

**7. Comparison :** In this type, the illustration compares two superior products of the same or different type. The basic idea is to relate the product to a concept which is established and familiar to consumer.

**8. Contrast :** While shows the similarity between two ideas, contrast emphasis the difference between two products of the same type e.g. A modern appliance may be contrasted with an old fashioned model.

**9. Magnifying Details :** In this type, the important features or minute features are explained in details. It is used to embassies specific advantages.

**10. Symbolic Illustrations :** This illustration shows a reorganised symbol along with an idea, and the advertiser using a symbol may hope to identify this product with what the symbol stands for in the mind of the reader.

### **Check Your Progress :**

- 1) "Illustration is the world of pictures". Explain.
- 2) Explain the following terms.
  - a) Illustration
  - b) Product alone
  - c) Product in use or action
  - d) Contrast



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## 14.3 LAYOUT

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### 14.3.1 Meaning :

A layout is a sketched plan of a proposed advertisement. It includes the headline, rough illustration and copy which serves as plan for the advertisement. Layout is a working sketched plan showing the size, positions and colour weight values of the different elements that make up the complete advertisement. Layout, thus refers to the total exposure of an advertisement.

Layout is important in an advertising plan. It enables the advertiser to visualize how the complete advertisement will look when published. It also gives the printer the location of each unit in the advertisement. Layout is usually prepared to seek approval of the client and to see approval of the client and to see the overall impact.

### 14.3.2 Features of a Good Layout :

Following are the main features of good layout:

**1. Balance :** Balance in layout means achieving a proper distribution of weight through the arrangement of the elements. Balance should be maintained in size, colour shape and density of elements. There are two kinds of balance; formal and informal.

Formal balancing means placing of identical or similar items on both the sides of optical centre. Informal balancing means spreading of elements at different places in the advertisement or have large illustration which cover a major portion from the optical centre.

**2. Movement :** There should be mobility in the advertisement. It provides a visual type of flow and sequence. It is more used in case of items which are mobile in nature e.g. An advertisement of an automobile should have illustration which shows mobility in it. Movement guides the reader's eye from one element to another and makes sure that he does not miss anything. Movement should start from the left hand top corner of the advertisement to the right hand bottom corner.

**3. Gaze Motion :** It is the direction of movements of the reader's eye. The element of advertisement should be placed in such a manner that there is an easy flow in the movement of eyes of the reader. An illustration showing a person walking in a particular direction on will cause the reader to look in that direction.

**4. Structural Motion :** A good layout should. Utilize lines, arrows, signs which will indicate or point out to the important elements of the advertisement.

**5. Proportion :** It involves appropriate division of the space between the various elements like the headline, illustration, subheads, copy etc. In a headline oriented advertisement, headline should be given major space and in an illustration oriented advertisement, illustration will dominate the space.

**6. White Space :** White space is the area not occupied by copy. Effective use of white space helps to establish a sense of proportion. White space helps in reducing a crowdy appearance and brings prestige and luxury in an advertisement.

**7. Unity :** There should be unity between the elements i.e. there should be proper correlation between the headline and copy or illustration and copy. Unity is also achieved when the elements appears as component part or a single unit.

**8. Clarity :** It implies that the various elements should be arranged in such a manner that the message is understood clearly. The layout should not be too complicated and tricky but must be easy to read and understand. The type, size, design should be selected for easy reading.

**9. Simplicity :** It implies that too many elements in an advertisement should be avoided. Those elements. Which can be dropped without destroying the message should be dropped. The simpler the Layout, the clearer the message.

**10. Emphasis :** It implies that the important elements should be given much emphasis. Emphasis must be brought about by placing the most important feature at or near the optical centre. There should be emphasis on the various selling points and the purpose of advertising depending upon the requirements. Layout should emphasis on education, information and persuasion.

#### **14.3.3 Types of Layout :**

**1. Standard Layout :** It consists of a dominant illustration, headline, body copy and signature, generally in that order. It is highly popular in the field of advertising.

**2. Editorial Layout :** The advertisement resembles editorial matter or press reports in a publication. Main emphasis is on body copy. Words dominate the advertisement and illustration may be missing or given less importance.

**3. Poster Layout :** Total stress is on the visual. Copy is very short and illustration provides details e.g., advertisements of soft drinks and chocolates.

