



**EIILM UNIVERSITY**  
S I K K I M

## **ADVERTISING MANAGEMENT**

**Subject: ADVERTISING MANAGEMENT**

**Credit: 4**

## **SYLLABUS**

### **Concepts of Advertising**

The Field of Advertising, Introduction, Integrated Marketing Communication, Advertising and its types, Comparative Advertising, case study, Communication Models in Advertising

### **Integrated Advertising Program**

Analysis of Mission & Market Objective Setting & Determining Target Audience, Understanding Segmentation, Positioning, Budget Decision, case study on Budgets

### **Understanding Message Strategy**

Message & Copy in Advertising, Headlines in Print & TV Advertising, Visualization & Layout, AD Appeals, Testimonials & Celebrity Endorsement

### **Media**

Types & Decision Types of Media, Media Selection, Media Planning: New Perspective, Media Decision

### **Campaign Making**

Three Phases of Campaign Creation, Steps of Effective Advertising, Upsetting the applecart in the scooterette category In Style! Case study, Understanding Campaigns

### **Advertising**

Advertising Stake Holders – Advertising Organization, Evolution & History of advertising Agency, The working of AD agencies, Organization Structure of Advertising Department, Interface with other Departments, Functions of Advertising Agency

### **Suggested Readings:**

1. Advertising Management, Dr. Varma & Aggarwal, King Books
2. Principles of Marketing, Kotler & Armstrong, Prentice-Hall of India
3. Advertising: An Introduction Text, S. A. Chunawalla, Himalayan Publishing House
4. Advertising Principles and Practice, Wells Burnett Moriarty, PHI
5. Foundations of Advertising, S.A. Chunawalla, KC Sethia , Himalayan Publishing House

## COURSE OVERVIEW

Well what do I say? Advertising, friends, has always fascinated everybody. Whether it is Hritik Roshan dancing in the commercial of Coke or a small boy's innocence in the Dhara advertisement, they all make us look at ads with a different perspective. In fact I really will not be surprised if you say that you would rather watch ads than watch saas-bahu on TV.

Advertising has certainly come of age. There has been new technology, which is taking the production of ads to greater heights. In fact in India the ads have become so qualitative in its essence that we are doing very well in the international scene. We are winning a lot of awards in the international advertising circuits.

The credit I would like to give to young people like you. There is so much energy level mixed with creativity that is absolutely oozing out of you all that I am sure you people will take the advertising industry to a new dimension all together. Talent is what this field requires. Look, you may say that I do not have any talent. But you don't know yourself as yet. As it is I have always believed in the fact that everybody is creative in some or the other field. So within advertising you could go in for:

- Marketing
- Creative
- Production
- Planning
- Public Relations

In any case let me very briefly tell you what this subject is all about.

Introductory lessons are all about advertising and its relevance with respect to marketing. We have the Integrated Marketing Communication, which talks about integrating all the elements of marketing to the field of advertising. Be it public relations or sales promotion, they all have to be integrated to give cohesiveness to the advertising campaign.

Next few lessons deals with few of the models that you have to keep in mind while framing the campaign. You should know how to frame your message and understanding as to the process, which is there in the communication process. This is important to know since it should not happen that you make this wonderful advertisement but your audience doesn't read it or understand it. End result wastage of resources.

Thereafter we talk about the audience. "The consumer is not a moron, she is your wife". Well, we teach you to look at the audience as if he were the king. You also need to understand that you cannot sell a Mercedes to rickshaw wala, so what do you do? You understand as to who is it that you should sell the product to. Also frame your aim of your campaign accordingly.

Where after we talk about money. This is a crucial aspect because the advertisers allocate a lot of money for the advertising honey. So you have to good a good advertising honey in order that the money gets its value for money.

Then the lessons equips you all with the creative source house. It will give you an insight as to how those great ads were made. Who made Sachin Tendulkar to speak in a husky voice and who made Aishwarya Rai look all the more beautiful? Creative departments with the French beards and long hair do that.

Then we talk about why you should go in for TV advertising over radio? Or why is the web a modern tool for reaching out to the public. So media is what we talk about.

Welcome to the next interesting part where you learn how to make the campaign

It is imperative that you all know about the HTAs and the O&M of the world. We shall explain you what an agency is all about and its role and activities in the framework of advertising agencies.

Where after we talk about some issues like the presence of a woman in Rupa undergarments for men (that to be she was actually wearing one!!!). I am sure you all will agree that we need some regulations and ethics where advertising is concerned.

The last few lessons contains few key questions and case studies pertaining to campaign making. This will get you closer in becoming an ad man. This is a unit, which is created to bring out your creative juices and go on to make award-winning campaigns. At least RU will bestow upon you some sort of recognition for your creations.

|  |  | ADVERTISING MANAGEMENT                          |          |
|--|--|---|----------|
|  |  | CONTENTS  |          |
|  | Lesson No.   | Topic   | Page No. |
|  |  |   |          |
|  |  |   |          |
|  | <b>Concepts of Advertising - The Field of Advertising</b>              |   |          |
|  | Lesson 1   | Introduction                                    | 1        |
|  | Lesson 2   | Integrated Marketing Communication              | 6        |
|  | Lesson 3   | Tutorial  | 24       |
|  | Lesson 4   | Advertising and Its Types                       | 25       |
|  | Lesson 5   | Comparative Advertising                         | 31       |
|  | Lesson 6   | Tutorial  | 37       |
|  | Lesson 7   | Communication models in Advertising             | 38       |
|  | Lesson 8   | Tutorial  | 47       |
|  | <b>Integrated Advertising Program Analysis of Mission &amp; Market</b> |   |          |
|  | Lesson 9   | Objective Setting & Determining Target Audience | 48       |
|  | Lesson 10  | Tutorial  | 55       |
|  | Lesson 11  | Understanding Segmentation                      | 56       |
|  | Lesson 12  | Positioning                                     | 65       |
|  | Lesson 13  | Tutorial  | 73       |
|  | Lesson 14  | Budget Decision                                 | 74       |
|  | Lesson 15  | Case Study on Budgets                           | 77       |
|  | <b>Understanding Message Strategy</b>                                  |   |          |
|  | Lesson 16  | Message & Copy in Advertisements                | 84       |
|  | Lesson 17  | Headlines in Print & TV Advertising             | 91       |
|  | Lesson 18  | Visualization & Layout                          | 102      |
|  | Lesson 19  | Tutorial  | 108      |
|  | Lesson 20  | Ad. Appeals                                     | 109      |

| ADVERTISING MANAGEMENT |   |                                      |          |
|------------------------|---|--------------------------------------|----------|
| CONTENTS               |   |                                      |          |
|                        | Lesson No.  | Topic                                | Page No. |
|                        | Lesson 21   | Tutorial                             | 118      |
|                        | Lesson 22   | Testimonials & Celebrity Endorsement | 119      |
|                        | Lesson 23   | Tutorial                             | 123      |
|                        | <b>Media Types &amp; Decision</b>                           |                                      |          |
|                        | Lesson 24   | Media Planning & Decision            | 124      |
|                        | Lesson 25   | Tutorial                             | 140      |
|                        | <b>Campaign Making</b>                                      |                                      |          |
|                        | Lesson 26   | Understanding Campaigns              | 141      |
|                        | Lesson 27   | Case Study & Campaign Making         | 149      |
|                        | Lesson 28   | Tutorial                             | 151      |
|                        | <b>Advertising Stake Holders - Advertising Organization</b> |                                      |          |
|                        | Lesson 29   | Ad Agencies – A Look                 | 152      |
|                        |   | Tutorial: Case Study                 | 159      |
|                        | Lesson 30   | Tutorial                             | 168      |
|                        | <b>Issues in Advertising</b>                                |                                      |          |
|                        | Lesson 31   | Regulation In Advertising            | 169      |
|                        | Lesson 32   | Advertising Effectiveness            | 176      |
|                        | <b>Indian Advertising</b>                                   |                                      |          |
|                        | Lesson 33   | Lesson: Indian Advertising           | 181      |
|                        | Lesson 34   | Ethics in Advertising                | 188      |
|                        | Lesson 35   | Children & Women in Advertising      | 192      |
|                        | Lesson 36   | Tutorial                             | 199      |
|                        | <b>Case Study</b>   |                                      |          |
|                        | Lesson 37   | Key Questions                        | 200      |
|                        | Lesson 38   | Advertising Campaign Exercise        | 201      |
|                        | Lesson 39   | Cases 1 & 2                          | 202      |
|                        | Lesson 40   | Cases Study                          | 207      |

# LESSON 1: INTRODUCTION

## Learning Objectives

- Within this lesson you will understand the basics of advertising
- This lesson will give you an insight about advertising as a communication process.

I would like to welcome you to the creative side of this world. I know that creativity is there in all of you and that is exactly what I plan to extract from you all. So, are we ready to get bowled by Sachin Tendulkar. That my friend is the beauty of advertising, expect the unexpected and again be surprised to see that the unexpected got the results.



Okay, now let us see what advertising is all about.

Advertising is multidimensional. It is a form of mass communication, a powerful marketing tool, a component of the economic system, a means of financing the mass media, a social institution, an art form, an instrument of business management, a field of employment and a profession.

In India the advertising business is growing at the rate of 30% to 35% annually. The total advertising expenditure in India is about \$5 Billion. It is a 1200 crore industry, even when billings are Rs. 8000 plus crores. It is 90% of India's GDP.

Today we see our senses bombarded with lots of advertisements. Be it the newspapers, magazines, the television or even so many hoardings which line up any street or highway, there are lot of advertisements to be seen. In fact the quantity and the quality both are increasing day by day. It has become an important tool at the hands of the marketers to sell their products. Some advertisements are criticized for being false, misleading, and deceptive and for concealing information. Advertisements can also manipulate the consumer to go in for unnecessary buying spree. So it is important to understand what advertising is all about.

Now, let us say that a firm has developed a product, which will satisfy the market demand. So essentially he has to reach out to the public or to his target market and inform them about his product. For optimum exposure he has to make sure that he

reaches out to the maximum number of people. So mass communication would be the best way to reach out to the people hence the medium of advertisements to reach out to the masses. It should be however understood that advertising itself couldn't sell the product it merely assists in the selling process. Advertising also cannot rejuvenate or restore a poor product it only helps in the selling process through the means of communication.

Matrimonial advertisements, recruitment advertisements, tenders, classified advertisements, notice, public announcements are also examples of advertisements.

Basically you must understand that advertising is an announcement to the public of a product, service or idea through a medium to which the public has access. The medium may be print (newspapers, magazines, posters, banners and hoardings), electronic (radio, television, video, cable, phone, internet) or any other. An advertisement is usually paid for by an advertiser at rates fixed or negotiated with the media.

The American Marketing Association, Chicago, defines advertising as "any paid form of non personal presentation of ideas, goods and services by an identified sponsor."

So a form could be a presentation. It may be sign, a symbol, an illustration, an ad message in a magazine or newspaper, a commercial on the radio or on television, a circular dispatched through the mail or a pamphlet handed out at a street corner; a sketch or message on a billboard or a poster or a banner on the Net.

Non-personal would mean that it is not on a person-to-person basis.

Goods, Services, Ideas for action would mean making a consumer's work easy in knowing about the product of the firm. It could be a television, or a banking service or filing your tax returns, which the firm or the marketer wants the consumer to know about. An idea could also be political parties letting the people know about their party and why they should vote for their party. Adult education, beware of AIDS, donate your eyes are but a few examples of ideas.

Paid by an identified sponsor would imply that the sponsor has control over the form, content and scheduling of the advertisements. The sponsor could be identified by the company name or the brand of the particular product.

- "Salesmanship in print"
- "Advertising as a substitute for the human salesman"
- "Advertising is the business of creative thinking for commercial advantage"

The above are few definitions of what advertising is all about.

To Communicate, to Persuade, to Influence and to Lead to some action is what advertising is all about. Human nature and

advertising are closely related. A man who wears shirt-trouser instead of dhoti is advertising that he is westernized; a woman who wears a lipstick wants to advertise that she wants to look beautiful; a boy who rides a beautiful bike wants to advertise that he wants to be noticed. So we see that people want to notice for anything that they do. That is what advertising does. It pulls people towards the product like the flowers attracts the bees towards it.



Advertising is a career for many. I am sure you might want to make it a career. It is getting professionalized. Competition, growing marketing expenses, product failures, liberalization, globalization and the emergence of new electronic media has given an impetus to advertising activity.

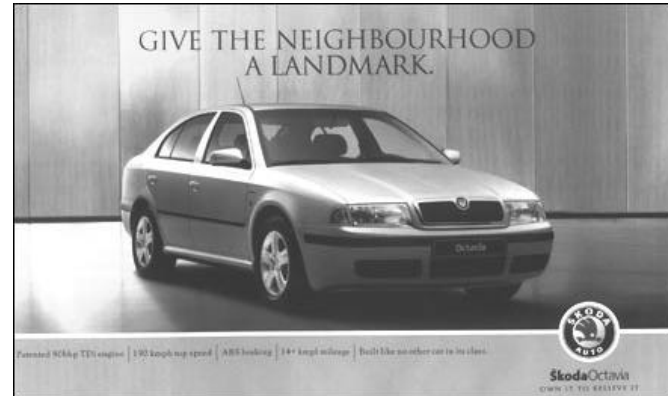
You must understand however that advertising is a communication process. You have a certain message and that is 'Decoded' by a party (Sender) to be 'Encoded' by another (Receiver). We must understand that the message so encoded should be so clear that the person should not distort the meaning of it. This means that what you are trying to say and what the other person makes out of the message should be the same. You should not make the other party confused. So it means that the message should:

1. Gain attention of the receiver.
2. Be understood.
3. Be able to stimulate the receiver and suggest appropriate method to satisfy their needs.

So the sender must know his receivers or the audience and the kind of response they are likely to elicit. This response he can get by maintaining a proper feedback mechanism. The feedback can also have some "Noise elements". These could be poor message planning, busy audience members or careless feedback of response.

We talk about the 4 P's of Marketing – Product, Price, Promotion and Place. In a way we can say that the entire process of Marketing is a Communication process. For example what do we want to say about a particular product – is it youthful, young, matured, secured, - that is what is the profile of the

customers that we are looking at. Once we have identified a group and further identified a few characteristics about them then we can incorporate those very characteristics in our message formulation. This would be under the context of Product. That is the distinctive image you want to associate the brand with.



Within the context of Price, quality plays a major role. When you think about Mercedes Benz at a price tag of Rs. 70 Lakhs, there is certainly a difference you perceive when you are given an automobile with a tag price of Rs. 3 Lakhs.

The Place would mean the interaction between the buyer and the seller. It is like you advertise your brand of television but when the buyer goes to the shop he does not get it there. So the place would mean the distribution channels.

Promotion would encompass the method and the medias used to reach out to the people. Even in rural areas, where there may not be many televisions in households, but through the local shows and with the help of 'Nautakiwalas' you promote your product. The local salesman coming to your house to sell shawls from Kashmir is another example of promoting your wares.

Advertising as such is related closely to other subjects of marketing too. Be it Personal Selling, Sales Promotion, Publicity or even Public Relations, advertising plays a significant role in reaching out to the selected target audience.

### Communication Model

As we have understood that the sender identifies the receiver(s) and develops a message, the basic of the sender is that the customer or the target audience should buy the product or the service. For this we must understand whether a particular message so created has been effective in reaching out to them. So what makes an advertisement effective? Below are the key points on the effectiveness of a message.

1. Attract Attention
2. Secure Interest
3. Build Desire for the product
4. Obtain Action

The above has been formulated as the AIDA Model.

Attention could be the form of the layout of a print advertisement or the way an advertisement is made in the form of moving pictures, the colors used, the models used and the copy written, the movements used and the contrasting element used.



We are bombarded by so many advertisements that there are a few we see and while a few we don't. The advertisement, which arouses interest in us and provokes us to think or feel about a product, is what an advertiser looks at. It basically means to catch the eye of the public.



Desire would mean the buying motive. When you feel that you want to possess the particular product or be associated with it.

Action would normally mean the acquisition of the product.

Within the AIDA framework, Attention would refer to the cognitive stage, both Interest and Desire would relate to the affective stage and Action would be a behavioral activity.

Within the framework of advertisements the following should be kept in mind:

- Understanding the Objective(s) of the advertisement (MISSION)
- Defining the Target Audience (MARKET)
- Understanding the Budget (MONEY)
- Understanding the Message (MESSAGE)
- The Media used for putting the advertisement (MEDIA)
- Seeing whether the advertisement was Effective (MEASUREMENT)

The above would commonly be termed as the 6 M's of Advertising.

The Mission statement would refer to the Aim of your advertisement. Is to improve sales, is to launch a new product, it for recall, is it for some short term offers, is it to gain attention, etc.

The Market analysis would incorporate the type of buyer you want to sell the product to. For a cosmetic company it is but natural they would show women and not men in their advertisement. For Horlicks they would show children having the product.

Money is the amount of budget constraint that the advertiser has in allocating the money between different medias and the expenditure to be incurred. For example, Procter & Gamble may

allocate Rs. 2 crore for the advertisement of Tide detergent spread over one year.



What to say, how to say, who will say it and what type of appeals to be given in the message is what Message formulation is all about. Shahrukh Khan being the spokesperson for Hyundai Santro, the colors used in the car, the movements of the car and what the person should remember the car as are few of the elements to be kept in mind.

Star Plus, Zee TV, Star Movies, Times of India, Radio Mirchi, etc, are few of the choices where you could think of putting your advertisement. The people watching those medias are very crucial to the success of your advertisement being seen by your target audience.

You have spent Rs. 5 crore on your advertisement but do you think that your sales have improved or do you think the people have seen the advertisement? Measurement is precisely the way in which see as to whether your advertisement has been effective or not.

Advertising has a dark side to it too. The use of women to sell virtually everything and to have sexual overtures in an advertisement has been a contentious issue. Then showing one community in a bad light, like if you don't put fairness cream then you would not get married have come under the microscope of the ethics committee.

Advertising involves lot of creativity and also marketing aptitude to be successful in this field. You have to keep your eyes and ears open for inspirations. After all great advertisements were not made in the think rooms. Shown below is a diagram of what advertising entails.



## Characteristics of a good Advertisement –The Dual Process

Need for understanding

| Advertising Objectives             | ↔ | Consumer Objectives                          |
|------------------------------------|---|--|
| Attention / Awareness              | ↔ | Satisfy Curiosity/Memory/Entertainment       |
| Interest                           | ↔ | Identify Personal Needs                      |
| Knowledge                          | ↔ | Gather Relevant Information                  |
| Attitude Change                    | ↔ | Support Risk Associated With Attitude Change |
| Behavioral Change/Trial            | ↔ | Enhance Need Reduction                       |
| Repurchase/<br>Commitment/Reminder | ↔ | Reinforce Trial and Need Reduction           |



This is a very good advertisement but you are not to take the picture too seriously.

## “Quote-Unquote What Few Stalwarts Have to Say About Advertising.”

- “Advertising is the principal reason why the business man has come to inherit the earth.”
  - James Randolph Adams, quoted in John P. Bradley, Leo F. Daniels & Thomas C. Jones, *The International Dictionary of Thoughts*, 1969, Chicago, IL: J. G. Ferguson Publishing Co., p. 12.
- “Advertising is of the very essence of democracy. An election goes on every minute of the business day across the counters of hundreds of thousands of stores and shops where the customers state their preferences and determine which manufacturer and which product shall be the leader today, and which shall lead tomorrow.”
  - Bruce Barton (1955), chairman of BBDO, quoted in James B. Simpson, *Contemporary Quotations*, 1964, Binghamton, NY: Vail-Ballou Press, p. 82.
- “Advertising is the ability to sense, interpret . . . to put the very heart throb of a business into type, paper and ink.”
  - Leo Burnett, quoted by Joan Kufrin, *Leo Burnett: Star Reacher* (1995), Chicago, IL: Leo Burnett Company, Inc., p. 54.
- “Advertising is what you do when you can't go see somebody. That's all it is.”
  - Fairfax Cone (1963), ad agency partner, quoted in James B. Simpson, *Contemporary Quotations*, 1964, Binghamton, NY: Vail-Ballou Press, p. 84.
- “Advertising is the life of trade.”
  - Calvin Coolidge, quoted in John P. Bradley, Leo F. Daniels & Thomas C. Jones, *The International Dictionary of Thoughts*, 1969, Chicago, IL: J. G. Ferguson Publishing Co., p. 13.
- “Advertising - a judicious mixture of flattery and threats.”
  - Northrop Frye, quoted in Robert I. Fitzhenry, *The Fitzhenry & Whiteside Book of Quotations*, 1993, Canada: Fitzhenry & Whiteside Limited, p. 18.
- “The art of publicity is a black art.”
  - Learned Hand, American jurist, quoted in Robert I. Fitzhenry, *The Fitzhenry & Whiteside Book of Quotations*, 1993, Canada: Fitzhenry & Whiteside Limited, p. 19.
- “[A]dvertising is a symbol-manipulating occupation.”
  - S. I. Hayakawa, *Language in Thought and Action* (1964), New York: Harcourt, p. 268.
- “Advertising is salesmanship mass produced. No one would bother to use advertising if he could talk to all his prospects face-to-face. But he can't.”
  - Morris Hite, quoted in Adman: Morris Hite's *Methods for Winning the Ad Game*, 1988, Dallas, TX: E-Heart Press, p. 203.
- Advertising is “the lubricant for the free-enterprise system.”
  - Leo-Arthur Kelmenson (1976), quoted in Michael McKenna, *The Stein & Day Dictionary of Definitive*



## LESSON 2: INTEGRATED MARKETING COMMUNICATION

### Learning Objectives

- In this lesson you will be exposed to the relevance of marketing within the context of advertising
- You will understand the relevance of the Promotion mix.
- The exposure to Integrated Marketing Communication is step forward in understanding advertising.
- You will be briefly exposed to Branding, since it plays a dominant role in today's advertising.

You are to see the power point slides first; this will give you an idea about the topic.

Within the context of marketing, we see that marketing communication plays an important role in the dissemination of information. Marketing communication is a term used in a broader sense for promotional strategy. So it is more of a planned promotional communication.

Within this we have the following tools:

- Advertising: Which is any paid form of non-personal communication of ideas, products and services by an identified sponsor.
- Sales Promotion: Short term direct inducement to encourage sales of products and services.
- Publicity: Non-personal stimulation of demand for a product / service or business organization as a whole by putting commercially significant news in media to create a favorable image. The sponsor does not pay it for.
- Personal selling: For making sales, a salesman interacts orally with the buyer or buyers in the form of sales presentation.
- Public Relations: Marketers engage in public Relations to develop a favorable image of their organizations in the eyes of the public – public at large, customers, suppliers, government, media, competitors, shareholders, employees and the society.

So how does one go about it? Following are the key areas as to how marketing is an integral part of advertising.

- Objective setting: What is the objective of your advertising plan? Look towards your product or service. Also look towards what is it that you really want to achieve. Is it a new product or an existing one? Would you like to see more people buying your product? Do you want to measure the effectiveness of your advertising campaign? Some of the objectives could be:
  - Increasing Awareness
  - Increasing Sales
  - Sales promotion offer
  - PR exercise for a negative news about the brand
  - Fighting competitor's claims
  - Introducing changes in the product offering

- Understanding the Target Audience: Read the following brief of a Brand and identify the customer group they are looking at.

"The beer-drinkers in the country are much younger than the average beer-drinker elsewhere in the world. This makes them more likely to carry the brand with them for a lifetime. Also, as the target audience becomes younger, a light beer like Foster's LightIce is expected to attract first-time drinkers, since it is much milder than any of the other beers in the country. Even if one accounts for the fact that the strong beer market is growing fast in India, we expect that at times when consumers of our product shift to stronger beers, they will restrict themselves to the Foster's brand because of the association they have with it and the positive connotations from the Foster's name.

A lot of new variants promise to gain prominence, but mainly in niche urban segments. The sophisticated consumer who drinks beer for the experience and not to get drunk will lap up ice beer or light beer. In urban centers, apart from first time users we are also targeting women, who as 'the times they are a changing,' are entering the market for beer. Essentially, women shy away from beer consumption because it is associated with calories, and has traditionally been a buddy drink, associated with pot-bellied men sitting at bars and shooting darts.

Our product however is light both in colour and body, and mild in flavour. It is highly carbonated with low bitterness and no aftertaste. It has fewer calories lower alcohol content. It thus moves away from the traditional psychographics of the sector and toward the more up-market, college/office going youth, male or female, with aspirations, who sees himself as both physically and mentally fit, has an attitude of self-confidence and nurtures the belief that 'he/she can change the world'."

You would be able to understand the consumer base that the brand is intending to target at. So we focus on the fact that the age, income and sex plays an important part but also the lifestyles and the psychographical profile of the consumer base which are but an integral aspect in the determination of the target audience.

So come to think of it, advertising plays an important role in the overall marketing program. Some of the basic tools by which marketing program could be made are:

- Product or services can be developed or refined.
- A wider distribution coverage could be made.
- Pricing could be another important decision.

Integrated Marketing Communication is what we must focus on. So what is IMC?

### IMC can be Defined as

A concept of marketing communications planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication

disciplines. In other words, the message and approaches of general advertising, direct response, sales promotion, public relations, and personal selling efforts are combined to provide clarity, consistency, and maximum communications impact.

IMC, thus, calls for a “big picture” approach to planning marketing and promotion programs and coordinating the various communication functions. It requires firms to develop a total marketing communications strategy that recognizes what the sum total of a firm’s marketing activities, not just advertising, communicate to its customers. Consumers’ perceptions of a firm and/or brands are a synthesis of the messages they receive from various sources. These include media advertisement, price, direct marketing efforts, publicity, and sales promotions, as well as interactions with salespeople and other customer-contact employees. In a global economy with international markets and instantaneous communications, no aspect of marketing can be studied in a vacuum or in isolation if one expects to be accurate and relevant. Marketing tools, used as planned business-building techniques are more likely to facilitate attainment of organizational goals than current “silo” approaches.

Advertising is but a part of this integrated marketing communication. One such tool within IMC is Direct or Database Marketing. This involves not just direct mail but also telemarketing & direct response advertising on T.V and radio and other media, in which ad aims to generate an action response (eg. Call center number). Direct marketing has two advantages over mass advertising.

- The ability to target specific individual consumers with an offer that is tailored to that consumer.
- The ability to directly measure response.

The goal of direct marketing may not be to generate awareness or change preference but it generates some action. It could be to get an order or request for some information, a visit to a dealer or a store and so on.

So direct marketing encompasses the following:

- Targeting
- Customization ability
- Measurability

This has become a major tool since many advertisers are combining direct marketing efforts with their regular advertising efforts. Primarily to retain loyalty of existing customers, to cross sell new products and services to these existing customers, and to increase the amount or frequency of usage.

The second important tool within the context of IMC is Sales Promotion. They are of two types:

- Consumer promotion (coupons, samplings, premiums, sweepstakes, low-cost financing deals and rebates)
- Trade promotions (allowances for featuring the product in retail advertising, display and merchandising allowances and the like)

These are used to get the consumer to try or to repurchase the brand and to get the retail trade to carry and to ‘push’ the brand. Retailers in turn use promotions to clear their inventory of slow moving, out of season, shelf-unstable products (such as fresh

produce). Price cuts, displays, frequent shopper programs and so on are few of the sales promotions done by the retailers.

So how does it play a role with IMC or advertising? There are 3 ways in which it plays a role:

- It is a key element in inducing trial or repurchase in many communication programs in which advertising creates awareness and favorable attitudes but fails to spur action. The action comes about due to the limited duration of the program so the consumer must act quickly. The consumer may perceive this as a value for money purchase.
- In many retail outlet the companies are able to make out through scanners as to which brands are moving fast off the retail shelves and also try to understand as to which shelf does not receive much sales so that they could reduce the hiring or the display of merchandise from the shelf. This is done in order to be cost effective.
- In order to keep the brand equity of the brand intact especially for high involvement products and ‘feeling’ products, the advertising and sales promotion efforts must complement each other.

Other action related marketing communications are as under.

### **Retail Advertising**

The retailers in order that the consumer can see the product and buy it are those that provide the consumer with lots of information. So listing the size, color and prices of various shirts in a store make a buyer more action inductive. Appropriate behavioral aspects are used in case of durables and automobiles. The advertisement used here must create a strong sense of desire, curiosity and urgency to get the reader or viewer to make the store visit.

### **Cooperative Advertising**

Here a manufacturer offers retailers an advertising program for the latter to run. The program may include suggested advertising format, materials to be used to create actual advertisements, and money to pay a portion of the cost. Certain merchandise quantity is also suggested for the retailer to stock and perhaps display. There are 3 types of co-op advertising:

1. Vertical: When the upstream manufacturer or service provider pays for a downstream retailers ad.
2. Horizontal: When local dealers in a geographic area pool money for advertising.
3. Ingredient producer co-op: When the producer of an ingredient pays part of an ad run by the user product.

The intention of this type of communication is to stimulate short-term sales. The advertising is specific to the product, the place as to which it can be purchased and the price. To maintain the brand image and to reinforce the company’s leverage with the retailers are important long-term considerations. The need should also be to expand the distribution coverage by allowing allowances to the retailers.

### **Reminder, point-of-Purchase and Specialist Advertising**

Reminder ads serve to stimulate immediate purchase and/or use to counter the inroads of competitors. It is basically reminding the consumer about its existence. ‘Shelf talkers’ or

point of purchase materials placed in stores at or near the place where the brand is on display. You might have seen sachets of shampoos hanging right in front of the shop and they hit you on the face that could be taken as point of purchase material. Here the product itself acts as the material. Top of the mind awareness is the basis of the reminder and point of purchase material. Specialist advertising is useful in circumstances when certain free products like diaries, pens and calendars bearing the name of the manufacturer are given to the consumers for greater brand awareness. Pepsi and Coca Cola often paint the entire shop with their logo, this is to remind the consumer of their existence in that area.

## Sales Promotions

Sales promotions are different from advertising, in that they do not involve the use of mass media. Many sales promotions are designed to encourage the immediate sale of goods, while others have longer-run goals of keeping customers loyal to the store, aiding salespeople, or attracting customers into the store. The term promotion is used to refer to all communication efforts made on an impersonal basis, including sales promotions, publicity, and advertising.

## Personal Selling

Personal selling involves individual, face-to-face communication, in contrast to the impersonal mass communication involved in advertising. Effective personal selling is quite often, the most important and effective element in retail communication.

## Publicity

Two factors distinguish publicity from advertising – cost and control. When a newspaper, magazine, TV or radio features a retailer's store, personnel, product or events and the retailer does not have to pay for it, the retailer receives publicity. The retailer cannot, however, control the time, direction, or content of the message.

## Word-of-mouth

Retailers cannot directly control what customers say to friends about their stores, services and products. However, they should be aware of this channel of information because potential customers often rely on what customers of a store say about it. Unfair treatment of one customer can create an ever-widening web, as more people are told about that customer's experience. Fortunately, fair treatment and real value are also discussed among customers, although positive aspects may not have as much influence as negative ones do. The point is, customers are going to talk about how they are treated in a store.

## Packaging

Proper product packaging protects the product as well as provides a message that facilitates its sale. Unfortunately, in most cases, retailers purchase products already packaged and, therefore, have little control over the communication on the package. However, the retailer should always consider the image and message projected by packaging as a part of the total communication mix. The retailer does 'package' many goods with paper and plastic bags, boxes, and wrapping paper. Such packaging, carefully designed, can prove to be an effective yet

inexpensive element within the complete communication programme

## Merchandising and in Store Advertising

Of late it has made a lot of inroads in outlets. With Benetton's with their color scheme in various shelves, Raymond's with their window display play a major role in attracting the consumer base. This is so because most decisions about brands are made when you enter a particular shop. So the use of displays, signs, and positioning of the particular brand in the store is an important decision making exercise.

## Industrial Marketing

A business-to-business deal, which requires a sales representative to make the sales call, here, the additional information provided by him with the help of certain pamphlets and brochures are the key tones for advertising. The telemarketers can handle the calls made once the pamphlets and brochures are effective enough for eliciting a response. Often toll free numbers are provided in the pamphlets and brochures.

Integrated marketing communication with the help of another tool namely Public Relations, is important to accommodate complex buying decisions. The key to the success lies in the effective monitoring of the various tools used in order to avoid dilution to the plan by any one. One important impact of IMC is greater consistency to their communication including media waste. In addition we must answer the following in order that the marketing communication is successful:

- What are the target audience and their behavioral pattern?
- What are the media that the target audience normally comes in touch with?
- What behavior or attitudes do we want to affect?
- What are the communication goals?
- What is the best marketing program(s)?
- How should we allocate the budget?
- Who is responsible for the programs?
- How will we measure the degree of success of each part?

The answer to the following would indeed give us a fair amount of idea as which plan could be the most effective.

Another important tool within the marketing communication is the Customer Relationship Management (CRM). Relationship management is emerging as the core marketing activity for businesses operating in fiercely competitive environments. On average, businesses spend six times more to acquire customers than they do to keep them (Gruen, 1997). Therefore, many firms are now paying more attention to their relationships with existing customers to retain them and increase their share of customer's purchases.

Worldwide service organizations have been pioneers in developing customer retention strategies. Banks have relationship managers for select customers, airlines have frequent flyer programs to reward loyal customers, credit cards offer redeemable bonus points for increased card usage, telecom service operators provide customized services to their heavy users, and hotels have personalized services for their regular guests.

An effective Integrated Marketing Communications program involves pulling together the thoughts and ideas contained in the Clow and Baack textbook. Your assignment for Chapter One is to pick a product that you will use throughout the entire course pack. Possible product choices include:

- Individual size bottled water
- A new ink pen
- Television
- An automobile.
- A perfume or cologne
- A purse
- A Banking service.
- Mobile service

While not an actual part of the IMC Campaign, it is beneficial to think about how your product relates to the communications model. You can do this by locating a print or television advertisement for your product and then examine the communications model to the advertisement. What message do you think the advertising agency intended to encode into the ad. What types of noises could effect the decoding? What are some the possible decoding problems that could occur? What other transmission devices could be used to convey the message that is in the ad and what type of problems might the transmission device create?

## Direct Marketing

I am sure you all must be fed up with all the Spam mail that you get. They could range from 30% off on some laser printer or how to look beautiful in 25 days? Well, all I can say is that you are the target of direct marketing effort via the net. Let me discuss some history with you first. I promise it will not be boring.

Direct marketing has a long history, dating back to the 15<sup>th</sup> century when an Italian printer was using it to sell books, coinciding almost with the introduction of printing in Europe. Dr. Johnson in 18<sup>th</sup> century summed up the essence of advertising and direct marketing in his two statements; "Promise. Much promise is the soul of advertising." Consumers are interested in knowing what the product can do for them, rather than what it actually is. Printing and further innovations has given a boost to direct marketing. It has made the mail order catalogues economical. Literacy is a great boon for direct markets. Kennedy's apt description of advertising as 'salesmanship in print' is equally applicable to direct marketing. Advertising in general and direct marketing in particular must build an added value into the product beyond its physical constituents. Brand image, as we shall learn shortly, is an emotional construct but people still have to rationalize their choices. Rosser Reeve's USP is comparative. Our product is compared to all competitive products. One feature is then identified which the others do not offer. It is our USP. However, it is difficult to identify a USP for technologically similar products or for complex services such as American Express. Many times USP relies upon some trivial point of difference.

### i. DM is not Just Posting a Brochure with a Letter

DM is not limited to direct mail, there are other media like direct response ads, telemarketing etc. Still direct mail is the most popular method. However, don't think it means just posting a brochure with a letter. We have to define the correct market segment, lay our hands upon the correct database, plan the direct mail package, give good follow-up and so on.

### ii. Envelope is not to be Neglected

An envelope should not be a barrier. It should be friendly with the receiver.

### iii. Mailer and Letter go Together

A personal-touch covering letter accompanying a mailer goes a long-way in establishing a rapport with the prospect.

### iv. Don't Neglect the Offer

It is the heart of the DM. Think of innovations here. It should be action-oriented. Time-tested offers are:

- Free trials.
- Inspection without any obligation
- Incentives for early birds
- Discount offer within a limited time period
- Gifts in contests
- Incentive on filling up the coupon.
- Gifts for slogans.

### v. Checks the Quality of the Data-base

Verifying the credentials of the data-base company if you happen to hire it. Just check how the database has been compiled, and what results it has given in the past.

### vi. Retain the Initiative

The sender must retain the initiative right from the beginning to the end. Being persuasive, innovative, using prepaid envelopes and follow-up through reminders do this.

### vii. Follow-up the Mailers

No matter how persuasive you are, your first mailer might fail to enthruse the buyer unless given a good follow-up by reminders. That saves the initial investment from going waste.

### viii. DM is Mostly Complementary/Supplementary

DM works on its own for very few products. Mostly, it has a supplementary/complementary role.

## What is Direct Marketing

Drayton Bird, Vice Chairman, O & M Direct world wide, defines it as "any activity whereby you reach your prospect or customer (read doctor) directly as an individual – or they respond to you directly."

DM is not simply another form of advertising. It's a way of marketing. Advertising can initiate a sale but it cannot close it. DM has the capacity to close the sale and build a dialogue.

DM is like operating a store in print and then managing it. (Dick Shaver)

DM and sales promotion (SP) offer the twin benefits of helping the marketing manager establish a cause-and-effect relationship between her/his actions and results on the bottom-line, and offering advanced data bases which can be

exploited to target promotional activity of any kind at an entirely fine-tuned audience.

At a recent seminar organized by MAA Communication in Bangalore, the Regional Director of Kobs & Draft Worldwide's division K. D Asia Ms. Deborah Coulson spoke on how DM is different from general advertising. The preconceived notion that they – advertising and DM are mutually exclusive is not valid.

### Relationship Marketing

One –time communications does not build a relationship. We have to get married to our customers in DM. We have to monitor purchases of the customers between two sales points. The amount generated per customer is calculated. Suppose it is 100 Rupees at a profit margin of 25 p.c. We have made Rs 20 per customer. If the DM programme costs Rupees 5 per mailing, still it is worth.

### Qualities of Direct Mailers

1. In terms of overall looks, they must look the best in the category.
2. Writing is very important, and writing letters is not easy. Copywriters in direct marketing should write passionately and then edit carefully.
3. Secretaries should not throw out high impact DM. It is interesting innovative. It puts across a message in a cutthroat way.
4. It also reinforces the company's brand image. Our advertising, letterheads, DM, and business cards must project a consistent image.
5. Customers often complain that when they open a DM package, lot of stuff falls out. This is great news because the fallen stuff is picked up and is invariably looked at.
6. For certain products, a mere brochure will not build a relationship. We have to send a personalized letter.
7. Provide a good response device. The order form must be carefully designed – it is so very difficult to do so. Even a child should be able to fill it. It should not turn off the consumers.

### Costs

Direct marketing is relevant only when margins in the business can afford the cost of sustained contact. Cost per thousands is much higher. First we lose money but every time the losses come down. The future value and life cycle value are of much more importance. It is relationship marketing and that is where profits are.

Increased research costs are paid back in the first year or less than that by mailing less waste mail.

The attempt should be to curtail monthly mailing by eliminating wasted mail. The cost of computer processing is also dropping rapidly. It will give a further boost to direct marketing.

### Clutter Problem

Imagine several thousands mailings received by Indian doctors. The clutter is too much.

### Direct Response Ads

If the advertising is designed and its specific purpose is to generate an immediate enquiry or an order, it is called Direct Response ads.

BE (Breaks –even) analysis of these ads is possible. The number of responses to get break-even divides all costs. Even 2 percent response rate may be good if you are making money at half percent.

Conversion is the number of sales divided by the number of leads. To have a good conversion rate, we should back our DM by employing a supportive sales force. It can give even a 90 percent conversion rate.

In print media, Direct Response (DR) ad may generate a low initial response that rises up by the end of the month. Many look for 50 percent response rate. But people tend to retain the DR ad for future.

| General Advertising   | DM  |
|---|---|
| Reaches a mass of buyers in broad groups, shares common demographic and psycho graphic profile. | Sells to individual customers definable by name, address, specific purchases behavior.      |
| Selling a product whose benefits do not include distribution to the customer's door.            | Selling a product whose value added lies in distribution to customer's door.                |
|   | Time of purchase and amount of purchase in a particular time period is more important.      |
|   | Medium itself is the market place. It gives comprehensive information to buy the product.   |
|   | Product is controlled all the way through delivery.   |
|   | Enquiry generating advertising or order generation advertising is DM (Direct Response ads). |

There is a rapid movement towards database marketing where we are targeting the smallest consumer segment- the individual. Database marketing goes by different names – relationship marketing or one-to-one marketing. But it all amounts to keep an individual customer in focus by collecting mountains of information about him and using the same to design a marketing message. There is a shift from mass market (that vast, undifferentiated body of consumers who received identical messages for mass –produced products) to market segmentation (dividing consumers into homogenous groups with common demographic / psycho graphic characteristics) to still smaller niche marketing, aiming for the smallest consumer segment of all – the individual.

### Direct Marketing

DM is not simply another form of advertising. It is way of marketing.

Advertising could start a sale but it fails short of closing it. DM closes a sale, and builds a dialogue. "DM closes a sale, and



builds a dialogue. "DM is like opening a shop in print, and managing it." (Dick Shaver).

In DM, we have to plan the database keeping in mind the target audience. While constructing a database, voluntary information from people must be tapped so as to avoid the charge of intrusion on privacy. It may not always be necessary to mail to a large database- ensuring a large reach.

In the States, three percentage of GNP is through direct marketing. Houses, autos and food are not sold by direct marketing. Though there can be traffic-building programmers, but DM does not close a sale for these products. When we take off these three categories, DM accounts for 27 per cent of GNP.

### **Junking**

Direct marketers fear the junk mail that is nothing but ineffective direct mail. The following factors lead to junking.

1. Wrongly targeted direct mail
2. Unattractively produced direct mail
3. Wrongly timed direct mail
4. No impact whatsoever on the receiver
5. No capacity to incite curiosity in the receiver
6. Improperly constructed database.

It is better to be imaginative about the envelope that carries direct mail by putting a suitable phrase on it as envelope opener. It is creative headline or envelope opener alone that avoids junking at the envelope stage itself. The covering letter is the next stage at which there is a possibility of junking. It has to be personalized by addressing a person by name. There should not be feeling that the receiver is just one number on the mailing list. The receiver is to be led into the letter without being aware of it. If we get across to the right person, and get him past the envelope and right through the covering letter, the mail is unlikely to be junked. The chances of junking are at earlier stages and not at later stages.

### **Direct Marketing**

Direct Marketing is an attempt to approach the customers directly. It is a personal approach to consumers. This direct approach may be through sales letters and circulars. It may be through leaflets, folders and brochures. All these are routed through post and so are called direct mailings. Distributors are bypassed in direct marketing. For demonstrations, sales people may call in on the prospects.

In US, there are very large direct marketing agencies, with a high profile roster of clients, e.g., American Express, AT & T, Bell Systems, British Airways, British American Tobacco, Burroughs Wellcome, Dinner's club, Du Pont, IBM, General Electric, Newsweek, Philip Morris, P & G. In 1993, the gross spending the world over the direct mail has increased by 7.2 percent over 1992 to touch \$ 27 billion (Rs 89,000) crores). DM thus remains the world's most preferred ad medium.

There is a huge opportunity for direct marketing in India. Direct marketing may exploit new technologies like E-mail, TV etc.

Direct Marketing depends upon the database of the market. The basic challenge in the Indian market is to develop database management skills. The kind of lists now available is not

databases at all. They are available for one rupee per name and address while good databases cost anything between Rs 8 to Rs 75 per name and address. Building up database is a time consuming process. It takes anything between 3-5 months to build databases.

It is difficult to say what is the ideal ratio of general advertising to direct marketing. It varies so much by-product categories. General advertising is preferred for packaged products; direct marketing accounting for less than 20 p.c. For satellite TV, cable TV, selling subscriptions, it is mainly direct marketing

Direct marketing does make sense for small advertisers like a small company or a departmental store. To make direct marketing effective we select a 20 p.c. sample of population that accounts for 80 p.c. of sales.

Direct marketing effect can be easily measured. Many Indian agencies have opened up direct marketing division. Corporate Voice Direct has tied up with Kobs and Drafts (K & D).

Direct marketing can make use of personal selling and promotional literature. Mail order advertisements are a form of marketing. It is cheaper than personal selling. Sears & Roebuck in America was the pioneer of mail order in the US. In India, the first company that made a success of mail-order business was Bull worker. Mail order advertisements have their merits and demerits. The costs of sales are low since no marketing and distribution networks are required, and no margins have to be paid to intermediates. The disadvantages is only one product can be sold at a time. There are diminishing returns, since every additional advertisement brings a lower response than the previous one.

Direct marketing is slowly coming of age. In India today, we get mail order advertisement ranging for a wide variety of products from music cassettes to saving schemes to holiday packages.

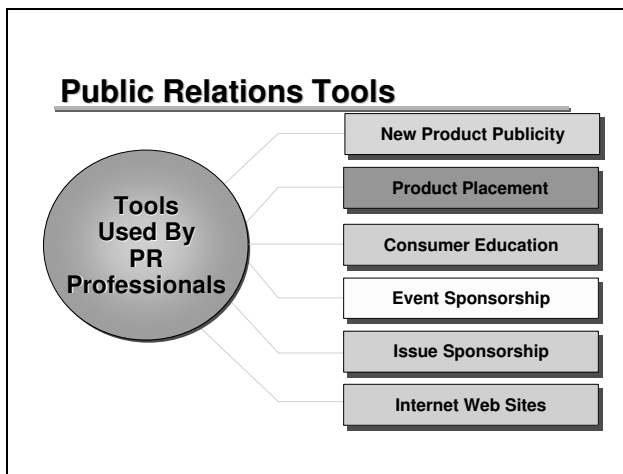
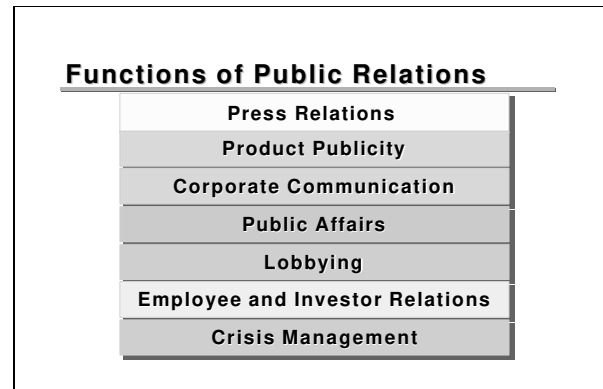
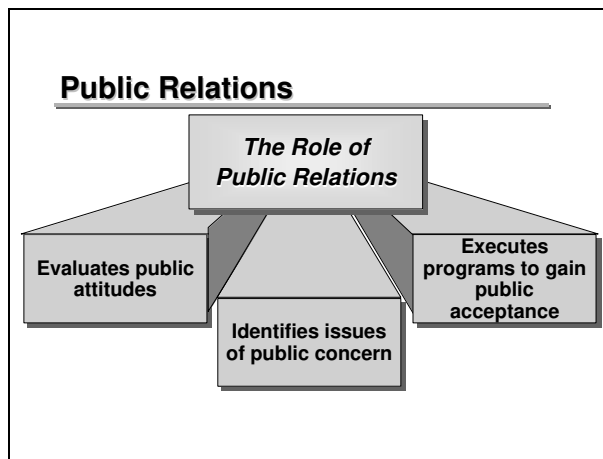
Even computer software companies like Microsoft has commissioned Contract direct to promote its MS DOS 6.0. It seeks to reach its target of EDP managers and general users via direct mail and advertising.

So far, direct marketing outfits in the US believed that an effective TV commercial for direct marketing should be approximately 90 seconds long in order to demonstrate brand's qualities and to get in a call action, with the telephone number repeated as often as possible.

However, mainstream agencies deviate from this norm and create shorter, faster and learner ads. Right now in the US, direct marketing is mostly used by services, charities and travel but many new growth areas are fast opening up. Direct marketing agencies have become more television- literature to keep up. Direct response TV is coming into mainstream – and clients cannot ignore its pulling power.

### **Public Relations**

Let me start by saying some are born great, some achieve greatness, and some hire public relations officers.



Now let us understand a few definitions. Public Relations can be defined as:

“ Building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events.”

Public Relation department may perform any or all of the following functions:

- Press Relations or press agency: Creating and placing news worthy information in the news media to attract attention to a person, product or service.
- Product publicity: Publicizing specific products.
- Public affairs: Building and maintaining national or local community relations.

- Lobbying: Building and maintaining relations with legislators and government officials to influence legislation and regulation.
- Investor relations: maintaining relationships with shareholders and others in the financial community.
- Development: Public relations with donors of members of nonprofit organizations to gain financial or volunteer support.

“Public relations involves many functions beyond product publicity, including public affairs, lobbying, and investor relations.”

You must remember that, public relations are used to promote products, people, places, ideas, activities, organizations, and even nations. Trade associations have used public relations to rebuild interest in declining commodities such as eggs, apples, milk, and potatoes.

### The Role and Impact of Public Relations

Public relations as an industry or practice have only been around since the early 1900s. With the dawn of the Industrial Revolution, young corporations discovered that their growth depended on gaining the goodwill of the masses. Those that succeeded prospered. Those that didn’t met a quick demise. Soon, even individuals - most notably politicians and Hollywood celebrities - were utilizing the wooing techniques of public-savvy companies. In recent years, the power of the media has made public relations a major industry.

The primary challenge in creating publicity is to be able to digest the relevant points being communicated, see them from every angle, and express them effectively from one group to another. Effective practice of PR boils down ideas from one segment of the population and conveys them clearly to others, forming a common ground of communication for the various groups who make up our society. Analysis of any successful PR campaign will reveal clear, concise communication, common sense in appealing to people’s wants and needs, combined with a little imagination.

Once you have thoroughly studied your objective and found a way to convey it effectively, you will want to explore the many arenas open to you to spread your message. Whether you are using television, radio, print, or personal appearances, your message remains constant, but will probably be delivered as each of these media dictate.

By familiarizing yourself with the basics of public relations, you will be better prepared to launch an effective campaign, whether the goal is to increase business, spread goodwill, reflect a positive image, or further community or charitable efforts.

Public relations can have a strong impact on public awareness at a much lower cost than advertising can. The company does not pay for the space of time in the media. Rather, it pays for a staff to develop and circulate information and to manage events. If the company develops an interesting story, several different media could pick it up, having the same effect as advertising that would cost millions of dollars. And it would have more credibility than advertising.

Despite its potential strengths, public relations are often described as a marketing stepchild because of its limited and scattered use. The public relations department is usually located at corporate headquarters. Its staff is so busy dealing with various publics- stockholders, employees, legislators, city officials-that public relations programs to support product marketing objectives may be ignored. Marketing managers and public relations practitioners do not always talk the same language. Many public relations practitioners see their job as simply communicating. In contrast, marketing managers tend to be much more interested in how advertising and public relations affects brand building, sales, and profits.

Thus, goods public relations can be a powerful brand-building tool. In fact, two well-known marketing consultants have concluded that advertising doesn't build brands, PR does. They provide the following advice, which points to the potential power of public relations as a first step in brand building.

### Major Public Relations Tools

Public relations professionals use several tools. One of the major tools is news. PR professionals find or create favorable news about the company and its products or people. Sometimes news stories occur naturally, and sometimes the PR person can suggest events or activities that would create news speeches can also create product and company publicity. Increasingly, company executives must field questions from the media or give talks at trade associations or sales meetings, and these events can either build or hurt the company's image.

Another common PR tool is special events, ranging from news conferences, press tours, grand openings, and fireworks displays to laser shows, hot air balloon releases, multimedia presentations and star-studded spectacles, and educational programs designed to reach and interest target publics. Recently, mobile marketing-traveling promotional tours that bring the brand to consumers-has emerged as an effective way to build one-to-one relationships with targeted consumers.

Public relations people also prepare written materials to reach and influence their target market. These materials include annual reports, brochures, articles, and company newsletters and magazines. Audiovisual materials, such as films, slide-and-sound programs, and video-and audiocassettes, are being used increasingly as communication tools. Corporate identity materials can also help create a corporate identity that the public immediately recognizes. Logos, stationery, brochures, signs, business forms, business cards, buildings, uniforms, and company cars and trucks-all become marketing tools when they are attractive, distinctive, and memorable. Finally, companies can improve public goodwill by contributing money and time to public service activities.

### Let us see some Types of Public Relations

Business-Increasing PR. Corporations and small businesses alike use public relations to grow their businesses. Major corporations either have a department of in-house public relations experts or hire outside consultants to deal with the media and act as the company's mouthpiece. The small business owner usually tries tackling it alone or hires a small agency. The object is to generate as much positive press for the

company or organization as possible. Many companies do things like making contributions to charities, scholarship funds and other non-profit organizations to win positive feelings from the public at large.

### Fundraising PR

Many not-for-profit organizations use the media to raise monies for their efforts. Newsworthy developments - such as signing glamorous celebrity spokespersons or receiving major corporate sponsorship - generates attention in the media. In events like these, everyone benefits ... the companies or celebrities gain the respect of the public, their participation helps to raise more money or give the cause a higher profile, and the charity itself has raised the funds necessary to operate.

### Enhancing Public Image

Politicians, corporate heads, and celebrities are just a few of the people that use public relations to earn the respect of the masses. Such individuals become involved in philanthropic and other endeavors in an effort to enrich the community. One classic example was the makeover of Geri Halliwell (a.k.a. Ginger Spice), orchestrated by PR guru Matthew Freud. The former Spice Girl transformed herself from a questionable talent and one-time topless dancer into a UN goodwill ambassador and advocate in the fight against breast cancer. Corporations also use this tactic to promote themselves in the public eye, often donating money to such community-enhancing efforts as building a library or improving a public park.

### Public Information

Public awareness is essential in any public relations campaign. It is important to keep the public informed about services you are offering the community. Even though you are in business to make money, you are supplying a demand or you wouldn't still be in business. You may be offering clean, affordable used cars to the public, or possibly clothing for the discriminating man. Whatever it may be, you need to communicate one factor about your business: what you are contributing to the community. This will be the undertone to all your public relations and advertising efforts.

### Now let us Discuss a Few Features and Terms of a Few PR Tools

#### Press Releases

A press release is a short document, usually one page, aimed at raising awareness and calling attention to an event or newsworthy happening at your company. Press releases are sent to all areas of the media: print, radio and television. If it is deemed newsworthy by the media, it can generate a multitude of public awareness. Oftentimes, if one source picks up on your release, it creates a domino effect and others run the story as well. Corporations who have the means rely on trained public relations experts to put together well-written, powerful press releases that are sure to catch the attention of the media. But be careful: no matter how big or newsworthy the subject of your press release is, poor writing can scare off the media faster than Kato Kaelin and Linda Tripp's new talk show.

## Press Kits

A press kit, also known as a media kit, is an expansion on your press release. It is usually a high quality folder containing your press materials: press releases, brochures, collateral materials, company biography, news clippings, photographs (if applicable), contact information and any other relevant materials. These are frequently used to attract new clients. They are also made available to the media upon request when someone is seeking more information about your company. EPKs (or Electronic Press Kits) might also contain videotapes of relevant information (i.e., commercials, news spots, etc.).

## Special Events

These offer a terrific way for any company to get some good press. Having your company name associated with popular events is sure to garner positive recognition. For example, say your company is involved in putting on a pancake breakfast to raise money for the local humane society. This generosity, caring and concern is sure to have an effect on how others see your business from that point forward. Not only that, but also these events often receives large amounts of media coverage, especially if there is a politician or local celebrity (i.e., Miss Cornhusk) appearance.

## Advertisements or PSAs

Many organizations and corporations put together advertisements not with the aim of selling their product but of generating goodwill. Take for example the brewing company advertisements discouraging drinking and driving, or the tobacco company ads urging youngsters not to smoke. Ads like these, known as public service announcements (PSAs), are not made with the goal of increasing sales, although the goodwill they create can contribute to sales in a roundabout way.

## Speeches

When done well, few things can convey your message like a well-delivered speech. This is easier said than done, since a great deal of work goes into the process. The speech must be concise, entertaining and well articulated. Politicians and corporate heads are constantly called upon to speak publicly. Because of this, they often hire speechwriters, people who know how to craft a message effectively to pull emotional strings. Small business owners may be asked to speak at a college or high school function, before a group or club, or at any number of events. But they should not just sit around and wait to be invited. Take the proactive route and volunteer to speak!

## Public Appearances

Placing a representative from your company at various events can yield numerous benefits to your business. It is a way of taking part in the community, showing your interest and opening up the lines of communication. There are many places and events at which to make appearances: charity galas and fundraisers, community symposia, chamber of commerce conventions and mixers, and many others - the calendar is full of them. It's just a matter of having someone present to show that your company is concerned with what is going on in the region.

## Press Conferences

Holding a press conference is usually only necessary to make a major announcement. A representative or two from your company speaks, making the announcement and elucidating upon it, and the conference is open to question and discussion with the members of the media. The speaker should be thoroughly prepared for all possible questions. In general, the speaker should be someone who is well spoken, charming and able to address negative matters in a positive fashion. As a general rule, never hold a press conference if a press release or a few telephone calls will serve your purpose.

## Presentations

A presentation is akin to a press conference. Depending on your line of business, you may be asked to speak in front of a group of your peers, clients, or to a club such as the Kiwanis or Rotary. The goal is to be general, informative, anecdotal, and use as many attention-catching devices as possible. Maybe you have a company video or film you can screen, or possibly some of the company's ads. The presentation is basically a broader form of the press conference, which is usually focused on one event or announcement. Think of the presentation as a quick summary of everything you do and offer, and a listing of your accomplishments.

As with the other promotion tools, in considering then and how to use product public relations, management should set PR objectives, choose the PR messages and vehicles, implement the PR plan, and evaluate the results. The firm's public relations should be blended smoothly with other promotion activities within the company's overall integrated marketing communications effort.

The essence my dear student is to do an out of the box thinking. PR is all about 'connecting people'; so the more divergent your thinking is the better are your chances of developing a mark for your campaign or organization.



## Direct Selling

You all must have heard of Eureka Forbes, I am sure. So what do they exactly do? They send their representatives to various households to sell their products. I am sure you all will be able to give me few more examples.

So what is Direct Selling?

In layman's terms, Direct Selling is the sale of consumer products or services through personal contacts, away from fixed retail locations or shops.

## Methods of Direct Selling

### Person-to-person Selling

Company and manufacturers' representatives (independent contractors) sell services and products directly to people at home, office or workplace, on a one-to-one basis.

### Party-Plan or Group Presentations

A system by which sales are made to individuals who are part of a group. The sales person invites a "hostess" to hold a "party" for eight to ten prospective customers, usually at home, but it can also be at an office or workplace. The emphasis of the party is to have an enjoyable time, products are attractively displayed whilst the independent contractor talks about the various products and allows the audience to "feel" products (touch, smell, taste, etc depending on the product being demonstrated).

### Major Advantage

Direct-selling companies do away with wholesalers, retailers and other middlemen in the supply chain, thereby reducing their distribution and advertising costs.

### Major Challenge

Since there is minimal use of advertising and large dependence on 'word of mouth' publicity, there is a lack of awareness about the company and its products among the target audience.

### Some Facts/ Figures

#### Worldwide

- The number of direct sellers is growing at 220,000 per week worldwide.
- The direct selling industry does estimated sales of US \$83 billion annually.
- Direct Selling is practiced in 165 countries of the world.
- 70% of the sales force involved in Direct selling are women
- Total direct sales people worldwide rose from 37mn in 1999 people to over 40mn in 2000.
- However worldwide revenues from direct selling shrunk by 2% from US\$85mn in 1999 to US\$83mn in 2000.
- USA has the highest number of direct sales people at 11mn. Indonesia is No.2 with 4.2mn sales people
- In value terms Japan is the largest market with sales through direct selling estimated at Rs28.4bn in 2000. This business is done only through 2mn direct sales people.
- Sweden was the fastest growing market in terms of addition to direct sales persons. Number of direct sellers in Sweden increased from 35000 in 1999 to 90000 in 2000, a 157% yoy jump.
- The sales force in Russia shrunk by 25% in 2000. However in terms of revenues, Russia was among the fastest growing market in the world with sales from direct selling rising by 42% from US\$134mn in 1999 to US\$189mn in 2000.

#### India

- In India, direct selling is growing at a fast pace. Total sales through direct selling route in 2002 was Rs.1,723.7 crore.

- India was the fastest growing market in 2000 in terms of revenues from direct selling, registering a 54% yoy growth.
- 90% of goods sold by the direct sellers in India are sourced from goods manufactured within the country.
- Most of the Direct Selling companies operating in India today are in the field of cosmetics, personal products, household products, cookware and healthfood.
- Amway is the largest player in India with annual sales exceeding Rs5bn
- Other major players are Avon Beauty Products (I) Pvt Ltd, Oriflame India Pvt Ltd, Tupperware India Pvt Ltd, Lotus Learning Pvt Ltd, LB Publishers and Distributors Pvt Ltd and DK Family Learning
- The Indian Direct Selling Association is an association of companies engaged in the business of direct selling in India. All major players in India are affiliated to IDSA.
- Mass-market penetration is now catching up within the Rs 1,800-crore direct selling industry as well, and direct selling majors such as Amway, Tupperware and Avon now seem to be following the path charted by FMCG giants such as Hindustan Lever, Marico, Britannia, Nestle, Dabur, Godrej and Tata Tea.

### Considering the Above Facts, the Following Questions Come into Picture

- What are other challenges it would face and what are the possible solutions?
- How should the company frame its strategies, to account for the gaping demographic differences present in the Indian market?
- How should a new direct-selling company compete with an established FMCG major, such as HLL, if it also adopts direct-selling strategies?
- What are the strategies that should be followed by a direct-selling company to create a strong brand name?
- What are the new fields into which direct-selling companies could venture?

Direct selling is an ancient art. It basically goes on to understand the customer and create such a relationship with him that it transforms into a sale of the product. The beauty you must understand is in forging a relationship.

It is like someone comes up to you and becomes very friendly with you. He offers you a cup of coffee and there you have it, he has actually sold you the coffee cup and yet you both have coffee every time he comes knocking on your door.

You must understand that advertising is essentially a pull strategy. That is, the customer having seen the advertisement is pulled to the retail outlet. But direct selling is a push activity. That is, it reaches the customer and seals the deal.

## Personal Selling

- A customer centric activity
- All about Relationships
- Connecting with the right target market
- Management of territory & customer management
- First hand account of the customer

## Selling Process

- Prospecting and Qualifying: Ah, I think he needs my product
- Pre-approach: “Know thy customer”
- Approach: The start of a beautiful relationship
- Presentation: Story on ‘why not my product?’

## Selling Process

- Handling Objections: Clarifications & more clarifications.
- Closing: Get that man to sign on the dotted line.
- Follow up: Now we talk about ‘his’ satisfaction

## Relationship Marketing

- The process of creating, maintaining and enhancing strong, value-laden relationships with customers and other stakeholders.
- Important accounts needs focused and on going attention

- “The one essential, driving aim of the agency’s campaign is not to please and sell you, the public, but to sell the advertiser and get his initialed okay. The public is a poor also-ran.”

- Samm Sinclair Baker, *The Permissible Lie: The Inside Truth About Advertising*, 1968, Cleveland, OH: World Publishing Company, p. 13.

- “Let’s say you have \$1,000,000 tied up in your little company and suddenly your advertising isn’t working and sales are going down. And everything depends on it. Your future depends on it, your family’s future depends on it, other people’s families depend on it . . . Now, what do you want from me? Fine writing? Or do you want to see the goddamned sales curve stop moving down and start moving up?”

- Rosser Reeves, quoted in Denis Higgins, *The Art of Writing Advertising: Conversations with Masters of the Craft* (1990), Lincolnwood, IL: NTC Business Books, p. 101.

- “It is entirely plausible . . . that advertising helps sell goods even if it never persuades a consumer of anything. So long as investors, salespeople, and retailers believe advertising affects consumers, advertising will influence product availability and this, by itself, shapes consumer choice. Availability, as marketers sometimes say, equals sales. Advertising may be an important signal system within the business world.” “Despite efforts at ‘psychographics’ which, here and there, have proved useful guides for advertising, the most consistently used and efficient criteria for describing consumers are the most psychologically blunt — demographics .... It is the most consistently employed kind of data in advertising work.”

- Michael Schudson, *Advertising, The Uneasy Persuasion: Its Dubious Impact on American Society*, 1984, New York: Basic Books, p. 63-64.

## Sales Promotion

### Case Study 1

Sales promotions are ideal for temporarily increasing sales of FMCGs and durables, but can they also be used strategically?

Soft drinks like Pepsi continuously come up with promotions like, “Mera Number Aayega”. Indeed, some market categories, such as chocolates, ready-to-eat foods and personal care

products, are almost totally driven by sales promotion. Are the marketers of these products caught in a trap, afraid to get off the promotional merry-go-round? Can sales promotion actually be used in a long-term, strategic way to build brands and not just temporary increments in sales volume?

Creating a brand is a time-consuming process because it involves organizational commitment and orchestrating the resources in the right manner and channel for building the brand's image in the mind of consumers. In other words, branding creates predictability. It's about creating a relationship with consumers. What the brand does today should help you anticipate what it will do tomorrow.

Promotion, on the other hand, is a short-term phenomenon. ACT NOW is the definition of sales promotion; tomorrow will be too late!

Whether it is price reduction, larger packaging, a tie-in with another product, a coupon or some other incentive, it is temporary. Does this mean that you shouldn't run promotional campaigns? What should happen is this: Promotions should help build a strong brand.

Building a brand works towards building a strong consumer base. Think beyond coupons, giveaways and free trials! Sales promotions can attract a different audience and encourage people to try a product for the first time. You have the opportunity to influence people's perceptions of a brand, and then, through on-going activity, retain those customers.

Marketers must recognise where sales promotions fit into the marketing mix and what goes beyond the promotion. There should be a synergy between brands and promotions.

Think strategically. Have the right kind of promotion for your brand! Think beyond coupons, giveaways, and free trials! At the same time, keep building your brand using other elements of the marketing communication mix.

For instance, when Onjus was introduced, sampling along with consumer interaction was used as a promotional campaign. (They asked consumers to exchange two oranges for a free pack of the drink).

Formalise the promotion planning process to include a rationale for its existence and the timing of each promotion. Promotions are not tactical tools. Promotions reinforce what the brand stands for in the consumer's mind. What the brand "communicates" should be synchronised with what the marketer wants consumers to think about the product.

Sales promotion is used not only for products or brands; it can be extended to technology and service. Samsung launched a scratch-card promo for its CTVs in June 1999. Thums Up used the same strategy. What differentiates the promotions is the industry? One was in the durable sector, which was aimed at growth. The other was in the FMCG sector, with the aim of increasing short-term sales.

What should an ideal promotion result in? Should the emphasis be on increasing short-term sales or on building the brand in the long run? A promo needs to have a short-term impact synchronised with brand-building efforts. Britannia successfully managed to increase sales by 20 per cent, and at the

same time, the brand was built around the promo during the World cup.

The question still remains: "What makes a winning promotion?" Applying experience from past campaigns? Not necessarily, but also the fact that the promotion has actually helped in getting the brand off the ground. Promotions cannot go on forever, but at the same time they can help in building a bond between consumers and brands.

### **Act Now – Is that What Sales Promotion is All About**

Well, dear student I am sure you found the case study rather stimulating. Now I shall show you in the way of slide presentation as to what is Sales Promotion all about. In addition It would be nice if you could refer to Marketing Management by Phillip Kotler. I am sure you would find the chapter on Sales Promotion very interesting. I want you to think of examples and write them on the right hand side of the slides.

#### **Definition**

- Media & Non media marketing pressure applied for a predetermined, limited period of time in order to stimulate trial, increase consumer demand or improve product quality.

*E.g.: Watch Kal Ho Naa Ho and win a trip to America.*

#### **Focus Areas**

- "Public" & not just consumers.
- Action oriented. E.g: "Buy Now".
- 3 Party involvement:
  - ✓ Consumers
  - ✓ Sales Representatives
  - ✓ The Trade
- Limited Period. E.g. *offer closes 1<sup>st</sup> December*

### Goals Of Sales Promotion

- **Increase immediate customer sales.**
- **Support from marketer's sales force.**
- **Gain the support of the trade in marketing the product.**

### Consumer Promotion

- Price Deals: E.g. "More for Less", 50% Off, Buy One Get One Free offer.
- Coupons: E.g: VLCC coupons for discount.
- Contests: E.g: Answer a simple question and win a Color TV
- Sweepstakes: E.g: Name is selected for query form for lucky draw.
- Premiums: E.g: Buy Pepsodent & collect G.I Joes'; Win a Mercedes Benz, the more you use your ICICI credit card.
- Sampling: E.g: Consumer sample new products for free.

### Drivers of SP in Marketplace

- Consumer Behavior: Consumers better educated, low brand loyalty & Selective.
- Pricing: Festivals, major events in sports still draw a huge crowd. Indians are still price conscious.
- Market Share: Brand switching, the name of the game.
- Parity Products: Differentiation strategy in a world of 'me too' product.
- Power of the Retailer: The place where it all happens. Consumers directly in touch with them.

### Trade Promotions Goals

- Stimulate in store merchandising.
- Manipulate the inventory held by a retailer.
- Expand product base geographically.
- To create a high level of excitement for the product

### Types of Promotions

- Consumer Promotion
- Trade Promotion

### Trade Promotion

- Point of Purchase (POP): E.g: Banners, Dangers & Posters at the retail outlet.
- Dealer/Retailer Kit: All the information about the product that the retailer should know.
- Contests & Sweepstakes: Specials offers to the retailer so that he pushes that brand.
- Trade Shows & Exhibits: E.g: Auto Expo at Pragati Maidan in Delhi.
- Trade Incentive: The more 'cut' is given to the retailer, the more he pushes your product.



## Promotion Strategies

- 3 broad objectives:
  - Stimulate demand by consumers
  - Improve marketing performance of resellers
  - To supplement and coordinate advertising, personal selling & public relations activities.

## Difference Between Advertising Sales Promotion

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Creates an Image over time</li> <li>• Relies on Emotional appeals</li> <li>• Adds Intangible value to the product / service</li> <li>• Contributes Moderately to short term profitability</li> </ul> | <ul style="list-style-type: none"> <li>• Creates immediate Action</li> <li>• Relies on Rational appeal</li> <li>• Adds Tangible value to the product / service</li> <li>• Contributes Greatly to short term profitability</li> </ul> |
|---|--|

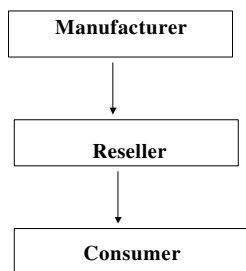
## Promotion Strategies

- Help in creating & sustaining brand value.
- Managing brand image
- Cut into brand loyalty of other brands.
- Promotion to be more brand focused.
- Co-branding, a key tool.



(Custom mouse pad by L&T)

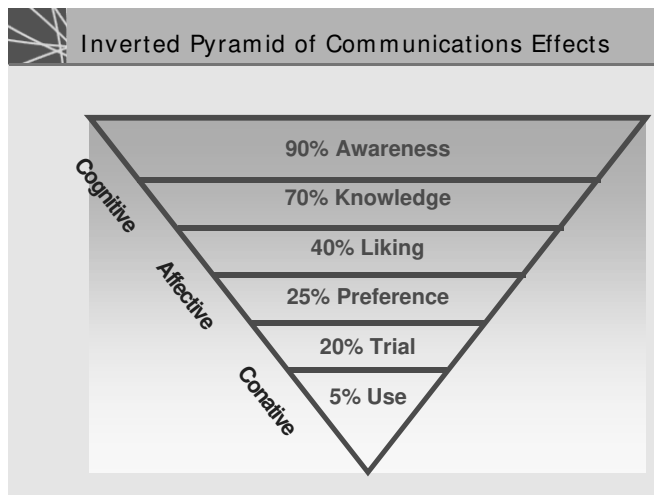
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**Push Strategy**

## Advertising and Movement Toward Action

| Related behavioral dimensions  | Movement toward purchase                  | Types of promotions and advertising at each step  |
|--|---|---|
| <b>Conative</b><br>Realm of motives.<br>Ads stimulate or direct desires.     | <b>Purchase</b><br>↑<br><b>Conviction</b> | Point of purchase<br>Retail store ads, Deals<br>"Last-chance" offers<br>Price appeals, Testimonials     |
| <b>Affective</b><br>Realm of emotions.<br>Ads change attitudes and feelings  | <b>Preference</b><br>↑<br><b>Liking</b>   | Competitive ads<br>Argumentative copy<br>"Image" copy<br>Status, glamour appeals                        |
| <b>Cognitive</b><br>Realm of thoughts.<br>Ads provide information and facts. | <b>Knowledge</b><br>↑<br><b>Awareness</b> | Announcements<br>Descriptive copy<br>Classified ads<br>Slogans, jingles, skywriting<br>Teaser campaigns |



- **"The manufacturer who finds himself up the creek is the short-sighted opportunist who siphons off all his advertising dollars for short-term promotions."**  
- David Ogilvy, *Ogilvy on Advertising* (1985), New York: Vintage Books, p. 169.



## Introduction to Branding



I bet you must be telling your friends that you wear a Gucci or a Parx or that you prefer to go to McDonalds than to Nirulas. What exactly are these names? Why do we distinctly relate to them? Why do we say that I prefer to wear brand 'X'? So my question but naturally is, what is a brand?

Brand is the proprietary visual, emotional, rational, and cultural image that you associate with a company or a product. When

you think Volvo, you might think safety. When you think Nike, you might think of Michael Jordan or "Just Do It." When you think IBM, you might think "Big Blue." The fact that you remember the brand name and have positive associations with that brand makes your product selection easier and enhances the value and satisfaction you get from the product. While Brand X cola or even Pepsi-Cola may win blind taste tests over Coca Cola, the fact is that more people buy Coke than any other cola and, most importantly, they enjoy the experience of buying and drinking Coca Cola.

"A name, term, sign, symbol or design or a combination of them, intended to identify the goods or services of one seller or group or sellers and to differentiate them from those of competitors".

The fond memories of childhood and refreshment that people have when they drink Coke is often more important than a little bit better cola taste. It is this emotional relationship with brands that make them so powerful. What makes up a brand identity? Brand identity includes brand names, logos, positioning, brand associations, and brand personality. A good brand name gives a good first impression and evokes positive associations with the brand. A positioning statement tells, in one sentence, what business the company is in, what benefits it provides and why it is better than the competition. Imagine you're in an elevator and you have 30 seconds to answer the question, "What business are you in?" Brand personality adds emotion, culture and myth to the brand identity by the use of a famous spokesperson (Bill Cosby - Jello), a character (the Pink Panther), an animal (the Merrill Lynch bull) or an image (You're in good hands with Allstate). Brand associations are the attributes that customers think of when they hear or see the brand name. McDonalds television commercials are a series of one brand association after another, starting with the yellow arches in the lower right corner of the screen and following with associations of Big Mac, Ronald McDonald, kids, Happy Meal, consistent food quality, etc. The first step in creating a brand for your company or organization is a branding workshop.

Is branding just for large companies? No, our process can be applied to any business, organization or product. The techniques of branding have been kept secret for many years because they provided a competitive advantage to those companies that used them. Our process takes the proven principles of branding used by companies like P&G, Disney, and Coca Cola and puts them into a simple, understandable and easy to use process. Retailers, service businesses, manufacturers and businesses of all types and sizes can use this process. How do we determine our brand identity? Brand has been called the most powerful idea in the commercial world, yet few companies consciously create a brand identity. Do you want your company's brand identity created for you by competitors and unhappy customers? Of course not, my advice to executives is to research their customers and find the top ranked reasons that customers buy their products rather than their competitors. Then, pound that message home in every ad, in every news release, in communications with employees and in every sales call and media interview. By consistent repetition of the most persuasive selling mes-

sages, customers will think of you and buy from you when they are deciding on whether to buy from you or your competitor.

Practically this involves managing the tangible and intangible aspects of the brand. For product brands the tangibles are the product itself, the packaging, the price, etc. For service brands (see Service Brands), the tangibles are to do with the customer experience - the retail environment, interface with salespeople, overall satisfaction, etc. For product, service and corporate brands, the intangibles are the same and refer to the emotional connections derived as a result of experience, identity, communication and people. Intangibles are therefore managed via the manipulation of identity, communication and people skills.

So you must understand that branding is all about making individual products distinctive. Branding can add value to a product and is therefore an intrinsic aspect of product strategy. Pharmaceutical companies were the first ones to brand their products. Now the scene is such that even salt and sugar is branded.

Branding essentially involves the cost where packaging, labeling and legal protection is concerned. Branding it is opined brings about loyalty. This is so because people associate with your product due to some benefits that you might be offering. That connection which the product has made with the target market is what branding is all about. In regards to segmentation brands carry out a specific task of catering to a certain segment, and the message design is made keeping in mind that segment. Distributors prefer to handle branded products, which represents a particular quality and preferred by the buyers. Different brands represent different quality levels. In fact the growth in advertising is due to the presence of brands. Competitive advertising has come to age due to the emergence of brands.

So what are the branding decisions that one must take? The following are few of the decisions that marketers and advertisers must take in order that they can give a new image to a product in terms of branding.

- Is it necessary to brand the product?
- Who will be sponsoring the brand?
- What quality level should go into the making of a brand?
- Should there be individual brand names, or should there be a family brand?
- How about having some product versions in same product category?
- Is it necessary to reposition the brand?

Brands are a means of differentiating a company's products and services from those of its competitors.

There is plenty of evidence to prove that customers will pay a substantial price premium for a good brand and remain loyal to that brand. It is important, therefore, to understand what brands are and why they are important.

## Brand Equity

BE = SA + PQ + SD (Brand equity equals strategic awareness plus perceived quality plus singular distinction)

## Strategic Awareness

The presence of the brand - a process that moves travelers from being unaware about America's Byways to recognition to recall to top of mind to dominance - their only choice.

## Perceived Quality

It is the promise of the brand. Travelers equate America's Byways with a consistent, quality experience. They trust they are making the right decision to drive on a NSB or AAR.

## Singular Distinction

'The positioning of the brand. The only choice to make...without reservation.'

The value of qualities and attributes implied by the brand name and reflected in choices in a competitive marketplace, i.e. the ability of a brand to "shift demand" (travelers will choose America's Byways over Readers Digest or AAA scenic drives)

While brands exist as objective entities, brand equity resides only in the minds of consumers and key influencers

Brand equity is measured relative to existing and future competitors

The level of brand equity varies among segments and can be positive or negative

## Brand Strategy

It is a method to capitalize on the value of the brands to achieve profitable growth (i.e. positive economic impact on byway communities). The focus is a long term perspective and must be closely linked to business strategy

## Brand Portfolio

Brand architecture involves the management of brand portfolio. Brand portfolio includes all the types of brand viz. Brands and sub brands as well as co-brands with other firms. For e.g., the brand portfolio of Hindustan Lever Ltd. Consisting of 110 brands with 950 of different types of packs, which are operating under different market context like healthcare, personal care, beverages, etc. The decision parameters are should one or more brands be added or deleted? A brand portfolio can be strengthened by the addition of brands keeping in view the portfolio perspective. Similarly brands can be deleted by identifying the superfluous brands, which are contributing nothing to the brand portfolio

## Branding: yes, you need a Brand

First, branding is a key defense against:

## Commoditization

a situation in which a company's products and services become perceived by buyers as being interchangeable with those of other companies, so buying decisions become driven by price. With the trend toward instantly and globally searchable competition across all product and service categories, the pull toward commoditization is now an elemental force in marketing. The value of branding - intelligent, relevant, branding that effectively differentiates you from your competition - has never been higher.

Branding is also a way to leverage success, expand market share, and fend off competition. Indeed, companies with established brands often rebrand as a way to penetrate perceived new

markets or defend core markets. This rebranding is often a costly mistake.

Branding - or "brand-building" - has become the El Dorado of corporate marketing departments, advertising agencies, design firms, and consultants. However, branding goes beyond an attitude, or a logo, or a slogan, or an advertising campaign. Branding is a long-term holding in which your marketing communications are relatively short-term investments. Your brand is a tangible corporate asset - an end toward which all your business efforts should work.

No less a forward-thinker than Tom ("Destruction is Cool") Peters in The Circle of Innovation says "An obsession with branding isn't simply a "marketing department" issue. It's an accounts receivable issue. It could be a purchasing issue or could be an information systems issue. Heaven knows, a human resources issue. Every decision ... every system ... should reflect, visibly, the specific attention to (obsession with). In other words, brand management is corporate management, in the deepest, truest, sense of the term. The problem is, companies are turning to branding as a panacea. Equally problematic, are the self-proclaimed "branding experts" who are happy to sell you this expensive snake oil. In inexperienced hands, branding becomes a way to obfuscate relative sameness, instead of to communicate relevant uniqueness.

Let us further understand why does a brand come about in the presence of a product.

## Product & Branding Strategy

### What is Product Mix

A product mix also called, as product assortment is the set of all products & items that a particular seller offers for sale.

A Company's Product Mix has certain concepts:

- Width: The width of a product mix refers to how many different product lines the company carries. E.g.: HLL, P&G
- Length: The length of a product mix refers to the total number of items in the mix.
- Width: The width of a product mix refers to how many variants are offered of each product in the line.
- Consistency: It refers to how closely relate, the various product lines are in end use, production requirements, distribution channels or some other way.