**4. Cartoon Layout :** Cartoon type illustrations and matching copy is used to attract attention e.g., advertisement of Amul butter and Tortoise coil.

**5. Comic-Strip Layout :** The layout follows the pattern of the comic strip by telling a story with the use of sequence of drawings.

**6. Picture Caption Layout :** Pictures and captions are used to explain different aspects of the product or services e.g., advertisement of automobile or mixer grinder. It is suitable to advertise costly consumer durable products.

**7. Picture-Cluster Layout :** The layout performs the same function as in the case of picture-caption layout. Captions are not used. Cluster of several vertical and horizontal rectangles are used.

**14.3.4 Process of Layout :** The final layout is the outcome of several stages. The various stages are as follows:

**1. Thought Sketch or Thumbnail Sketch :** The first stage is the thought sketch or thumbnail sketch. Many-a-times, artist begins with small, rough sketches of possible layouts. These sketches provide a quick and convenient way to get different design ideas. At first the headline and illustration are roughly prepared. The location of logo and body copy is indicated. The artist may prepare several thumbnail sketches before arriving at one that holds promise for further development.

**2. Roughs Layout :** The second stage is the rough layout, which is a refinement of the thought sketch. Some artists prefer the start with a rough layout, bypassing the thumbnail sketch stage. One or more rough layouts may be prepared. In this case headlines, slogan and illustrations are roughly drawn.

**3. Finished Layout :** When a final rough layout is selected, then it is transformed into a finished layout. This layout is much more detailed and carefully drawn than the rough layout. The illustration is more or less finalised. Headlines are carefully executed, and body copy is neatly ruled in the lines and blocks of copy of varying lengths to indicate intention and paragraphs. This layout is normally shown to the client for approval.

**4. Comprehensive Layout :** Sometimes, the artist may prepare a comprehensive layout. It is more complete in respect of art work, headline and slogan. Some times such layout look more beautiful than the final ad. If it is photograph, the artist will paste the photograph on the layout. Comprehensive layouts may be prepared to give the client a clear idea about the final ad.

**5. Working or Mechanical Layout :** Really speaking these are not actually layouts. These are blueprints for production. The working layouts indicate the exact placement of all the elements in the ad specifies typeface and size and includes relevant instruction for the typographer and engraver. The final ad is prepared from the working layout.

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## 14.4 SUMMARY

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**An illustration** is a picture, photograph or drawing that is used in the advertisement to convey visually the idea or message of the advertisement. A good illustration must support and compliment the copy theme having harmony colour combination, simple to convey the ad message, suggestive in design and construction, creating a lasting impression, matching with the lifestyle of the target consumer, matching with the headline.

**A layout** is a sketched plan of a proposed advertisement. It includes the headline, rough illustration and copy which serve as plan for the advertisement. The main features of good layout are: Balance, Movement, Gaze motion, Structural motion, Proportion, Wide space, Unity, Clarity, Simplicity, Emphasis etc.

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## 14.5 QUESTIONS

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1. Define illustration and explain the essentials of a good illustration
2. What is illustration? Explain the functions of Illustration.
3. What are the types of Illustrations Explain them in brief.
4. What is Layout? What are features of a Good Layout?
5. What are the types of Layout?
6. What are the steps involved in process of Layout?



## ADVERTISING RESEARCH

### Unit Structure :

- 15.0 Objectives of the lesson
- 15.1 Introduction
- 15.2 Advertising Research
- 15.3 Testing of an Advertisement
- 15.4 Pre-Testing Methods
- 15.5 Post-Testing Methods
- 15.6 Summery
- 15.7 Questions

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### 15.0 OBJECTIVES OF THE LESSON

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After completion of this lesson the student will be able to understand :

- Advertising research
- Need and importance of Advertising Research
- Types of Advertising Research
- Testing of an Advertisement
- Evaluating Advertising Effectiveness
- Pre-testing and Post-testing methods

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### 15.1 INTRODUCTION

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Advertising research is the systematic, scientific and continuous process of studying consumers within the context of market situations, product attributes and competitors' strategies. A well-conducted research programme provides inputs that are the foundation of an advertising campaign.

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## 15.2 ADVERTISING RESEARCH

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### 15.2.1 Definition

Advertising research is defined as the systematic gathering recording and analysing of data relating to the effectiveness of advertising.

### 15.2.2 Need for Advertising Research :

**1. Target Audience :** It can be identified through ad research and accordingly the message can be directed to the right audience.

**2. Media Mix :** It enables to determine the proper media mix that can be employed to run the ad campaign. Proper media is selected to reach more effectively to particular groups of potential customers.

**3. Unique Selling Proposition (USP) :** Advertising research helps to discover USP that can be effectively presented in the ad.

**4. Costly Errors can be Minimised :** Advertising research can prevent the advertiser from making costly mistakes. It can be over-budgeting, selecting wrong media, directing the ad message to wrong audience etc.

**5. Budget Amount :** Advertising research also enables to determine the proper amount that can be effectively spent on advertising. Proper budget amount can be allocated and utilised using the ad at the right time and at the right frequency.

**6. Layout, Copy and Illustration :** It can help to develop effective layout, copy and illustrations that would be most effective in gaining consumer attention and in inducing effective readership of ad.

**7. Appeals in Advertising :** Through proper conduct of consumer research, one can understand their likes and dislikes, tastes and preferences. The study can be made of their buying motives. Accordingly appropriate appeals can be developed to stimulate demand among the various groups of prospects.

**8. Competitive Advertising :** Proper advertising research can help to develop not only creative ads but also competitive ads. To face the challenges posed by competitors claimed in their advertisement and other marketing efforts.

### 15.2.3 Importance of Research in Advertising :

Following points justify the need and importance of advertising research :

**1. Target Audience :** Target market/audience can be identified through ad research and accordingly the message can be directed to the right target audience.

**2. Media-Mix :** It enables to determine the proper media/media-mix that can be employed to run the ad campaign. Proper media is selected to reach more effectively to particular groups of potential customers.

**3. Unique-Selling Proportion (USP) :** Research may reveal a unique buyer benefit that no one had thought of before. Advertising research helps to discover USP that can be effectively presented in the ad.

**4. Costly Errors Can be Minimized :** Advertising research can prevent the advertiser from making cost mistakes. Mistakes can often be committed in over budgeting, selecting wrong media. Directing the ad message to wrong audience etc.

**5. Budget Amount :** Advertising research also enables to determine the proper amount that can be effectively spent on advertising. Proper budget amount can be allocated and utilized by using the ads at the right time and at the right frequency.

**6. Layout, Copy and Illustrations :** It can help to develop effective layout, copy illustration that would be most effective in gaining consumer attention and in inducing effective readership / viewership of the ads.

**7. Appeals in Advertising :** Through proper conduct of consumer research, one can understand their likes, dislikes, tastes and preferences. A study can be made of their buying motives. Accordingly appropriate appeals can be developed to stimulate demand among the various groups of prospects. And as such the most effective ad campaign theme can be devised and used to bring about desired response from the consumers.

**8. Competitive Advertising :** Proper advertising research can help to develop not only creative ads but also competitive ads to face the challenges posed by competitors claims in their advertisement and other marketing efforts.

**15.2.4 Types of advertising research :** Advertising research can be sub-divided into the three major areas :

**1. Budget Research :** It is covered with the amount of money allocated to advertising.

**2. Media Research :** It concerned with advertising research, frequency, efficiency and the effectiveness of different media and combinations of media in reaching target customers.

**3. Copy Research :** It deals with what is said and how it is said in the employed media. All these areas are inter related and interdependent. For example, the use of inappropriate media would affect even the most effective advertising message. Media effectiveness may also be influenced by the available budget.

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## 15.3 TESTING OF AN ADVERTISEMENT

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Ad testing deals with the measurement advertisement effectiveness. What constitutes effectiveness? Which variables (s) should be tested, or, measured to know the degree of advertising effectiveness?

### 15.3.1 Meaning :

In practice, the following four categories of variables, are, generally, tested viz. (1) message variables, (2) media variables, (3) scheduling variables and (4) budgeting variables.

**1. Message Variables :** In the case of an advertising message in an advertising message in a typical print advertisement the variable to be tested would be the headline, the illustration, the body text, the layout, and the typography, individually as well as severally. In the case of television commercials, the variables to be tested would be appeals, themes, propositions, rhetorical style, audio-visual devices, format illustration technique, staging casting music, sound effects, etc.

**2. Media Variables :** The media testing opportunities are considered at the following four levels, viz.,

(i) The advertiser must decide the type of media, such as, newspapers, magazines, television, radio or direct-mail, etc., he intends to use.