Above 4 product mix dimensions permit the company to expand its business in four ways:

- It can add new product lines, thus widening its product mix.
- It can lengthen each product line.
- It can add more product variants to each product and deepen its product mix.
- Finally, a company can pursue more product line consistency

Fine I say, a company has managed to create a product portfolio and we are expecting the company to do well in the coming year. All very fine, but there is another gentleman who has come up with the same product, and then what do you do? Especially when you really felt that you could have possibly taken the entire market by storm. The key, my dear friend lies in differentiating your offer. Why do you feel the customer should buy your

product and not the other person's? So, you associate certain attributes to your product (including all the widths and lengths) and you touch your customer's heart. All of a second he feels that, 'oh my God, how did he know that I wanted that?' That my friend is what positioning is all about. You were able to reach out to the customer and able to relate to him. God bless positioning. So, what is positioning after all?

'Positioning' is one of the most widely bandied-about (and least well-defined!) buzzwords in Marketing. We quite often hear people say 'positioning' when they actually mean 'advertising strategy' or 'research concept'. Other times we hear people refer to 'brand values' when they really mean 'positioning'.

"The positioning is a strategic statement of what differentiates your brand competitively in the market- and inside the mind of the target customer. It's what gives him/her reasons to buy you, to be loyal to you, to be an advocate for you. Tangible (product & service) features form the scaffolding that supports your positioning and makes it believable - but a truly strong positioning goes beyond these tangible factors, making powerful and emotive connections".

Positioning can have many different 'starting places' depending on the psychology of the market concerned:

- User imagery & badging: "The precise, stylish brand of office technology which says you're really creative in the way you run your business"
- Usage occasion: "The wholesome toaster-snack, which warms, satisfies and comforts when you've just come home after a really hard day"
- Mood transformation: "The drinks brand which brings out what's most cool, adventurous and attractive inside the secret you"



## Brand Positioning

Running a brand is like conducting an orchestra. Positioning is the heart of competitive strategy. The messages transmitted by everything from the advertising to phone calls with your customer care department all need to be kept in harmony and on brief. Without a clear, single-minded definition of what the brand is about the messages rapidly become discordant and confusing. The positioning statement is therefore a focusing device, which helps brand management to keep everything sharp and relevant.

## Prospecting for Positioning

In marketing the consumer is king - but the idea that consumers alone should dictate brand positioning has always been an over-simplification! Customer feedback via research is vital - but to this has to be added analysis of the company and its inherent capabilities, plus an sharp understanding of the competitors already in the market - their strengths and weak spots

## Positioning Key Points

- It is a strategic, not a tactical, activity

- It is aimed at developing a strategic, sustainable competitive advantage
- It is concerned with managing perceptions
- Brand image and reputation are the result of the positioning process

**TATA**

You upgraded from the PC to the laptop  
Now upgrade from the 1300cc car.

Discover the Indica 2000  
The 1400cc answer to overrated, 1300cc cars.

The Indica 2000 delivers all that 'mid-size' cars do, and more. A petrol powerhouse, its MPFI engine delivers an enormous 75 bhp. Giving you 0-60 acceleration in under 6 seconds, far quicker than 5.5 lakh cars. Roomier, luxurious interiors don't waste space on a rarely used boat. And advanced features like ventilated disc brakes that, until now, only 'mid-size' cars offered. So why would you drive a car that's bigger only on cost? Move with the times and drive the Indica 2000. Or get left behind.

**Indica2000**  
More car per car

TATA ENGINEERING

For assistance or queries on the Indica 2000, please call our 24-hour toll-free number: 1-800-111000. Visit us at [www.india2000.com](http://www.india2000.com).  
Not available on 2-wheeler & 3-wheeler. Subject to availability. Price & specifications may vary without notice. © 2000 Tata Engineering & Locomotion Ltd.

## Notes

## LESSON 3: TUTORIAL

You are the Brand Manager of Chevrolet Optra. What do you think the brand stands for?

Mr. Jaiswal comes to the Trade fair and is interested in purchasing the vehicle. How would you integrate the principle and components of IMC in order to market the brand to him?

Secondly, it comes as grapevine to Mr. Jaiswal that the car has poor suspensions, how would you use the concept of Public Relations to counter this rumor doing the damage to your brand and relationship?

## Notes

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## LESSON 4: ADVERTISING AND ITS TYPES

### Objective

- You will get to understand the different types of advertisements.
- You will be able to differentiate the different types of advertisements
- Based on the types you will also understand the message strategy along with the objectives to be followed.

Well, now we are at an interesting part of our course pack. That is you will understand as to the types of advertisements which are made which cater to a certain target market. To start off with, let us take retail advertising for starters,

### Retail Marketing



Retail Management is a very important part of the distribution process. It is the last link in the chain and is the direct interface of the process with the customer.

What is retailing? Philip Kotler defines retailing as all activities involved in selling good or services to the final customer for personal use. In today's scenario our retailer does not exist in the brick and mortar form alone. S/he can do it by using the telephone, by direct mails, by using television in the form of teleshopping networks, by e-mails, by using the Internet or absolutely impersonally by using vending machines.

We will broadly cover both the store form of retailing and the non-store form of retailing.



Store retailing is the traditional form of retailing wherein a customer physically goes to the store to buy goods or services. Some of the types of store retailing are:

#### a. Specialty Stores

This would typically specialise in selling one product. It has a highly targeted market segment that this type of retailing is trying to attract. However, some specialty stores also include allied products targeted at the same marketing segment.

#### b. Department Stores

A department store is a store where multiple items are stocked and sold. These stores service all kinds of needs of the customers such as clothing, shoes, cosmetics, gift items, luggage, and other household goods.

#### c. Supermarkets

These are similar to department stores but with a focus on food and household maintenance products. This is more of a self-service operation wherein a customer just goes and picks what he wants.

#### d. Convenience Stores

The differentiating factors for these types of stores are that they are open for relatively long hours and mostly on all the days of the week thus making it accessible to the customer. Typically this kind of retailing stores would be located in residential areas.

#### e. Discount stores

A discount store sells products at a lower price by reducing its own margins. This type of stores target high volumes to ensure profitability.

The various non-stores kind of retailing are:

#### a. Direct Selling

This is a scenario in which a sales person goes from door to door or from office to office and meets the customer directly to close a sale. A very good example is that of vacuum cleaners, wherein a representative goes to the homes of a customer at their convenience and demonstrates the utility of his products so that the customer can make a purchase decision based on the performance of the vacuum cleaner.

#### b. Direct Marketing

This is a scenario in which instead of directly visiting the customer, product information is supplied through other sources. These include sending mails, providing information over the telephone (also called as Telemarketing) and other media.

#### c. Television Shopping

Today, television has become more popular means of selling products. Various channels have teleshopping programs through which marketers demonstrate the usability of the products. The customer can then order the product through e-mail, Internet or the telephone.

#### d. Cataloguing

In this a booklet enlisting all the products on offer is sent to the customer. Based on the information provided, the customer can then make his buying decision and order it via the telephone, email the Internet.

#### e. Net marketing

This is the latest trend in marketing. Here the products are detailed on the website of the retailer and the customer can order it right way with the help of a few mouse clicks. The other electronic tool that is used is the email facility. E-Mailers are sent to prospective customers by providing the details of the products. This medium is also used to provide information about new products to existing customers.

In India, retailing has caught up in a big way. Today one finds the presence of huge retail stores like Crossroads, Shoppers Stop etc who are doing well. It has a bright future and looks all set to grow. Currently it is an urban phenomena, present in the metropolises like Mumbai, Delhi and Bangalore etc. However this trend is moving into the smaller towns and these present the market of the future.

### Political Advertising

1. Political advertising includes communications supporting or opposing a candidate for nomination or election to either a public office or an office of a political party (including county and precinct chairs).
2. Political advertising includes communications supporting or opposing an officeholder, a political party, or a measure (a ballot proposition).



### Part B. Where Does It Appear

1. Political advertising includes communications that appear in pamphlets, circulars, fliers, billboards or other signs, bumper stickers, or similar forms of written communication.
2. Political advertising includes communications that are published in newspapers, magazines, or other periodicals in return for consideration.
3. Political advertising includes communications that are broadcast by radio or television in return for consideration.

The task of political advertising is a formidable one that is it reaches out to the whole country. The campaign must have over a dozen advertisements. The mood of the people, the current

scenario all has to be taken into consideration. Although rational appeals are not rejected but essentially there is an overdose of emotional appeal. Both negative and positive message is used. There could be major mud slinging too.

### Product Advertising

Within the context of the 4 Ps of marketing we have the Product. Be it an FMCG product or an industrial good, we need to understand that advertising plays an important role in promoting the product. Be it at any stage of the product life cycle, every product needs to be communicated for varied reasons to its target customer as to why they ought to go for that product.

A product has to be good and should give satisfaction to the needs of the consumer only then will the advertising objective can be a success. Even a bad product could be sustained in the market place with a good advertising, but what matters in the long run is the ability of the product to seemingly stand out in the minds of the consumers. If the consumer knows the brand and the associated benefits attached with the product the advertising objective can easily be achieved thereby bringing about an increase in the sales.

Product or brand knowledge coupled with a clear positioning, derived from a well thought out marketing strategy, is essential to every successful advertising program. The other elements in good product advertising are packaging, trademark, and such other physical and psychic attributes of the product like taste, color, texture, aroma, style and design. The saleability influence of these product attributes is to be analyzed before incorporating them in the advertising messages delivered through various advertising media.

### Now, Product Advertising is of 3 Types, Namely

#### Pioneering or Informative Advertising

Here an attempt is made to stimulate the primary demand of the product category rather than a specific brand. For example the advertisement Malaysia Tourism, with their picturous TV commercial and the slogan 'Malaysia - Truly Asia' made an indelible mark where pioneering advertisement was concerned. Here the product category is introduced first, educative in intent and it appeals to the consumer's rational as well as to his emotional being. At the introductory stage of the PLC this type of advertising is beneficial. Generating awareness is the main function of advertising here.





### Competitive or Persuasive Advertising

Here selective demand of a specific product brand is stimulated. By now the product is established in the market and has reached the growth in the market and has reached the growth or maturity stage of the PLC. Very competitive to market forces. Competitive advertising is again of two types:

- Direct type, where it seeks to stimulate immediate buying action.
- Indirect type, here the benefit of the product is emphasized in the anticipation of the consumer's final action of buying.

### Retentive or Reminder Oriented

- The product is now having a firm footing in the market place. Its sales may start to decline at a later point. The buyer must be reminded about the product to sustain his loyalty. It is a soft sell approach where the buyer is judged to continue the usage of the product. The essence here is to keep the brand name in front of the eye of the viewer. Used at both the maturity as well as the declining stage.
- Now let us try to understand the types of products and thereby the advertising needs of them.

### Products can be Classified as Under

- Products
  - Industrial Products
  - Consumer Products for direct consumption.
    - Consumer durables
    - Consumer non durables

In the case of consumer advertising the following points should be taken into consideration:

1. Most of them are in competitive field and engaged in advertising.
2. Non-durables are frequently bought.
3. Non-durables are appliances, which serve for a long period of time.
4. Both rational as well as emotional appeals are used.
5. Use of celebrity endorsement is heavy.
6. Major chunk of advertising business.



Whereas the salient points to be remembered in the case of industrial advertising are:

1. Smaller percentage as compared to consumer advertising.
2. Elaborate buying process is involved.
3. Main objectives of this class is to Inform, get Orders, to stimulate queries, to empanel the marketer's name on the buyer's panel of sources.
4. Trade journals and lay press are the most sought after media vehicles.
5. Seeks to build the corporate image.
6. Rational appeal is used here. The copy gives facts and figures.

### Service Advertising

I would like to ask you a very simple question. What do you mean by services? Well, the following essential points about what constitutes a service are to be remembered.

- They are activities, benefits or satisfaction offered for sale
- They are Intangible, Inseparable, Variable and Perishable in nature.
- Require strict quality control, supplier credibility and adaptability.

Specialized services like consulting; being a doctor even an advertising agency is an example of advertising. They may talk about congenial environment, quickness and promptness of service, economy, exclusiveness, and status significance. Hotels and airlines, when advertising their services, attach greater importance to service with a smile, courtesy, thoughtfulness and claim that they offer a home away from home.



Banks also advertise the services that they offer to their clientele, like the personalized banking, computer banking, or maybe just the sheer experience of banking being a pleasure.



Services like physical goods also use channels to make their output available and accessible, e.g., location of particular hospital to cater to a particular catchment area. Promotion of services also emphasizes the locational aspect. Retail services, which are growing at a good rate use promotion as a major tool. In this respect I want you to think of the advertisement of ICICI bank who have roped in Amitabh Bachan to be their brand ambassador.

## Corporate Advertising



In this form of advertising an institution presents its own story to build up an image of itself in the minds of the public. It is more like a public relations approach advertising. It could talk about how it is associating with a cause, like the Star TV Network putting the cause for girl child education in the forefront. It may emphasize on its contribution to the society and it could also talk about the mission of the organization. That way it could show all the products of the organization, like the Hero Honda's "Desh Ki Dharkan", where they show all the brands of the organization. Sahara by saluting the Indian cricket captains is associating with cricket. There are number of corporate advertisements. I want you to think of at least 3 corporate advertisements and discuss them in the classroom.



**Birla Sun Life Insurance**

The institutional advertisement is very subtle in nature and affects our basic attitudes. It may build upon its history and may try to build awareness about itself. The ad copy could be focused at the general public or may be directed towards specific group like its shareholders. Take the example of the ad of Hindustan Petroleum here. Now the advertisement talks about powering India since 25 years. Especially where locomotives are concerned. Hence focusing on the fact that they power the Indian Railways.

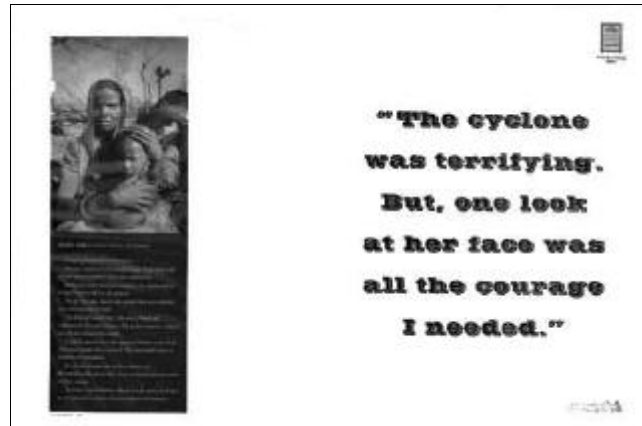
So it is building a favorable image for itself in the minds of the public. It is more of telling the public as to how socially responsible they are. So their overall objectives are in tune with social issues. So the basis is to create goodwill in the minds of its internal as well as external customers. So the objectives of this type of advertising are:

- To make the company known
- To make its products / services known.
- To make its achievements known.
- To make its values known.
- To make socio-political / economic / moral statements.

To give an identity to a faceless organization is what institutional advertising does. When designing a corporate ad we must pay heed to the type of response we want. It purely asks for an approval and not any action from the target audience.

## Public Services Advertising

"School Chalen Hum", "Mille Sur Mera Tumhara", these advertisements have become very popular and have seemed to touch the public. During the Kargil war there were a lot of advertisements, which focused on the Indian soldiers fighting on the front. The advertisement was for the Prime Minister's Fund for the Kargil war. The print advertisements had won a lot of awards. This, my dear student is an example of what public service advertising is all about. The headline for the advertisement that you see goes some thing like this, : "The cyclone was terrifying. But, one look at her face was all the courage I needed". The body copy reads, Mother India: Cyclone Victim? Or Saviour?



It was heel unleashed from heaven. Monster winds tore into fragile houses. Exploding walls of tidal water smashed Orissa into smithereens. In the eye of this merciless savagery, one malnourished woman stood welded to the ground. Not for her sake, but for the terrified five year old who was screaming in her arms. The little girl wasn't hers. She was a Hindu girl orphaned by the super cyclone. But at that moment, religion was the last thing on her mind It was Nature at its worst, against a Mother at her best. And sure enough, they survived. The indomitable spirit of motherhood triumphed.

In a land that give rise to this nameless yet photographically true mother, there are thousands more with similar courage.

As India's equal children, this then is the spirit that'll find us storming into a future already resilient and resurgent.

### Baseline: My Resilient India my Resurgent Pride

Moving wasn't it, well that can be the power of a good advertisement. Please understand that public service advertising is identified with national cause, even in the promotion of soap or insurance there could be elements of public service. There should be a thorough knowledge of the target market, especially if we are talking about adult education, AIDS, national calamity relief fund, birth control, etc. So keep the message short, dramatic and single minded. In fact it would be nice if you could think of an issue and create an advertisement on it.

## Financial Advertising

It is an advertising activity which is undertaken by companies, firms, or organization involved in financial markets, such as Unit Trusts, Assurance, Building Societies, or Banks.



Financial Advertising on Satellite Television (ST), It is an financial advertising which accompanies financial programmes since the viewers of such programmes form the target audience. Financial programmes are niche audience directed programmes, and are not dependent on TRP ratings. The message becomes focused.

Middle class, upper-income bracket people, views satellite channels and these are the people who invest. The satellite channels and financial advertising have the go well with each other since the viewership fits the target audience of financial advertising.

The influences are felt in securities buying the financial consultant, brokers, sub-brokers and merchant bankers.

Business-based programmes are watched by this influence.

It reaches NRI's and with NRI reservation the satellite channel proves to be an effective medium for financial advertising.

Satellite channels offer special packages for financial advertisers.

JAIN TV claims that 30 per cent of its ads revenue comes from financial programmes. Besides, certainly some financial advertising requires more than 30-seconds and corporate films lasting 10 minutes are the way out. They may prove expensive as per tariff card rate, and so special package is offered. JAIN also offers to make ad films for advertisers.



The media used for financial advertising is normally the print. The visuals used are graphics of turnover and financial data. Appropriate headlines should be framed in order to catch attention. There are 2 types of advertisements in this context. One which focuses on the bigger picture and the other on the nitty gritty of let's say an issue. Copy is purely on the gains and financial aspects of the company.

**Headline: A Quality Product Always Ensures Sweet Returns**

## Global Advertising

"The world is smaller than you think", so goes the advertisement for the British Airways. We are living in a global village and now we are not just catering to the local environment but to a total global environment. So let me tell you what is global advertising.

"It is any paid form of non personal presentation and promotion of Ideas, Goods or Services by an identified global sponsor of a product to a global customer."

The objectives are as under:

- To keep the world wide corporate image
- To reduce production and creative costs
- To avoid message confusion in international areas of media overlap.

Normally we have 3 types of themes to be followed:

1. Universal campaigns if the target market is the same all over the world
2. I would call this 'Glocal', wherein the foreign product is shown but in the local setting.
3. Thirdly, complete execution is locally adapted, "Thanda Matlab" ....

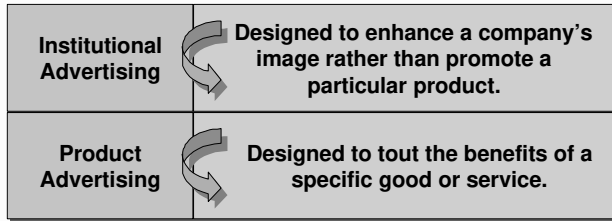


The advertisement was of Chrysler Brasil. Baseline: There's only one, agency: Giovanni Foote Cone & Belding / Sao Paulo.

Globalization of advertisement is to bring about economies of scale, global coverage and the speed with which the companies want to influence the market.

We can also see the adaptation of international campaign. For example, Camay soap's international visual was that of a beautiful woman bathing in the bathroom. Whereas the Indian adaptation was that of the man walking into the commercial well after the woman was dressed. This is done in order to adapt to the local cultural aspects. It should not hurt the sentiments of the people of a particular nation.

## Major Types of Advertising



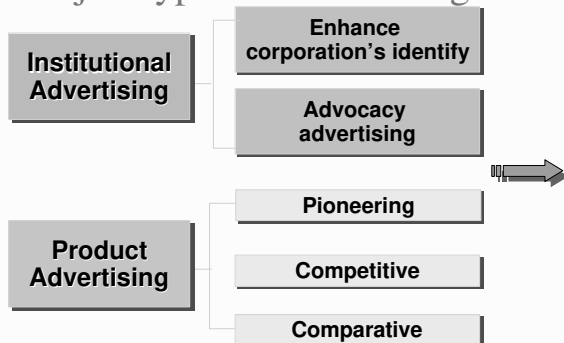
Please write down a few examples of the above at the right hand side of the slides.

Now I would like you to take 3 different advertisement types and discuss them very critically in the classroom.

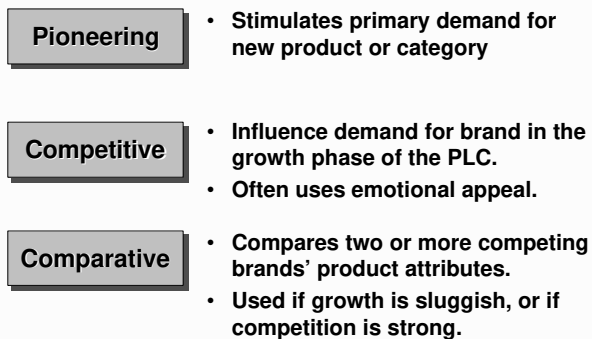
## Notes

This image shows a vertical rectangular sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it is resting on a surface.

## Major Types of Advertising



## Product Advertising



## LESSON 5: COMPARATIVE ADVERTISING

### Objective

- You will understand the relevance of comparative advertising
- It will give you an idea as to why it is resorted to?
- You will understand the issues in the case study taking into consideration two strong players viz, Pepsi and Coca Cola.
- The second case study focuses on the negative usage of the concept.

Comparative advertising, as the name suggests, is advertising where a party (the advertiser) advertises his goods or services by comparing them with the goods or services of another party. Such other party is usually his competitor and is often the market leader in the particular trade. The comparison is made with a view towards increasing the sales of the advertiser. This is typically done by either suggesting that the advertiser's product is of the same or a superior quality to that of the compared product or by denigrating the quality of the compared product.



The more blatant form of comparative advertising refers to the product by name and this is generally known as comparative brand advertising. However using or referring to a specific trademark or brand name does not always do this. Comparative advertising can, however, also occur without any use of the trademark at all, for example, a motorcar manufacturer might compare his product with the "luxury German cars" on the market. Captain Cook for example when it first launched on the Indian market used an advertisement that made an overt reference to Tata Salt by showing a package that looked exactly like it. As such advertising does not contain any trademarks it is not relevant to the law of trademarks (it may, however, constitute a breach of the code of ethics of the ASA (the Advertising Standards Agency)).

Comparative brand advertising does not have to be limited to the use of the identical trademark, as imaginative advertisers will often rely on a play of words.

There is also the possibility that comparative advertising could constitute infringement where the registered trademark is well known. A more classic example of comparative advertising constituting dilution would be "XYZ shoes, the Rolls Royce of shoes". Accepting that Rolls Royce is a well-known trademark, the fact that there is no similarity between shoes and motor vehicles would not preclude the proprietor of the trademark Rolls Royce from objecting to the use of its well-known trademark in this context.

In conclusion, virtually any misuse of a person's registered trademark in advertising can constitute trademark infringement and advertisers are advised to be well aware of this fact.

Although the ASA now has many laws governing advertising codes, a simple benchmark that has often been held up in a court of law is that a business would be permitted to use the name of a competitor and describe the competitor's products in an ad, even though the comparison will likely point out the competing product's or service's inferiority, as long as there is no likelihood that a consumer would believe the advertiser is also selling the competing product or service and as long as the statements made are accurate.

In a landmark case where a famous art critic stated that a particular painting was a forgery and the sale of that painting fell through, the critic was sued successfully for the painting owner's lost profits. It should be noted that for a disparaging remark to be actionable, it must be both untrue and believed by a reasonable person. If the statement made was so outlandish as to be unbelievable, it is unlikely the owner whose product was disparaged will be able to prove any injury. Thus, if a car manufacturer claimed its competitor's vehicle was so poorly constructed that it literally fell apart within the first week of use, the likelihood is that this gross exaggeration would not be believed and, therefore, would not be actionable. Disparaging of existing products is common in the Indian context especially in the case of FMCG products where a crowded market forces manufacturers to use comparative advertising to distinguish and differentiate their product from others. Ariel used its launch advertisement to portray a modern "bahu" who preferred a pinch of Ariel vs. a traditional mother-in-law who preferred the "older" method of scrubbing with a cake of soap that no consumer had any difficulty recognizing as Rin.

### Is it Really All that Bad

But all this does not mean that comparative advertising is not without its advantages. What is the case for comparative advertising?

One of the most effective methods for advertising a product is to compare it with competitive offerings. Side-by-side or "A-B" comparisons can provide prospective customers with compelling reasons to buy from the company. They can also help build credibility for its product. Subconsciously, the prospective

customer says: “Who would risk making a direct comparison if they didn’t have something truly superior?” Johnson and Johnson found this out the hard way when Proctor and Gamble introduced Whisper with a direct comparison of the various features that were new in their product as opposed to Carefree without once naming Carefree directly.

Comparative advertising is especially effective when the company concentrates on unassailable and meaningful points of difference. Suppose, for example, a product is fabricated with heavy gauge steel while a competitor uses aluminum or thinner gauge steel. If durability and strength are important sales issues, by all means the company should show the difference and spell out the benefits. The facts speak for themselves.

Comparison advertising gets tricky when the issues aren’t quite as matter of fact. For example, if a company displays its product along side a competitors and claims it to be 35% faster based on independent laboratory tests, it could be headed for a false advertising suit under federal law. There have been hundreds of cases in which the courts have found a claim to be invalid based on some seemingly minor technicality such as a flaw in a comparative testing. Intangible cases are harder to defend as well. Pepsi and Coke bear testimony to many legal battles – the latest a controversy about a Pepsi spoof on the current Coke model, Hrithik Roshan. An angry Roshan has sued by Coke as well as Pepsi!

In one such interesting example, an oven manufacturer tried to prove its product cooked faster than a competitor’s comparably priced brand. Independent tests were conducted and the results confirmed the claim. Yet, the opposing manufacturer won a suit that included significant damages. Why? Because, a cherry pie with a lattice type crust was used to test the claimant’s oven while a solid-crust cherry pie was used in the competitor’s oven!

### Let us Understand Some Basic Points Regarding Comparative Advertising

1. Comparative advertising is a form of advertising in which two or more named or recognizable brands of the same product class are compared and the comparison is made in terms of one or more product attributes
2. The comparisons can be implicit (brands implied but not named), or explicit (brands named); the comparisons can be verbal or visual; and the claims can be of complete superiority, of superiority on some attributes but not on others, or of parity; and the advertised brand can have a market share smaller than, roughly equal to, or greater than the comparison brand.
3. Regulations and norms about comparative advertising vary around the world, however, and such ads are still not allowed in several countries

### Effectiveness of Comparative Ads

Is a comparative advertisement more effective than a noncomparative one? Much research has focused on this question, and the evidence on greater effectiveness is often equivocal. The results seem to vary not only upon the specific kind of comparative ad used and the brands involved, but also on the measure of effectiveness used (attention/recall, perceived

similarity, or persuasion) and even the specific questionnaire scales used to measure effectiveness.

The effectiveness of comparative ads sometimes lies not in raising the preference ratings of the advertised brand, but in lowering the preference ratings of the comparison brands, or even in simply increasing the perceived similarity of the advertised and comparison brands without affecting any preference measures at all. It is thus important, in copy testing or tracking the effectiveness of comparative ads; to measure beliefs and preferences not only toward the advertised brand but also toward competition, as well as measure perceived similarities among these brands.

If attention and recall are used as the measures of ad effectiveness, various studies have shown that comparative ads do usually get more attention and higher recall than non-comparative ads. Pontiac used comparative advertising for its Grand Am in 1992, comparing it to the Toyota Camry and Honda Accord, because they found focus groups reacted more strongly to comparisons with specific competitors than to unnamed imports. Naveen Donthu found the gain in recall was highest if the comparisons being made were more “intense” (naming explicit competitors, making comparisons on specific attributes, and only making a one-sided claim).

### Some Areas of Comparative Advertising

The increased information in comparative ads should be beneficial to consumers and increase the chances for better decision making, so it is opined. Many researchers have, however, found that comparative advertising that names competitors can lead to greater consumer confusion about which brand is sponsoring the ad (thus creating awareness and preference for the compared-to brand), especially if the ad is being run on TV or radio, where more confusion is likely.

Indeed, the frequent occurrence of such “sponsor misidentification” is one the major criticisms against “direct” comparative advertising (where the comparison brand is explicitly named). It is one reason why many companies prefer to run indirect comparative ads, in which they do not name comparison brands directly but imply them by showing packaging colors or shapes (such as Coke & Pepsi).

### Leaders versus Followers

Interestingly, research supports the logic that a direct comparative ad from a small-share market follower is least likely to lead to higher awareness for the compared-to market leader (because the market leader already has high awareness), whereas a market-leading high-share brand has the most to lose from a direct comparative ad (by creating “free” awareness for the compared-to smaller brand). This leads to the conclusion that while low-share brands ought to use direct comparative ads; market leaders perhaps ought to use noncomparative or indirectly comparative ads (those that don’t name competitors).

Smaller-share market follower brands also stand to gain more from direct comparative ads in another way: such ads have the effect of getting consumers to put both the advertised and the comparison brand in the same “consideration set,” by increasing the degree to which they are perceived as similar to each other. A study found that comparative advertising was much

more effective than noncomparative advertising in increasing the perceived similarity of the challenger and leader brands, particularly when the leading brand was explicitly named in the ad.

However while a comparative did bridge the perceived “distance” between the “leader” and the “challenger” brand, it did not significantly raise the attitude toward the advertised brand. Many other studies have also failed to find such attitude-enhancing effects. These failures could be due, in part, to the fact that these studies often failed to measure (and could not therefore find) possible decreases in consumers’ attitudes toward the comparison brand. It has also been shown, however, that comparative ads often fail to sway attitudes and preferences because, while people may indeed notice them more, they nonetheless may consider a comparative ad offensive, less credible and less informative (especially if they happen to like the brand being shown in a negative light.) The consumers’ liking for a brand does go up due to comparative advertising but only upto a certain point.

### Two-Sided versus One-Sided Comparative Ads

It is argued that there is more counter arguing if the message is one-sided instead of two sided. (A message is one-sided if it presents only positive arguments or attributes and two-sided if a few qualifications, usually about relatively minor attributes, are presented.) Two-sided ads are seen as more credible, because they admit that the advertised brands have some shortcomings.

However, not all two-sided ads beat one-sided ads in credibility: research has shown that two-sided ads are especially credible when the attribute on which the weakness is admitted is

- Relatively unimportant, but not trivial, to consumers;
- Perceived to be negatively correlated with the attribute on which superiority is claimed (e.g., “we are more expensive (weakness), but only because we give you higher quality”);
- One that would not otherwise be known to consumer’s prior to purchase, so that the advertiser gains some “brownie points” for honesty.

Other research has also shown the general superiority of two-sided appeals, especially with more educated audiences, and with those consumers initially opposed to the brand making the claims, and on attitudes rather than purchase intentions. These results suggest that comparative ads are more likely to be persuasive in changing brand attitudes if they are two-sided rather than one-sided.

### Open-Ended versus Close-Ended Comparisons

Another relevant issue is whether conclusions and arguments should be spelled out explicitly in a comparative advertisement or whether the receiver should be left to draw his or her own conclusions about the superiority of the brand sponsoring the comparison. It is often advantageous to leave something out of a message. Leaving something out can stimulate curiosity and motivation to seek additional information about the brand and lead to a consumer-generated belief that is relatively more powerful than a belief created by an explicit statement in the ad.

This would argue for not making explicit claims of the sponsoring brand’s superiority.

However, there is some risk in assuming that a receiver will “draw his own conclusions.” Research suggests that conclusions should be stated explicitly when there is a significant chance that the audience will not be motivated or unable to draw their own conclusions, or when there are real risks of having them draw the wrong conclusions. It was found that if the audience is involved in the message, and if the message is one where a conclusion can be easily drawn, an open-ended message (where no explicit conclusion was drawn) led to greater brand attitudes, intentions, and choice than a close-ended message (there was no difference for an uninvolved audience).

It was also found that comparative ads gain in relative effectiveness when aimed at more expert consumers and when they make comparison with specific, well known brands, because the comparative ad can be interpreted more ambiguously under these conditions.

Attempt the following case study on the cola war, which had defined the concept of comparative advertising.

### Case Study 1

The proper study of war is the study of history focusing on why things happened rather than what happened. One way to test the validity of marketing warfare principles is to look at the history of an industry and then analyze key competitive moves in terms of those principles. And what better example than the cola war that has raged for decades between the Coca-Cola amnies of Atlanta; and the Pepsi-Cola battalions of Purchase, New York.

#### A Fresh Start

Coca-Cola is a 100-year-old soft drink that started out as anything but soft. Invented by a pharmacist and former confederate officer, John Styth Pemberton.

It was, first and foremost, a medicine. “A delicious, exhilarating, refreshing, invigorating beverage in addition to being a cure for all nervous afflictions, sick headaches, neuralgia, hysteria, melancholy,” said an early advertisement.

By 1902, with an ad budget of \$120,000, Coca-Cola had become the best-known product in America. Fanned by advertising and the temperance movement, Coca-Cola grew rapidly. By 1907 some 825 of the 994 counties of the ex-Confederate states had gone dry. “Great National Temperance Drink,” said the ads. In 1915, a designer from Terre Haute, Indiana, came up with a new 6 ½ ounce bottle that captured the uniqueness of Coca-Cola.

The new bottle design arrived just in time. Imitators were springing up all over the country. In 1916 alone, the courts struck down 155 imposters, including Fig Cola, Candy Cola, Cold Cola, Cay Ola, and Koca Nola. In the twenties, Coca-Cola had no real competition.

The company’s only problem was to increase the consumption of soft drinks, which rose slowly from 2.4 gallons per capita in 1919 to 3.3 gallons in 1929. (Compared with more than 40 gallons today.) Coca-Cola advertising tried to stimulate consumption. “Thirst knows no season” (1922) and “The pause that refreshes” (1929) are the best examples.

## Twice as Much for a Nickel, Too

The depression of the thirties helped Coca-Cola's competition, especially Pepsi-Cola and Royal Crown, get off the ground. The key concept was the 12-ounce bottle that would sell for the same nickel that would buy only 6 ½ ounces of Coca-Cola. Pepsi-Cola hit on the idea in 1934, but it wasn't until 1939 (and the arrival of Waiter Mack) that the idea was brought to life. It was brilliant strategy executed in a spectacular way. It hit the mark, especially with the young. In candy and cola, kids went for quantity rather than quality.

And it was done with a limited advertising budget. In 1939 Coca-Cola spent \$15 million on advertising, Pepsi-Cola just \$600,000. Now Coca-Cola was on the spot. They couldn't increase the quantity unless they were willing to scrap a billion or so 6 ½ ounce bottles.

They couldn't cut the price because of the hundreds of thousands of nickel soft drink machines on the market. Pepsi-Cola had launched a classic flanking attack at the low end. But it was more than that.

Pepsi turned a successful flanking move into an offensive attack against the heart of Coca-Cola's strength. Offensive principle No. 2: Find a weakness in the leader's strength and attack at that point.

The folks in Atlanta obviously felt that the Coke bottle itself was their greatest strength. They used it in every ad and even trademarked it. Raymond Loewy dubbed it "the most perfectly designed package in use." Pepsi-Cola promotion turned that strength into a weakness.

That perfectly designed GX ounce bottles that fit the hand couldn't be scaled up to 12 ounces. Not unless you had the hand of a 7 foot center for the New York Knicks.

During World War II, Pepsi-Cola passed both Royal Crown and Dr. Pepper to become No. 2 to Coca-Cola itself.

## What Coke could have Done

Defensive principle No. 2: The best defensive strategy is the courage to attack yourself Coca-Cola should have attacked themselves with a second brand long before Pepsi did it to them.

And the ideal time to launch a second brand with a low cost Pepsi type theme would have been early in the thirties when the depression was just getting started. (Double Cola, a brand on the market today, would have been a good name to use.)

Coke started the decade of the fifties 5 to 1 ahead of Pepsi. As 1960 rolled around, Pepsi had cut that lead in half. How long could Coca-Cola hold out against the larger size containers! The moment of truth was the year 1954. Coke's sales fell 3 percent and Pepsi's rose 12 percent.

The following year, Coca-Cola launched a bottle blitz kreig: 10, 12, and 26 ounces. As supplies were used up, the 6-½ ounce Coke trademark slowly disappeared into the history books.

Besides this, there were definite signs of confusion down in Atlanta with Coke's advertising theme changing every year as the company grappled with ways to counteract the Pepsi push.

1956: "Coca-Cola makes good things taste better." 1957: "Sign

of good taste." 1958: "The cold, crisp taste of Coke." 1959: "Be really refreshed."

## The Pepsi Generation

The larger container was the "one" and the Pepsi generation was the "two" in Pepsi's one two punch, which put Coke on the ropes. Finding weakness in the leader's strength is the key offensive principle of a marketing war.

Where is Coca-Cola strong! It was the first cola drink. It had been on the market much longer than Pepsi. This authenticity was an obvious strength of Coke, but it had another less obvious result.

Older people were more likely to drink Coke. Younger people were more likely to drink Pepsi. Furthermore, the larger size containers also held youth appeal. What adult could swig down a 12 ounce bottle the way a teenager could!

The first expression of this concept was 1961's "Now it's Pepsi for those who think young." By 1964 this idea found wings with the classic "Come alive, you're in the Pepsi generation." The intent of Pepsi's new strategy was to reposition the competition as "out of step, out of touch, and out of date."

Which it did, but it also had another psychological benefit of equal value. It took advantage of natural sibling rivalry among the target audience.

Since more people drank Coca-Cola than Pepsi, older siblings were also more likely to drink Coke. Pepsi also wisely used music, a traditional form of teenage rebellion, as a key component in its strategy.

The current Pepsi theme, "The choice of a new generation," is another expression of its youth strategy, which is the key point of attack against the "older" Coca-Cola product. The overall effect of Pepsi's efforts was to steadily erode Coke's leadership. From 2.5 to 1 in 1960 to 1.15 to 1 in 1985.

## Coca-Cola's Comeback Attempt

Over the years, Coca-Cola had missed the opportunity to block Pepsi by not introducing a second brand in a larger bottle. "Twice as much for a nickel, too" would have worked just as well for a Coke brand as it did for Pepsi.

Coca-Cola sold soft drinks while Pepsi sold Pepsi. "The pause that refreshes" being a typical example. "Things go better with Coke" being another. But in 1970 Coca-Cola finally found the best defensive strategy for a leader.

That is, leadership itself. "It's the real thing." By implication, everything else is an imitation of Coca-Cola. Which, of course, is exactly what the other colas are. But the real thing didn't last long. 1975: "Look up, America." 1976: "Coke adds life." 1979: "Have a Coke and a smile."

By 1982 Coke had hit bottom in insipidness with the slogan: "Coke is it." Even though Coke deep sixed "the real thing" years ago, they can't kill the idea. Mention "the real thing" and most people will say Coca-Cola. Ask them "Who's it" and see how many people say "Coke is it."

## The Pepsi Challenge

One other Pepsi strategic move in the mid seventies deserves comment. Called the "Pepsi challenge," it involved blind taste tests between two unnamed colas. In the tests, tasters preferred



Pepsi 3 to 2 over Coke, a fact which was trumpeted in television commercials. Good strategy?

Perhaps, because it exploits a weak point in the competitive product. Since Pepsi is about 9 percent sweeter than Coke, the first taste favors Pepsi.

But not good strategy, as a second front to the major Pepsi effort. A No. 2 product can't afford two campaigns. But then Coca-Cola did the one thing a leader should never do.

After years of fighting the Pepsi challenge, Coca-Cola suddenly and publicly changed their formula to match the sweetness of Pepsi-Cola.

Now the real thing was no longer the real thing anymore. In one stroke Coca-Cola had undermined their own position. The issue was not whether to change the formula or not. The issue was whether or not to announce the change.

To many companies "new, improved" is a marketing way of life. What makes the Coca-Cola situation different is its "real thing" position.

In a rapidly changing world, the taste of Coca-Cola was a constant that reassured consumers that they weren't getting older. The loss of the Coke bottle was bad enough. Now the formula is gone too.

The idea is to use as many of the weapons as are feasible for your business and affordable to your budget.

My average client uses forty-seven of them. In the true spirit of guerrilla marketing, many of the weapons require time, energy and imagination rather than the brute force of a mega budget.

With small businesses starting up at the rate of 800,000 per year in America, you're going to need all the weaponry you can possibly use.

To surpass the stiffest and most sophisticated competition you've ever seen, you're going to have to know your beans about such weapons as word of mouth marketing, sales training, electronic brochures, catalogs, telemarketing scripts and testimonials.

You're going to be forced to learn the truth about public relations, the power of fusion marketing and the way that neatness is part of marketing.

The need for guerrilla marketing can be seen in the light of three facts: Because of big business downsizing, decentralization, relaxation of government regulations, affordable technology, and a revolution in consciousness, people around the world are gravitating to small business in record numbers.

Small business failures are also establishing record numbers and one of the main reasons for the failures is a failure to understand marketing. Guerrilla marketing has been proven in action to work for small businesses around the world.

It works because it's simple to understand, easy to implement and outrageously inexpensive. Guerrilla marketing is needed because it gives small businesses a delightfully unfair advantage: certainty in an uncertain world, economy in a high priced world, and simplicity in a complicated world, marketing awareness in a clueless world.

You're going to have to knock yourself out making your company one that is "easy to do business with" a reputation

that few companies enjoy, but one that is crucial for your financial survival. Many weapons of guerrilla marketing are designed to give you that kind of reputation.

Some people think that marketing means advertising. But guerrillas know that advertising is only one of the one hundred marketing weapons, and not even the most effective one at that. I urge you to call for a free list of the one hundred guerrilla marketing weapons. Then, do as much as you can about as many as you can. Guerrillas do. That's why guerrillas succeed.

## Case Study 2

The car war is intensifying. Manufacturers and their dealers fight this time the battle through media campaigns — at times going beyond limits of corporate values —.

While comparative advertising and playing with words like "Santro ends Ikon's Josh" are not new, what has stirred the hornet's nest is the series of advertisements released by some Hyundai Motors northern dealers questioning the future of its close competitor, Daewoo Motors India Ltd. "Car at your homes, company on the roads", screamed the ads released by Hyundai Motors dealers some time back in some Hindi publications. With the Korean conglomerate Daewoo in dire straits back home and in the process of restructuring its operations, even scouting for partners for its automobile business, there are no prizes for guessing whom the dealers of Hyundai Motors are referring to here.

"Such an action is highly deplorable. It didn't happen in Korea nor anywhere in the world," fumes S. G. Awasthi, chairman, Daewoo Motors. "And the Hyundai Motors' dealers wouldn't have released such ads without the consent of their principal." Welcoming healthy competition in the market place, he says, "It is for the first time in India that the car market is witnessing real change and competition, and we are positive towards that." But others, according to him, don't seem to share his views; they resort to unethical media campaigns. "It is unethical on two counts: the values of Indian corporate systems are thrown out and in fair competition, no one would woo a buyer by levelling the charge of a competing company going bankrupt. And remember, it will boomerang in the long run. Awasthi is not against comparative advertising per se. As a matter of fact, it was Daewoo Motors, which introduced the concept in the Indian automobile industry. His advocacy is that such campaigns should be based on relevant facts and authentic facts. "One should not hit below the belt, as Hyundai Motors did to us," he says.

"The strange thing is that Hyundai Motors, Korea, is said to be a serious contender for acquiring Daewoo Motors back home. At this juncture, questioning our future in India makes one wonder about how serious the Hyundai group is about its bid for our parent company," wonders Awasthi. According to him, Hyundai Motors, in its ads, has been giving out wrong information about Matiz. "The engine for Matiz was actually developed at Daewoo's German technical center in 1997, contrary to what Hyundai Motors claims: that Matiz's engine is of 1980 vintage." Byung Soh Min, deputy managing director, communications & services division, adds, "Hyundai Motors is yet to try out 40 per cent of set crast test and 50 kilometers per hour (kph) side impact test on its Santro in Europe. Whereas

[illegible][illegible]

## LESSON 6: TUTORIAL

A political party has hired you to advertise them. Please select a party of your choice and mark their achievements of one year. Make a print advertisement using all the elements of a print advertisement to make the advertisement, as to why the people should vote for them.

Ideally this tutorial should be given 2 days in advance to the students, so that they could do their research and present their findings.

Create an advertisement of two brands within the same product category. The idea is to refute the claims made by the other. It should all be done in good humor and not too show the other brand in a demeaning way.

## International Advertising

Based on your understanding of the various elements of the print advertisements, can you scribble on the right hand side of the pictures as to why you think these advertisements could be considered great?



## Notes

[illegible]

## LESSON 7: COMMUNICATION MODELS IN ADVERTISING

## CHAPTER 2 COMMUNICATION IN ADVERTISING

### Learning Objectives

- You will understand via this lesson the relevance of communication.
- This lesson will expose you to the communication with respect to the advertising field.
- Different models will attempt to show you the effectiveness of each in reaching out to the target market.

Well another chapter and we are moving ahead. You all know what communication is all about. Is it just about talking? Ok, tell me the difference between talking and speaking.

The word communication comes from the Latin word communis, meaning common. When we communicate we try to establish a 'commonness' with someone, that is we try to share information, an idea or an attitude.

Man is a social animal and communication is essentially a social affair. 'No man is an island or an entire in himself', 'We cannot not communicate' are some of the common sayings in communication. Communication is what makes human relationships possible.

Speech, writings, gestures are some of the means of communication, or our means of social interaction. Comm can be in terms of conventions of dress, mannerism, institutions etc.

In communication there are various schools of thought. The process of communication has been explained through different models and theories as per the changing times. Aristotle was among the first to develop a communication model. According to Aristotle, in a communication event, there are three main elements, the speaker, the speech and the audience. Subsequently, many other experts have developed other models.

Shannon and Weaver developed a model based on technical aspect of communication. They introduced the concept of 'noise' and the idea that meaning lies in people. Noise could be the culture, value etc of the society.

The Berlo's model brought 'encoder' 'decoder' elements in the communication process. Further Harold Laswell's model emphasised on the effect of communication and the response of the receiver. In the Wilbur Schramm model, the focus is on the signal from the two sides of the source and receiver. Further there are various theories such as the Bull's eye theory, spiral theory etc explaining the process of communication.

Communication is no longer viewed as simply a way to reach out to people. Comm is a field that has been growing in diverse directions, therefore it is to be studied not only at interpersonal, organisational levels, but also at various other levels such as the inter-cultural context.

Therefore to understand communication at any level we study any event, process or system under four main categories- Context, Technology, Representation and Social relation. These

are the four analytical dimensions of communication. Each of them is co-determinant. These four dimensions can be studied as the broad framework of the communication process.

George T. Vardaman, of the College of Business Administration, University of Denver, USA, suggests following a simple formula in acronym TRIM. In this he suggests definition and planning the to whom, what, when and where of communications:

- Target or Mission or purpose of communication.
- Receiver to whom the message is directed at, based on his needs
- Impact or result that is desired.
- Method of media that must be employed to get the desired results.

The TRIM formula can give you very effective communications and presentation control, so that your time and efforts can be productively channeled and bring you results you want.

Putting ideas together is about organizing and developing your communication. The way you put together your ideas determines how you will give out the information and how well your target audiences will receive your message - with what impact and result. This is vital to the success of business communications. It is worthwhile to examine methods for putting ideas into a communicable form. For instance:

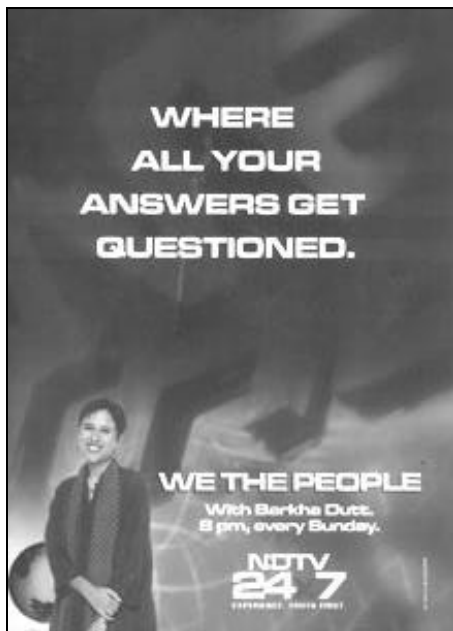
1. Structuring ideas for the target group they are for.
2. Building logical sequences.
3. Building psychological sequences.
4. Developing core ideas from the lot.
5. Having proper introductions and conclusions.

However, in any situation success of the communication will directly depend on the quality of the ideas and their development within the larger objectives.

While communication can be better if you know your objective, greater effectiveness lies in hitting the right target audience in conjunction with their predominant communication needs. In this, there are five receiver types, which need to be understood and tackled:

1. Apathetic
2. Sophisticated
3. Hostile
4. Credent
5. Critical

You may have the most important message, delivered in the most creative manner, but if strikes the wrong chord in the audience the communication will fail. You must overcome receiver apathy, draw attention and sustain interest.



Some of the techniques used by professional communicators are:

1. Shock - startle, shake or surprise the audience.
2. Suspense - keeping them guessing.
3. Humor - in language or situation to overcome apathy.
4. Novelty - something new or innovative or creative.
5. Familiarity - keeping audience interest through something known.
6. An inside story - something to do with behind the scene activities.

Visual and other devices - in presentation, like demo, audiovisual, case-studies, and anecdotes.

In doing this one must at the same time be careful in selecting appropriate techniques, avoid talking down to the audience, be natural and avoid being condescending towards people. Try and monitor communications.

If it exposes weaknesses it is essential that corrective action be taken. Monitoring must be dependent on feedback received from the audience through formal and informal channels.

### Context

Communication can take place in literally hundreds of different contexts. Therefore it is important to view communication from a contextual point of view. Context keeps on changing. It affects ideas, technology etc.

Media products at one level are products of complex organization, and at still another level they reflect the economic arrangements of media industries and other institutions. The work of individual communicator cannot be understood outside these organizational, industrial and institutional contexts.

### Technology

In today's world, the very word communication brings to the mind technical and electronic means of communication, such as the telephone, television, computer etc. These are the means of communication through which the entire systems in the world

are functioning, be it trade, business, education and even keeping in touch with friends and the family members. Articulation is dependent on the medium involved, or it can be said communication is dependent on a channel to transmit a message. Therefore technology largely determines communication.

### Social Relations

Social relations comprise of the relationship and role of the players in the communication process. Communication can be said to be a process of information handling, including activities of production, dissemination, reception and storage-all within a social system. Social relations deals with how the changes in the relationship between the players come to bring about an effect in the information process.

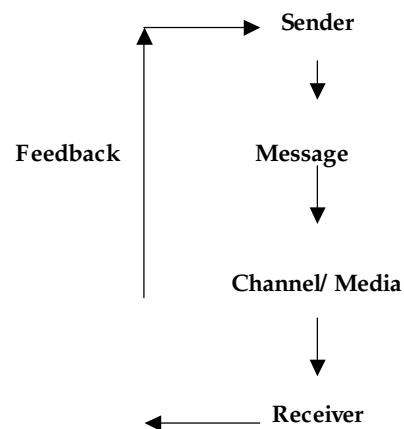
### Representation

Representation is the projection of content. It is the image, idea or message that is conveyed through the communication. The way a fact is projected is representation. Media by means of representation can give meaning in a particular manner. Media representation is one of the means of achieving hegemony, which is achieving popular consent.

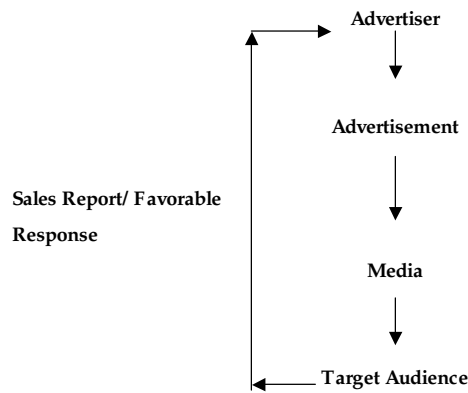
Each one of these factors affects the other, and in turn the entire communication process. Thus communication can be described as, 'The articulation of social relations between individuals in a society.'

Advertising as a communication tool is an integral part of marketing. We have already discussed about what communication entails. Now I would like to take you to the understanding of the process itself.

Essentially it is the transmission of message from the sender to the receiver. But you must understand that the receiver must understand the message, else the entire exercise will not be termed as a communication process. I am now diagrammatically presenting it to you.



This is precisely what happens in the case of an advertising message. The sender could be the media like your TV, radio, newspaper, etc and the receiver is you. You see the ad on channel V, well if you saw the ad then the sender was successful in reaching out to you. Diagrammatically this could be as follows,



## Elements of Advertising/marketing Communication

You will now be made to understand the various elements in the communication process.

**Advertiser:** It could be an individual or an organization that wants to communicate to the target audience. It could be about the communication about its products/services.

**Advertisement:** It is meant for information. It goes on to make the target audience be favorably inclined towards its products. It may ask people to act on the message. Both rational and emotional appeals could be used to do so.

**Media:** The channels of communication are the media. They convey the ad message to the target audience. Newspapers, magazines, TV, etc are the common or few of the media tools used. The media have their own strengths and weaknesses.

**Target audience:** The readers of the print media, or the listeners of radio or the viewers of TV make the audience. The product could be for the mass audience or for a targeted audience.

Audience could be both users and nonusers of the product.

Now let us come down to certain models that primarily have their roots within the context of advertising. The basic principle you must understand relates to communication principle itself.

### AIDA Model

The design and development of advertising follows the AIDA formula. The effectiveness of advertising depends upon to what extent the advertising message is received and accepted by the target audience.

Research has identified that an advertisement to be effective has to

- i. Attract Attention
- ii. Secure Interest
- iii. Build Desire for the product and finally
- iv. Obtain Action.

All advertisements obviously do not succeed on these counts. This is one solitary reason behind the great divergence between the number of people exposed to the advertisement and those who ultimately take the purchase decisions. At this stage, however, other elements of the marketing mix, especially distribution become crucial.

Advertisement communicates an idea, a message or a belief. An advertisement would be effective only if the media audience accepts that message and is motivated to take the required

action. Several models have been developed which have specifically identified the sequence of events, which must take place between receipt of the message and desired action.

### AIDA Model

A somewhat simplified model based on the identical principle of sequential stages of consumer action is known as AIDA model.

Advertising as a communication medium can in most cases effectively perform the first three functions. In the case of direct-action advertising, it also must translate the desire into action, unaided by any other promotional instruments. In the case of indirect-action advertising, however, the action can be aided at the time of purchase by two-way communication between the intending buyer and the sales staff.

Let us examine the attention, interest, desire and action components in more detail.

### Attention

The layout is the most important factor that directs attention to an advertisement. Typography and colors used in the layout can rivet us. The size of the advertisement also compels us to get attracted to it. Contrast by white space is a good attention-getter. Movement is a vital element for getting attention. Movement can be physical or emotional. The position of the advertisement also adds to its attention value. Celebrities in the advertisement, dramatization; model selection, illustration all this contribute to attention.

### Interest

Ad seen does not mean ad read. Mostly people see the illustrations and do not read the copy. Here illustrations have to work hard. They should, together with headlines must provoke further reading. The selection of the illustrations and its integration to life are thus very important. Even copy format is important for interest creation. A humorous copy works some people on by a scientific copy, and some. Here there is a dilemma for a copywriter. He has to satisfy maximum number of people so he has to search for a common denominator of interest.

### Desire

The basic purpose of advertising is to create a desire for the product or service being advertised. It is a function of appeals used for the motivation of people. Vivid description or copy always helps. Buying motives, physiological as well as psychological, make people purchase products. The copy of the advertisement must kindle these motives. There are certain barriers here - certain reservations in the mind of customers. We have to overcome them. We have to convince by giving evidence, testimonials, endorsements, and facts and figures. On arousal, people become prone to buy the product.

### Action

The logical end of the desire aroused is to buy the product.

1. Products are associated with company.
2. The message is repeated.
3. Certain immediate action appeals are used.

There are six steps or movements towards the purchase of a product or service. The first two, awareness to knowledge, fall in the cognitive sphere of related behavioral dimension. It deals with the realm of thoughts. Advertising here provides essential information and facts. These advertisements are announcements, descriptive slogans, jingles, and sky writing and teaser campaigns.

The next two steps in the movement towards purchase are liking and preference. These have been linked with the affective sphere, which is the realm of emotions wherein the advertising changes attitudes and feelings. Advertisements falling in this category are: competitive advertisements, argumentative advertisements, advertisements with a strong rational message and image advertisements with status and glamour appeals.

The final two steps in the movement towards purchase are conviction and purchase. This is related to behavioral realm of motives. Here the advertisements stimulate or direct desires. Advertisements falling in this slot are: POP, retail store advertisements, last chance offers, price reduction appeals, testimonials, and prize scheme advertisements.

This is called Hierarchy of Effect (HOE) model.

Three models of message design and development: They are 1. AIDA model, 2. HOE: Hierarchy of Effects model, and 3. Communication model of Advertising.

| Stages               | AIDA Model                   | HOE Model   | Communication Model  |
|----------------------|------------------------------|---|--|
| Cognitive (Thoughts) | Attention<br>↓               | Awareness<br>↓<br>Knowledge<br>↓                  | Exposure<br>↓<br>Reception<br>↓<br>Cognitive Response<br>↓ |
| Affective (Feeling)  | Interest<br>↓<br>Desire<br>↓ | Liking<br>↓<br>Preference<br>↓<br>Conviction<br>↓ | Attitude<br>↓<br>Intention<br>↓                            |
|                      | Behavior                     | Purchase  | Behavior   |

## DAGMAR Approach

Dagmar Approach is the task of measuring ad effectiveness will not be daunting if we clearly spell out the advertising goals. Russel H. Colley (1961) pioneered an approach known by the acronym DAGMAR – Defining Advertising Goals for Measured Advertising Results, where to establish an explicit link between ad goals and ad results, Colley distinguished 52 advertising goals that might be used with respect to a single advertisement, a year's campaign for a product or a company's entire advertising philosophy.

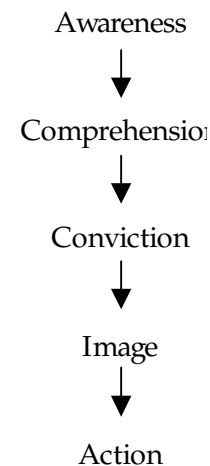
These goals may pertain to sales, image, attitude, and awareness. Some of the goals are:

- Persuade a prospect to visit a show room and ask for a demonstration.
- Build up the morale of the company's sales force.
- Facilitate sales by correcting false impression, misinformation and other obstacles.
- Announce a special reason for buying now's (price, discount, premium and so on).
- Make the brand identity known and easily recognizable.
- Provide information or implant attitude regarding benefits and superior features of brand.

According to DAGMAR approach, the communication task of the brand is to gain (a) awareness, (b) comprehension, (c) Conviction, (d) image and (e) action.

Advertising goals should be consistent with these communication tasks. Later performance on these counts and projected goals is compared. For example, a company setting a goal of 15 per cent increase in sales advertises and achieves this objective. Its ad then is successful and effective.

It presupposes the understanding of the dynamics of consumer behavior without these goals cannot be set. Besides, a thorough acquaintance of market environment is called for. DAGMAR is a planning and control tool. It may guide the creation of advertising. However, as well as appreciated, the basic inputs of DAGMAR are not so easily to formulate and may also inhibit creativity.

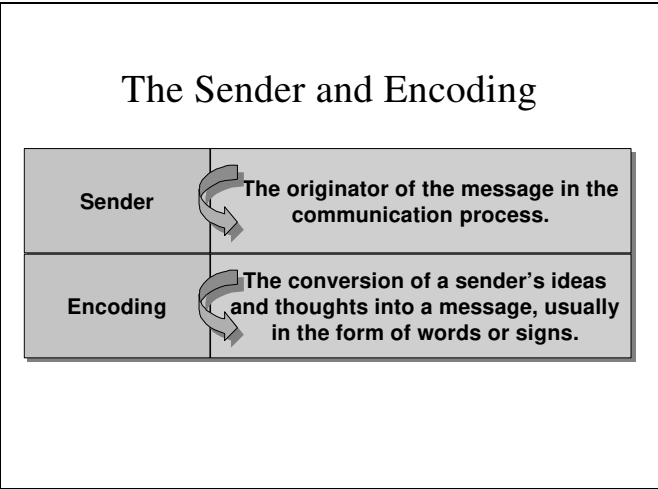
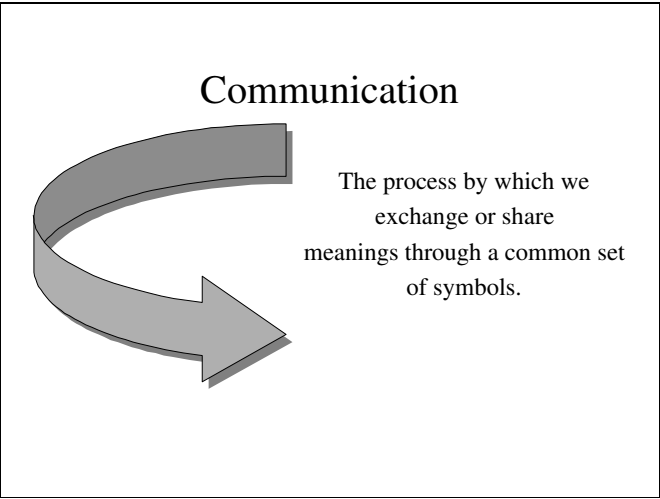
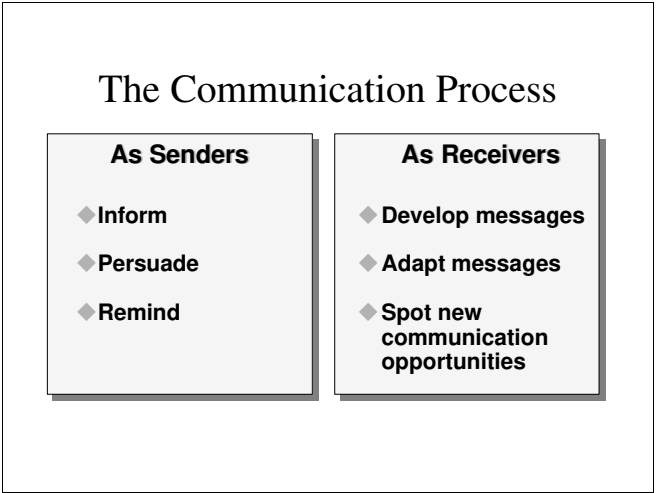
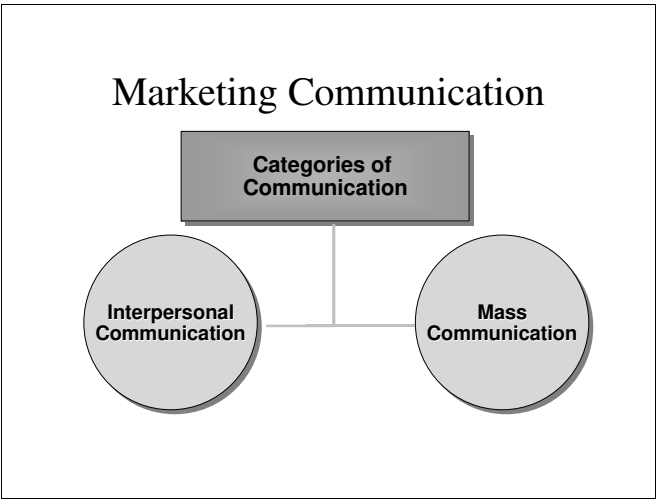


Lavidge and Steiner propounds the second model. This gives much importance to the cognitive evaluations. With an increase in competition and an enhancement in discerning abilities of potential buyers and users, information would play a greater role. The persuasive power of advertising could in itself be a function of the information content. This model takes the competition into account. This competition arises between brands of a product and between substitutive product categories also as perceived by prospects constituting the target audience. The stage of liking following those of awareness and knowledge may refer to the advertising, thus emphasizing the creative aspects. Preference for the product or the brand may be

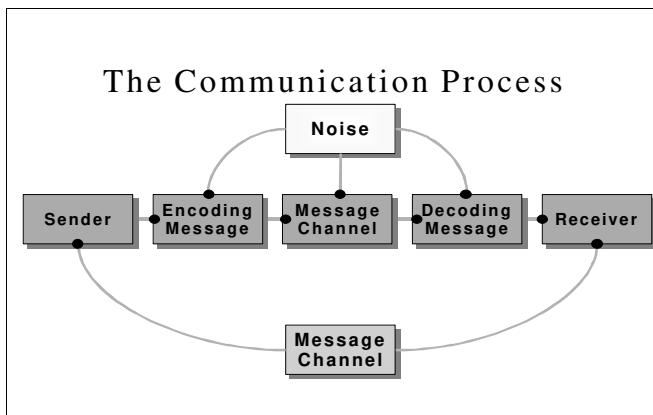
the combined effect of product characteristics and their relevance to the target audience and of advertising.

Rogers propounded the third model, which is known as Innovation –Adoption Model. This model has relevance to new product introductions and particularly useful for adoption of non-commercial services or practices in developing countries. The stages of evaluation and trail before adoption (or purchase) are considered significant in the design of advertising program. The decision in favor of making an evaluation is likely to be influenced by information available from various sources including advertising. Evaluation constitutes a major step towards the adoption of the product or service.

I do hope you have gone over the various models and are trying to understand the relevance of them in the context of advertising. It is basically how you register an advertisement after seeing it and the course of action as in the purchase that takes place.







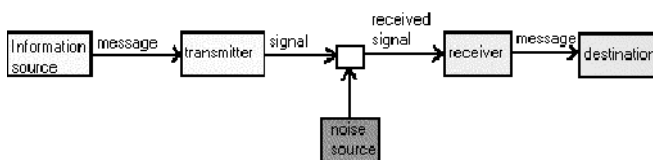
- “The truth isn’t the truth until people believe you, and they can’t believe you if they don’t know what you’re saying, and they can’t know what you’re saying if they don’t listen to you, and they won’t listen to you if you’re not interesting, and you won’t be interesting unless you say things imaginatively, originally, freshly.”  
- William Bernbach, quoted in Bill Bernbach said . . . (1989), DDB Needham Worldwide.
- “It is insight into human nature that is the key to the communicator’s skill. For whereas the writer is concerned with what he puts into his writings, the communicator is concerned with what the reader gets out of it. He therefore becomes a student of how people read or listen.”  
- William Bernbach, quoted in Bill Bernbach said . . . (1989), DDB Needham Worldwide.

### Shannon-Weaver Model

If you have looked through the examples of typical everyday forms of communication, you will have noticed that some of the examples refer to less immediate methods of communication than face-to-face interaction, e.g. using the radio, newspapers or the telephone. In these cases, technology is introduced.

When, for instance, the telephone is used, you speak, the phone turns the sound waves into electrical impulses and those electrical impulses are turned back into sound waves by the phone at the other end of the line.

### Claude Shannon and Warren Weaver Produced a General Model of Communication



This is now known after them as the Shannon-Weaver Model. Although they were principally concerned with communication technology, their model has become one which is frequently introduced to students of human communication early in their study. However, despite the fact that it is frequently used early in the study of human communication, I think it’s worth bearing in mind that information theory, or statistical communication

theory was initially developed to separate noise from information-carrying signals. That involved breaking down an information system into sub-systems so as to evaluate the efficiency of various communication channels and codes. You might ask yourself how viable the transfer of Shannon’s insights from information theory to human communication is likely to be. The concepts of information theory and cybernetics are essentially mathematical and are intended to be applied to technical problems under clearly defined conditions. After you’ve read this section, which, I think, is a reasonable attempt to loosely apply Shannon’s ideas to human communication, ask yourself whether you feel enlightened.

The Shannon-Weaver Model (1947) proposes that all communication must include 6 elements:

- Source
- Encoder
- Message
- Channel
- Decoder
- Receiver

These six elements are shown graphically in the model. As Shannon was researching in the field of information theory, his model was initially very technology-oriented. The model was produced in 1949, a year after Lasswell’s and you will immediately see the similarity to the Lasswell Formula.

The emphasis here is very much on the transmission and reception of information. ‘Information’ is understood rather differently from the way you and I would normally use the term, as well. This model is often referred to as an ‘information model’ of communication. (But you don’t need to worry about that if you’re just starting.)

Apart from its obvious technological bias, a drawback from our point of view is the model’s obvious linearity. It looks at communication as a one-way process. That is remedied by the addition of the feedback loop.

A further drawback with this kind of model is that the message is seen as relatively unproblematic. It’s fine for discussing the transformation of ‘information’, which might be, say &Hui9%/? PLM, but, when we try to apply the model to communication, problems arise with the assumption that meanings are somehow contained within the message.

### Shannon-Weaver: The Source

All human communication has some source (information source in Shannon’s terminology), some person or group of persons with a given purpose, a reason for engaging in communication.

### Shannon-Weaver: The Encoder

When you communicate, you have a particular purpose in mind:

- You want to show that you are a friendly person.
- You want to give them some information
- You want to get them to do something
- You want to persuade them of your point of view

and so on. You, as the source, have to express your purpose in the form of a message. That message has to be formulated in some kind of code. How do the source's purposes get translated into a code? This requires an encoder. The communication encoder is responsible for taking the ideas of the source and putting them in code, expressing the source's purpose in the form of a message. It's fairly easy to think in terms of source and encoder when you are talking on the phone (transmitter in Shannon's terminology). You are the source of the message and the 'phone is the encoder which does the job of turning your sounds into electrical impulses. The distinction is not quite so obvious when you think of yourself communicating face-to-face.

In person-to-person communication, the encoding process is performed by the motor skills of the source - vocal mechanisms (lip and tongue movements, the vocal cords, the lungs, face muscles etc.), muscles in the hand and so on. Some people's encoding systems are not as efficient as others'. So, for example, a disabled person might not be able to control movement of their limbs and so find it difficult to encode the intended non-verbal messages or they may communicate unintended messages. A person who has suffered throat cancer may have had their vocal cords removed. They can encode their messages verbally using an artificial aid, but much of the non-verbal messages most of us send via pitch, intonation, volume and so on cannot be encoded.

Shannon was not particularly concerned with the communication of meanings. In fact, it is Wilbur Schramm's model of 1954, which places greater emphasis on the processes of encoding and decoding. The inclusion of the encoding and decoding processes is very helpful to us since it draws our attention to the possibility of a mismatch between the operation of the encoding and decoding devices, which can cause semantic noise to be set up. With good reason, the source of the message may wonder whether the picture in the receiver's head will bear any resemblance to what's in his/her own. Schramm went on to introduce the notion of a 'field of experience', which shows a much greater awareness of the subtleties involved in human-to-human communication, drawing our attention to the numerous shared socio-cultural factors which are necessary for successful communication to take place.

### Shannon-Weaver: The Message

The message of course is what communication is all about. Whatever is communicated is the message. Denis McQuail (1975) in his book *Communication* writes that the simplest way of regarding human communication is 'to consider it as the sending from one person to another of meaningful messages'.

The Shannon-Weaver Model, in common with many others separates the message from other components of the process of communication. In reality, though, you can only reasonably examine the message within the context of all the other interlinked elements. Whenever we are in contact with other people we and they are involved in sending and receiving messages. The crucial question for Communication Studies is: to what extent does the message received correspond to the

message transmitted? That's where all the other factors in the communication process come into play.

### Shannon-Weaver: The Channel

You tap on a membrane suspended above a steadily flowing jet of water. The air under the membrane causes slight deflections in the jet of water. A laser is aimed at a receiver. The jet of water flows through the laser beam, deflecting it from its target. Every time the movement of the air deflects the water jet, the laser beam hits its target. The laser receiver is connected to a computer, which takes each 'hit' and turns it into a 1 and each miss and turns it into a 0. The computer sends these etc. etc.....

You get the idea: the air waves, the jet of water and so on are all channels. The words channel and medium are often used interchangeably, if slightly inaccurately. The choice (a pretty stupid one above) of the appropriate channel is a vitally important choice in communication. It's obvious that you don't use the visual channel to communicate with the blind or the auditory channel with the deaf, but there are subtler considerations to be taken into account as well. A colleague of mine was clearly much more responsive to visual communication than I. To elucidate his arguments he would inevitably grab a pencil and a piece of paper and sketch out complex diagrams of his arguments. Though they may have helped him to clarify his ideas, they merely served to confuse me, who would have preferred a verbal exposition. It's curious that in the college where I work many students who are dyslexic or have other learning difficulties end up studying information technology in so-called flexible learning centers. Bearing in mind the statement above that "the choice of the appropriate channel is a vitally important choice in communication", it's less than obvious how a student who has difficulty reading and writing can have their needs met by a learning model which boils down in essence to 'read this; it will tell you what to write'.

### Shannon-Weaver: Physical Noise

Shannon is generally considered to have been primarily concerned with physical (or 'mechanical' or 'engineering') noise in the channel, i.e. unexplained variation in a communication channel or random error in the transmission of information. Everyday examples of physical noise are:

- A loud motorbike roaring while you are trying to hold a conversation.
- Your little brother standing in front of the TV set
- Mist on the inside of the windscreen
- Smudges on a printed page
- Snow on a TV set

It might seem odd to use the word noise in this way, unless perhaps you're a hi-fi buff, in which case you'll be familiar with looking up the claimed 'signal-to-noise ratio' for the various bits of equipment you buy. In this technical sense, 'noise' is not necessarily audible. Thus a TV technician might speak of a 'noisy picture'. Generally speaking, in this kind of everyday communication, we're fairly good at avoiding physical noise: we shout when the motorbike goes past; you clout your little brother; cars have demisters.

However, it is possible for a message to be distorted by channel overload. Channel overload is not due to any noise source, but rather to the channel capacity being exceeded. You may come across that at a party where you are holding a conversation amidst lots of others going on around you or, perhaps, in a Communication lesson where everyone has split into small groups for discussion or simulations. Shannon and Weaver were primarily involved with the investigation of technological communication. Their model is perhaps more accurately referred to as a model of information theory (rather than communication theory). Consequently, their main concern was with the kind of physical (or mechanical) noise discussed above.

Although physical noise and how to avoid it is certainly a major concern of scholars of communication, the Shannon and Weaver model turns out to be particularly suggestive in the study of human communication because of its introduction of a decoding device and an encoding device. The possibility of a mismatch between the two devices raises a number of interesting questions. In technological communication: I give you a PC disk and you stick it into a Mac - the Mac can't decode it; I give you an American NTSC video tape and you stick it into a European PAL video recorder - the recorder won't decode it. Transfer this notion of a mismatch between the encoding and decoding devices to the study of human communication and you're looking at what is normally referred to as semantic noise. That concept then leads us on to the study of social class, cultural background, experience, attitudes, beliefs and a whole range of other factors, which can introduce noise into communication.

### **Shannon-Weaver: Semantic Noise**

Semantic noise is not as easy to deal with as physical noise. It might not be an exaggeration to say that the very essence of the study of human communication is to find ways of avoiding semantic noise. Semantic noise is difficult to define. It may be related to people's knowledge level, their communication skills, their experience, their prejudices and so on.

Examples of semantic noise would include:

#### **Distraction**

You are physically very attracted to the person who is talking to you. As a result, your attention is directed to their deep blue eyes rather than what they are saying. There is no physical noise which prevents the message from reaching you. You hear it, but you don't decode it. Equally, your attention could be distracted by the other person's peculiar tics and so on. Or think of when you watched the TV news: the reporter was standing outside No.10 Downing Street, but behind him the policeman outside the door was picking his nose. As soon as the report's over you realize you haven't a clue what it was about.

#### **Differences in the Use of the Code**

The other person is waffling on in Aramaic about fishes and loaves. You don't understand. There is nothing which physically prevents the elements of the message from reaching you, you simply can't understand it.

#### **Emphasising the Wrong Part of the Message**

Maybe you can think of an advertising campaign which has been so successful with some new style or gimmick that

everyone is talking about it. However, no one has actually noticed what product is being advertised.

### **Attitude Towards the Sender**

You're talking to someone a lot older than you. On the basis of their age, you make a lot of assumptions about the kind of code appropriate to them - and the conversation goes wrong because they were the wrong assumptions.

### **Attitude Towards the Message**

I may have a very positive attitude to the Aramaic-speaking bearded chap in the flowing robes. But, despite that, I'd be unlikely to find him very persuasive even if he were talking to me in English about his fishes and his loaves. He believes in transcendent beings and I don't.

### **Shannon-Weaver: The Decoder**

Just as a source needs an encoder to translate her purposes into a message, so the receiver needs a decoder to retranslate. If you take a look at our discussion of the receiver, you'll see that we considered how, for example, a blind person would not have the equipment to receive whatever non-verbal messages you send in the visual channel.

The notion of a decoder reminds us that it is quite possible for a person to have all the equipment required to receive the messages you send (all five senses, any necessary technology and so on) and yet be unable to decode your messages.

An obvious example would be:

You can see it. You probably guess that it's a language, maybe even that it's Arabic. You probably don't understand it, though. In fact, it is Arabic and it does mean (but nothing very interesting). You cannot decode my message, encoded to you in that short sentence, by you. You have the appropriate receiving equipment, but no decoder. You don't understand the code.

### **Shannon-Weaver: The Receiver**

For communication to occur, there must be somebody at the other end of the channel. This person or persons can be called the receiver. To put it in Shannon's terms, information transmitters and receivers must be similar systems. If they are not, communication cannot occur. (Actually Shannon used the term destination, reserving the term receiver for what we have called decoder. However, I think the terminology I have been using is more common in the broader understanding of 'communication theory' as distinct from Shannon's information theory.)

### **Shannon-Weaver: Feedback**

Feedback is a vital part of communication. When we are talking to someone over the phone, if they don't give us the occasional 'mmm', 'aaah', 'yes, I see' and so on, it can be very disconcerting. This lack of feedback explains why most of us don't like ansaphones. In face-to-face communication, we get feedback in the visual channel as well - head nods, smiles, frowns, changes in posture and orientation, gaze and so on. Advertisers need feedback, which they get in the form of market research from institutions. How else would they know if their ads are on the right track? Broadcasters need feedback, which they get from agency ratings. Politicians need feedback, which they get from public opinion polls and so on.



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## LESSON 8: TUTORIAL

Critically examine the Shannon Weaver model and explain the entire model in not more that 150 words.

Communication is all about reaching out to the public with your message being understood. In our age of a viewer getting the option of choosing between 50 channels, how do you ensure that communication via advertising can effectively reach the target market?

Take a product / brand of your choice and explain the concept of the AIDA model.

The faculty concerned could change the tutorial. I leave it up to the discretion of the faculty.

## Notes

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## LESSON 9: OBJECTIVE SETTING & DETERMINING TARGET AUDIENCE

### Learning Objectives

- You will understand via this lesson the goal and objective of an advertising campaign.
- This lesson will expose you to the different types of objectives.
- Understand as to how to go about formulating the objectives.
- In understanding that objectives are closely linked to the communication process.
- Understanding the bases for Targeting.



Well, friend, now we come to an important topic that is the objective setting where advertising is concerned. Essentially it deals with what our basic aim is all about. What do we really want to achieve in our advertising plan. So let me start the lesson.

Advertising is a method of communication with a specified objective. The Objectives of advertising as explained before are grouped as sales objectives (measured in terms of increase in sales, increase in market share and return on investment) and communication objectives. The communication objectives of advertising can be grouped in to the following

- Building awareness (informing): The first task of any advertising is to make the audience appreciate that the product or service exists and to explain exactly what it is
- Creating favorable attitudes (persuasion). The next stage and the one that preoccupies most advertisers, is to create the favorable attitude to the brand which will eventually lead the consumers to switch their purchasing pattern
- Maintenance of loyalty (reinforcement) One of the tasks which is often forgotten is that of maintaining loyalty of existing customers who will almost always represent the main source of future sales

There are general objectives of advertising that covers goals like encouraging increased consumption of a product by current

users, generating more sales leads, increasing brand awareness, increasing repeat purchases and supporting the personal selling efforts. Some of the broad advertising goals are explained as per the following:

### Launch of New Products and Services

In a saturated market, the introduction of new products and brands can give the seller a tremendous opportunity for increasing his sales. In the case of innovative products (totally new to the market) such as Laptop Computers, a great deal of advertising has to be done over an extended period of time to make people aware of “What the product is” and “What it does” and “How the customers would find it useful”. In addition, the advertisement also carries information about the availability of

the product and facilities for demonstration/trial etc. Similarly new brands of existing product categories are also promoted quite aggressively. Two recent examples are the launching of “Pepsi Blue” soft drinks during the world cup and launch of “Mountain Dew” in subsequent period.

### Expansion of the Market to Include the New Users

Advertising can be used to tap a new segment of the market, hitherto left unexplored. For example TV and Video Camera manufacturers who have been concentrating on domestic users and professionals can direct their advertising to the government institutions and large organization for closed circuit TV networks, security systems and educational purposes. Another way of expanding the consumer base is to promote new uses of the product. For example, Johnson’s baby oil and baby cream were originally targeted to mothers. The same products have now been directed towards the adult market for their personal use. Similarly, Milkmaid was originally promoted as a substitute for milk. It is now being advertised as an ingredient for making sweet dishes and also as a sandwich spread for children.

### Announcement of a Product Modification

For such advertising, generally, the terms “new”, “improved”, “Excel” etc. is used as prefixes to the brand name. For example, “Surf Excel” gives the impression of an advanced detergent powder, although there may be no tangible difference between the earlier brand and the new one. Sometimes the customer as a modified product e.g. “a new refill pack for might perceive a minor packaging change Nescafe”

### Announcement of a Special Offer

Because of competition, slack season, declining sales, etc, advertising is used to make a special offer. For example, Colgate Dental Cream campaign about 20% extra was to increase volumes through a sales promotion campaign. Hotels offer special rates during off- season. Similarly many products like

room heaters, fans, air-conditioners, etc, offer off-seasons discounts to promote sales.