(ii) The advertiser then, must decide the sub-class of media, he is to use. For example, what kind of newspapers : Daily Sunday,



Evening or Morning Newspapers. Likewise, what kind of television and / or radio : sport, Network, or, Regional channels, in the same way, what kind of magazines : General, Women, Sports, Healthcare, etc.

(iii) The advertiser, then must selected specific media vehicles, what newspapers in Mumbai, which television channels in Delhi, and what media mix is to be used?

(iv) Finally, he must determine space units i.e. full page, or, half pages, or, quarter pages broadcast time units, such as 60 seconds, 20 seconds, and the position of the ad in print media as well as in television.

**3. Scheduling Variables :** Consumer behaviour is generally influenced by the time factor, such as season of the year, occasions like Diwali, Christmas, Id day of month or week, etc. timing of television commercials frequency continuity are also important factors.

**4. Budgeting Variables :** Budget affects, and is affected by all other advertising variable. How much money should be spent on advertising? How should be the total amount of money be allocated to markets, to media to sales territories and to specific items in the product line? The advertiser must measure the relationship between budgeting variables and profit yields.

### **15.3.2 Need of Evaluating Advertising Effectiveness :**

**1. Achieve Awareness :** Testing of advertisement will show whether there is an increased influence of the advertising message, product or service advertised. Testing enables, the advertiser to be aware of all the reasons why an advertisement has been effective or otherwise.

**2. Affects Attitudes :** Testing enables the advertiser to know whether the attitude of the prospects towards the advertised product or service has been changed or not, it also enables him to understand whether any message of the advertisement is recollected by the customer.

**3. Actuate Action :** Advertisement testing enables the advertiser to analyse the response by the prospects to an advertisements. It gives him an idea of when, how, why a customers accepts a particular products or rejects it. This will help him to present the product in such manner that he (prospects) takes a favourable or positive action.

**4. Judge Overall Effectiveness :** Testing of advertisement-helps the advertiser in judging the total effectiveness of a particular advertisement in respect of their headlines, layout, copy, illustrations, layout or any other quality that is important within the advertisement.

Thus, advertising evaluation can be done before the campaign is over. The main object of evaluating the campaign is “to get all the bugs out” before sending precious money. When advertisements are tested after the campaign it is called “postmortem” of an advertisement effectiveness.

The advertising can be evaluate or tested before or after its application. Both have got various advantages.

### **15.3.3 Pre-Testing Methods :**

An advertisement can be tested at two stages namely: (a) prior to the commencement, and (b) after the commencement of the advertising campaign. The former stage is called ‘pre-testing’ and the latter ‘post-testing’.

The following are the pre-testing methods :

**1. Proposition Tests :** Tests of creative strategies are called proposition tests. Strategy refers to the alternative course which can be tried to know most suitable course of action. For example, the advertising campaign of a watch manufacturing company might follow such strategies as: (i) It is stylish watch for fashion conscious man. (ii) It is a dependable watch. (iii) It is an inexpensive watch and looks like a watch that costs twice the price.

Each proposition reflects a different advertising strategy for watches. Fashionable appearance, expensive appearance and reliable. To choose which is the best representative sample of prospective watch buyers would be shown all three on individual cards as if they were different watches. The sample respondents would then be asked to choose between the watches, and to give their choices. The most widely acceptable proposition would be established as an advertising strategy.

**2. Concept Testing :** Under this method, testing is carried out in the same way as Proposition Testing, except that roughly drawn advertisement concepts are used instead of placing alternative strategies on the cards. As the public is not used to look at rough advertisement concept, the respondents must be explained in advance that what they are about to be shown are rough layout of the artist. Headlines should be shown clearly and such irrelevant details must be excluded as: Cufflinks on a shirt because this may

give a chance to worry the respondents about why they are there, whether they are fashionable and so on. Concept tests are used to measure the interest and credibility of different advertising approaches.

**3. Sales Area Testing** : The most reliable method of testing the effectiveness of any advertising is initially to run it in one or two selected areas. This testing is used to facilitate launching advertising campaign on a large scale, because effectiveness is first tested in a smaller area.

**4. Folio Tests** : Folio tests are used for press advertisements that are finished or near finished form. Test advertisement along with a couple of advertisements is placed into a folder. The 'Folio' composed in this way is then placed before the selected few consumers who are expected to give their reactions. The rest advertisement is singled out later in the interview and the consumer is asked to discuss its appeal and motivational power in creating interest, arousing desire and attracting attention. This method of pre-testing spots out the most responsive advertisement.

**5. Project Tests** : Television commercials are sometimes tested in consumers' home by means of portable movie projectors. Often the commercial is inserted in a short sequence from an entertainment film. After showing the film to the consumers, the interviewer asks their opinion about the commercial.

**6. Trailer Tests** : In trailer testing, a trailer or van is parked in a parking zone of a shopping centre and people are invited to come in for interviews. Everyone who enters the trailer is shown a television commercial on a rear screen projector and questioned about it. This method is very economical for it costs less to bring people into, the trailer for interview.

**7. Consumer Jury Tests** : Consumer jury tests are based on the rating given on advertisement by a typical group of consumers. Rating implies comparison of one advertisement with several others. A consumer jury test is made in a variety of ways. The usual procedure is to ask a relatively small group of consumers, who represent potential buyers of the product to rate alternative pieces of copy. Different data collection methods may be used in implementing a consumer jury test. For example, personal interviews may be used or a group may be assembled and the members may be asked to rate on the alternative copy.

**8. Rating Scales** : This method of copy testing requires the establishment of standards for effective copy and numerical weights for each standard. The weights or values indicate the

relative worth of a standard in the overall success of copy. Advertisements are then rated according to scale value and a numerical score is obtained.

**9. Portfolio Tests :** These tests are named after the manner in which advertisements to be tested are packaged. A group of advertisements usually a mixture of advertisements to be tested is placed in portfolio. Sometimes, advertisements are actually placed in dummy copies of newspapers and magazines. Respondents are given the folio and asked to go through it, reading whatever interests them and taking as much time as they want. After completing this task, the respondents are asked to recall the advertisements what they can remember.

**10. Simulated Tests :** Simulated tests are tests in which consumers are exposed to alternative pieces of copies through point of purchase displays of direct mail. These tests are simple and less expensive to implement than actual sales tests. However, they are artificial.

**Benefits of Pre-Testing :**

- (i) To check clerical, grammatical, printing or technical errors.
- (ii) To make communication more effective from readers points of view.
- (iii) Minimise waste in advertising.
- (iv) To make it more meaningful and effective.
- (v) It is simple, less time consuming, and less costly.

**15.3.4 Methods of Post-testing :**

Tests that are applied after the commencement of the advertising campaign are called post-tests. Post-testing enables to study the impact of advertising on the effective sales promotion. The following are the methods of Post-testing :

**1. Recognition Tests :** Under this method the respondents are asked to point out the contents of those advertisements which they might have seen. The objective of this test is to know the degree of effective impact of advertisement.

**2. Recall Tests :** Under recall tests the entire advertising campaign is considered as against recognition tests. Where only specific advertisements are considered Recall tests are applied to measure the attention, interest and memory value of advertisements after they have been launched.

**3. Inquiry and Coupon Response :** Under inquiry testing, the advertiser sends a free sample to the reader, on request. The reader is expected to mail the coupon to take advantage of the offer. It is quite likely that such advertisements are given simultaneously in different publications of the newspaper or magazine. The advertisements are keyed in order to know which of the several advertisements resulted into more response. It is assumed that the advertisement which brings largest number of inquiries is superior to others.

**4. Split-Run Test :** It is a modification of inquiry test. An advertiser takes two advertisements in magazine offering split-run facilities. The two advertisements differ in one respect only e.g., one advertisement presents the cold drink in a transparent bottle and the other advertisement presents the cold drink in a non-transparent bottle. The advertisement is keyed. Now, in two different markets i.e., cold drink marketed in transparent bottle is more, it is taken for granted that this advertisement has been more successful compared to the second one.

**5. Psychological Tests :** A variety of psychological tests are used which include story telling, word association, sentence completion, depth interviewing etc. This test attempts to find out what the respondent has been in different advertisements and what they mean to him. These tests can be conducted only by trained interviewers.

**6. Focus Interviews :** In this method some selected consumers are called and are asked to deliberate discussion on the advertisements presented to them. The attention of the members of the panel is focused on certain aspect of the advertisement. The opinion expressed by the participants becomes the basis to study the effectiveness of advertising.

**7. Readership Test :** This method attempts to study the impact of advertising in increasing the product awareness by the consumers. Readership test facilitates the relative importance and effectiveness of advertisement published in national press. The readers are asked to tell where have they read the advertisement and how it has increased their awareness about the product.