### To Announce Location of Stockiest and Dealers

To support dealers, to encourage selling of stocks and to urge action on the part of readers, space may be taken to list the names and addresses of stockiest and dealers.

### To Educate Customers

Advertisement of this type is “informative” rather than persuasive”. This technique can be used to show new users for a well-established product. It can also be used to educate the people about an improved product e.g. Pearl Pad odor free jars and bottles. Sometimes societal advertising is used to educate people on the usefulness or harmful effects of certain products. For example, Campaigns against unsafe sex and AIDs are sponsored by government and voluntary agencies. Similarly, advertisements discourage the consumption of liquor and drugs.

### Reminder Campaigns

This type of advertising is useful for products, which have a high rate of repeat purchase, or those products, which are bought frequently e.g. blades, cigarettes, soft drinks, etc. The advertisement is aimed at reminding the customer to ask for the same brand again. The campaign of “Dil Maange More” during television breaks of cricket matches is to have a top of mind recall.

### To Sought Dealer Cooperation and Motivation

A successful retail trader depends upon quick turnover so that his capital can be reused as many times as possible. Dealer support is critical, particularly for those who have limited shelf space for a wide variety of products. Advertisers send “display” material to dealers for their shops, apart from helping the retailer with local advertising.

### To Create Brand Preference

This type of advertising does two things: (i) it creates a brand image or personality (ii) It tells the target audience why Brand X is better than Brand Y. In this type of advertisement, the product or brand acquires a ‘personality’ associated with the user, which gives the brand a distinctive ‘image’. The second type of advertising also known as ‘comparative advertising’, takes the form of comparison between two brands and proves why one brand is superior.

### Few Other Objectives

Advertising also helps to boost the morale of sales people in the company. It pleases sales people to see large advertisements of their company and its products, and they often boast about it. Other uses of advertising could include recruiting staff and attracting investors through “Public Issue” advertisements announcing the allotment of shares etc.

You must understand that an Advertising Objective is a Communication Objective

“An Advertising goal is a specific communication task, to be accomplished among a defined audience to a given degree in a given period of time”.

Defining Advertising Objective you must proceed from:

- The Product and its virtues.
- The Competition.
- The segment of the Market aimed at all of which should be set down in the marketing objective.

#### Step I: Define the Audience

Issues like Social class, Income, Occupation, Values and ambitions, Attitudes to Product.

#### Step II: Define the Stage of the Communication Task

What is the Specific Communication task? Communication is a process of acting on the mind of your audience. “We must create a state of mind conducive to purchase”.

#### Step III: Define Consumer Preference or Resistance

What do consumers like about Brand? What do they dislike? This is where you need research into consumer attitudes.

#### Step IV: Define the Product Promise or Claim

- It must be meaningful and of value to consumer
- It must be a distinctive – unique claim.
- It must concentrate on this unique claim or the Unique Selling Proposition (USP).

“Advertising is the art of getting a Unique Selling Proposition into the heads of the most people at the lowest cost”

#### Step V: Define the Brand Image

What will be the brand’s ‘Personality?’ i.e. What character or association does it evoke?

After you have answered the above questions it is then that we are moving ahead where the setting of objectives are concerned. The important thing to understand about setting advertising objectives is that most advertisers do not set sensible ones. But then these same advertisers are not sure if their advertising is paying off either. If you ask them how their campaign is going, you get answers like, “All of our people like it very much” or “It’s a bit early to tell, but we think it’s going to be very successful”.

The truth is that if you are spending Rs 10 lakhs or Rs 10 crores, you ought to be able to tell with a much greater degree of accuracy what it is doing for you, or you shouldn’t be spending it. To do this, you need parameters that can be measured, such as increasing advertising objectives with specific goals, share of mind or brand awareness.

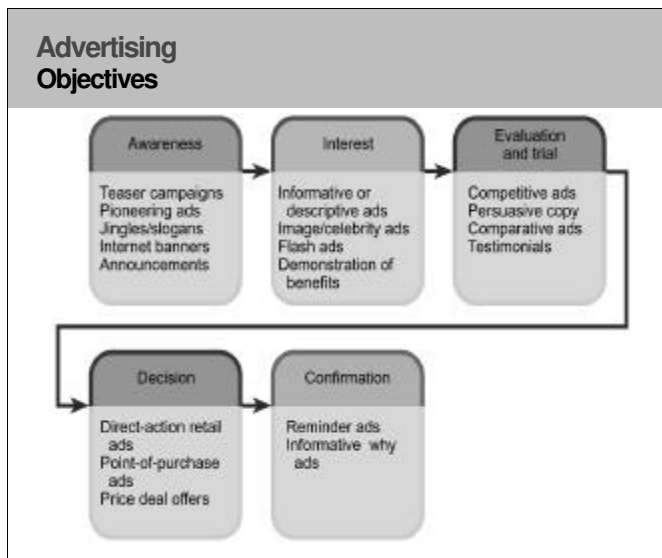
Advertising campaigns are in one sense like military campaigns. In a military campaign, you set an objective like “Capture the Kargil back” or “March through McMohan Line”. Then you know when the campaign is over and whether you have won or lost. Successful advertising campaigns have the same kind of criteria. They start with objectives, so you can tell how the campaign is going and whether you are winning or losing. So, perfect campaigns insist on an attainable objective as a prerequisite.



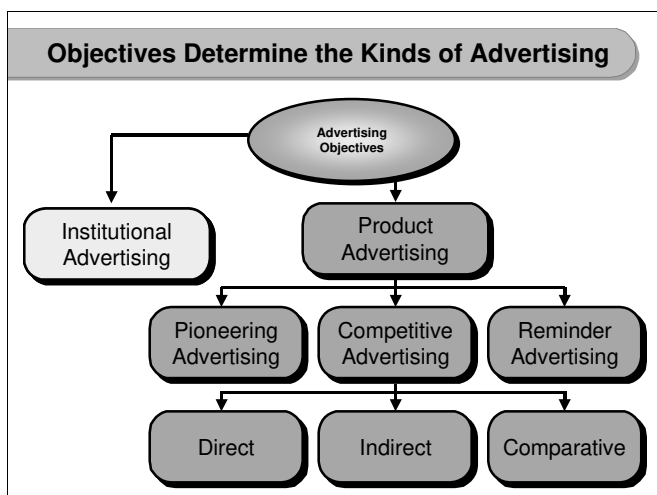
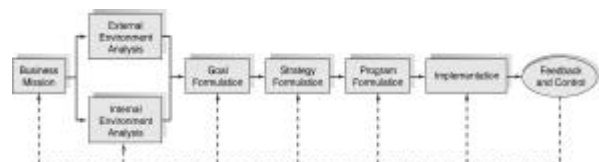
Now let us take objectives a degree higher. Let us incorporate the elements of planning within this lesson. This will take you to easily understand the subsequent chapters and lessons.

## Strategic Planning: Making Intelligent Decisions

- Strategic planning is the process of determining **objectives** (what you want to accomplish), deciding on **strategies** (how to accomplish objectives), and implementing the **tactics** (which make the plan come to life).
- An **objective** is a goal or task to be accomplished – the destination.
- A **strategy** is the means by which the goal is accomplished – the route to the destination.
- Possible **tactics** could be: a demonstration, a testimonial, or an emotional or funny story.



## The Business Planning Process



## The Business Planning Process

- **Business Mission Statement**
  - supports the corporate mission and includes the broad goals and policies of the business unit.
- **External Environment**
  - *opportunities*: area for the company to develop an advantage over its competition.
  - *threat*: trend or development in the business environment that will erode business unless the company takes purposeful marketing action.
- **Internal Environment**
  - *Strength and weaknesses*: could revolve around financial conditions, personnel issues, or technical expertise.



## The Business Planning Process

- The entire procedure is called a **SWOTs Analysis**.
- Next step is to develop specific **objectives** and **goals** for the planning period.
- Follow this with outlines of specific **strategies** that relate to each goal.
- Next, work out specific supporting programs (**tactics**) for carrying out strategies formulated.
- **Implement** the plans, then **evaluate** the results and make any needed **adjustments**.

## The Advertising Plan

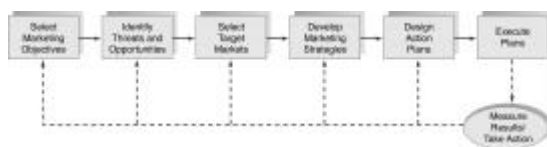
An Advertising Plan Matches the Right Audience to the Right Message and Presents It in the Right Medium to Reach That Audience & Has Three Elements.

**Targeting the Audience:** Whom are you trying to reach?

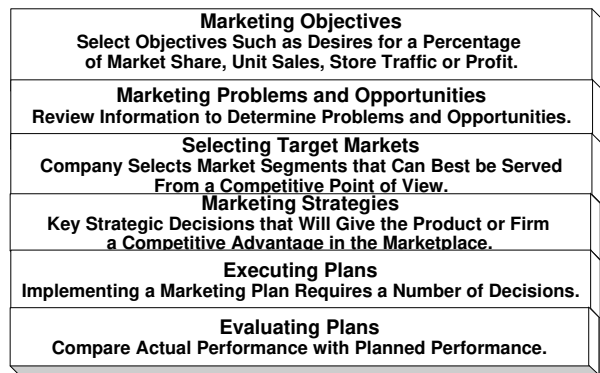
**Message Strategy:** What do you say to them?

**Media Strategy:** When & where will you reach them?

## Steps in the Marketing Plan



## Steps in the Marketing Plan



My dear student, it was important to give these slides here at this point of time, since this is a strategic junction. With the help of these you will be able to relate to the preceding chapters and will be able to understand the relevance of the subsequent chapters and their linkage.

I want you to discuss at least 10 objectives of brands in the context of advertising and marketing. You could take 2 such brands and make a presentation about the reason why it chose that objective at that point of time.

### Determining Target Audience

Let us say that I want to market a brand of jeans. The price of the jeans is Rs. 1000/ and I would like college-going people to wear that jeans. In addition I see a person to be confident and knows what he / she wants out of life. Tell me can I look at you to be my target audience? Of course I can. So does that mean you are to be my target audience for the pair of jeans?

You must understand that we are not merely manufacturing and selling, rather, we are manufacturing what the needs of the people are about. For every product there is a specific people, which are to be kept in mind while marketing the product.

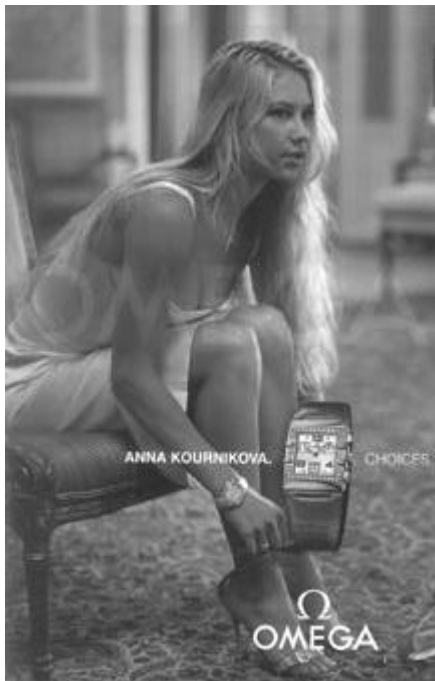
In order to tailor your marketing and advertising strategies to appeal to the tastes and interests of your market, you must first identify your customer. In order to do this, you it is necessary to conduct thorough research of the consumer marketplace. Keep in mind, the more information you have about your target market, the better able you will be to develop a successful marketing plan.

A market profile typically uses primary and secondary sources to answer key questions about a potential market. A profile is a picture or an outline. Information that makes up the social profiles of the people in your target market is called demographic information, and includes:

- Age, usually given in a range (20-35 years)
- Sex
- Marriage/partner status
- Location of household
- Family size and description

- Income, especially disposable income (money available to spend)
- Education level, usually to last level completed
- Occupation
- Interests, purchasing profile (what are consumers known to want?)
- Cultural, ethnic, racial background

A clothing manufacturer may consider a number of possible target markets—toddlers, athletes, grandparents (for grandchildren), teenagers, and tourists. A general profile of each of these possible markets will reveal which ones are more realistic, pose less risk, and which are more likely to show a profit. A test market survey of the most likely market groups, or those who buy for them, such as parents for babies and toddlers, can help you separate real target markets from unlikely possibilities.



So basically we sub divide the market on the basis of geography, demographic, socio-economic, psychographic bases and the market conditions. The most common descriptions of the target audience are in terms of geographic, demographic and socioeconomic terms. If we take into consideration a simple product like a cycle, within this a normal cycle may be target at the rural community, whereas a sports cycle would focus more on young urban kids.

Insurance, you would ideally think would be for the older generation, but you have to start working now. So what do you think is the target audience for that product? Yes, they are, I mean the companies, focusing on the younger generation. Basically people in the age group of 30 to 45 years are the focused target group. Also the profiles of these people is that of senior executive, upwardly mobile and are concerned about their family about their future.

What do you think about the following advertisement? What do you think the age of the man is?

Halley suggests a benefit sought as a useful base for identifying a target audience. It cuts across all other bases. The example of toothpaste users illustrates this. Toothpaste market has four identifiable segments, e.g.,

- Tooth decay prevention
- Brightness of the teeth.
- One with flavor.
- Mouth freshness.

Targeting, you must understand, makes the marketing mix all the more effective within the context of integrated advertising program. The product matches the consumer profile. The promotional program remains in tune to the consumers' willingness to receive, assimilate and react positively to the communication. It is recognition of the fact that the market is not a single cohesive unit but it is rather seething in its very essence. It being desperate, pulsating, antagonistic, infinitely varied sea of differing human beings – here everyone being distinct from the others as fingerprints; everyone of them living in certain circumstances and in countless ways from those in which everyone of them is living.

In a country like India where unity is in diversity, identifying target audience for a product is a formidable task. To optimize targeting, the potential of the target market, its needs, its effective demand and accessibility needs must be considered.

A marketing communication starts with a clear target audience in mind. The audience critically influences the communicator's decision on:

- What is to be said?
- How it is to be said?
- When it is to be said?
- Where it is to be said?
- Who is to say it?

Suppose you were to advertise a product like Burgers. How would you integrate the above questions in your attempt to go on to identify the target market?

The communication objectives emerge from the analysis of the target market. In fact I would say that they sometimes could have an irreversible role to play in advertising. You should remember that no matter which stage of the campaign you might be in, looking at the objectives and subsequently the target market is an important means to be in touch with where your campaign is heading.

The quantitative research of consumers socio-economic and demographic conditions, user-status, use frequency, etc, along with the qualitative research of image analysis of the object in consumer's perception goes a long way in setting communication objectives. Image I need to tell you is a set of beliefs, ideas and impressions that a person holds of an object. It is a precondition for any communication planning. The familiarity of the target audience is first measured against the following scale:

- Never heard of
- Just heard
- Know a little

- Know fairly well
- Know very well

If most of the respondents tick the first two options, the communication objective would be to build awareness. Those who are familiar are tested for their attitudes towards the product:

- Very unfavorable
- Somewhat unfavorable
- Neutral
- Somewhat favorable
- Very favorable

Negative attitudes must be overcome before undertaking further promotion. Hence we could in addition say that, analyzing the image of a product in the mind of the consumer is a crucial step to bring about differentiation in the market place. This differentiation would help us in understanding the relevant target audience to be targeted at. For example in the case of Freedom bike from LML, we are looking at not only the bike loving community or an age group which is 18 +, but importantly we are targeting at the people who want their spirits to be free. The independent person is basically what we are looking at. Similarly the fair and lovely advertisement for example, previously and to an extent till date they were looking at targeting the girls who would get married if they use the fair & lovely fairness cream. Of course the advertisement came under much flak because it hurt the sentiments of the women who were of a darker complexion. As a result the next advertisement focused on the confident young woman who becomes a TV commentator despite all odds. So the point my dear student is that we have to understand the complete profile of the consumer before we can actually go on to make the target audience analysis.

Now I want you all to analyze the target market for the following brands:

- Whirlpool Washing Machine
- Titan Watches
- Reliance Mobile Service
- Airtel Mobile Service
- Bagpiper

In the subsequent lessons we would understand the concept of segmentation. But you must not confuse the two. Segmentation is a broader plying field where the consumer profiles are concerned. You could say that it is the prelude to targeting. The marketing man carries out several other tasks besides segmentation In order to focus on his target market. Essentially he carries out a thorough evaluation of the various segments and selects those segments that are most appropriate to him. This segments should be relevant, accessible, sizeable and very importantly profitable.

The evaluation of the different segments has to be actually based on these criteria and only on the basis of such an evaluation should the target segments be selected. The marketing man or the advertiser must understand the assessment of the sales potential and profit potential from these segments.

You must realize that if the message that you formulate and the money that you spend on the campaign does not connect with the right people where sales growth is concerned then I am afraid we are not going in the right direction.

In addition we must also analyze whether it would be profitable to select the entire market. We can also look at certain segments, which may have consumers who are not too satisfied with the current offering by the competitors. It could also be possible that you target a few segments separately and design your objectives accordingly. Even your message strategy will have to change. But you must understand your company's resources and accordingly choose a target market. You might find all segments attractive but you have certain constraints to work along with.

Let us take the example of soaps in India to understand the issue here.



## Consists of 2 Segments

- Preference for premium soaps
- Preference for popular soaps

## Size Wise

1. Popular segment bigger than premium category.
2. Premium segment just 15% of the total soap market in terms of tonnage.
3. Large volume of business in Popular segment.
4. However value is higher in the premium segment. The size also being considerable.

## Future Position

1. High growth sectors are in mind by the business firms.
2. Popular segment is growing at the rate of 10% per annum, whereas the premium segments at 30 % per annum.

## Profitability

1. Price range for premium segment is placed at between Rs. 10/ to Rs. 50/.
2. Price range for the popular segment at less than Rs. 10/.

3. Although volume selling in the popular segment would bring about sales, and the profitability factor would be low.
4. Whereas the profitability factor is high where the premium segment is concerned.
5. Launching a brand is competitive and especially when the competition is growing by the day.
6. Expensive media like TV would have to be used to get in touch with the target group.
7. Selling and marketing costs to be taken into consideration.

### Accessible

1. The various market shares of the brands of the competitor would determine this. If the market share were on the rise per annum then it would mean that the market is accessible.

### Resources & Objectives to be matched:

1. Position of the firm in terms of competency and relative experience would determine this.
2. Firm to look at areas like internal culture, marketing styles and strong organization along with a strong hold where resources are concerned.

Please understand that this is a very strategic decision, which a firm has to undertake in order that the right customer group is reached.

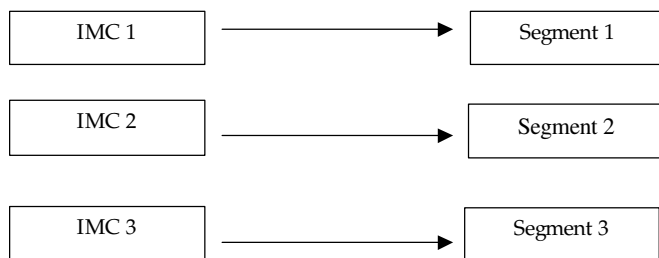
Now let me come to another fascinating part whereby we can further focus on our target market. Namely:

- Undifferentiated strategy
- Differentiated strategy
- Concentrated strategy

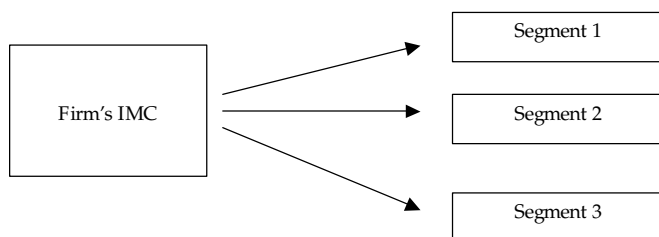
It will look very easy to you with the following diagrams.



### A. Undifferentiated Target Market



### B. Differentiated Target Market



### C. Concentrated Target Market

In the case of undifferentiated strategy a firm decides to ignore market segment differences and go after the whole market with

one offer. This is commonly referred to as mass marketing. You are reaching out to one and all, irrespective of any segmentation differences.

The differentiated strategy on the other hand comes about when the firm decides to target several market segments and designs separate offers for each. For example you could have a company manufacturing cars keeping in mind let us say 3 things as purse, purpose and personality. In fact I would urge you to kindly look at the brands that Maruti has in its portfolio and you will realize the above point.

Thirdly coming down to concentrated marketing; it is a strategy, which comes into play when a firm goes after a large share of one or a few sub markets. This is especially true when the firm's resources are limited in nature. So instead of going after a small share of a large market it rather goes for a large share of a small market or a few markets or if I could say niche markets. This is especially true for smaller firms trying to make a mark in the market. For example, in the case of Tiger biscuits, you must realize that they introduced the Re.2/ pack purely because they could cater to the rural segment. The chai biscuit, so the Britannia people called it, had different segments having the biscuits.

So dear student let me now come to the gist of a good target market:

- Measurable: Inclusive of size, purchasing power and profiles of the segment can be measured.
- Accessible: Effectively reached and served.
- Substantial: Large or profitable enough to serve.
- Differentiable: Conceptually distinguishable and respond differently to different marketing mix elements and programs.
- Actionable: Effective programs can be designed for attracting and serving the segments.

The issue in target market is not who is targeted but rather how and what for. So you must understand the profile of the people and their needs in order to reach out to them.

Please read the following article, which came out in the Financial Express. This will give you a clear picture on targeting.

"Quote-Unquote what few stalwarts have to say about Targeting."

- "There is no such thing as a Mass Mind. The Mass Audience is made up of individuals, and good advertising is written always from one person to another. When it is aimed at millions it rarely moves anyone."  
- Fairfax Cone, of Foote Cone & Belding, quoted in John O'Toole, *The Trouble with Advertising* . . . 1981, New York: Chelsea House, p. 48.
- "There is no such thing as national advertising. All advertising is local and personal. It's one man or woman reading one newspaper in the kitchen or watching TV in the den."  
- Morris Hite, quoted in Adman: Morris Hite's Methods for Winning the Ad Game, 1988, Dallas, TX: E-Heart Press, p. 204.

## LESSON 10: TUTORIAL

Explain, what would be the Advertising objectives that you would set for the following situations:

- Brand of health drink only for the urban market and that too be concentrated in the metro cities.
- Brand of apparels that is wrongly perceived as a low purchase item.
- Your brand of cold drink has been negatively targeted in your competitor's advertisements.
- You have tied up with a bank that will provide the loan for the purchase of your brand of automobile.
- Festival season means marketing opportunity for your brand of fast food. You want to make it a family affair and give some add on's to your customers, but for a limited period of time.

Identify the audience profile for the following products:

- A 5 star hotel.
- 555 washing detergent.
- Deodorant for men.
- Home theater system
- Monetary aid for cancer patients
- Sachets of tea.

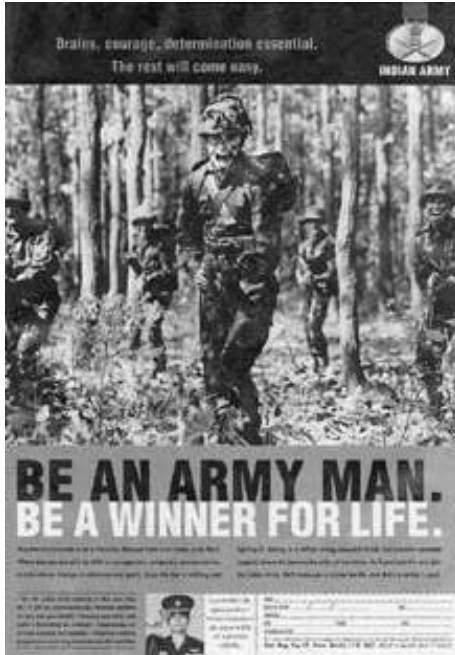
Select 5 Print advertisements and understand the profile of the customer at which the product or the service is aimed for.

### Notes

## LESSON 11: UNDERSTANDING SEGMENTATION

### Learning Objectives

- You will understand via this lesson the need for segmentation
- The segregation on the basis of the target market.
- Understand the bases of segmentation.
- Demographic & Psychographic Segmentation.



Did you notice the coupon on the above advertisement? Make sure you keep that in mind. Well, now we shall proceed to segmentation. A market is defined as individuals, organizations with purchasing power, and desire/ willingness to purchase. Markets can be categorized based on the buyers as follows:

Producers market trade in raw material, equipment, supplies, machines etc.

Reseller market trade in finished goods, services from producers

Consumer market : refers to market where end consumer buys the products for personal or household use. Consumer market can be bifurcated into durables and non-durables markets. The non-durable products are also known as fast moving consumer goods.

The principal means of classification are:

- By geographical spread, such as national, regional and local
- By target group, such as consumer advertising, industrial advertising or trade advertising
- By type of impact such as
  - Primary demand or selective demand advertising,
  - Direct or indirect action advertising, and
  - Institutional advertising.

Markets comprise of heterogeneous segments of consumers. Market segmentation refers to process of identifying a group of buyers with similar buying desires and requirements. The marketer with a distinct marketing mix targets each segment.

Companies, whether they are big or small experience a similar challenge. In such a confused situation, 'Segmentation' comes in handy! Segmentation is defined as the process of dividing a market into distinct sub-sets of consumers with common needs or characteristics and selecting one or more segments to target.

Segmentation is the first step in a marketing strategy. Once marketers divide the market into various groups, they can then select their 'targeted segments' and design products that suit their requirements. For instance, companies like BPL have resorted to market segmentation as a strategy to beat its competitors. Its products like: BPL Loewe (digital designer televisions for the premium-end of the market); Matrix Flatscreen TV (for technology lovers); Studioline (who are performance seekers); and Prima (for the lower-end of the market) are a case in point. Each of them has been designed to cater to the requirement of a particular segment.

### Basis of Segmentation

The first step in developing a segmentation strategy is to identify the basis on which the market segmentation is done. There are eight categories of customer characteristics that form the basis for segmentation. The categories are:

#### 1. Geographic Segmentation

The market is divided according to the location. The classification is based on the assumption that people living in the same area share similar habits and wants. However, there's a difference in the purchasing patterns of the consumer living in urban, semi-urban, and rural areas. For instance, as an Electrolux dealer, having a showroom in Hyderabad, you can advertise your company in and around Hyderabad via local newspapers, TV, radio, and other magazines.

On the basis of geographical spread, advertising can be classified as (a) national, (b) local and (c) global.

##### a. National Advertising

Some manufacturers may think that their target is the entire country. They select media with a countrywide base. Generally large, established firms belong to this category. Among them are Hindustan Lever, Brooke Bond, Larsen & Toubro, Escorts, Associated Cement Companies and the like.

##### b. Local Advertising

Small firms may like to restrict their business to State or regional level. Some firms first localize their marketing efforts and once success has been achieved, they spread out to wider horizons. A classic example 'is Nirma washing powder, which initially was sold in Gujarat and subsequently entered the other markets.

Retail stores also undertake local advertising the area to be covered would generally be a city or a town and media would be selected principally relates to that area. In recent years, several magazines have appeared which focus on a particular city and are of direct relevance to its inhabitants like the Bombay and Isk11d.

Sometimes large firms may also go in for local advertising, e.g., when they undertake pretest of a product, especially consumer product in selected areas before embarking promotional campaign on a national level.

### c. Global Advertising

Multinational firms treat the world as their market. Firms like National, IBM or Sony or Ford advertise globally, e.g., in periodicals like Times, Reader's Digest.

However, with the increase in the popularity of the television and satellite communications, marketers strongly believe that the geographic segmentation can be replaced by a single global marketing strategy.

## 2. Demographic segmentation

The segmentation is based on characteristics like age, sex, marital status, income, occupation, and education. It's the most accessible and cost-effective way to identify your target market.

## 3. Psychological/ Psycographic Segmentation

Psychological characteristics refer to the inner qualities of a person. For instance, consumers are divided on the basis of their needs and motivations, personality, perceptions, learning, level of involvement, and attitudes.

As an executive dealer you can provide a questionnaire to the people residing in the area with questions like: Do you like book reading or not? How often you go out for movies and picnics? What channels do you prefer watching etc. Depending on these questions you can segment the consumers and offer products that matches their lifestyle.

## 4. Sociocultural Segmentation

This is another basis for segmentation. Markets are divided depending on factors like family life cycle, social class, cultural values, and cross-cultural affiliations. Culturally distinct segments offer excellent growth avenues for marketers. However, care should be taken while advertising the products. For instance, if you are selling the Whirlpool refrigerator with the 'instant cool' feature, sell it as a means of convenience for a workingwomen family. However, the same should appeal as a 'status symbol' for the upper class.

## 5. Use-Related Segmentation

It's the most popular method of segmentation. Consumers are divided into different categories depending on the product, service, or brand usage characteristics like the rate of usage (consumers are divided depending on the number of times they use a product); Awareness status (Consumers are divided based on their knowledge level of a product. For instance, if a consumer instantly recalls all the features and models available/ yet to be launched in the market, his awareness level is high); and brand loyalty.

## 6. Usage-Situation Segmentation

This classification is based on the products/ services that the consumer uses depending on the situation. For instance, if you buy red roses to your wife on her birthday, you fall under one category.

## 7. Benefit-segmentation

The market is divided into segments depending on the benefits of the products. This sort of segmentation is used to communicate the product features to consumers. For instance, Bausch and Lomb advertises its disposable lenses as a form of convenience.

## 8. Hybrid Segmentation

Instead of sticking to one particular segmentation style, marketers combine one or two segmentation variables and arrive at another segmentation. This style is referred to as Hybrid segmentation.

Coming back to the Target advertising on the other hand is:

Segmentation on the basis of target groups aimed at, advertising can be classified as –

- a. Consumer Advertising,
- b. Industrial Advertising,
- c. Trade Advertising,
- d. Professional Advertising.

### a. Consumer Advertising

A very substantial portion of total advertising is directed towards the consumers who purchase them either for their own use or for their household. The main point to be remembered here is that buyers of consumer items are generally very large and are widely distributed over a large geographical area, which enhances the importance of advertising as a marketing tool. Looking into at random any general print media, such as newspapers, magazines etc, can see such advertising. These advertisements are intended to promote sale of the advertised products appealing directly to the buyers/consumers. Such advertising is called consumer advertising.

### b. Industrial Advertising

Industrial advertising on the other hand refers to those advertisements, which are issued by the manufacturers/ distributors to the buyers of industrial products. This category would include machinery and equipment, industrial intermediates, parts and components, etc. Because of the unique characteristics of industrial buying decision process, the importance of industrial advertising is comparatively lower than that of consumer advertising.

### c. Trade Advertising

Advertisements, which are directed by the manufacturers to its distribution channel members, such as wholesalers or retailers, are called trade advertising. The objective of such advertising is to promote sales by motivating the distribution channel members to stock or to attract new retail outlets.

### d. Professional Advertising

There are certain products for which the consumers themselves are not responsible for the buying choice. The classic examples are pharmaceuticals where doctors make decision while the

consumers are the patients. Almost similar situation exist in the field of construction where architects, civil engineers and contractors are the decision makers. Firms operating in such market segments, therefore, have to direct their advertising to these decision makers, who are professional people. Such advertising is called professional advertising.

With increasing competition, players try out to carve separate niche, which leads to greater segmentation of the market. As each brand needs significant investment for launch as well to sustain equities, the plethora of brands become unmanageable. The process of restructuring and cost engineering results in consolidation and phasing out of weaker brands and thereby reducing the market segmentation.

Segmentation as a tool is effective in understanding the consumer and the market associated with your brand. Only a proper understanding of it will give you an understanding as to how to make your advertising campaign.

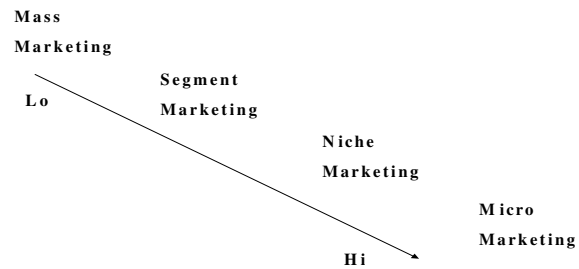
### Segmentation

- It is the dividing of a market into distinct groups of buyers on the basis of needs, characteristics, or behavior who might require separate products or marketing mixes.

### Segmentation

- Identify bases for segmenting the market
- Develop segment profiles

### Levels of Segmentation



### Segment marketing

- Isolating broad segments that make up a market and adapting to match the needs of one or more segments

### Niche Marketing

- Focusing on sub-segments or niches with distinctive traits that may seek a special combination of benefits.



## Micro Marketing

- The practice of tailoring products and marketing programs to suit the tastes of specific individuals and locations – includes local marketing and individual marketing

## Types of Segmentation

- Geographical: India, Delhi, Lajpat Nagar
- Demographic: 24 Yrs old Married woman working and earning 15K P.M, is an MBA
- Psychographic: Upper class, golfing, CEO.
- Behavioral: Rohit is a Regular shopper, believes in Quality, Brand loyal and likes to wear those brands which exudes Positivity.

## Local marketing

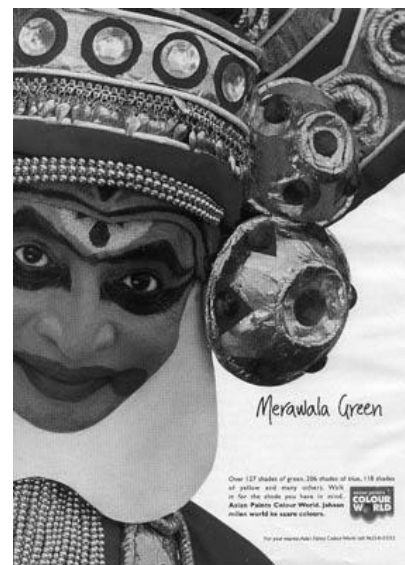
- Tailoring brands and promotions to the need and wants of local customer groups – cities, neighborhoods, and even specific stores.

## Individual Marketing

- Tailoring products and marketing programs to the needs and preferences of individual customers – also labeled one-to-one marketing, customized marketing and markets –of-one marketing.



Demographic Segmentation.



It is the division of the market into groups based on certain demographical variables such as:

- a. Age
- b. Gender
- c. Income
- d. Geographic location
- e. Usage
- f. Occupation
- g. Education
- h. Generation
- i. Family size

The basis of this type of segmentation is:

1. That the groups of buyers are not being served well presently by competition, and are therefore likely to try the brand advertised (eg. Life Insurance advertisements focusing on the young salaried class instead of stereotyped older generation)
2. That the buyers are large enough, or growing in size (eg. Advertisements for women office wear)
3. They are most likely to respond positively to the benefits offered by the brand advertised (eg. Advertising luxury to the existing high-end brands of car owners).

Let us take the above demographic variables one by one:

## Age

A very basic but useful a priori demographic segmenting variable is age. People often seek different features or benefits depending upon their age (and, relatedly, their family life-cycle stage). Consequently, people in different age groups often differ in which brands they prefer within a product category, and it is sometimes possible to target particular brands at particular age groups. Researchers have found that a person's "cognitive age" is a much better predictor of purchase patterns than "actual" (chronological) age. For instance, a forty-year-old man may still feel as if he was in his thirties, in terms of interests and activities. Therefore, it is useful to learn as much as possible about prospective target segments.



The questions you should be asking yourselves are:

What kinds of products and services will your target age group want to buy, what kinds of features will they seek, what kinds of advertising appeals and personalities will they be most responsive to?

The answers to the above will give you a fair amount of insight into the designing of your offering to the particular age group.

For example, the advertisements for cosmetics will invariably show a young woman even if it aims at marketing at all the age group. 'I am a complan girl', is an advertisement focused at the young teens & adolescents, where as an advertisement about liquor is about a matured age group.

So segments of different age groups often need different advertising approaches, both in terms of message and execution. Some advertisers argue that today's teenagers, used to rapidly edited music videos, also need ads with such quick-cut, "jazzy" shots to have any hope of appearing "cool". Both young children (under age five), and elderly (over sixty-five) consumers have special needs in the way information is communicated to them, because of differences in the way they process information compared to other consumers.

## Gender

Much research suggests that men and women process information from ads differently. For instance, it has been shown that women process more detailed information than do men, possibly because they are more attuned to paying attention to external cues than men are (they are but generalizations!). The woman manager who headed Nike's marketing campaigns to grow its women's markets agrees, and claims that women are:

1. More discerning buyers than men, and
2. That they research many products and weigh several factors before they buy.
3. Women unlike men find ads using celebrity endorsements to be unpersuasive because they don't like being preached at.
4. Women are responsive instead to ads that portray women as powerful, capable people who hate being told they can't do things simply because they are women.

## Income

Another useful a priori demographic variable is income. Not surprisingly, higher income households tend to be less price-sensitive, placing a higher value on buying higher-quality merchandise. Because of the growth in dual-income households, there has been a dramatic growth in the proportion of total spending in the economy coming from such households, implying that the market for high-end products and services should increase substantially.

It is seen that low-income people prefer beedis for smoking. Middle-income buyers smoke Wills Filter, and high-income buyers like 555 cigarettes.

Even sometimes the choice of celebrity endorser is considered while targeting at a certain income category. Amitab Bachchan for Parker Pen and not Govinda.

## Geographic Location

Geographic location can often provide the basis for an effective a priori segmentation strategy. A firm with modest resources can dominate, if it so chooses, a small geographic area. Its distribu-

tion within the limited area can be Internet. Local media such as newspapers or spot television can be employed, and it is possible to buy space in regional editions of major national magazines. In fact Coca Cola with the inclusion of different Indian cultures in their advertisements with Amir Khan is a wonderful example of “think globally and act locally”.

In recent years, it has become increasingly possible to learn something about a company's target consumers simply by knowing the postal zip code in which they live. Census-based demographic data on households has been analyzed by various companies to yield “average profiles” for households in different segments, or groups, of zip codes. In fact the cities and towns in India have been classified on certain basis. So a classification of Delhi might be classified as belonging to the same cluster as the classification of Mumbai, because they are very similar to each in terms of their scores on these variables. An advertiser can examine these scores of each classification cluster and identify which ones are most likely to respond to an advertising or direct marketing effort.

## Usage

A natural and powerful a priori segmentation variable is product-class usage. Who are the heavy users of the product or service? In many product categories, the heavy users (who are usually 20 to 30 percent of the users) account for almost 70 to 80 percent of the volume consumed: this is sometimes called the “80:20” rule. It is obviously extremely valuable for a brand to have most of its users from the heavy-user category, for that should lead to disproportionately higher share of units sold.

One segmentation scheme might thus involve heavy users, light users, and nonusers. This particular segmentation scheme is likely to be useful wherever the focus is on building up the market. Each person is classified according to usage, and a program is developed to increase the usage level. The segments defined by usage usually require quite different marketing programs. So a program tailored to one of these segments can generate a substantially greater response than would a marketing program common to all segments. Of course, designing and implementing several marketing programs is costlier than developing one, but the resulting market response will often be significant enough to make it worthwhile.

A somewhat different aspect of usage segmentation is the possibility that consumers may seek different benefits from the same product (e.g., soft drinks) depending on the nature of the usage-occasion (e.g., social use versus food-enhancement). Different ad campaigns to address these different occasion-based segments are therefore also possible.

## Occupation

We have the professionals who are MBAs, CA, etc; we have the Technical, the Government servants, businessman, farmers, and housewives, unemployed, the list seems to go on. Of late there are insurance firms who are targeting at the housewives and even at the unemployed to sell their policies.

## Education

The different academic qualification would mean how people are receptive to the content of the advertisement. The school going kids would be able to grasp any advertisement given by

an IIT coaching institute. Whereas the graduates and the postgraduates would grasp the ads which would offer them a job or a professional course. This type of advertising is especially there in recruitment advertisements.

## Generation

Pepsi with its ads on ‘Gen X’, were able to understand the relevance of generation advertising. Be it the baby boomers of the 60s and the high energy level Generation Y, the brands and the companies’ focus on certain generations for marketing their products. Each set of generations has their own values, beliefs and attitudes and focusing on these variables the brands could be positioned towards them.

## Family Size

Following are certain classifications and the type of products that they are likely to purchase:

- Young & single: Personal consumption items, entertainment, bikes, clothing and love to go on a vacation.
- Newly married couples: Households durables like furniture, TVs, refrigerators, etc.
- Young married with child: Toys, medicines, tonics, baby food, formula milk, etc.
- Older married with children: Food products, music, educational services and wide variety of other products.
- Older married with dependant children: Rational purchases more on replacement buying.
- Older married with no children: Self-education, saving schemes, hobbies, luxury appliances, magazines, health products, etc.
- Old single retired: Economic lifestyle, healthcare and other services and have budget constraints.
- Young married with child dual income: Convenience goods like washing machines, microwave ovens, costly garments for the kid along with games. Expenditure on instant food and crèches, etc.
- Single parent families: Buying physical, psychological and financial securities, like insurance, alarms, boarding school expenses.
- Divorced: Money saving products, rental housing, childcare, time saving appliances, etc.
- Older people married or single: Cash poor and health conscious. They need security and recreation.
- Middle age: Children's lesson on dance and music, dental care, furniture, autos, houses, dining out, etc.
- Middle aged with no children: Luxuries, travels, gift products, etc.

This is one of the segmentation variables to be considered while understanding the target audience. The other one equally important is the Psychological segmentation, which we shall study in the next lesson.

## Bases of Demographic Segmentation

- Age: 18yrs – 24yrs.
- Gender: Male / Female
- Family Size: Young, single
- Family Life Cycle: 1-2
- Income: Less than 1,20,000 P.A
- Occupation: Manager

## Cont...

- Education: MBA
- Religion: Hindu
- Race: Asian
- Generation: Generation X
- Nationality: Indian

## Psychographic Segmentation



A person's pattern of interests, opinions, and activities combine to represent his or her lifestyle. Knowledge of lifestyle can

provide a very rich and meaningful picture of a person. It can indicate whether the person is interested in outdoor sports, shopping, culture, or reading. It can include information concerning attitudes and personality traits. Lifestyle also can be used to define a segment empirically; this is often called psychographic (as opposed to demographic) segmentation.

Lifestyle is particularly useful as a segmentation variable in categories where the user's self-image is important, such as fragrance. As an example of lifestyle segmentation in fragrances, Revlon's Charlie cosmetic line was targeted at a lifestyle segment profiled as follows:

- Is irreverent and unpretentious.
- Doesn't mind being a little outrageous or flamboyant.
- Breaks all the rules.
- Has her integrity based on her own standards.
- Can be tough; believes rules are secondary.
- IS a pacesetter, not a follower.
- IS very relaxed about sex.
- Is bored with typical fragrance advertising.
- Mixes Gucci and blue jeans; insists on individual taste, individual judgment.
- Has a sense of self and sense of commitment.

Various typologies of consumers exist that use personalities, values, lifestyles, and attitudes as variables, among them VALS and the more recent VALS 2, values and lifestyles typologies.

In its first version, VALS focused on the distinction between inner-directed consumers, driven by their convictions, passions, and need for self-expression, and outer-directed consumers, driven by their responses to signals from other people. Using this distinction, it grouped people into nine categories (called Survivors, Sustainers, Belongers, Emulators, Achievers, I-Am-Me, Experiential, Societally Conscious, and Integrated).

VALS 2 uses the additional classifying dimension of the "resources" people have (education, income, etc.) to create eight categories (called Fulfilleds, Believers, Achievers, Strivers, Experiencers, Makers, Strugglers, and Actualizers).

## So why VALS

Today, most marketers in India use segmentation models based on Demographics, Geo-demographics, SEC data & Benefits and usage. However, these models are still inadequate in their description & analysis of a person since they generate only isolated fragments.

This is where Values And Lifestyles segmentation plays such a pivotal role. Because lifestyle characteristics and values provide a rich view of the market and a more lifelike portrait of the consumer, they meet the demands of management practice for increasingly sophisticated and actionable marketing information. The basic premise here is therefore - the more you know and understand about your customer the more effectively you can communicate and market to him.

## Values And Lifestyles

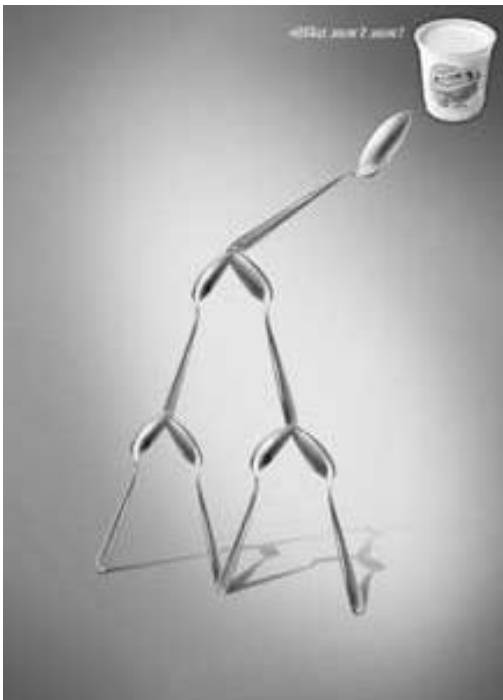
A Value refers to a single belief that transcends any particular object, in contrast to an attitude, which refers to beliefs regarding a specific object or situation. Values are more stable

and occupy a more central position in a person's cognitive system. Values are determinants of attitudes and behavior and provide a stable and inner oriented understanding of consumers. Values within a system refer to a wide array of individual beliefs, hopes, desires, aspirations, prejudices etc. Values provide potentially powerful explanations of human behavior as they serve as standards or criteria of conduct. These tend to be limited in number & are remarkably consistent over time. The value construct can therefore be used to segment the population into homogenous groups of individuals who share a common value system.

A lifestyle is a distinctive mode of living in its aggregate and broadest sense. They deal with everyday behaviorally oriented facets of people as well as their feelings, attitudes, interests & opinions. It embodies the patterns that develop and emerge from the dynamics of living in a society.

Value and Lifestyle segmentation unlike traditional segmentation begins with people instead of products and classifies them into different types, each characterized by a unique style of living - it then determines how marketing factors fit into their lives. This perspective provides a three-dimensional view of the target consumer.

## The Inception and Evolution of VALS



VALS is a relatively new concept, pioneered by SRI International, a Management Consulting firm in California that conducted a nationwide survey of the US consumers based on values and lifestyles first in 1979. This model was later modified in 1989 and renamed VALS-II, which segmented the American consumers into 8 consumer profiles.

Some of the uses to which Values and Lifestyles segmentation has been put are:

- To identify whom to target and find niche markets much more easily.
- To locate where concentrations of your target group lives.

- To gain insight into why the target group acts the way it does.
- To improve and introduce products that speaks to customers' values.
- To target the marketing and advertising campaigns more effectively and accurately.
- To position products more accurately in the marketplace.

The 'Rokeach Value System (RVS)' is a universally accepted and reliable tool to test value systems of people. The RVS classifies values into Instrumental and Terminal Values.

Instrumental Values are everyday ideal modes of behavior. For example values like Ambition, Cheerful, Honest, Imaginative, Logical and Polite are Instrumental Values.

Terminal Values are ideal end states of existence that an individual aspires to have. Comfortable Life, Equality, Family Security, National Security, Pleasure and Wisdom are Terminal Values.

We must however understand that this type of segmentation either singly or in combination with demographic segmentation divides the buyers on the basis of:

- Social class: For example: Lower class, Middle class and Upper class.
- Lifestyle and/or personality traits.

Lifestyle segmentation is all about the mode of living of the buyers. Products often sold by this approach are cars, women's clothing, cigarettes, alcoholic beverages, cosmetics and furniture. You could have two types of spots where automobile marketing is concerned.

- Small family car emphasizing safety, compactness and economy.
- Sport minded individuals who love maneuverability.

One such approach to measure the segment is through AIO inventories, which is Activities, Interest and Opinions.

You have the following categories under the heads:

- Activities: Work, liking, hobbies, recreation, entertainment, shopping
- Interest: Job, home, food, media, community.
- Opinions: Culture, social issues, politics, education.

By combining the demographic variables along with AIO we could get an example of a lipstick user as:

'Someone younger, better educated, working woman who is appearance conscious, cosmopolitan and future oriented.'

Media selection and advertising content could easily be framed. In addition we can identify likely uses of related products that is the products, which are consistent with this lifestyle.

## Personality

Marketers have identified personality variables to segment the market. Motor-cycle buyers can be identified as 'independent, impulsive, macho, ready to change, confident people.' 'Charms cigarettes are smoked by young people who love the spirit of freedom.' Lipsticks are for 'young, out-going, beauty-conscious women.' Other products, which cater to personality traits, are liquor and insurance. The marketers try to adjust the brand's

personality to the personality, traits of buyers for whom it is meant. Consumers of different brands are subjected personal preference tests to measure their different needs, and the differences in personality traits are recorded.



Personality characteristics, especially the self-image that ideally should correspond to the brand-image, are the basis of advertising appeals made to certain types of personality. Other personality characteristics used are changeability, adaptability, thriftiness, prestige consciousness, self-confidence, masculinity, conservativeness and sentimentalism.

Since it is difficult to reach targets on the basis of traits like sociability, self-reliance or assertiveness, the classifications based on slots as given above become useful.

We shall include a few other segmentation techniques, which to an extent could be a part of psychographic understanding of the buyers. The need is to understand segmentation from all angles rather than understanding it from a single point of view.

### Behavioral Segmentation

In behavioral segmentation, buyers are divided into groups on the basis of benefits sought from the product, user-status, usage-rate, loyalty-status, attitude and readiness to use state. With in this let us understand the study of Attitudes.

### Attitudes and Benefits

Attitudes, preferences, and many related psychological constructs such as motivations, perceptions, beliefs, product benefits, and so on, can also be used to segment markets through the second empirical segmentation approach. Consumers differ in the “need” for which they buy the same product, so the fact that buyers will tend to place different degrees of importance on the benefits obtained from that type of product leads logically to the fact that they represent different segments.

The idea of segmenting on the basis of important attributes has been termed benefit segmentation by Russell Haley. For example, lowest price, durability, use on special occasions. In the case of toothpaste we could use elements like flavor, price, product appearance, brightness of teeth and decay prevention.

Considering the different advertising approaches that will be appropriate for each segment sees the value of benefit segmentation for advertising. The following chart will give you a good understanding of the subject matter.

Whether it is demographic study in the previous lesson or behavioral and psychographic analysis in this lesson, we must learn to integrate in order to understand our buyer all the more clearly.

| Benefit Sought      | Demographic Characteristic             | Behavioral Characteristic      | Psychographic Characteristic            | Favored Brand   |
|---------------------|--|--------------------------------|---|-----------------|
| Low Price           | Males,                                 | Heavy users                    | Price-conscious                         | Babool          |
| Decay Prevention    | Big Families                           | Heavy users                    | Independent Traditional                 | Pepsodent       |
| Brightness of teeth | Teenagers Youngsters                   | Smokers                        | Health-conscious Outgoing Fun loving    | Colgate Promise |
| Good Flavor         | Children                               | Mint lovers                    | Active Self-involvement                 | Colgate         |
| Mouthwash           | Youngsters Teenagers                   | Want intimacy and togetherness | Self-involvement                        | Close-up Gel    |
| Gentler Toothpaste  | Children Between 2' / 2 To 7' 12 years | Loves to taste                 | Fun Dependent on mother for good habits | Just for Kids   |
| Fresh Breath        | Families                               | Multiple benefits              | Value for Money                         | Aquafresh       |
| Whiter Teeth        |  |                                |   |                 |
| Germi Check         |  |                                |   |                 |

### Bases of Psychographic Segmentation

- Social Class: Upper – Middle Class
- Lifestyle: Achiever
- Personality: Ambitious

### Notes

## LESSON 12

### POSITIONING

#### Learning Objectives

- The key idea is how you should make a mark for yourself in the mind of the consumer.
- This lesson will tell you the different ways of going about it.
- Understand the strategic way of going about it.
- There is an appendix which tells you the view of two Positioning 'Gurus'.



Just as segmentation involves the decision to aim at a certain group of customers but not others, our next concept-positioning-involves a decision to stress only certain aspects of our brand, and not others.

The key idea in positioning strategy is that the consumer must have a clear idea of what your brand stands for in the product category, and that a brand cannot be sharply and distinctly positioned if it tries to be everything to everyone.

Such positioning is achieved mostly through a brand's marketing communications, although its distribution, pricing, packaging, and actual product features also can play major roles.

It is often said that positioning is not what you do to the product, but what you do to the consumer's mind, through various communications. Many products in the over-the-counter drug market, for instance, have identical formulas but are promoted for different symptoms, by using different names, packaging, product forms, and advertising?

The strategic objective must be to have segmentation and positioning strategies that fit together: a brand must be positioned in a way that is maximally effective in attracting the desired target segment

A brand's position is the set of associations the consumer has with the brand. These may cover physical attributes, or lifestyle, or use occasion, or user image, or stores that carry it.

A brand's position develops over years, through advertising and publicity and word of mouth and usage experience, and can be sharp or diffuse, depending on the consistency of that brand's advertising over the years.

A brand's position in a consumer's mind is a relative concept, in that it refers to a comparative assessment by the consumer of how this brand is similar to or different from the other brands that compete with it. Think of every consumer as having a mental map of the product category. The location of your brand in that map, relative to that of your competitors, is your position, and the locations of all the brands in that map are determined by the associations that the consumer makes with each brand. If all this sounds rather abstract, several examples are provided here which should clarify the concept.

A positioning strategy is vital to provide focus to the development of an advertising campaign. The strategy can be conceived and implemented in a variety of ways that derive from the attributes, competition, specific applications, the types of consumers involved, or the characteristics of the product class.

Each represents a different approach to developing a positioning strategy, even though all of them have the ultimate objective of either developing or reinforcing a particular image for the brand in the mind of the audience.

Seven approaches to positioning strategy will be presented:

1. Using product characteristics or customer benefits,
2. The price-quality approach,
3. The use or applications approach,
4. The product-user approach,
5. The product-class approach,
6. The cultural symbol approach, and
7. The competitor approach.

#### Using Product Characteristics or Customer Benefits

Probably the most-used positioning strategy is to associate an object with a product characteristic or customer benefit.

Imported automobiles illustrate the variety of product characteristics that can be employed and their power in image creation. Honda and Toyota have emphasized economy and reliability and have become the leaders in the number of units sold. Sometimes a new product can be positioned with respect to a product characteristic that competitors have ignored. Sometimes a product will attempt to position itself along two or more product characteristics simultaneously. Sometimes different models of a product may be positioned towards different segments by highlighting different attributes.

It is always tempting to try to position along several product characteristics, as it is frustrating to have some good product characteristics that are not communicated. However, advertising objectives that involve too many product characteristics can be most difficult to implement. The result can often be a fuzzy, confused image, which usually hurts a brand.

Myers and Shocker have made a distinction between physical characteristics, pseudophysical characteristics, and benefits, all of which can be used in positioning. Physical characteristics are the most objective and can be measured on some physical scale such as temperature, color intensity, sweetness, thickness, distance, dollars, acidity, saltiness, strength of fragrance, weight, and so on.

Pseudophysical characteristics, in contrast, reflect physical properties that are not easily measured. Examples are spiciness, smoky taste, tartness, type of fragrance (smells like a . . .), greasiness, creaminess, and shininess. Benefits refer to advantages that promote the well being of the consumer or user.

### Positioning by Price and Quality

The price-quality product characteristic is so useful and pervasive that it is appropriate to consider it separately. In many product categories, there exist brands that deliberately attempt to offer more in terms of service, features, or performance. Manufacturers of such brands charge more, partly to cover higher costs and partly to help communicate the fact that they are of higher quality. Conversely, in the same product class there are usually other brands that appeal on the basis of price, although they might also try to be perceived as having comparable or at least adequate quality. In many product categories, the price-quality issue is so important that it needs to be considered in any positioning decision.



It is usually very difficult to compete successfully using both quality and price. There is always the risk that the quality message will blunt the basic “low-price” position or that people will infer that if the prices are low, the quality must be low, too.

### Positioning by Use or Application

Another way to communicate an image is to associate the product with a use, or application. Products can, of course, have multiple positioning strategies, although increasing the number involves obvious difficulties and risks. Often a positioning-by use strategy represents a second or third

position for the brand, a position that deliberately attempts to expand the brand’s market.

### Positioning by Product User

Another positioning approach is to associate a product with a user or a class of users. Michael Jordan, for example, was used by Nike. Many cosmetic companies have used a model or personality to position their product. The expectation is that the model or personality will influence the product’s image by reflecting the characteristics and image of the model or personality communicated as a product user.

### Positioning by Product Class

Some products need to make critical positioning decisions that involve product-class associations. For example, Maxim freeze-dried coffee, the first one in the market, needed to position itself with respect to regular and instant coffee. Some margarine position them with respect to butter. Dried milk makers came out with instant breakfast positioned as a breakfast substitute and a virtually identical product positioned as a dietary meal substitute. The toilet soap Dove positioned itself apart from the soap category as a cleansing cream product, for women with dry skin.

The soft drink 7-Up was for a long time positioned as a beverage that had a “fresh clean taste” that was “thirst quenching.” However, research uncovered the fact that most people did not regard 7-Up as a soft drink but rather as a mixer beverage; therefore, the brand tended to attract only light soft-drink users. The positioning strategy was then developed to position 7-Up as a “mainline” soft drink, as a logical alternative to the “colas” but with a better taste. The successful “Uncola” campaign was the result.

### Positioning by Cultural Symbols

Many advertisers use deeply entrenched cultural symbols to differentiate their brand from competitors. The essential task is to identify something that is very meaningful to people that other competitors are not using and associate the brand with that symbol.

### Positioning by Competitor

In most positioning strategies, an explicit or implicit frame of reference is one or more competitors. In some cases the reference competitor(s) can be the dominant aspect of the positioning strategy. It is useful to consider positioning with respect to a competitor for two reasons. First, the competitor may have a firm, well-crystallized image developed over many years. The competitor’s image can be used as a bridge to help communicate another image referenced to it. If someone wants to know where a particular address is, it is easier to say it is next to the Bank of America building than to describe the various streets to take to get there. Second, sometimes it is not important how good customers think you are; it is just important that they believe you are better than (or perhaps as good as) a given competitor.

Perhaps the most famous positioning strategy of this type was the Avis “We’re number two, we try harder” campaign. The message was that the Hertz company was so big that they did not need to work hard. The strategy was to position Avis with Hertz as major car-rental options, and therefore to position



Avis away from National, which at the time was a close third to Avis.

Positioning with respect to a competitor can be an excellent way to create a position with respect to a product characteristic, “especially price and quality. Positioning with respect to a competitor can be accomplished by comparative advertising, advertising in which a competitor is explicitly named and compared on one or more product characteristics.

So how should you go about formulating your positioning plan? There are essentially 2 ways of going about it.

- a. Market Positioning.
- b. Psychological Positioning

## Market Positioning

It is a three-step process:

- i. Identify market opportunities.
- ii. Segment the market and select the right segment.
- iii. Devise a competitive strategy.

The whole idea is to meet market requirements better than the competitors can.

### 1. Explore the Market

Ask which are the areas where the company has distinctive advantage over the competition. Study the sales potential of the new market and its growth rate. Do financial calculations like to produce, profits, pricing etc. Understand market dynamics and channels of distribution.

Put the key factors that may contribute to success on paper.

### 2. Segmentation and Targeting

Markets can be segmented on different bases, e.g., users, products. Further segmentation be on the basis of end-use. The marketer targets his product to a particular segment. While doing so, competitor's positions are kept in mind, by drawing a product space map (PSM).

### 3. Competitive Strategy

Identify the competitor's weaknesses and your company's strengths. Emphasize your strengths to differentiate your offer. The company identifies the most important differences to develop strategy.

Consider factors like:

- i. Market share
- ii. Profitability
- iii. Product range
- iv. Corporate profile
- v. Financial strength
- vi. Cost position
- vii. Product differentiation
- viii. Quality of management, technology, distribution
- ix. Reputation.

Find out the gaps between you and your competitors against the above-listed factors. It will give you an offer that distinguishes you - a benefit bundle or value package consisting of price, distribution and service mix.

These days many products are technologically so similar to each other and distinctions are not possible. The other possibilities to distinguish the offer are so many - warranties, after-sales-service, installment offers, price-offs, discounts, strong distribution, responsiveness etc.

## Psychological Positioning

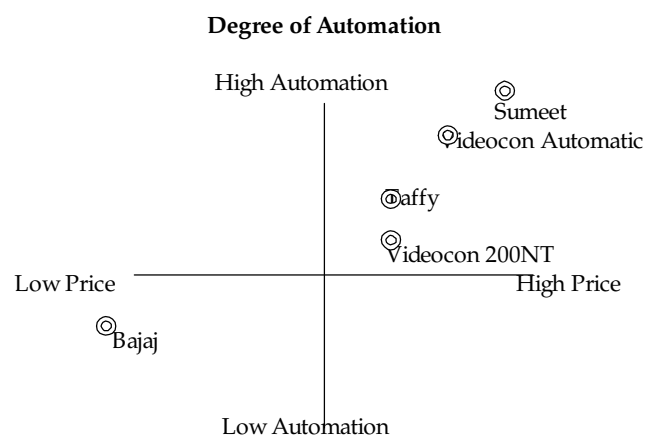
Basically, psychological positioning is a communication exercise that follows AIDA: Attention, Interest, Desire and Action model. It is derived from market positioning and tells who the company is, what the product does, and what to expect from the purchase.

The brand name, the look and the packaging must complement the psychological positioning. Consumer behavior is driven more by feelings than rationale, and even the most aptly positioned brand might fail if it does not strike the right chord. Brand ultimately has to build a relationship with the customer. Benefits and benefit gaps are easy to identify through research. Feelings are more difficult to get to. Coffee, for instance, is about intimacy, romance and togetherness. Titan is a gift of appreciation. Lakme and Vareli touch a streak of narcissism in a woman. Brand positioning is thus not just occupying a slot in the mind of the consumers. It is about ruling the heart also.

Another interesting area worth understanding is Perceptual Mapping for Positioning

Perceptual Space Map (PSM) shows the perceived relative positions of products along different dimensions. To do this, the attributes or dimensions of a product are identified by qualitative research like depth interviews. The consumers are then asked to rank each brand along each of the dimensions identified. Statistical techniques are used to reduce a very large number of dimensions to a few significant dimensions.

To illustrate, price and the degree of automation have been identified as the significant dimensions of the washing machines' market. The perceptual map showing existing brands along these dimensions is given below.



### Consider the Following

1. Videocon semi-automatic is moderately priced washing machine, and so is Taffy by Rallies. The closer brands on PSM are competing with each other.

2. Video con automatic fills a market niche by being high on automation and moderate on price.
3. Bajaj is not competing with Videocon and Sumeet since it is low-priced non-automatic Manual model.
4. The low price, high automation niche is still vacant, and offers distinct possibilities. PSM is used to cluster brands into competing groups to define market segments.
5. When more dimensions are used, a technique called multiple dimensional scaling (MDS) is used. The computer software is now available.

This concept is a wonderful tool to understand where your brand lies in comparison to other brands in the same category. You could understand their positioning and the positioning of the leader. That would be the benchmark for you to know how consumer perceive that brand.

## Advertising and Positioning

Research has shown that there is a very real limit to how much a mind set can handle, According to George A. Miller, Harvard psychologist; the average person can rarely name more than seven brands. This is where positioning comes in. Advertising has to establish the brand in a commanding position in the mind-sets if consumers.

The image and appeals must be related to the way consumers possibly think about a brand and thus position it in their minds. In order to develop a clear position, the communicator must somehow put together all aspects of product, consumer, trade, competition and communication situation in a distinctive way for that brand. Good positions are difficult to maintain, and a company must be prepared to defend its position sometimes at great cost.

The competitors relate their brand to a brand that is in' a dominating position. Positioning doesn't require a head-on collision with the leading competing brand. This is quite risky. It is better to maneuver around the leader's position.

Sacrifice is the essence of positioning: For effective positioning, a brand has to stand for one quality or benefit in the mind of consumers, instead of being all things to all people. This involves sacrifice of opportunity to different market segments.

Positioning in the consumer's mind is the end product of the process of filtering information about:

- The product attributes,
- The packaging,
- The pricing, and the image of the product created by advertising.



This may be different from the product's functional or physical attributes. This subtle distinction is increasingly important in a competitive market place where thousands of advertisements fight for the attention of the consumer.

In the 50s there used to be hard sell, with a focus on product features and customer benefits. The USP became a popular concept, thanks to Ted Bates Ad Agency in 40s. Rosser Reeves later popularized it. The Unique Selling Proposition is a unique or specific consumer benefit offered by a brand. It is an integral part of the brand's position.

But brand position, however, goes beyond that. It is a fusion of product class, target consumer, brand proposition and distance from competing brands.

In the 60s attention was diverted to image. Reputation or image was more important than specific product features. As Ogilvy aptly puts it, "Every advertisement is a long term investment in the image of a brand." The result was creative advertising.

In the 70s, as we have already seen, the positioning era dawned. Rosser Reeves discusses this in Reality in Advertising (1960).

Positioning is really, to quote Prof. Sen Gupta, a crusade against the slothful marketing philosophy of offering me-too products.

In each of these steps one can employ marketing research techniques to pro-vide needed information. Sometimes the marketing research approach provides a, conceptualization that can be helpful even if the research is not conducted.



## Research for Positioning

Positioning research starts with the study of the market to identify the factors, which are most important to various users of the product category. Here we have to ignore all assumptions about product category. How is this done?

First, investigate what consumers do with the products. It reflects their perceptions or understanding of various categories and brands. To illustrate for positioning a cream, ask what people use on their bodies. How various brands are used? When are they used? Last but not the least, the purposes for which the brands are used.

Secondly, attitudinal information should be developed according to the purposes for which the brand is to be used and not just for any two brands. If one brand is used for relaxation and one for refreshment, it is pointless to compare them.

Thirdly, it is important to ask why a product or brand is not being used.

Fourthly, when there are existing brands, it is important to identify where they are placed in the consumer's mind. Early in the product development, it is important to uncover new psychological dimensions. The emphasis then moves to physical attractiveness - how perceptions are related to physical features and why physical features have to be offered to match the psychological positioning.

Lastly, positioning is creative. It is helped by complete information. It is not necessary to carry out always attitudinal and quantitative research all the time. Good strategists do fact gathering research to come up with fairly decent estimates of market perceptions on relevant attributes, and location of various brands along these attributes. Once these are identified, alternative-positioning strategies could be considered.

## Positioning Summed Up

Positioning is amenable to the following definition:

1. The position of a brand is the perception it brings about in the mind of the target consumer.
2. This perception reflects the essence of the brand in terms of its functional benefits in the judgement of that consumer.
3. It is relative to the perception held by a consumer of competing brands. The competing brands can be denoted as points or positions in perceptual space of the consumer and together to make up a product class.

## Appendix to Positioning

### Positioning

As Popularized by Al Ries and Jack Trout

In their 1981 book, *Positioning: The Battle for your Mind*, Al Ries and Jack Trout describe how positioning is used as a communication tool to reach target customers in a crowded marketplace. Regular use of the term dates back to 1972 when the same authors published a series of articles in *Advertising Age* called "The Positioning Era." Not long thereafter, Madison Avenue advertising executives began to develop positioning slogans for their clients and positioning became a key aspect of marketing communications.

*Positioning: The Battle for your Mind* has become a classic in the field of marketing. The following is a summary of the key points made by Ries and Trout in their book.

## Information Overload

Ries and Trout explain that while positioning begins with a product, the concept really is about positioning that product in the mind of the customer. This approach is needed because consumers are bombarded with a continuous stream of advertising, with advertisers spending several hundred dollars annually per consumer in the U.S. The consumer's mind reacts to this high volume of advertising by accepting only what is consistent with prior knowledge or experience.

It is quite difficult to change a consumer's impression once it is formed. Consumers cope with information overload by oversimplifying and are likely to shut out anything inconsistent with their knowledge and experience. In an over-communicated environment, the advertiser should present a simplified message and make that message consistent with what the consumer already believes by focusing on the perceptions of the consumer rather than on the reality of the product.

## Getting Into the Mind of the Consumer

The easiest way of getting into someone's mind is to be first. It is very easy to remember who is first, and much more difficult to remember who is second. Even if the second entrant offers a better product, the first mover has a large advantage that can make up for other shortcomings.

However, all is not lost for products that are not the first. By being the first to claim a unique position in the mind the consumer, a firm effectively can cut through the noise level of other products. For example, Miller Lite was not the first light beer, but it was the first to be positioned as a light beer, complete with a name to support that position. Similarly, Lowenbrau was the most popular German beer sold in America, but Beck's Beer successfully carved a unique position using the advertising,

"You've tasted the German beer that's the most popular in America. Now taste the German beer that's the most popular in Germany."

Consumers rank brands in their minds. If a brand is not number one, then to be successful it somehow must relate itself to the number one brand. A campaign that pretends that the market leader does not exist is likely to fail. Avis tried unsuccessfully for years to win customers, pretending that the number one Hertz did not exist. Finally, it began using the line, "Avis is only No. 2 in rent-a-cars, so why go with us? We try harder."

After launching the campaign, Avis quickly became profitable. Whether Avis actually tried harder was not particularly relevant to their success. Rather, consumers finally were able to relate Avis to Hertz, which was number one in their minds.

Another example is that of the soft-drink 7-Up, which was No. 3 behind Coke and Pepsi. By relating itself to Coke and Pepsi as the "Uncola", 7-Up was able to establish itself in the mind of the consumer as a desirable alternative to the standard colas.

When there is a clear market leader in the mind of the consumer, it can be nearly impossible to displace the leader, especially in the short-term. On the other hand, a firm usually can find a way to position itself in relation to the market leader so that it can increase its market share. It usually is a mistake, however, to challenge the leader head-on and try to displace it.

### Positioning of a Leader

Historically, the top three brands in a product category occupy market share in a ratio of 4:2:1. That is, the number one brand has twice the market share of number two, which has twice the market share of number three. Ries and Trout argue that the success of a brand is not due to the high level of marketing acumen of the company itself, but rather, it is due to the fact that the company was first in the product category. They use the case of Xerox to make this point. Xerox was the first plain-paper copier and was able to sustain its leadership position. However, time after time the company failed in other product categories in which it was not first.

Similarly, IBM failed when it tried to compete with Xerox in the copier market, and Coca-Cola failed in its effort to use Mr. Pibb to take on Dr. Pepper. These examples support the point that the success of a brand usually is due to its being first in the market rather than the marketing abilities of the company. The power of the company comes from the power of its brand, not the other way around.

With this point in mind, there are certain things that a market leader should do to maintain the leadership position. First, Ries and Trout emphasize what it should not do, and that is boast about being number one. If a firm does so, then customers will think that the firm is insecure in its position if it must reinforce it by saying so.

If a firm was the first to introduce a product, then the advertising campaign should reinforce this fact. Coca-Cola's "the real thing" does just that, and implies that other colas are just imitations.

Another strategy that a leader can follow to maintain its position is the multibrand strategy. This strategy is to introduce multiple brands rather than changing existing ones that hold leadership positions. It often is easier and cheaper to introduce a new brand rather than change the positioning of an existing brand. Ries and Trout call this strategy a single-position strategy because each brand occupies a single, unchanging position in the mind of the consumer.

Finally, change is inevitable and a leader must be willing to embrace change rather than resist it. When new technology opens the possibility of a new market that may threaten the existing one, a successful firm should consider entering the new market so that it will have the first-mover advantage in it. For example, in the past century the New York Central Railroad lost its leadership as air travel became possible. The company might have been able to maintain its leadership position had it used its resources to form an airline division.

Sometimes it is necessary to adopt a broader name in order to adapt to change. For example, Haloid changed its name to Haloid Xerox and later to simply Xerox. This is a typical pattern

of changing Name 1 to an expanded Name 1 - Name 2, and later to just Name 2.

### Positioning of a Follower

Second-place companies often are late because they have chosen to spend valuable time improving their product before launching it. According to Ries and Trout, it is better to be first and establish leadership.

If a product is not going to be first, it then must find an unoccupied position in which it can be first. At a time when larger cars were popular, Volkswagen introduced the Beetle with the slogan "Think small." Volkswagen was not the first small car, but they were the first to claim that position in the mind of the consumer.

Other positions that firms successfully have claimed include:

- age (Geritol)
- high price (Mobil 1 synthetic engine lubricant)
- gender (Virginia Slims)
- time of day (Nyquil night-time cold remedy)
- place of distribution (L'eggs in supermarkets)
- quantity (Schaefer - "the one beer to have when you're having more than one.")

It most likely is a mistake to build a brand by trying to appeal to everyone. There are too many brands that already have claimed a position and have become entrenched leaders in their positions. A product that seeks to be everything to everyone will end up being nothing to everyone.

### Repositioning the Competition

Sometimes there are no unique positions to carve out. In such cases, Ries and Trout suggest repositioning a competitor by convincing consumers to view the competitor in a different way. Tylenol successfully repositioned aspirin by running advertisements explaining the negative side effects of aspirin.

Consumers tend to perceive the origin of a product by its name rather than reading the label to find out where it really is made. Such was the case with vodka when most vodka brands sold in the U.S. were made in the U.S. but had Russian names. Stolichnaya Russian vodka successfully repositioned its Russian-sounding competitors by exposing the fact that they all actually were made in the U.S., and that Stolichnaya was made in Leningrad, Russia.

When Pringle's new-fangled potato chips were introduced, they quickly gained market share. However, Wise potato chips successfully repositioned Pringle's in the mind of consumers by listing some of Pringle's non-natural ingredients that sounded like harsh chemicals, even though they were not. Wise potato chips of course, contained only "Potatoes. Vegetable oil. Salt." As a result of this advertising, Pringle's quickly lost market share, with consumers complaining that Pringle's tasted like cardboard, most likely as a consequence of their thinking about all those unnatural ingredients. Ries and Trout argue that is usually a lost cause to try to bring a brand back into favor once it has gained a bad image, and that in such situations it is better to introduce an entirely new brand.

Repositioning a competitor is different from comparative advertising. Comparative advertising seeks to convince the consumer that one brand is simply better than another. Consumers are not likely to be receptive to such a tactic.

### The Power of a Name

A brand's name is perhaps the most important factor affecting perceptions of it. In the past, before there was a wide range of brands available, a company could name a product just about anything. These days, however, it is necessary to have a memorable name that conjures up images that help to position the product.

Ries and Trout favor descriptive names rather than coined ones like Kodak or Xerox. Names like DieHard for a battery, Head & Shoulders for a shampoo, Close-Up for a toothpaste, People for a gossip magazine. While it is more difficult to protect a generic name under trademark law, Ries and Trout believe that in the long run it is worth the effort and risk. In their opinion, coined names may be appropriate for new products in which a company is first to market with a sought-after product, in which case the name is not so important.

Margarine is a name that does not very well position the product it is describing. The problem is that it sounds artificial and hides the true origin of the product. Ries and Trout propose that "soy butter" would have been a much better name for positioning the product as an alternative to the more common type of butter that is made from milk. While some people might see soy in a negative light, a promotional campaign could be developed to emphasize a sort of "pride of origin" for soy butter.

Another everyday example is that of corn syrup, which is viewed by consumers as an inferior alternative to sugar. To improve the perceptions of corn syrup, one supplier began calling it "corn sugar", positioning it as an alternative to cane sugar or beet sugar.

Ries and Trout propose that selecting the right name is important for positioning just about anything, not just products. For example, the Clean Air Act has a name that is difficult to oppose, as do "fair trade" laws. Even a person's name impacts his or her success in life. One study showed that on average, schoolteachers grade essays written by children with names like David and Michael a full letter grade higher than those written by children with names like Hubert and Elmer.

Eastern Airlines was an example of a company limited by its name. Air travel passengers always viewed it as a regional airline that served the eastern U.S., even though it served a much wider area, including the west coast. Airlines such as American and United did not have such a perception problem. (Eastern Airlines ceased operations in 1991.)

Another problem that some companies face is confusion with another company that has a similar name. Consumers frequently confused the tire manufacturer B.F. Goodrich with Goodyear. The Goodyear blimp had made Goodyear tires well-known, and Goodyear frequently received credit by consumers for tire products that B.F. Goodrich has pioneered. (B.F. Goodrich eventually sold its tire business to Uniroyal.)

Other companies have changed their names to something more general, and as a result create confusion with other similar-sounding companies. Take for instance The Continental Group, Inc. and The Continental Corporation. Few people confidently can say which makes cans and which sells insurance.

### The No-Name Trap

People tend use abbreviations when they have fewer syllables than the original term. GE is often used instead of General Electric. IBM instead of International Business Machines. In order to make their company names more general and easier to say, many corporations have changed their legal names to a series of two or three letters. Ries and Trout argue that such changes usually are unwise.

Companies having a broad recognition may be able to use the abbreviated names and consumers will make the translation in their minds. When they hear "GM", they think "General Motors". However, lesser known companies tend to lose their identity when they use such abbreviations. Most people don't know the types of business in which companies named USM or AMP are engaged.

The same applies to people's names as well. While some famous people are known by their initials (such as FDR and JFK), it is only after they become famous that they begin using their initials. Ries and Trout advise managers who aspire for name recognition to use an actual name rather than first and middle initials. The reason that initials do not lead to recognition is that the human mind works by sounds, not by spellings.

Most companies began selling a single product, and the name of the company usually reflected that product. As the successful firms grew in to conglomerates, their original names became limiting. Ries and Trout advise companies seeking more general names to select a shorter name made of words, not individual letters. For example, for Trans World Airlines, they favored truncating it simply to Trans World instead removing all words and using the letters TWA.

### The Free-Ride Trap

A company introducing a new product often is tempted to use the brand name of an existing product, avoiding the need to build the brand from scratch. For example, Alka-Seltzer named a new product Alka-Seltzer Plus. Ries and Trout do not favor this strategy since the original name already in positioned in the consumer's mind. In fact, consumers viewed Alka-Seltzer Plus simply as a better Alka-Seltzer, and the sales of Alka-Seltzer Plus came at the expense of Alka-Seltzer, not from the market share of the competition.

Some firms have built a wide range of products on a single brand name. Others, such as Procter & Gamble have selected new names for each new product, carefully positioning the product in a different part of the consumer's mind. Ries and Trout maintain that a single brand name cannot hold multiple positions; either the new product will not be successful or the original product bearing the name will lose its leadership position.

Nonetheless, some companies do not want their new products to be anonymous with an unrecognized name. However, Ries

Line extensions are tempting for companies as a way to leverage an existing popular brand. However, if the brand name has become near generic so that consumers consider the name and the product to be one and the same, Ries and Trout generally do not believe that a line extension is a good idea.

Ries and Trout cite many examples of failures due to line extensions. The consistent pattern in these cases is that either the new product does not succeed, or the original successful product loses market share as a result of its position being weakened by a diluted brand name.

Despite the disadvantages of line extensions, there are some cases in which it is not economically feasible to create a new brand and in which a line extension might work. Some of the cases provided by Ries and Trout include:

The concept of positioning applies to products in the broadest sense. Services, tourist destinations, countries, and even careers can benefit from a well-developed positioning strategy that focuses on a niche that is unoccupied in the mind of the consumer or decision-maker.



## LESSON 13: TUTORIAL

### Learning Objectives

- You will understand via this lesson the goal and objective of an advertising campaign.
- This lesson will expose you to the different types of objectives.
- Understand as to how to go about formulating the objectives.
- In understanding that objectives are closely linked to the communication process.

Find out the profile both demographic and psychographic of people for the following products / Service:

- Golf club
- Parker Pen
- Rediff.com
- ICICI Bank
- Navratan Hair oil
- McDonalds
- Omega Watches
- Lux Soaps
- Lakme Moisturizer
- Adidas Shoes
- Horlicks
- Babool Toothpaste
- Tata Indica
- TVS Scooty
- Gold Council of India

Ideally you should have seen the advertisements on television and are able to understand the profile that the company is looking at. In addition you could get in touch with the representatives of these companies and find out more about the brand.

How would you go on to make the positioning of a brand that is in the product category of breakfast food, like cornflakes? You could assume the marketing variables.

### Notes

## LESSON 14: BUDGET DECISION

### Learning Objectives

- You will understand via this lesson the different ways of setting the advertising budget.
- The case study focuses on the need of advertising budget in times of economy downturn.



There are various methods of deciding on advertising budget. This decision will be largely influenced by the objective that we set for the campaign. For example if there is a new product launch then the advertising campaign will have to be high where as for launching a repeat campaign one would like to spend less. The most commonly used advertising budgeting method include

1. **Percentage of Sales Volume:** The percentage is worked out on the basis of a firm's historical budget, industry norms or on the basis of the prevailing market conditions. If the market has started an upward trend then one percent extra amount will be put for advertising budget. Following this method without considering market conditions may create problem. If the firm's market share is in a downward trend then the firm may decide to increase the advertising budget. If the product is in the disinvestments stage, then disinvestment may be an option. In such a case only marginal advertising budget is sufficient to clear the stock. If the firm realizes that at the decline stage the competitors are moving out then the firm can decide to take the leadership position through aggressive advertising.
2. **Unit of Sale Method:** Consumer durable firms make use of this method as a variant on sales percentage. While it mostly works out same as a sales percentage, here the firm puts an amount of advertising expenses on the unit as add on.
3. **Competitive Parity Method:** the firm must carefully study Competitive information regarding their sales, distribution pattern and advertising. It will provide the correlation between the competitive sales and advertising effort. Depending on the firm's strategy of increasing market share

or steadying the share, decision can be made to have a bigger or smaller budget than competition. Instead of reacting to competitor advertising results, firms can be proactive in their approach by planning their own goals of marketing and then the advertising budget will emerge.

4. **Historical Method:** In this method last year's advertising budget is adopted for the year with a view that practically no change has taken place in the market and market growth is slow, which does not justify any addition to the budget. Last year's budget could be multiplied by a factor to cover media rate increase.
5. **Affordability Method:** Some firms believe that advertising is tactical and not strategic and hence does not need much attention. These kinds of firms follow a method of affordability and spend what is left after managing the details of the official expenses involved in paying to the factors of production.
6. **Total Group Budget:** In case of multi location and multi product line firms, a total amount is decided as advertising and each strategic business unit receives a share according to their needs. This method helps the group to segregate some amount for corporate group advertising for building the image of the organization.
7. **Percentage of Anticipated Turnover:** This method is useful in dynamic markets and budget can be fixed on the estimated demand pattern than the current year sales.
8. **Elasticity Method:** This method takes in to account the seasonality of business and the periodicity in the purchase cycle of consumers in to consideration. This method takes in to consideration the demand and supply situation and is more used in industrial products.
9. **Operational Modeling:** Market research gives advertising expenses, market response and sales per advertising figures and the modeling is done to explain the budget.
10. **Composite Method:** This method takes in to consideration several factors in formulating the advertising budget which include indices like firm's past sales, future sales projection, production capacity, market environment, sales problems, efficiency level of sales personnel, seasonality of the market, regional considerations, changing media scenario and changing media impact on the target market segment, market trends and results of advertising and marketing.
11. **Objective and Task Method:** Marketing people follow this method more often as this is a scientific method where the advertising goals are explicitly stated and the cost to achieve the target is also spelt out. Taking each activity like increasing geographic sales area, increasing market awareness by a certain percentage over the figure obtained from the brand tracking study, they add up the amounts needed for each activity. We can illustrate the process as below:



1. Establish the Market Share goal: let's say the company estimates 50 million potential users and sets a target of attracting 8 percent of the market i.e. four million users.
2. Determine the percentage of the market that should be reached by advertising: The advertiser hopes to reach 80% (40 million prospects) with the advertising budget.
3. Determine the percentage of aware prospects that should be persuaded to try the brand: The advertiser would be pleased if 25 per cent of aware prospects (10 million) tried the brand. This is because it estimates that 40% of all triers or 4 million people would become loyal users. This is called the Market Goal.
4. Determine the number of advertising impressions per 1 per cent of trial rate: the advertiser estimates that 40 advertising impressions (exposures) for every 1 per cent population would bring about a 25% trial rate.
5. Determine the number of Gross Rating Points that would have to be purchased: A Gross rating Point is one exposure to 1 per cent of the target population. Because the company wants to achieve 40 exposures to 80% of the population, it will want to buy 3,200 gross rating points
6. Determine the necessary advertising budget on the basis of average cost of buying a gross rating point. To expose 1 per cent of the target population to one impressions costs an average of Rs. 3277/-. Therefore, 3,200 gross rating points would cost Rs. 10,486,400 in the introductory year.

## Case Study

Imagine this: You are flying at 30,000 feet. The captain announces that a huge storm is approaching. He then informs you that he is running low on fuel. If he lowers the speed to conserve fuel, the storm may overpower the plane and take it off its course. He may then not have enough fuel to find his way back to reach the destination. If he increases speed to surge through the clouds, he runs the risk of exhausting his fuel faster. Now he gives you the option of lowering the speed to conserve fuel or to go full throttle to surge through the clouds.

## What would you Choose

Supporting a brand through an economic downturn is much like a plane caught in a storm with low fuel. Of course, one has the option of conserving the juice. However, after the saving, whether the brand will be able to recover from the effects of a nosedive or not is a million-dollar question. Nobody has seen the future, but we have the option of looking back. Time and again, advertising professionals have tried to prove that advertising in times of recession has helped brands in the long run. The Harvard Business Review covered 200 US companies during the recession of 1923-25. During the period of post-recession recovery, companies that spent more money on marketing expenses achieved higher sales. This study was not accepted by most because it did not record the profit indicators.

In 1999, PIMS (Profit Impact of Marketing Strategy) conducted a special analysis of 183 UK-based companies in periods of recession and recovery. Of that lot, 110 cut ad spends, 53 chose to maintain at the same level and 20 increased expenditure.

During the period of recession, the ones that spent more made the least profits. However, during the period of recovery, the scroungers saw their profit grow by 0.8 per cent, whereas the spenders saw a hefty 4.3 per cent points growth. This more than made up for the lower profits during the period of recession. As for market share, the cost-cutters saw 0.6 per cent point growth as against a hefty 1.7 per cent appreciation for the spenders, during the recovery period.

The study most conclusively proved that the good costs that one should focus on during recession are:

- Marketing communication | Product quality enhancement
- New product development Whereas the bad costs that should be curbed during recession are:
  - Manufacturing overheads
  - Administrative overheads
  - Fixed capital

## Working Capital

If these are effectively cut, there should be enough money to spend on the good costs. Such examples supporting advertising spends during recession are quite common in the annals of marketing history. Closer home, there are enough examples from countries that faced the Asian meltdown. Here, brands that spent maintained their leadership position and, in some cases, surged ahead of the competition.

Some recent analyses during our current phase of economic slowdown throw up interesting facts in support of advertising. In the sub-popular soap category, Breeze has upped its Gross Rating Points (GRP) by 47 per cent over the year 2000 to achieve a 20 per cent value growth in sales. As against that, Lux has maintained its GRPs to see some decline in sales value. Similarly, in the category of hair dyes, Godrej—the market leader—has grown by more than 20 per cent in value by increasing GRPs by a comparative amount. These are some indicators that hard times have not dampened the desire to look good and feel good. As a matter of fact, there is an indication that despite recession, businesses such as mortgage, insurance, snack foods, home furnishings and house wares, to name a few, continue to do well. Perhaps, investing, feeling safe and feeling good are the more basic needs during a phase when people are generally feeling depressed?

While on one hand periods of economic slowdown are a good time for established players because consumers don't want to take chances, it's also true that during such uncertain times there is a tendency to trade-down. Therefore, recession is also a great opportunity for challenger brands that spend heavily to communicate brand values that lead to a churn. One such example in recent times is Akai TV from Baron. At a point when the color TV business was growing annually at the rate of eight per cent (value) and the total advertising outlay for all brands put together was Rs 830 million, Akai came up with a proposition for upgrading from black-and-white TVs on one hand and moving from 21" to 29" TVs on the other; all this at never-before, attractive prices. Akai achieved some dramatic results in terms of market shares with an aggressive advertising budget that supported a hefty 16 per cent share-of-voice (SOV). Akai reached a 13 per cent market share in less than two years.

|  |  |
|--|--|
| <p><b>Historical Method</b></p>                    | <ul style="list-style-type: none"> <li>•Common budgeting method.</li> <li>•May be based on last year's with a percentage increase.</li> <li>•Nothing to do with advertising objectives.</li> </ul> |
| <p><b>Task-Objective Method:<br/>Bottom-Up</b></p> | <ul style="list-style-type: none"> <li>•Most common method.</li> <li>•Looks at objectives set for each activity, and determines the cost of accomplishing each objective.</li> </ul>               |
| <p><b>Percentage-of-Sales<br/>Method</b></p>       | <ul style="list-style-type: none"> <li>•Compares total sales with the total advertising (or marketing communication) budget during a previous time period to compute a percentage.</li> </ul>      |

- ## Notes

The diagram consists of two horizontal grey boxes with 3D effects. The top box is labeled 'Competitive Methods' and has an arrow pointing to a white box containing two bullet points: '•Relates the amount invested in advertising to the product's share of market.' and '•Must understand share-of-mind.' The bottom box is labeled 'All You Can Afford Method' and has an arrow pointing to a white box containing two bullet points: '•Allocates whatever is left over to advertising.' and '•Companies who use this don't value advertising very much.'

**Competitive Methods**

- Relates the amount invested in advertising to the product's share of market.
- Must understand share-of-mind.

**All You Can Afford Method**

- Allocates whatever is left over to advertising.
- Companies who use this don't value advertising very much.

Budgeting decisions involve determining how much money will be spent on advertising and promotion each year and how the monies will be allocated

- Establishing the size of the budget
- Allocating the budget

## LESSON 15: CASE STUDY ON BUDGETS

### Learning Objectives

- The case study will give you a critical understanding of the various budgeting methods in advertising.

### How Much to Spend on Advertising

**By Joel Dean**

The determination of advertising expenditures can be accomplished, at least theoretically, through the use of marginal analysis. The difficulty is, of course, that advertising costs have no necessary relationship to output.

The author of this article concludes that most methods which are used to determine the size of the advertising budget have no economic basis and the despite its limitations economic analysis can be helpful in reaching better decisions about advertising expenditures.

Every important enterprise in the country wrestles unhappily with the problem of how much to spend on advertising. Despite the vast amount of money involved in this decision, most executives have to play by ear. Few firms have a valid theoretical or research basis for deciding whether the advertising appropriation should be \$100,000 or \$200,000 a year. The purpose of this article is to appraise the principal methods that are now used for making this decision.

As a background for this appraisal we shall examine briefly the contribution of economic theory, specifically in the form of marginal analysis.

#### Author's Note

A number of people were kind enough to read this manuscript and suggest improvements: Stephen Taylor and Philip Brooks of Joel Dean Associates; Professors James Bonbright, Carl Shoup, and Howard Nixon of Columbia University; Ralph Cordiner and Robert Peare of the General Electric Company; and A.L. Nickerson of the Socony-Vacuum Oil Company.

#### Source

From Harvard Business Review, vol.29, January-February, 1951, pp.65-74. Joel Dean: Professor of Business Economics, Columbia University.

Unavoidably, therefore, much of the discussion is in the no men's land between the abstract analysis of the economic theorist and the largely intuitive performance of the practitioner. The fact is that there is no sure or easy way to determine how much to spend on advertising, and the various methods widely used for that purpose have serious weaknesses, which show up against a background of economic analysis.

### Contribution of Economic Theory

Economic analysis of the role of advertising (and other pure selling costs) in the competitive adjustment of the enterprise has developed concepts that can be made useful in planning and controlling advertising outlays.

Economical analysis is a basic economic approach to all business problems, including the determination of the total advertising outlay, and it is, at least logically, superior to other methods. It says that advertising expenditure for each product should be pushed to the point where the additional outlay equals the profit from the added sales caused by the outlay. The resulting total is the advertising budget that will maximize advertising profits in the short run.

To implement this approach, a comparison is needed of what would happen with and without the advertising outlay in question. This knowledge of the marginal effect of advertising is extremely difficult to obtain. If the effect can be estimated with tolerable reliability, however, the marginal approach provides a rational solution, not only for the total budget but also for its allocation among years in the business cycle and among products, areas, and media.

**Nature of Advertising Costs.** The distinctive nature of advertising costs makes the analytical problem of determining the most profitable advertising outlay much more complex than an analysis using only production costs. Production costs (and physical distribution costs that behave like them) are functionally related to output (or sales) and can therefore be budgeted and controlled by such relationships. Advertising costs, in contrast, have no necessary functional relationship to output; they are a cause, not a result of sales.

Advertising, like pricing and product innovation, is a device for manipulating the firm's sales volume. Price affects the volume obtainable under specified demand conditions, while advertising and product improvement alter these conditions by changing the public attitude toward the product and thus shift the whole relation of sales to price. Hence profitability depends on the most advantageous combination of price, product improvement, advertising outlay, and other selling activities. Since the practical problem is often to get the right combination of advertising and other marketing activities, the problem of the advertising budget is not alone, "How much should the total selling effort be?" as economists have usually conceived it. It is also, "What part of the selling job should be done by impersonal, mass selling, as opposed to personal selling?"

These various influences are, of course, interactive. The price changed, for example, may affect the responsiveness of volume to additional advertising expenditures; changes in the product are almost certain to do so; and the price that will make the most money may be different when advertising is stepped up or when the product is improved.

For economic analysis, this is a problem of solving several simultaneous equations, an intellectually intriguing pastime that rarely makes sense or profits for businessmen. But the problem can easily be cut down to manageable proportions by restricting analysis to the short run, say one year, and by making some

assumptions about prices and costs. We shall proceed to develop this kind of analysis.

**Simplified Marginal Approach.** Advertising cost is assumed to include only pure selling costs, physical distribution costs being included in production costs. Incremental production costs (i.e., the added costs of producing an additional unit of the product) are assumed to remain the same, 20 cents a unit, over the practical range of sales. The price of the product is also assumed to remain constant over this range. (Hence the average revenue and marginal revenue of economic theory are equal and constant.) Under these circumstances the incremental profit from an added sale is 50 cents a unit. Incremental advertising cost (i.e., the additional advertising outlay that will be required to sell an additional unit of output) is drawn as a curve, which first declines, then is constant, and then rises at an accelerating rate.

The rising phase of the advertising cost curve represents the important part of our problem since, if advertising is to be done at all, it should be expanded until diminishing returns set in.

The upward trend in the curve reflects primarily the tapping of successively poorer prospects as the advertising effort is intensified. Presumably the most susceptible prospects are picked off first, and progressively stiffer resistance is encountered from layers of prospects who are more skeptical, more stodgy about their present spending patterns, or more attached to rival sellers. The rise may also be caused by progressive exhaustion of the most vulnerable geographic areas or the most efficient advertising media. Promotional channels that are ideally adopted to scale market of the firm are used first. (Actually, for firms with expansible markets, the advertising cost curve may have several minimum points corresponding to most efficient use of different media appropriate for different-size markets, e.g., newspapers, billboards, magazines, radio)

From the diagram it is clear that advertising should be pushed to the point where the advertising cost curve intersects the price line. Sales should not be expanded to a level where it costs more than 50 cents in advertising to get another sale, since that sale would bring only 50 cents of profit over incremental production costs. In general, advertising outlays should be increased in every market and medium up to the point where the additional cost of getting more business just equal the incremental profits from that business.

Considering the totals that appear in an income statement, rather than thinking in terms of increments, may clarify the results of our interpretation. The total production cost of a given output is represented on the diagram by the area under the incremental production cost curve up to that output. Similarly, the total sales revenue, is shown by the area under the price line, and the total advertising cost by the area under the curve of advertising cost. The area between the price line and the advertising cost curve is the total net profit left after advertising expenses and is clearly largest when output is at the point where marginal advertising cost is 50 cents a unit.

The assumptions underlying this simplified exposition are fairly realistic. A passive price policy is common enough, at least for short-run adjustments like these under study here. Hence a

constant price (i.e., a price that is not changed as a result of charges in advertising outlays) is a moderately good approximation to reality. As to the cost assumption, empirical findings for industries whose production is mechanized indicate that incremental production costs are usually constant over the range of output that is significant for determining advertising policy in the short run. Finally, there is much theory and some empirical evidence to support the shape of the advertising cost function drawn here. Abstracting from fluctuations in business conditions and consumer incomes in a necessary simplification which sharpens the incremental character of the measurement problem, viz., to find the added sales with advertising, as against sales without it.

**Limitations.** The main hitch in the marginal approach is the difficulty of estimating incremental advertising cost. The relationship of advertising to sales is more intricate than short-run marginal analysis indicates; for example, the important and difficult problem of rivals' reactions is left out. Under most circumstances the difficulties of predicting response large, gauging the quality of advertising, and allowing for the reservoir effect of past advertising frustrate efforts to isolate the impact upon sales of additional advertising outlays.

Even when the advertising cost curve can be estimated with some reliability, the validity of the cut-off criterion proposed by marginal analysis comes into question, because much advertising is an investment rather than an expense. The objectives of advertising are often dominantly long range, such as eternal life for the firm and a place in the sun. For example, advertising may be designed to step up volumes to the point where savings of large-scale production and research are more than a match for any new entrants, or advertising may be focused on achieving product acceptance that will permit some price premium over less familiar brands. Long-range goals such as these are difficult to tie down to a concept of incremental profits that provides a definitive cut-off for advertising.

Despite these limitations inherent in static economic analysis, the marginal approach to determination of outlay make a conceptual contribution of practical importance. Except for long-run investment advertising, it provides in concept a simple and definitive test of how much to spend and when to stop. As such it is useful as a guide in thinking about advertising appropriations and in determining what to shoot for in estimates – in short, in guiding empirical measurement. The fact that it manipulates esoteric functional relationships and assumes that the businessman has knowledge when he does not have it may restrict its immediate usefulness. But these very restrictions may broaden its future usefulness by raising the kind of questions that empirical research should try to answer.

**Practical applications in Direct Mail.** Perhaps the most promising area for applying the marginal approach quantitatively is direct mail advertising. Here the distorting conditions that make it hard to find the marginal cost of advertising are often at a minimum. Keyed responses make it possible to trace a large part of the results directly to a specific advertisement. Quality of copy can be held constant (or manipulated independently) by sending the identical copy to large numbers of prospects. The cumulative effects of advertising are usually less troublesome,

and response lag is short enough so that cyclical changes do not cause important distortions. Finally, and perhaps most important, sectors or strata of prospects can be walled off and tapped separately.

These conditions make it possible to establish a ladder of susceptibility by sampling measurements of marginal advertising cost, and to set up a stop-loss signal based on incremental profit. An outline of the way a publisher might determine the amount to spend on direct mail advertising in promoting a specific book will illustrate how the incremental approach can be applied quantitatively. In this sort of advertising, the procedure can be sketched by the following steps:

1. Marshal the candidates for direct mailing in the form of mailing lists. These lists will vary in "quality", i.e., appropriateness for the particular book.
2. Array the lists in a guessed ladder of susceptibility to direct mail advertising.
3. Starting at the top of the ladder and working down, test each list by sending the promotional literature to an efficient sample of the list.
4. Estimate the probable marginal advertising cost of each list by computing the ratio of (a) the added advertising cost of the mailings to (b) the sales obtained from the sample mailings (e.g., for List A, 50 cents a copy).
5. Estimate the incremental profit per copy. Roughly, it is the spread between price and incremental printing costs (e.g., \$1.00 a copy).
6. Rearrange the sample lists in a new ladder in respect to the estimated marginal cost of advertising. Starting at the top, make full mailings to each list down to the rung where incremental profit just fails to cover estimated marginal advertising cost (e.g., stop at List M, where a marginal advertising cost of \$1.00 a copy was indicated by the sample).

### Alternative Methods

Having reviewed a theoretical foundation of selling cost analysis as applied to advertising, we turn now to the methods that are actually used to determine advertising outlays. Our central concern is with the philosophy underlying outlays. Our central concern is with the philosophy underlying the methods rather than with the mechanics of administrative controls. We shall use "budget" and "appropriation" interchangeable, though a distinction might be made between the long-range expenditure plan (budget) and the outlay authorized for a given year (appropriation). The words "expenditure" and "outlay" will, unless otherwise qualified, apply to future plans and will refer to the budget.

As for the marginal approach reviewed in the preceding section, its impeccable logic provides a criterion for appraising the methods described in this section, even though its problems of application are at times insurmountable.

Several alternative approaches to the problem of planning total advertising expenditures will be examined: 1. a fixed percentage of sales; 2. all you can afford; 3. whatever amount promises a better than specified return on investment; 4. the amount

needed to attain advertising objectives; and 5. the amount needed to match competitors' advertising.

**Percentage-of-sales Approach.** Determination of the advertising budget as a percentage of past or expected sales is a method that was dominating in the past and is still widely used. A survey of budgeting practices of industrial users in 1939 made by the national Industrial Advertising Association and reported in the Sales management Handbook<sup>1</sup>

- 1 J. C. Aspley, Editor (Fifth Edition, Chicago, The Dartnell Corporation, 1974) showed that 48% of the 383 respondent companies used some variant of the percentage-of-sales method. Neil H. Borden, in *The Economic Effects on Advertising*,<sup>2</sup>
- 2 (Chicago, Richard D. Irwin, Inc. 1942), Chapter 25 points out that of 215 companies advertising consumers' goods in 1935, 54% stated that their appropriations were a predetermined percentage of sales, either of the past year or of the year of the budget.

The method has several variants: it can use either a fixed percentage of a percentage that varies with condition; it can be based either on historical or on projected sales; and it can be stated either in dollars or in physical volume

This general approach to the problem is hard to support analytically. The purpose of advertising is to increase demand for the company's products above what it would otherwise be. A stable or declining demand is not evidence that advertising is ineffective, for without it sales might have been even lower. It must be remembered that advertising is a cause, not a result, of sales. The amount to be spent in shifting the demand schedule should depend on how much the shift is worth. The volume of sales the company already has tells nothing about the cost or the worth of getting more.

It would appear even less rational to base the budget on the volume of sales that the company expects to get. Sales will be the result in part of the level of national income and the accumulated effects of past advertising, not only of the advertising that is currently being decided on. To the extent, that sales are determined by forces other than current advertising, the criterion of expected sales is irrelevant. To the extent that they are determined by future advertising, the criterion is based on circular reasoning.

How, then, can the widespread use of this method be explained? To some extent it may be due to top management's desire for the certainty and the illusion of control that comes from relating this essentially discretionary element of expense in a systematic way to revenue. There is an element of safety in limiting advertising outlays in this manner, since expenditures are timed to come when the company has the gross revenue to afford them and when their tax effect may be favorable. But this element of safety could be better found, as in the marginal approach, by making advertising a function of expected profit, which normally fluctuates cyclically more violently than expected sales. If this method rests upon the belief that the added sales per dollar of advertising are higher when national income is high, it would be more logical to make advertising outlay vary directly with national income.

Another possible explanation for the popularity of this method stems from competitive relationships. If all, or most, members of an industry used this method and employed the same percentage of sales, competitors' advertising outlays would be roughly proportional to their market shares. This condition would have a restraining effect on competitive warfare in advertising, and would ease ulcers in peace-loving firms. Much advertising is essentially defensive anyhow.

Thus, although the percentage-of-sales approach appears on its surface to have no logical justification, it has features that make it attractive: It provides a formula answer with an illusion of control; it permits the cyclical timing of outlay to fluctuate roughly with ability to pay; and it may tend toward competitive stabilization. But inertia and the lack of a more logical and equally definitive standard are probably the most important explanations for the popularity of this essentially mechanistic method.

**All-you-can-afford Approach.** An approach to the determination of the advertising budget, which is probably more widely used than most executives would admit is for a company to spend on advertising all that it can afford. In practice, this amount is sometimes a predetermined share of the profits, though sometimes it is gauged by the amount of liquid resources and borrowable funds. The result of this policy is that advertising is often the first expenditure to go because it does not involve long forward commitments and does not disrupt the organization so much as other major curtailments, and because long-term results are less tangible than the results of other kinds of outlay.

At first blush this method seems to make no sense at all, yet on further analysis it appears that the effects of advertising outlays upon profits and liquidity are important considerations in setting outer limits for advertising. These limits may prove to be beyond the range of profitable advertising outlays (e.g., for a producer of power plant apparatus), but they are often well within it. In any event, these limits ought to be staked out.

Normally a time lag occurs between advertising outlay and sales results. Even if the advertising outlays bring highly profitable results ultimately, financial embarrassment may develop if short-term cash and credit limits are ignored – especially if the time lag of response is long. The limit of what a company can afford ought to be set ultimately by the availability of outside funds. The firm's resources in this sense set a real limit on advertising outlay. However, the mere existence of a limit is no reason for shooting at it. It may be far above the amount of advertising that is profitable.

The effect of advertising outlay upon the company's earnings statement is also a valid factor in timing. Even though an added thousand dollars of advertising brings a smaller increment of sales and profits at a profits peak, it may be justified because the government pays 45% or more of the outlay, and because a lower earnings figure is often more respectable at such times.

Corporate income taxes favor concentration of advertising at cyclical peaks and penalize attempts to accumulate advertising reserves to be spent in depressions. One reason is that future tax rates are quite likely to be higher in prosperity than in depression, and the carry-back and carry-forward provisions of

the law are probably inadequate to remove this tax incentive for bunching of expenditure. Moreover, Section 102 discourages retention of earnings for future depression advertising. The vast amount of money spent during the Second World War in advertising unavailable civilian products showed the widespread acceptance of the philosophy of relating advertising outlays to profits, with a weather eye on their tax effects<sup>3</sup>

<sup>3</sup> See Jerome D. Scott, "Advertising When Buying is Restricted," *Harvard Business Review*, Vol. XXI, No.4 (Summer 1943), pp. 443 - 454.

Union negotiations and public opinion also frequently make it embarrassing to show high profits in prosperity; hence timing advertising outlays to manipulate reported earnings makes sense as a modification of a strictly marginal approach. Considered purely as a capital investment in distant-future benefits, It may be desirable from the viewpoint of capital budgeting to limit advertising outlay of an earnings plow-back nature to some fixed proportion of current earnings. Over the cycle this method would lead to advertising outlays that fluctuate violently, for a company's profit cycle normally has much greater amplitude than its sales cycle. It might lead to unprofitable curtailment in hard times.

Used uncritically, the all-you-can-afford approach is unsatisfactory, largely because there is no relation between liquidity and the richness of advertising opportunities. If another \$1,000 of advertising will bring in \$2,000 of added profits, is hard to say that it cannot be afforded. A management that limits advertising to liquid funds or to percentages of profits is probably overspending at some times and foregoing money-making opportunities at others.

The all-you-can-afford method, however, is helpful in some ways in determining the advertising appropriation. (1) It produces a fairly defensible cyclical timing of that part of advertising outlay that has cumulative, long-run effects. (2) When marginal effectiveness of advertising can be guessed, it budgets well for firms operating effectiveness of advertising can be guessed, it budgets well for firms operating short of the point where incremental advertising costs and profits are equal. (3) When nothing can be known about the effects of advertising, it sets a reasonable limit on the gamble. Actually, everything above a respectable return on capital might be spent on advertising, since excess earnings could be considered to have low utility to management compared with the possible contribution of continuous advertising toward eternal life for the firm.

**Return-on-investment Approach.** Advertising has two effects:

(1) It increases sales today. (2) It builds goodwill to increase sales tomorrow. The first involves primarily problems of selecting the optimum output rate for maximizing short-run profits. The second involves selection of the pattern for investment of capital funds that will produce the best scale of production and maximum long-run profits. Thus, another approach is to treat advertising primarily as a capital investment rather than as a current expense. Determination of the amount of advertising then becomes a problem of capital expenditure budgeting. Advertising investment must compete for funds

with other kinds of internal investment on the basis of prospective rate of return.

Although each piece of advertising affects both immediate sales and the long-run goodwill structure, the relative importance of the two effects can vary widely. At one end of the spectrum is institutional advertising, with a long time lag and untraceable effects – e. g., using radio programs featuring symphony concerts. This is almost pure capital investment. At the other end is advertising of special sales events by retail establishments. Such advertising usually has only a small element of capital investment. Metrical separation of these two components is probably impossible. Interaction makes the problem even more complex since the level of the reservoir of cumulative goodwill modifies the efficiency of advertising directed at immediate sales. The only possibility, and that a slim one, is to use multiple correlation analysis<sup>4</sup>

4 See Sydney Hollander, Jr., "A Rationale for Advertising Expenditures," *Harvard Business Review*, Vol. XXVII, No. 1, (January 1949), p. 79.

The timing of advertising over the years resulting from a return-on-investment approach differs unpredictably among companies. The pattern depends on the philosophy of budgeting and on the prospective profitability of capital expenditures that vie with advertising for funds. Only if the prospective return on institutional advertising has sharp cyclical fluctuations will anything but an accidental cyclical pattern evolve from this criterion alone. This may be unimportant in some cases, where the lag in response is long and diffused. But dimming memories and the incursions of rivals usually dissipate the goodwill built by advertising through evaporation or run-off. This is particularly dangerous when costs of re-entering lost markets are high. Hence a part of the advertising investment problem is to find what rate of current expenditure is required to offset this deterioration and to maintain the level of this goodwill reservoir. Thus concept analogous to plant replacement operates in estimating return on advertising investment.

The chief deficiency of the return-on-investment approach is the difficulty of even guessing at the rate of return on advertising investments. Problems of distinguishing investment advertising from outlays for immediate effect; problems of estimating the evaporation of the cumulative effects of advertising; and, most important, problems of measuring the effect of advertising accumulation on long-run sales volume and on the possibility of eventual price premiums all conspire to make the return on advertising investments highly conjectural.

These measurement difficulties rule out this approach as a sole criterion for budgeting investment-type advertising, but they do not invalidate the investment approach itself. For other kinds of investment, e.g., research laboratories and department store escalators, it is equally impossible to estimate the return precisely. Yet few would, for this reason, kick out such items from the capital expenditure budget. Institutional and cumulative advertising should be analyzed in the intellectual setting of the capital budget, viz., long-range strategic and profit objectives, competition of alternative investments for limited

company funds, and balancing of risks against prospective return on investment in rationing capital. This kind of investment perspective should be an integral part of an intelligent approach to the advertising budget.

**Objective-and-task Approach.** The Second World War brought to prominence the objective-and-task method of determining the advertising appropriation. On the basis of a postwar survey, *Printers' Ink* of December 28, 1946, concluded what this was the most widely used method. The popularity of this approach during the war apparently came partly from the need to justify advertising expenditures as business expenses (for purposes of taxes and contracts) during a period when a low percentage of civilian goods sales would support only trivial outlays.

Under this approach the advertising budget is the amount estimated to be required to attain predetermined objectives. The orthodox procedure involves an impeccable and highly salable sequence of steps: (1) define the objectives; and (3) determine the cost of accomplishing these tasks.<sup>5</sup>

5 For a complete and thoughtful treatment of this approach, see A. H. Haase, *The Advertising Appropriation* (New York: Harper and Brothers, 1931)

The cost so determined is the advertising appropriation.

An "objective," as used in this procedure, is properly stated as a change: the difference between results with the advertising and results without it. The objective usually applies to the coming year's sales, although it may refer to invasion of a specific market or the establishment of distribution outlets. In this respect the actual advance that this method represents over the percentage-of-sales criterion may easily be overestimated. In general practice the sales-volume objective is based on the preceding year's volume. Expected changes in business conditions, competitors' actions, and so forth, are then considered as a basis for deriving the current year's outlay from the preceding year's outlay.

Some companies fall back on intermediate objectives such as establishing brand familiarity or preferences, promoting applications of the product, or simply broadcasting the sales message. Many such "objectives" simply list the roles of advertising in the broader merchandising scheme without referring to specific sales effects. For example, a recent study for the Association of National Advertisers reports the advertising goals of the Armstrong Cork Company as keeping the company's name before customers and attracting the attention of those who are not buying now by: (a) providing salesmen an access to prospects, (b) making prospects easier to sell to, (c) publicizing the Armstrong name, and (d) carrying the sales message beyond the range of personal coverage.<sup>6</sup>

6 Paul H. Nystrom, Editor, *Marketing Handbook* (New York, The Ronald Press Company, 1948), p. 1235

Nobody can quarrel with thinking through goals of advertising as completely as possible, since it contributes to better copy and media policy. But this kind of analysis of "objectives" contributes nothing to determining the size of the advertising appropriation. For that purpose objectives must be expressed so that they are measurable and costable, e.g., a 10% increase in sales next year over what they would have been without this advertising.

In its bald form, the objective-and-task approach begs the question. The important problem is to measure the value of objectives and to determine whether they are worth the probable cost of attaining them. In other words, what intensity of demand (i.e., what position and shape of demand schedule) is an economically sound objective? The objective and-task method method assumes that the candle is always worth the cost. In many cases the high marginal productivity of advertising (up to the limit of the money available) bails out the advertiser, but his good fortune does not make his basic thinking any clearer.

After valuing and costing legitimate objectives, the next and vital step is either to cut back or to expand plans in the light of these prospective costs. In this form – since the objectives are reshaped and really determined by the cost of attaining them, rather than vice versa – the approach has the virtue of sharpening issues and directing research and planning into relevant channels.

When an objective has been defined so that the task can be stated in terms of costs, the problem is in a form that is appropriate for analysis either by the marginal approach or the investment approach. Objectives in terms of near-future sales volume can be expressed as the marginal advertising cost function in Exhibit I, while specific long-run objectives can be viewed as investments to be built into the capital budget on a rate-of-return basis. For instance, if the objective is to get mass volume for a new product at a premium price, the task of advertising is to establish and maintain the corresponding brand preference; the budgeting problem is to determine the relation between the necessary initial and continuing outlays and the resulting level of price-premium, and to compare the premium profits with the required investment in advertising.

To sum up, the objective-and-task approach, using a straightforward sequence of attack that is good for any business problem, tends to beg the question when it is not carried the whole way. The economic problem is to determine what objectives are worth the cost of attaining them. This cost can sometimes be predicted, but the value of attaining objectives can rarely be measured. This general method can, however, be extended into highly promising experimental and marginal approaches. Through such approaches objectives can be reformed in the light of costs. Economic tasks can thus be adapted to the peculiar goals and situations of individual companies and nicely integrated with other elements in the company's marketing plan. But the objective-and-task method is a budgeting method only because it is called one; what it actually does is frame problems for solution.

**Competitive-parity Approach.** The essence of the competitive-parity approach is to base in some systematic way the company's advertising outlay on the outlays of other members of the industry. Specifically, the company's percentage of total competitive advertising might be made equal to its share of the market. (A variant, which is quite different conceptually, is to spend as much as necessary to retain a desired market share).

This method of budgeting is widely used, and it finds some support in the writing of practitioners. The defensive nature of a large proportion of advertising outlay, designed to check the

inroads of troublemakers, may account for the method's popularity. For example, in the antitrust case against the big three tobacco companies, the explanation advanced by American and by Liggett & Myers for following the lead of Reynolds in a 1931 price advance was that the revenue was needed to match Reynolds's increased advertising.<sup>7</sup>

7 American Tobacco Company v. United States, 328 U.S. 805 (1946)

The approach appears at first to have slim warrant in principle. What competitors spend on advertising does not tell a firm how much it can spend to make added benefits just equal the added costs. The size of this optimum outlay is affected by rivals' advertising, since competitors' advertising influences the productivity (incremental cost) of the firm's advertising. But it cannot be determined by merely matching competitors' appropriation. Hence what rivals choose to spend does not in itself provide any valid measure of what the firm's advertising budget should be.

The parity approach is sometimes defended on the grounds that the advertising percentages of competitors represent the combined wisdom of the industry. This argument assumes that rivals know what they are doing and that their goals are the same as the firm's. Actually, since great differences normally exist among competitors in the ratio of advertising to sales, the industry average is often relatively meaningless. Consider, for example, this breakdown of an industry average that appeared in *Printers' Ink* of February 8, 1947: out of seven companies one devoted 9% of sales to advertising; one devoted 3%; three devoted 2% and two devoted 1%.

No correlation appeared between outlay and size of firm in this breakdown. Further analysis revealed that the smallest firm, which was one of the heaviest advertisers, was bent on a program of aggressive expansion; one of the concerns that spent 2% manufactured only a restricted line and had no ambition to grow; the largest concern was well established and was making a very satisfactory showing with an expenditure of only 3%. This case illustrates the limitations of an industry average as a tool for determining outlay, in that companies differ in objectives, brand maturity, and marketing methods. It also suggests the advantages of knowing rivals' objectives and competitive situations as well as their advertising outlays.

Another difficulty is that, to the extent that this rationale is valid the future and not the past advertising outlays of rivals should constitute the standard. Usually these outlays cannot be determined soon enough or with enough accuracy to be useful in planning appropriations.

Advocates of parity advertising claim that it safeguards against advertising wars that can be started when other methods are used to determine outlay. Parity advertising may thus play a role analogous to that of price leadership in preventing price wars. But degenerative retaliation in advertising is much less likely relation to output, being a cause rather than a result of sales.

In many situations an economically logical approach becomes a bit mystical, because the relevant considerations for deciding how much to advertise are not measurable and visceral guesses have to take their place. Under these circumstances rival meth-



ods have an attractively solid appearance because their criteria, though not strictly relevant, are nevertheless tangible.

Viewed against the logical background of marginal analysis, most of the methods that are actually used to decide on the advertising appropriation seem to have no economic foundation. The fixed-percentage-of-sales method gets the cart before the horse; advertising outlays should cause sales, not be determined by them. The all-you-can-afford method reflects a blind faith in advertising, which, though occasionally rewarding, is nevertheless a confession of ignorance. The objective-and-task approach, though it sounds plausible, stumbles before it starts over the obstacle of not determining whether the objective sought is economically worth attaining. The competitive-parity method represents a narrow goal not usually tailored to the company's full needs. And the investment approach, while conceptually sound in recognizing the time dimension of advertising and its rivalry with alternative capital expenditures, is hard to nail down with empirical data.

The difficult problem in applying economic analysis to advertising is to find the empirical equivalents of the theoretical curves. The deep uncertainty surrounding the productivity of advertising is perhaps the origin of such methods as percentage-of-sales and objective-and-task. But whatever rationale these methods may one have had, their basic weakness is that they hide rather than highlight the economic issues in the advertising problem. Despite its limitations, economic analysis can be helpful in reaching a better decision on the amount of advertising by focusing attention on the relevant (even though unmeasurable) relationships as opposed to the irrelevant (but measurable) ones. Though the complete theoretical solution of the advertising problem is too complex for practical use, manageable approximations may sometimes be feasible. Quite a few things unmeasurable ten or twenty years ago are susceptible to such approximation in 1951.

## Notes

## LESSON 16: MESSAGE & COPY IN ADVERTISEMENTS

### Learning Objectives

- You will understand via this lesson the different ways of reaching out to your target audience via the message route.
- You will understand the various elements that make up the copy of an advertisement.



So at last you might say we have come to the creative part of the ad campaign. The print ad appears in the media. The broadcast ad goes on air. Prior to that, we have to decide what we have to say, and then how do we say that. The 'what' part is the design of the message, and the 'how' part is the development of the message, and includes its execution as well.

### Message Design and Positioning

Our advertising message consists of the idea together with other relevant information. The idea spots the uniqueness of the product to win a place in the consumer mind. It is easier said than done. Message design identifies the consumer's perceptions about the products. The following question gives a good insight.

1. What is the nature of the product: its generic category.
2. For whom it is meant: the segment.
3. What are the special characteristics of the product? How is the consumer going to be benefited?
4. Who are the competitors? What is their promise?
5. Is the product different from the other available products? How? Is it a technological breakthrough?
6. On which occasions will the product be used? How often?
7. What would you like your consumer to perceive this brand as? What position would it take?

The answer to these questions is given by marketing research and by the advertiser and his agency. The creativity of the agency matters most here.

Thus there are tonics in the market, for the aged and for the persons recovering from illness. There is a set of tonics for children and expectant mothers. There are haematinic tonics of iron for anaemic individuals. Incremin, a pleasantly flavored tonic containing Lysine – a growth factor from Lederle has been promoted as 'a tonic for growing –up children' to stimulate their growth in terms of height. The visual of a giraffe eating leaves off a tall tree, emphasizing its tall neck re-enforces the concept of growth. Incremin found a strong vacant position and just sat on it- the tonic for growing children.

Walter Mendez, the Creative Director of Clarion made a landmark campaign of Maggie 2- minutes Noodle a positioned as any time snack, good to eat and fast, to cook aimed at children to begin with.

### Marketing, Design and Marketing Objectives

As we have seen, the message is an idea. Along with perhaps other relevant information – attitudes, image etc. meant for the intended target.

The audience sets the agenda of marketing objectives. The objectives tend to vary with audience. When we communicate with consumers, the objectives could be:

1. Passing on information
2. Create brand awareness
3. Incite them to act, i.e., to purchase the product
4. Confirm the legitimacy of their choice after the purchase is made.

The objectives when we communicate with the trade could be:

1. To induce them to stock the product
2. To push the product on- the-counter
3. To provide strategic shelf-space to the product.

The objectives when we communicate with manufactures could be:

1. To make them buy our raw material
2. To convince them about rational product benefits
3. To convince them about cost aspects.

The messages are designed keeping the marketing objectives in mind. The consumer profile in terms of their education, interests, experience also has a bearing on message design. The consumers must understand the message.

### Gap between Copywriter and His Audience

The vast majority of our products are not sold to people with a high standard of education and an up-market background.

Quinn in *Secrets of Successful Copywriting* says: “these products are sold to people with few pretensions to higher education and who wouldn’t recognize a literary allusion it leapt up and announced itself. Where the copywriter is literate, they have little or no interest in syntax or grammar; where he is imaginative, they are earthy; where he is enthusiastic, they are different. This is the great schism. It is the happy few copywriters who can adroitly leap over this gap.”

## Appeals

In order to attract the attention and create interest of the target audience, marketers make use of several appeals – appeal to the basic needs, social needs and psychological needs of the audience. At the end the ads provoke the consumer to act- to buy the product. The discussion on different kinds of appeals has been postponed to a subsequent chapter.

The following points are to be kept in mind while communicating with the audience:

1. Instead of building a wall around the product, the message should create a bridge to the target audience by being persuasive.
2. Arouse the audience, and give it a reason for listening to you.
3. Make use of question to involve the audience.
4. Use familiar words and build up points of interest.
5. Use specific and concrete words.
6. Repeat key points.
7. Convince the audience by sticking to facts.
8. Empathize with your audience.
9. Use rhyme and rhythm, for instance when Waterbury’s compound is advertised they say ‘when vitality is low, Waterbury’s brings back the glow.’
10. Make use of Zeigarnik effect, i.e., leave the message incomplete, where the audience is provoked to complete and close it by pondering over it.
11. Ask the audience to draw conclusions.
12. Let them know the implications of these conclusions.

## Message Presentation

Messages are to be structured keeping the objective of the communication and the audience in view. Messages are represented either centrally or peripherally. A central message takes a direct route to persuasion. It is a well – documented ad. It compares advantages and disadvantages of a product. This central presentation provokes active cognitive information processing. Voltas refrigerators incorporating rational appeals is an example. These ads are consistent with the self- image of the respondents.

Peripheral presentation provides pleasant association, scenic background, and favorable inferences about the product.

These are distinct, rational and emotional appeal ads. The rational ads appeal to logic, give straightforward facts and figures. The emotional appeal ads make use emotional and symbolic clues, e.g., an ad for a fire extinguisher. It is seen however that most ads are a blend of rational and emotional message. This has been discussed again in detail in the subsequent lessons on appeals.

## Advertising Message Structure

Advertising communication effectiveness not only depends on the message content, though it is no doubt an important component, but on its structure as well. The important aspects of message structure are: Drawing conclusions, repetition, one –versus- two-sided arguments, and the order of presentation. We shall discuss them in detail one by one.

### (i) Drawing Conclusion

The question often raised is whether definite conclusions should be drawn for the audience in the ad for quick under-



standing or should they be left to them. In many instances, it is best to let the receivers of the promotion message draw their own conclusions. Such consumers feel that the message which draws a conclusion is over-aggressive and an attempt at forcefully influencing their choice. Moreover, since conclusion drawing at best assists in an easy comprehension of facts and not in the process of attitudinal change, it will not affect very much the persuasive quality of ads that aim at a change in attitude. When the issuer involved is simple and the audience. It does not add anything extra to the persuasive quality of the advertisement. Moreover, if the communicator is perceived to be unworthy, the receiver may resent the attempt on his part to draw a conclusion for him and influence his choice. When the issue is highly personal, the audience may resent the communicator’s interference in drawing a conclusion. A typical example of this is the recent ad campaign sponsored by the PoultryFarm Association in Gujarat, promoting the use of eggs among vegetarians. Eggs from the poultry farms were given a new name the “Veggs” and recommended for consumption in that segment of society which is fully vegetarian. Since this touches a highly personal issue concerning religious attitudes, the ad was resented, and much criticism was published against it in the Reader’s Opinion column in popular dailies. Thus, even though promoters sought the sale of the product in a new segment by drawing specific conclusions, these were not accepted, but rather resented. However, conclusion drawing is favored where the product is a complex or specialized one. The Farex baby food ad, starting with a sensational headline: “Your baby is born with a 3- month gift of iron. After 3 months, milk alone cannot give him the iron he needs.” The ad closes with the conclusion: “Doctors recommend Farex. Baby’s ideal solid food for rapid all- round growth.” A long body copy goes on to explain that Farex is ideal baby solid food.

## ii. Repetition

Repeating an ad message is often beneficial, for it develops a continuity of impression in the minds of the target audience, and may increase the predisposition to think and act favorably towards the products advertised. Everything else being equal, a repeated message increases awareness and knowledge on the part of the prospect. Audience retention improves with repetition, and falls off quickly when repetition is abandoned. The relationship of repetition and advertising effectiveness has been dealt with in detail in the chapter on "Advertising Effectiveness."

## iii. One –versus- two-sided Communication

This raises the question whether the advertiser should only praise the product or should also mention some of its shortcomings. The most common approach in sales and advertising is a one-sided approach. However, on deep analysis, it is found that one-sided messages tend to work best with the audiences that are initially favourably predisposed to the claims made in the ad message. Two- sided arguments go well when audiences have an unfavorable opinion about the communicator's position. Also, a two- sided message tends to be more effective with educated audiences capable of sound reasoning, particularly when they are exposed to counter propaganda. A two-sided communication produces the greatest attitude change when people are opposed to the point of view presented. Also, a two-sided communication is effective in maintaining the belief level against a counter-attack by competitors. However, it is the single-side communication that is commonly used, for it is difficult for the advertiser to refer to the product's shortcoming and still effectively persuade prospects to buy it.

## iv. Comparative Advertising (CA)

Here a product is directly or indirectly compared with a competitive product to show the advertised product to advantage. This trend has been seen more and more in some recent campaigns, especially when new brands in parallel categories are springing up at a rapid rate. Most prominent among these have been the Pepsi, Salvon, Captain Cook Salt and Pepsodent and Colgate campaigns. The recent Rin-and-a-look-alike-Ariel campaign is also a pointer. Pepsi was branded by Thums Up as gulab-jamun-like or as a drink kept out in the rain. When coke took over Thums Up, Pepsi retaliated by calling it Thoke. There are hits and counter hits in this game. Captain Cook, the free-flowing salt has been compared to Tata salt that is moist enough to stick. In fact, Captain Cook has translated its technological superiority into product superiority. Whisper sanitary napkins have also been introduced on comparative grounds of absorbance. The ultimate aim here is to create brand distinction. While doing so, the competitive product should not denigrate. Besides, there is no end to competitive advertising. In car marketing, we see Hyundai Santro campaign directly never compare itself to No. 2. Instead, compare ads are usually a tool for a smaller brand trying to build business. Continued warfare in ads gets boring for consumers. ASCI, specifies that comparative advertising (CA) – direct and implied – is permissible if the aspects of products compared are clear; comparisons do not confer artificial advantages on the advertiser; it is factual,

substantial; the consumer is unlikely to be misled; there is no unfair denigration of the competing product. In the USA the Federal Trade Commission encourages truthful non-deceptive CA. In UK, CA is permissible if it is objective, relevant, and verifiable.

## Negative Advertising

"Studies conducted by O & M found that commercials which name competing brands are less believable and more confusing than commercials which don't. There is a tendency for viewers to come away with the impression that the brand which you disparage is the hero of your commercial." – David Ogilvy, in Ogilvy on Advertising.

Unless there is a definitive plus it is not advisable to disparage the other brand. Even definitive plus is no guarantee that the disparaged brand will not be taken as the hero of the commercial.

## v. Order of Presentation

Whether to put the strongest argument first or last in the advertiser's presentation is equally important. Sometimes this is considered a part of copywriting strategy. In a one-sided argument, it is advisable to present the strongest point first, for it will result in better attention and interest. This is done with the objective of achieving the primary effect. However, when an audience necessarily required a two-sided communication, it is better, at least initially, to start with the other side's argument and slowly disarm the audience which is opposed to the communicator's position, and then to conclude the message with the strongest argument.

## Copy of Ads in Print

### The most Important Copy Element is the Headline Idea

If the headline idea fails to attract the prospect to the message and the product, the remaining parts of the ad are wasted. The ad copy may be a word-message, or it may have pictures with a short message or a slogan. The words and pictures should be complementary to each other. However, since pictures get better attention than the words in the headline above or below the picture, we invariably have ads in print with picture, sketches, illustrations and visual symbols. Moreover, a dramatic or provocative picture or photograph can effectively create an emotional or tragic scene, and thus become a good grabber of the prospects' attention. Many copywriters use both pictures and words to put across their creative ideas.



A perfectly worded headline can create the required excitement, a sensational scene most appealing to prospects. Headlines may be in many forms - they may be questions, news flashes, and statements from celebrities, warnings and appeals. There is no right or wrong length or form for an effective headline. Each headline must relate clearly and specifically to the intended audience and to the rest of the advertisement, highlighting the product features and its USP.

#### After the Headline Come the Sub-heads

If the headline has already rightly suggested the product's value to the consumers, the job of the sub-head is easier. Sub-heads should further carry the idea of theme and should help readers to have more knowledge of the product and services, for they (subheads) generally expand or amplify the headline idea. One of the ads of FAREX, a baby food item, has its headline: "Your baby is born with a 3-months' gift of iron." The supportive sub-heads say: "After 3 months, milk alone cannot give him the iron he needs. Give him Farex enriched with iron." The headline has highlighted the problem of necessarily giving iron to the baby 3 months after its birth; and the sub-head suggests that the product, Farex, which is enriched with iron, is the right solution of the problem. Several such examples may be given of the headline and its supportive subheads.

#### After the Sub-head Comes the Body Copy

It stimulates liking and preference for a product; it systematically develops the benefits and promise offered by the product, explains, logically and rationally, product attributes, features and product values, and gives convincing arguments in favor of, and evidence in support of, the claims made about the superiority of the advertised product. In the body copy, both emotional and rational reasons are put forward to persuade consumers to buy a particular brand. Facts and figures about the product, its test results, testimonials, guarantees of satisfactory performance, and a reference list of customer patronizing the product all these are given in the body copy, depending upon the nature of the product, the market and competition. Emotional appeals are generally useful when advertising "convenience or style goods" rather than consumer durables. A rational appeal is appropriate for industrial goods. Due care should be exercised

while handling emotional appeals; if over done, there is the possibility that the entire credibility of the ad message would be lost.

Last, but not the least, it may be mentioned here that the closing idea in an ad copy is as important as closing the sale in personal selling. Since an ad is a one-way communication, it should be closed with enough information and motivation for the buyer to act. There are varying types of closing an idea "call to action," "buy now," "visit today our dealer/ stockist," "announcement of festival discount," "send enquiries immediately to," etc.

#### Long Copy versus Short Copy

A long copy looks impressive, and more details can be presented in it to the reader. But readers may not often like, or have the time to read, the lengthy body copy of an ad unless the headline is so attractive and persuasive that they automatically begin to read it. Abram Games advocates 'maximum meaning, minimum words.' A short copy may not be fully communicative at times. Therefore, it is incorrect to say that either the short or the long copy enables us to make the right approach in an ad. It should come sentence by sentence to fulfill the promise made in the headline.

The length of the body copy should be just enough for you to say all that has been promised in the headline. Nothing more and nothing less. Sometimes you communicate better by writing short copy instead of being verbose. Our body copy should contain the required reasoning to convince the customers to spend their money on our product. The appeals may be both objective and emotional. We should always be able to make the right emotional appeal.

Copywriting for newspaper ads is different from copywriting for magazine ads because the newspaper has a different editorial environment. Moreover, it is mainly filled with news, facts, information and local gossip, and is hardly read for entertainment. It is primarily a source of news and information. It is not read the way your favorite magazine is read. The copy of a newspaper ad is generally short; it has a high impact headline, which mostly concentrates on one strong selling idea.

Newspaper ads are generally placed in a particular place in the classified columns, on the sports page, the investment page, etc. The copy of such ads has to be different from that of magazine ads even for the same product; you have to tie up your copy with the current news event. For example, when Asiad '82 was held, first newspaper ads had copy based on this great sports event. Again, when the first satellite was launched, many companies released newspaper ads mentioning their association with such a great national event by way of supplying their products and services to make it a success. When a national or international exhibition is held, companies do participate by exhibiting their products, and to synchronize with the inauguration of this great event, companies release newspaper ads saying: "Meet us at CHEMTECH '82, Pavilion No.4, Hall-2." Many examples can be given to drive home the point that the copy of a newspaper ad has to be different from that of the magazine ad even for the same product, the same unique selling proposition (USP) and even the same appeal - objective or emotional.

Now let us discuss the different types of copy. Below are given the different types of copy; you must visualize an advertisement as you go along.

- **Scientific copy** (Technical specifications are specified. E.g. High involvement goods or durable goods or industrial goods.)
- **Descriptive copy:** In a non-technical manner, the product attributes are described. The copy uses direct active sentences. There are short and pithy sentences. It looks very commonplace announcement.
- **Narrative copy:** Here a fictional story is narrated. The benefits of the product emerge from the story. Maybe, the narrative is humorous. Or else, it has strong appeal. It should make an imprint on our memory.
- **Colloquial copy:** Here informal conversational language is used to convey the message. It could even become a dialogue. In many TV advertisements, we find the colloquial copy.
- **Humorous copy:** Humor has been heavily used in advertising-especially in TV commercials. It is just as heavily suspect. But effective humor makes the advertisement noticeable.
- **Topical copy** comes about when a copy is integrated to a recent happening or event. Especially during the world cup days, you had ads like – ‘Britannia Khao, World Cup Jao’.
- **Endorsement copy** here a product is endorsed by an opinion leader who has a large following. I shall be discussing this at length in a later lecture.
- **Questioning Copy:** In this copy, several questions are put forward not to seek answers but to emphasize a certain attribute.
- **Prestige Copy** The product is not directly advertised. Only a distinguished and favorable atmosphere is created for the sale of the product. The copy is used to build an image.
- **“Reason Why” Copy** It is known as an explanatory copy where the reasons for a purchase are explained. Each reason illustrates a particular attribute, and its benefit to the consumer. One attribute may be chosen and repeated for several times, each time an occasion is given to justify it.



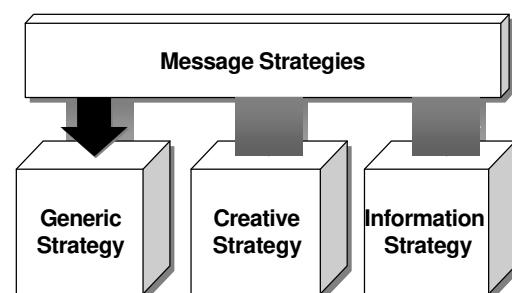
- **Wordless Advertisements:** There are at times billboards with only an inscription like Amul. Otherwise they are totally wordless. Wordless advertising is an example of non-verbal communication (NVC) and are pictorially.

- **Comparative copy** here two brands are compared either in good light or in a way to belittle the other. The cola war can be an excellent example of this type.
- **Advertorial** is a newspaper or magazine feature that appears to be edited but is really an ad.
- **Intentional copy** comes about when advertisers copy elements from rival creatives in the same product category in order to create dissonance with a view to secure competitive foothold, e.g. Liril Vs Cinthol ads both emphasizing lime freshness.
- **Disruptive copy** comes about when there is a disruption in the way of thinking or conventional thinking.

## Creative Plan and Copy Strategy

- **Creative platform** is a document that outlines the message strategy decisions for an individual ad.
- Creative platforms combine the basic advertising decisions – problems, objectives, and target markets – with the critical elements of the sales **message strategy** – main idea and details about how the idea will be executed.

## Creative Plan and Copy Strategy



## Lessons in Copy

### Crafting

Anything that is relevant and readable is read - whether short or long. Body-copy needs as much attention as the headline.

### Targeting

Words in the copy need crafting like a diamond so that they sparkle. Perhaps this means writing and re-writing a number of times. While doing so, we must remember that spontaneity is at stake. The litmus test is to sleep over the copy overnight, and see whether the same copy is worth retaining.

### Long Vs. Short Copy

Copies are addressed to a right target audience. Most good copies are designed as if they were meant for a single prospect.

### Write to the Point

Who likes a lingering copy? It is not advisable to beat around the bush. We have to get to the point.

### Copy Style

Copywriting is a versatile art. A copy can be written in the style of a personal talk, a story or a novel. In fact, asking an aspiring copywriter to convert a photograph using different copy styles is a good test.

### Ego to be Sidelined

A great campaign, which is not our creation, should not be killed for that reason. A campaign should be consistent with the brand personality.

### Personal Presentation

A copywriter has to go and sell his work to the client rather than relying on anyone else. Be Proud of the Ad

Any creation of yours deserves your best. Red Smith expects a copywriter to sit at the typewriter till little drops of blood appear on his forehead.

(Adapted from Arun Kolhatkar's Tips to Rahill Dacunha)

"Quote-Unquote what few stalwarts have to say about copywriting."

- "I have learned that any fool can write a bad ad, but that it takes a real genius to keep his hands off a good one."  
- Leo Burnett, quoted in 100 LEO's, Chicago, IL: Leo Burnett Company, p. 53.
- "I have always believed that writing advertisements is the second most profitable form of writing. The first, of course, is ransom notes . . ."  
- Philip Dusenberry, quoted in Eric Clark, The Want Makers: Inside the World of Advertising, 1988, New York: Penguin Books, p. 56.
- "I think central to good writing of advertising, or anything else, is a person who has developed an understanding of people, an insight into them, a sympathy toward them. I think that that develops more sharply when the writer has not had an easy adjustment to living. So that they have themselves felt the need for understanding, the need for sympathy, and can therefore see that need in other people."  
- George Gribbin, quoted in Denis Higgins, The Art of Writing Advertising: Conversations with Masters of the Craft (1990), Lincolnwood, IL: NTC Business Books, p. 51.
- "A writer should be joyous, an optimist . . . Anything that implies rejection of life is wrong for a writer." - George Gribbin, quoted in Denis Higgins, The Art of Writing

Advertising: Conversations with Masters of the Craft (1990), Lincolnwood, IL: NTC Business Books, p. 48.

- "I have discovered the most exciting, the most arduous literary form of all, the most difficult to master, the most pregnant in curious possibilities. I mean the advertisement . . . It is far easier to write ten passably effective Sonnets, good enough to take in the not too inquiring critic, than one effective advertisement that will take in a few thousand of the uncritical buying public."  
- Aldous Huxley (1923), British author, quoted in Robert Andrews, The Columbia Dictionary of Quotations, 1993, New York, NY: Columbia University Press, p. 18.
- "The trouble with us in America isn't that the poetry of life has turned to prose, but that it has turned to advertising copy."  
- Louis Kronenberger (1954), quoted in Rhodas Thomas Tripp, The International Thesaurus of Quotations, 1970, New York, NY: Thomas Y. Crowell Company, p. 18.
- "Many people - and I think I am one of them - are more productive when they've had a little to drink. I find if I drink two or three brandies, I'm far better able to write."  
- David Ogilvy, quoted in Denis Higgins, The Art of Writing Advertising: Conversations with Masters of the Craft (1990), Lincolnwood, IL: NTC Business Books, p. 70.
- "You must make the product interesting, not just make the ad different. And that's what too many of the copywriters in the U.S. today don't yet understand."  
Rosser Reeves, quoted in Denis Higgins, The Art of Writing Advertising: Conversations with Masters of the Craft (1990), Lincolnwood, IL: NTC Business Books, p. 125.
- "No, I don't think a 68-year-old copywriter . . . can write with the kids. That he's as creative. That he's as fresh. But he may be a better surgeon. His ad may not be quite as fresh and glowing as the Madison Ave. fraternity would like to see it be, and yet he might write an ad that will produce five times the sales. And that's the name of the game, isn't it?"  
- Rosser Reeves, quoted in Denis Higgins, The Art of Writing Advertising: Conversations with Masters of the Craft (1990), Lincolnwood, IL: NTC Business Books, p. 111.
- "The mystery of writing advertisements consists mainly in saying in a few plain words exactly what it is desired to say, precisely as it would be written in a letter or told to an acquaintance."  
- George P. Rowell, quoted in Advertiser's Gazette, (July 1870), vol. 4, p. 175

### Case Study on Copy

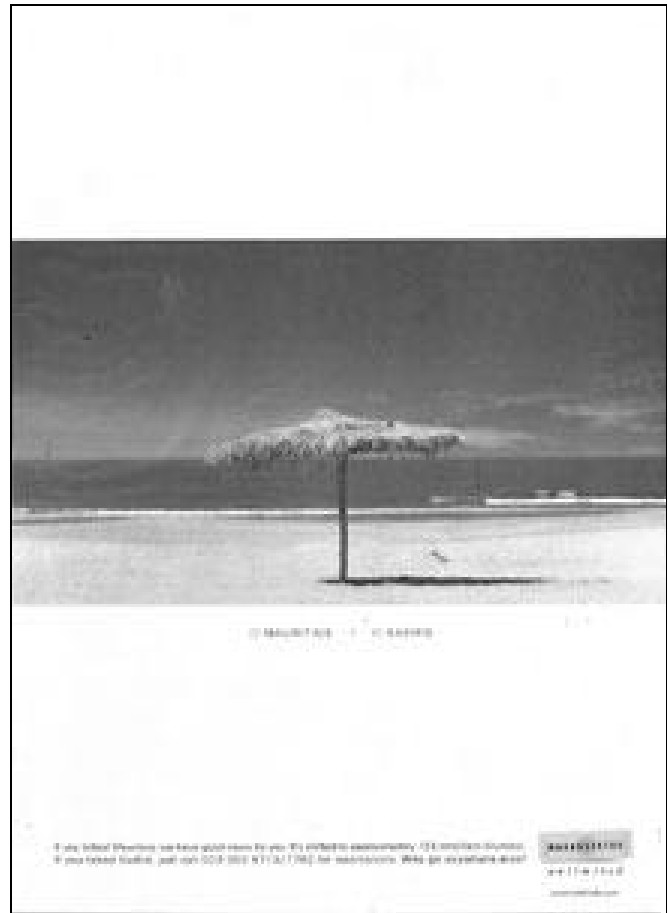
"Thanda matlab Coca Cola," resounds in the background even after Aamir Khan ropes out a bottle of Coke for the three city gals who come to him asking for "Thanda". But who are the people behind such creative advertisements and how are they made? Who directs these ads and writes dialogues for them? If these questions plague your mind, then here's some information that will help you understand this creative field better. The people behind such ads are called copywriters, who belong to the creative department of advertising agencies. Knowledge

Writers work on the conceptualization of ideas for different brands. This process begins with the client sending in his/her requirements (called a 'brief' in ad terminology) stating if it is for the print medium or television or radio. Product specifications that are necessary for making the ad and a profile of the target audience is also sent along with it other than the deadline for submission. The ads are normally made for the launch of a product/ store, reminder of an existing product in a new way to the target audience; pack promos, product promotions etc. A writer's role begins at this stage, where he thinks of ways and means to communicate this message to the target audience, who are the consumers of the product. Thereafter, it completely depends on the ability of the writer to ideate and visualize his thoughts and express it on paper.

Copywriters have to work in tandem with several people in an agency to get an ad released. Firstly the writer presents the ideas to the client to get the idea approved in order to begin the process of making the ad. Secondly he works with the art director if it is a press ad. Together they decide the images and visuals and the font and typography for the copy text of the ad. In the case of a TV commercial, the writer calls the shots in directing the ad. This involves choosing the location and sets of the ad, working with photographers and renowned directors, actors/ actresses and models. The making of a TV commercial involves huge ad expenditures for the client. Writers work together with directors and producers on the ad budget. Copywriting provides an array of opportunities in the field of media. One can even switch to filmmaking from writing copies for ads.

In case of radio advertisements, writers make scripts for the ad, choose the voice of the person for the ad, and work with the recording people in the studio on the sound effects and final radio spot. This involves a lot of editing until the final spot is ready for release on air.

What are the areas that a copywriter can enter and name any 2 qualities required of him. Write a copy of 100 words promoting a Resort in a hill station of your choice and give suitable 'punch line' to the resort called – 'Country resort'.

[illegible]



## LESSON 17: HEADLINES IN PRINT & TV ADVERTISING

### Learning Objectives

- You will understand via this lesson the importance of headlines in a copy.
- You will also understand the different types of headlines that you could possibly make.
- You will understand the elements of TV advertising also the production method in making a TV commercial



Headline is the most crucial part of advertising. Basically, it is used to arrest attention and to create interest. It should go beyond being catchy or sloganising. It has, really, speaking a lot to contribute to the style and mood of an advertisement. Headlines many times do target the advertisement to a select audience. They are inviting enough to motivate the reader to read the advertisement copy further. Perhaps this they are able to do by being benefit-oriented. Headline is not to be taken too literally. It mostly occurs as the caption, but can occur anywhere in the body of the advertisement copy, even at the end. In a nutshell, self-interest is the key to successful headlines. We would like to know what benefits the product could offer to us, or what solution the company has got for our problems. Many headlines do the positioning work - they highlight a product benefit that is most important. Many headlines are musical, whereas many are curious. Some headlines are newsy.

Quinn stresses the importance of the copywriter finding more interesting ways of presenting basically uninteresting propositions. Every headline, he cautions, should be the best you have ever written because you are only as good as your last advertisement copy.

### Basics of Writing Headlines

#### 1. They should Suggest a Quick and Easy Way Out

It has the capacity to satisfy some need or want. Let me illustrate. You have heard about Taj Mahal Tea Bags (Dip, Dip,

Dip). It has the capacity to quench the thirst. So the advertisement headline says: THIRSTTEA DIP.

Similarly, Hawkins pressure cookers', recent headline 'You and Your Hawkins - the safest, fastest, way to tasty food, makes you realize immediately what it can do for you. No wonder they all want it.

#### 2. Self-interest is Created in Every Headline

Warner's Waterbury Compound promises that, "When vitality is low, Waterbury's Compound brings back the glow."

Anne French Hair Remover - The gentle way to cream hair away makes us so comfortable. We can say now goodbye to razor nicks and cuts.

#### 3. News is Included in the Headline

We are always on the look out for new products, new ways to use an old product, or new improvements in an old product. The most powerful words in a headline are NEW and FREE. There are occasions to use FREE, but a few can use NEW.

The following list of words gives news value to the advertising.

- Announcing.
- Surprise.
- Now.
- It's here. Just arrived. Amazing. Sensational.
- Revolutionary.
- Last chance.

#### 4. The Headline should Always Target the Advertisement Towards your Prospective Customers

Thus Johnson's baby powder headlines do have the word MOTHERS for whom it is meant. Never use a word that will exclude some prospects.

#### 5. Many More People Read the Headlines

All of them may not read the rest of the copy. So it makes good sense to use the brand name of the product in the headline.

So the Cerelac advertisements headline reads 'Give your baby the Cerelac advantage from the first solid feed.'

#### 6. Headlines can be made by Imaginatively Coined Words (Coinages)

The best example is Lacto Calamine's headline "Skinnocence." How wonderful! It is one word headline. But it promises an innocent, blemish free skin. It is so striking too.

Now let us take a simple product like an egg. You want to suggest that it is so exciting to take it. How will you be able to coin a new word, using the two? Yes, you will call it eggcitement. Thus, economics of eggs will be eggnomics and extraordinary qualities of eggs will be called eggstraordinary. So now you have eggperienced it. So eggstatic... and so on and so forth.

## 7. We have to Include the Selling Promise in the Headline

Maybe, it makes the headline a little longer. But it sells if properly constructed.

See the 10 words advertisement headline of Fern Instobleach:

Every woman can be faster if only she knows how!

Here is another example where Bonny Mix porridge is described:

### Bonny Mix

'The new instant porridge with the goodness of cereals, fruits and nuts.'

## 8. Headlines Sometimes Arouse Our Curiosity

They lure us to read further.

Aura American Diamond Jewellery headline questions you, "Can you keep a secret?" Here artificial diamond jewellery resembling the genuine ones is offered. So the copy goes on, "Ssh it's happened."

Can you think on similar lines and create some curious headline again for the same product artificial diamonds? Here is a specimen:

"Yes, I buy diamonds every week (this what a woman says) and so can you."

So not even the daughter of super-rich Khaggoshi or Madhvani's Mumtaz can buy diamonds every week. Naturally, it is a very curious headline. But further reading directs you to Legend - the shop where American diamonds are sold.

However, curiosity by itself is not enough. It has only the pulling power. The further reading should convince us about the usefulness of product.

Chivas Regal is curiously advertised like this: 'The Best things in the world aren't free. Just duty free'. Since it is available at duty-free shops at the airport.

## 9. Some Headlines Play Games

Here puns are used. Literary allusions are used. There may be other obscure things. These are called tricky headlines.

## 10. Though to be Practiced with Caution, Negatives

are used in headlines these days as a 'No cholesterol oil' etc.

## 11. Do not use Blind Headlines Where on its Own Headline is Meaningless

unless the copy that follows is read. Most people do not read the copy.

So, we must understand what are the basics of headlines. I have given below in bullet form.

- You must break the ice
- You have to be concise
- Headlines can't drift along. They are crisp. They are specific.
- Headlines should be provocative
- Relevant

Below you will see a few examples of print advertising. You should see the formulation of headlines very carefully.



### Headline

All your life you have worked hard for your money. Now, we'll make sure your money works hard for you.

### Subhead

Safety Liquidity Tax benefits Life insurance

### Body Copy

Your years of hard work have today yielded rich dividends either in the form of provident fund, gratuity or even VRS money. What's important now is to make sure this money is invested in the best possible manner. So as to give you a secure future in terms of regular returns and comprehensive protection. Presenting ICICI Pru ReAssure which combines the best of insurance and investment, with the following benefits:

### Liquidity

Assured regular and steady annual returns. Tax benefits: Upto Rs. 60,000 u/s 88. Survival benefits are also tax free. Life cover: Upto 110% of premium paid. Safety: Reassure offers complete safety of your principal amount and guaranteed survival benefits in a volatile market scenario. So, you can now relax and let your money work hard for you.

### Baseline

We cover you. At every step in life.

### Agency

Lowe Lintas

**Headline****Subhead**

The mail was something one received either at home or work. Or not at all. Until Sabeer Bhatia made the whole wide world an address.

**Body Copy**

ABN AMRO introduces Smart Gold. India's first genuinely smart, chip-enabled Credit Card.

**Baseline**

Look beyond.

**Agency**

Contract



Black stands out

**Headline**

Black stands out

**Subhead**

The new black Compaq Presario 3650AP with Intel Pentium 4 Processor that powers your digital world.

**Body Copy**

So unconventional, so cool, so black - is what really makes the new, black Compaq Presario 3650AP stand out in a crowd. Its black, elegant styling complements its bold attitude. Now you can download MP3 files, play games or edit photos at a never-before speed with the power of Intel Pentium 4 Processor. The center of your digital world. Go on, check it out for yourself at the nearest Compaq Store and pace up your moves with this stunner.

**Baseline**

brought to your by hp

**Agency**

FCB Ulka

Note that in the case of high involvement products like the PC and Insurance, there is more emphasis on the copy.

Different forms of headlines are given below as bullet points, you must think of a suitable example as you go along.

**a. Direct Promise Headline**

Pond's Special Baby Powder headline promises you 'to take good care of your baby.' Such advertisements indicate the benefits of the product or service in a direct manner.

**b. News Headline**

It may include new promises, product improvements, price reductions, premium offers etc. Parle's Monaco was again made available in a big pack. So the headline announces 'The Big Monaco pack is back.'

**c. Curiosity or Provocative Headline**

Sweetex, a non-sugar sweetener uses this technique very efficiently in its recent advertisement. The headline is a startling statement, followed by a question:

There's a rich, gooey chocolate cake hidden in the picture. Can you spot it?

This headline is so curious that we see what is it all about. There is only a cup of tea.

There is no chocolate. We feel compelled to discover what is hidden in the copy.

The copy begins by saying: It (chocolate cake) is tucked away in the cup of tea. Or more precisely, in the sugar. If you drink five to six cups of tea or coffee a day, each with 2 teaspoons of sugar, you are consuming about 2200 calories a week of sugar alone. Which is equivalent of half a kilo of rich chocolate cake.

**d. Selective Headline**

This headline holds a specific promise for a special group. Childcare products are for mothers. The headline identifies this group. 'The natural choice for mothers who care ... Childcare.'

**e. Humorous Headlines**

Though practiced with caution, sometimes it really works wonders. Humor, however, is a suspect element in advertising. In fact, people do not buy from clowns. But it is also true that humor makes the advertisement noticeable. But it should not be the man-slips on-banana-peel type humor.

#### f. Command Headline

It also promises a benefit. It is advisory in character. VIP's Feelings cotton panties have the commanding headline: Say Hello with Feelings. It is a great new You. You will appreciate that it is a command but with a promise.

#### g. Situation Headline

It is based on a peculiar situation like an impending war, flood, earthquake, epidemic etc.

#### h. Label Headline

Some products like a TV set can be headlined as a label. Here there is a strong need for the product and so no other appeal is called for.

#### i. Challenging Headlines

Mostly a provocative question, its mental compulsive.

#### j. Negative Headlines

Not very much forward, but are used occasionally to direct to the right product. The Afternoon Dispatch Headline is negative.

'Don't Waste Your Money Advertising in the Afternoon  
'Dispatch. Advertise in the Afternoon's Woman's Extra Every Thursday.'

This is a suitable medium for home-use or woman-oriented products.

#### k. Affirmative Headline

The message is not very assertive. But it is not denied either. We thus say about Complan: 'Growing Children Need Complan.'

#### i. Headlines

could be poetic, prosaic, matter of fact or musical.

#### m. News

People are interested by news. Words like new, introducing, announcing, now, at last, etc. indicate something newsworthy. ("Now program your VCR by simply speaking to the revolutionary VCR VOICE programmer")

#### n. Testimonial

Nothing is more convincing than a customer endorsement. ("This diet program worked for me. It can work for you, too!")

#### o. Question

When related to a benefit or the reader's concerns, the question headline is a powerful attention grabber. ("How do I know which mutual fund is right for me?")

Nine good headlines and why they were so profitable

#### 1. They Laughed When I Sat Down at the Piano . . . But When I Started to Play!

The granddaddy of great advertising headlines; often imitated but rarely equaled. Is there anyone among us who has never longed for or relished an opportunity — when people doubt our ability — to prove them wrong? Plus, people love to root for the underdog, as the main character of this ad so obviously does. This is an action-oriented headline that promises an uplifting story, and we're compelled to read further. Also worth remembering: The before-and-after angle can be effective in many headlines.

#### 2. A Little Mistake that Cost A Farmer \$3,000 a Year

A highly successful ad that ran in a number of farm magazines. An excellent idea of how sometimes the negative idea of offsetting, reducing or eliminating the risk of loss is even more attractive to the reader than the prospect of gain. A fellow copywriter and good friend likes to illustrate this point with the following analogy: Imagine it's 3:00 in the morning and your best friend comes banging on your front door. "Bill, Bill, wake up! I know how we can both make an extra \$500 apiece today — guaranteed!" Chances are, this would be a severe test of your friendship. On the other hand, let's say that same friend came banging on your door at 3:00 in the morning, except this time he's saying, "Bill, Bill, wake up! Somebody's in your driveway stealing the hubcaps off your car!" You wouldn't mind that interruption at all, would you? In fact, you'd be grateful you had such a thoughtful friend. That's because human nature is such that people will fight much harder to avoid losing something they already own than to gain something of greater value they do not own. Another key factor in this ad's success is the attraction of the specific. Note that it wasn't just a mistake; it was a little mistake. What farmer could pass up reading the copy under such a headline? What farmer wouldn't be compelled to find out: "What was the little mistake? Am I making it? If I am making it, how much could it be costing me?"

#### 3. How to Win Friends and Influence People

Yes, the title of the book was also the headline for the ad that sold a million books via mail order in less than three years during the latter part of the Great Depression. The key to this ad's success is its strong basic appeal. Who doesn't want to know how to win friends and influence people? The key words are "how to." Without these two words, the ad lacks power, punch and, most importantly, the promise of a benefit. Certain words and phrases are inherently involving and attention grabbing and can be used effectively in just about any headline. Such words and phrases include: How To, How, Here's Why, Which, Who Else, Where, When, What These, This, Which of These For better advertising results, look for a way to use these and other effective words in your headlines.

#### 4. "I'm impressed — Shell's Caprinus R Oil 40 keeps my EM D's in better condition than any Other Oil I've used in 20 years."

"They say" advertising copy has substantially greater impact than "we say" advertising. That's why the above testimonial quote makes a highly effective headline for this business-to-business advertising effort. Above the headline is a four-color photo of the man who provided the quote. He's standing in the engine room, and he's identified as A. E. "Bud" Dacus, chief engineer for the company. The first two paragraphs of the ad's body copy continue in the same vein as the testimonial headline. Do you think we have some believability and credibility working here? You bet we do! Testimonial headlines can help your ads generate a high response, particularly when they come from recognized experts in well-known companies. So be sure you stay close to your customers and regularly spend time reading the mail they send you. You just might find an excellent headline, a natural and highly believable spokesperson and the basis for a very profitable ad campaign.

### 5. “If you were given \$4,000,000 to Spend — Isn’t this the kind of Health Club you’d Build?”

Interrogative headlines like this help entice readers into the copy, and there are many ways they can be put to effective use. This headline is a self-incriminating and highly adaptable technique to have readers help specify what they would value most in such a product. The copy follows through along these lines: Surely you would put this feature into it. You would be sure that it brought you this advantage — and so on. The payoff to the ad is: “We’ve already done it all for you.” Below are more interrogative headlines:

### 6. “Do you make these Mistakes in English?”

This is a direct challenge made provocative and effective with the inclusion of one vital word: “these.” “What are these particular mistakes? Do I make them?” Notice also its promise to provide the reader with helpful information.

### 7. “Do you do any of these Ten Embarrassing Things?”

This question is similar to number six as it preys on our insecurities and makes us wonder, “Which ten are they? Do I do any of them?” The bottom line is, “I better read and find out.”

### 8. “How Much is “Worker Tension” Costing your Company?”

This one uses a similar approach to number seven, this time from a business-to-business perspective. Notice the quotation marks around the words “worker tension.” Don’t they add a certain element of intrigue?

### 9. “Six Types of Investors — Which Group are You In?”

And finally, this headline appeals to our innate curiosity about us. These last five headlines all have similar characteristics. And one factor that comes through loud and clear is that they are all written from one primary viewpoint: “The point of you.” Each of them, in fact, contains some version of the word “you.” Even though millions of words have already been written about the point of you, let me remind you again to always keep your prospects and customers at the front and center of all advertising you do.

In the case of electronic media the rules are the same but you must incorporate certain other ideas as well. I am giving you certain tips on how to go about TV commercials.

1. Always stick to one selling idea: Being a fast-paced medium that has to convey message in a matter of a few seconds, we should restrict to one major selling idea. Diffused communication does not get across the viewers. The novel USP or the big idea produces a lasting impact. Most ads are overcrowded with one-product attributes. Even with 40 seconds, there is room for only one central idea.
2. Whenever possible, show the product in use: Demonstration of the product is one key advantage of TV and whenever possible product should be shown in use. Stubborn stain on clothes and demonstration of Ariel’s effectiveness is an example.

3. Use more visuals and fewer words: TV commercial is essentially a picture story. It should use minimum copy.
4. Show the package: Either at the beginning or the middle or preferably at the end, the product and its package must be shown.
5. Avoid visual clichés: If viewers can anticipate the visual images of the commercial, the impact of the commercial would be lesser. Visuals should be uncommon and unique. Stereotyped visuals lack effect.
6. Close-ups: Product close-ups for sensory-stimulation are used for ice-creams, chocolate bars etc.
7. Opening with a surprise: Since only a few seconds are available, we should arrest the attention of viewers by introducing the first frame with an element of surprise. The ‘inevitable surprise’ evokes more than a desired response in the target audience; and has been linked to creativity by I van Arthur and Gopi Kukde.
8. Jingles: Jingles have great value for India’s audiences who like lyrics and melody. They are useful to create brand awareness, and have a high re-call value.
9. Make actors talk: The cast in the commercial should do most of the talking. VO should be reserved for some comments at the end.
10. Supers: Brand name/product benefit can be super-imposed on screen to reinforce the oral message.
11. Identify the Brand: It is advisable to identify the advertised brand in the first 10 seconds. Later, the brand name be repeated.
12. Use emotional approach: The emotional magic works wonderfully. Remember the magic reel of Rath Vanaspati commercial. Parents coo over a little baby in a crib. The camera pulls back. We see a boy watching first with envy and then sadness (sibling rivalry). The sullen boy goes up and sits at the bottom of the stairs. He feels left out and hurt. He is angry too. But mum has caught on. She cooks a little treat in Rath vanaspati, and takes it across to him. Slowly he smiles, he is loved after all. It is a gripping emotional story line. It is credible. It gives a sense of involvement. Such films cannot be short-duration (say 20 or 15 seconds) since these cannot lend themselves to emotional treatment. The commercial must be given a deep psychological appeal. Here we communicate to reach the deeper recesses of human mind. The consumers then identify themselves with the brand. For instance, Woodward’s Gripe Water and Vicks Vapo Rub commercials are good examples.
13. Use metaphors: They have a long life as ideas in advertising communications. They lend themselves to easy execution and can be used in sustained manner. For instance, AI’s Maharaja, Liril girl Priety Zinta under the waterfall, Lalitaji in Surf, Amul girl in butter ads is examples of metaphors.
14. Repeat the idea: The same idea is repeated in different forms, though the idea remains constant. Lux - a beauty soap is endorsed by different stars. Limca is a thirst drink in different ways.

## Forms of TV Commercials

### Animals

They are fertile analogies. You must have noticed a Tiger in the Maruti Zen ad. The majestic lion stalling the Videocon ad (Bring Home the Leader) must have become a producer's nightmare.

### Use a Film Genre

The commercial can be produced on the lines of a movie. It can mimic an action-movie or a spy-thriller or a bank-robbery or a song-and-dance sequence. Many Indian commercials are based on film-based conventions. Some may go even a step further, and use the actual footage of a well known movie. Pan Parag's Dhoom Macha De, Rang Jama De compresses a thriller into sixty-seconds.

### Music and Song

Mostly, life-style advertising of soft drinks adopts this format. It is also popularly used for personal care products. Commercial's music itself may become hit with the masses. Jingles are used to sing product virtues. Video fast and loose cutting, special effects, random colors, animation, stock footage, graphics, computer-generated images - all these make music and song commercials memorable. However, it is always the music that over-rides the visuals, rather than visuals having an under-score of music.