The various methods used to study the effectiveness of an advertisement provide information about the impact of an advertisement on the product awareness and bringing about a change in the attitude of the consumers.

**Benefits of Post-Testing :**

- (i) To find out the extent to which the ad has been noticed, seen or read.
- (ii) To find the extent to which the message is understood by the readers.
- (iii) To measure the memory value of advertising.
- (iv) To find the impact of advertising on consumer buying behaviour.
- (v) To see whether ad is accomplishing its objectives.
- (vi) To evaluate the comparative effectiveness of different ads in terms of appeals, layout illustration etc.
- (vii) To improve future advertising efforts.

**Check Your Progress :**

- 1) "Well conducted research programme provides inputs for an advertising campaign". Discuss.
- 2) Explain the following terms.
  - a) Budget Research
  - b) Copy Research
  - c) Concept Testing
  - d) Folio Test
  - e) Consumer Jury Test

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**15.4 PRE-TESTING METHODS**


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Before the advertising campaign is undertaken, the advertiser checks or test advertisement in respect to its effectiveness. The main object of evaluating the advertisement before the campaign is "to get all the bugs out" from it.

The pre-testing methods of checking advertising effectiveness are as follows :

**1. Check List Method :**

It is simplest method of testing. In this method a questionnaire is prepared by the researcher containing items that are commonly found in all types of ads. Then he has to put a tick mark against the item appearing in the ad.

This method can be used to find out attention value, interest value, understanding and education value etc. It is easy to

conduct, less time and money is consumed. But it is difficult to judge consumer reactions by a mere check list.

The jury members of consumers are asked certain question like :

- (i) Which of these ads would you notice first?
- (ii) Which of these ads would you like most?
- (iii) Which of these ads would make you to buy the brand?
- (iv) Which of these ads can be easily read and understood?
- (v) Which of these ads are more believable?

## **2. Consumer Jury Method :**

A consumer jury is a small group of people who may be considered typical buyers of the product or service advertised. The advertiser enquires with them and their opinions on an advertisement are sought. On the basis of their opinions, he may accept or reject the advertisement campaign.

**(a) Order of Merit Rating :** In this case various ads are shown to the jury of consumers at a time and asked to place them in rank order. Each rank can be assigned certain points, then chart will be prepared and maximum points to be assigned by all members will be selected.

**(b) Paired Comparison :** In this type, a member of jury is shown two ads at a time and is asked to select the better one. This procedure will continue until each ad from the lot is paired with every other ad. The final conclusion may be drawn.

### **Merits of Consumer Jury Test :**

- (i) It can be conducted within a short period of time.
- (ii) Less costly.
- (iii) It does not require actual running of ads.
- (iv) Size of jury members need not be large i.e. 10 to 50 members.
- (v) Members can be motivated to give unbiased replies.

### **Demerits of Consumer Jury Test :**

- (i) It is unrealistic as the ads are not seen in real life condition.
- (ii) There may be biased opinion.
- (iii) Selection of jury members is a real problem.
- (iv) Test based on opinion rather than study.
- (v) There may be inconsistency in ranking by different members.

### **3. Sales Area Test :**

In this method a campaign, is run with different appeals in separate comparable markets (usually cities) for a particular period of time, the effectiveness of the ad campaign is evaluated by comparing actual sales made to consumers in different markets. That sales are which is giving highest sales is considered as more effective and accordingly ad copy is selected.

### **4. Procedure :**

The procedure is to select two groups of cities (market area), one group is called (Control group of cities) and other is called (The test group of cities) each group contains three cities. The existing ad campaign is continued in control group and new ad campaign is run in test group.

The testing period is divided into three stages, ranging between 3 to 6 months.

First stage is called as Pre-test. During this period sales are checked in several groups to determine the trends in sales in normal conditions.

Second stage is called as “actual test period”, in which test campaign is seen in the test group of cities.

The third stage is called as “Post-test period”, in which sales are checked to find out effect of advertising campaign.

Now sales results of the control groups are compared with the results of the test groups. If the sales show a better performance, the new campaign is treated as effective and later on is run over the entire market area.

### **Evaluation :**

Ad. campaign is run on a small scale to find out - its effectiveness before running the ad over entire market of this test is conducted properly, it provides authentic results. However, (i) It is time consuming, (ii) It is expensive, (iii) It poses a problem in respect of selection of cities maintaining comparable situations.