### Vignettes

The main selling message is woven around a series of bask situations which are shown in rapid fire succession. The effect may be humorous. M-Seal commercial shows vignettes that show the effects of leaks. Alternatively, a variety of potential customers can be shown for a product.

### Endorsement/Testimonials

Here a celebrity or an actual user endorses a product. It is a refreshing approach. When the actual user is an ordinary person, the copy should be convincing, e.g., Lalitaji recommends Surf. The choice of the endorser depends upon the product. Lux is a very famous example of this type of commercial. The message of clear complexion and beauty care sounds credible when Rani Mukherjee recommends it. So far the Lux campaign has used 300 stars all over India, and currently signs up 40 stars a year for this 'product personality synchronization.



### Use Anachronism

Akbar the Great can be shown eating a fast food or Noorjahan using premium soap. Humorous situation can be created. Judicious use of historical or fictional figures delivers the effect of endorsement without paying to a live figure.

### Colloquial Copy

Here informal conversational language is used to convey the message. It could even become a dialogue. Amul chocolates commercials titled 'a gift for someone you love' follow a colloquial pattern. The woman says: "I am too old for mini-skirts, too young to be grandma." "But the man says: 'I think you're just right for Amul chocolates.'"

Demonstration Videocon Washing Machine commercial is the best example of a demonstration. The mummy in the commercial, switches on the machine after putting clothes and detergent in it. It washes, rinses and dries too, in just a few minutes. And you are ready for the show.

### Humorous Commercials

Claude Hopkins said, "Spending money is serious business, and people do not buy from clowns." Since then, humor has not been much favored. Yet for noticeability, some commercials do adopt this format. By and large humor is the man-slips-on-banana-peel variety. Maachar hoon main, Louis mera naam.... Could make it into this category.

### Slice of Life

It is a short play-like situation. The dialogue/characters pose a consumer problem. The product offers the solution. Cough and cold remedies may be advertised this way. Reynolds Ballpoint pen commercial is a slick slice of life creation. It establishes the ballpoint pen as a communicator rather than merely a writing instrument.

### Real Life Situations in Slice of Life Scenes

The Dove soap campaign also uses the same technique. Whisper napkins use the same technique, but a model Renuka Shahane is used. However, she talks like an ordinary woman, quite naturally. However, non-models make the ads more credible. Cadbury invited viewers to send in real moments of their lives. Real ads with non-models build credibility and identification. These ads are difficult to execute and are expensive to produce. Several non-models are tried to get the right one. Besides, we can get several right films, or not even a single one. It is risky. Besides each does not lend itself to real life advertising. This form of ad, rules out armchair copywriting in an agency. Here the agency comes to the scene of action. What is more important is not just looking real but sounding honest. The transparency leads to sales.

### Dramatization

Dramatization is an effective way of pinpointing a problem, putting it forward dramatically to the audience, and finally solving it with the help of the product that is advertised. Mostly a specific feature of the product is highlighted to get attention. Kitply is fire-resistant, and to prove it the Kitply showroom is set on fire.

## Animation

Who does not enjoy the watching of cartoons of Tom, chasing Jerry all over the house? A flurry of action and movement characterizes these cartoons. Walt Disney is one of the best animators the world has ever known. His creation, the Mickey Mouse, is the best-known cartoon character.

## Production of TV Commercial

The Ad film is highly effective in creating an impression or image, in building an argument or in developing a story that can be used to lead to subtle shifts in audience perceptions. Ad films can take a whole multitude of possible forms, borrowing from or extending a range of familiar, acceptable programme styles - anything from cartoon animation to news report to dramatization. Ad films are not normally effective in delivering a complex, detailed mass of data or argument except to an already-expert audience. Viewers do not easily absorb complex material. Only overall impressions and perspectives and a few highlights are likely to be retained. Sometimes it is obvious that a film will be helpful, and what it should contain. Often, though, the communications objective can be clear while the form and content of the film are open to a number of possible approaches or interpretations. In these circumstances it may be helpful to keep an open mind on the particular form the film should take. Suggestions from prospective producers may be illuminatingly varied, and may offer opportunities for creating memorable, effective Ad films of a type quite unlike any first thoughts on how it might be done. The following steps broadly cover the production steps involved in a medium sized production.

## Developing a Production Schedule

Drawing up a tentative schedule is ideally the right way to approach the production. Generally, broadcast or distribution deadlines will dictate the production schedule (the written timetable listing the time allotted for each production step). Not planning things out carefully might cause you to miss a critical deadline, which might render the production worthless.

## Selecting Key Production Personnel

At about this point remaining above-the-line production personnel are brought on board. In addition to the producer and writer, the above-the-line personnel include the production manager and director; and, in general, the key creative team members. And, of course, below-the-line personnel, who are generally assigned later, include the technical staff.

## Deciding on Locations

Next, if the production isn't done in the studio, deciding on key locations is the next step. In a major production a location scout or location manager should be hired to find and coordinate the use of the locations suggested by the script. Although it might be much easier to shoot in a TV studio, the authenticity of "real" locations, lends itself in the creation of dramatic productions. Cities that encourage TV and film production have film commissions that supply photos and videotapes of interesting shooting locations in their area. These commissions are located in most major cities and they will provide information on usage fees and the people who need to be contacted. It's often necessary to make some changes in the on-location

settings. Rooms may have to be repainted or redecorated, signs changed, etc.

## Deciding On Talent, Wardrobe and Sets

Depending upon the type of production, auditions may take place at this point as part of the casting process (selecting the people for the various roles). Once decisions are made, contracts can be negotiated and signed. Once the talent or actors are decided on, the selection of wardrobes can start. After a set designer is hired, he or she will review the script, possibly do some research, and then discuss initial ideas with the director. Once there is agreement, sketches of the sets can be made for final approval before actual construction starts. Rehearsals, from initial table readings to the final dress rehearsal, can then be scheduled. Even though sets may not be finished at this point, the talent can start reading through the script with the director to establish pace, emphasis and basic blocking (positioning of sets, furniture, cameras, actors, etc.). Once the sets are finished, final blocking and dress rehearsals can get underway.

## Deciding on the Remaining Production Personnel

At this point arrangements can be made on key technical personnel, equipment and facilities. This includes the rental of equipment and production facilities. Transportation, catering (food and refreshment trucks) and on-location accommodations (for overnight stays) must also be arranged. If unions are involved, their contracts will cover job descriptions and specific crew responsibilities. Working hours, including graduated pay increases for overtime hours, will also be spelled out. In addition, unions often set minimum standards for transportation, and the quality of meals and accommodations.

## Obtaining Permits, Insurance and Clearances

In major cities and in many foreign countries it's not possible to just go to the location of your choice, setting up a tripod, and start taping. Necessary access permits, licenses, security bonds and insurance policies must be arranged. Spot news and short documentary segments often do not require permits. Many semipublic interior locations, such as shopping malls, also require filming permits. Depending on the nature of the production, liability insurance and security bonds may be necessary in case an accident is directly or indirectly attributed to the production. In some locations the controlling agency will limit exterior production to certain areas and to specific hours. If there's a street scene and traffic will be affected, it will be necessary to arrange for special police. Included in this category are a wide variety of clearances. They range from permission to use prerecorded music to reserving satellite time. If clearance cannot be obtained, alternatives must be quickly explored.

## Selecting Video Inserts, Still Photos and Graphics

As things progress program inserts can be selected. During this phase arrangements can be made for shooting and acquiring VTR or film inserts, still photos and graphics. If possible, existing stock footage is secured (generally for a fee) from film or tape libraries located around the country. Initial decisions on music are made at this point. Copyright clearances and royalties must be worked out for music and visual inserts. (These things will be discussed in more detail later.)

## Rehearsals and Shooting

Depending on the type of production, rehearsal may take place either minutes or days before the actual shooting. Productions shot live-on-tape (without stopping except for major problems) should be rehearsed before taping starts. This includes early walk-through rehearsals, camera rehearsals and one or more dress rehearsals. Productions shot single-camera, film-style are taped one scene at a time. Rehearsals generally take place right before each scene is taped.

## The Editing Phase

After shooting is completed the producer, director, and videotape editor review the tapes and editing decisions are made. For major productions this has traditionally been done in two phases. First, there is off-line editing, using copies of the original tapes. Editing a time-coded copy of the original footage typically makes off-line editing decisions. Using this edited tape and an EDL (edit decision list) as a guide, the production then moves to on-line editing where much more sophisticated (and expensive) equipment is used to create the edited master, the final edited version of the tape. During this final editing phase all necessary sound sweetening (enhancing), color balancing, and special effects are added. As high-quality nonlinear, digital editing becomes more widely used, the need for an off-line editing phase may be eliminated, or at least made optional.

## Postproduction Follow-Up

Although most of the production crew will be finished once production wraps (finishes), there is still much in the way of follow-up work to be done. Final bills have to be paid, financial statements totaled, and the success or failure of the production determined.

## Few Memorable TVC (International) Storyboard

### Ray-Ban Sunglasses

At the beginning of the commercial, a twenty-something looking guy leaves his house just before dawn. We see his friends all sitting on steps, waiting for the sunrise and putting on Ray-Ban Sunglasses. The guy finally joins his friends and he starts looking for his sunglasses, but he can't find them. The sun comes up and the guy vaporizes. One friend says "Somebody forget his Ray-Ban Sunglasses?" then he laughs and we find out they're all vampires.

### Nike Air Jordan

The first 3 Air Jordans ever made. This first one was made in 1985. Michael Jordan is shown, bouncing a basketball, then the camera slowly goes down to his body until it stops to his feet, which was worn by the most controversial Black/Red Jordans that was banned in 1985. When the camera showed the shoes, 2 censored plates were on each foot and the announcer said, "Banned". This next one was made in 1986. Michael is on a playground playing basketball with nobody but himself and did a sweet crossover and did the everfamous Jumpman dunk, spreading his legs like he was doing the split, then dunked the ball. Then the "Air Jordan" symbol was shown, but it was the Winged Basketball design in red and is not the Jumpman. This last one was also in 1986. Michael's yet again in the playground, just standing there. The stewardess says, "Welcome aboard to

Flight 23. Please buckle your seatbelt, stay remaining in your seats and extinguish any smoking items." Michael then turns around and winks at you with a smile, the camera goes to his feet, there are engine sounds from the airplane. Then Jordan starts running. As he runs, smoke are coming out of his shoes, then shows the Winged Basketball sign while the announcer says, Basketball. By Nike."

## TVC Storyboard – Raymond



The cheerful and happy face of a little girl keeps appearing and disappearing before the camera.



The mystery is solved when we find her father playing with her by rocking her on his feet.



Continuing with their play, she enjoys a walk around the room, standing on his feet.



Devising new games the father and daughter now run around the house, trying to catch each other.





Tired with all the running around, he finally flops onto the couch.



Hugging her father's leg the little angel feels the soft fabric against her cheek. Super: 'Feels like heaven.'



Comfortable in her position, our young friend falls asleep. Super: 'Feels like Raymond.'



Seeing the child fast asleep, 'dad' now settles down to read. MVO: "Raymond, the complete man."

The above will give you an idea as to what goes on where TV commercial making is concerned. Another example is that of LG Healthwave.



Sitting by a seashore, a fisherman grills some fishes while a sketch of a microwave frames the fishes. Jingle: "Door gagan ki chaanv mein."



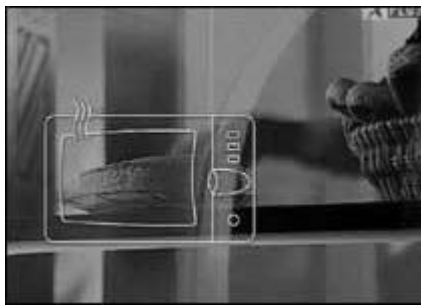
Next the microwave sketch captures delicious pav bhaji being cooked in a roadside dhaba. Jingle: "Kuch aisa soche."



The chef of a fancy restaurant gives the final touches to his preparation and once again the sketch catches it. Jingle: "Bas sochne ki der hai."



Drawing up freshly cooked chicken from the tandoor an old man hangs it up and the chicken is also caught by the microwave sketch. Jingle: "Kuch aisa sochein."



An old lady bakes a cake and places it amongst the rest of her goodies in her bakery. Jingle: "Kya rangeen hai subah."



A boy approaches a popcorn vendor in a fair to buy some popcorn.



In the next shot a boy takes out freshly made popcorn from his microwave. Jingle: "Jo bhi chahe ho jaye..."



...bas soch ke dekhe." MVO: "LG Microwave. Bas soch ke dekhe." Super: 'Bas soch ke dekhe.'

## Slogans

Slogans are catchy sentences or phrase that is easy to remember. Copywriters continuously for the sake of establishing it use it. It creates an impact of repetition. Gives an identity to the company or to the product.

It is part of the copy and is an effective and a concise manner of telling an idea. A slogan is necessary because they are:

- Direct
- Short

- Easily remembered
- Repeat the brand name
- Friendly phrases

The characteristics of a good slogan are as follows:

- Should be simple and straight forward
- Carries some pleasing sales idea
- Conveys more in a compact form
- Good slogan finishes the job in 7-8 words
- So many ideas give rise to one good slogan

## Few Award Winning Ad Slogans of the Last Millennium, which have Created Differentiation in the Minds of the Consumers

| Year   | Brand                 | Slogan  | Agency                              |
|--------|-----------------------|---|-------------------------------------|
| 1998   | Apple Macintosh       | Think different.  | Chiat/Day                           |
| 1994   | Tango                 | You know when you've been Tango'd.  | HHCL                                |
| 1990's | Tata Sierra           | It is not owned. It's possessed.  | O & M                               |
| 1990's | Esteem                | Move Ahead in Luxury.   | Lintas                              |
| 1990's | Adidas                | Forever sport.  | ???                                 |
| 1990's | NIIT                  | If you are not ahead, you're out.   | Contract                            |
| 1989   | Carling Black Label   | I bet he drinks Carling Black Label.  | WCRS                                |
| 1988   | The Mail on Sunday    | A newspaper, not a snoozepaper.   | Lowe Howard-Spink                   |
| 1988   | Nike                  | Just do it.   | Wieden & Kennedy                    |
| 1987   | The Independent       | It is. Are you?   | Saatchi & Saatchi                   |
| 1986   | Castlemaine XXXX      | Australians wouldn't give a XXXX for anything else.   | Saatchi & Saatchi                   |
| 1985   | Cadbury's Fruit & Nut | Are you a Cadbury's Fruit & Nut case?   | Young & Rubicam                     |
| 1984   | Toshiba               | Hello Tosh, gotta Toshiba?  | Gold Greenlees Trott                |
| 1983   | British Airways       | The world's favourite airline.  | Saatchi & Saatchi                   |
| 1981   | Stella Artois         | Reassuringly expensive.   | Lowe Howard-Spink                   |
| 1980's | Raymond               | The Complete Man.   | ???                                 |
| 1979   | Fiat Strada           | Hand-built by robots.   | Collett Dickenson Pearce & Partners |
| 1976   | Alka Seltzer          | Plop, plop*, fizz, fizz, oh what a relief it is. * In the UK, this became Plink, plink, fizz, fizz, | Jack Tinker & Partners              |

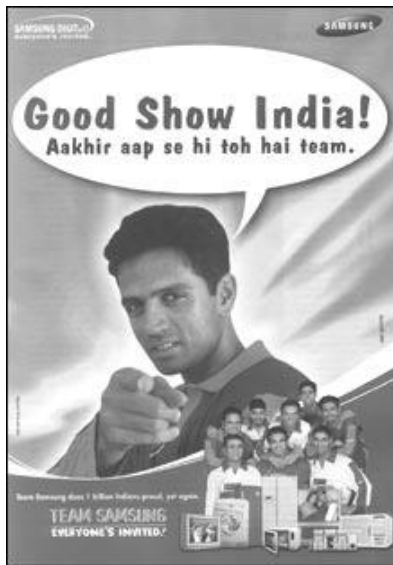
| Year   | Brand               | Slogan   | Agency                              |
|--------|---------------------|--|-------------------------------------|
| 1975   | American Express    | Don't leave home without it.   | Ogilvy & Mather                     |
| 1970's | Birla Mutual Fund   | The name inspires trust  | ???                                 |
| 1974   | Heineken            | Heineken refreshes the parts other beers cannot reach.   | Collett Dickenson Pearce & Partners |
| 1973   | Pepsi Cola          | Lipsmackin' thirstquenchin' acetastin' motivatin' goodbuzzin' cooltalkin' highwalkin' fastlivin' evergivin' coolfizzin' Pepsi. | Boase Massimi Pollitt               |
| 1973   | Seven Up -- 7 Up    | The Uncola.  | J Walter                            |
| 1972   | Perdue              | It takes a tough man to make a tender chicken.   | Scali, McCabe & Sloves              |
| 1970's | The Taj Group       | India's First, Asia's Finest   | ???                                 |
| 1968   | Cadbury's Milk Tray | And all because the lady loves Milk Tray.  | Leo Burnett                         |
| 1967   | Heinz Baked Beans   | Beanz meanz Heinz.   | Young & Rubicam                     |
| 1967   | Levy's Rye Bread    | You don't have to be Jewish to love Levy's.  | Doyle Dane Bernbach                 |
| 1964   | Clairol             | Does she or doesn't she?   | Foote Cone & Belding                |
| 1964   | Esso                | Put a tiger in your tank.  | McCann-Erickson                     |
| 1962   | Volkswagen          | Think small.   | Doyle Dane Bernbach                 |
| 1962   | Avis Rent A Car     | We try harder.   | Doyle Dane Bernbach                 |
| 1962   | Crest               | Look, Ma, no cavities!   | Benton & Bowles                     |
| 1960s  | Hamlet              | Happiness is a cigar called Hamlet.  | Collett Dickenson Pearce & Partners |
| 1960s  | Mars                | A Mars a day helps you work, rest and play.  | D'Arcy Masius Benton & Bowles       |
| 1960s  | Amul                | The taste of India.  | ???                                 |
| 1960s  | Utica Club          | We drink all we can. The rest we sell.   | Doyle Dane Bernbach                 |

| Year  | Brand                   | Slogan                                     | Agency              |
|-------|-------------------------|--|---------------------|
| 1940s | Lux                     | Beauty Soap of Film Stars                  | ???                 |
| 1957  | Egg Marketing Board     | Go to work on an egg.                      | Mather & Crowther   |
| 1956  | Timex                   | It takes a licking and keeps on ticking.   | ???                 |
| 1950s | De Beers Consolidated   | A diamond is forever.                      | J Walter Thompson   |
| 1932  | Kellogg's Rice Krispies | Snap! Crackle! Pop!                        | J Walter Thompson   |
| 1930s | Guinness                | My goodness, my Guinness!                  | S H Benson          |
| 1930s | Haig Scotch Whisky      | Don't be vague. Ask for Haig.              | Lord & Thomas       |
| 1930s | MG                      | Safety fast.                               | ???                 |
| 1929  | Coca Cola               | The pause that refreshes.                  | ???                 |
| 1929  | Guinness                | Guinness is good for you.                  | S H Benson          |
| 1920s | Packard                 | Ask the man who owns one.                  | Austin Bement, Inc. |
| 1915  | Maxwell House           | Good to the last drop.                     | ???                 |
| 19    | IBM                     | I think, therefore IBM.                    | Ogilvy & Mather     |
| 19    | Kit-Kat                 | Have a break. Have a Kit-Kat.              | J Walter Thompson   |
| 19    | M&Ms                    | M&Ms melt in your mouth, not in your hand. | ???                 |

## LESSON 18: VISUALIZATION & LAYOUT

### Learning Objectives

- You will understand via this lesson the importance visualization.
- You will also understand the layout strategy and the elements involved in it.



In developing an ad, the most important activity is visualization. It is a process, which starts the design of the advertisement and results into the development of a finished ad layout in print.

When we talk of visualization, we talk about the art in advertising. In terms of print ad, it is the process of designing the ad. The ultimate outcome of the process of visualization is the layout.

A visualiser decides about the inclusion of different elements at the beginning of his work. His questions are:

- Whether my advertisement will have headline?
- Whether there will be a sub-headline?
- Whether there would be a body copy? Whether to have illustration or a photograph?
- Whether to include slogan? Etc.

At the second step, he foresees how all these elements will be appearing in the copy. The basic elements with which a visualizer works are:

1. Headline, sub-heads
2. The body copy
3. The illustration
4. Logo signature

There may be elements like:

1. Slogans
2. Coupon

3. Price
4. Package
5. Seal of approval
6. Border
7. Quality marks etc.

At the commencement of his work he becomes intimate with the copy. Really speaking, the visualisation process is shared by the copywriter and the creative director of visualization. They decide:

- Whether the product should be featured?
- Whether people should be featured; what they would be doing; will there be a background? Which type?
- Should photos be used?
- Or line illustrations and sketches?
- How large the headline should be?
- What components should make the final copy: the product?
- The address and the name of the company? The picture?

Once he becomes clear about the components or elements he will include, he foresees their relevance to each other, to one another. How they would be placed in the copy? How the final product (advertisement copy) will look like?

Essentially it is a mental process of creating mental images of a well balanced whole made up of different elements. On paper, he makes 'thumbnails' which are rough sketches of the various alternatives. This paper work is the starting point of the process of layout.

Visualizer operates under certain constraints: the space available, the type of paper on advertisement will be printed, whether it is black and white or color advertisement, the p technology employed etc.

### Transformation from Visualisation to Layout

Once a visualiser exercises himself mentally and puts his pencil to paper, the shape of layout begins to emerge. It is very difficult to say where the process of visualisation ends and where the shape of layout begins. It is a smooth transition however, and we are moving from abstract ideas to concrete shapes. Each element is assigned a weight, depending upon its overall significance. Look any ad in print and see the basic percentage of space allotted to the headline, body copy and the visual, e.g., 30 p.c. for the headline, 50 p.c. for the visual and 20 p.c. for the copy. Each element is positioned. There is visual evidence on paper. The various possibilities are drawn separately- we call them thumbnail sketches or first roughs. They indicate the elements and their positions. Many thumbnails when made, give us an idea which one or more will best suit us, so that they can be made into larger sizes called roughs or

visuals. These are made in actual ad sizes. All elements here are scribbled. As copy matter, only rough lines are put. Roughs are forerunners of comprehensive. Roughs give an exact idea about the proportions and placement of elements.

Comprehensives or comps are more finished form of roughs. The body copy is pasted. Headline lettering is done carefully. Photos and illustrations (actuals) are used.

Comprehensive comes very close to final artwork, which gives a finished advertisement complete with printer's instructions from which the plates, the stereotypes or electrotypes are made. I

In copy comping, first greening is done in which copy is pasted into position. Secondly, there is copyfitting in which typed copy is converted into typography.

For idea visualisations for radio and TV, we have to create first a script with a series of TV screens (frames) that can accommodate thumbnail visuals, which vary from rough stick figures to photographs and comprehensive drawings suitable for client's approval. This topic is further elaborated in the chapter on copywriting.

## Visualization and Creativity

In the visualization process, we require a flow of ideas - those ideas are obtained from many sources and using many techniques. We can pin down the problem and develop the advertisement copy accordingly. We can have a good database or briefing before visualization. There can be some brain waves from the copywriter. We can employ Osborn's Brainstorming technique. We do meditation from analysis and synthesis of ideas.

The steps in the visualization process are those involved in any creative process.

## Creative Process in Visualization

The following are the five principal stages in creative process:

- i. Saturation: The manager becomes very intimate with the problem and its environment.
- ii. Deliberation: A perfect knowledge of the environment and attendant data is essential for creativity.
- iii. Incubation: The subconscious activity precedes a fresh approach. The creative mind forms a pattern of the problem by combining the scattered data. Then the conscious mind should be switched off from the problem and the subconscious mind is allowed to take over. The conscious mind is the seat of logic and the subconscious mind directs itself to problems, which are of interest to the conscious mind. When the conscious mind is relaxed the subconscious mind works to give some of the best ideas.
- iv. Illumination: Here an idea actually flashes across the mind of the decision-maker. Very often this happens while sitting in a cafeteria, driving a vehicle, strolling in a leisurely fashion or in some such state of relaxation.
- v. Accommodation: The original idea is modified, reframed or polished and made to practical use.

Creative process demands free exchange of ideas, application of imagination to problems, group understanding and lack of conditioned thinking.

Creative persons are gifted or can be trained. They have ideational fluency, high I.Q., open mindedness, uninhibited personality with a sensitivity and flexibility. He sets problems for himself and seeks their solutions. He is independent in thought and action.

Walter Mendes, Creative Director, Clarion says: "I visualise an advertisement first before I write it. The test of all good advertising is that you should be able to see the end product."

Once the final copies are made, a presentation is made before the client. These presentations should be structured, keeping the objective of the communication and the audience in view.

We shall present a brief discussion of the sizes and shapes here. The copy writing forms the material of a subsequent chapter. The rest of the elements have been discussed in the chapters of layout. These elements should contribute to the basic objective of the communication.

## Size and Shape

Different ad sizes in the print media are possible, the budget being the major constraint. Within the given size~ we get allotted certain space which can take many steps, each shape being a device of non-verbal communication. A square shape shows a staid or static image. It also shows a formal image. Against this, a rectangular with longer side placed vertically shows dynamism, and with longer side placed horizontally, shows tranquility. The shape should be consistent with the message.

Let us consider how lines are interpreted. Horizontal lines show stability and a state of restfulness, Vertical lines show speed, growth and movement. Several vertical lines act as barriers, and to some extent express strength and power.

Combined together, vertical and horizontal lines express a state of equilibrium and a sense of satisfaction.

Diagonal lines are thought to be challenging, and denote utmost speed. Diagonals also direct our eye movement.

Curves show elegance and beauty. Triangles have a combination of both dynamic and static and can also communicate caution against danger. Circles are likened to planets. They show continuity, eternity and peace. What they enclose command our attention immediately. There is a movement around the circumference.

## Visual Thinking

As children, we took the first opportunity to express our internal illusions with the help of 'pencils and crayons. In kindergarten classes, children love to feel the shapes and see the things in order to learn. Kids invent their own shapes on paper or in clay. The thought process in childhood is based on perception. As we grow older, we put inhibitions on our freedom of visual perception. The child in us who started scribbling at the slightest suggestion disappears.

What is visual thinking? It is a language whose effectiveness depends upon its flexibility and willingness to experiment. Winters and Milton suggest vizthink method as the first step in visual thinking. Vizthinking is essentially idea visualization. The copy should be conducive to vizthinking. There should be collaboration between the copywriter and the art director.

Copywriters need not be artists, but they can think visually. They can do a little drawing, sketching, doodling or thumb nailing.

In other words, we are recording mind's perceptions by doing so.

The central selling message and the copy appeal governs visualization. Marketing research also provides the basis for visualization.

The ad should try to connect the idea with a proper visual. A single idea can be visually expressed in a number of ways. For example, an embrace, can express love by a look, by caressing or by a kiss. We also have to choose between a description and a visual. Should a tandoori chicken dipped in butter be described in words? Can we instead give a picture - either an illustration or a photograph of the chicken? The answers are not simple. But we can evoke greater response by combining a picture with carefully crafted copy. In isolation, both the picture and the words are not so effective. We should always try to express an idea in pictures in a number of ways. Later, the product is taken into account. The target audience is considered. Mother's love for a baby is shown by a picture of mummy gently applying Johnson's Baby Oil on the tender skin of the baby. The visualizer must have enough background information to visualize properly. The ultimate aim is to evoke response from the target audience.

The left side of the human brain is seat of reasoning and verbal skills. It is responsible for processing the information step-by-step. The right side of the human brain provides with intuition. It processes the information simultaneously. While we dream, the right hemisphere of the brain works over-time, suppressing the left. Instinctive products, which are brought on a whim or a fancy like a perfume, would be steeped into sensual appeals to the right hemisphere. A complex product like computer must be sold on the basis of reasoning that appeals to the left hemisphere of the brain. In emotional ads, the artist carries the larger burden of the appeal, with less emphasis on words. In rational ads, the copywriters are allowed full play of words, while the artist just gives definite and distinct pictures, may be outlines. It is, however, important not to over-emphasize the separation of the functions of either side. Music appeals\ to both the hemispheres..

## Use of Similies and Metaphors

Thought process is transformed by figures of speech like similies and metaphors into more articulate information. These tools help us to organize our complex' thoughts into a definite message. Abstraction becomes clearer. Similies are comparisons with the use of words of comparison, e.g., 'You are as brave as a lion.' Metaphors are comparisons, which drop the comparative words, e.g., 'You are a lion.' Similies and metaphors are used to 'fit an idea.' In idea visualization, they are a part of word-picture association.

## Visualization Tips

1. Use an illustration of a product alone, either a line drawing or a photograph against simple background, e.g., Bentex watch is shown alone with the headline 'when was the last time you made a woman's hand tremble?'
2. Use an illustration of a product in a setting, e.g., Mont Blanc pens are shown on a dial or a sofa-set is shown in a living room.
3. Use an illustration of a -product in use, e.g., a woman is using cellular phone a restaurant to talk to her beloved. Similarly, model Anupama Verma uses Braun Silk Epil to get silky smooth legs.
4. Use an illustration of the benefit resulting from the use of the product, e.g., a woman's hair with a bounce and shine with the implication that this is due to the use of a shampoo with a conditioner.
5. Use an illustration of the loss or disadvantage from not using the advertised product, e.g., Cease Fire, a fire extinguisher's ad. A devastating fire shatters the woman's happy home, of course in her fantasy.
6. Dramatize the headline. This is a strong visualization. In a well-conceived dramatization it is difficult to say whether the concept of the headline came first or the concept of illustration, e.g., BPL's TEIO Large Screen TV ad has the head-line 'Live Thunder dramatized as a TV set with four wheels attached giving a look of a sports-car.
7. Dramatize the evidence, e.g., Whisper sanitary napkins absorb ink on them, and yet give dry feel.
8. Dramatize a detail. The illustration may emphasize a small area of the product or may enlarge a detail, e.g., Raymond's trousers magnify special stitches at the pockets.
9. Use a comparison, e.g., Luxol Silk Paint of Berger is compared with a flowing satin saree of a woman.
10. Use contrast, e.g., before and after pictures as in a Bullworker ad - first a skinny chap who later becomes a muscular he-man.
11. Use cartoons. Cartoons are used in print ads as well as in TV commercials. Recently Rasna TV commercial used animation of a dinosaur.
12. Use trade-characters like Gattu for Asian Paints, tiger for Goodlass Paints, MRF man for MRF tyres and Maharaja for Air India.
13. Use charts and diagrams while making rational appeals in scientific copy. In consumer goods advertising, along with these, a less technical picture should also be used as a warmer.
14. Use cross-section diagram, e.g., inside of a car
15. Use symbolism, e.g., Merrill Lynch uses a bull to show their bullish investment sentiment.
16. Use abstraction, e.g., Wool-mark to show pure quality of wool.
17. Use continuity strip. A series of photographs set like a filmstrip are used.
18. Use mood-setting illustration. Here the product is romanticized. It may be set against a romantic landscape. Cosmetics use this approach.
19. Use a product illustration in its package.
20. Use illustration of components or raw materials of a product, e.g., Cadbury milk chocolate that combines cocoa and milk.

## USP or Unique Selling Proposition

USP makes the consumer identify the brand with a particular benefit. Brand stimulates an association of the benefit. But this very association is the benefit. Marlboro gave a cowboy image via USP. It is a focused identity, a narrow identity. The company was the first to do it. Perhaps, brand image gives a rather diffuse identity, open textured identity. It established itself via the rational and logical appeal way.

You should remember that the competitors can copy the USP, hence the key lies in the differentiating the offer.

So I ask you what is this USP?

### According to Rosser Reeves, a USP is:

- The creation of a distinct Brand position in the mind
- The product differentiator becomes the Brand differentiator
- Each ad must make a proposition to the customer. The benefit to the consumer should be said in the message. Dove soap, for example, contains  $\frac{1}{4}$  moisturizer. Hence the benefit offered is that the skin will not dry up.
- The competitors should not have made that promise or proposition.

Since we have discussed copy, visualization, headline and message, I need to tell you as to how we should integrate the above in the advertisement. This is done through layout. Which is basically arranging the various elements of an advertisement to give it an essence. The following are the ingredients of a good layout.

- Background: Could have picture, tiles, blocks, and graphics but should not overshadow the foreground.
- Border: Is the frame of the advertisement. Could be,
  - Heavy
  - Light
  - Obvious
  - Unobtrusive
  - Plain
  - Fanciful
  - Useful
  - Useless

The practice you must know is the elimination of border in today's context. Except when you have to present a key point, or a sales pitch then it could be used.

- Heading: This is the title of the ad. Should be short, but could be four, five or even six decked. Words in the heading should be short and verbs should be used to attract attention.
- Illustration: It is the dominating picture in the ad. It could be the product itself or a model. Large pictures are preferred than small ones but it is not a hard and fast rule. Small pictures are to make the copy comfortable. The main picture tries to position the picture. It can attract the right target audience by showing the right picture. People showing the product could be a better picture than the product itself. The illustration should show the benefit offered by the product.

- Caption: Used to describe the sub-title. It tells the story quickly, clearly and decisively. Sometimes difficult to locate. But it is an important part of the layout.
- Coupon: This is a part of the advertisement that enables a consumer to get in touch with the advertiser. The name and postal address is an integral part of any coupon. The offer or the request must follow in close heel. The obligation of the customer is given by their signature space. No hard and fast rule is there regarding the position of the coupon in the layout. Although in most of the advertisements it normally lies at the end. Both rectangular and triangular ones are in popular use. It is normally on the right hand side keeping in mind that most people are right handed.
- Decoration: Greater interest for the applicability of decoration is in the fact that it should supplement or emphasize the message of the advertisement as a whole. Heavy or light would be at the discretion of the layout person.
- Mascot: It is also known as the 'Trade Character' or 'Trade Figure'. It may be defined as an illustration of either real or an imaginary figure or personality introduced into the advertisement to personalize the sales message or the name of the product or service. Maharaja of the Air India is a suitable example.
- Logo or Name Plate: This is the signature of the advertisement. The inclusion of the company's name and address is not always important hence the logo or a specially designed image of the brand or the company can replace that. The popular logos of Tata, Mercedes Benz, Toyota, Star TV network, etc are a good example. The logo goes on to make the Corporate Identity i.e. what does the company or the brand stands for?

### A Corporate Identity is Important Because

- Gives an image to the company and the brand in question.
- Gives a sense of pride to the employees.
- Attracts the talented people to the company.
- Positive influence on the 'publics' of the company.
- Audiences think of the company as per the desired image.
- Reduces the cost of communication by standardizing the system.

### Few Examples of Logos are as Below

- Wipro: Sunflower with five colors of rainbow. Wipro name is beneath it, followed by a phrase, 'Applying Thought.'
- Tata: It is solidity. The image is that of the letter 'T' and seems to engulfing the entire world.
- Coca Cola: It is the complete name with a wave like image. Care free white surf across the bottle with red background.
- The logo of University is something you should tell me what it stands for.

A logo is the image your business portrays. It sets the potential clients position and interpretation of your company. With that in mind, look around you right now, and count how many logos you see. Look at your computer screen, mouse, radio, bath towels, T-shirt, shoes, clothing tags, even your toothbrush

and hairbrush. Every distinct image reminds you of a product or service. Next time your driving home from work, or are in a bus, notice how our world is painted with logos and images of existing entities which remind us of their products or services. **Distinct Identity** The good logos are the ones you remember because they've made an impression. They stand out in a crowd infested with products, such as a supermarket, where there can be up to 40,000 different logos and packages. The impact of a logo can be so powerful, it often means the difference between the success of your business or that of your competitor. **Small Business Challenge** Small businesses today face the ultimate challenge to create a long lasting solid first impression. Key issues in establishing corporate identity for a starting or small business rest in establishing goals, business plans and image. But most tend to sway away or forget that the first realization of your business is brought upon by the company logo. This important consideration in creating a corporate identity will enable the small business birth an existence in its field of choice and will show others that the company cares about its image.

### You should Remember What the Logo does for the Company

- The difference and distinction aid recognition.
- Ownership logically follows.
- There is pride in ownership.
- Corporate signature reinforces the pride of the company.
- It represents the personality of the company and its products.

The other issues in the layout that you must look upon are:

- **Price:** Price is seldom the dominating feature in a layout, except when a discount or sale is mentioned. It is more or less associated with the cheapness of the product when a price is shown in the advertisement. The consumer should look at other features in the layout that will make it desirable for him to look at the price naturally and would not associate negatively with it. The usage of price should be as minimal as possible.
- **Product:** It refers to the representation of the product for sale. It could be featured in isolation, thrown up against heavy or futuristic background or by decoration. A number of photographs could be so put so as to form a well laid out composition. But it is advised to show it in practice.
- **Slogan:** As described earlier it is a 'Tabloid' sales argument. It is especially important in outdoor advertising. Its importance is in relation to the advertiser's message.
- **Space:** It goes on to describe the entire space that the advertiser has bought for sale. Whether it is half a page or it is 30-second spot on television.
- **Sub-heading:** It is a secondary heading. It may be employed to either supplement and support the heading or to 'pick out' the various selling points contained in the text. 2 guidelines should be followed for the inclusion of sub-heading. Firstly, to use them sparingly and secondly, to use them to pick out the selling points in the text only when the text is too 'heavy' to invite attention otherwise.

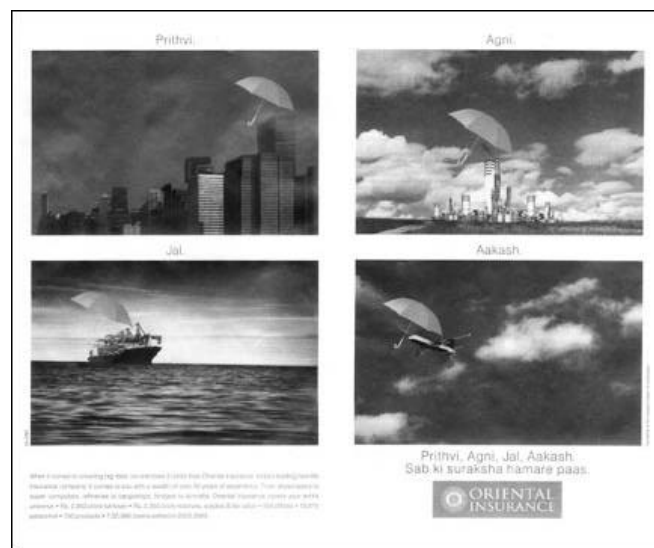
- **Text:** The copy or the reading matter is termed as text. It should not be too wide neither should it be too narrow. The consumer should be able to read the copy with ease. Lower case letters are better than capitals, expanded letters better than condensed and roman letters better read than italic. Spacing is very critical.
- **Trademark:** It is the word or design by which the commodity is defined. A registered trademark should always be included in the layout. It may form the background or be embodied in the border; it may dominate the heading or the nameplate.

You must understand that a particular balance must be brought out in the layout so that there is a flow in the sequence of the various elements of the layout.

So in a nutshell let me say that you must focus on the following 4 aspects of a layout:

1. Heading
2. Illustration
3. Copy
4. Logo

It is advised that you all look at ads in a different light from now on.

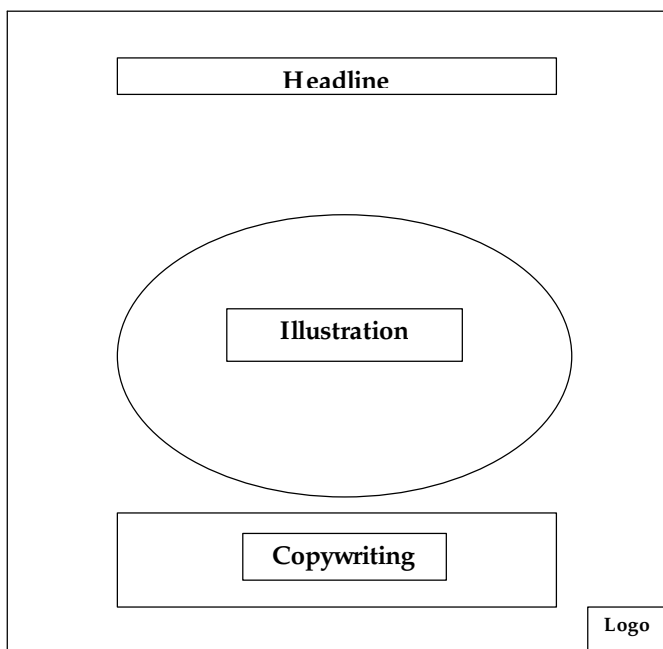


Please note the layout of the above ad, especially the beautiful integration of the foreground and background (umbrella & the 4 elements of nature). The logo, the headline, the illustration and the copy are a good example of how the 4 elements of layout are used.

### Layout in a Nutshell

You could of course change it according to the aesthetics that you may seem good.





## Notes

[illegible][illegible]

## LESSON 19: TUTORIAL

You are to write a copy for 2 advertisements. The brands could be of your choice and you have to write 50 words for each brand. Show as to which type of copy you are writing and how do you justify as to why the consumer would buy the product after reading your copy.

You are to take 2 advertisements from a newspaper and identify the layout elements used. Thereafter in an A4 size sheet paper cut & paste a new layout of the 2 advertisements.

Create a slogan for the following products:

- “Zapata Jeans”
- “Trendy Watch”
- “Rox Chocolates”
- “Zoom Camera”
- “Fuma Shoes”
- “LPB Television”
- “Chuang Chinese Restaurant”

Create a TV commercial for a Life Insurance Company focusing on 'Slice of Life' & 'Testimonials'. Please enact it in front of the class. Not more than 5 people in a group.

Create 3 different types of headlines for the same product. The product is Tomato Ketchup.

You are given a few pictures, based on them create headlines and assume which industry you would like to associate the picture with.



You are to visualize a TV commercial & a print commercial for a product aimed at children. The product could be of your choice. Identify all the elements that you would keep while visualizing.

The faculty could change the tutorial if he / she so desires.

## Notes

[illegible]

## LESSON 20

### AD. APPEALS

#### Learning Objectives

- You will understand via this lesson the importance appeals in the formulation of advertisements.
- You will also understand the different buying motives of the consumer.



Advertising has become expensive, time-consuming and an important marketing activity. Firms have a great stake in the success of their advertising campaigns, for their growth and, at times, even their survival, depend on it. A vast amount of time, money and energy go into the creative work of developing advertising appeals to influence the buying behavior of consumers. Through various appeals, advertising influence, rationally or emotionally, the prospects' purchase decisions. For this purpose, they take the help of varying product features or attributes in their ad appeals, or seek to influence consumer perception of, and, changes in consumer attitude to, the advertised product or brand. Ad appeals may be product-oriented or consumer-oriented. Since there are a large number of such ad appeals, it would be difficult to discuss them all. It would, therefore, be helpful to devise a framework for classifying advertising appeals.

#### Human Needs as Basis for Appeals

The basic concepts in marketing tell us that PI: is all about satisfying consumer wants and needs. Product and services are offered by the marketer to satisfy one need or the other. Most of the time needs are well known; but sometimes it is the marketer who creates consumer demand. This is what we call creative marketing. Ultimately, all advertising appeals are created for the purpose of activating human needs and wants, and showing how the advertised brand can satisfy those needs and wants. The advertiser has to determine the needs at which the advertising message should be directed. Though it looks simple, it is, in fact, very difficult to arrive at the right human needs or wants, which would be the basis for ad appeals. Psychologists themselves do not seem to agree upon what constitutes a set of basic human needs. However, there are some generally accepted standard list of need structure, which

provide some guidelines to the marketer for developing advertising appeals. The most popular and widely accepted need scheme is the one given by A.H. Maslow. Maslow's basic human need structure states five levels hierarchically. They are:

- Physiological Needs or Creature Comforts (Hunger, Thirst, Sex, etc.):** These are biological need such as food, water, sleep, and so on, and are the most potent of all human needs. These are therefore placed at the first level of the hierarchy.
- Safety Needs (Security, Protection, etc.):** These are based on the needs for physical safety and security, and stress such things as preference of the familiar to the unfamiliar and for the known to the unknown.
- Love Needs (Affection, Belongingness, etc.):** These needs are at least partially fulfilled by marriage parenthood and belonging to organizations, such as the Rotary, Lions and others.
- Esteem Needs (Self-Respect, Prestige, Social Approval, Achievement, etc.):** As love needs become least partially satisfied, the need for such things as prestige, self-respect, esteem and status emerge. The desire for achievement, independence and self-confidence are also part of these needs.
- Self Actualization Needs (Self-Fulfillment, Self-Experience, etc.):** The desire for self-fulfillment, or becoming everything one is capable of becoming is the essence of these needs. Included in them are aesthetic satisfaction, acquiring knowledge, and so on.

Maslow states that each "higher" need dominates the organism as the lower ones become satisfied or nearly (sufficiently) satisfied. A person who has basically satisfied his physiological and safety needs will become concerned about the satisfaction of progressively higher level needs (love, esteem, self-actualization). One of these five stages is always prepotent, even though the needs at other stages are still influential; that is, some needs from all the five stages may operate on an individual at the time that one stage is dominant. An important point to remember is that a consumer does have to satisfy one class of needs completely before progressing to other classes.

Taking a closer look at the human needs, we find that physiological needs are the most basic of the five basic needs structure of Maslow. The need for food and water is so essential that, without its satisfaction, life would cease to exist. An individual is first concerned about the satisfaction of his food, water, sleep, and other biological needs. In a society where basic physiological needs are not fulfilled, advertisers of food and related products have to depict them as a better way of satisfying the hunger needs. In contrast to this, where most people in a society have this need satisfied, the advertiser should depict the food item as one, which can help to satisfy a higher-level need, i.e., love or esteem, for example. Once the

physiological needs have been largely satisfied, every human being is concerned with the next level of his needs, i.e., safety needs. When these two basic needs have been largely satisfied, he is free from constant fear for his safety, health and security. Advertising of food products for the satisfaction of the needs of hunger is hardly necessary. However, advertising for economical housing societies, life insurance policies, cheaper but nutritious food, healthy drinking water and promotion of sanitary living conditions - these would still be relevant to our society.

Next to the safety needs come love needs. Every individual, whose first two levels of needs, have been fairly satisfied, will seek to love and would like to be loved by others. Love, here, is not to be construed as synonymous with the physiological sense. Sex involves both physiological and psychological gratification. Sex is often used in advertising, as a means of satisfying both physiological and love needs. Advertisers have made an extensive use of sex appeals in their advertising. However, these appeals are aimed at the satisfaction of the love need (affection).

Esteem needs are of two types: one, those which are related to how a person sees himself reflected in his personal achievement and self-confidence; and, second, those which are related to how, he believes, others see him. How others see him is reflected in the attention and recognition he receives from others as well as his reputation and prestige among other people. Suiting ads of Vimal, Dinesh and Digjam aim at increasing the self-confidence of the user. The jewellery ads of Tribhovandas in Mumbai stress the prestige you can enjoy by using such expensive jewellery. Advertising of any product, which can increase the self-confidence, and self-worth of those who use it makes this appeal - the satisfaction of the self-esteem need. Many ads use the prestige appeal, which the user of such advertised products will enjoy.

Maslow's hierarchy of the need structure is the most widely accepted list of basic needs, a detailed knowledge of which is necessary for any advertiser. However, others have also given their own classification. Combs and Snygg are of the opinion that there is only one basic need - the need for maintaining or enhancing one's self-concept. Berelson and Stenier have given a list of primary and secondary human needs. The primary needs are physiological ones based on the biological functioning of every human being. The secondary needs, according to them, are those which are acquired or learnt, and are not necessary for the basic biological functioning of an individual.

### **The Primary needs Include**

- i. Supply Motives: Hunger and thirst.
- ii. Avoidance Motives: Avoidance of pain, fear, harm and other negative consequences.
- iii. Species-maintaining Motives: Reproduction, mating and nutritive motives.

### **The Secondary needs Include**

- i. Acquired or Learned: It is believed that secondary needs are learned because of the satisfaction of primary needs. One

learns that one can better satisfy one's hunger-and-thirst need by acquiring property and other possessions;

- ii. Recognition needs;
- iii. Affiliation needs.

### **The following Conclusions May now be Drawn**

- i. Unsatisfied needs are motivators of behavior and satisfied needs are not.
- ii. Much of human behavior is motivated by subconscious and unconscious needs. These are needs we do not or cannot consciously admit to ourselves. For example, in one of the ads of "Sir Shirts," it was said: "This is the MAN SIR is made for." A handsome man, together with his lovely girl, is shown in the picture. Man has an unsatisfied (and unconscious) need for exhibiting himself as a "he" man to his sweetheart. Wearing a Sir Shirt is presumably a symbolic way of satisfying this unconscious need.
- iii. Generally, several needs operate simultaneously to cause a given behavior response; but only some needs are more important in behavior than others. These "key" needs should be identified and appealed to, directly and indirectly in the advertising message.

### **Buying Motives**

We have already seen that needs motivate us. The various buying motives are given here by way of illustration. Essentially, the advertisers appeal to some of these motives or needs in their ad message.

Different kinds of motives encourage people to certain goals. All of man's actions are guided by his cognition, i.e., his apprehension, his awareness and his anticipation. When we ask a question: Why do people buy? We are in reality asking the question of motivation of buying. Motivation is thus concerned with the why of human behavior. Motives arouse and maintain activity and determine the general direction of behavior of an individual. In essence motives or needs are the mainsprings of action. Need or motive is something in an individual that prompts him to action. The following are the important buying motives:

### **Unconscious Motivation**

Freud invited our attention to the unconscious motivation. People are not really aware of everything they want, that they will often have tastes, 'biases or attitudes which strongly influence their buying behavior. But they really cannot account for it.

### **Power Motive**

Power is a very strong motivator. We buy many things so that we can exercise power over others.

### **Competence Motives**

We have a desire to have job mastery and professional advancement. So a doctor buys many types of equipment according to competence motive.

### **Affiliation Motive**

Man is a sociable creature. We seek the company of others to gain some impersonal reward. The desire to be with other people for its own pleasure is also known. In many life-style

advertising of products like cigarettes and soft drinks, we make use of affiliation motive.

### Security Needs

Investments decisions, medicines, insurance policies etc. are sold on the basis of this need. Hosiery, woolens, umbrellas, rainwear etc. also get purchased against this need. This need is operative both at the conscious and unconscious levels. Fear is used as negative appeal to emphasize this motive.

### Social Needs or Motives

Needs for belongingness is one powerful motive. We want to be a part of national mainstream. So we wish to buy packaged tours to Singapore, Europe, Nepal, Kashmir and other destinations. We want to be members of Diner's Card or BOB Card or Cancard. We want membership of Dynasty Cultural Club or Rotary Club or Lions Club.

### Esteem Needs or Motives

These are the motives of distinction, achievement, status and independence. Pride and vanity motives also fall in this category. These are important buying motives. Automobiles are sometimes bought because they give us social status. All premium products are sold against these motives.

### Physiological Needs or Motives

Some of our motives are to survive - we buy food products because of this. We buy houses and flats also to survive. We buy textiles for protection and survival. These are all primary motives of buying.

### Comfort and Convenience

Different kinds of furniture, interior decor, footwear, woolens etc., we buy for our comfort. Similarly, calculators and computers make it convenient for us to do our accounts, billings and all such other functions. Kitchen gadgets like grinder-mixers, fridges, cooking ranges etc. are bought against these motives.

### Envy

As Shakespeare has put it: 'Envy, thy name is woman.' Women envy the gorgeous dress others wear, the cosmetics others use, the complexion the next-door-neighbor has, and the ornaments the cousins have bought. Men also do not lag behind. Onida Color T.V. is 'the neighbor's envy, but the owner's pride.' Wardrobes, cosmetics, fashion wear, designer dresses are all sold against this motivation.

### Fashion

Fashion over a period of time changes - in dress, in eating, in design, in make-up, in appearance etc. Certain things are considered to be in fashion and in style. Readymade garments, salwar kurta, trendy tops and tee shirts are all sold on fashion grounds.

### Novelty

Newness itself is a strong buying motive. We now have adopted Odopik washing powder in place of earth or clay, Sanifresh toilet cleaner, Odonil air-fresheners - all on the basis of newness. After a time, newness wears off and we search for something else. We formerly applied Odomos as mosquito repellent on the body, but now we say goodnight to the mosquitoes by using "Goodnight Heater."

### Sex and Romance

As it is, sex is a primary need, like the hunger and thirst. Most of the personal care products, toiletries, textiles, cigarettes etc. are sold on this basis. Romance is a matter of feeling, a very exotic feeling. Romance could be in imagination also. Tourist destinations, honeymoon packages, jewellery etc. are sold on this basis. Of course, sex and romance are inter-related.

### Greed

This motive makes us save and economize. We also like to avail of discount sales, free gifts, price offs, premiums, coupons etc. because of this motive.

### Curiosity

This is also a good buying motive. We are interested to know about the known and the unknown things. Books, games, quizzes, new tourist destinations, dictionaries, encyclopedias, self-learning packages etc. are sold on this basis.

The above list is only illustrative, and not exhaustive.

A motive is a state of tension. It activates action towards a goal and sustains it till the goal is reached. Motivation can be conscious or unconscious. Motives make the behavior of the individual goal directed. Of course, the means to achieve the goal may be different, e.g., you may achieve distinction by being a Star athlete like Shiny Wilson or an ace gynecologist like Dr. Shirodkar.

Motives are inside the individual - a mental state. Buying motives indicate our buying intentions. Maslow has classified human needs (the manifestation of motives) into five categories, as we have already seen.

Appeals and Buying Motives: Both these are closely related concepts. Appeals are cues or provide stimulus. Appeals are made because there are buying motives leading to action. Appeals are developed thus on the basis of buying motives. "Lower-priced Nirma has the price appeal, but it incorporates economy motive. Tonics give us energy but they incorporate health appeal. Tribhovandas Bhimji Zaveri gives exquisite jewellery. This beauty appeals to the buying motive of pride or possession.

### Appeals and Advertising Message

We have mentioned that the advertising message should appeal, directly or indirectly, to those key needs, which influence behavior response. Without going into communication theories and models, we shall deal with the message content, its structure and the format to be employed for the formulation of an appropriate message.

The message content refers to what the advertiser has to say to the target audience that will produce the desired response. It may be an appeal, a time, an idea or a unique selling proposition. In fact, the message content ultimately formulates some kind of benefit, motive or reason why the audience should respond to, or do, something.

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### Types of Appeals



Appeals are broadly classified as rational, emotional and moral appeals. Rational appeals are those directed at the thinking process of the audience. They involve some sort of a deliberate reasoning process, which a person believes would be acceptable to other members of his social group. They attempt to show that the product would yield the expected functional benefit. Rationality has come to be equated with substance. A rational ad becomes believable and effective. Although there may be some disagreement regarding which motives are rational and which are emotional, the following are some buying motives,

which are normally, considered rational under ordinary circumstances:

- i. **High Quality** : People buy television, stereophonic music systems, furniture, refrigerators, electric gadgets; kitchenware and a host of consumer durables for their high quality. Many consumer goods, too, are bought for their quality, such as clothing, beverages, food items, etc., and not merely because of their taste or fashion, or style.
- ii. **Low Price** : Many people buy low-priced locally made air conditioners for their homes because they believe that these products will show a product performance similar to, or slightly inferior to, that of nationally reputed brands at higher price. Whether this is true or not, a person, as long he believes this to be true, thinks his reason will be accepted as a “good” one by his social group. In this case, he is exhibiting a rational motive.
- iii. **Long Life**, as of a car tyre that will give 30,000 kms, before its utility has been exhausted.
- iv. **Performance**, as of a ballpoint pen that won't release excessive ink or skip under any circumstances.
- v. **Ease of use**, as of a screwdriver with a magnetized tip which clings to the metal head of the screw, or a timer in the kitchen mixer which switches off automatically after a pre-determined time period.
- vi. **Re-sale Value**, as of a two-wheeler scooter. “Bajaj” has a better re-sale value than any other make.
- vii. **Economy**, in the operating expenses of some brands of refrigerator is greater because they consume less electricity. Many two-wheeler vehicles claim a better mileage per litre consumption of fuel than similar other vehicles.

We should, however, point out that some of the best ads are totally irrational. Porsche car ads listed such irrational benefits. Volkswagen built itself on the proposition it's ugly but it works. Nine per cent of the human psyche is irrational. But, what is irrational can be made to seem rational. Gary Goldsmith is not content with just a rational benefit but expects the benefit offered to be such, which a rational person can understand.

Industrial buyers are most responsive to rational appeals. They make purchase decisions in line with the technical specification of the product, product quality, etc. Most industrial buyers are knowledgeable about the product class, trained to recognize value and are responsible to others about their choice. Often, industrial buying decisions are made after a thorough comparison of various offers and after evaluating the various benefits of different makes. Consumer durables of high value 'are also often bought on the basis of rational appeals. People are ready and willing to give rational motives if asked why they have made a particular [purchase. Those who buy Playboy or Debonair are likely to say they buy them for the articles. Even when decisions are made on emotional grounds, people like to rationalize their decision~ to show that they are based on sound rational grounds. Strong emotional propositions need rational underpinnings. Most of us want others to regard us as rational human beings. That is why we like to give socially acceptable reasons for our buying decisions. We feel that rational

motives will raise our status in the eyes of our associates and colleagues.

Emotional appeals are those appeals, which are not preceded by careful analysis of the pros and cons of making a buying. Emotions are those mental agitations or excited states of feeling which prompt us to make a purchase. Emotional motives may be below the level of consciousness, and may not be recognized by a person; or even if he is fully aware that such a motive is operating, he is unwilling to admit it to others because he feels that it would be unacceptable as a “proper” reason for buying among his associates and colleagues.

Emotional appeals are designed to stir up some negative or positive emotions that will motivate product interest or purchase. Different emotional appeals, which are particularly important from the advertising point of view, are listed below. Following several motivation research studies, it has been found that negative emotional appeals are more effective than positive ones. We shall also, therefore, name the negative appeals first.

All brands have rational and emotional credentials. Levi's is youthful, rebellious and sexy. But it offers rational benefits like strength too. One has to balance between rational and emotional arguments. Singapore Airlines presents the Singapore girl, an emotional icon. But it also emphasizes in-flight service that other airlines talk about, which is a rational proposition.

Negative Emotional Appeals: An advertiser may try to induce a particular behavioral change by emphasizing either positive or negative appeals, or a combination of both. For example, an advertising campaign to get the target audience to buy fire insurance may stress the positive aspect -low cost relative to other investment, the services the insurance company provides, early settlement of claims, and so on; or it may stress the negative aspect of not getting insurance - the danger of losing one's possessions or the ravages of fire. Positive appeals use the strategy of “reducing” a person's anxiety about “buying and using” a product, while negative appeals use the strategy of “increasing” a person's anxiety about “not using” a product or service. In general, a positive appeal stresses the positive gains to a person from complying with the persuasive message; the negative appeal stresses his loss if he fails to comply.

We give here the different dimensions of emotional appeals.

## Emotional Appeals: Response Categories

| Dimension of response to emotional appeal  | Illustration   |  |
|--|--|--|
| Feelings of an up-beat mood evoked by music, Humor and other such ad elements  | 'Celebrate with Asian Paints Home Coming' Campaign!  |  |
| Feelings of quiet and relaxed pleasantness used in cosmetic commercials bringing out sensuousness                      | 'Lakme - she's a woman to me' campaign.  |  |
| Feelings of heart-warming and tenderness   | Cadbury's 'Mother-son' commercial.   |  |
| Feelings of motivational, appetite desire to buy or consume the advertised brand/category                              | Food ads.  |  |
| Apart from the above four categories, the emotional roles the products play in Indian context also affect the response |  |  |
| Role category of the product   | Details  | Example  |
| Background   | Normal part of the scene<br>Necessary to set the stage on which important things in life occur associated with emotion- laden events like marriage | Room furnishings, accessories, most appliances storwel cupboard of Godrej.   |
| Mediator to interactions   | Product necessary for interaction to occur   | Cameras<br>Souvenirs of events which enable reconstruction of these events (VII luggage campaign Kal bhi, Aaj bh\<br>Kal bhi).   |
|  |  | Restaurant scene of Titan watch ad. Husband gifts the watch to his wife. The symbol of warmth is the watch. The interactive has heightened. Background music plays an important part |
| Expression of Self   | -  | Clothes, apparel and accessory categories.<br>Reminders of self-esteem. Raymond's 'complete man' campaign.<br>Sharmila Tagore and Pataudi in Gwalior suitings campaign.              |
| Products themselves become objects of emotion  | High product involvement object becomes a substitute for human relations.  | 'Hamara Bajaj' campaign.   |

### Precautions While using the Emotional Route

1. The advertising should have relevance. If the product needs attribute-based rational advertising, emotional appeals should be avoided.
2. There should be a natural flow of feelings.
3. Execution should not be exaggerated. The level of emotionality should not exceed that experienced by the consumer.

4. There is a difference between a consumer's emotions associated with the product / brand and a consumer's emotional reaction to the ad copy itself. Preferably, these two should be compatible.

## Fear Appeals

The fear appeal is most important among emotional appeals, and also the most effective. It is said that the message's effectiveness increases with the level of fear it generates. The use of fear appeal in getting people to start doing things they should is very common. Many ad messages of toothpaste employ this appeal. They present the fear of tooth decay or unhealthy gums or bad breath, and then suggest the use of a specific brand of toothpaste to get rid of such fears. A recent ad of "Promise" shows a boy weeping because of severe toothache, and then suggests the use of "Promise" to avoid a recurrence of toothache.

A fear appeal of this kind is used in a wide variety of product categories. When products are designed to protect an individual from some loss of health (medical or life insurance), the fear appeal of the type illustrated above can be effectively employed. Then there are products designed to protect an individual from loss of property (automobile or home), which successfully employ fear appeals to induce a particular buying behavior.

Fear appeals are at times used in ad messages in connection with getting people to stop doing the things they shouldn't do. The advertisements relating to prohibition, prevention of losses and conservation of energy fall in this category. The warning on the cigarette packet that smoking is injurious to health is a typical example, even though this is a statutory warning and advertisers themselves would not like to include it in the ad on their own.

Then there are many products that are, directly or indirectly, involved in the avoidance of a fearful situation. A large number of advertisements employ the fear appeal in their ad messages of products, which relate to more subtle social and psychological motivations, such as loss of status, friendship, job, position, and so forth. Personal-care products (soaps, cosmetics, deodorants, shave lotions, mouthwash, etc.) fall in this category. Fear is the higher level of tension; but anxiety has been used to promote the sale of a large number of instant foods, other food products and home appliances. Think of ads wherein the housewife's anxieties are fully exploited to get the message across to the target audience.

The more carefully fear is built, the greater is the tension resulting in a greater drive from within to reduce the tension. Research studies have proved that extremely great fear appeals are less effective than moderate ones in motivating people to adopt the product and eliminate fear. However, very weak fear appeals are not effective either in evoking the desired response. Therefore, a selection of the appropriate fear level is important; it should be strong enough to heighten the drive of the people to buy a particular product. But if an excessively strong fear is pictured, it is possible that people would exhibit a defensive behavior, and try to avoid the ad, and may not be prepared to accept the threat. They may even take the view that the solution recommended in the ad may be inadequate to deal with so great a fear. However, some researchers have found cases where

strong fear appeals have worked beautifully. They feel that buyers have different tolerances for fear and that therefore, different levels of the fear message should be set for the various segments of the audience. However, the underlying concept that every message should promise to relieve, in a believable way, the fear it arouses should be the ultimate guide in the selection of the levels of fear appeals. A general principle of "not too much and not too little" is most relevant in the selection of appropriate fear appeals.

CARE (an American conducted a methodical study in rural north India (mainly UP) ad agency) to discover which of the two appeals - positive or negative-would work better in getting a nutritive food accepted. The positive appeal was love of children and the negative one was fear of the consequences of malnutrition. The "love" campaign featured a proud mother rearing her thriving child on the prescribed food. The "fear" approach created a frightening devil (rakshas), symbolizing the disease and misfortune arising from wrong food habits. These campaigns were run for a full year in two different areas. The evaluation of these campaigns clearly showed that the fear appeal created a great deal more awareness of the value of the nutritive food. The negative proposition aroused immediate reaction because of the fact that an unpleasant bang is more likely to make one sit up than the melodious strains of soothing music. Some authors and experts in the field of advertising, however, may disagree with this view. But fear appeals are seldom composed entirely of negatives. The warnings generally pave the way for positive advice and exhortation, and in this form the negative appeals appear to be just as effective on the average as positive appeals.

Take, for example, the recent advertisement of Khaitan Kitchen fans employing a negative appeal. The headline states: "Are you cooking or being cooked?" It goes on: "Every housewife knows how miserable she feels when she cooks. It makes her irritable and saps her energy. Khaitan presents a simple, efficient and inexpensive answer. 'The Khaitan Fresh Air Fan.' It drives out smoke, smells and heat, and brings in fresh air. Not only that; thanks to the continuous inflow of fresh air, the chances of dampness are eliminated. And this prevents cockroaches and other insects from breeding in your kitchen."

The headline and the initial part of the body of the copy effectively create fear; but the latter part of the copy presents the solution and the positive appeal of the product. Such is the most common form of the advertising message - first building up fear and then offering a solution with other positive appeals of the product advertised. On the level of fear, Aaker and Myer, in their book, *Advertising Management*, rightly state that fear or anxiety has two kinds of possible effects on message reception and yielding. As a stimulus, its effect tends to be negative; and as a drive, it tends to be positive. Furthermore, too little anxiety tends to provide an insufficient drive, and too much anxiety tends to make the stimulus aspect predominant. The net result of these two factors is to make the relationship between anxiety level and message effectiveness non-monotonic, with maximum effectiveness occurring at the intermediate levels of anxiety.



And, lastly, so far as appeals to fear are concerned, this approach is useful for products that are of little interest to consumers when rational appeals are employed. Even in cases where the product fulfils a generally recognized need, fear appeals are effective. Take the case of life insurance. Fear appeals are still required to sell policies. However, fear appeals fail in the case of the cancer hazard of cigarette smoking, which is often rejected by most smokers.

### Fear Appeal and Market Segmentation

We have just now stated that, in some cases, big doses of fear are recommended, whereas, in others, the use of low levels of fear is the logical strategy. We have also given examples of an ad about dental health, where the degree of associated fear is high, and an ad about smoking and cancer, where the level of fear is low. Furthermore, apart from the differences in product categories, the age and personality differences in the target audience vary the effectiveness of each level of fear appeal. That is why it has been recommended that both the market segment and product category groupings should be taken into consideration before designing appropriate fear appeals.

Let us take an in-depth look at the use of fear appeals and their relationship with the market segment, for this will provide a valuable insight to advertisers. It is important to note that although people generally prefer positive arguments, a fear appeal can make an advertisement stand out from others. For individuals whose aroused fear or anxiety about the product is low, and those who would not normally search for information about the product, the fear appeal can be particularly effective if these individuals have been previously exposed to positive arguments.

It has been found that it is better to put fear first in the order of presentation, to threaten someone close to the prospect rather than the prospect himself. While advertising a helmet for scooter-riders, the fear of injury to the head is the most appealing to the wife and to someone close to the rider. The rider himself may not accept the idea promptly because of self-esteem and of ego consciousness. The appeal of intense fear might be best for people who tend to be of low-anxiety and high self-esteem people, who exhibit a copying behavior, and who find the product to be of low relevance. There are many who have a low vulnerability to fear and anxiety. For example, life insurance companies find that fear appeals work beautifully with those who feel that they do not need coverage for their lives. Fear appeals are appropriate for breaking into new market segments. In fact, the susceptibility to fear appeals is one more approach to the market segmentation process. A careful analysis of those potential fear appeals, designed to arouse emotion in a group or audience, should be made a part of advertising strategy, wherein all ads addressed to this audience will incorporate such fear appeals. Thus, if appropriate fear appeals are defined, they become a useful tool in market segmentation.

### Positive Emotional Appeals

Positive appeals highlight product benefits and attributes capable of influencing consumer behavior. They are love, humor, pride, prestige and joy. Most baby food products have a mother's love appeal. Love for family is perfectly employed in an ad of Dettol soap that has been called "The Love & Care Soap."

In the closing sentence, the ad appeals by saying: "Give your family the Loving Care of Dettol Soap." Mother's love for the baby has been appealed to in ad of Johnson's baby soap. It says: "Gentle as a kiss on your baby's tender skin." It further, goes on to say: "Johnson's Baby Soap. Because Johnson & Johnson care for your baby almost as I much as you do." Is this positive appeal not effective, when the advertiser shows as much care for a child as its mother does?

Advertisers have also successfully used messages communicating the joy and thrill (all, those soft drink, ads) associated with using the product. A humorous message attracts more attention and creates more liking and belief in the source, though it reduces comprehension. David Ogilvy, a well-known personality in the advertising profession, believes that humour has been over-used: "People are amused by clowns - they don't buy from them... So many people in advertising are compulsive entertainers who seek applause rather than sales."

Other positive emotional appeals involving price, prestige or exclusiveness are often used in ads of suitings. Advertisements of suitings by Raymonds, Digjam, Dinesh etc., employ emotional motives, "Suitings for the Connoisseur," a Digjam ad campaign, is an example of appealing to those individuals who are experts in matters of taste and choice of clothing. Other emotional motives are illustrated in the following list:

- i. Desire to be different, as illustrated by people who build an ultra modern home in an area of traditional homes.
- ii. Desire to confirm, as in the case of teenage boy and girls who want to be "in jeans" because all their friends wear jeans.
- iii. Desire to attract the opposite sex, as shown by a teenage girl who buys a new cosmetic in order to make her skin more beautiful.
- iv. Desire for prestige, as shown by a person who buys the most expensive automobile (Mercedes, Toyota, etc.) he can afford in order to impress his friends.

In making purchases, many combine both rational and emotional motives. In fact, a blend of buying motives usually is the basis of a purchase: An engineer may take up a management course at any of the prestigious schools because he feels it will make him look important in the eyes of his associates and help him in securing a better job in the industry and business. A woman may want to buy a new home in posh locality because it will improve her family's social status and because it is within walking distance of a good school for her children.

Moral appeals are those appeals to the audience that appeal to their sense of right and wrong. These are often used in messages to arouse a favorable response to social causes, such as prohibition, adult literacy, social forestry, anti-smuggling and hoarding, consumer protection, equal rights for women, social responsibility projects of corporations, rural development, siding weaker sections of society, employment generation, and so on. There are messages that appeal for generous donations for flood victims and for famine relief operations - these are often based on moral appeal. Many commercial advertisements are criticized on moral grounds. The most controversial ad campaigns are by multinational companies marketing baby food

products. Many WHO experts are critical of these corporations that promote bottle-feeding against breast-feeding.

### Sex Appeals in Advertising

Sex appeal is being increasingly used in Indian advertising to overcome the culture in the print as well as broadcast media and to grab attention. Sex appeals in contraceptive ads have become explicit, and are more visual than verbal. Does sex really sell? Or is it a negative influence on consumer? The answer is not either affirmative or negative for these questions, and depends upon a number of factors.

Effectiveness of ads is measured in terms of the objectives - creating awareness may be the objective, and then brand recall is a measure of effectiveness. The advertising objective may be to make the consumer buy - here buying intention is a measure of effectiveness. The following summarizes the research studies in this context.

Research shows that non-sexual illustrations are more effective than sexual ones while undergoing brand recall. Men remember the sexy illustration and neglect the brand. Favorably disposed people to the use of sex had a higher brand recall of brand names that used sex appeals in their ads.

Negatively inclined people to sex had a lower brand recall.

Research also shows that nude illustrations of female are least appealing, are associated with lowest quality product and least reputable company. Recently Seven's research shows that explicit sex appeals do not interfere with the ability to recall brand names.

It has also been observed that visual which is highly sexual interferes with the cognitive processing of the message since readers tend to spend more time on the ad as a whole. Information transmission is definitely adversely affected by sex appeal.

Functional sex appeals have highest recall and so also symbolism.

Inappropriate sex appeals have lowest recall. Fantasies are also used as sex appeals. Appeal that are consistent with the product, lead to a higher recall.

There might be gender-related responses to sex appeal. Females may find the sexual ad offensive and so its use for a female-targeted product runs a risk. A lipstick ad showing a female model that is seductive may grab the attention of the male-audience rather than the targeted female audience.

Connotative sexual appeals like symbolism are more acceptable than explicit appeals.

The sexual appeals are justified in case of products like personal products, panties, bras, undergarments, and swimsuits. They may not go well with industrial products. The relevance of the appeal to the product is very important.

The manner of sex portrayal, the sex of the models and the target segment also affect the effectiveness of the ad. Blatant references to sex are suddenly the in-thing in American advertising. Marketers promoting perfumes, jeans, alcohols, gloves, watches and cars are resorting to this route. Media clutter may be one reason that leads to the explosion of sexual imagery in advertising. Ads of perfumes have traditionally focused on the

sensuous. For Calvin Klein, sex has always been a favorite selling point.

The late Justice Hidayatullah had ruled "where obscenity and art are mixed, art must be so prepondering as to throw the obscenity into the shadow." We tend to agree with him. There is a thin line between nudity and crudity. Even an act of kissing has both sexual and non-sexual content. "Of no use to one, yet it is absolute bliss to two. The small boy gets it for nothing, the young man has to steal it and the old man has to buy it. The baby's right, the lover's privilege, the hypocrite's mask. To a young girl, faith; to a married woman, hope and to an old maid; charity."

Sex appeals are interpreted differently from time to time, region to region, person to person, country to country, and society to society. Even the same person reacts to them differently at different stages of his life cycle.

### Direct and Indirect Appeals

Another way of classifying ad appeals, comes about whether they are linked directly or indirectly with consumer needs. Sometimes advertisers are explicit about the need to which they are appealing, whereas, at other times, appeals are veiled or purposely kept ambiguous, and the consumer has to determine the relevance of the appeal to him.

#### Direct Appeals

Direct appeals are those that clearly communicate with the consumers about a given need, followed by a message that extols the advertised brand as a product that satisfies that need. In Industrial advertising, some ads may have a direct appeal, satisfying the customer's technical need; but, in consumer advertising, the direct appeal plays a very limited role. Examples of direct appeal ads for consumer products are rare. In America, the hamburger was once advertised with the hunger appeal. The ad said: "When you get a man-size hunger, eat a whopper hamburger."

#### Indirect Appeals

Indirect appeals are those that do not emphasize a human need, but allude to a need. Because advertisers understand the influence of needs upon selective perception, they leave some ambiguity in the message so that the consumers may be free to interpret it and the need to which the advertiser is appealing. Since this interpretation of the consumer is not difficult, there is no risk involved in keeping the ambiguity in the message.

Indirect appeals are either product-oriented or consumer-oriented, or may be a combination of the two. We shall now discuss each one of these indirect appeals in details.

#### Product-Oriented Indirect Appeals: They are Grouped into three Classifications

- i. Feature-oriented Appeals: The basic message is about product features, characteristics and attributes. Examples: Instant Shine, Cherry shoe polish, "Promise," the unique toothpaste with the time-tested clove oil.
- ii. Use-oriented Appeals: The basic message emphasizes specific in-operation and/or post-operation advantages of the brand advertised. Examples: Anne French hair remover ad: "How much cruelty can a woman's skin bear?" The headline is a

searching question. The- ad message discards other methods of hair removing - they are shaving, waxing, and threading. Then it goes on to inform you how gently hair is removed with Anne French. Another example is of Stayfree belt less napkins by Johnson & Johnson. It highlights the fact that there is no need of belts or strings or pins. How convenient it is', taking away all the botherations of women!

- iii. Product Comparison Appeals: "The basic message emphasizes the differences between the advertised brand and the competing brands. The advertised brand, of course, has a net advantage over those with which it is compared; otherwise the whole exercise becomes futile. Think of those ads of electric fans, when the product features of various brands are compared in the ad in a tabulated form - such features as the number of poles of the motor, the number of bearings, the price, warranty period offered, etc. A refrigerator advertisement compares the types of compressors used, whether high speed or low speed, electricity consumption, noise level, the quality of the white enameled body, extra tray, etc.

### Consumer-Oriented Indirect Appeals: They are Further Divided as Follows

- i. Attitude-oriented Appeals: The basic message is one that is in line with the consumer's attitude - his value - belief structure. Example: The ad series by Shriram group, namely: "Indian Corporate Evolution. The Shriram Experience." In one of the ads, it says: "we are Indians. We must remember our roots." Then it goes on to state the group's belief in Indian traditions and the advantages it shares with the country. This message refers indirectly to Maslow's esteem need.
- ii. Significant Group-oriented Appeals: The basic message emphasizes the kind of group that uses or approves of the advertised brand. The group may be a reference group, a social group, or a peer group, or any other group that is significant for the consumer target. The ad says: "Some possessions define a character. Some distinguish it. A cigarette so distinguished, it's by appointment to your Majesty."
- iii. Life Style-oriented Appeals: The basic message emphasizes an identifiable life style relevant to a defined target market. Example: An ad of Charminar cigarette making an appeal with its strong taste. For some hard smokers, a "strong" cigarette can only give relaxation, particularly after a day's hard work. One needs a Charminar.
- iv. Sub-conscious-oriented Appeals: The basic message is distinguished and is directed at the consumer's sub-conscious (or unconscious) need. These messages are aimed at the buyer's dream world, but are veiled in some manner by messages appealing to the buyer's conscious mind. Example: 'Petals' brassieres of VIP are advertised with a dreamy message: "As you flower into a woman, you discover the epitome of international fashion. Discover Petals."
- v. Image-oriented Appeals: Although all advertising appeals create a brand image in the minds of consumers, the image-oriented approach is distinct in the sense that here the

advertiser, consciously and purposefully, makes an effort to mould a brand image. There is an intention to create a specific brand image. One strategy is to create a brand image that "fits" either the self-image or self-ideal image of the target market.

### Essentials of an Advertisement Appeal

- i. It must be thematically sound.
- ii. It must be communicative.
- iii. It must be interesting.
- iv. It must have credibility.
- v. It must have finality and be complete.
- vi. It must contain truthful" information.

### Selling Points and Appeals

Selling points are those product attributes that are listed in the advertisement copy to impress upon the consumer the significance of a product to him. They could be specifications, quality statements, composition statements, descriptive or narrative or performance statements. Some selling points are primary selling points and the rest are subsidiary selling points. Selling points in order to be effective must have the force to appeal to a particular buying motive. So selling points successfully touch upon the buying motives.



### Notes

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Create appeals for the following products in the form of Voice Over or Copy for print.

- Cigarettes
- Liquor
- AIDS
- Computers
- Amusement park
- Paints
- Motorcycle
- Automobiles

You could take an existing brand or create your own brand. In case of existing brand you cannot take their appeal. You are to create a new one.

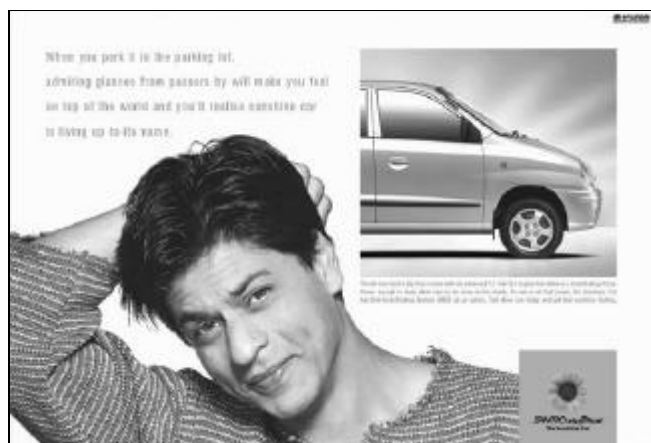
## Notes

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## LESSON 22: TESTIMONIALS & CELEBRITY ENDORSEMENT

### Learning Objectives

- You will understand via this lesson the importance using endorsements.
- You will also understand via the case study on the effectiveness in using testimony.



### Case Study

Opportunity is always knocking, goes a splinter thought of the popular aphorism. The trick is to open the door every time it knocks.

For confectionery major Parle Products Ltd, the findings of a recent study conducted by ACNielsen afforded the perfect opportunity to set up an interface with Indian consumers and speak to them about the popularity of flagship glucose biscuit brand, Parle-G. An opportunity that Parle Products and Everest Integrated Communications – the agency handling the Parle-G account – grabbed with both hands. The result? A five-commercial ‘testimonial’ campaign that underlines the findings of the ACNielsen study: that Parle-G has emerged as the world’s largest-selling biscuit brand.

A cursory look at the commercials, just to get a hang of the campaign. The first commercial (‘boarding school’) is about this girl recounting her first experience of boarding school. She talks about the anguish that comes from leaving a big, well-knit family, the alien atmosphere of the boarding school, the tears of distress... ‘Phir maine papa ke diye hue jhole ko khola,’ she says. ‘Pata hai usme kya tha? Parle-G... Wahi pehchaani khushboo, wahi swaad. Aisa laga jaise main ghar par baithke Parle-G kha rahi hoon...’ The spot ends with the voiceover: ‘Barson se apna sa swaad. Parle-G.’

The second ad (‘exam’) is about a man harking back to the ‘all-night study plans’ that he and his friends used to chalk out while preparing for their examinations. The plans, of course, stayed as plans, with the friends rarely ever burning the mid-night oil. ‘Raat bhar chai pee, raat bhar Parle-G khaayaa, thodi si padhai kar li... aur exams hamesha achhe beet gaye,’ he shrugs

and smiles. ‘Soye dimaag ko jagaaye, Parle-G,’ informs the voiceover.

Ad three (‘college’) has this boy narrating the story of how he gave the very desirable ‘Tina’ a lift from college one rainy day. It turns out that fussy Tina was prone to a bit of whining, while our narrator was rather stretched for money. ‘Meri jeb mein woh das ka phata hua note! Usse paise mangta? Tchh...’ the ego kicks in. The solution presents itself in the form of a roadside dhaba. ‘Ek cutting chai, ek Parle-G. Uska to mood ban gaya, yaar...’ the boy says, thrilled. ‘No fuzool, paisa vasool, Parle-G,’ the voiceover chuckles.

The remaining two ads (‘school’ and ‘train journey’) are about a mother talking about her son tendering excuses for not having his lunch in school, and about a woman recalling a train journey where Parle-G helped assuage hunger when the train was left stranded in the middle of nowhere. All five commercials end with the slug, ‘Parle-G. Duniya ka sabse zyada biknewala biscuit.’ (For the records, as per ORG figures, Parle-G enjoys a 69-per cent share of the domestic glucose biscuit market, pegged at close to 2.7 lakh tonnes per annum. Closest competitor Britannia Tiger has a 24 per cent market share.)

“The client told us about the ACNielsen report which said that Parle-G is the world’s largest-selling biscuit,” explains Prabhakar Mundkur, president, Everest Integrated Communications. “And we saw there was an opportunity to talk to the consumer and make her feel proud of the fact that she was among the millions of Parle-G consumers the world over. It was something that not many brands can boast of, and the opportunity of reassuring the consumer about her choice of the world’s most popular biscuit couldn’t be missed.”

The ACNielsen report might have presented the brand a communication opportunity, but the agency was not content with simply drumming in the largest-selling-biscuit message. It wanted to create a campaign that was befitting “a world champion”; one that would “stand out of the clutter” and “speak to a wide spectrum of users”. The agency figured that the best way to achieve all this was to create a campaign featuring ‘real people’ as brand ambassadors of Parle-G. And, for good measure, layer in Parle-G’s five ‘driving propositions’ (taste, nutrition, meal substitution, mental development/alertness, and affordability/value-for-money) by making them integral to the campaign thought.

“Parle-G’s consumer base is unique in the way it cuts across age groups, income groups and SECs,” says Shailesh John Khalkho, account group manager at the agency. “So although the core target consumers are young mothers and kids in the 6-to-12 bracket, we can have a campaign that speaks to the entire spectrum of consumers. Also, different people have different reasons for consuming Parle-G. These can be broadly clubbed under the five pillars of taste, nutrition, meal substitute, mental

development and price. So we created five stories built around these five different propositions." The 'boarding school' ad is rooted in taste and familiarity, 'exam' highlights mental alertness, 'college' has affordability at its heart, the 'school' ad is about 'poshan' (nutrition) and 'train journey' showcases the brand as a meal substitute.

The most striking feature of the campaign is undoubtedly its 'candid camera testimonial' treatment. Absolutely nothing new about candid camera testimonials, sure. But given the brand's history of doing montage-and-jingle advertising (can anyone think of a Parle-G ad sans the 'swaad bhare, shakti bhare, barson se – Parle-G' chorus?), this is one big departure. "This was a campaign about real consumers, so we wanted to do a 'testimonial' campaign with real people in it," says Khalkho. "But we wanted to do interesting testimonials, and do them in a way that would not only look authentic, but also in a way that the target audience can identify with."

And if the campaign has achieved that end, credit should go to filmmaker Sumantra Ghosal, insists Milind Dhaimade, executive creative director at Everest. "Testimonials can be extremely boring and dry, and it's hard to make them interesting," he says. "But Sumantra did a lot of homework on this campaign. He created scratches, he helped us interview 150 consumers to identify actual Parle-G experiences, he kept the scripts simple, he did some excellent casting and he layered everything beautifully. I cannot take the credit which is rightfully Sumantra's." Interestingly, Dhaimade reveals that the five 'Parle-G situations' in the campaign have been culled out of the interviews the team had with consumers. "These situations helped us make our point about the brand, and we only dramatized them a bit to suit the requirements of a TV commercial," he explains. "The situations came from real life, that's why they're so relatable."

With the help of fresh examples bring out the relevance of testimony in the above case?

## Celebrity Endorsement

### What do you Exactly Mean by This Term

Celebrity endorsement of products can fulfill either a strategic or a tactical purpose. In the case of Taj Mahal Tea, Zakir Hussain fulfills a strategic role. He is a brand ambassador. An intrinsic part of the brand itself in many ways. Distancing such celebrities from the brand at hand is a tough task. At times, the celebrity in question assumes a larger than life image that overshadows the brand and its delivery appeal.

In the case of a Coke or a Pepsi, the celebrity is pretty much a tactical initiative that is run for a period of time to plug a particular proposition. In tactical initiatives that embrace celebrities, the name of an individual who is the flavor of the month is pretty much of an incidental issue. It is pretty easy to divorce celebrity from brand, and yet retain brand sanity.

It has become a fashionable thing to use celebrities when you want your brand to jump into a point of contemporaneity that would otherwise take a great deal of effort to build in the good old way. The celebrity is an easy route! It hits back at you at times. Look at all the money that went with Hansie Cronje and our very own Salman Khan! In the case of our very own Mr

Khan, shooting a Chinkara worried many a wildlife enthusiast. A later violent image on the sets dampened it more. A much later accident in a drunken state drove in the nail further!

I am sure now we have got a hold on the subject matter. To go on with more examples, there's young Chandrachud Rocky Singh flaunting his choice of suitings and there is Raveena singing of love and a ballpoint pen. Akshay in Ruf and Tuf jeans. The other Akshay on a speedboat surfing in his father's footsteps, on lime freshness.

Amitabh Bachchan hamming it as himself and his screen characters in a corporate film for a consumer electronics giant. This is advertising's very own star track. And the star system is working out of the film star circuit as well. Cricket has created its own ad stars... Sachin Tendulkar, Azhar, Rahul Dravid... as their rating points go up so does their advertising appeal. Internationally tennis, baseball, basketball and soccer stars command millions in endorsement money while film stars have always plugged their choice of brands, all for a neat sum of money. Andre Agassi in Nike ads, Shaquille O' Neill in the Pepsi commercials, Michael Jordan recommending his signature line from Nike, Air Jordan and players coming together to claim, "this is my planet" for Reebok.

In Indian advertising the celebrity is hot property. The film star celebrity is naturally first choice. There are clients who come in from small towns with wads of cash looking for an ad film script and with a clear agenda... to make a film with their favourite star. But the film star route is not restricted to small towners alone flip through the ads and you will notice as many multinationals using star power, to sell their products. Why do we choose celebrities to endorse products when it costs an arm and a leg to put a celebrity under contract? Why do we deal with celebrity managers and the whole gamut of celebrity management to get the star of our choice, whose choice does the star finally represent, a star-struck client's or the consumer's? What happens to a brand if it becomes indistinguishable from the celebrity endorsing it, like the Nawab of Pataudi and Gwalior suitings? What happens when in an ironic twist a spokesperson becomes a celebrity because of brand advertising and then becomes larger than the brand like Lalitaji in the old Surf commercials? What happens when you run out of celebrity testimonials or endorsements can actually work two ways. One to bring quick memorability, recall and recognition for your brand which helps when your brand is fairly new so you can cash in on the linkage. If you are a multinational it helps you project an Indian face and often a popular Indian face. Celebrity testimonials work when your product makes logical sense in the celebrity's life... like a beauty cream for film stars, a range of tough wear for a tough guy, a memory supplement for an aging prime minister, a pair of shoes for a famous player, and by logical transference of this peek into the celebrities behind-the-scenes life, make it relevant to our own. But celebrity testimonials can never be an easy way out if you are looking at some long-term brand building. For that you need a creative idea and a celebrity is no substitute for an idea. A film with an all-starcast can still flop if the script and story don't deliver. The consumer like the public is discerning

What makes a celebrity testimonial work at a point of time when words like brand building and realism and real people are the current buzz. Strangely the same climax that has thrown up a host of real commercials, featuring real people with real emotions, really using the brand in question and subscribing wholly to brand values. The same consumer who is exposed to Surf Excel advertising is also exposed to Govinda in the doodh-ganga ad and Madhuri in the Lux commercial. But the consumer is willing to see category differentiation. A film star in a beauty soap ad is acceptable, but a film star endorsing a dish washing powder may require an unimaginable suspension of belief.

In India today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of corporate image-building and product marketing

Associating a brand with a top-notch celebrity can do more than perk up brand recall. It can create linkages with the star's appeal, thereby adding refreshing and new dimensions to the brand image.

### **Celebrity Management: A Concept-Selling Challenge**

In a world filled with faces, how many do you remember? Admittedly the ones that evoke some kind of feeling in you, whether it's humor, acceptance, appreciation or recognition could be it. These are the faces you'd turn to look at, the ones that would stop you in your tracks. And that's when you have more than just a face. You have personality. Personality that's reflective of your brand and promises to take it that extra mile is what you are looking at. As existing media get increasingly cluttered, the need to stand out has become paramount — and celebrities have proved to be the ideal way to ensure brand prominence. Synergising personality with product and message can create an instant breakthrough. Result? Brand buzz. People begin to notice opportunities come about. People want to be a part of the brand. Touch It. Feel it. Experience it. 'Celebrities as Brands' is a concept-selling challenge, as the current notion of celebrity management is far from ideal — it's perceived as a business that merely attaches the celebrity to the brand to get that added advantage. However, the actual job is not mere brokerage — it's about selecting a spokesperson whose characteristics are congruent with the brand image.

### **So what Exactly is the Right Personality**

It's one that can personalise your brand, is in sync with the product/service and is the perfect match for it. The one that puts buzz into your brand. Creates opportunities for advertising promotions and events. And forms the fertile ground for clutter-bursting ideas. Celebrity endorsement is a serious business, and if used effectively could have a lasting impression on the brand, its activities and its image. Right from Kapil Dev's 'Palmolive ka jawaab nahin' to the most recent sensational association of Hrithik Roshan with Tamariind, celebrities have done wonders for brand recall.

### **The Rewards of Using Celebrities for Your Brands**

Associating a brand with a top-notch celebrity can do more than perk up brand recall. It can create linkages with the star's appeal,

thereby adding refreshing and new dimensions to the brand image. It can also create media and promotion opportunities that sweep the consumer off her feet. Research conducted by Katherine Eckel, professor of economics at U.S. Virginia Tech, has revealed that celebrities or 'higher status agents' can get people to make a better choice but cannot influence 'people to make a foolish choice'.

In India today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of corporate image building and product marketing. This phenomenon is reflected in the recent market research finding that 8 out of 10 TV commercials scoring the highest recall were those with celebrity appearances. A few examples: Sachin Tendulkar-Adidas, Sourav Ganguly-Britannia, Leander Paes and Mahesh Bhupathi-J. Hampstead, Shah Rukh Khan-Pepsi, Sushmita Sen-Epson and Aishwarya Rai-Coke. The effectiveness of the endorser depends upon the meaning he or she brings to the endorsement process. There is a three-stage process of meaning transfer which involves the formation of the celebrity image, transfer of meaning from celebrity to brand and finally from brand to consumer. This is what leads to effective celebrity advertising.

The selection of a celebrity for a brand is done primarily on the basis of a marketing brief prepared either by the corporate or the advertising agency. Once the relationship between the brief, the brand and the celebrity is established, the association is accomplished. For example, when S. Kumar was to launch its new range of readymade garments, Tamariind, there was the realization that one brand of apparel couldn't be very different from the others, and what would make the difference was the packaging. So in came teen heartthrob Hrithik Roshan. The brand personality of Tamariind matches that of Hrithik — Tamariind being a new brand and Hrithik the new heartthrob. The idea behind Tamariind is the 'flavor you wear' — a brand catering to the fun-loving and adventurous youth. And the ambassador chosen is a successful and extremely exciting personality — a youth icon of today's times. So the marriage is apt and justified.

The best advertising comes from a deep understanding of the consumer and how he/she connects with your brands. Therefore, the jhatka of Mirinda needs a personality with a sense of humour. That's Govinda and Amitabh for you. However, there's one fact that advertisers using celebrity endorsements need to keep in mind — never let the celebrity become your brand. In doing so, one runs the risk of killing the brand no sooner has the hype and hoopla around the celebrity faded.

A classic example of the above is Dinesh Suitings, where Sunil Gavaskar, the brand spokesperson, was allowed to rule the brand, thus becoming bigger than it. No sooner had the association ceased than the brand lost its identity, thereby creating confusion in people's minds.

Therefore, the use of a celebrity must be proportionate to the objective.

It is also important for one to be completely clear about why a brand should use a celebrity. Is it to boost sales or to boost image? Or is it just to keep the brand alive? If the objective is

The association of Sushmita Sen, ex-Miss Universe, helped the brand Epson achieve instant recognition in the computer printer category even in the presence of other big brands in the market place. This is the power of celebrity endorsements

[illegible][illegible]



## LESSON 23: TUTORIAL

- You are required to pick 5 brands and analyze the choice of celebrity endorsement used. If you were to change that celebrity (for any 2 brands) who would be your ideal choice and why?
- Write a Long copy on Raymond's suiting for the print media.
- Write a Short copy for Amul Butter to be put on Hoardings around your city.
- "Love is in the Air", write a copy, which brings two college going people together by 'Fun-cle Chips'.

## Notes

[illegible]

## Learning Objectives

- You will understand via this lesson the different types of media for advertising.
- You will also understand media selection and planning.
- You will understand via this lesson the strategic decisions in media.
- You will also understand the significance of media scheduling.
- The focus out here will also be on alternative media and a recapitulation of various media types.



The term media is plural for medium. In advertising terms, medium is a channel of communication, such as newspapers, magazines, radio and television. A medium is a vehicle for carrying the sales message of an advertiser to the prospects. It is indeed a vehicle by which advertisers convey their messages to a large group of prospects and thereby aid in closing the gap between producer at the one end and the consumer at the other end. Of course, this is from the viewpoint of advertisers and the audiences. There is another way of looking at the media, and that is from the point of view of the medium itself. Different media are organizations or enterprises for entertainment. They sell the product in the form of newspaper, magazine and radio and television programmes. At best, they are service organizations fulfilling the needs of listeners, readers and viewers for entertainment and information. Each medium designs its product to be more and more attractive among its audience. Each medium applies marketing concepts to the designing of the right product, selling it at the right price, distributing it through several outlets and, at times, taking the help of the right promotional means to increase its circulation or improve the popularity of its programmes. Newspapers publish, be it local news, national news, special interest information such as business, sports, housekeeping, science, etc. Similarly, television and radio stations broadcast programmes that are designed to attract larger segments of the public. In short, media too have to market their products properly.

Once a medium has been well established and has built up a significant readership or audience, it is in a stronger position to attract advertisers who are on the look out for such media to reach audiences with their selling messages. Of course, they are willing to pay for this service. Thus, in addition to selling their products in the form of newspaper, magazine, radio and television programmes, the media are selling space or time which, in turn, earns large revenues for them. The money so earned out of selling advertising space or time which, in turn, earns large revenues for them. The money so earned out of selling advertising space and time ultimately helps to make the

product itself (medium) cheaper and more attractive among its audience.

It would not be inappropriate to mention here that it is advertising that has been instrumental in the phenomenal growth of the media. In the nineteenth century, publishers of newspapers and magazines were faced with the stagnant circulation of their publications, with the result that profits were limited. This was due to the fact that the entire cost of writing and production was covered by subscriptions and newsstand revenue only. If the circulation was to be increased, it was possible only when prices were reduced. With lower prices, the circulation went up, resulting in a widespread reach of advertisers for their selling messages that, in turn, earned more money for the media. Both the media and the advertisers seem to have been benefited in the process. The publishers increased their audiences, profit and sphere of influence; at the same time, advertisers could reach effectively their prospective customers, making mass marketing possible for them. Today, every medium, be it a newspaper or a magazine, the radio or television, has a department with the responsibility of selling advertising space and time. The media themselves do advertise and promote the sale of their advertising space and time, for this is one of the important activities of the media. For their growth and even for their survival, the media have to be constantly on their toes to achieve increasingly higher advertising revenue.

## Types of Media

The media are classified into two categories:

### Above-the-line Media

Press, TV, outdoor, posters, cinema and radio. The recognized agencies get 'commission' from these media.

### Below-the-line Media

Those who do not give commission to the ad agency. The agency adds a percentage as a handling or profit charge or charges a service fee. The examples are: Direct mail, pas, SP, merchandising, exhibitions and sales literature.

The following are the various categories of media available to a media buyer or an advertiser:

#### 1. Print Media

- i. Newspapers
  - a. Daily
  - b. Weekly
  - c. Sunday
  - d. Weekend Supplement.
- ii. Magazines
  - a. Consumer Magazines: General interest, special interest magazines like Auto World, Interior India

- b. Business Publications: Industrial publications, trade publications, institutional publications, etc.

iii. Direct Advertising: Direct mail.

## 2. Broadcast Media

- i. Radio: Vividh Bharati, FM.
- ii. Television: Terrestrial channels like DD and satellite channels like Star, Zee TV.
- iii. Narrow-cast Media: Video and Cable TV, Cinema, Ad Films.

## 3. Outdoor Media

## 4. Transit Advertising Media

- 5. Other Media
  - a. Specialty Media: T-shirts, buttons, caps, stickers, badges etc.
  - b. Direct Advertising or Direct Marketing (DM).
  - c. Internet: Media of the new millennium.

Print media can be considered the first revolution. Electronic media like radio and TV are the second revolution. Digital media like Internet are the third and the most spectacular revolution. Digital media draws on the features of both print and electronic media. The entire complexion of mass media has changed due to what is known as interactivity. The individuals in it multiply the segmented target audiences. The whole mass can be considered to be one in a different perspective. The economics and demographics of media traditionally practiced become a matter of the past. Most renowned publishers have put their publication on Internet.

Internet advertising affects not only product marketing, but also its manufacturing and distribution. A product can be ordered on Internet. The data becomes the input to the production system. The goods are sent directly to customers. Software is available to enable a reader to select the editorial matter of the newspaper available on Internet. It gives the freedom of choice to the customer.

In digital media, we may come across 'pay per view' phenomenon e.g. DTH: direct-to-home TV. Even in the absence of advertising, digital media may be available at a reasonable cost.

## Media Selection

As an electrical current flows from one end to the other through a conductor, so the advertising message is transmitted through the advertising media from the advertiser to the target audience. Advertising media are thus the vehicles that carry the advertising messages. Various kinds of media are available to an advertiser. Which one of these should be selected for a particular advertising is a strategic decision.

Effective advertising refers to informing the public about the right product at the right time through the right medium. Conveying a right message through a wrong medium at the wrong time would be a definite waste of resources. Therefore, the right media selection is the crux of the success of the entire advertising campaign. However, the right message, the right timing and the right place of advertising are equally important. Media selection decision refers only to the selection of a specific medium of advertising, such as the newspaper, a magazine, the radio, or television, the mail service or outdoor advertising,

whereas media planning is a general term encompassing decisions involving the time and place of advertising in addition to the selection of the medium. A media plan outlines how advertising time and space in various media will be used to achieve the marketing objectives of the company through advertising.

The importance of advertising and its role as a powerful marketing tool need no further repetition, for this has been dealt with at great length in the introductory chapters. Promotion is one of the 4 Ps forming the marketing mix, and advertising is an important part of it. An advertising plan is based on an overall promotional strategy; and media planning follows the advertising plan. Media strategy is thus a part of the marketing strategy. In other words, the media plan is part of the overall market plan, and media selection is the last stage in the process of promotion through advertising. Media decisions are mainly concerned with the following:

What are those available media that will serve our advertising needs best? Examples: Newspaper, magazine, radio, television, direct mailing, outdoor, etc. Which individual medium in each general category of media selected above will be the best vehicle for our advertising? Examples: TOI, India Today, Mumbai-Pune-Nagpur radio and Mumbai TV commercials.

What could be the best combination or mix of media for our total advertising?

What would be the best specific schedule for the release of our ads in each of these media?

Media planning and media selection assume significance in the light of frequent reports that advertising is wasteful. One advertiser confessed: "Half of my advertising is wasted. The problem is, I don't know which half." Following the correct methodology and using quantitative models in media planning can achieve elimination of wasteful advertising achieved to a good extent. This is particularly true because, in the entire advertising cost, media charges are fairly substantial. The effectiveness of a well-designed advertising message depends upon "when" and "where" it is released. These are "time" and "place" decisions. In short, we may say that the success of advertising depends upon the right selection of media, the timely release of the advertisement message, its frequency and continuity, and the place of its release. All this signifies media planning.

For the right media planning and selection, the advertiser must know the consumer profile accurately and the market to be reached, i.e., the target market. If you direct advertising to people who have neither the inclination nor the money to buy your product, you are wasting your effort which otherwise may be a good advertisement effort in itself. In this case, the advertisement is effective, while advertising is ineffective. Therefore, in order to get the most out of the rupees spent on advertising, it should be directed to the right audience. For each target, there is an effective message; and it is this effective message reaching the right audience that makes advertising most successful.

## Media Planning: New Perspective

In India, we are experiencing an economic slow down. Consumer buying is on the decline. Ad spends are curtailed. Agencies are becoming learner. Clients are becoming more discerning about media usage. Though they are cutting and budgets, they want more effectiveness. In common parlance, this is called 'more bang for the buck.' Clients have become extremely vigilant on how agencies spend their money on media. Intuitive media decisions and exploratory tactics are out. Everything has to be substantiated. It is necessary to stretch every media rupee more and more. Though the broader media mix is planned annually, media planners are continuously shuffling the actual vehicles they choose channels or programmes in case of TV and publications in case of print. Clients want to know how involved their target audience is with a particular programming. Even though demographics cover the reach objectives, the target audience may be a passive viewer. Research on the involvement of the target groups is getting more attention. Agencies are making use of proprietary consumer involvement tools that help them measure media preferences of target audiences.

There is a shift from planning based merely on reach to planning based on awareness/ involvement. The client wants to know whether his target audience has actually seen the campaign. He wants to know whether the client was at home when the commercial was telecast. Media planning goes beyond media buying. It has to focus more sharply on consumer decision-making process and the importance of media in that process. Media has to make accountable. Media planners have started using more efficient media evaluation matrices. Audience involvement scores are now weighted while arriving at ROI on media spends.

Media planning has become tactical psychographic, consumer and brand strategy-led and accountable.

## Media Plan

1. The first step in media planning is the collection of useful information about the people or the market to be reached through advertising. The more detailed and specific the target market data available on geography, age group, sex, income, attitudes, interests, etc., the more appropriate the media selection would be. However, it is well understood that the available advertising budget is an important guide to the media selection. The task is to select a medium most suited to the target market at a given budget cost. This concept of "what-can-you-afford?" in media planning is equally relevant to small as well as large companies, for they do have something like a budget or an appropriation of fund for promotion. Irrespective of the size of the company, it finally settles for how much money it can afford to put in for a particular market for advertising and/ or for promotion.
2. The second significant step in media planning is to decide upon the nature of the message to be conveyed to the target market. However, this decision necessarily follows a thorough understanding of the consumer profile. The message or the copy, by which name it is more accurately called, is decided in the light of the aspect of consumer behavior or motivation which is intended to be influenced.

3. Having gathered this significant information, the next logical step is to search for an ideal match of the audience characteristics of media with the target market profile and, at the same time, check for the perfect adaptability of the message (copy) requirement with the media. Following the media planning decision process, we have to take into account the other media concepts explained in the following paragraphs.
4. Reach is expressed in terms of the number of households or individuals reached by a given medium over a period of time. This is usually expressed in terms of percent of total households or individuals in the target market. Sometimes, there is a possibility of duplication, i.e., two media may reach the target audience. National magazines have a different reach from that of the regional ones or other media, such as TV, radio, etc. National readership surveys provide information about published materials, whereas several other conducted studies may provide the reach percent of other media. One can buy reach with print in a specific geographical market by taking a combination of newspapers or magazines.

Frequency refers to the average number of times different households or individuals are reached by a medium in a given period of time. The frequency of advertisement exposure of the target market depends upon the amount of reinforcement of the image required or the amount of reminding required having sustaining patronage from the target customers. The greater the frequency, the greater the probability of the advertisement message making a deep and lasting impression.

To understand these concepts clearly consider the following illustration. A sample of viewers represents 10 TV Households (HHs) - Q to Z who watch a programme A over a four week period.

| HHs   |   |   |   |   |   |   |   |   |   |   |                 |
|-------|---|---|---|---|---|---|---|---|---|---|-----------------|
| Weeks | Q | R | S | T | U | V | W | X | Y | Z |                 |
|       |   |   |   |   |   |   |   |   |   |   | Total Exposures |
| 1     | A | A | A | - | - | - | A | A | - | A | 6               |
| 2     | A | - | A | - | - | A | A | - | - | - | 4               |
| 3     | A | A | A | A | - | A | A | - | - | - | 6               |
| 4     | - | A | A | - | - | A | A | - | - | - | 4               |
| Total | 3 | 3 | 4 | 1 | 0 | 3 | 4 | 1 | 0 | 1 | 20              |

## Exposures

It is obvious from the above table that from 10 households 8 watch programme A only. Two households U and Y did not watch the programme at all. It gives a reach of 80% to the programme A. Two households Sand Ware exposed to programme 4 times a week, three households (Q, R, V) are exposed to 3 times a week, and one household (T) is exposed to one time a week. Therefore, the average frequency is:

Total exposures =  $20 / 8 = 2.5$

## Reach

Continuity refers to message deliveries over a period of time or a season. It refers to the of the media insertions. Advertisements are inserted at the time frequency round the year. This continuity. Shifting from one medium to another involves the sacrifice of continuity, but may be worthwhile for some other advantages that may flow from it.

Gross Rating Points (GRP's) refers to the total weight of a media effort. Quantitatively, it is equal to reach multiplied by average frequency. To illustrate, if 80% homes watch Chitrah, and are exposed on an average 2.5 times within a four-week period, the total GRP's are 200. If the target is 100 GRPs, it can be achieved by buying 10 spots in a programme with TRPs 10 (IOX10) or 20 spots in TRP 5-rated programme (20 X 5). There could be umpteen numbers of such combinations.

The size of the message measures the strength and effectiveness of impression. Size is expressed in terms of the space used in print media or the time occupied in the broadcast media.

The above terms are interrelated and inter-dependant, and a different mix of these elements would yield different patterns of message delivery. Media planning, particularly under a given budget, must take into consideration the elements of reach, frequency, continuity and size. Unfortunately, there is no single combination of these elements that is ideally suited to all kinds of advertising. Each time the advertiser has to make the most suitable pattern to get the most out of the advertising rupees he spends. However, the advertising budget would continue to be a limiting factor in the final adoption of a specific pattern. The reverse relationship is equally important - that unless the message is sufficiently large - and delivered in sufficient numbers with sufficient regularity, the advertising rupees would be largely wasted. The job of a media planner is to effect a balance between the two approaches.

This process, as you will appreciate now, answers the questions:

- When (the timing of the release)
- Which (the media selection)
- How (the coordination in media planning)
- How much (the budgetary allocation)

In short, this process designs a course of action that shows how advertising time and space will be used so as to contribute to the achievement of marketing objectives. Media plan is the end product of media planning process.

The media objectives are set keeping in mind the background of the market, the firm's marketing strategy and its creative strategy. Media objectives thus contribute to the overall attainment of marketing objectives.

Media objectives lead us to a definite media strategy to translate media goals into general guidelines involving planner's selection and use of media. The best alternatives are selected.

The details of the media plan are then filled up such as selecting the broad media classes, selection of media within these classes, and the actual media use decisions for each medium selected.

The degree of synergy between message content and media provides the missing piece of the jigsaw that media selection often is. For substantive messages, TV may not be a right medium.

## Designing a Media Plan

After having explained some of these media concepts, we shall now discuss some strategic considerations in designing a media plan.

The first and foremost is the consideration of the market and the target consumers. We have said earlier that the advertiser must have a full understanding of the target market. Such information is available from consumer research studies. For an appropriate media plan, it is essential to know I the type or class of consumers - whether all types are women, children, and old people. They may be professional people, businessmen, farmers, working class people, etc. Newspapers, magazines, radio, television and other media, each has a different coverage. National dailies have different readership from the local or regional readers. This is equally true of magazines. There are sports magazines, each having and film magazines, as well as I business its own following. Similarly, the radio and television I have their own audience. Different radio and television channels as well as programmes have a different following.

The type of the products and services to be advertised also determines the media to be selected. Industrial products and new products of a technical nature are advertised through the "Purchase" magazine. Products for exports are advertised in "Products from India" or in the "Product Finder," Fashion-wear is advertised in film, general or fashion magazines, such as Filmfare, India Today and Society, respectively.

After the characteristics of the product come the characteristics of the distribution channel.

Distribution outlets may be classified into national, regional and local. When advertising is done on a national basis, using adequate national media, the product should be made available nationally.

When distribution is restricted to the regional level, advertising on the national basis would be mostly wasteful. In short, advertising would be of little or no value in getting the people to buy products unless these products are made available in an area that is within their easy reach. Even when the product is nationally distributed, there are pockets or areas in which the company wants to operate more intensely. In such territories or regions, advertising may be more effective if done through regional magazines or dailies, which have greater followership than the national ones. Similar may be the case with the broadcasting media. In India, this is significantly true, for we have many regional, languages.

When products are sold through a network of dealers and distributors who are few in number, though influential, advertising to such few target customers may be more effectively done through direct mail or trade journals. In short, the characteristics of distribution determine media selection.

Next to the above strategic considerations comes the copy formulation and its method of presenting the message, because only an appropriate media can give a proper expression to the

advertisement message and create a lasting impression on the minds of consumers. Newspapers may carry advertisements only in black and white, whereas magazines may express the copy in color. The magic of color in effectively attracting attention to ad messages is well known. It has been found that orange, red and blue stand high on the attention-getting list of colors. Men prefer orange, while women like red. These preferences for colors are useful and significant. In fact, color is an important means of creating an emotional feeling around an advertisement and around the product advertised. Similarly, some photographs and actions in advertisements are more effective if expressed in color. Some advertisements need only to be announced on the radio. There is no need for visual, photo or action behavior.

New products, when introduced, should be supported with advertising in media that can give exposure of the product to the audience as sensational news with some degree of urgency. National or regional dailies, radio and television are appropriate, but not the fortnightly or monthly magazines.

The consumers of this segment like advertisements for a product, with the objectives of carving a segment of market for it and creating a strong brand loyalty by a conscious attempt at giving the product a personality. This necessitates the designing of advertisements highlighting the various personality attributes and traits of the target user or the group. The copy design of the advertisement message and the media through which the advertisement is released should have a similar personality if advertising is to be very effective.

Some advertisements appear in several magazines of diverse interests. This is true of consumer goods and consumer durable goods. In fact, this is not a very wise thing to do. Each magazine has its distinct class of readers, with a distinct social, cultural, and educational background. We have certain habits, attitudes and stereotypes about events and things around us. The common advertisement message may be effective with one set of readers but may not go down well with another group. Therefore, the right way is to design an advertisement message in the language best understood by the reader of each magazine. When there are no discernible differences among the readers, we may project a common advertisement message.

Pictures in ads exert a powerful influence on the target audience. They speak a universal language. A picture is worth ten thousand words - so goes an old Chinese proverb. An ad with pictures requires no special training in understanding. Pictures in color in the print media are great attention-getters; but when pictures move and talk, it is almost impossible not to pay attention to them. That is why television ads are very powerful and effective. But the question that arises is: At what extra cost? In the first place, pictures with color cost more; but when color pictures are made to move and talk, an advertisement costs very much more. However, the gain in terms of extra audience attention should justify the extra cost incurred.

Similar is the magic of words in creating and holding interest. One author has correctly said: 'Words are the window through which we see images.' Just by naming a place, a person or an object, we often generate a rush of pleasant thoughts. Some words or expressions pack a greater emotional kick than others.

Their use in ad messages makes for greater emotional stimulus and arousal of imagery.

### **Let us Recapitulate the Media Planning here with an Example**

In marketing communication, media, which carries the message, plays a very important role in the whole process as Media is consumed in varied fashion by an entire spectrum of populace and hence choosing the right Media is of prime importance in order for the communication to reach the target population.

Politically speaking Media is often referred as the fourth estate - parliament, executive, judiciary and the media. In today's globalised economy Media exists primarily to deliver entertainment, information, and advertising to a vast audience. In an open and liberal economy Media and Advertising are inextricably linked. Advertisements have become one of the most important cultural factors in our lives and it will be prudent to say that Advertising is the force, which actually sustains all commercial media. This brings us to the process of Media Planning to effectively spend the advertising money.

The starting point for a media plan must be the marketing situation. This analysis is done to get a bird's eye view of the market in which the brand is operating and its relative position viz. its competitors. Advertising is used to communicate certain information to the prospects in order to attain the marketing objectives. Media are the means, which carry this communication to the target audience. This is followed by defining the Advertising Objectives, they are defined to avoid the possibility that different criteria are used by everyone involved right from Managing Director to the executive in the creative department of the agency. For example, the advertising objective could be driving saliency, increasing awareness, reinforcement of existing perceptions, improving the brand image, changing perceptions, inducing certain behavior and trials.

There is one more dimension to copy strategy. The copy of an advertisement depends upon the type of media. When the same product is advertised on the radio, the message is put in such a way that it goes down effectively with the listeners. Sometimes messages are presented in a lyrical form, which is pleasant to the ears; but when the same product is advertised in, say, a magazine, the copy of the advertisement is read by the audience; and it should, therefore, be an eye-catcher. While reading an advertisement, we have more time to think and analyze it objectively. When the same product is advertised on TV, the audience has the opportunity of viewing it in addition to listening to it. The copy in such a case has to be different from the copy in the other two media. Therefore, in our opinion, it is equally necessary that a correct copy strategy be employed which is suitable to the media used for an advertisement.

### **Media Cost and Media Ability**

To get the most out of the advertising rupees spent, the primary concern of the advertiser is media selection. The cost of buying space or time is weighed against the number of audience secured by such advertising. In fact, buying advertising space or time is nothing different from buying commodities. Usually,

the question is asked: "How wide an audience do I get for every rupee I spend?" The media cost should be commensurate with the measure of the media's ability to carry the message to the target audience. Media ability covers such qualitative values as audience characteristics, editorial personality, and contribution to advertising effectiveness; above all it refers to a "media image" capable of enhancing the perception and communication value of a message. For example, Channel A and Channel B deliver the same message and the same extension of advertising exposure to the same audience; but if, say, Channel A has a better reputation, honesty and good editorials, the advertisement in this may receive a higher perception and communication among its audience than if it is inserted in Channel B.

The selectivity offered by some media is useful for advertisers, for it enables them to reach & target market with minimum waste. In fact, the media themselves provides a great deal of information on the media about demographic characteristics. The objective of any media plan is to achieve the best possible matching of media and the market.

The media ability is measured under the following heads:

- Distribution Measurement:** Expressed in the number of copies circulated.
- Audience Measurement:** Expressed in terms of audience size, audience composition and the amount of audience exposure.
- Exposure Measurement:** The advertiser looks for the ability of the media to create advertising exposure. Once the media have produced the desired exposure, the quality of the message will determine the subsequent impact in terms of perception, communication and behavioral response.

Magazines have different images in the eyes of readers, such as thorough coverage of subject matter; impartial and accurate reporting; stimulating reading; modern and up-to-date; good style of writing, personalized, etc.

The standard method of expressing advertising cost in newspapers is rupees per line of standard dimensions. Also, rupees per square inch or square centimeter is the cost of space buying in newspaper and magazines. A newspaper having a larger circulation will naturally charge a higher cost per line or per unit space. Local or regional newspapers have lower circulation and therefore, a comparatively lower rate than the national dailies. For the purpose of effective comparison, both the costs of buying space are to be reduced to the common denominator of line or unit space per unit of circulation. Some authors have formulated a milline rate unit. This is useful in the comparison of newspaper advertising rates. The milline rate is defined as:

$$\text{Milline rate} = \frac{1,000,000 \times \text{Rate per agate line}}{\text{Circulation}}$$

A newspaper with an agate line rate of Rs. 25/- and having a circulation of 100,000 would be cheaper than a newspaper with a line rate of Rs. 15/- and a circulation of 20,000. In the first newspaper, the milline rate will be Rs. 250/- whereas, in the latter newspaper, it would be Rs. 750/-. The milline rate is the cost expressed in rupees per line per one million circulations.

Similar is the method of comparing the costs of buying space in magazines. The cost per thousand is the unit used, which measures the cost of reaching one thousand audience. In the case of television and radio, the rates are expressed in units of time, i.e., so many rupees per 10 seconds spot (film or slide) or per 20-second spot, etc. Again, the number of listeners or viewers varies from one programme to another, or from one radio station to another. Therefore, the more appropriate unit is the cost per commercial minute per thousand viewers or listeners.

The cost aspect of the media and their ability to reach the audience and achieve the exposure has been worked out in the following example. For the sake of simplicity, only two magazines at a time are considered for the purpose of comparison. Table 1 gives information on the comparative efficiency of circulation and audience for two magazines, A and B.

| Comparison Basis                               | Magazine "A" | Magazine "B" |
|--|--------------|--------------|
| Cost of 2-page colour ad (central spread)      | Rs.15, 000/- | Rs.25, 000/- |
| Circulation (No. of copies)                    | 50,000       | 100,000      |
| Circulation efficiency (cost per 1,000 copies) | 300          | 250          |
| Readers (Nos. per copy)                        | 4/5          | 3            |
| Issue audience (No. of readers)                | 225,000      | 300,000      |
| Audience Efficiency                            | 66/66        | 83/33        |

Magazine A, though having a higher cost of circulation, shows a better audience efficiency. Similarly, the exposure efficiency may be compared for any number of magazines. In Table 2 comparison of the exposure efficiency of two magazines A and D have been shown.

| Comparison Basis                               | Magazine "A" | Magazine "B" |
|--|--------------|--------------|
| Cost of 2-page colour ad                       | Rs. 15,000/- | Rs. 15,000/- |
| Circulation                                    | 100,000      | 100,000      |
| Readers per copy                               | 3/5          | 3/5          |
| Issue audience                                 | 350,000      | 350,000      |
| Exposures per reader                           | 1            | 2            |
| Issue exposure                                 | 350,000      | 700,000      |
| Exposure efficiency (cost per 1,000 exposures) | 42/83        | 21/42        |

Both magazines A and D have the same circulation and audience, even though the cost of delivering the exposure is lower in magazine D than in magazine A. However, it may be remembered that exposure does not necessarily mean advertisement perception.

A person may have been exposed to the advertisement without conscious awareness of the fact, and without remembering or changing his attitude as a result. In order to know the contribution of advertisement to perception, a detailed media research about the "seeing and reading" data of advertisements are required.

So far we have talked about only the cost. However, the availability of media during specific hours of the day or night has an important bearing on media selection. In various

television or radio programmes, time may not be available even if the advertiser is prepared to pay a premium rate. This is true of newspapers, too. Sometimes, a specific space in the total layout is not available. Some advertisers ask for space on the front page, which may not be available because it has already been booked, and are no longer unreserved.

The role of a media planner is no longer confined to CPT (Cost Per Thousand) or TRPs, but is strategic as well. Questions on which media has a better degree of conversion, building brand salience against activities at point-of-sale, dictate a media planner's job as much as building media reach.

Summarizing media selection factors, we may say that they are:

- i. Media characteristics, such as editorial environment, flexibility, frequency and durability
- ii. Nature of the target market;
- iii. The nature and type of the product;
- iv. The nature of the distribution network; and
- v. Overall cost of the medium.

### Matching Media and Market

Advertisers must always attempt to match the profile of the target market with the demographic characteristics of a given medium's audience. Let us consider an example of cigarette advertising. The target market for this is men in the age group of 25 to 60 years. The advertiser would consider placing ads in magazines having a predominantly male readership. Advertising in magazines having a predominantly female readership would be mostly wasteful for this product. It may be true that rarely does any magazine have a 100 per cent male readership. Even so, when selecting a predominantly men's magazine, the advertiser would minimize wasteful expenditure. Some media, such as general interest consumer magazines and newspapers, network radio and television offer to an advertiser the means of transmitting ad messages to a cross-section of the consumer market. Against this, some other media, such as spot radio and television, special interest magazines, business publications, and some business newspapers offer the means of reaching selective group of audience. The selectivity offered by some media is useful for advertisers, for it enables them to reach a distinct target market with minimum waste. In fact, the media themselves provide a great deal of information on the media about their demographic characteristics. The objective of any media planner is to achieve the best possible matching of media and the market.

### Geographical Selectivity

This is different from the class selectivity described above. The class distinction is based on special interests. It may also be based on other demographic factors, such as sex, age, marital status and occupation. The selective class of audience is scattered throughout the country. If we want only to distribute and advertise our product on a regional basis, we have necessarily to have one more selectivity in our media selection, and that is geographical selectivity. In other words, we would like to have both geographic and class selectivity simultaneously while doing our media selection exercises. It may often be difficult to find a special interest magazine that will reach only a particular

limited geographic area. This would however, be feasible only when such special interest magazines bring out more and more regional editions.

Finally, the durability of the message as a media selection factor deserves elaboration. The durability of the message refers to



delivering the same message more than once. Where the repetition of an ad message helps to strengthen the selling impact, the durability of the message is of special interest to the advertiser. Some media have this characteristic. Broadcast media do not offer the durability that an ad message on television offers. The impact of radio commercials survives only for the time of announcement, unlike ad messages in print media, which do survive for a day, a week or a month, depending upon the nature of the publication. One may again refer to an ad in print media; but a radio listener or a television viewer cannot do so once he has heard or viewed it.

Well, now I want you to see what Radio Mirchi has to say about Radio as a Media.

### Radio adds to Print

- Interactivity
- Frequency
- Reach
- Emotion
- Day long exposure
- Share of voice overcomes clutter
- Brings intrusiveness to a press campaign
- In a radio-plus-press, radio acts as a persuader/motivator/caller to action

### Radio Vis-à-Vis Outdoor

- Heard in full; no looking away or ignoring
- Interactivity
- Reach
- Emotion
- More matter to communicate



## Media Decision



In designing a media plan, three factors have to be borne in mind we get market information, competitive advertising efforts, and media considerations. Media planners must know how much their competitors are spending on advertising. What are their media mixes? And where are they spending advertising rupees? Media planners must take into account one of the different approaches to the use of advertising media. These approaches are media strategies. At any particular time, a specific approach, or a combination of two approaches, may be adopted.

Media strategy defines and provides rationale for the recommended media. It is not a tactical plan. Four basic elements of media strategy statement are:

- (a) Media mix, (b) Usage of media, (c) Geographic allocation and (d) Scheduling 'strategy.'

### Geographic Allocation

The three major media strategies have been briefly discussed in the following paragraphs:

#### i. National Plan

When a company has achieved a nation-wide market for its product and its users are spread over the entire country, this approach is employed. In order to reach them through advertising, a nation-wide medium is employed. For this plan to become necessary, other approaches have already been successfully employed over a period before acquiring distribution at the national level.

#### ii Regional or Zonal Plan

Many advertisers do not go for mass advertising but concentrate rather on a regional segment. These are the key markets; and if distribution is limited only to these, why advertise nationally? Similarly, if only regional markets are the stronghold and the

advertising budget is a constraint, it is worth considering advertising only on a regional basis.

### iii. When the Market is Segmented and Based on Such Factors as Income, Social Status, Educational Level, etc.,

The advertiser has to concentrate on these groups of consumers. Specialty goods require advertising that taps specialized audiences. This is known as the skim approach.

### The Media Mix

Media planning follows the adoption of one of the media strategies that forms part of the overall promotional strategy. A media plan is concerned with media selection - what type of media should be used? Magazines? Newspapers? Television? Radio? Outdoor? If magazines, then of what classes? Whether General interest magazines, women's magazines, romance magazines, crime magazines, business magazines? If general magazines, then which specific ones are we looking at - India Today, Frontline? If newspapers, then which regions are to be looked at? If radio or television advertising is required, which radio and TV station should be covered? Media selection is a rational decision these days. Formerly, it was really the 'wet finger' method. The client would say 'my wife loves so and so magazine - put an ad there.' This kind of approach led to some silly decisions. When one agency put a vanaspati ad in Hindi, the client was offended. He said, 'My consumers don't read Hindi.' He insisted that the ad should be in English.

Once the media selection is decided upon, the next logical step is to determine the combination of "mix" of the media one must use. Considering the advertising company's marketing objectives will arrive this at, its target market, media characteristics, and it's matching with the target market. Also, the overall advertising budget does influence the nature of such mix, in addition to the available gross audience. As an example, to achieve certain advertising objectives, one may require to use a mix of 50 per cent television, 35 per cent magazine and 15 per cent newspaper. However, more than one mix may fulfill the advertising objectives, and yet be within the overall budgeted cost. But one should aim at a balanced mix. It should not be heavily weighed in favor of either frequency or reach.

Frequency, as explained earlier, is the ability to deliver an ad message as often as possible within a given period of time, whereas reach is the number of households or individuals reached by a given media over a period of time.

Some advertisers prefer to concentrate on one media type mix, whereas others like to have widely varied media 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 to different market segments. Furthermore, if an ad is released in a varied media mix having a varied editorial environment, there is the probability that the ad message will not "wear out." "Wear out" refers to the time it takes for people to become bored with an ad or a commercial. The varied media mix also increases the reach of the ad message because no two media have entirely the same audience. A certain percentage of each medium's audience is not reached by any other medium.

Commenting further on media mix, we may point out that those who are heavy viewers of television are light readers of magazines, and vice versa. When one concentrates on advertising on television, one is achieving a greater impact on heavy viewers and very little impact on light viewers.

Thus, the impact is uneven. A media mix that contains the component of advertising in magazines in addition to advertising on television will level out the imbalance. However, by increasing the number of media in a mix, the advertiser will have to increase his total budget. Therefore, as said earlier, a balance has to be struck.

Two more concepts, namely, duplication and gross audience, are worth considering now.

Duplication refers to the number of prospects who are reached by more than one of the media in a mix. Many executives who read Business India, for example, also read the Economic Times. These executives are counted in the circulation figures of both the publications. Ideally, every advertiser would like to have an unduplicated reach among its best prospects. But, actually, no two media have an “unoverlapped” audience. A certain amount of duplication, therefore, is bound to occur. However, the objective should be to select a mix with the minimum duplication; but at times this is unavoidable, particularly when one desires to achieve other advertising objectives as well.

Gross audience refers to the total number of people exposed to all the forms of advertising used in a single campaign. This includes the audience for radio and television programmes, outdoor and transit displays, circulation figures of various publications, and the number of people who attend trade shows. While designing a media mix, the advertiser should know the gross audience size offered by each alternative campaign. This would help him to choose the mix that delivers the greatest number of exposure alternatives.

We should not forget that we never buy media, but we buy audiences. The client pays an agency to buy audience attention to his brand.

## Media Scheduling

Finally comes the media scheduling decision; that is, the scheduling and timing of advertisement.

The schedule shows the number of advertisements that are to appear in each medium, the size of the advertisements, and the date on which they are to appear. There are many ways of scheduling any advertising programme. No single way can be said to be best for all advertisers. Each advertiser must prepare a specific schedule most suitable for its market and its advertising objectives. What may be good for one advertiser and his product may be bad for another. Even for the same advertiser, the best at one stage of the product life cycle may not be suitable at another stage. An advertiser, for example, may schedule to buy six pages space in a monthly consumer magazine. Alternatively, he may buy one-page space every alternate month. He may also decide to buy one-page space every month for the first three months; then he may not buy space for the next three months; and then again take one-page space every month for the next three months. There may be a

variety of schedules of advertisements. The last method of scheduling is known as the wave method, or the flighting method. In flighting, advertisements are bunched with the intention of providing a concentrated impact. The other method is the blitz schedule. The insertion of double-page advertisements in three consecutive issues of a magazine is an example of the blitz schedule. There are many more methods of bunching advertisements. However, the purpose of bunching is to provide concentrated impact with a single issue of the publication.

We can follow a steady schedule or a ‘pulsed’ campaign.

Normally, scheduling is done for a 4-week period. The six types of schedules available are:

### a. Steady Pulse

It is the easiest. For instance, one ad/week for 52 weeks or one ad/month for 12 months could be an example.

### b. Seasonal Pulse

Products like Vicks Balm, Glycodin Terp-Vasaka Syrup, Pond’s Cold Cream follows this approach.

### c. Period Pulse

Scheduling follows a regular pattern, e.g., media scheduling of consumer durables, non-durables etc.

### d. Erratic Pulse

The ads are spaced irregularly. Perhaps, we want to change the typical purchase cycles.

### e. Start-up Pulse

It is concentrated media scheduling. It launches a new product or a new campaign.

### f. Promotional Pulse

A one-shot affair it suits only a particular promotional theme. Heavy concentration during a period is the characteristic of this scheduling. For instance, financial “advertising of company’s issue.

The implementation of the media plan requires media buying, i.e., buying time and space in the various selected media. The buying of media is handled by the advertising agency on behalf of the advertiser.

There are no short cuts, no rule-of-thumb methods of solving media selection problems. Each advertising situation is different and unique in its own way. Each medium has its own characteristics, and there is no single best way of advertising a product. Different solutions are appropriate in different situations for the same product. There are, moreover, various constraints from time to time.

## A Note on Television Rating Points (TRPs)

These points were introduced in 1986 to assess the viewership of DD programmes by IMRB. The TRP survey is conducted in 9 major cities of India. The data are collected on a weekly-basis. The panel consists of 3124 adult members. Each panel member records the viewership of different TV programmes in the diary specially given to him. The data is then analyzed. The panel has two groups: Primary audience of adults from TV owning households and Secondary audience of adults from non-TV owning households but who watch TV at least once a week.

Programme's rating point is the percentage of panel members who viewed that programmes. One TRP is equal to one per cent of TV audience. To illustrate, if Ramayana gets 75 TRPs it means 75 per cent panel members watched Ramayana during that week. TRP Weekly Reports provide data on weekly viewership city wise for different programmes. The data are broken down for both the primary audience and the total audience (primary audience plus secondary audience). TRP Monthly Reports give data of frequency of viewing, overlapping of viewership amongst programmes, cumulative reach for different episodes of the same programme. They also 'give viewer's profit. TRP reports are a good help for media planners. DD has started publishing weekly TRPs of its programmes. Feedback on viewership data is still not adequate. TRP is not representative enough. TV meters are expected to appear. As you will appreciate, the business of a TV broadcaster is to deliver "the eyeballs." The issue is obviously audience share. TRPs are a quantitative analysis of TV audience. Research is now moving into qualitative analysis of TV audience. Software can be pre-tested. Audience involvement can be studied. Broadcasters do the research for effective media selling and agencies for effective media buying.

### Media Planning for TV

Based on ratings of the programmes, TV's media planning was a simple exercise till mid-80s. However since the end-80s, DD restricted the allotment of sponsored programmes to 13 episodes at a time, and in multiples thereafter of 13. The ratings started fluctuating since the viewership became fluid/unpredictable.

TV Media Planning based on rating points (GRP: Gross Rating Points) specifies the total number of rating points that are to be achieved once the plan is executed. It then specifies programme genres that will be used. The choice of specific programmes from the genre is left to the TV buyers. The TV buyers fill up the spots on month-to-month basis. To illustrate, a buyer can be asked to buy 7,350 gross rating points. He then can buy these as follows:

| Programme Genre      | Rating | No. of Spots | Gross Rating<br>(Rating x No. Of Spots) |
|----------------------|--------|--------------|---|
| Prime Time Serial    | 60     | 60           | 3600                                    |
| Film-based Programme | 50     | 75           | <u>3750</u>                             |
|                      |        |              | 7350                                    |

Since then, we have a scenario of multi-channel multi-programme. How to relate this to GRP based TV planning? One approach could be to consider the GRP and the viewership share both at the same time. Just as there is a market share of a product, each programme has a share of viewership, e.g., Chitrahara had a rating of 66 p.c. in Mumbai in 1991 and there were 2 channels, giving Chitrahara a viewership share of 98%. In 1992 the overall viewership of Chitrahara declined to 56 p.c. Therefore, its viewership share dropped to 79 p.c.

Ratings alone are not sufficient. The share of viewership that each programme commands in a scene of multiple channels

and multiple programmes is also important. High viewership programmes are not affected by certain loss of viewership but marginal programmes do get affected a lot. A dose watch on viewership share is therefore important to a media planner. Initially loss of viewership may not affect ratings but they will fall in future.

Another important shift may occur in TV Media Planning. Instead of reach, the frequency will be a consideration in planning.

Satellite transmission has enabled media planners to segment the TV viewers in terms of demographic characteristics. Formerly all ads irrespective of the nature of the product were put together for airing. More and more data in future will be available on demographic characteristic of viewers of specific programmes and channels. Right now, for each channel we can assign a social economic class. Star channels are for top class urban audiences, say A-1 in metros. DD caters to the masses, say D to E groups in urban areas and A to E in the rest of the country. Zee TV occupies the mid-band, say A2 to C in 5-lac plus areas. These groupings will move amongst these channels a great deal. New channel options will create their own band of followers. High reach levels by using one or two mass based programmes are not possible now. Audience fragmentation is thus a thing to reckon with, and spot buying will have to be spread among the different channels. The frequency level will be varied according to each channel to economize. Media plans that were made for a year are now being reviewed every two months.

### Telecast Time

Satellite channels enjoy two or three prime time bands, e.g., the India band, the Dubai band and the Hong Kong band.

DD's prime time was so far restricted to 7 to 8 p.m. The other time slots for heavy advertising were the morning slot, and the early fringe slot (4-7 pm).

In satellite channels, the advertising on Prime Sports is completely event driven.

Star Plus advertising is spread over a five-hour period in the evenings and late fringes.

Too many ads and lack of time distribution lead to commercial clutter, which is not in favor of the advertisers and viewers. Long ad capsules are not viewed.

Commercial breaks within the programme have a higher recall value for commercials falling in the break (as compared to programme commercials). DD metro has adopted this format.

The maximum amount of commercial time is restricted to 10 minutes per hour. Hong Kong broadcasters follow what is known as 10 - 10 rule (10 p.c. of total transmission time can be utilized for commercials with an overall ceiling of 10 minutes - extendable by 2 minutes. for station promotion - per hour. In India, experts recommend a 5 - 5 rule.

What we need is better target specific programming. Programming can create prime-time slots just as Mahabharata created 9.00 a.m. Sunday morning slot 01'- Zee Horror show has created 10.00 p.m. late evening slot. Kahani Ghar Ghar Ki and kyonki Sans Bhi Kobhi Bahu Thi have created prime time slots for star plus from 10.00 pm to 11.00 pm.

## Media Cost Inflation

Ad agencies grudge the insufficient budgets given by the clients who expect them to perform miracles. The clients feel they are receiving too little but paying too much. The agencies feel that budgets are too little to achieve what clients expect. Media costs of late have gone up. On TV, the cost of sponsoring a Hindi feature film on Saturdays has gone up from Rs. 1,12,500 for 10-seconds to anything between Rs. 1,60,000 and Rs. 2,50,000 depending upon the film.

## Fragmentation

When Mababharata was being televised it had a peak of TRP of 80 points, enabling advertisers to reach 80 p.c. viewers at one stroke. However, with channel multiplication, the audience has got fragmented, and no programme commands such a high viewership. To achieve the same reach, the advertiser has to now put the commercial on more than one channel (at least three channels), and with more frequency. Kaun Banega Crorepati, a popular game show hosted by Amitabh Bacchan, reached a high TRP of 13-15 points, but then tapered to around 7 points. The most popular Kyonki Sans Bhi Kobhi Babu Thi also commands around 15 TRPs .at best.

## Increased Advertising Activity

Since electronic media now give geographic selectivity and demographic selectivity and there is an overall increase in business activity, the advertising activity has increased simultaneously. Between 1991 and 1994, the number of brands being advertised on TV has tripled. There are more advertisers on the mass media. New launches further increase advertising and media activity. The clutter has made it more difficult for a brand to stand out. There is more competition for limited viewer attention. The budget should, therefore, be increased.

## Television

The overall impact of media inflation and fragmentation is cushioned by a rapidly increasing base of TV homes - from 28 million households in 1990 to over 60 million today.

Now we must understand that there are quite a few homes in the rural segment that do not have TV or even the radio, so how do we reach out to them. Below you would find some very interesting mediums of reaching out to the public.

## Haats

In India, 47,000 haats are held. They cater to the villages. The average visitor turnout is 4,500. These haats can be used for promotion, demos and sampling. They can create brand awareness.

## Melas

Around 2,500 me/as are held, only about 5,000 melas are commercial. These can be used to launch new brands and to build existing brands. Events can be organized. Melas can be used to create brand awareness.

In rural India, print media is the least effective, considering the literacy levels. TV is effective, but continuous electricity is not available. Even then 35 p.c. homes have electric connections. Outdoor is most effective. Oral culture makes puppetry, Jatras and street theatre relevant.

India has 6.3 lac villages. Fifty per cent of villages are very small, having a population of less than 500, with limited purchasing power. Many of them do not have a single shop.

Nearly 2.5 lacs villages have a population of 501-2000. They have around 5 shops each; still the sales are not good enough.

There are around 60,000 villages with population of 2,000 plus.

A company will have to concentrate on these sixty thousand villages, and potential villages from 501-2000 categories.

A company can appoint distributors in towns with populations of around 20,000. If 200 such stockists are appointed, they can cover as many as 100,000 villages. Each stockist can redistribute products to 50 locations around the town. In case of durables, the distribution is easier because 90 p.c. products are purchased in these 2,000 small or large markets.

## Ambient Media

Elephants wearing jackets of advertised products, aerial advertising, ads on taxis and buses and sporting events - these are all examples of ambient media. Ambient advertising medium is any form of advertising that is not mainstream, but is out of home. The product and the media chosen must be close to each other, to make an impact. In store ads put the product before the customer. There are bus-shelter ads through radio in u.K. Toilet walls, public urinals also come handy for such advertising. One ad message on the road read that 'seen from here it seems you need some new underwear.'

## Prime Time

It is the time at which the viewership is maximum; say between 8 p.m. to 10 p.m. Prime time concept is related to advertising rates that could be set higher due to a high TRP.

The product advertised during prime time gets maximum audience.

Can we stretch prime time? Channels have tried to extend prime time to 10.30 p.m. This is suitable for metro viewers who work till late hours and consequently view TV at this hour. Formerly prime time was up to 9.00 p.m. only, but when it is stretched beyond that it increases the ad revenue. The extended prime time slot now is 7.00 p.m. to 10.30 p.m. Expanded prime time means reaching a broad based audience of different viewing patterns.

## Media Buying

Formerly, media planning was taken seriously, and there was no emphasis on buying because the choice was restricted to press as the primary media, cinema as another important medium, TV commercial on DD derived from cinema ad, and radio, mainly the Vividh Bharati. Media planners tried to understand the characteristics of press, and interpret the findings of the NRS. OR was used to optimize the budget allocation to press. Media planning slowly became professional by adopting ideas like ~normalization of readership curve and opportunity-to-see (OTS). Media optimization models developed for the press was to be extended to the cinema, but without success. Media buying in the sense of negotiations with the media was confined to the cinema and the press. Large advertisers negotiated even cinema ads because Blaze had monopoly over theatrical release of cinema ads, and did not entertain negotia-

tion from small advertisers. Even press ad negotiations were also confined to big advertisers. The situation overwhelmingly supported media planning, but was not conducive to media buying. This remained so till 1990.

Media boom of the late nineties have witnessed cut-throat competition amongst media to attract advertisers. Proliferation of media, the increased ad budgets led to price bargaining on the part of the agencies and as expected by the clients. Rather than the content of the programme on TV, what counted was the discount clinched from the media. Rather than the additional environment what mattered was the free space given by the press media. The focus has shifted from media planning to media buying.

### Commissions

According to Shunu Sen, the commission to media buying agency is 2.5 p.c. This is not enough to undertake media planning function. If both planning and buying are to be undertaken a commission of 4 per cent would be fair. Media consultancy, an integrated total approach to media must receive at least 6 per cent commission. But both clients and agencies are indifferent to these aspects.

Ideally, media planning that decides the best placement of ads should precede media buying. Howsoever, discounted bought out space or spot is, it may prove costlier in the absence of planning.

A new break-up of traditional agency commission that has been adopted informally by the industry is:

- Strategic planning and creative work 10 p.c.
- Media buying and negotiations 2.5 p.c.
- Media planning 2.5 p.c.

The above remuneration structure becomes a part of AOR arrangement. This works in favor of the large agencies. Clients enter into AOR arrangements to avail of rate benefits.

### Consolidation

The bigger you are, the better is your negotiating capacity with the media. Interpublic Group is the world's largest agglomeration of ad agencies that in India comprises McCann-Erickson, FCB-Ulka and Lowe Lintas among others. This group will set up Magna Global, which will represent aggregate media negotiating interests of most of Interpublic's Indian entities, and will control Rs. 1,700-1,800 crore of media spend, Mind share represents HTA, O&M, Contract and Equis in India. It controls Rs. 3,000 crores of billings. Media Edge represents Rediffusion and Everest. Several such mergers are in the offing. Such consolidation will change media planning. Large multi-product clients will enjoy tremendous economies of scale. A lot of clients want one agency to do media buying for all their brands. Though consolidation is a big opportunity, there are going to be magnified problems of client conflicts. The benefits

of such consolidation flow to both the advertisers and group agencies.

You will find below a ready reckoner for different media types and characteristics.

|    | Media Factors         | Newspapers   | Magazines                                   | Direct Mail   | Radio  | Cinema                         | Outdoor                      |
|----|-----------------------|--|---|---|--|--------------------------------|------------------------------|
| 1. | Circulation           | Widest Circulation   | Limited Circulation                         | Restricted to the Number of mailings Contacted  | Good Circulation   | Restricted To local Population | Limited To local Circulation |
| 2. | Degree of Selectivity | Generally Universal in appeal. It permits restricted Regional and Linguistic selectivity | Greater Degree of Selectivity               | Higher degree Of selectivity  | Restricted Regional and Linguistic Selectivity                     | Restricted Local Selectivity   | Local Selectivity            |
| 3. | Audience              | Generally very Large, but limited To those who can Read and Subscribe                    | Limited in Scope                            | Limited to a live Mailing list which Should constantly Be reviewed                    | Limited to Those who Possess Radio and who Tune into the Programme | Cinema-Going Population        | Limited to Local People      |
| 4. | Timeliness            | Message may be Varied at short Notice. Current Events may be Capitalized                 | Lack of - Timeliness; Absence of News value | Highest degree Of timeliness; Selection of the' Right time and Right message Possible | Restricted Timelines', Depending Upon Programme Planning           | Timelines But at a Higher cost | Uneconomic Timeliness        |

|    | <b>Media Factors</b>                          | <b>Newspapers</b>  | <b>Magazines</b>  | <b>Direct Mail</b>  | <b>Radio</b>  | <b>Cinema</b>  | <b>Outdoor</b>                              |
|----|---|--|---|---|---|--|---|
| 5. | Flexibility Of time, Design layout. And color | High degree of Flexibility   | Less Flexibility  | Highest degree Of flexibility   | Restricted Flexibility, Depending on The availability-. Of time | Higher degree Of flexibility- But at Proportionately Higher costs                  | Good degree Of flexibility But uneconomical |
| 6. | Life  | Very limited Life  | Longer life, Commensurate With Frequency or Issue and Use for Reference | Subsequently Longer life, Depending upon The usefulness Of the Literature     | Limited life'   | Very short-Lived unless Repeated Very Frequently                                   | Longer Life                                 |
| 7. | Repetitive Value                              | Message may Be repeated Every day and Adopted to the Day's need                      | Repetitive Value Restricted to Frequency of Publication                 | Repetitive Value depends On frequency of Mailing                              | Quick, Repetition Possible                                      | May be Repeated in every Show but not To the same' Audience                        | Seen every Time Prospect Passes by it       |
| 8. | Effectiveness                                 | Well-planned Newspaper In locating New customers Buying in market And supporting     | Very effective In case of Goodwill of The publication To support        | Most effective Because of Memory and Elaborate Explanations                   | Less effective Because of Messages                              | Very effective Because Made Effective by use Of cartoons And elaborate Explanation | High Memorizing Value                       |
| 9  | Suitability                                   | Suitable for all Types of goods Having wide Market and Needing constant Explorations | Suitable for specific Goods, according To the nature Of the magazine    | Very suitable for Articles having a well defined Limited & Enlightened market | Suitable for Articles of Daily use in Wide Demand               | Most suitable For Local Consumption Goods  | Very suitable To Make a Brand               |

|    | <i>Media Factors</i> | Newspapers   | Magazines  | Direct Mail                                    | Radio      | Cinema  | Outdoor   |
|----|----------------------|--|--|--|------------|---|---|
| 10 | Secrecy              | No Secrecy can be Maintained Because of Universal appeal | No Secrecy; Competitors Also read it                 | Privacy & secrecy may easily be Maintained     | No secrecy | No secrecy  | No secrecy                                      |
| 11 | Economy              | Moderate costs Per advertisements To numbers contacted   | Higher costs per advertisement But less overall cost | Cost depends Upon the size of The mailing List | Costlier   | Moderate cost as a whole But higher per Contract cost | Cheap on the whole but Higher per Contract cost |

### Magazines

4

#### Advantages

- ◆ Good reproduction
- ◆ Demographic selectivity
- ◆ Regional/local selectivity
- ◆ Long advertising life
- ◆ High pass-along rate

#### Disadvantages

- ◆ Higher cost per contact
- ◆ Long-term advertiser commitments
- ◆ Slow audience build-up
- ◆ Limited demonstration capabilities
- ◆ Lack of urgency
- ◆ Long lead time

### Radio

4

#### Advantages

- ◆ Selectivity and audience segmentation
- ◆ Immediate and portable
- ◆ Geographic flexibility
- ◆ Entertainment carryover
- ◆ Short-term ad commitments

#### Disadvantages

- ◆ No visual treatment
- ◆ Short advertising life
- ◆ High frequency to generate retention
- ◆ Commercial clutter
- ◆ Background distractions

### Television

4

#### Advantages

- ◆ Wide diverse audience
- ◆ Low cost per thousand
- ◆ Creative and demonstrative
- ◆ Immediacy of messages
- ◆ Entertainment carryover
- ◆ Demographic selectivity with cable

#### Disadvantages

- ◆ Short life of message
- ◆ Expensive with high campaign cost
- ◆ Little demographic selectivity with network
- ◆ Long-term advertiser commitments
- ◆ Long lead times
- ◆ Clutter

### Outdoor Media

4

#### Advantages

- ◆ High exposure frequency
- ◆ Moderate cost
- ◆ Flexibility
- ◆ Geographic selectivity
- ◆ Broad, diverse market

#### Disadvantages

- ◆ Short message
- ◆ Lack of demographic selectivity
- ◆ High "noise" level

4

## Internet and World Wide Web

### Advantages

- ◆ Fast growing
- ◆ Ability to reach narrow target audience
- ◆ Short lead time
- ◆ Moderate cost

### Disadvantages

- ◆ Difficult to measure ad effectiveness and ROI
- ◆ Ad exposure relies on "click through"
- ◆ Not all consumers have access to internet

4

## Alternative Media

### Examples of Alternative Media

- Fax Machines
- Video Shopping Carts
- Computer Screen Savers
- Interactive Kiosks
- Ads in Movies and Videos

4

## Media Selection Considerations

### Factors Influencing Media Mix Decisions

Cost per Contact

Reach

Frequency

Audience Selectivity

4

## Media Selection Considerations

Cost per Contact

The cost of reaching one member of the target market.

Reach

The number of target consumers exposed to a commercial at least once during a time period.

Frequency

The number of times an individual is exposed to a message during a time period.

Audience Selectivity

The ability of an advertising medium to reach a precisely defined market.

4

## Media Scheduling

Continuous Media Schedule

Flighted Media Schedule

Pulsing Media Schedule

Seasonal Media Schedule

Types of Media Schedules

4

## Media Scheduling

Continuous Media Schedule

Advertising is run steadily throughout the period.

Flighted Media Schedule

Advertising is run heavily every other month or every two weeks.

Pulsing Media Schedule

Advertising combines continuous scheduling with flighting.

Seasonal Media Schedule

Advertising is run only when the product is likely to be used.





- [illegible]

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## LESSON 26: UNDERSTANDING CAMPAIGNS

### Learning Objectives

- You will understand via this lesson how to make a campaign.
- Few award-winning campaigns are given; this will give you a perspective of how agencies make an advertisement.

### Three Phases of Campaign Creation

There are three phases involved in the creation of any campaign.

(i) Strategy Development Phase, (ii) The Briefing Phase and (iii) The Creative Phase.

#### i. Strategy Development Phase

This phase decides the objectives and contents of communication. It analyses the research data and decides positioning of a brand. The strategy formulation is in modern day's agencies a team effort. The creative persons form a part of this team not as creative persons but as a mind. There are brain-storming sessions. The team throws up the ideas. These ideas ultimately make up the strategy. The brilliant in the team pick up one or two ideas from the total ideas generated and develop them. Our strategy should give us a competitive edge.

Al Ries and Jack Trout started focusing on the strategy side of advertising business in the late 60s when they first started writing about positioning. Everybody else was talking about creativity, whereas they decided to talk about strategy. They found that clients did not want to buy strategy from an ad agency.

I want that you appreciate the importance of strategy development phase. If the strategy is wrong, no amount of creativity will help. If the strategy is right, despite the poor creative work, we can sell due to right strategy. However, right strategy and creative campaign is a winning combination. Mere creativity and no strategy never work. To your client, you should tell what you are trying to achieve in your communication.

The strategist is the left-brain oriented, very linear in thinking, very logical in deduction. The strategy formulation leads to an advertising brief.

If you want to catch fish, you have to think like a fish. If you want to catch a consumer, you have to think like a consumer. That's the first principle. What most companies do is they think like themselves. They spend all their time with themselves' (Al Ries and Jack Trout).

Bob Isherwood, creative director, Saatchi & Saatchi, Australia emphasizes that a good effective ad has to be married to the right strategy, if it has to sell. He is also a strong believer of the theory that a creative director is as important a member of the strategizing team as the account director is especially if it involves a product launch.

#### ii. Advertising Brief to the Creative

As a matter of fact, the client has to brief the agency about the strategy. However, most of the time this does not happen. The agency is supposed to brief itself. The strategy formulated is communicated to the creative people. They are briefed about how to create the advertising the product needs. The strategy should be communicated with clarity. The strategist should be a good motivator for the creative team.

Proper briefing is going halfway as far as creativity is concerned. Bad brief to the creative team results into bad work. Good brief ensures good work.

Within the creative team, the copywriter and visualiser work together and it is difficult to attribute the final product to either of them. Yes, when they are working, there are sparks of creativity. Please appreciate that briefing completes half the job. Creative campaigns are creative due to a good brief.

It is critically very important to question the brief. Very often, a brief is a set of clichés. We have to get the real situation. Creative brief of strategy contains a key consumer insight. If the brief acquaints you with the consumer, and how his mind works, it has the seeds of creativity in it. It gives stimulus to creative team.

Success or failure of the advertisement is largely dictated by the brief.

It is the job of a client to tell the agency what he wants to say and it is the agency's job to decide how to say it.

Great briefs inspire great work. Briefs should have clarity and single-minded objective. They should aim at a target person. The idea is to have the desired response. All briefs must suggest a benefit or a product plus.

#### iii. The Creative Phase

Here the lateral thinkers come on the scene. They leap from a single unidirectional idea of the strategist to an advertising idea that will add value to the product/brand. The creative persons are supposed to be right-brained - lateral thinkers, irrational thinkers as against the accounts director who is left brained, i.e., logical. They make connections that had not existed before. They rearrange the order of things. They create abruptness in the consumer mind. There should be a beautiful marriage between the strategy and the lateral thinking by the creative people.

The creative director's post has become a more responsible one. He does not remain content with a clever copy or stimulating visuals. He is required to understand the product and its market completely. He is now an overall ad man, an all-rounder. He participates in research and has active role in positioning. He does not follow a policy of art for the sake of art any more. He sits at briefings alongside the client servicing people. Creatives

are involved in the whole campaign - right from the concept to the commissioning stage.

Spink of the Lowe group says "Strong creatives are probably the cheapest competitive advantage that a company can have." The best creatives are derived from a complete understanding of the product and the benefits it offers. But a thorough understanding of the target audience provides an edge. Norman Berry of O & M says, "It is the sensitive understanding of the audience that takes one's creative from logic to magic."

## Five Steps to Effective Advertising

### Prepare

Good advertising begins with good information. And the best way to gather the information you need is with a little Q & A.

Here are some basic questions that will help you prepare for just about any ad writing assignment.

- **DESCRIPTION.** What is the product/service/opportunity in 50 words or less?
- **PURPOSE.** What does it do? How does it work?
- **PRICE.** How much does it cost?
- **FEATURES.** What are the vital facts about this product/service/opportunity?
- **BENEFITS.** What will it do for people? What specific problems does it solve? Saves money or time? Makes life better? What is the prime benefit?
- **COMPETITION.** Why is my product/service/opportunity better? How is it different? What attributes can I stress that they don't?
- **GUARANTEE.** 30 days free trial? Money back?
- **PROSPECT.** Who is my ideal prospect? Male or female? Income? Lifestyle? Biggest concerns?
- **OBJECTIVE.** What do I want? Inquiries, leads, sales, image building, traffic, etc.?
- **OFFER.** What's the deal? Two for one sale? Limited-time offer? Free information?
- **DEADLINE.** When does my offer expire?
- **METHOD OF PAYMENT.** Cash, bill me, VISA, MasterCard, etc.?
- **METHOD OF ORDERING.** Mail, phone, fax, computer, etc.? 800 number?

You'll also want to collect these items to help you answer the questions:

- **SAMPLE.** Do I have a sample of this product? Do I have a tape or video to explain the opportunity?
- **TESTIMONIALS AND ENDORSEMENTS:** Letters from happy users? Media coverage? Celebrity endorsements?
- **COMPLAINTS.** Letters from unhappy customers? (This tells you how to improve your product or offer.)
- **SAMPLES OF PAST PROMOTIONS.** What was successful or unsuccessful?
- **TABOOS.** What can never be said?
- **TECHNICAL RESTRICTIONS.** No glossy paper for reply cards. No type less than 12 points. Etc.

- **BACKGROUND.** Previous ads, brochures, annual reports, catalogs, article reprints, market research, competitor's ads, memos, proposals, etc.

### Organize

After you've assembled a pile of information, you next need to organize it. This is simply a matter of neatly rewriting the essential points in a more concise form and taking notes from the items you collected.

Here's the basic information you'll need at hand:

- Description
- Purpose
- Price
- Features
- Benefits/Prime Benefit
- Guarantee
- Prospect
- Objective
- Offer
- Deadline
- Method of Payment
- Method of Ordering

I'm not suggesting that the other information you have isn't important. But these are the central points you'll need in writing your ad.

### Write

The Prepare and Organize steps can be used for any kind of advertising. However, Write, Edit, and Review as presented here is designed specifically for print ads. The general principles, though, can be altered to work with any media.

### Write your Headline

1. Review your Prime Benefit, Offer, Deadline, Price, Prospect, and Method of Ordering, Description, and Guarantee.
2. Choose the information you want to emphasize.
3. Select a headline type (see "7 Headlines That Work" below) that best conveys the information you want to emphasize.
4. Write several headlines and choose the best.

### Write your Subheads

1. Review your Description, Benefits, Features, Offer, Deadline, Guarantee, etc.
2. Choose the information that best expands on your headline.
3. Write your subheads in order of importance. Use the active voice and make every subhead a benefit statement.

### Write your Body Copy

Expand on each subhead. List features. Include legal or other technical information in the body copy.

### Write your Call to Action

1. Review your Method of Ordering, Offer, Price, Deadline, and Guarantee.

- Write your call to action including all the above information that applies. Use the active voice and be straightforward and clear.

Think through your graphics.

You'll need a graphic designer, but before you talk to one ...

- Choose a visual that best illustrates your product/service or the primary benefit in the headline. It should work independent of your copy as a "visual headline."
- Make sure you include your logo, your company or product name, your address, and your phone number.
- On your response device or coupon, make sure to repeat your Offer, Price, Deadline, Method of Payment, and Guarantee.
- Be sure your layout leads the reader from the headline and visual to the subheads, body copy, logo, call to action, and response device.

### Edit

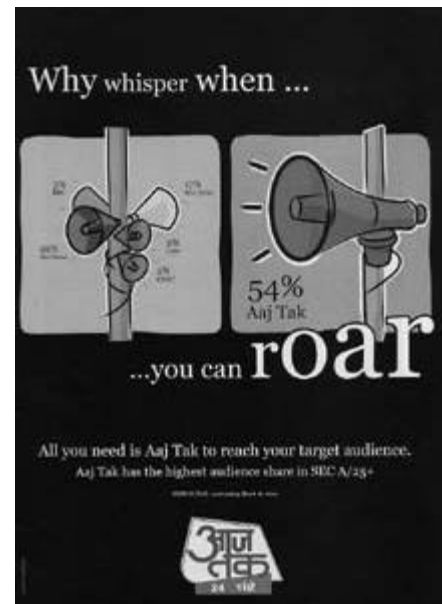
Edit your ad with more questions ...

- Does my headline get attention, select an audience, deliver a complete message, and draw the reader into the body copy?
- Does my headline exploit human motivators such as fear, exclusivity, guilt, greed, envy, etc.?
- Is my headline clear and to the point? Does it relate to the product/service?
- Do my headline and visual work together to sell the product? (The visual should illustrate the product and the prime benefit, not a "concept.")
- Do my subheads logically expand on the headline in order of importance?
- Do I ask for the order? Have I made it clear what I want the reader to do?

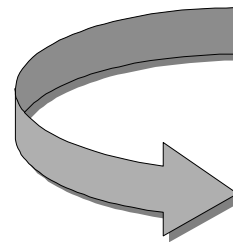
### Review

Put your ad aside for a few days and read it later when you're fresh. Try these techniques to review your ad.

- Use the "Three Second Test" with a prospect. If they don't know what your ad is about after glancing at it for three seconds, you need to simplify.
- List negatives about your ad and correct them.
- Ask yourself if there is a better way to accomplish your objective.
- Try the "Stop or Go Test." Circle references to you in red and references to your customer in green. When your ad is mostly green, it's a GO.

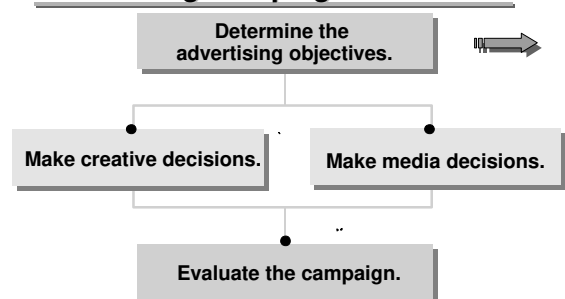


### What is an Advertising Campaign?

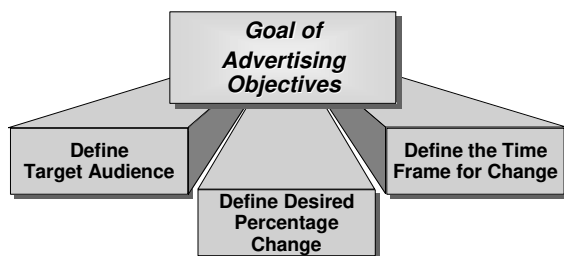


A series of related advertisements focusing on a common theme, slogan, and set of advertising appeals.

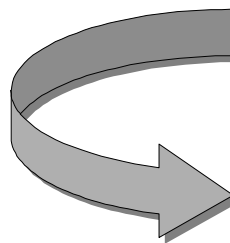
### Steps in Creating an Advertising Campaign



### Setting Objectives: The DAGMAR Approach

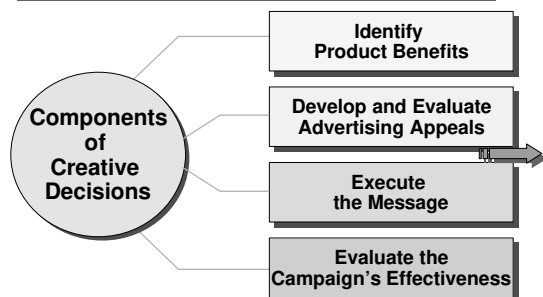


### Unique Selling Proposition

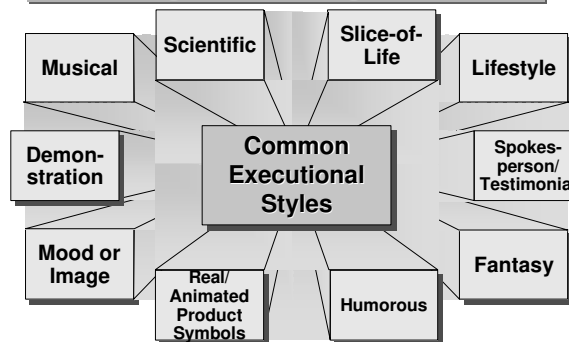


Desirable, exclusive, and believable advertising appeal selected as the theme for a campaign.