### **4. Inquiry Coupon Response :**

Under this, the advertiser sends an inquiry coupon through newspapers or magazines which will have to be sent back to the advertiser duly filled in by the respondent. The number of inquiries or coupons sent back will ascertain the effectiveness of the advertisement.



The enquiry test can also be conducted by direct mail. One of the types of this test is called as split run test. In this case two Ads are selected for the test. First ad is published in first half of the number of copies and second Ad is given remaining half of the number of copies. The ad showing maximum response is selected.

**Merits :**

1. It can be used to check the relative effectiveness of several ads by remaining them on a limited basis.
2. It is easily implemented and comparable.

**Demerits**

1. It is time consuming.
2. It is expensive.

**Other Methods :**

There are several other pre-testing methods :

**(a) Projective Technique :** The purpose of this test is to avoid the drawback of direct questioning and allow the respondent to reveal his feelings about an advertising situation various types of projective techniques are :

**(i) Depth Interview :** The respondent is given the advertising material and is asked to express his opinion freely. The interviewer studies the respondent about his feelings and motivation.

**(ii) Word Association :** The researcher presents a word and the respondent is asked to reply with first word or thought that comes to his mind. For example? What is the first things you think I say toothpaste? Or automobile?

**(iii) Sentence Completion :** The researcher shows an incomplete picture or puts an incomplete sentence and the respondent is asked to complete the picture or sentence.

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## **15.5 POST-TESTING METHODS :**

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Advertising evaluation can be done even after the advertising campaign is over When advertisements are tested after the campaign is over, it is known as “postmortem” of the advertisement effectiveness.

The post-testing methods of advertising effectiveness are as follows :

### **1. Recall Tests :**

This test is made to measure the memory value of the reader (respondent). The procedure is to select a group of respondents and it is confirmed that they have read the particular issue of the magazine. The respondents are given cards on which the names of all products advertised in the issue are shown. The respondents are asked to list each ad they think have seen and tell what it looks like. Question can be asked on the message, colour, headline, etc. to find out the impact value.

The merit of the test is to measure the depth of impression which an ad leaves on the respondents mind. This test can also be conducted with some aid and are called as “aided recall test”.

### **2. Readership Test :**

This test finds out what the readers read and how well they remember it. The advertisement to be tested is to be published in a newspaper or a magazine. The an interviewer carrying a copy of that medium asks the persons to be interviewed and asks them which newspapers or magazines, they read, what advertisements have been seen and remembered and their effectiveness. The advantage of this method is that, a comparative evaluation is possible and it focuses on the ways of getting attention.

However, the drawback of this method is that it assumes that readership means sales. It is not always that whatever advertisements we read we do buy.

### **Attitude and Opinion Test :**

These tests are conducted to measure the attitudes and opinions of the customers towards a firm’s advertising, its products and policies. For such tests measuring scales have been developed to study the consumer attitudes and opinion.

### **Keying on an Advertisement**

After preparation of an advertisement is over, it is to be inserted in newspaper and/or magazines. Thereafter, the advertiser has to check the effectiveness of the advertisement. For this purpose, he has to adopt certain methods to ascertain what enquiry is received from which advertisement. This process of identifying the enquiries pertaining to a specific advertisement is known as keying an advertisement. Advertisement can be keyed by inserting coupons in the advertisement is known as keying an advertisement. Advertisement can be keyed by inserting coupons in the advertisement itself. This coupon is given a key number or some identification mark which helps their sorting. The readers are requested to fill in their names and addresses in the coupons and mail them to the advertiser for getting a catalogue of further

information. The number of coupons received back gives an idea about the effectiveness of the advertisement.

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## 15.6 SUMMERY

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Advertising research is the systematic, scientific and continuous process of studying consumers within the context of market situations, product attributes and competitors' strategies.

Advertising Research is essential as it identifies target Audience, enables to determine the proper media mix, helps to discover USP, prevents the advertiser from making costly mistakes, enables to determine the proper amount that can be effectively spent on advertising, develops effective layout, copy and illustrations, and develops not only creative ads but also competitive ads.

Advertisement testing deals with the measurement of advertisement effectiveness. An advertisement can be tested at two stages namely: (a) prior to the commencement, and (b) after the commencement of the advertising campaign. The former stage is called 'pre-testing' and the latter 'post-testing'.