### Creative Decisions



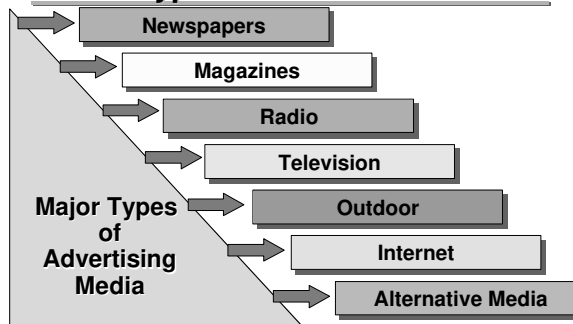
### Executing the Message



### Common Advertising Appeals

|                             |  |
|-----------------------------|--|
| Profit                      | Product saves, makes, or protects money      |
| Health                      | Appeals to body-conscious or health seekers  |
| Love or romance             | Used in selling cosmetics and perfumes       |
| Fear                        | Social embarrassment, old age, losing health |
| Admiration                  | Reason for use of celebrity spokespeople     |
| Convenience                 | Used for fast foods and microwave foods      |
| Fun and pleasure            | Key to advertising vacations, beer, parks    |
| Vanity and egotism          | Used for expensive or conspicuous items      |
| Environmental Consciousness | Centers around environmental protection      |

### Media Types



### Media Selection Considerations

|                             |  |
|-----------------------------|--|
| <b>Cost per Contact</b>     | The cost of reaching one member of the target market.                                      |
| <b>Reach</b>                | The number of target consumers exposed to a commercial at least once during a time period. |
| <b>Frequency</b>            | The number of times an individual is exposed to a message during a time period.            |
| <b>Audience Selectivity</b> | The ability of an advertising medium to reach a precisely defined market.                  |

### Media Scheduling

|                                  |  |
|----------------------------------|--|
| <b>Continuous Media Schedule</b> | Advertising is run steadily throughout the period.               |
| <b>Flighted Media Schedule</b>   | Advertising is run heavily every other month or every two weeks. |
| <b>Pulsing Media Schedule</b>    | Advertising combines continuous scheduling with flighting.       |
| <b>Seasonal Media Schedule</b>   | Advertising is run only when the product is likely to be used.   |

Below are few of the successful campaigns. You are to see their style of campaigning making.

#### Coca-Cola

Agency : Leo Burnett

Connecting with the Tamil Youth

Coca-Cola Gaanam

#### Marketing Challenge

In October 2000 had seen Coke way ahead of Pepsi in both the Chennai and Trichy regions, the scores on key preference parameters (Most Favorite brand and Total Favorite Brand) had shown a dramatic dip in the last quarter of year 2000.

| Region  | Brand     | Measure        | Oct. '00 | Nov. '00 | Dec. '00 | Jan. '01 | Feb. '01 |
|---------|-----------|----------------|----------|----------|----------|----------|----------|
| Chennai | Coca-Cola | Most favourite | 34.3     | 29.9     | 23       | 25.9     | 21.7     |
| Chennai | Pepsi     | Most favourite | 18.9     | 21.5     | 25.9     | 25.6     | 29.3     |
| Trichy  | Coca-Cola | Most favourite | 20.1     | 15.1     | 14.4     | 14.8     | 14.4     |
| Trichy  | Pepsi     | Most favourite | 14.3     | 23.9     | 24.3     | 29.4     | 34.9     |

The challenge facing Coca-Cola's regional team was to identify the reason for this eroding preference and to find a solution to regain preference in the T.N. market.

#### Campaign Objectives

1. Regain preference for brand Coke from brand Pepsi over a period of 4-6 weeks by identifying and using a truly local insight to achieve a stronger connect with the T.A.
2. To ensure that this preference gain translates into an increase in intention to transact with the brand.

#### The Coca-Cola Brand Essence

With Coke, I can make everyday moments magical which makes me a winner every time. I am relaxed, uninhibited and inspired with a Coca-Cola that raises my involvement in my passion making the overall experience magical and hence memorable.

#### Target Audience

Demographic profile

Junior college / College going young males. Age: 15-19. SEC A, B, C

#### Understanding the Tamil Youth Culture - Whom to Target

The Tamil youth like all other places have a class divide. There are

- The Peter's
  - English speaking, brand conscious, popular with girls... "Metro"
- The Muni's
  - They are the masses, Tamil-speaking, down-to-earth in dress and mannerisms, unlikely to possess personal transportation...infact prefer to travel by the local buses.

But that's where the similarity ends.

The aspiration set is not the Peter...but the Muni

To relate with the Muni's we have to talk directly to them.

Have communication that is about them and not try and project the Peter image as the role model/aspiration set

#### A Closer Look at the Muni's

- Usually dressed in garish shirt with an undefined pattern and dull brown terrytrot trouser.
- He is lanky, but fiercely strong.
- The typical youngster pretends to study
  - All he does in truth is pay a token visit to class once in a blue moon and hang out with his college buddies (group) the rest of the time.

- He takes pride in belonging to one of these groups.
- And will go to lengths to prove that his college is the most notorious, most brattish, and therefore most happening college.
- The other important aspect about him is an amazing level of confidence.
  - He truly believes that he and his group of friends are the kings of Chennai.
- He also has phenomenal enthusiasm and an ability to have a ball.
  - He may not have too much to look forward to but he dreams big and has a whale of a time each day.
- Girls occupy a large part of his thinking.
  - He is extremely frustrated by the fact that he has hardly any chance of interacting with girls.
  - And when he does try girls seem to dislike him.
  - So he fantasises a whole lot.

### The Creative Device

The Muni and his Gaana

- Gaana is the pulse of the Tamil youth.
  - A unique form of music, where a group of friends invent a song impromptu
  - The essence of the gaana is in the spontaneity
- It is one of the primary entertainers in the life of a Muni during college.
  - They groove to it
  - And use it to express their worldview, their enthusiasm for life and their sense of humor at any given situation.
- Gaana provided the perfect mix of solutions - perfectly in sync with the brand values, very relevant to the “Muni” of Tamil Nadu and a device allowing for a vivid creative expression.

### The Results

The Gaana commercial went on air in mid-April and ran through end-May

#### Objective I: Regain preference

The Gaana commercial was aired mid-April through end-May. Over this period of 6 weeks, the preference scores in both Chennai and Trichy regions showed a dramatic increase, as represented in data from the Continuous Consumer Track conducted on a regular basis by Coke and ORG.

| Region  | Brand          | Measure        | Feb '01 | Mar '01 | April '01 | May '01 |
|---------|----------------|----------------|---------|---------|-----------|---------|
| Chennai | Coca-Cola/Coke | Most favourite | 21.7    | 22.3    | 22.8      | 30.4    |
| Chennai | Pepsi          | Most favourite | 29.3    | 24.3    | 24        | 22.8    |
| Trichy  | Coca-Cola/Coke | Most favourite | 14.4    | 15.5    | 13.9      | 21.7    |
| Trichy  | Pepsi          | Most favourite | 34.9    | 25.2    | 24.1      | 23      |

#### Objective II. Translate Preference into Intention to Buy

Purchase intention figures from the Continuous Consumer Track:

| Region  | Brand          | Measure                      | Feb '01 | Mar '01 |
|---------|----------------|------------------------------|---------|---------|
| Chennai | Coca-Cola      | Purch int-Def. will buy      | 30.6    | 38.9    |
| Chennai | Coca-Cola/Coke | Purch int-Def+Prob. will buy | 44.9    | 54.3    |
| Trichy  | Coca-Cola      | Purch int-Def. will buy      | 42.4    | 46.7    |
| Trichy  | Coca-Cola/Coke | Purch int-Def+Prob. will buy | 72.3    | 78.5    |

### Temptations

Agency: Contract

#### Background

- The Current State of the Market
- The Need Gap Analysis

#### Campaign Objective

1. To create a new premium category in the chocolate market
2. To communicate to the chocolate lover segment the availability of a truly international chocolate eating experience

#### The Target Audience

- Going beyond demographics and understanding the real chocolate lover
- The importance of taste, the eat experience- what it should be, what it means

#### Creative Strategy

- Brand Positioning
- The Brand Proposition
- The Communication Objective
- Challenges faced while developing communication

#### Bringing It Alive in Media-

##### The Strategy

- Conventional Media supported by Innovations

##### Conventional Media

- TV; Outdoor; Press

##### Innovations

- Web site- [www.temptationsworld.com](http://www.temptationsworld.com)
- Contest linked to purchase
- Advertising at ATM kiosks
- Sampling exercises at restaurants
- Week Long Promotion at Crossword Book Store
- Cinema Slides- before the movie came started

#### Evidence of Results

- Objectives Achieved
- Sales



- Market Share
- Brand Awareness

## Kinetic Style

Agency: Mudra

### Upsetting the applecart in the scooterette category. In Style!

Circa 1994, TVS launches Scooty, thereby creating a new category - The Scooterette. It picks up market share and dominates the category with over 70% market share since launch.

The strength of Scooty being lower cost, the key segment that used it was the college going teenagers in urban India, although it carried a disadvantage of a lower powered engine (60cc.). Of course, it was the preferred gearless scooter for those who couldn't afford a Kinetic.

Kinetic perceived immense opportunity to supplement its brand equity in the lower segment. To take the bull by the horns, Kinetic launched Style in 1999.

Style was functionally superior in many aspects. Firstly it came with a 75cc power packed engine complemented with wider plush seats and more storage space. A better product spiced with the right kind of communication might just about be enough to wrest market share from the leader it was reckoned...

The whole strategy was distilled to the following objectives. Communicate functional superiority of Kinetic Style with regards to space and power, thereby reposition TVS Scooty and eat into its sales. The journey began...

Who should Style speak to? In this non-aspirational category given the propensity to switch to motorcycles, targeting female collegians would make the Style effeminate. Working executives were more rational in their purchase decisions and were sold out to motorcycles for want of economy.

Also, research threw up the fact that for young male collegians, a scooterette served as a surrogate motorcycle - Their ultimate dream. Also, a scooterette was seen to be a grudge purchase since parents were decision makers. A product proposition of better power and comfort would appeal more giving them vicarious pleasures of owning a motorcycle.

Style honed in on the key insight:

"Collegians rarely traveled single. They always moved around in pairs with friends."

The product strengths of bigger seats, more engine capacity coupled with the competitive need gap of underpowered engine gave birth to the creative hook - Twins.

While twins fought for comfort all along their childhood trying to fit into spaces like a bathtub and a swing, the moment they find themselves on a Kinetic Style, their fights cease. They now had found a vehicle that was perfectly "Made for Two".

Press and outdoor was used to launch the Style regionally, and then TV followed it in a mix of regional and national channels.

Was Style successful? Sales of Style picked up by almost 200% (1247 units p.m. - 3654 units p.m.) gaining directly from Scooty sales (16848 units p.m. - 12112 units p.m.).

Apart from this, image perceptions as per the IMRB research LINKTEST model post communication confirmed the following findings:

- Kinetic Style is more powerful and spacious than other scooterettes
- Kinetic Style can seat two people comfortably unlike other scooterettes
- Kinetic Style is a 'Scooterette-Made for Two'.
- Kinetic thus romped home with more sales and improved brand image... in Style!

## Hitachi Air-conditioners : "Perfect !"

Agency: Leo Burnett

### Market Scenario

The market for Room Air-conditioners was small and crowded with entrenched players and multi product, multi national brands. The market was largely undifferentiated and besotted by 'me-too' functional and cooling claims and category clichés. The presence of a large unorganized sector, the small market size and historically "low involvement" nature of the product ensured that the market was highly price sensitive. Brands rely heavily on dealer push, familiarity and incentives. In sum, the entry barriers for a new brand, particularly a brand that wanted to sell at a premium were very high.

### Marketing Challenge

To penetrate this market with at least 50% growth without compromising on a price premium of at least 10% (on the assumption, that the market will grow at about 30% which was the reported growth for the previous year).

The role of advertising in this ambitious target was to bring Hitachi into the consideration set of the prospective customer. To that end it was imperative to - build awareness - create Salience for the brand as a superior technology product (in a market where technology had never been a driver).

### What was it that the Campaign was Designed to Achieve Then

- To bring alive the unique and customized features that made Hitachi LogiCool a superior and premium product offering.
- Thereby create a place for Hitachi's technology in a market that had not seen any significant product improvement for many years.

In a crowded and undifferentiated market, driven by mostly functional and cooling claims, the brand's primary agenda was to be noticed. Also, afford a premium in a traditionally price sensitive market, the brand needed a halo and a credible value claim.

### Who was the Most Likely Target

Hitachi's most likely audience, at this stage, was a relatively younger male. A new generation AC buyer, at ease with technology and gizmos. Unafraid to indulge in pleasure and comfort. His need to own the latest, and most importantly his need to assert his individuality, formed the stepping-stone to the creative.

## Creative Strategy

### Step 1

Create a brand halo: “logiCool”. LogiCool became both an umbrella and a hook that delivered credibility and value.

## Step 2

Bring alive the technology.

For those who seek Perfection as a creative platform allowed us to deliver the brands core proposition, in a manner that not just engaged but appealed to the core target group. It brought to the fore Hitachi's ability to cater to a very basic insight: the "perfect temperature" is a very personal need. The bald bearded, fussy protagonist, who ran across communication, delivered an extreme and exaggerated version of the brand's obsession with "perfection".

- Television commercials used subtle humour and engaging, unconventional formats to complement the mystery of the LogiCool technology, making it warmer and more relevant.
- Press advertising took the LogiCool claim further, disseminating information and driving traffic.
- Magazine advertising meanwhile delivered the “brand Hitachi”.

## What were the Results

- Awareness levels shot up.
- Spontaneous awareness grew by about 52 % (from the figures we had available for the previous year), reflecting the emergence of the brand in the active consideration set.
- The brand showed very positive scores on “technology”, among the set of “spontaneously aware consumers”
- The market failed to grow at even a third of its projection, but the brand exceeded its targets.
- Most importantly, in a market that saw prices plummeting and brands jostling for a share of the pie, Hitachi maintained its price premium without compromising volume objectives.



## Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## LESSON 27: CASE STUDY & CAMPAIGN MAKING

In a market category that is growing at a snail's pace, is there place for another brand new brand?

Why launch another brand in a segment when you already have one, especially when you have worked very hard over the years at making the existing brand a success?

These are the questions that most practitioners of marketing have been asking recently! The new brand in question is Tide, which Procter & Gamble (P&G) recently launched in India. And, it has been launched in the premium segment of the detergent powder category, where the company already has Ariel (P&G defines premium in the detergents category as being any product over Rs 70 per kg). Stranger still, Tide and Ariel are seemingly seen by the company as interchangeable and are normally not launched in the same market anywhere in the world. So in the US, Tide rules the roost but there is no Ariel. In Europe, Ariel is what the company offers; Tide has not been launched in any country out there. In Japan, there's only Ariel.

Moreover, by P&G's own estimates, the overall Indian urban detergents market has been growing at a dismal pace of just over one per cent per annum. But, points out Mr. Shailesh Jejurikar, marketing director at P&G India, the premium detergents market has been growing at three-to-four per cent in value terms. "And compacts have been growing at around 13 per cent (in value terms); Ariel, in fact, has registered a 14 per cent growth over the last quarter." He adds that over the last quarter, the maximum growth in the detergents category has been from Surf Excel (a product from competitor Hindustan Lever's) and Ariel, both compacts.

### A Portfolio of Brands

Mr. Jejurikar responds, "In some categories, it helps to have a portfolio of brands. While it may be true that in the US, P&G has only Tide, there are different variants to it. And there are other brands from the P&G stable — Cheer, Bold, Gain. In Europe, there is an additional brand in Daz, besides Ariel. But in Saudi Arabia and Egypt, both brands exist side by side. In Saudi, Tide and Ariel have a 60:40 share of the two brands' total turnover. In Egypt, it's the reverse."

It all depends, he says, on one question: is there a consumer need? In India, the premium segment is growing. There is a specific consumer need for great quality of cleaning — a dimensionalisation of whiteness. Tide has been launched to address that — the quality of whiteness in cleaning.

In that, P&G is drawing a distinction between Tide and Ariel. "In all markets where both brands have been launched," says Mr. Jejurikar, "Ariel stands for the best in cleaning. It will keep redefining the standards of cleaning plus something more. Could be germs-free. Or as we had advertised sometime back, no pilling. Ariel will always give the best in performance; it will talk about the best in global technologies, helping the consumer redefine standards in cleaning. For the non-Ariel consumer in

India, yellowing of whites will be addressed by Tide. So Tide and Ariel are not exactly interchangeable."

In the pricing of the two brands too, P&G has drawn a distinction. While Ariel comes for Rs 145 per kg, Tide's price is Rs 120. For a half kg, Ariel comes for Rs 80 and Tide, Rs 68. For 200 gm, Tide is priced at Rs 30 against Ariel's Rs 36. And unlike the US, there are no plans, in the immediate future, for variants in Tide. "We have launched the regular Tide here," says Jejurikar. "As of now, there are no plans for launching variants. If specific consumer needs come up in the future, we may consider variants."

### More Market Share

Then there is the issue of a market share for P&G. In India, says Mr. Jejurikar, P&G still has three-fourth way to go in powder detergent market dominance. In Saudi, it commands 70 per cent of the market. In some other markets, it enjoys around 40-to-45 per cent share. "In India," he admits, "we have a fair way to go." And a portfolio of brands, feels P&G, may be the answer. For example, what used to be Ariel Super Soaker in the regular powder detergents segment, has now become Gain, priced at Rs 49 per kg. "Even in the US, Gain is offered more as a value proposition."

Consumers in India haven't exactly been showing predictable patterns in product usage and brand loyalty. Their upgrades and yes, even downgrades, have been unpredictable in the recent years. Given this, isn't there a possibility that Ariel users may shift to Tide? "Yes, there is that possibility," admits Mr. Jejurikar. "But our challenge is, can we bring more people into the P&G detergents fold? Ariel has to find new ways of bringing in consumers. As the year unfolds, we have strong plans for both Tide and Ariel. You may even wonder at the high levels of activity on Ariel. Over the next 12 months, we have planned strong action on Ariel to ensure that its consumers will not want to switch to another brand."

And what about competition. Won't it respond as strongly? "Competition may come up with special direct offers," Mr. Jejurikar guesses, declining to comment further. Incidentally, if you have been watching detergent ads on television, there seems to be some competitive action on. Tide's advertising has shown the offer of this unnamed product for maximum whiteness effect. The consumer tries the product and lo and behold, she gets the promised whiteness. After which the product's brand name is revealed as Tide.

Cut to Hindustan Lever's Rin Supreme ad where this unnamed detergent powder that is offered for trial does not provide that super whiteness. And then along come this woman talking about the super whiteness that Rin Supreme offers, while the man who had offered the unnamed detergent gets pushed to the background by a group of women talking about the excellent performance of the Hindustan Lever brand.

## More Action this Year

On “why P&G chose to launch Tide this year, and not last year or the year before or even next year?” he says, “Our reason for the launch happening this year is that globally, changes at P&G have allowed for faster launches. Over the last three years, we have been working on existing brands, building a solid base. Now there are new launches coming up.”

Sure enough, this year finds P&G getting active with new launches. January this year, saw the national launch of Whisper Ultra, the most technologically advanced sanpro product in P&G's global stable. Tide followed on May 3. Since April, Tempo, a tissue brand and Tampax, P&G's global tampon brand, are being test marketed at Tamil Nadu and Delhi, and Tamil Nadu respectively. "Tempo and Tampax are between nine-to-twelve months away from a national launch," estimates Mr. Jejurikar. "And even here, we will still have to evaluate. Tampax, after all, is in a very nascent segment in India."

This year then, at least in terms of advertising communication, Indian consumers will see a lot of action in laundry detergents. It is unlikely that P&G's competitors, specially arch rival Hindustan Lever, will not react strongly, or even go detergent proactive. So get ready for a lot of action, hype and high noise levels. Surprising how something as mundane as washing clothes can be made so much of by its solution providers.

Your agency has been hired to make a campaign for Tide. Create a Print and an Electronic advertisement at the cost of 1 crore for 6 months.

## Notes

## LESSON 28: TUTORIAL



You are the advertising person handling the brand PARX. You are required to now position PARX as a revolution in Tee Shirt market. Identify the target audience and create a creative and media strategy for the brand. In addition you are also to think of innovative promotional exercises to 'reach' out to the public.

In addition please create the print advertisement and explain the components of it. The work should be ideally done in syndicates and 30 minutes time to be devoted on the making, thereafter syndicate presentation.

### Notes

## LESSON 29: AD AGENCIES – A LOOK

### Learning Objectives

- You will understand via this lesson the structure of an ad agency.
- It will give you an idea as to the type of role you might play in the organization.



It is estimated that advertising industry will be worth around Rs. 10,000 crores by the year 2001. Even discounting media inflation, it is a lot of business.

An advertising agency, (abbreviated to 'ad agency,') is a team of experts appointed by a client to plan, produce and place advertising campaigns in the media.

Advertising Agencies account for billings of Rs. 2000 crores per annum. The need for people grows in proportion to billing. It employs today 10,000 people. It will need twice this number. 2000. They are constantly in need of a diversity of talents both on the creative as well as product side.

### Evolution & History of Advertising Agency

Volney B Palmer in Philadelphia started the first Ad agency as a space broker in 1841. He acted as a simple agent, selling space for his client newspaper on a commission basis. He made no effort to help the advertiser prepare copy, design a layout and provide the many specialized services now performed by a modern agency.

Since then, the nature of an agency has changed considerably, but the method of compensation in the form of a fixed percentage of advertising billing continues in spite of the inherent defect of the system, for the agency generally recommends only a higher media budget than may be appropriate.

It was only by the beginning of this century that the agency started to prepare advertisements and deliver them through the advertisements media. Lord and Thomas was probably the first agency in the USA, with a reputation for creative work in advertising. It hired copywriters, who did a marvelous job. One of the famous advertisement deliveries of this agency was for a new washing machine. Other agencies also started adopting the new services; and soon many advertisement agencies had established departments for copywriting, artwork, layout design, media selection, etc.

Over the next several decades, the advertisement agency improved the quality of its services, besides offering additional new services at extra charge. Agency growth has never looked back since then. It has grown in size and influence through the years, demonstrating an ability to create effective advertising. Towards the end of the first half of this century, there were several large agencies offering a full range of advertising services. They produced effective advertisements by taking into account consumer psychology and human needs and wants. Creative advertising appeals effectively influenced consumers to buy the advertised products and services. In fact, advertising at this stage, became a part of the overall marketing mix, furthering the sales and marketing strategy.

An advertising agency is shortened as ad agency. Ad agency is a team of experts appointed by clients to plan, produce and place advertising campaigns in the media. They are called agencies, because literally they are agents of the media who pay them the commission, and the media thus becomes the principal. Media pays commission to only accredited agencies (INS accreditation). The agency works for the client, but draws its sustenance from the media (nearly 75 p.c.).

### The Working of Ad Agencies

To begin with, the agencies started as one-man agents who booked space in the media. Even today, in our country, there are so many one-man agents who book space in the media. Soon the space booking was handed over to the contact-man, and creative wordsmiths adept at sloganising undertook the actual construction of the ad.

In the course of years, the ad agency became service-oriented, and was able to offer every possible service including marketing, market research (MR), and public relations (PR).

Ad agencies have evolved over a period of time. These days we have mostly studio-based agencies, some industrial and specialized agencies, and hot-shops who only plan creative campaign by engaging the services of freelancers.

At Madison Avenue, most of these large agencies of the world fiercely compete for new accounts, resulting in a shift of millions of dollars of billing from one agency to another. Advertising Age is an official publication of the American Association of Advertising Agencies (AAAA).

In India, advertising business is worth Rs. 8,000 crores. There were only 62 advertising agencies in 1958, which increased to 168 in 1978, more than 2.5 times the numbers in 1958. There are more than 500 ad agencies today. The oldest and largest advertisement agency in India is Hindustan Thompson Associates Ltd. The second largest advertisement agency is Lintas.

Mumbai is considered to be the Mecca of Indian advertising. These days agencies are also being set up at Bangalore, Madras, Hyderabad, Ahmedabad and Delhi.

In India the ad agencies are sole proprietary concern, partnership or private limited companies.

It is better to operate agencies on professional lines, rather than as a family. It is good to install MBO (Management By Objectives). An agency must necessarily plough back at least 75 % of its profits into business.

The advertising agencies are shifting from the creative mode to the marketing mode. Today the onus is on the agency to supply the client with data on his industry; the days of the clients briefing the industry are almost over. The agencies are expected to maintain database. There is a leaning towards software for optimizing media usage, and computerization of studio functions.

In India, the legal structure of ad agencies is that of a small proprietary concern or a big partnership. Sometimes, they are private limited companies, either big or small.

Indian advertising is a fragmented business. There are over 733 agencies accredited to INS. The top 25 account for 50% of all billings. In addition, there are many accredited agencies.

It is the top 25 agencies, most of which are headquartered in Mumbai, that set the pace and define the shape of the industry.

Agencies like HTA, Lintas, Clarion and O & M have shaped the entire advertising industry in the country. Many Indians firms are coming up, by importing Western ad techniques.

Many agencies die a premature death. Most people do not appreciate that an agency –like any other business - must be properly managed. It is simply not enough just to have great idea. In recent years, there has been a healthy trend towards sound management practices, especially financial planning and control.

This is a highly paid profession. It is a conspicuous high wage island. People operate on high profile. Their life-styles are opulent because of high expense accounts 'of entertaining clients. They got their elitist brand due to this reason. But high salaries and freedom are necessary to attract talents.

Women have been an integral part of this profession. We have examples of Rhoda Meha; (OBM, Media Director), Nargis Wadia (Interpub, MD), Usha Katrak (ASP for many years), Tara Sinha (Tara Sinha Associates Delhi; Formerly, Clarion).

## **Let us Look at the People Working in an Agency**

### **Accounts Executive**

It is a key career option in advertising agency. He is called an Account Director when he is a member of the Board. He is a link between a client and his staff. The marketing or advertising

department of the client briefs him. He communicates this to the agency people.

He reaches out to different clients for seeking new business. Even clients who want an agency to work for them contact the accounts executive. This business development work makes it virtually a marketing manager of the agency.

### **Do Right-brained People make Better Account Directors**

The faculties of logic and reason are supposed to reside in the left-brained people. While intuition and creativity are believed to be in the right. So far, accounts director was considered suitable if logical and systematic, i.e., left-brained. But if he has to motivate a team, he should be inspiring and creative too, i.e., right-brained.

### **Copywriters**

They are the wordsmiths who do the wording of an advertisement. They are bright and talented. They have a flair for language. They contribute to the theme of an advertisement. Creation of successful copies for different clients establishes them in this field.

### **Visualisers**

These are artists who put on paper what has been thought out by the copywriter. They in fact design the ad.

### **Creative Director**

He co-ordinates the copywriting and designing. He is a senior professional who is seasoned in an existing advertising agency set-up to take on this mantle.

### **Production Department**

Persons of diverse talents like printing technology, DTP, photography, typography etc. are involved here.

### **Media Planner**

He has to allocate the advertising budget amongst media. He has to select the appropriate media. He decides about the frequency, size and position of an advertisement. He decides about its publication date. He receives the tear-off copies from the media when the ad is published. He is guided by the media research, which he undertakes, or by research undertaken by an outside agency.

Media is the most professionalized department of advertising agencies.

### **Marketing Research**

Modern agencies are integrated set-ups. They provide a range of marketing services. Research data become very useful as input to the creative process.

### **The Media**

Most of the media today sustain on advertising revenue. They sell space or time. While selling space or time, they have to convince the client about the reach of their media vehicle, the composition break-up of their readers and the pricing of their space/time selling. They monitor the market, survey their readers, and highlight their readers' demographic and geographic characteristics. They also maintain relationship with the media department of advertising agencies who buy space/time on behalf of clients.

## Ancillary Services

These are needed to produce/create advertisement. A whole range of services like studio service, photographic service, printing service, gift item producers etc. fall into this category.

## Freelancers

These are professionals who work independently and have a successful track record. They are copywriters, jingle singers, radio announcers, artists, visualizers, technical writers etc.

## In Jocularly it is Often said that

“Advertising is a funny business because it is not only a business - it is half a business, quarter a profession and quarter an art.”

Every business entity, irrespective of its size, ownership and kind of business, does take the help of advertising - the push that makes things happen. Advertising is a function of marketing, and pushes the product in the market for bigger sales. The different kinds of advertising have been discussed in the introductory chapter. Here, we shall be concerned with the study of the organization that plan, produces and places advertising campaigns in the media and the internal organization of the advertising department. When a firm has decided upon an advertising programme as part of its overall promotion mix, it needs to have a system and an organization to implement it for the attainment of the desired objective. Firms do have an advertising and publicity department to manage the advertising function. In some small firms, there may not be a separate department in the name of advertising, but the function is either looked after by the marketing manager or the chief executive. The company's advertising department usually relies on outside experts, often the advertising agency which prepares the advertisement messages, selects appropriate media, and arranges to release them. The advertising department of a company has only a limited creative function, primarily a supervisory one. This department is merely a liaison point in the company for the agency, though it is responsible for the advertisement budget, and supervises the performance of the agency. An advertising manager has to co-ordinate with the marketing and sales function, so that the advertising efforts may be fully integrated with the firm's marketing and sales strategy. He has also to perform the managerial task of formulating advertising strategy and planning advertising through the advertising agency. The agency often assists the advertising manager in programme formulation.

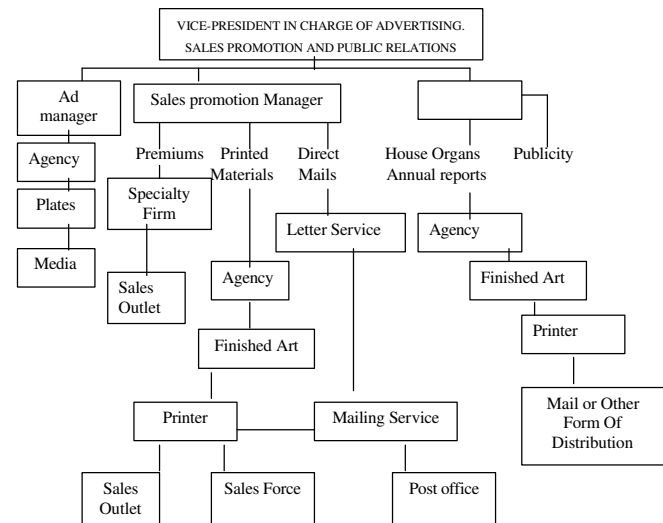
Very importantly let us look at the function of a very important person in the organization - the advertising manager. We shall also look at the various ways the he could run the agency and the organization structure of an ad agency.

## The Advertising Manager

The advertising manager usually works under the marketing manager for effective advertising. However, in some organizations, he may function directly under the higher management. Whatever may be the hierarchical levels, the advertising programmes should be in conformity with total marketing planning. Product managers and brand managers have also to co-ordinate with the advertising department for appropriate advertising efforts, so that a particular product or brand may receive

adequate promotional support. The hiring of an advertising agency is a function of the advertising manager. If the agency has to be changed, the advertising manager to that effect makes the recommendation to the higher management.

In a large corporation, the advertising staff is employed for different product/brand like Product or brand managers develop the advertising and promotion needs of their products or brand. Similarly, sales managers determine the kind of advertising support they need for sales, and distribution managers inform it of the advertising support they require. A manager, who is known as the advertising manager, coordinates all these requirements. He sets the advertising objectives and communicates them to the agency. In a typical, large-size organization, the advertising manager reports to the vice-president in charge of advertising, sales promotion, publicity and public relation with a view to determining an effective total promotion mix. The advertising manager and his department work closely with the agency in the preparation of the ad budget, the media schedule the creation of individual ads and the schedule of their release. Very large organizations may hire services of more than one ad agency to cater to the varying nature of their advertising jobs.



Organization of a Typical Advertising Department

## Organization Structure of Advertising Department

All major advertisers maintain an advertising department. The structure of the department however may vary from one organization to another, as each one tries to develop a form, which is most suited to one's requirements. The principal forms of organizational structure are based on (i) sub functions of advertising, such as copywriting or artworks (ii) communication media (iii) geographical spread (iv) product and (v) end users.

Irrespective of the specific form, the advertising department has to perform several functions. Principal among these are setting advertising goals, plans and budget, selecting the outside ad agency, maintaining contacts, providing support to the marketing staff and monitor the functioning of the ad agency. Selecting the ad agency is one of the important tasks of the advertising department. Several criteria, including experience,



size, track record and the quality of the personnel, are considered in the selection process.

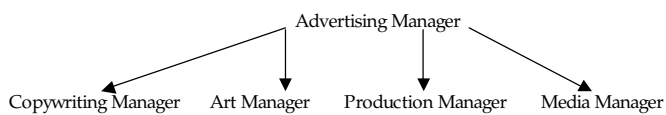
As you know, there are different categories of advertisers. Depending upon their functions, each organization develops its own structure, of which advertising department is a part. What is important in this connection is to analyze the functions an advertisement department is expected to perform.

## Organization is a Manufacturing Unit

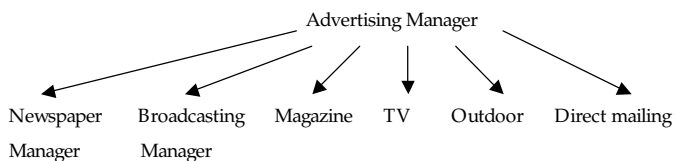
Manufacturing firms carries out bulk of advertising. It is therefore, necessary to understand the various principles on which the advertising department can be organized in manufacturing units. The basic principles are:

### a. By Sub-functions of Advertising

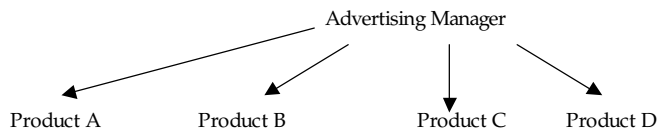
Advertising as a function can be segmented into its various components, such as, Copywriting, Art Production and Media. A specialist who in turn reports to the advertising manager can handle each component.



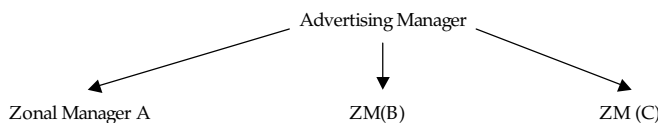
### b. By Media



### c. By Product



### d. By Geography



### e. By End User



## Reporting Structure

The advertising manager has to report to somebody who is higher up in the organizational structure. To whom the advertising manager would depend upon how much impor-

tance advertising is given to the total operations of the firm. There are several alternatives. These are:

- Report to the Chief Executive (Chairman/MD.)
- Report to the Director (Marketing)
- Report to the divisional head if the firm is a multi-division firm and responsibility is delegated at the division level.

## Centralization or Decentralization

Should advertising be done on a centralized basis or should the responsibility be delegated to lower levels - say product or geographical divisions?

Centralized Advertising Activity has been defined as that which - is located at or directed by headquarters, reporting to corporate sales or marketing head or in top management.

In operation it gets the necessary product, market, and budget information from the divisions and then controls the execution of the various programmes by:

1. Providing the needed information and guidance to the advertising agency and other services;
2. Then reviewing and approving the completed work before getting division approval

A Decentralized Advertising Activity is operated and controlled by individual units located in each major division, usually reporting to a division head or to a division marketing or sales head. The division advertising, sales and marketing people and control both the 'what' and 'how' of the advertising job, getting only advice and counsel plus miscellaneous services from a central advertising function.

In practice, however, it has been found that most companies follow the centralized pattern of advertising organization. There are at least two important reasons for it.

1. It is difficult to transfer the tasks of preparation and execution of creative advertising from to the many without loss of efficiency to a great extent.
2. Most companies entrust their advertising work to outside agencies and it is more convenient with them in a centralized way.

## Interface with other Departments

Advertising and, therefore the people, manning the advertising department, do not function in a vacuum. Advertising is a tool of marketing. It is done to achieve a specified short-term or long term goal. The advertising staff, therefore, must actively interact with other departments most importantly, marketing and sales. The interaction has to be intensive to draw up a coordinated plan, of which advertising is a part. In fact, not only the advertising department, but also the outside advertising agency it may have employed, would have to be actively associated with the formulation of the marketing plan.

In companies, which realize the importance of advertising in its proper perspective, the advertising department gets useful inputs from sales, product and brand managers; from Marketing heads, General managers and top management and also from many others in the engineering and manufacturing departments who provide valuable advice in respect of appeals to be focused and also other advertising matters.

## Functions of the Advertising Department

Just as the organizational structure of an advertising department varies, the activity profile also is subject to change from one organization to another. Kleppner has identified 14 activities, which include all the major functions an advertising department in a manufacturing organization is supposed to carry out. These are:

1. Determine in consultation with top management the advertising goals, the advertising budget, and the advertising plan.
2. Help select the advertising agency.
3. Set up a plan of activity, allocating which work is to be done by the agency and which by the advertiser. Establish with top management the internal division of such non-commissionable duties as sales promotion, research and public relations.
4. Transmit the policy and problems of management to the agency; keep it informed of changes in marketing strategies and other related areas.
5. Decide upon the proportion of the appropriation to be assigned to different tasks in the advertising programme depending upon the importance of these tasks.
6. Approve the plans for advertisements by the agency and by others who work on the advertising problems.
7. Prepare, purchase and issue sales material - point-of-purchase displays and direct mail, including receipts, dealer advertising service, premiums (unless company has separate premium departments).
8. Prepare, issue and control billing of corporate advertising.
9. Keep the sales force informed of forthcoming advertising.
10. Prepare portfolios of advertising for the salesman's use in showing advertising to the trade and to other distributors.
11. Work with the sales department in preparing special programmes.
12. Prepare instruction manuals for those who will sell and use the product; all in all, do everything possible to make the most effective use of the advertising investment.
13. See that all mail enquiries are answered with mailings as required.
14. See that all bills are properly checked; keep an account of funds and prepare proper reports for management.

The ad manager in charge of an advertising department has both managerial and operational functions. He is responsible for interacting with agencies and the media. He pays attention to outdoor aids. He takes part in campaign planning and media planning. He frames an ad budget, and allocates it. He is responsible for broadcast media. He gets POP prepared. He is the man behind SP and merchandising. He maintains press relations, and PR functions. He brings out a house-journal. He is appointed on the basis of his knowledge of advertising and journalism, his knowledge of the industry, his management background, and his marketing background. He maintains a good client-agency relationship so essential for the success for the campaigns.

## Functions of Advertising Agency

### Accounts Executive or Director: Key Executive of Agency

The agency's key executive is Accounts Executive (he is accounts director when he is a member of the Board in case of a limited agency).

Account in advertising parlance means a client. Thus Hindustan Lever is an account for Lintas, or ITC is an account for Lintas. This accounts executive is a link between the agency and client.

#### Functions of Accounts Executives

He understands what the client wants. He has to get this done through his agency. The marketing or sales or advertising department of the client briefs him. He communicates this to the agency people. He is also called client service executive.

#### Account Planning or Client Servicing.

An ad agency's primary function is to create advertising, and account-planning function provides a basis for this. Account Planner has to perform a number of functions.

1. Planning the objectives of the advertising: Here he makes use of skills of analysis, synthesis, logic and insight.
2. Selecting and evaluating research feedback on the basis of which the team makes judgments and takes decisions.
3. Making the objective and the feedback relevant and stimulating to the rest of the team particularly the creative.

An account planner may not head the account team mayor. But the above function should be attended to. It is better to invest a separate person with the composite responsibility. The positive use of research is establishing a dialogue between the creative team and the consumer is a valuable contribution that a planner can make.

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The importance of account management in client-agency relationship is on the decline. Successful account managers are true experts on their client's brand and competitions, and have a clear point of view. Clients talk to them, and use them as sounding boards. The client seeks their advice.

They are also used as surrogate brand managers, especially for getting things done. Account managers lacking expertise face the threat of extinction.

Planning in agencies conforms to brand responses - the desired responses that a brand's advertising should generate. But when we advertise, apart from brand responses we also generate advertising responses, - effects on our target audience like amusement, education, entertainment moving effect etc. Many times, these advertising responses are an essential part of what

the brand is offering the consumer. Failure to see advertising responses makes our planning remote and ineffective.

Modern days agencies have two major sections.



The two sides are supplementary to each other. Now the creative section has a team of bright, talented copywriters who do the wording of an advertisement. Copywriters contribute to the theme of an advertisement, like a college girl asking another the secret of her flawless complexion, and as an answer coming to know that it is Clearasil Cream. Now this is called copy platform. These copywriters report to their head, who may be called Copy Chief' or Chief' Copywriter.

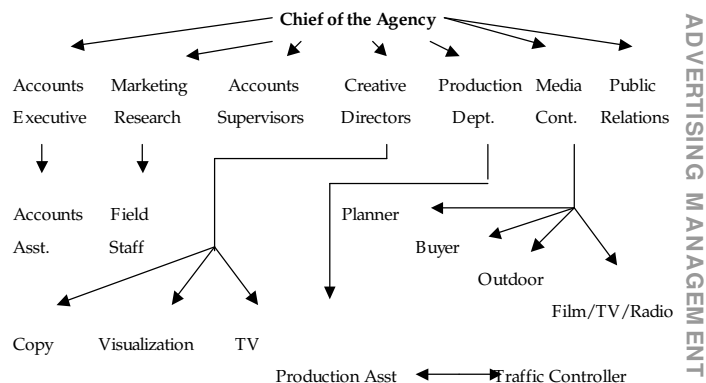
But merely the copy is not enough. The visua/iser puts on paper what has been thought out by the copywriter. He in fact designs the ad. He takes the help of layout artists, typographers' and finished artists who prepare the final artwork. As you will see, creative energies of copywriters must be coordinated with the design energies of the visualisers. The person who performs this role is called the Creative Director. So now we can put here the organizational structure of the Creative Section of an ad agency.

Now we shall come to the studio-based production department, which delivers a complete approved ad copy. This department is in charge of the production manager who has several assistants. For prints ads, these people do typography, lettering, blocks, stereotypes, and electros. They also supply text and artwork for photogravure process. Production manager organizes the workflow (copy and artwork proofs and corrections - final copy as per time schedule). In larger agencies this workflow is under the control of a traffic controller. Some part of the production work can be bought from free-lance sources.

After this the Media planner understands the budget and how the ad is to allocated in various medias.

In addition to this the agencies also have a Marketing Research Department, which does product research, consumer research, positioning studies, price and distribution research, sales and packaging research and motivational research.

The administrative manager, with office, accounts and finance functions are few of the other departments. Some agencies have a separate Public Relations cell. So this is what an agency looks like.

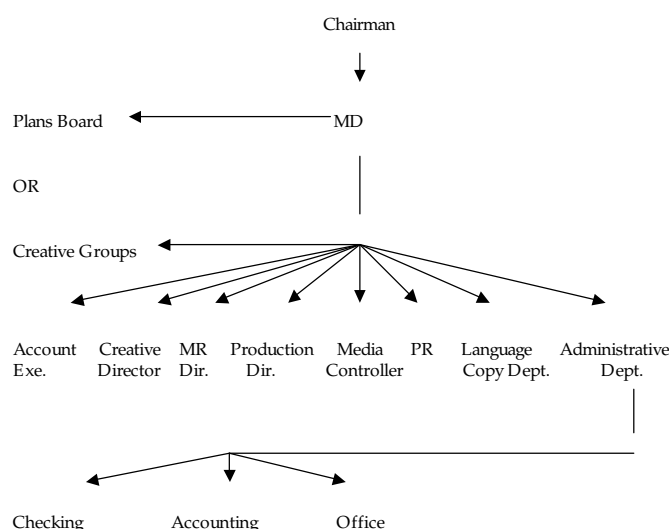


The top management of an ad organization consists of a Plan Board. This comprises of a committee of department heads, be it media, accounts, PR, creative, etc. it plans campaigns by consensus.

The other is the Review Board. This committee reviews and criticizes a campaign, which it has not planned or created.



The overall structure of the top management looks something like this:



## New Business

The agency, like any other business organization, has something to sell. The business of the agency should, therefore, grow so that, at any stage, its volume of business may justify its facilities for the services that are offered by it. Moreover, growth is one of the desirable requirements of any business. It is, therefore, logical to have a separate cell in the agency, which is responsible for the growth of business. This growth may be achieved either by increasing the business with the present accounts or by getting new accounts. The first is within the jurisdiction of the account executive, while he may look after the second in a small agency. In large agencies, the top management assumes this responsibility. It has a few executives who are exclusively hired for developing new accounts. Some agencies aggressively solicit new business by themselves engaging in advertising.

They highlight the agency's competent personnel, the resources and the facilities at their disposal, the influential accounts they service and the successful -advertisement campaigns they have handled.

## Development of New Agency System

Agencies grew in size, offering more varied and specialized services. Later, in order to cater to the needs of overseas clients, and as more multinational corporations came into being; advertising agencies acquired a multinational character. Simultaneously, some other forms of agencies came into being. They are the boutique agency, the a fa carte agency, and the in-house agency. Copywriters and art directors, instead of being tied up with a single agency, set-up their own shop to sell the creative function at a fee. These shops have come to be known as creative "boutiques." In an a fa carte agency, each service is sold on an optional basis at an individual fee. The advertiser, as its name implies, owns the in-house agency. In fact, this is nothing but the advertising department of a company. Large corporations have in-house agencies, which operate and control the entire advertising programme by themselves. For example, Reliance has Mudra, Malhotras have Bharat Advertising, Golden Tobacco has Govan Advertising and Lohia Machines have Shrishti. By contrast, Lever which promoted and owned Lintas Worldwide diverted its holdings and in India too, the Hindustan Lever followed suit.

As Sajid Peerbhoy rightly remarked ‘An in-house agency can hardly be sacked.’ Here, objectivity and creativity may also suffer. When corporations have a variety of products and services to sell and have a multi-divisional set-up, the in-house agency is very economical to have.

Before we go into a discussion of agency compensation, one more salient point regarding the agency's organization structure deserves detailed description. This is the facility of the art studio within the agency. A small agency or space-broker may "not have an art studio. Hiring an outside artist in that case does the artwork. But, in our understanding of the modern agency, everyone has a well-developed art studio.

## Notes

## TUTORIAL: CASE STUDY

### Learning Objectives

- You will understand via the case study the issue of the agencies to become more environmentally attuned.

Indian advertising industry is alive, kicking and growing. Forget the head-banging growth of 49.5 per cent logged during 1995. That growth was after all triggered off by fresh waves of liberalization. Even the current growth rate of 18 to 20 per cent is okay considering the fact that it is thrice our GDP growth rate. There are more reasons to cheer about. The Indian advertising industry is turning globally competitive, Indian advertising agencies account for more than 33 per cent of the Asia-Pacific profits and ranks the seventh highest profit-contributors in the global advertising world.

That is why so many global players straddle across the Indian advertising scene. Sample this data: the share of global agencies in Indian advertising is nearly 47.4 per cent. These global advertising agencies in India are clamoring for higher returns from their activities in India. And Indian advertising skills are considered the best by world standards. Agrees Vijay Varma, chief operating officer of Mudra Communications: "Advertising is an intellectual-oriented business and the analytical skills of Indian advertising agencies are among the best in the world."

True. Media and account planning tools and skills in India are far superior and rank only next to America's and China's. Commendable. More so because Indian account and media planners are working in a market stacked with odds: the market is complex and the culture diverse. "In India, there must be at least 100-odd channels and around 400 publications covered by the Audit Bureau of Circulation," says Apurva Purohit, media director with the Mumbai-based FCB Ulka.

Despite this diversity, the advertising industry is set to grow. Emerging e-initiatives, mushrooming of dot-coms and rising rural spending are only a few of the many bullish factors that are promising great times ahead for the Indian adworld. Says Ramesh Narayan, president of the Mumbai-based Advertising Agencies Association of India (AAAI): "The advertising industry is set to grow healthily. For, consumerism is rising and India is opening its markets for more global competition. The rule of the thumb is that greater the competition and greater the consumerism, higher will be the growth in advertising."

And new opportunities are opening up for the Indian advertising industry. These opportunities are: insurance, healthcares, dot-coms, direct marketing and financial advertising on the Net.

### Rising Defaults

It is not hunky-dory all the way, however. There are quite a few irritants on the ground. One of them is the rising incidence of client defaults. Agency clients are not only delaying payments, they are defaulting as well. This is putting pressure on advertising agencies, which are already surviving on wafer-thin margins.

For, despite client defaults, advertising agencies have to pay media houses on time.

How about going to courts? That is ruled out because litigation involves a lot of time, energy and money. Going to AAAI could be a last recourse. Alas, AAAI has no teeth. At the most, what AAAI can do is to send letters to all advertising agencies imploring them not to accept any advertisements from the defaulting clients. But, any action taken normally works against the advertising agency, which has lodged a complaint with AAAI. As soon as other advertising agencies realize that there is a problem between a client and his advertising agency, there is a mad rush to grab that client. So, in most cases the agency just prefers to wait. And the wait sometimes gets stretched interminably.

Such functioning exerts tremendous pressure on the margins of an advertising agency. Smaller agencies, which do not have floats, have to turn to banks and financial institutions to borrow money. So, margins get whittled down depending upon the time the clients take to pay up and whittled down margins mean cash flow problems.

What needs to be done now? INS members should take the initiative and refrain from accepting advertisements from defaulting clients. However, at the end of the day, it is a problem that advertising agencies have to deal with. Of late, INS has taken one major step though. It has ensured that all payments relating to dot-com advertisements should be made in advance.

### One-stop Solutions

Rising incidence of defaults is just one of the problems. Client-servicing today calls for more effective inputs, changing market dynamics is demanding faster responses from advertising agencies and the market is turning more competitive. Says Narayan of AAAI: "Satellite television is exploding and Indian consumers know today what his counterpart is enjoying elsewhere in the world. So, their aspirations have been soaring and they have begun to demand more."

Alongside, media costs too are soaring. As media vehicles remain fragmented, rising media costs are getting fuelled further. So, the challenge for the industry now is to get on to the next smart cost-effective idea, which can add to brand equity. Says Varma of Mudra Communications: "Offering a better output has become the newest challenge for the Indian advertising industry."

How are advertising agencies going about this? They are shifting focus to become one-stop advertising solution-providers. The top five advertising agencies in India are diversified. For instance, Lintas has a public relations arm LinOpinion and a market research agency called Pathfinders. The Mudra group has a well-integrated set of subsidiaries that supports its functioning. O&M and Hindustan Thomson Associates too are

diversified. And Trikaya Grey has repositioned itself as a communications company.

But, mere diversification is not enough. The biggest challenge facing advertising agencies today is acquiring new skills. For, the world of media is transforming rapidly. Broadcasting is giving way to narrow casting. This is redefining traditional paradigms and the focus of advertising agencies is shifting from marketing-many to marketing-one.

What's more, Internet is ushering in online advertising and advertising on hand-held devices is rapidly catching up too. All these developments are then forcing advertising agencies to acquire new skills and offer integrated communication solutions to clients across assorted channels. Says Narayan of AAAI: "That is why workshops, seminars and training programmes are fast becoming a must for advertising agencies."

### **Automated Media Buying**

All these changes are bound to influence media buying and media management too. Very soon, media management will assume tremendous importance in the Indian advertising matrix. "Media will soon be at the forefront of the advertising strategy table," says Purohit of FCB Ulka. Needless to say, roles of media buyers will become more complex with data getting more sophisticated. Meanwhile, multiplicity of channels will mean greater audience segmentation. Advertisers will have to go beyond television rating points and find more efficient means of assessing ad spend.

As customer relationship management (CRM) assumes importance, technology will play an important role in advertising. Technology will drive the initiatives in devising better ways of reaching consumers. Technology makes it possible to fine-tune customized communications and so chances are that media buying will become highly automated.

Already, global advertising agencies are talking about automating and integrating offline and online media. Plans are to extend the same core technology that is being used to offer customized communication on the Net to other media as well. That means, it will be possible to deliver targeted advertisements both in the traditional media and on the Net.

Such focused advertisements will soon be a reality. For, sharing of psychographic and demographic information are all becoming possible? Days are not far when online and offline media-buying companies will be fully integrated and automated.

This is already beginning to happen. AdRelevance has begun to integrate online and offline data through parent Media Metrix. Abroad, Double-click had a plan to marry its offline and online databases. But, the plan was shelved thanks to the controversy about invasion of privacy.

However, once these issues are resolved such integration and automation would happen fast. With the possibility of interactive television happening in India in a couple of years, days of such automation and integration are not very far. Says B Venkataramanan, group media manager with the Mumbai-based Hindustan Lever: "Advertising agencies should be at the cutting edge of technology and at the same time should adapt to local market conditions."

## **Emerging Scenario**

That means adaptation is two-fold. Indian advertising needs to adapt to all those emerging technologies. As Internet turns more pervasive, Indian advertising is bound to see more opportunities and challenges.

Advertising on the Net is going to be a hot area. The Indian advertising turf might soon see advertising networks and interactive agencies mushrooming up, thanks to the fact that more advertising agencies and software companies specializing in media latching on to the technology bandwagon.

As the bandwagon gathers speed, the gap between interactive agencies and advertising networks is bound to get bridged. In a bid to gain muscle, large interactive will get into advertising networks and large ad-networks are bound to get into the promising business of interactive.

Further, as technology dictates the content of advertising, specialized niche advertising agencies will emerge on the Net. Once interactive advertisements catch on in India, the number of advertising agencies offering specialized services will also move up.

Not just that. These specialized advertising players might go in for strategic alliances to gain competencies. For instance, players specializing in rich media technology might end up forming strategic alliances with advertising networks.

### **Net Initiatives**

So, then all these new initiatives call for new thinking. Advertising agencies will have to assess new media opportunities and build effective strategies. For instance, there exists an opportunity to tap small and medium companies for online advertising.

Online advertising might soon become the proverbial pot of gold at the end of the advertising rainbow. True, online advertising accounts for a very small percentage of the total Indian adspend at the moment. But technology initiatives are bound to fuel online advertising soon.

Number of online advertisers is bound to rise. And there are scores of small advertisers who can latch on to online advertising in a big way. Such opportunities are tremendous and tapping them calls for educating small agencies on online advertising. In this Internet age, it is essential that advertising agencies leverage technology and deliver smart one-stop advertising solutions.

### **Client Agency Relationship**

You must realize that as competition increases, companies are demanding more from their advertising agencies. Hence, client-agency relationships are more prone to stress and strain than ever before. There must be compatibility among the clients, the agency and the brand. Some clients have a rating method for their agency. Some clients tend to change when other agency gives an alternative marketing plan. Some clients spread their budget on more than one agency. Some clients prefer on appraisal system for the agency. Clients sometimes switch over to new agencies when the creative team of the old agency moves out to a new agency just to maintain 'brand continuity.'

The classic to-and-fro shuttles between a client and an agency are comparable to the matrimonial dithers of Elizabeth Taylor

which show 'on - again and off - again' refrain. Many times accounts shift to a new agency and again come back to the old agency. The client-agency relationship may break due to any of the following factors:

- i. International alignments may cause a change.
- ii. Management changes.
- iii. Product conflicts with mergers, takeovers or new product introductions.
- iv. Disenchantment with each other.
- v. Brand failures.

There can be a variety of minor reasons like payment disputes, differences of opinion about communication strategy etc. Most of the reasons for break up also become the reasons for a winback account. The break-up may not be for professional reasons, but for personal and cultural reasons. In future, CAR will be much more professional than emotional.

Agencies will no longer be creative business consultants. They should be seen as a gateway to a whole range of other services. Some big brands like Disney are not big advertisers. They succeed on the strength of brand experience. There could be more idea- and fee-based agencies in future. The ideas could be media-neutral. There will be multi-media teams. There will be ideas specialists. Small agencies will merge into big agencies or sell out. There will be consolidation.

### **Basic Principles of Client-Agency Relationship (CAR)**

These principles are:

- i. The agency avoids advertising a close substitute competing product. The client, too, avoids engaging the services of another competing agency;
- ii. The agency receives the green signal from the client for all the expenses incurred on his advertising;
- iii. The agency keeps the media commission for itself, and the client undertakes, to foot the bill promptly;
- iv. If the media grants any cash discount, it is passed on to the client;
- v. The agency is not taken to task for media lapses in terms of scheduling, positioning, etc.

### **Basic Principles of Agency-Media Relationship**

These principles are:

- i. The agency alone is responsible for payment to the media;
- ii. The agency does not allow any cut from the commission received from the media to go to the client;
- iii. The media do not discriminate amongst the agencies dealt with, and follow a uniform policy for all the agencies;
- iv. The media do not alter the advertising material without the prior consent of the agency.

### **Selection of an Advertising Agency**

First and foremost, the agency must be known. Previously unknown agencies are not preferred.

Secondly, the agency must have creativity. Creative people are a little crazy, non-conformist. Creativity does not follow any

logical patterns. Creative people are like naughty people. The secret of creativity is simplicity.

Thirdly, the agency must have a sound track record, a good deal of experience.

Fourthly, the account executive must have ability to understand the client's problems.

Fifthly, you may look at the accounts they handle, and the accounts they have gained and lost. In other words, the work they have produced for other clients does matter.

Sixthly, the personal equation of the client with the agency also matters. If you know them personally, they are compatible with you.

Seventhly, their ability and presentation may make you opt for them. Premier Auto (the company that makes Fiat cars) was shopping around for an agency to launch its 118 NE. It invited presentations from various agencies and then shifted its account from its old agency Sistas to Ulka. More and more clients prefer to invite presentations for campaigns of new products and then award the campaign to the agency that they think has made the best presentation.

Lastly, there are some unique considerations, some prefer a small, some a medium, some a large agency. Increasingly, clients prefer to fragment their business, giving different products to different agencies.

Other factors that need consideration is the staff of the agency and its caliber, its flexibility, practical and consumer-oriented approach, the use it makes of MR, its media understanding, the attention it gives to the client, its growth, the ability to handle below-the-line publicity, and its

International tie-ups.

So creativity, commitment to client and the quality of its top-management goes a long way in the selection of an agency. Unfortunately, many think 'creativity' is just another way of saying, 'I like the agency.'

Mr. Jacques, Chairman, BBDO quoted Unilever chairman as saying, "If our agencies become no more than efficient distribution systems, we will have to go elsewhere for ideas."

### **Client-Agency Relationships (CAR)**

The average tenure for a client-agency relationship is 9-10 years in India, and about 5-7 years in the developed countries. The frequent client-agency breaks now are attributed to more involvement of top management in ad decisions, and more changes in the top management itself. Global alignments also affect the local accounts. Some clients keep separate agencies for handling different categories worldwide. A client may walk out whenever there is brand or creative fatigue: Creative agencies generally have shorter tenures, because they tend to continue a particular creative even when the market situation changes. When agency is changed, generally a brand is repositioned, e.g., Thums up was a fun brand. Then it became a taste the thunder brand. Now it is 'I want my thunder' brand, while such repositioning is done, the core values of the brand are kept constant.

## Client Turnover

When an advertiser leaves one ad agency and switches over to another, it is known as client turnover. The various reasons for client-turnover are:

- i. The account is not profitable;
- ii. The advertiser is interested in a new medium with which the present agency is not familiar;
- iii. The client and agency perceive the ad strategy in a drastically different manner;
- iv. Lack of coordination between the top executives of the client and the agency;
- v. Change for the sake of change;
- vi. Staff changes also lead to client-turnover;
- vii. Perceived unreasonableness of the other party;
- viii. Loss of confidence;
- ix. When the client does not like the ad programme conceived by the agency;
- x. Politics and nepotism result in client-turnover;
- xi. Separation of client and agency is an easy thing to bring about.

Researchers have identified as many as 40 factors, which influence the sale of a product, advertising being one of them. But the Agency is almost always blamed if something goes wrong, and the relationship terminates. There are three reasons for this:

1. It is very difficult to measure advertisement's contribution to the success or failure of a product.
2. Legally, it is so simple to terminate a relationship (e.g., a few weeks' notice).
3. New people in the client's office might like to have a change.

Again, sometimes creative people leave an agency. The client therefore naturally changes to a new agency, because the people who worked for him are not there.

Many times, there is a change for the sake of change. Clients prefer an agency that is currently popular. Sometimes, the agency itself voluntarily resigns from an account. Maybe, there are differing perceptions. Maybe, the agency is accepting another competitive account. Agencies also abandon a consistently losing account. Agencies resign when the client is over-bearing. Many ad people resent the diktats from the client about their own professional work.

## Agency Compensation

The method of paying the agency has been a subject of much discussion nowadays at almost all the meetings of advertisement agency associations and advertisement clubs. There are, basically three methods in practice. They are:

- a. **Commission System:** This is the most common and the oldest system of remuneration. The agency is paid a fixed commission by the media on the advertising bill for the advertisement space bought by the agency. This fixed rate of commission is 15 per cent in the USA, as well as in India. Though the rate varies from country to country, the rate of 15 per cent is almost universal. For example, an agency places

a full-page advertisement in a magazine, which costs, say, Rs. 10,000/-. After the advertisement has run, the magazine (the medium) will bill the agency for Rs. 10,000/-, less 15 per cent. This means that the agency will pay to the medium Rs. 8,500/-. The agency, in turn, will bill the advertiser for Rs. 10,000/-. Thus, Rs. 1,500/- will go towards the efforts made and the services rendered by the agency in the preparation of the advertisement and its delivery in the medium. Indian Newspaper Society (INS) accreditation earns the agencies 15% commission and 60 days of credit from the media. Non-accredited agencies have to pay the media in advance and get 10% commission, which in real terms translates to a miserable 5 p.c. The popular criticism of this method is that the agency is always tempted to recommend for several deliveries through expensive media in order to draw a larger remuneration.

These days some agencies get compensation on 'sliding scale of commission.' It is inversely based on volumes of media spends. The larger the billings, the lower is the commission percent paid. Some question the logic of linking ad payments to media billing or media volumes. The sliding scale works like the royalty payments to an author.

- b. **Fee System:** The system came into effect following a controversy between an advertiser and an agency. The former argued that 15 per cent commission was too high a rate; whereas the agency took the stand that it was unremunerative for the many services rendered to the client. The fee system is used in TV advertising; when once the commercial is created, it may be used over a long time. A flat fee is paid to the agency for the specialized services performed by it. The fees charged depend upon the number of ad people working on an account, salaries, man-hours, and overheads. A dollar in salary, as a rule of thumb, accrues to a dollar in overheads. A profit margin of 10-25 p.c. is then added along with performance-based bonus. The agency develops a 'scope of work' document for the client and then develops resources against this plan. These resources are charged on a time-basis or man.-hour basis. The final fee tally is not related to billings.
- c. **Service Charges:** The third type of compensation consists of service charges. These are added to the cost of materials, and services bought by the agency for the client in artwork, photography, typography, plates, etc. Normally, it is cost plus 15 per cent.

In practice one of the above systems of compensation, or a combination of the fee-and-media commission plan, or a method by which commissions granted by the media are credited against professional fees, is used.

Industrial advertising, involving the preparation of catalogues and sales materials, and retail advertising, point-of-purchase materials for advertising and direct mail prices do not usually involve a commission. Here, the fee basis of compensation is mostly employed. When new product advertising is involved, the agencies are remunerated on a special fee basis.

The agency-advertiser relationship is like the physician-patient or the lawyer-client relationship; the patient pays the physician's fee, whether he gets relief or not. However, the quality of the



physician's services will be ultimately reflected in the number of patients visiting him, or the volume of business he has. But there is no direct link between the fee paid and the effectiveness of medical treatment to an individual patient. As a patient, he is entitled to get an effective cure in return for the fee he has paid. The lawyer, too, takes the fee, irrespective of the judgment in the case. However, he faithfully argues the case for his client. This raises the question of the efficacy of the remuneration method of advertising. The ideal and desirable method must relate compensation to its effectiveness in some form or the other. Only such a method will have a greater acceptability among the advertisers. Not only this, such compensation method will encourage the growth of a greater measure of professionalization in advertising. This, however, looks simple but is difficult to implement, because the necessary condition for the success of any such compensation plan is to find methods for measuring advertising effectiveness. Once this has been achieved, it would not be difficult to correlate it with the compensation payable to the agency. The possible future methods of compensation, using suitable scales for measuring the effectiveness of advertisement, can be devised. However, till other alternative methods are available, we have to continue with the existing methods.

### Trends in Compensation of Ad Agencies

Several multi-brand advertisers are going in for bulk media purchases through a single source (either an ad agency or an in-house outfit). Here the agency is appointed as AOR; Agency on Record. AOR creates and releases its own advertising. In addition, AOR releases advertisements created by another agency. Thirdly, AOR releases the software it has invested in. Generally, when two agencies are involved, the releasing agency gets 21 p.c. and the agency that provided creative gets 12.5 p.c. In case of software, the situation is complicated.

Some clients may opt to purchase creative work on a flat fee, and negotiate media commission on the basis of volume with AOR.

Compensation at the rate of 15% of billing is called billing-based compensation. Compensation on the basis of costs is called fee-based compensation. Internationally a third option has emerged - Performance-based compensation whereby a performance falling below expectation will earn the agency only 14% commission and a performance which is successful will earn it 16%. However, this is too subjective.

Clients these days are reluctant to pay a blanket rate of 15 p.c. on media billings, since they argue this is too high and illogical. What is paid is not linked to what is put in. Media inflation increases the agency's remuneration. Specialized service providers have challenged the agency's monopoly. Clients take business elsewhere if the agency is not ready to negotiate the 15 per cent. There is a tendency to discount the compensation.

### Commission System

Though lousy, there is, no better alternative to commission system. 'Payment by results' is experimented with. But still commission system is not a dinosaur. It may not be the best, but it is the 'least worst'. Fees are okay to sell time, but advertising agencies sell ideas of unlimited value. Commissions put a

value on an idea. The media spend is an index of the value the client attaches to the idea. Commissions, however, cannot relate efforts taken by the agency and the rewards earned. There can be a combination of fee-based system and commission. There can be several variations of commission - fixed scale commission, sliding scale commission.

### Undercutting by the Agencies

Advertising now competes with sales promotion and direct marketing (DM) for funds. There is no breakthrough in advertising theory ever since the concept of positioning materialized. In fact both these facts are not responsible for the not so healthy bottom-lines of the advertising agencies in the States. The culprit is the haggling over the advertising commissions by the clients. US Agencies have been receiving less than the prescribed 15 p.c. since long. In a way, it is a pricing strategy for an ad agency to attract its clients. The subject of commission negotiation is an anathema to Indian agencies. Unconfirmed reports suggest that even Indian agencies have started offering kickbacks to the clients. However, it is not done in a transparent manner, and so becomes unpleasant and unethical. With transparency, no one will deny this basic marketing right to maneuver price in this manner to the agencies. Lower prices may damage an agency's reputation for quality. High prices may be associated with quality, but if it is an illusion, and the delivery does not match the expectations, there can be a rapid decline in business.

Let commission negotiations be open. This will be conducive for growth in the long run. The bottom-line will be healthier, if extravagance shown by the ad people is curtailed.

All said and done, 15% commission is ideal.

### Article

In a significant move, the Advertising Agencies Association of India (AAAI) has set up a 'steering committee' to examine the issues concerning the agency remuneration system in the Indian advertising industry. The committee's members have been selected from its 16-member executive committee.

According to AAAI president Sam Balsara, extensive inquiries (based on both number and volume) have revealed that the vast majority of business conducted by AAAI members is on a 15 per cent commission basis (creative plus media agency commission). "Of the 3,000-4,000 advertisers, there may be a handful who for a variety of reasons may be operating on a commission or fee that is lower than 15 per cent, but a few exceptions do not make the rule," he says.

The AAAI step comes in the wake of the Indian Newspapers Society (INS) warning agencies that it will "carefully scrutinise the operations of accredited agencies as and when required and disaccredit those who violate INS rules and regulations."

Even though many large and multinational advertisers are reported to be operating on less than 15 per cent commission, an AAAI release says it's not because of the meltdown of the commission system but because of the nature of global arrangement between multinational advertisers and their club agencies.

As the advertising market grows and evolves, so do advertiser requirements and there could be certain situations where the agency commission is not 15 per cent. Media buying or media planning plus buying are separately paid for. The entire gamut of services in the area of Creative (consumer research/insight, strategy, creative) is not availed of.

The fee system, however, does not always reduce agency commission. In fact, in cases where it is related to the volume of advertising, it may actually be higher than 15 per cent. While in the global marketplace, it is the fee system that is followed, this may not be suitable in India for the majority of small and medium advertisers as arriving at the amount is usually an elaborate and time consuming process.

Says Mr Balsara, "We strongly look down upon members who may reduce agency commission under pressure from clients or in order to win new business. Agencies in their own self-interest should resist such temptation for short-term gain, as in the long-term this would impair the industry's ability to attract, pay for and retain the best talent."

What are your views on this?

### Agency of Record (AOR) Concept

Heavy spenders are centralizing Media buying. They appoint a single agency to buy space-time for all its brands, e.g., Unilever has appointed HTA as the central media buying agency for the Unilever group of companies, though the creative work is executed mainly by Limas. HTA, in its turn, has set up an agency of record (AOR), Fulcrum that aims to deal with Lever brand exclusively. Media marketers now negotiate with the big buyers and that is the basis of the concept of AOR. AOR starts investing in updated and accurate data and sets up system which otherwise were taken for granted. It bargains for a bulk amount, and is not taken for a ride by the intermediaries. So far only media planning function was given some thought, but now clients have accepted that media buying is also equally important, and is a specialized activity in its own right. However, AOR sings a requiem to 15% ad agency's commission. It is still a moot point how far an AOR can do justice to the client.

There is a lack of qualified people in this field. We do not have specially trained media buyers in India. They are just negotiators.

### Selecting Your Ad Agency

Most small businesses don't have huge advertising budgets, it is important the money you do have are spent wisely. That means working with an agency that can really meet your needs and with which you feel comfortable. Not all advertising agencies can deliver everything they claim. There are lots of companies vying for your precious money, so carefully consider the following issues before committing to any contractual agreement.

1. Define your objective in hiring an ad agency. What do you want to achieve? What should be different after the agency goes to work for you? What kind of working relationship do you prefer?
2. Check out sources. Consider work you've seen or heard that has impressed you. Call friends and colleagues you trust and get their recommendations. Attend professional or trade

association meetings, and talk to members who have used agencies before. Seek out their opinions, and note whose names come up often (both pro and con). Watch for articles about ad agencies in area papers, trade magazines and related publications (such as chamber of commerce newsletters).

3. Once you have a list of candidates, screen them by phone. Ask about their backgrounds, projects they've worked on, the results they've had, their fees and anything else important to you. Then set up interviews with the three or four firms that impressed you the most.
4. Interview The Finalists. Find out the following:

Do they have experience working with your industry? What is their track record when working with companies like yours? Do they understand your business and the nuances of what you do? If not, are they willing to research the information they need?

Is there chemistry? You can tell if there is a good "fit" with an ad agency. A good agency will express interest in getting to know you as an individual and learning more about your company. They will be good listeners and quick learners. They will make good suggestions and react quickly to your questions and opinions. They should demonstrate the ability to anticipate what is best for your business and be prepared to disagree with you if they feel you're on the wrong track.

Do they show originality and creativity? Based on the agency's previous work, do you feel these people understand how best to "sell" your product or service? If you operate a home health-care agency, for example, you probably don't want an ad campaign that features technology over tenderness. Sensing your clientele, the agency should know enough about you to put together the appropriate message.

Are they reliable and budget conscious? No amount of chemistry and creativity can make up for a missed deadline or an estimate that's way off. Be sure the agency has not only the creative skills needed but also the time and commitment to devote to your needs. Whether you're the biggest or smallest client in their stable, you should be able to count on consistent attention to detail. They should be available to answer your questions and be accountable for delays and expenses.

### Picking Your PR Firm

When looking for a public relations firm, you will probably hear plenty of so-called experts say PR is better than advertising. This isn't necessarily true: PR is simply different from advertising.

In many instances, PR carries more weight because it seems to imply a third-party endorsement. We all know ads are paid for by the business advertised and thus are inherently biased. A positive mention in the media, however, sends a different message. Rightly or wrongly, it is considered more objective and believable than an ad.

While the advantage to PR is that it is seen as less self-serving and often more honest than ads, the disadvantage is that you have no control over the timing, the placement or the spin given to your mention by the media. But when advertising and PR efforts are partnered together, the results can be spectacular.

Much of the same advice that applies to finding an ad agency applies to a PR firm as well. Start by defining why you need a PR firm and what you expect to get from it. Look for candidates by asking colleagues and others you respect for recommendations. Consult professional and trade associations and publications.

The local chapter of the Public Relations Society of America (PRSA) can provide a list of members available for hire. Because PRSA members agree to abide by a code of ethics, you are likely to find firms and individuals you can trust.

The need is to look for references and testimonials when choosing a firm, also consider recommendations from local media and the amount of attention you can expect to get.

“Choosing a PR firm is like selecting a nanny for your child.” You want [an agency that] will represent you and protect your ‘child’ as if it were your own. But don’t approach a firm with unrealistic expectations. No one can get your company on the front page of Times of India if you’ve done nothing newsworthy.”

The PR arena is becoming more and more specialized. Many PR firms now focus on clients within a single industry, such as in environmental issues, health care or transportation. If it’s important to you that your PR agency has a deep knowledge of your business niche, then start noticing which companies in your industry get the kind of press you would like, and find out what PR firms they are using.

You may have to balance the need for an industry-specific PR firm with the constraints of your budget. If you have limited resources, a smaller, more general PR firm with a wide variety of clientele and experience could be a better choice than a more expensive, more specialized firm.

In an effort to get your business, PR firms may exaggerate their knowledge of your industry. If you’re seeking a firm with specialized experience, don’t hesitate to quiz the principals about their knowledge of your field. Ask for examples of what they’ve done for others in your industry.

## Winning Partnership

Almost always, PR and advertising firms send their best and brightest employees to make the sales pitch to you. Be aware, however, that those may not be the people you end up dealing with.

If you can afford it, aim to deal with the decision makers at the advertising agency or PR firm. But don’t lose sight of the fact that sometimes a staff person can do what you need just as well . . . and more economically. The key is to know from the beginning of the relationship whom you’ll be dealing with on a daily basis.

For many small businesses, hiring an advertising or PR agency is a huge step down an unfamiliar path. But if you take the time to carefully assess your resources before you select an agency to help guide you to your goals, the journey to a more profitable business can be an exciting one.

## Foreign Tie-ups

Agencies now have a new role - they are brand stewards rather than just account managers or creatives or media planners.

Foreign tie-ups help the agencies in their new role as brand builder; Brands are built around their inherent feel and core values, e.g., ‘Colgate’s fresh breath energy’. The functional attributes of the tooth paste are side tracked. Tata Tea’s Asli Tazgi campaign, stresses on vitality and freshness, rather than strength and flavor. Tie-ups help build the brand values.

Commonality of work culture emerges as the main determinant of equity participation. However, this does not mean that if there is 10 p.c. stake of a foreign agency, the mindset would be integrated to 10 p.c. The trend is towards greater foreign equity.

The management and strategic capabilities of the top five or six Indian advertising agencies and their contributions to world-wide profits can be ranked among the best. Indian advertising agencies account for more than 33 per cent of Asia-Pacific advertising profits.

However, Indian advertising agencies are far too ethnic in their communication and thus have a limited universal appeal. Not only execution, even their ideas are ethnic. This should change. We should be ready for advertisements through automated teller machines, WAP devices and interactive television?

India is an emerging economy. So, television and the Internet are expected to grow exponentially. And Internet on mobile devices will grow even faster. We are in a growth curve that is looking upward. Sure, we are catching up fast. Ironically, both the bullock cart and space technology are going hand-in-hand in India.

Yes, advertising agencies are gearing up to grab the emerging opportunities. For instance, O&M India has already put in place people for its interactive division. They are up-to-date on e-business solutions, advertising on WAP devices, Internet and interactive television. They are constantly at these developments and are preparing themselves for the future. Already they have a business plan in place. Soon their interactive division will become a global outsourcing platform.

Once data is available, online advertising will explode. Three years ago, they had just two people working in our New York-based interactive division. Today, there are 250 people there. The point is it is necessary to understand these emerging media opportunities and what could be delivered through them.

## Advantages

Mutual benefits. International brands are moving into Indian markets. Foreign agencies should do well to register their presence.

International exposure benefits Indian agencies. Data exchange is mutually beneficial. Greater exchange of resource persons in near future ought to take place.

Equity tie-ups are the biggest advantage. The world over, 100 clients account for 75 p.c. of ad expenditure. Agencies handling these 100 accounts fall into specific groups (e.g., Unilever, Colgate Palmolive or P&G. Kellogg uses Leo Burnett and JWT and Coke uses McCann Erickson and Lintas. An agency, which is in one of these camps, will not get accounts from another multinational. It is obvious that at least a third of ad expenditure will be generated by multinationals.

## Agencies Aligned with International Networks

| Advertising Agency           | Foreign Partner           |
|------------------------------|---------------------------|
| Ambience D'Arcy              | D'Arcy (formerly DMB & B) |
| Amminia Puris Lintas         | Ammirati Puris Limas      |
| Bares Clarion                | Bates Worldwide           |
| Chrra Leo Burnett            | Leo Burnett               |
| Contnct Advertising          | J. Walter Thompson        |
| Enrerprise Nexus             | The Lowe Group            |
| Equus                        | WPP                       |
| EutO RSCG                    | Euro RSCG                 |
| FCB-Uka                      | Foote, Cone & Belding     |
| Hindusnn Thompson Associates | J. Walter Thompson        |
| MAA Bozell                   | Bozell                    |
| McCann-Erickson              | McCann-Erickson           |
| Mudn                         | DDB Needham               |
| Ogilvy & Mather              | Ogilvy & Mather Worldwide |
| Publicis Zen                 | Publicis                  |
| Quadnnt (formerly Pratibha)  | Ammirati Puris Lintas     |
| R.K.Swamy/BBDO               | BBDO Worldwide            |
| Rediffusion DY & R           | Dentsu Young & Rubicam    |
| Saarchi & Saatchi            | Saatchi & Saatchi         |
| SSC&B                        | Ammirati Puris Uncas      |
| Speer                        | Ogilvy & Mather Worldwide |
| TBWA Anthem                  | ,TBWA World wide          |
| Trikaya Grey                 | Grey                      |

### Future of Advertising Agency

The competition would be keen and intense in the advertising business in India in the coming years, but it need not pose a problem of survival if Indian advertising agencies show enough resilience to exploit emerging opportunities. The future of the advertising agency seems to be bright. Opportunity awaits the agency to broaden its scope of services in spite of the various emerging challenges on the advertising scene. These challenges pertain to market, media, motivations or putting messages across to the audience. An ethical standing in terms of the message formulation is concerned is also another area the Indian ad agencies should look into. Looking at the Information Communication & Entertainment age, the following are the ways the advertising should come of age.

- The challenge for advertising and marketing is to move from the familiar to the unfamiliar zone, to get on top of the changes and meet the varied needs of the consumers in the emerging ICE age. The key issue in this digital age is more of access than of ownership.
- The key is to move from mass customization to personalization.
- Traditional media buying companies and P R agencies will have to re-invent themselves to stay relevant in this ICE age. Speed, imagination and excellence in execution will always remain relevant
- Integrating technology with the ICE factor.

## IT and Agencies

Information Technology (IT) has been accepted by the ad agencies by and large, but still it has not made many inroads into the creative and production departments. Agencies so to say, are becoming 'wired.' Creative has the least use for computers. A felt-tip-pen is still considered better by art-directors than a computer. Of course, digital cameras are now being used for shoots. CDRoms are a source of information, images. They are window to the global culture.

### Your Future in an Advertising Agency

In case you want to make a career in the advertising field especially as an account executive, the following will give you a general idea about what the job entails. Robert S. Aitchison suggests 29-ways to be an accounts executive

1. He should get along with people, not only in client's organization but also in his own agency organization.
2. He must be a good planner.
3. He makes available the facts about the product so that the job of writing is not unduly difficult.
4. He will strive for creative and imaginative approaches.
5. He will be sure about the copy theme chosen.
6. He does not solely depend upon literature. He interacts with people in client organization. He insists on seeing the product being made. He takes the trouble to see it in use. He interacts with the trade.
7. He always thinks- in terms of client's best interest first.
8. He believes in teamwork.
9. He makes sure that the creative people get an opportunity to see the client's plant and the production process. He exposes them to the trade.
10. He appreciates the work of the creative people to meet a short deadline.
11. He does not keep things pending and then expect the creative people to meet a short deadline.
12. He puts requests to other departments in writing.
13. He accepts the blame for the mistakes made.
14. He is open to new ideas and does not have a closed mind.
15. He knows the difference between a good creative and a bad one.
16. He believes that ads are related to sales.
17. He knows when to fight and when to retreat.
18. He explains the problems of working to the client. He knows that no agency is perfect.
19. He advises against certain wasteful expenditures.
20. He honestly admits if he does not know an answer. He does not bluff.
21. Sometimes things have to be done overnight but not always. Every job cannot be a rush job.
22. He anticipates client's needs.
23. He makes it convenient to attend client's sales meetings.
24. He is aware of media trends.
25. He knows how far he should go in being a media expert.

26. He acquaints himself with the editorial environment of the media.
27. He spends clients budget prudently.
28. He is in a position to communicate effectively with the production department. He, therefore, knows enough about printing, engraving, film making etc.
29. He will have a good idea as to when research inputs are to be used.



## Notes

3. Ask the same organization as NO. 2, as to are they happy with the compensation that they pay to the ad agency and if the compensation would be based on advertising: sales ratio would they prefer that or the mandatory 15%.

## Notes

[illegible]

## LESSON 31: REGULATION IN ADVERTISING

### Learning Objectives

- You will understand via this lesson the need for regulation in agencies.
- The 3 case studies will explain to you the relevance of actually having regulations and the bodies which play a vital role in them and their role in the implementation of regulations.

### Lesson: Regulation In Advertising



I have purposefully taken this advertisement. Although this is an AMUL advertisement but still, the adaptation of the subject matter will give you an idea as to what the controversy regarding MR Coffee was all about. Please note the subjective image now understand as to why there was so much hue and cry when a TV commercial was aired.

Advertising regulation is a fascinating subject, and it is heavily determined by political attitudes. Those who believe in less government and think that business should be left alone to regulate itself tend to favor less advertising regulation. Others who believe government has a role to play tend to want more legislation and government regulation.

To understand advertising regulation, a host of issues need to be addressed. One central issue is definitional- what is deception? One ad claimed that "Milwaukee's finest beer," is deception involved when many (particularly other Milwaukee brewers) argue that other beers are superior? What does "finest" mean? One advertisement claimed that a hair dye would color hair permanently. If someone exposed to the advertisement believed that the dye would hold for hair not yet grown and thus a single dye would last for decades, is the claim deceptive? Coming to Indian experience, put brand X fairness cream and you will get married.