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## 15.7 QUESTIONS

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1. Define Advertising research.
2. What is the need and importance of Advertising Research?
3. What is testing of an Advertisement
4. Explain the need of Evaluating Advertising Effectiveness.
5. What is meant by Pre-testing? What are its methods?
6. What do you mean by post-testing? Explain its methods.
7. Write short note on the following :
  - a) Pre-Testing Methods
  - b) Consumer Jury Method



**Advertising**  
**(Applied component group)**  
**At the S.Y.B.Com. examination**  
**(Revised Syllabus w.e.f. academic year 2010-2011)**  
**(Applicable in IDOL from year 2011-2012)**

**1. Introduction to Advertising**

**25 lectures**

- (a) Introduction to Integrated Marketing Communications - Publicity - Public Relation - Salesmanship - Sponsorship - Advertising - Sales promotion.
  - Advertising - features, Active participants, Role of Advertising in Marketing Mix, Communication and society.
  - Advertising and brand building
- (b) Classification of Advertising
 

On the basis - Area, Audience, Advertisers, Media, Objectives.

Social Advertising, Political Advertising, Advocacy Advertising, Retail Advertising, Financial Advertising, Corporate Image Advertising, Primary & Selective Advertising.
- (c) Media in advertising
  - Comparative analysis of Media options for advertising - Television (cable / satellite / DD), Radio (special reference to FM), Internet, Print, Film (Product Placement) and Outdoor advertising.
 

Emerging Media Options - New Options of Transit Advertising, Marketing Through Social sites, Advertising through cell phones
  - Media planning - media scheduling strategies and media objectives - Reach, frequency and GRP
  - Concepts - Media buying, Media Selling, Media Mix, Clutter, Zipping & Zapping, Need for media research and Organizations conducting media research. Media survey, National Readership Survey (NRS), Television Rating Points (TRP)

## **2. Economic & Social Aspects of Advertising      10 lectures**

- (a) Economic aspects of advertising - impact on production, distribution and consumer cost, advertising and competition, waste in advertising.
- (b) Social aspects of advertising - advertising and culture (values, festivals, customs), standard of living, ethics in advertising.
- (c) Regulation and control on advertising in India - Advertising Standard Council of India (ASCI), Advertising Agencies Association of India (AAAI), Information & Broadcasting Ministry.

## **3. Advertising Agency      10 lectures**

- (a) Advertising Agency - definition, types of services offered, types of advertising agencies, structure of ad agencies, agency selection criterion, ways of getting clients with special reference to creative pitch, agency accreditation and client turnover, current advertising agency's scenario.
- (b) Career options available in advertising field - advertising agency, media, production houses, research and allied fields - printing, graphics and animation, modeling and dubbing.

## **4. Planning an advertising campaign      16 lectures**

Meaning of advertising campaign

Important aspects of campaign planning

The target audience - need for segmenting the market and bases of market segmentation

Objectives of a ad campaign - communication (DAGMAR) versus sales objectives

Media Selection & factor determining selection of Media

Advertising budget - Factors affecting budget / Methods

Requisite of an advertisement - AIDA, role of persuasion

Determining the message theme - USP

Decision on advertising appeals and selling styles (soft selling / Hard selling skills)

**5. Creativity in advertising****16 lectures**

- (a) Psychology in advertising - perception , attitudes and values, personality, motivations (including buying motives) and beliefs.
  - (b) Visualisation techniques
  - (c) Copy - types and essentials
  - (d) elements of copy - headline (functions and types), overline, underline, body copy, captions, taglines, slogans, call to action, logo, company name and signature.
  - (e) Illustrations - functions and types
  - (f) Layouts - stages, functions, types and essentials
- Types of advertising options - dramatization, animations, testimonials, demonstration (informative, educative and fantasy).
- Copy writing for print, outdoor, radio, web and television (concept of storyboards)

**6. Advertising research****13 lectures**

Evaluating advertising effectiveness

Importance of research in advertising

Types of research copy. Copy research and behavioural research

Pre-testing and post testing methods of evaluation -

- Pre-testing methods - methods for concept testing and copy testing
- Post - testing methods - sales and response rates, recall tests, recognition tests and attitude and opinion tests





**S.Y.B.A / S.Y.B.Com.**

**ADVERTISING**

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