A basic issue in the enforcement of these laws against deceptive advertising, to which we now turn, is how to define and identify deception.

Conceptually, deception exists when an advertisement is introduced into the perceptual process of some audience and the output of that perceptual process

1. Differs from the reality of the situation and
2. Affects buying behavior to the detriment of the consumer.



The input itself may be determined to contain falsehoods. The more difficult and perhaps more common case, however, is when the input, the advertisement, is not obviously false, but the perceptual process generates an impression that is deceptive. A disclaimer may not pass through the attention filter or the message may be misinterpreted.

Dividing the definition into its three major components, it states that deception will be found if

1. There is a misrepresentation, omission, or practice that is likely to mislead.
2. The consumer is acting responsibly (or reasonably) in the circumstances.
3. The practice is material and consumer injury is possible because consumers are likely to have chosen differently if there was no deception.

Although some argue that this definition only codifies the body of law that preceded it, most observers suggest that the definition involves two major changes from prior positions that make it harder for an as to quality as deceptive. First, the deception must be likely to mislead. Second, the deception must occur in consumers acting responsibly or reasonably in the circumstances rather than simply occurring in a substantial number of consumers (even if they are naïve and unthinking). Thus, the consumer is charged with at least some minimal responsibility in interpreting the advertising.

In the following discussion, we will look more closely at the three dimensions of deceptive advertising discussed above.

### A Misrepresentation or Omission

There are a variety of ways in which misrepresentations or omissions can occur:

1. Suggesting that a small difference is important.
2. Artificial product demonstrations
3. Using an ambiguous or easily confused phrase.
4. Implying a benefit that does not fully or partially exist.

5. Implying that a product benefit is unique to a brand.
6. Implying that a benefit is needed or that a product will fulfill a benefit when it will not.
7. Incorrectly implying that an endorser uses and advocates the brand.
8. Making a claim without substantiation
9. Bait and switch
10. Identifying the advertising

### 11. Telemarketing

### 12. Intellectual property

## Puffery

A rather well-established rule of law is that trade puffing is permissible. Puffing takes two general forms.

The first is a subjective statements of opinion about a product's quality, using such terms as "best or greatest". Nearly all advertisements contain some measure of puffery. "You can't get any closer" (Norelco), "Try something better" (J&B Scotch), "Gas gives you a better deal" (American Gas Association), "Live better electrically" (Edison Electric Institution), "State Farm is all you need to know about insurance," and "Super Shell" are examples. None of these statements has been proved to be true, but neither have been proved false. They all involve some measure of exaggeration

The second form of puffery is exaggerations extended to the point of outright spoof that is obviously not true. A Green Giant is obviously fictitious, and even if he were real, he wouldn't be talking the way he does. In the 1927 Ostermoor case, the court pointed to the puffery argument in denying that a mattress company was deceptive in using an illustration appearing to depict that the inner filling of a mattress would expand to 35 inches when in fact it would expand only 3 to 6 inches.

Based on stated definitions and policy, puffing has been narrowed to the point where no deceptive claim can properly be termed puffery

## Remedies

### Cease –and –Desist Orders

The cease –and –desist order, which prohibits the respondent from engaging further in the deceptive practice, It has been criticized as being a command to "go and sin no more", which has little practical effect. By the time the cease- and-desist order is issued, the advertising may have served its purpose and another campaign may be underway anyway.

### Restitution

Restitution means that the consumer is compensated for any damage. Restitution is rarely considered because of its severity.

### Affirmative Disclosures

If an advertisement has provided insufficient information to the consumer, an affirmative disclosure might be issued. Affirmative disclosures require "clear and conspicuous" disclosure of the omitted information. Often the involved information relates to deficiencies or limitations of the product or service relating to matters of health or safety.

## Corrective Advertising

Corrective advertising required advertisers to rectify past deception by making suitable statements in future commercials.

Some important issues could need your research on the subject. Any remedy should be nonpunitive in nature and should not be burdensome. How do you determine whether the corrective advertising is generating damage to sales or image? Any remedy should preserve First Amendment rights to express ideas. What about those ideas that are counter to the corrective message's claims? Can an advertiser simply decide to stop advertising, thereby avoiding corrective advertising?



One problem with corrective advertising is that it has usually resulted in lawyers writing copy and insisting that it be run some arbitrary length of time.

The implementation of the communication objective approach to corrective advertising will always face difficulties. The problem of ascertaining how misperception and its effect are to be measured and the appropriate target level of misperception that should be obtained reappears in this context. Judgments on such questions are required to set communication objectives. Obviously, a zero misperception level is not generally feasible. Yet regulators and the general public to which they must answer have difficulty accepting realistic standards. A key is to know whether the advertiser is making a good faith effort toward the objective. Copy testing could logically be used to address this point, but the parties would have to agree in advance on relevant and suitable tests, a difficult prospect. Another problem is the cost of measuring deception over time. The tracking required measuring the impact of the commercials- no problem for large advertisers, who do that anyway – could be costly for smaller advertisers and may require the government to share some of the costs.

Corrective advertising has only rarely been considered, largely because of the difficulties in deciding on the target objective. However, it remains an important option and serves to focus attention on the central issues in deception cases.



## Competitor Lawsuits

Another mechanism that inhibits deceptive advertising is the possibility of competitor lawsuits, in which firms charge that false advertising has caused them damage.

I want you to read the following article and make observations about it.

Videocon puts the lid on Godrej, Voltas “large” claims

Namrata Singh

MUMBAI, December 21: Godrej GE Appliances and Voltas, engaged in an MRTPC battle over “we are the largest” advertisement campaign for their twin-tub washing machines, have withdrawn their case as Videocon is launching the largest capacity twin-tub washing machine — Videocon VNA 700 T. Videocon will shortly introduce a new 7kg capacity twin-tub washing machine priced at Rs 9,990. It will, thus, be larger than Godrej’s Smart Wash (5.9 kg) and Voltas’ (5 kg) model. Further, VNA 700 T is cheaper than Godrej Smart Wash, priced at Rs 10,978 and Voltas, priced at Rs 9,090.

Godrej GE Appliances had dragged Voltas to the Monopolies and Restrictive Trade Practices Commission (MRTPC) on the latter’s advertisement which claimed that its washing machine had the largest twin-tub. Following Voltas’ advertisement, a war broke out between the two, with Godrej GE launching a counter ad-campaign stating that Godrej Smart Wash was the largest. Godrej GE had stated to the MRTPC that Voltas’ claim is patently false as the washing capacity of Godrej GE’s twin-tub product is larger at 5.9 kg as against Voltas’ 5 kg.

Godrej GE’s statement was based on the fact that the washing capacity of any machine is measured in terms of the weight of dry clothes that can be washed at a given point of time. Voltas put forth the argument that their product had a larger volume similar to that of TVS Super, TVS Super Plus and the other model of Godrej having a capacity of 5 kg. Volume wise, Godrej GE has a tub capacity of 54 litres compared to Voltas’ 50 litres. Those of TVS Super and TVS Super Plus have a wash tub capacity of 50 litres. As compared to these, Videocon’s VNA 700T has a tub volume of 69 litres with cloth load.

As an interim measure, the commission, in its hearing held on September 15, directed Godrej and Voltas to stop their advertisements claiming to have the largest twin-tub washing machine.

Even before the MRTPC could draw a conclusion, the warring parties discovered that a third party (Videocon) was launching a washing machine with a larger capacity. This put to rest all squabbles between the two arch rivals.

1997 Indian Express Newspapers (Bombay) Ltd

Below are 3 case studies that you are required to do in order that you understand the subject matter. They pertain to Indian experience and will show you the flip side to what deceptive, misleading advertising is all about. Please go over them and discuss the issue of this lecture.

## Case Study 1

In South Africa, a bank ad. says ‘Beef up your account with us’ and shows a cow. Hindu religious groups claim their sentiments have been hurt and the bank tenders an apology.

Closer home, a father in a fairness ad. says ‘Kash mera beta hota’ (If only I had a son!). Consumer activist groups allege that this is exploitation of a social evil and so in bad taste. The issue goes up to Parliament and the ad. is banned.

Cigarettes are known to be harmful for health. Yet they are readily available and sold. However, their advertising on electronic media is banned. And advertisers and advertising agencies alike wait with bated breath for a total ban on the category’s advertising.

When a scantily dressed woman appears in a liquor or perfume ad, women’s rights groups complain of disrespect being shown to womanhood. The model is harassed; cases are filed in courts and the ad is forced to be discontinued.

A man does bungee jumping in a cola ad. One boy in a far out town jumps from the fifth floor of a building in imitation and dies. Another man removes a can of soft drink from the mouth of a cheetah.

Again, one boy puts his hand into the mouth of his dog. And this is enough for people to believe that such ads encourage dangerous practices among children and so the ads should be banned.

## Is the Environment being Harsh on Advertising?

Is advertising actually a powerful influence or are consumer groups actually exploiting it to gain publicity and noticeability?

Are the messages beamed out by other entertainment (movies, serials) and news media (TV and press) more sensitive to the world outside?

Is advertising being singled out for harsh treatment because it’s the easiest to aim at?

There is no doubt that advertising has a strong social responsibility, independent of its known commercial responsibility. In a free economy like India, it must be judged like any other media beamed to the consumer at large. Freedom of expression for commercial purposes must not be viewed differently from freedom of expression.

The environment has changed dramatically in the last decade. The average Indian consumer is today more exposed to the West through travel and the entertainment media. And this means greater exposure to their values, lifestyles and social rituals.

Not surprisingly, this has led to the average consumer becoming more liberal and open-minded. While he may not adopt many of those values and lifestyles, he has become more open to accept differing views.

This is reflected in the mix-n-match culture we see around us — in food, clothes, language and even marriages where there is a shift from arranged marriage to arranged love marriage. With it has come more advertising — and the consumer growing more cynical of its claims and stories.

Even in small towns, consumers say this about celebrity advertising — “He has been paid to say good things about the product” and “The product will cost more as the company has to pay for the advertising!”

Clearly he has become more advertising savvy. In this context, to believe that advertising has an overwhelming power in

bringing about social change is to give it greater weight than it deserves.

Advertising is just one of the social influences in a capitalistic economy like India, and no less commercial than the others. Movies, serials, magazines — play as big or even bigger roles in shaping social behaviour.

Movie stars are bigger than ad. models. Not surprisingly, movies are a final destination for all budding models. A recent WHO survey shows that 80 per cent of Bollywood movies had their heroes smoking — a very unhealthy but strong glamourisation of the smoking habit — stronger than any brand advertising. It is subliminal yet more powerful!

The social backdrop of most of the K-series is of the repression of women. Though the women come out winners in the end. And audiences accept this and they garner high TRPs — often connecting with the woman protagonist.

Music videos like Kanta Laga and Yeh Vada Raha use women purely like sex objects. And such videos are mushrooming by the day and are beamed by music channels over and over again.

(And in the name of glamour, the average Hindi film heroine is more scantily dressed than the vamps of yesteryears!) Action movies are replete with stunts that are very exciting to the average child and very dangerous too.

These are however the harbingers of change, the barometer of consumer acceptance levels and hence should not be ignored. So the social responsibility of advertising needs to be judged in this context rather than in isolation.

The time has come to let the Indian consumer decide what is good for him. In a democratic set up, where every individual has a right to vote and in a free economy, where he has a right to choose products he wants, there is no reason why he should not be allowed to decide what the stretching limit of the social code is in advertising.

Over the years, the Indian consumer has shown great maturity in accepting and rejecting communication. In the early '90s, M R Coffee advertised 'real pleasure doesn't come in minutes' by showing explicit sex.

The consumer rejected it and the brand sunk. At the same time when Subhash Ghai released *Khalnayak*, the song, *Choli ke peeche kya hai*, created a furore among women's groups, but the average viewer accepted it in spirit and both the movie and the song became a runaway hit. Let's respect the intelligence of the consumer and not take on the role of his moral conscience.

This does not mean that there is no need to regulate advertising and its content. In fact, advertising is one fraternity that has its independent self-regulation body — ASCI — which monitors and guides advertisers to remain socially responsible.

However, environmental pressures can make it difficult for even a body like ASCI to perform independently, open mindedly and fairly. The frame of reference needs to be recognized and accepted.

Advertising must be truthful. Not misleading or ambiguous or make wrong factual claims that can get consumers to buy inferior products thinking these products are delivering more.

Advertising must be sensitive to religious and political sensitivities — primarily because India is a religious country with a high religious sensitivity. And unnecessarily provoking it is not healthy.

Advertising must not promote undesirable products — declared illegal by law i.e. drugs. However, in this context banning of advertising of liquor and cigarettes smacks of hypocrisy. Anything that can be sold openly should be allowed to be promoted openly.

If the government does believe in the persuasion power of advertising, it is advised to take out a portion of the funds it annually collects as sales tax and excise duty and invest it in anti-smoking and anti-drinking campaigns!

Advertising must not promote accepted social ills — Saying that 'dowry is good' or 'it's good to have a male child rather than a female child' or 'it's hep to ride a bike without a helmet' should be avoided as part of the social responsibility of advertising. Bringing an issue upfront as the fairness ad. did is not undesirable in this context.

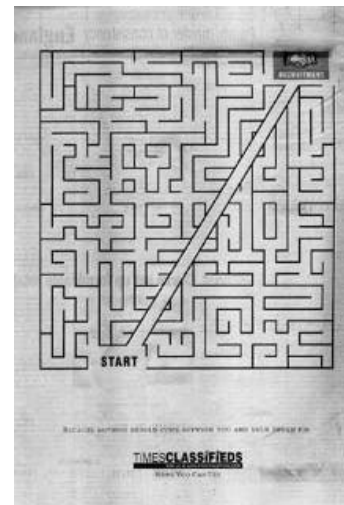
Finally, regulators and consumer groups must accept that social change is inevitable and much depiction must be seen in the context in which the advertising is beamed.

Winds of change are inevitable and trying to slow them down or stop them is neither advertising's responsibility nor its capability. And in such a situation, the ads. supposedly degrading women (liquor, perfume) and promoting bad behaviour among children (soft drinks) aren't doing that. Let them pass.

It may always be useful to remember David Ogilvy's famous adage "The consumer is not a moron, she is your wife". It often appears that advertising agencies respect the consumer more than the average consumer activist.

Something worth thinking about!

### Do you Support the Author's Views and Why



### Case Study 2

Advertisers who claim that their products are the best things since sliced bread bombard us. But, when can advertisers be taken to court for overstating the benefits of their products?

Courts around the world have traditionally been generous towards advertisers. They've allowed what is called 'seller's talk'

or 'puffing' as it is also known. Under this doctrine exaggerated claims are fine as long they don't cross the boundary and become deceptive or misleading.

The 'puffing doctrine' developed in the west permits the use of superlative or hyperbolic terms like "amazing", "perfect", "wonderful" or "exceptional" so long as the products are not so shoddy or worthless as to make the terms wholly inaccurate.

Indian courts have frequently ruled on deceptive advertising. One popular forum is the Monopolies and Restrictive Trade Practices Commission (MRTPC) where cases are brought on the grounds of unfair trade practices. Two recent cases of corporate advertising are worth looking at.

In Director General (Investigation and Registration) vs. CanFin Homes Ltd the company — which is in the housing business — accepted fixed deposits from the public. In its advertisement for deposits, the company stated that its deposits were "risk free". The director general argued that deposits were unsecured and could not be "risk free" and this was, therefore, a misrepresentation.

The company pointed to its rating from credit rating agency ICRA Ltd. ICRA had awarded CanFin Housing an "MAA" rating indicating 'high-safety'.

The MRTPC held on April 2, 2002, that as viewed by the Supreme Court in Lakhanpal National Ltd's case, the issue whether an advertisement contains a false statement and/or is misleading "could not be resolved by merely examining whether the representation is correct or incorrect in the literal sense".

In Lakhanpal National the Supreme Court said it was "necessary to examine whether the representation, complained of, contains the element of misleading the buyer. Does a reasonable man on reading the advertisement form a belief different from what the truth is? The position will have to be viewed with objectivity, in an impersonal manner".

Keeping these guidelines in mind the MRTPC held that CanFin Home's advertisement was not an unfair trade practice.

The Commission said: "The intention of the respondent does not appear to be to keep the depositors in the dark. The 'risk free' claim, on the face of it looks exaggerated. But we cannot ignore the fact that it is backed by credit rating done by ICRA that rated these deposits as 'MAA'. The past performance of the respondent and, above all, the absence of complaints from any of the depositors lends further credence to the claim of the respondent."

More significantly, the MRTPC observed that, "in today's competitive world, use of hyperboles and puffed-up statements couched in attractive words and phrases is an accepted practice in the advertising sector. Such advertisements cannot be struck down unless it is established beyond doubt that they contain a false or misleading representation which is prejudicial to public interest."

The Commission had to decide on a similar issue involving Tata Finance, which had also invited fixed deposits. The company claimed that by investing with it, depositors could have "100 per cent peace of mind". This was alleged to be false and misleading because the company's deposits were unsecured.

In this case too the company argued that, "the high rating of FAA+ given by leading rating agency, Crisil, denotes high safety and timely payment of both interest and principal. The claim of '100 per cent peace of mind' was neither baseless nor exaggerated and in any case cannot be construed as misleading."

The MRTPC agreed and held that the company's claims could not be termed misleading or false even if it was considered "exaggerated". These two decisions show that advertisements shouldn't be taken literally. Advertisers should be careful about their claims but the courts won't interpret every word as if it was a legal document.

Based on the above case, explain what could be termed as deception and misinterpretation? Also highlight the issues of the 2 companies in question.

### Case Study 3

#### The Indian Advertising Regulations

MUMBAI: Even as the US has decided to ban outdoor advertising of tobacco products and in the UK live models are barred in tobacco ads, there is no enforceable code to regulate tobacco advertising in India.

The only self-regulatory advertising code that could have "morally bound" the tobacco lobby was the one formulated by the Advertising Standards Council of India (ASCI), which was prematurely struck down after the tobacco industry decided it could not adhere to many of its diktats.

So now we have a code on advertising that has been formulated by the Tobacco Institute of India (a body of tobacco majors). Although it took shape in 1995 and underwent a revamp last year, it is yet to get the proposed ombudsman "comprising officials of TII, industry and eminent people" to oversee the implementation of the code.

The TII has still to rope in the industry and the rules of procedure are yet to be finalised, since they have to be done in consultation with the ombudsman.

The ASCI code, incidentally, broke down because of two key issues—celebrity endorsements and surrogate advertising (like the Red and White Bravery Awards or the Four Square and Wills Cricket Gear ads).

Both these issues are linked to the same issue—that of targeting youngsters, say ASCI officials. Explains Sam Balsara, managing director of Madison DMB&B and one of the members who drafted the ASCI tobacco code, "What we were worried about was that ads which use movie stars and other celebrities have a direct bearing on the minds of the youth, and ASCI strictly forbids this".

The glamour and aspirational element is also harmful," says Swarn Kohli, chairperson, Consumer Education and Research Centre and an ASCI member. "The glamour element associated with cigarette smoking is definitely pernicious. The swanky houses, lavish cars and rich lifestyles portrayed even in brands which are not targeted at the upper class is disturbing. But the main concern is that these ads portray (to youngsters) that smoking is the 'in thing'. The small illegible health warning on the packs too needs to be reviewed and made bigger. Youngsters near colleges and schools also should not be targeted."

A survey has shown that advertising does not initiate tobacco consumption and it is other factors like peer pressure, for instance, that induces the youth to take to smoking. When questioned on why companies like ITC then spend crores of rupees on advertising if ads don't induce consumption that is for building a trademark. There is nothing wrong if companies use their trademarks, which are perceived to be of high value by consumers, and diversify into new product categories.

Wills, for instance, has extended its brand name to cricket gear.

No one is stopping them from making bats, but then they should not show Sachin Tendulkar carrying a Wills bat. Tendulkar is a hero to millions of little children and youngsters." The ASCI code required that if the name of a tobacco brand was to be used for any other product category, it was only fair that the same restrictions imposed on the tobacco brand be applicable to that category as well. If not, then the whole exercise becomes redundant.

The second issue — that of surrogate advertising — had also got ASCI and the tobacco lobby in a non-negotiable mood. The Red and White Bravery Award instituted by Godfrey Philips is one such example. Says Gautam Rakshit, managing director, Avenues Advertising: "Role models portray the ideal behavior patterns for the youth of today. The Red and White Bravery Award is attempting to create role models for the young and the association of a role model with a brand of cigarettes is by implication stating that role models endorse cigarette smoking. This has a negative influence on young people."

Leave alone the ASCI code, even the TII code does not seem to have been adhered to by many of the members themselves. For example a provision states that ads shall not include any direct personal testimonial (written or spoken) urging or recommending the use of a tobacco product by a person of distinction in any walk of life in a manner which is particularly attractive to minors. However, The Akshay Kumar ads for Godfrey Philips' Red and White cigarettes all over the city are a mute testimony to the fact that the code is being violated.

Another provision prohibits tobacco ads through any media primarily meant for schools, hospitals and places of worship, or on the compound walls of these institutions. However, the most blatant violation of this clause is seen within the premises of the Mahalaxmi temple at Haji Ali in Mumbai. Inside the compound wall of the main temple (at the coveted junction of Peddar Road and Bhulabhai Desai Road is a huge hoarding of Indian Tobacco's Company's (ITC) Wills Sport ad (cheering India for the World Cup). Just some weeks back a Gold Flake hoarding towered over commuters. A few yards away, near a smaller temple, a Four Square Cigarette signage illuminates another paan shop. The entrance near the Haji Ali Dargah too has similar shop signs of Will's Filter Kings. Adds Mr Rakshit: "If there is a violation, then even at the cost of commercial loss it should not be used if the tobacco lobby is serious about implementing the code." On direct marketing, the code says: "No known non-smoker or non-user of tobacco products will be sampled or contacted." The catch in this sentence is the word 'known' Says Amol Bose of Amol Bose Advertising and past president of the Advertising Association of India: "It is well-nigh impossible to ask every

individual whether he is above 18 or not, and there have been instances where youngsters have been asked to distribute cigarette samples near cinema halls." According to Ms Viji Venkatesh of the Cancer Patients' Aid Association, "A leading brand of cigarettes from ITC was freely sampled to all and sundry near Shivaji Park and at various discotheques."

While the tobacco code stipulates that minors (those below 18 years) should not be targeted, Mr Rakshit says this whole business of minors is wrong. Its youngsters, period, who should not be targeted. A person could be 20 years old and yet be a potential target. Students who just enter college are clearly below the age of eighteen (assuming they haven't repeated any class."

The code is vague on other issues too. It states that exhibition of any tobacco product should not be undertaken in a children's film or a TV show meant for children. But on the other hand, it says: "It is clarified that the mere granting of a U certificate does not make the film a children's film." But then there is no special certification for children's films. Unless there is a clear-cut way to define a children's film, it won't be easy to interpret the clause. The code has to be more explicit in its definition of what constitutes a children's film, say industry officials.

Is the government really serious about regulating advertisements for the benefit of the consuming public? One wonders, especially with many traffic booths being sponsored by tobacco companies. Moreover, it is time to define what constitutes an advertisement. According to a high court judgement, a logo in itself does not constitute an advertisement, and so we see the Indian cricket team sporting the Wills logo. But the anti-tobacco insists that a logo is an advertisement. If that weren't the case, one fails to understand why ITC spends crores of rupees to get sportsmen to don its Wills logo. It's high time these issues were discussed in open forums, and more importantly, aptly represented by all sections of society, to arrive at a consensus. How do you sort out these issues if you were a member of the ASCI?

### **"Quote-Unquote What few Stalwarts have to say about Regulation."**

- "Commercials on television are similar to sex and taxes; the more talk there is about them, the less likely they are to be curbed."  
- Jack Gould (1963), quoted in Bruce Bohle, *The Home Book of American Quotations*, 1967, New York, NY: Dodd, Mead & Company, p. 5.
- "Advertising is speech. It's regulated because it's often effective speech."  
- Jef I. Richards (1995), advertising professor, The University of Texas at Austin.

### **"Quote-Unquote What few Stalwarts have to say about Waste."**

- "Chess is as elaborate a waste of human intelligence as you can find outside an advertising agency."  
- Raymond Chandler

- “There is more money wasted in advertising by underspending than by overspending. Years ago someone said that underspending in advertising is like buying a ticket halfway to Europe. You’ve spent your money but you never get there.”  
- Morris Hite, quoted in Adman: Morris Hite’s Methods for Winning the Ad Game, 1988, Dallas, TX: E-Heart Press, p. 204-205.

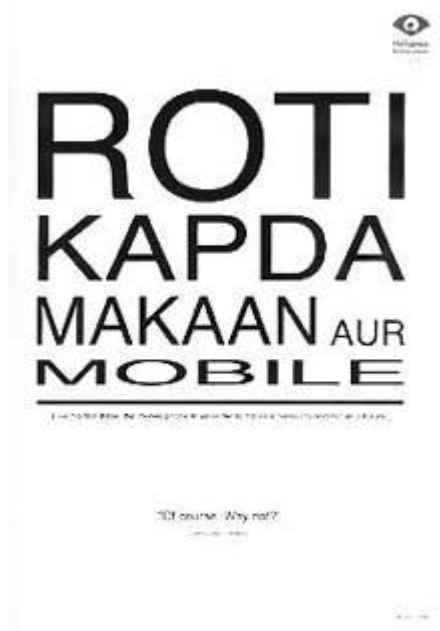
## Notes

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## LESSON 32: ADVERTISING EFFECTIVENESS

### Learning Objectives

- You will understand via this lesson as to how and why is the need to measure effectiveness of an ad.
- It also goes on to explain the various methods of measuring effectiveness.



A brand is a compound of two elements. It is first of all a product or service that provides functional benefits rich enough to persuade some (or sometimes many) consumers to buy the brand repeatedly. It also has added values, or psychological qualities and associations in the minds of these consumers; values that underscore and reinforce their preference for the brand. The manufacturer provides the functional benefits. The added values are mainly created and built gradually but inexorably by the brand's advertising. It is a fair generalization that a brand is the joint product of a sound and well-organized manufacturer and imaginative advertising.

Although the agency writes the advertising campaigns, these are also the concern of the advertiser. The advertiser's contribution concentrates on the important managerial tasks of evaluating the agency's proposals; using their judgement to plan the "business" of the campaign (especially budget and media); and, most importantly, measuring the campaign's effects in the marketplace.

The specific jobs that should be carried out by the client in close co-operation with the agency should be five fold. To accomplish these, this article mentions a number of research techniques that are more readily available in a sophisticated market like the United States than in a burgeoning market such as India. Nevertheless, in all developed and less developed countries, the best research available should be used to tackle these five

important tasks. It is to be hoped that the specific techniques described here will soon be as fully available in India as they are today in North America and Europe.



### 1. The Five Tasks

- Measure behavioral effects
- Pre-test to weed out ineffective advertisements
- Determine advertisement budgets strategically
- Media continuity, not concentration
- Use promotions tactically

#### Task 1: Measure Behavioral Effects

Advertising has three orders of effects ~ short-term, medium-term and long-term. These effects can be measured in terms of consumer purchasing (cognitive and attitudinal data are too soft and indirect to measure these effects robustly). One extremely important point is that each effect is a gatekeeper to the next. In particular, without a short-term effect, no other effect is possible.

Before the mid 1980s, it was impossible to measure accurately the short-term effects of advertising. These are felt within seven days of an advertisement appearing and such effects are highly volatile. Measurement is only possible with the use of a large scale and expensive technique called Pure Single Source Research, a type of investigation that has been used in a number of countries since the early 1990s. The measure of an advertisement's short-term effect is market share change and is

entitled Short Term Advertising Strength (STAS). In about 30% of cases this effect is very large. In about 40% of cases it is slightly positive. In about 30% of cases sales actually go down because the campaign is unable to protect the brand from stronger campaigns from competitors. STAS is driven exclusively by the creative quality of the advertising campaign.

The medium-term effect represents the repetition of short-term effects across the course of a year, but deducting the short-term effects of competitive advertising campaigns. This means that the medium-term effect is invariably smaller than each short-term effect. The medium-term effect of a campaign can be measured with reasonable precision using regression analysis. Many examples are available to show this technique in action. These cases quantify the proportion of annual sales that are accounted for by advertising and they also show the return on the advertising investment, measured in cents per advertising dollar. The econometric analysis to determine medium-term effects with which I am most familiar and on which I have published, are the work of the prominent research organization Media Marketing Assessment.

Advertising is also capable of a long-term effect, which is manifested through a strengthening of the brand and in particular the growth in its added values ~ the positive psychological associations of the brand in the minds of consumers. If there is a long-term effect, this is shown by a gradual increase each year in the measured medium-term effect.

Long-term effect of advertising is measured in six ways:

- Rising penetration i.e. an increasing user base
- Increasing purchase frequency
- Reducing price elasticity of demand
- Above-average consumer price
- Increasing advertising elasticity
- Reducing advertising intensiveness i.e. An increasingly effective use of advertising dollars

When the long-term effect of advertising is added to the medium-term effect, advertising can be in circumstances shown to produce a return on investment (ROI) higher than the actual sum spent on it.

### **Task 2: Pre-Test to Weed out Ineffective Advertisements**

In view of the fact that only a third of campaigns produce strongly positive short-term results, it is very important that manufacturers should pre-test their advertisements to predict as accurately as possible whether their campaigns will be effective in the market place. A number of pre-testing systems are available in the United States. The method with the best track record is that named after the research organization Advertising Research Systems (ARS).

This method tests the commercial in a cinema in front of an audience of 500 people. These people see an entertainment program in which are inserted some commercials, including the one being tested. The entertainment program is preceded by a lottery, in which people are asked to allocate a sum of money among different brands (including the one being tested). After the program, there is another similar lottery. The measurement

of the effectiveness of the tested commercial is determined by comparing the audience preference for the brand after the program with their preference before the program.

This testing system has been used for 50 years and there is a very large battery of test evidence of its effectiveness from a number of countries. This evidence for the predictive ability of the system is very strong and aggregated data are available to illustrate this. There are also a number of cases, which show the system in action for specific named brands.

### **Task 3: Determine Advertisement Budgets Strategically**

In view of the long-term effects of advertising, manufacturers should normally set their advertising budgets in terms of competitive advertising expenditures within their category. In order to boost the long-term competitiveness of their brands manufacturers should not make tactical reductions in the budget in an attempt to boost profit.

Manufacturer's advertising investments in any category can be described with a statistical regression known as the Advertising Intensiveness Curve (AIC). This shows that small brands must over-advertise (with their share of voice exceeding their share of market). On the other hand, large brands can afford to under-advertise (with their share of voice below their share of market). This is a measure of the above-average profitability of large brands. But there are strict limits. Any reduction below these limits will invariably lead to a loss in market share. Cases are available to illustrate this point.

### **Task 4: Media Continuity, Not Concentration**

For many years the advertising industry followed a pattern of short-term media concentration to ensure that consumers saw three exposures of an advertisement before they were expected to buy a brand. This policy was based on an incorrect interpretation of available research.

Any policy of media deployment must be based on evidence of the incremental effect of extra advertising exposures on sales of a brand. The vast weight of existing evidence supports the view that a single advertising exposure can produce sales and more exposures generate diminishing returns. This means that short-term media concentration produces sales that are more and more expensive to achieve. This is therefore uneconomic. At the same time, any gaps in a manufacturer's annual media schedule will leave the brand vulnerable to the competition from other brands in the marketplace. When schedules are based on short-term concentration, there are inevitably going to be long gaps between the periods of high advertising weight ~ a highly inefficient way of employing media budgets.

Since the mid 1990s, it has been realized by the majority of American advertisers that the most effective and economic media policy is to reduce the weight of the short-term bursts of advertising and to deploy the money on a relatively continuous basis across a year. A number of individual cases are available to demonstrate this point. And more recently, aggregated data from Media Marketing Assessment, based on rigorous econometric evaluation, have shown clearly that continuity is the best policy.

### Task 5: Use Promotions Tactically

Manufacturers are subjected to a number of pressures to increase their expenditures on trade and consumer promotions. These pressures include the competition from other manufacturers who promote in order to boost their own short-term sales. But the regrettable fact is that the vast majority of promotions are totally uneconomic. Despite the high sales return they achieve, they generally cause an actual reduction in the manufacturer's profit.

A basic problem with promotions is that they encourage a general disloyalty to brands on the part of consumers. An even worse problem is that promotions have no long-term effects. They are different from advertising in this respect, because advertising can produce a long-term effect, which can be added to its medium-term effect, with a beneficial effect on a brand's ROI.

One proven system of improving the benefit of trade and consumer promotions is to use such promotions together with consumer advertising, in a mutually supporting role. Cases are available to demonstrate that this can be to the long-term benefit of brands.

All the analysis that are referred to here are based on manufacturers and advertising agencies using good and experienced judgment in developing their advertising plans. As already mentioned, such plans should also be based on the best research that the market research industry in the country is able to provide. In many cases, the research lessons learned at great expense in developed countries can also be applied at least approximately to less developed ones. This is generally the policy of the leading multinational advertisers.

#### Copy Testing

You must understand that an ad copy is one of the key areas where testing is essential. Since it contains elements like the Headline, Illustrations, Body copy, Logo and Baseline, it becomes imperative to understand the mix and match of these subjects. Very essentially we need to see that, whether the layout is effectively read out or not. Essentially you must understand that a viewer of a print ad sees the above-mentioned elements in the following manner:



- Illustration
- Headline

- Logo
- Copy

It is not a hard and fast rule, but normally the above is true. So various combinations of the elements are given to us and we try to see as to which one is stronger than the other. We have 2 types of testing for ad copy being effective:

1. Pre-testing: This is the test of the copy before it is given to the media.
2. Post-testing: This is the testing, which is done after the ad copy has come out in the media and the audience has seen the advertisement.

The purpose of pre-testing is as follows:

- To spot errors in the copy
- To make communication more effective
- To design the ad better
- To reduce wastage in advertising
- To ensure that the money is spent prudently.

Whereas the purpose of post-testing are as below:

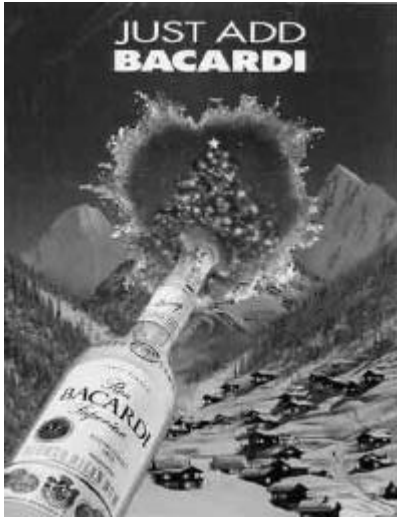
- To find out the impact of an ad in terms of it being noticed, seen and read.
- To find out its credibility.
- To find out its comprehension
- To measure its memorability.
- To assess its effect on buyers.
- To assess its fit with the promotion and marketing mix
- To assess whether it has achieved its objectives.
- To assess the relative effectiveness of different copies and media plans.
- To improve future advertising efforts.

Now, but naturally you will ask me as to how you test the ad copy. So following are the different methods for firstly, pre-testing.





1. Checklist method: Within this we have certain issues like readability or audibility. It is a simple and a speedy process. You could ask questions like:



- Is the copy based on the briefing?
- Is it interesting?
- Is it interactive?
- Is the story line complete and fluid in its completion?
- Are there pauses and breaks while reading?
- Does it end interestingly?
- Was it able to hold the attention?

There are quite a number of other questions that you could possibly have. The method is however suitable only for the body text and not for any other element.

1. Consumer jury test: Here the ranking of the advertisements are done by a group of people called the jurors. The point system is given to an average of 4-5 copies that they are given to rank. The order of merit is the one, which determine which is the best advertisement by the jurors and which has been rated as the worst. The points given by the jurors are then added together to determine which is the ad, which has got the maximum points. This is the one that is the chosen one. Within this context we have paired comparison. In a Paired Comparison at a time two ad copies are compared. It is one-to-one comparison amongst test ads. More than six ad copies can also be compared by this method. Every single ad is compared with all others, but only two (a pair) is considered at one period of time. Sources are recorded on cards. They are summed up. The winner gets the highest score. The other ads are rated according to their scores after summation. It is easier technique than order of merits. Till ten copies, there is good accuracy; which later decreases. The number of comparisons one is required to make with the help of the following formula:
2. Portfolio test: Here some dummy ads are mixed with regular ads. They are then put in a portfolio. The consumer samples each advertisements and judges, which is the best one. In case the selected ad is the dummy one, then the regular ad is changed or modified in the manner of the dummy ad.

3. Mock magazine test: This is very similar to the portfolio test, however the ads are put in an actual magazine and is exposed to the consumer. The recall test is then taken to adjudge which is the best ad.
4. Perceptual Meaning Studies (PMS): It is a method that is uses time exposure to test the ads. Tachistoscope is an instrument that may be used in this test. The respondent sees the ad for a pre-determined time, and then is subjected to a recall test-product, brand illustration and the main copy.

Where the pre-testing for the broadcasting ads are concerned, we have the following types:

1. In-home projection tests: A movie projector screens the ads in the setting of the consumer's home. He is then questioned before and after the exposure. We can then assess the strong and the weak points of the ads.
2. Trailer tests: A real life like shopping environment is created to measure consumer behavior. One group is given coupons to purchase selective brands, and the other group is not given the coupons. The redemption rate of the coupons may give an idea about the effectiveness of the test ads.
3. Theatre test: A set of captive audience is sent a questionnaire. Later they are sent free ads to view the test ads in a theatre and then again are administered a questionnaire. It assesses product, brand and the ad theme.
4. Live telecast tests: Here the inaccuracies of artificial testing environment are not encountered. Ads are put on air either by narrow casting or live telecasting. These ads are test ads, and not the regular ads. Later, viewers are interviewed to know their reactions.

Now let us come down to the post-testing methods. This actually gives us an idea about the actual performance of the ad in terms of exposure, perception, communication and sales effect. We can assess the credibility and comprehension of the ads.

### Few of the Methods of this Type of Tests are

1. Recall tests: In this type of tests the individuals are asked to answer about the ads entirely on the basis of their memory. It could be aided recall, where they are given few cues to help them recall and unaided recall, which of course is based on memory alone.
2. Recognition test: These are also known as readership tests, whereby it is seen whether they buy the product upon seeing the ads. Importantly, the individual has to qualify as the reader of that particular issue.
3. Triple association test: Here the respondent is given certain cues wherein he can relate to a certain brand. For example – "Thanda Matlab", if the answer is coca cola, then it is correct. And if the respondent is able to connect the product with the company then it is a triple association.
4. Sales effect tests: They measure the various stages of buyer awareness, preference, buying intention and actual purchase in relation to actual advertising effort.
5. Sales results tests: The additional sales generated by the ads are recorded. It is difficult however to correlate an increase in sales to advertising alone.

6. Enquires test: These are couponed ads of consumer durables. They invite consumers to send back the coupon to seek a demo or more details. The number of enquires determine the effectiveness of the ads.
7. Attitude test: Attitudes show our predisposition towards objects, ideas, people and places. They indicate overall feelings. The change in attitude as a result of advertising is assessed. The assumption is that a favorable attitude towards a product will lead to a purchase. Most ads are designed either to reinforce or change the existing attitudes.

The DAGMAR process, which we had studied in an earlier lesson, is an important element in the measurement of effectiveness of ads. Briefly, let me recapitulate the process.

Defining Advertising Goals for Measured Advertising Results. Well you might ask me what are few of the goals out of the set of 52 goals? Well, to briefly put some goals:

- Persuade the prospect to visit a showroom and ask for a demonstration.
- Build up the morale of the company's salesforce.
- Facilitate sales by correcting false impressions, misinformation and other obstacles.
- Announce a special reason for buying NOW (e.g., sale).
- Make a brand identity known and easily recognizable.
- Provide information or implant attitude regarding benefits and superior features of brand.

According to the DAGMAR approach, the communication task of the brand is to gain:

- Awareness
- Comprehension
- Conviction
- Image
- Action

DAGMAR is a planning and a control tool. But the formulation of some basic inputs of DAGMAR is difficult to formulate and also inhibits creativity.



## Notes

[illegible]

## LESSON 33:

### LESSON: INDIAN ADVERTISING

#### Learning Objectives

- You will understand the historical evolution of Indian advertising.
- What the future holds for the Indian advertising?



#### A Perspective

Just a few decades ago, Indian advertising was headed by expatriates. Agencies that held sway were mostly foreign owned. Like JWT, D. J. Keymer (now O&M), Grant Advertising (Contract) & L. A. Stronachs. With a long list of 'Brits' as heads. Like Fielden & Greg Baton to name a few. (It is interesting to note that the first few ad agencies were part of a network that was British in origin - and Madison Avenue had yet to come into its own.)

The first Indian-owned agency was National Advertising, followed by B. Dattaram and Sistas. Then there was the stalwart national effort of setting up Everest Advertising by Ibrahim Patel (until then the Advertising Manager of The Times of India). Not to forget commercial artist Ratan Batra, who set up Ratan Batra Pvt. Ltd and co-founded Communications Artists Guild (CAG). Somewhere along the way a few 'angry young men' split from D.J. Keymer to set up 'Clarion Advertising' with legendary film maker Satyajit Ray as one of its founders. Pleasant images complimented smart lines. And lip service was paid to research (for good measure). It is rumoured that 'Advertising Age' and 'Campaign' formed the unofficial source of inspiration. Along with the 'Black Book' of course. Ad Club of Bombay published a newsletter called 'Solus', which often featured local ads, to celebrate what could be termed as 'creative coincidence'. The feeling in the advertising community was rosy, bordering on the euphoric. Till suddenly, a young Turk shook up a complacent ad world.

#### The Second Wave

Kersey Katrak, a maverick young copywriter who had graduated to client service, started Mass Communication & Marketing (MCM), from the back of his car (his own words). Soon, he

assembled the best advertising talent in the country and pitched for every big account. In its decade-old existence, MCM rewrote the rules of 'creativity' in India and inspired a legion of wannabes. Rediffusion, Enterprise, Trikaya ... spun off by Arun Nanda, Mohamed Khan, and Ravi Gupta who made the 'creative product' the hero of their agency's offering. The rest as they say, is history.

Next came the mid-90's. With the Indian economy opening up, the international 'big daddies' started rolling into India. First to arrive was Saatchi & Saatchi, followed soon by Leo Burnett, BBDO, McCann Erickson, Y&R, TBWA, et al. During this period, the country was going through an economic slowdown (effected by global recession), which compounded the problems for the ad business. Agencies began down sizing or as some (rightly?) called it 'right sizing'. Ownership of agencies changed hands. Some even shut shop. All in all, the recession lasted longer than one hoped it should.

#### The Age of the Creative Product

If there was one agency that emerged unscathed by the slow-down, it was Mumbai headquartered O&M. Under the leadership of Ranjan Kapur and in close collaboration with Creative Director Suresh Mullick, O&M decided to make 'creativity' the fulcrum of the Agency's march to a leadership position. Mallick's blue-eyed boy Piyush Pandey who aggressively imputed his dynamic energy to build the agency's creative product inherited the creative mantle. Other agencies that decided to play catch-up included Lintas (now Lowe) spear-headed by National Creative Director Balki (successor of Kersey Katrak). Suddenly creativity was taken seriously by the Indian advertising industry. (Incidentally, WPP owned O&M also successfully proved that creativity could be harnessed with the financial discipline that is typical of WPP companies.) It was not long before Indian ad persons were sitting on juries at Cannes and elsewhere. Indian campaigns were bagging 'golds' 'silvers' & 'bronzes' the world over. (All but the 'Agency of the Year' which still continues to elude Indian agencies.) Indian communications professionals have learnt the game. Global recognition is pouring in. Plagiarization is almost unheard of. Gone are the days when art directors lived by the 'Black Book'.

Advertising in India is a highly competitive business. Today with the increasing consumer awareness no business can survive for long without advertising. With growing business competition it has become necessary to ensure right media mix to each target audience. Today, advertising agencies are precisely taking care of consumer needs and provide creative designs with concept & ideas.

Advertisers in India reach about 75 per cent of the population through television, and almost the entire population through radio. Certain televised programs enjoy a viewership of more than 100 million. The Indian viewership exhibits brand name

recognition of both foreign and domestic products and services.

With value added information such as television rating points, audience profiles, and opinion polls available to marketers, the sophistication of advertising in India is at par with world standards. The world's leading advertising agencies - Ogilvy & Mather, J W Thompson, BBDO, Young & Rubican, Lintas, McCann Ericsson, Leo Burnett and a host of others - all have a major presence in the Indian market.

The major Indian advertising media are newspapers, magazines, television and radio, business publications and billboards.

Advertising on the Internet is the most cost-efficient way of reaching customers all over the world including ones own country. Indian advertising agencies need to wake up to the challenges posed by global economic trends and emerging interactive technologies like the Internet, Indian companies need to pay attention to characteristics of the new economy like open standards, digitalization, and volatility, as Internet-based communication offers "tremendous new opportunities for Indian companies via media convergence and re-intermediation." This also requires Indian advertising agencies to pay attention to the importance of online market research, since new media like the Net are bound to affect people's perceptions of advertising. The challenge for Indian advertising agencies in the coming years is to be able to target the rural market as well as the sophisticated urban market that may have Internet access.

Concrete advertising history begins with classified advertising. Advertisements appeared for the first time in print in Hickey's Bengal Gazette, which was India's first newspaper, being weekly in nature.

Horlicks becomes the first 'malted milk' to be patented on 5th June 1883 (No. 278967). Following is the historical account of the Indian advertising industry.

### A Brief History Of 'Ind - Ads'

- 1905 - B Dattaram & Co claims to be the oldest existing Indian agency in Girgaum in Bombay
- 1912 - ITC (then Imperial Tobacco Co. Ltd.) launches Gold Flake
- 1920s - Enter the first foreign owned ad agencies
  - Gujarat Advertising and Indian Advertising set up
  - Expatriate agencies emerge: Alliance Advertising, Tata Publicity
  - LA Stronach's merges into today's Norvicson Advertising
  - D J Keymer gives rise to Ogilvy & Mather and Clarion
- 1925 - LR Swami & Co, Madras
- 1926 - LA Stronach & Co (India) Pr. Ltd, Bombay starts
  - Agency called National set up for American rather than British advertisers
  - American importers hire Jagan Nath Jaini, then advertising manager of Civil and Military Gazette, Lahore. National today is still run by Jaini's family

- Beginning of multinational agencies
- J Walter Thompson (JWT) opened to service General Motors business

- 1928 - BOMAS Ltd (Formerly DJ Keymer & Co Ltd) set up
- 1929 - J Walter Thompson Co Pr. Ltd formed

### Indian Agencies, Foreign Advertising in the Thirties

- 1931 - National Advertising Service Pr. Ltd. Bombay set up
  - Universal Publicity Co, Calcutta formed full service Indian agency
- 1935 - Indian Publicity Bureau Pr Ltd, Calcutta established
- 1936 - Krishna Publicity Co Pr. Ltd, Kanpur begins operations
  - Studio Ratan Batra Pr. Ltd, Bombay established
  - Indian Broadcasting Company becomes All India Radio (AIR)
- 1938 - Jayendra Publicity, Kolhapur started
- 1939 - Lever's advertising department launches Dalda - the first major example of a brand and a marketing campaign specifically developed for India
  - The Press Syndicate Ltd, Bombay set up

### Indianising Advertisements in the Forties

- 1940 - Navanilal & Co., Ahmedabad set up
- 1941 - Lux signs Leela Chitnis as the first Indian film actress to endorse the product
  - Hindustan Thompson Associates (HTA), the current incarnation of JWT, coins the Balanced Nourishment concept to make Horlicks more relevant to India
  - Green's Advertising Service Agents, Bombay formed
- 1943 - Advertising & Sales Promotion Co (ASP), Calcutta established
- 1944 - Dazzal, Bombay comes into existence
  - Ranjit Sales & Publicity Pr. Ltd, Bombay started
- 1945 - Efficient Publicities Pr. Ltd, Madras set up
  - Tom & Bay (Advertising) Pr. Ltd., Poona begins operations in India
- 1946 - Eastern Psychograph Pr. Ltd., Bombay set up
  - Everest Advertising Pr. Ltd, Bombay established
- 1947 - Grant Advertising Inc, Bombay formed
  - Swami Advertising Bureau, Sholapur started
- 1948 - RC Advertising Co, Bombay set up
  - Phoenix Advertising Pr. Ltd, Calcutta formed

### Corporate Advertising in the Fifties

- 1950s - Radio Ceylon and Radio Goa become the media option
- 1951 - Vicks VapoRub: a rub for colds, causes ripples with its entry in the balm market

- 1952 - Shantilal G Shah & Co, Bombay
- 1954 - Advertising Club, Mumbai set up
  - Express Advertising Agency, Bombay
  - India Publicity Co. Pr. Ltd., Calcutta
- 1956 - Aiyars Advertising & Marketing, Bombay
  - Clarion Advertising Services Pr. Ltd, Calcutta
- 1957 - Vividh Bharati kicks off
- 1958 - Shree Advertising Agency, Bombay
- 1959 - Associated Publicity, Cuttack

### Creative Revolution in the Sixties

- 1960 - Advertising Accessories, Trichur started
  - Marketing Advertising Associates, Bombay set up
- 1961 - Industrial Advertising Agency, Bombay comes into existence
  - Bal Mundkur quits BOMAS to set up Ulka the same year
- 1962 - India's television's first soap opera - Teesra Rasta enthralls Viewers
- 1963 - BOMAS changes names to SH Benson's
  - Stronach's absorbed into Norvicson
  - Lintas heading for uncertainty
  - Levers toying with giving its brands to other agencies
  - Nargis Wadia sets up Interpub
  - Wills Filter Tipped cigarettes launched and positioned as made for each other, filter and tobacco match
- 1965 - Kersey Katrak sets up Mass Communication and Marketing (MCM)
- 1966 - Government persuaded to open up the broadcast media
  - Ayaz Peerbhoy sets up Marketing and Advertising Associates (MAA)
- 1967 - First commercial appears on Vividh Bharati
- 1968 - Nari Hira sets up Creative Unit
  - India wins the bid for the Asian Advertising Congress
- 1969 - Sylvester daCunha left Stronach's to run ASP; later sets up daCunha Associates
- 1970 - Frank Simoes sets up Frank Simoes Associates

### The Problematic Seventies

- 1970, 1978- National Readership Studies provided relevant data on consumers' reading habits
- 1970 - Concept of commercial programming accepted by All India Radio
  - Hasan Rezavi gives the very first spot on Radio Ceylon
- 1971 - Benson's undergo change in name to Ogilvy, Benson & Mather

- 1972 - Western Outdoor Advertising Pvt Ltd (WOAPL) introduces first closed circuit TV (CCT) in the country at the race course in Mumbai
- 1973 - RK Swamy/BBDO established
- 1974 - MCM goes out of business
  - Arun Nanda & Ajit Balakrishnan set up Rediffusion
- 1975 - Ravi Gupta sets up Trikaya Grey
- 1976 - Commercial Television initiated
- 1978 - First television commercial seen
- 1979 - Ogilvy, Benson & Mather's name changes to Ogilvy & Mather

### Glued to the Television in the Eighties

- 1980 - Mudra Communications Ltd set up
  - King-sized Virginia filter cigarette enters market with brand name of 'Charms'
- 1981 - Network, associate of UTV, pioneers cable television in India
- 1982 - The biggest milestone in television was the Asiad '82 when television turned to colour transmission
  - Bombay Dyeing becomes the first colour TV ad
  - 13th Asian Advertising Congress in New Delhi
  - Media planning gets a boost
- 1983 - Maggi Noodles launched to become an overnight success
  - Canco Advertising Pvt. Ltd. founded
  - Manohar Shyam Joshi's Hum Log makes commercial television come alive
  - Mudra sponsors first commercial telecast of a major sporting event with the India-West Indies series
- 1984 - Hum Log, Doordarshan's first soap opera in the colour era is born
  - Viewers still remember the sponsor (Vicco) of Yeh Jo Hai Zindagi!
- 1985 - Mudra makes India's first telefilm, Janam
- 1985-86 - 915 new brands of products and services appearing on the Indian market
- 1986 - Sananda is born on July 31. The Bengali magazine stupefies India by selling 75,000 copies within three hours of appearing on the newsstands.
  - Mudra Communications creates India's first folk-history TV serial Buniyaad. Shown on DD, it becomes the first of the mega soaps
  - Price quality positioning of Nirma detergent cakes boost sales
- 1988 - AAI's Premnarayan Award instituted
- 1989 - Advertising Club Bombay begins a biennial seminar called 'Advertising that Works'
  - Advertising & Marketing (A&M) magazine launched

## Tech Savvy in the Nineties

- 1990
  - Marks the beginning of new medium Internet
  - Agencies open new media shops; go virtual with websites and Internet advertising
  - Brand Equity (magazine) of The Economic Times is born
- 1991
  - First India-targeted satellite channel, Zee TV starts broadcast
  - Close on the throes of the Gulf War enters STAR (Satellite Transmission for Asia Region)
- 1992
  - Spectrum, publisher of A&M, constitutes its own award known as 'A&M Awards'
  - Scribes and media planners credit The Bold And The Beautiful serial on STAR Plus channel as a soap that started the cultural invasion
- 1993
  - India's only advertising school, MICA (Mudra Institute of Communications Ahmedabad), is born
  - Tara on Zee TV becomes India's first female-centric soap
- 1995
  - Advertising Club of Bombay calls its awards as Abby
  - Country's first brand consulting firm, SABRE (Strategic Advantage for Brand Equity) begins operations.
- 1996
  - The ad fraternity hits big time for the first time by bagging three awards at the 43rd International Advertising Festival, Cannes Sun TV becomes the first regional TV channel to go live 24 hours
  - a day on all days of the week
- 1997
  - Media boom with the growth of cable and satellite; print medium sees an increase in titles, especially in specialised areas
  - Government turns towards professional advertising in the private sector for its VDIS campaigns
  - Army resorts to the services of private sector agencies
  - Advertising on the Internet gains popularity
  - Equitor Consulting becomes the only independent brand consultancy company in the country
  - Several exercises in changing corporate identity
  - For the first time ever, Indians stand the chance of winning the \$ 1- million booty being offered by Gillette as part of its Football World Cup promo 1998
  - Events assume important role in marketing mix
  - Rise of software TV producers banking on ad industry talent
  - Reinventing of cinema -advertising through cinema begins
- 1998
  - Lintas becomes Ammirati Puri Lintas (APL)

- 1999
  - B2B site agencyfaqs.com launched on September 28, 1999
  - The Advertising Club Bombay announces the AdWorks Trophy

## In the New Millennium

- 2000
  - Mudra launches magindia.com - India's first advertising and marketing gallery
  - Lintas merges with Lowe Group to become Lowe Lintas and Partners (LLP)
  - Bigideasunlimited.com - a portal offering free and fee ideas for money launched by Alyque Padamsee and Sam Mathews
  - Game shows like Kaun Banega Crorepati become a rage; media buying industry is bullish on KBC
  - Kyunki Saas Bhi Kabhi Bahu Thi marks the return of family-oriented soap on TV
  - French advertising major Publicis acquires Maadhyam
- 2001
  - Trikaya Grey becomes Grey Worldwide
  - Bharti's Rs 2.75-crore corporate TV commercial, where a baby girl is born in a football stadium, becomes the most expensive campaign of the year
- 2002
  - Lowe Lintas & Partners rechristened Lowe Worldwide
  - For the first time in the history of HTA, a new post of president is created. Kamal Oberoi is appointed as the first president of HTA



## Indian Advertising – A Critique

This is the best of times and worst of times for Indian advertising agencies. On the one hand, there are ample opportunities for growth not only in existing areas of activity, but also in new fields that are opening up thanks to liberalization and globalization, technological progresses and changing lifestyles. At the other end of the spectrum, risks are looming large on the horizon of agencies that are not able to identify the critical competencies they need to stay on course and decide how they should build and deploy these competencies, given their current scope and resources. The risk of getting stuck in the middle is now very real for many agencies, and the time has come for such

agencies as well as others — operating at the top and bottom rung — to revisit their strategies including scope, scale and competitive advantages.

## Changing Environment of the Advertising World

The performance of the Indian advertising industry since the middle of the nineties can be termed as healthy. The current growth rate of 18-20 per cent, though below the 49.5 per cent achieved during 1995, is still above many industries in India. The Rs 10000-crore industry is becoming globally competitive and presently accounts for 33 per cent of total industry profit in the Asia-Pacific region and ranks seventh highest in terms of contribution to global profit. Global agencies are increasingly getting attracted to the Indian market and now have a share of about 47 per cent of total Indian advertising.

In spite of this healthy state of the industry during the mid- and late 1990s, the uncertainty of the future remains a cause of concern for all agencies, big, medium or small. Developments in the last five to 10 years have changed (or are changing) the rules of the industry dramatically. Let's take a look at some of these developments to identify the opportunities and vulnerabilities of Indian advertising agencies: Clients are increasingly looking for a one-stop communication solution, including direct marketing, event management and public relations.

- Emergence of Internet and other new media such as ATM, WAP devices and interactive TV are both exciting and threatening — exciting for fast and first movers in building capabilities and early advantages and threatening for laggards and those basking in past glory.
- Interactive divisions of many agencies are now offering online consulting, web branding, web designing and offline advertising strategies.
- Concentration in the industry is clearly visible, with the top 15 agencies accounting for 80 per cent of the billing and the balance 20 per cent being shared by a 100-odd agencies.
- Opportunities for growth appear substantial — total billing is expected to grow to Rs. 20,000 crore by 2005 with two to three agencies billing more than Rs 3000 crore. Some of the opportunity areas will be healthcare, insurance, financial services, dot.com, Internet and special communications.
- Online advertising will be on the rise and will reach Rs. 300 crore by 2005. However, it will change the rules of advertising and will help advertisers to shift focus from broadcasting to narrow casting.
- With media planning and media buying becoming highly specialized thanks to the emergence of new media and need for better relating media characteristics with brand and consumer profile, there is a possibility that these two activities will move out of the range of services provided by a traditional advertising agency, implying splitting of the commission presently being earned. It is bad news for full service agencies that will have to establish as to how they can add value in such areas as speed, coordination and optimum media plans.
- Clients will be looking for more comprehensive and also better services with greater speed in delivery and applications

across geographically dispersed markets. They will also be increasingly demanding a different remuneration structure (either fixed fee-based or performance-linked) to ensure accountability.

- Media planning has become far more complex than before — there are 100-odd channels, 400 publications and a plethora of new media that keep popping up every other day. With the rising cost of media and its ever-growing fragmentation, the efficiency and effectiveness of ad spend are now being examined critically more than ever before.
- Online and offline media-buying companies will be fully integrated and automated. In general, technology will drive initiatives in devising better ways to reach consumers.
- Faced with increasing media cost and intense competition, many agencies are now trying to scale up quickly to become one-stop solution providers and reduce cost. In fact, the industry has already started witnessing a number of M&As and strategic alliances.

## Areas of Repositioning

Given the changes mentioned above, the strategies that worked in the past will need to be revisited to check their relevance in the new environment. Some of the areas where fresh views are needed are:

### Segmentation

The choice of segments to be served in the emerging future is the first aspect to be revisited in order to reposition an advertising agency in the new competitive environment. It is now clear that no organization can be 'all things to all people'. The need to divide existing and prospective clients into a number of homogeneous segments and then select the few where the agency wishes to focus in the coming years will be a key task since it will help the agency to have clarity, consistency and commitment in development of strategy, allocation of resources and identification of critical skills. The choice of segments to be targeted must take into account such aspects as scale of future operations, new opportunity areas (e.g. relative emphasis on non-traditional media and choice of segments such as retailing, dot.com, health care, insurance etc.) and underlying capabilities to serve such areas, competitors' existing and future offerings, agency's present strengths and vulnerabilities and its agenda for building specific capabilities in the future.

### Scope

An agency should examine if it should become a full service agency or focus on one or two specialized areas. There will increasingly be a sharp distinction between 'pure' players in select areas and full-fledged communication practitioners. Scale A critical issue to be addressed is how big the size of an agency should be. Size will undoubtedly matter if new capabilities are to be built, more value-added services are to be provided and cost to the client is to be reduced. It is also a fact that the industry is getting concentrated, and unless an agency figures in the top ten, it is unlikely to make reasonable money.

### Capability Building

One key issue that needs to be revisited is what kind of future capabilities an agency should build so that it can have competitive advantages to offer value that is better than its other direct

competitors as well as niche players. The list of capabilities has to be developed keeping in view the need for micro-segmentation, requirement of faster delivery, emergence of e-business, new technological possibilities in IT and telecom, and development of non-traditional media such as Internet, ATM, WAP devices, interactive TV etc. Care must be taken not to build capabilities in all possible areas (for example, the agency need not build capabilities in software required to support its online initiatives). Needless to say, the more the number of areas where capabilities need to be built, the more will be the investment that will be required in technology, creative people and associated training and development. Two additional considerations, while deciding on future capabilities, will be:

- Applicability of newly developed capabilities across different geographical markets around the world
- Breadths of sectors to be covered (e.g. retailing, distribution, promotions, merchandising, sampling etc.)

### Value Proposition

The decisions taken to reposition the agency in four specific areas of segmentation, scope, scale and capabilities will determine the value proposition that the agency intends to offer to its clients. The uniqueness and sustainability of such value proposition and the ability to deliver such values at a competitive cost will be a critical aspect of an agency's plan to reposition itself. The key thing to figure out will be what specific values clients in each segment targeted will be looking for (which may not always be articulated by the clients). While value expectations will differ from one segment to another, some common aspects are clear:

- Providing research and intellectual inputs to clients in three key areas, viz understanding changes in consumer behavior, developing business insights (including making available frameworks for formulating strategic options) and crystallizing the brand vision. Agencies have not paid sufficient attention to supporting clients in the last mentioned two areas, namely business insights and brand vision. They will need to involve themselves in these upstream areas to not only assist the clients in their strategic brand management function but also to ensure excellence in downstream activities. Interestingly, an agency need not build all the capabilities needed to excel in these areas. Strategic alliances and networking with individuals and specialist organizations (such as industry experts, strategy consultants, research companies etc.) can provide the required concepts and best practices.
- Development of a range of options, so far as choice of media — both online and offline — is concerned, given the content of the message and the profile of target consumer or customer group. Providing value — cost leveraging of each of these options and ranking them on a 'neutral' basis through relating each option to the specific context such as business strategy being adopted, short- and long-term goals and brand vision of the client — will be a critical component of the value proposed to be created. Specifically, clients will like to know how effective various traditional and new media options (remember 80 per cent of the cost of a campaign is the media-related cost) for a particular product or service will

be, given the overall business and brand strategy and short- and medium-term marketing objectives.

- Speed in delivering error-free, quality output and responsiveness as well as the flexibility to change the package of offering at short notice will help agencies reduce customers' anxieties to get an advantage over competition.
- Subjecting the agency's remuneration structure, on a proactive basis, to certain accountability format. This will communicate seriousness, professionalism and sensitivity to a client's needs and help greatly in building a strong goodwill in favor of the agency.
- Building a track record of measurable success in all aspects of the agency's operation and services — creative, media planning, media buying, production and account servicing. A track record of superior performance builds reputation and equity in the minds of the client.
- Expertise and professionalism of the agency's staff, at both the front and back office, reduce customers' anxieties to a great extent and are thus sources of value.
- A well-developed, well-communicated, and well-delivered value proposition that is meaningful and relevant to the target client groups will help the agency 'position' itself clearly and uniquely in the minds of the clients vis-à-vis competition.

### Performance Criteria

As with any other organization, an agency will need to define a few critical parameters against which it will measure its short- and long-term performance, given the industry's standards and clients' expectations. Such parameters should be chosen to reflect the importance of both client satisfaction and internal efficiency. Against the backdrop of the increasing propensity of clients to shift from a commission or fee-based remuneration structure to a system based on 'payment by result', it is obvious that an agency will need to incorporate in its list of key success factors such parameters as the advertiser's business performance (e.g. sales, volume etc.), the performance of advertising (e.g. level of awareness created, enhancement of brand image etc.) and performance of the agency vis-à-vis clients' expectations and service standards set in delivering the service (e.g. task competencies, service delivery-quality, timeliness and professionalism). These three areas, in addition to other items that measure internal efficiency, must be fine-tuned, quantified and benchmarked to make sure that both clients and employees of the agency understand and evaluate the kind of value the agency proposes to deliver and how the agency ensures high-quality execution of the same.

### Organizing for the Future

Against the background of changing environment and the repositioning required to deliver the new value proposition discussed above, a key issue the agencies will face is how to organize their activities in future to implement the new direction. While traditional thinking will probably indicate the need to possess all required capabilities and infrastructure in-house, the guiding principle should be to include only those few core activities where the agency has established capabilities (or has plans to develop such capabilities); any other activity,





## LESSON 34: ETHICS IN ADVERTISING

## Learning Objectives

- You will understand via this lesson the need for in advertising.
- The type of advertisements that could come under ethical issues.



Even as a section of the media and public lambasted the advertisers and the agencies for the falling scores of taste and decency in advertising, such ads raged on and became an order of the day. Brands that are far-fetched from carnality started portraying all-consuming lust in their ads. Candie's shoes ad, for instance, showed a girl sitting in a sink in an intimate posture with her tattooed boyfriend. Luggage brand Jansport advertised its backpacks showing topless female model.

While this was the trend the world over, our homeland, India, was not really far behind. It was in July 23, 1995, that a Mumbai tabloid published a photograph of an ad for Tuff shoes that had models Madhu Sapre and Milind Soman posing in the nude with a python wrapped around them, just about covering the vitals. The controversy and protests dragged on for along time. The ad agencies defended their creative rights while the nation pooh-pooled the couple's audacity.

## Dying to be Noticed

Thus advertisers and admen are increasingly under fire for upsetting the socio-cultural-religious sensitivities and sensibilities of consumers. And, unfortunately, things are looking only worse day by day. With slashing down of the ad budget and with the business slumping, every one is even more desperate to stand out in a hurry. To boost short-term sales or to win awards. Their slogan is 'Love it. Or hate it. Or think it is offensive. But you have to notice it.'

Advertising is criticized because selling carries a stigma. Centuries ago, Anacharis, had said, "the market is the place set aside where men may deceive each other". Even to this date despite the rise in consumerism and efforts to counter market deception, buyers are still gullible and are not particularly on guard against deception. To create an impact, the advertisers pit creative message-makers against blasé sophisticates, hardened by thousands of commercials. The objective is to cut through the clutter, to grip ones attention and to create an impression that lingers on in the memory of the prospective buyers. And, while doing so, they create desires, shape attitudes, mould temperaments, alter social values and raise many an ethical question. To which there is no easy answer.

The measure of advertising's success is the extent to which it increases demand. Competition or declining profits can blow good intention out of the boardroom. Under such circumstances, the perspective shifts from what is best in the long run for the society to what is best in the short-run for the company. Ethics, the advertisers say, is fine for the secure, but a greater market share is all the slipping company needs!

## Ad Areas Under Scrutiny of Ethics

Advertising ethics affects the practice of our lives and also the practice of business, in subtle and prominent ways. Indeed, ethics in ads concern us all in one way or the other. The areas under scrutiny of the critics are as follows:

## Types of ads

## Ads for Sex Related Products

Instead of making people aware of the necessity of safe sex and the benefits of birth control condom ads continue to intrigue the youngsters with the unique feel it has to offer.

## Ads for Health Care and Professional Services

The slimming centers that promise miraculous weight reduction; the cosmetic surgery clinics that assure permanent solution to beauty problems.

## Ads for Vices with Fatal Effects

Tobacco chewing ads, commercials of alcoholic beverages that tempt the non-alcoholics to have a sip.

## Types of Appeals

## Use of Questionable Appeals

The ads that bank on fear and negative appeal like neighbor's envy, jealousy, feud between daughter-in-law and mother-in-law etc.

## Stereotypical Appeals

Sexual or racial stereotyping. Ads that imply that a woman, whether in kitchen or in the boardroom, ought to look sensuous and inviting under any circumstances is a . The fairness creams stereotype the dusky women as socially less desired for marriage.

## Larger Effects on the Society

### Value Formation

Advertisements responsible for molding society, material wants. The ads displaying scantily clad female models commoditize women. And the deluge of ads that increase ones propensity of consumption makes one feel that possessing a certain commodity is essential to show that one belongs to the higher echelon of the society.

### Media Content

Information content of ads; the ads that suggest the use of preserved food items without a slightest mention of the fact that many of these preservatives have been proved to have carcinogenic effect.

### Use of Deception

The ads of brands that conceal their negative aspects. The ads of cosmetics that say nothing about the long-term effects of regular usage of their products; the ads of the educational institution that wrongly claim to give 100 percent placement to its students are examples of this type.

### Advertising Targeting Children and Adolescents

The ads that target the vulnerability of the children and adolescents create role models whom the kids are expected to emulate and, thus, shape their dreams and aspirations in an unbecoming way.

### Advertisers' Concern

#### Voice/Tone of the ad

Comparative ads that thrive on inflicting vitriolic attacks on their rivals; copying the idea in the ad world is another such menace.

#### Impediments to Research

The impediments to research on advertising ethics are identified as follows:

##### Lack of Practitioner Interest

Research is impeded by the inapplicability of published findings to business operations, the disinterest of corporations in sponsoring research on ad ethics and the funding constraints that cause researchers to rely on a convenience sample.

##### Lack of Sound Measures and Framework

Research is impeded by the lack of psychometrically sound measurement scales and theoretical frameworks in advertising/ marketing.

##### Lack of Relevant Theories in Related Disciplines

Research is impeded by theoretical shortcomings in anthropology, management, philosophy, psychology, sociology and advertising/ marketing.

##### Lack of Academic Interest

Research is impeded by lack of a journal editor and the difficulty researchers face when they try to relate ethical issues to traditional advertising issues.

### Why be Ethical

At the 83rd Annual Management Conference of the American Association of Advertising Agencies, Keith Reinhard, the 64-year-old chairman and the chief executive of the US \$15-billion DDB Worldwide Communications Group, stood up to quote

the legendary co-founder of DDB, Bill Bernbach: "All of us who professionally use the mass media are the shapers of the society. We can vulgarize that society. We can brutalize it. Or we can help lift it onto a higher level." No. Reinhard is not against the edgy and the unconventional. He is against prurient sex. Filthy humor. And Violence.

By making a success story out of the ads that are offensive to public decency, the message is disturbingly clear: the more rude and shocking you can be the more successful you will be in the advertising. And, moreover, such ads send out faulty signal to the youngsters who represent the future of our society. The young creative directors who take pride in their eccentric thought process ought to be blamed for this. And the ad awards machineries from Cannes to Clios that place such creations on the pedestal. Passion is, surely, the most important ingredient in creative achievement. But its flame need not necessarily leap for obscenity, bullets and falsehoods alone. It is essential to reinforce the virtue of positive passion in today's ad world.

The need to add ethics in advertising is essential as we have a duty to live a good moral life. This duty is as much applicable to our business lives as to our private lives. And marketing professionals also know that ethics brings good business.

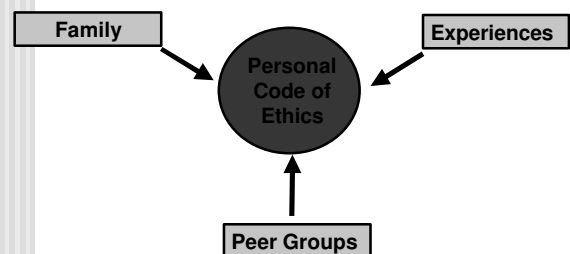
Unethical ads are often found to have negative consequences, ranging from adverse publicity to diminished corporate reputation, to consumer boycotts and even legal sanctions. Conversely, an ethical ad can contribute to a good corporate reputation, heighten morale and, thus, increase repeat business.

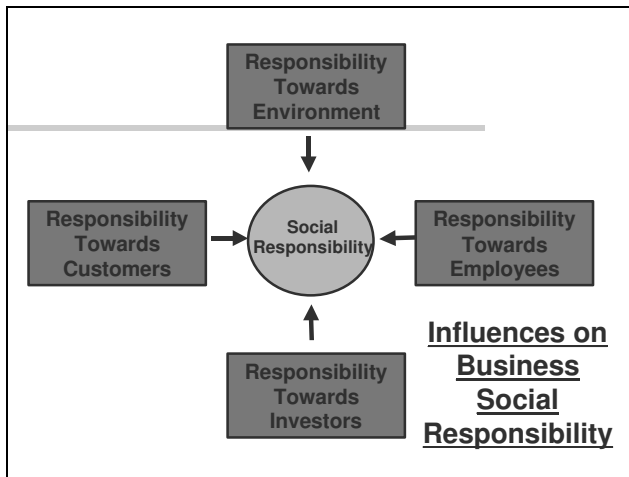
## What are Ethics?

### ETHICS ...

- standards or moral values which dictate what is right and what is wrong, or good or bad, which are
  - culturally-based and formed based upon society's expectations
  - vary by person, and by situation
  - everyone develops their own "code of ethics"

## Influences on Ethical Behavior





## Advertising Ethics

- Some call for advertising to children be curtailed
- Others would ban alcoholic beverage advertising
- Marketers must carefully draw the line between advertising and entertainment
- **Cookies:** small text files that automatically download to a user's computer whenever that user visits a Web Site and that is capable of gathering information on the user, are questioned by many

## Environment Social Responsibility Issues

- Air Pollution
- Water Pollution
- Land Pollution
- Toxic Waste
- Acid Rain

## Advertising Ethics (Cont.)

- **Puffery** refers to exaggerated claims of a product's superiority or the use of subjective or vague statements that may not be literally true
- **Deception** is when the consumer is led to believe something which is not true
- The **Uniform Commercial Code** makes a distinction between puffery and any specific or quantifiable statement about a product quality or performance that constitutes an "express warranty," which obligates the company to stand behind its claim

## Advertising Ethics

### Puffery and Deception

- Puffery refers to exaggerated claim of a product's superiority or the use of subjective or vague statements that may not be literally true.
- The Uniform Commercial Code standardizes sales and business practices throughout the U.S. It makes a distinction between puffery and any specific or quantifiable statement about product quality or performance that constitutes an "express warranty."

## Customer Responsibility Issues

- Rights of Consumers
  - to safe products
  - to be informed
  - to be heard
  - to choose what they buy
- Unfair Pricing - collusion / price gouging
- Ethics in Advertising

## Notes

- [illegible]

- Improper Financial Management
- Kiting Cheques
- Insider Trading
- Misrepresentation of Finances

- **obstructionist stance**
  - does as little as possible
- **defensive stance**
  - does only what is legally required
- **accommodative stance**
  - meets legal & ethical requirements and sometimes goes beyond what is required
- **proactive stance**
  - seeks opportunities to be socially responsible

## Degree of Social Responsibility

high

## LESSON 35: CHILDREN & WOMEN IN ADVERTISING

### Learning Objectives

- You will understand via this lesson the use of children in advertisement.
- The case study is a critique on children advertising
- You will understand via this lesson the way women are portrayed in advertisements.



### Case Study

The print and electronic media today consist of slickly choreographed, visually appealing and professionally managed programming that has transformed the current generation of urban youth into a bunch of mindless consumers. It is therefore important to bring into consideration the types of programming and its impact on emotional and intellectual growth. The advertising world claim that it provides every individual with the right to choose and that therefore it is impossible to imagine a world without advertising tends to run away from an important issue. When cynical TV programming meets unscrupulous advertising, life is grossly simplified, depriving the rebelliousness that characterizes youth - the time set apart in all civilized cultures for the young to trouble and question the established order of substance. The issue is therefore not only the impact but also the cause of the impact itself and that is the content of the ad and to whom this content is directed. TV surveys in 1990 revealed that the ad agencies estimate on the worth of the youth market was 2000 - 2500 crores. Advertisers therefore discovered an untapped market among the youth and the persuasive power it yielded over the decision makers in the family. Children could therefore be used to reach the target segment - the Parents. Advertising is based on the suggestibility of the human mind and tends to exploit this trait, which is especially heightened in children who do not possess the power to discriminate and hence believe in everything they see and hear. Exploiting the ignorance of the masses in this case children and more specifically upper middle

class children, advertising tends to firstly stimulate materialistic desires creating wrong values where children begin to respect only people with materialistic possessions and destroys the ability for original thinking where they blindly ape western attitudes - teeny bopper look-alikes. Secondly, focusing on parental worries especially those of working parents who face the guilt of not spending enough time with their children, advertising has given rise to demanding attitudes among children. Parents look for ways to appease children and advertising suggests a basket of goodies to cure the 'you don't love me' syndrome, which is simply emotional blackmail underlined by parental guilt.

Also, children more susceptible to peer pressure always want to "keep up" and want something that their friends have or something better ranging from toys to the family vehicle. Apart from creating mindless consumers, advertising also runs the risk of influencing values (gender values, male - female relationships, family ties and their quality, reinforcing stereotypes), buying patterns and lifestyles.

### To Cite a Few Examples

- Mothers on TV are young, pretty, and indulgent, ever ready to clean and serve husband and children. Food, washing powder, etc.
- Buying power with the father - credit card "now even she wants one"
- A certain soft drink company gets away with blowing up huge amounts of money to get a cricketer to endorse the product while exhorting young people to eat cricket, sleep cricket, but drink only that particular brand. It is never mentioned that these young people can actually play cricket.



The important question here is that - are we raising children to be indulgent, mindless, couch potatoes who go through life thinking that life is the synthetic reality they see on television. It is a happy world devoid of any ugliness. Is this how we teach our children to face the outside world? What are we protecting

them from or are we protecting them at all? Children have become mere pawns in the world where money and power have become the primary agenda. Ads with their lively, catchy tunes feature children and animals to flag attention, add emotional undertones and trigger an emotional response.

Children are being used to market even non - children products and have become the decision makers not only for chocolates and toys but automobiles and electronic gadgets - Candy TV - metaphor - packaging of the product to look like something a child would want to buy, in this case, candy. Media has become a surrogate parent of sorts, teaching values, imparting lifestyles and telling children what they should buy, eat or wear.

Based on the above case study, do you think that the ad industry is trying to change the social structure, especially where children are concerned? Give latest examples to clarify your arguments.



Advertising to children has been a major focus of public policy and concern for many years. The major issues are whether TV advertising to children is inherently unfair, whether it causes children to make poor product decisions, whether it increases parent-child conflict, and whether it results in undesirable socialization of children. The broader issues, particularly associated with toys and games that involve violence, are whether advertising of such games, or the games themselves, should be disallowed. A related question is whether advertising, even though it does not contain violent material, should be sponsoring television programs that do depict violent scenes that can be seen by children.

You have to see that there has been identification of three types of child information processing:

1. Strategic- for ages ten to eleven years old and older,
2. Cued- six to ten years old, and
3. Limited- under six years old.

Strategic processors can evaluate a product's appeal with greater sophistication because they can store information about the selling intent, other products, and past experiences. Prompts can be used to encourage use of storage and retrieval strategies by cued processors but would not benefit limited processors very much. The following set of guidelines have been developed for determining when children's advertising can be considered deceptive:

1. Pre-examination of questioned advertisements,
2. Sample selection to obtain relevant and representative children,
3. Determination of the understanding level of the children,
4. Measurement of appropriate responses,
5. Determination of whether deception does exist,
6. Determination of the impact of the deception,
7. Making a final decision concerning continuation of the as campaign or a cease and desist order with or without corrective advertising.

I need to point out that the Children's TV Act of 1990 in US, requires broadcasters to provide programming that serves the educational and informational needs of children and must limit the amount of advertising for any programming aimed at children. One criticism is that the Act is too general in specifying what content is "educational and informational." Some stations have attempted to use public service announcement and programs such as the Flintstones and G.I. Joe to satisfy the regulations. In Europe, a Broadcast Commission Directive on advertising was adopted in 1989 that banned subliminal techniques, banned tobacco and prescription medicine ads, and set conditions for advertising alcohol and ads aimed at children.

There have been many instances in India about young Boys and Girls getting entangled in premature relationship as a result of the exposure to Internet. All sensible and responsible Netizens would like the benefits of Internet to reach their children at an early age but are unable to accept the present level of pornographic Spam and uncontrolled chat options available on the Internet. In fact the new media has become a major contentious issue due to the accessibility of pornographic material. The idea behind introducing this subject is that I want to say that the media should be more responsible towards the next generation.

It is amusing to note that these pages carry the names of many prominent Indian Companies and Institutions at the masthead since the masthead is a rotating banner ad. The Ads under which nude photos are being displayed are in the names of few large corporate institutions. You must understand that they too have to be responsible.

I want to impress upon the fact that you switch to any television channel and you find children jumping about in a large number of television commercials ranging from products such as ice creams and candies to airconditioners and refrigerators to automobiles. The trend is hard to miss — that advertisers in India are increasingly using children in their campaigns. And product categories unrelated to children but that use them form a substantial chunk of these ads.

A detailed analysis of over 400 TV commercials done by Kids-Link, the Delhi-based research wing of the events company Kidstuff Events & Promos, is an eye-opener that corroborates the trend. The research agency evaluated a total of 408 Indian commercials posted on the advertising website Agencyfaqs.

These campaigns cut across product categories such as food, white goods, household products and beverages. Of the 408 TV commercials that Kids-Link studied, 16 per cent were found

to have used children either as central or secondary characters in the advertising films.

Kids-Link further segmented the commercials into 27 product categories. Of these, only 44 per cent were found to be associated with children, that is, where they form the bulk of the primary consumers. Among these were categories such as biscuits, candies, chocolates, dairy products, fast food, ice creams etc. The highest penetration of kids in commercials was discovered in the foods segment followed by the white goods brands. For instance, 21 per cent of the total commercials (121) in the foods category use children in their campaigns.

However, it was the white goods segment that threw up a bigger surprise. Of the 83 commercials of refrigerators and television brands that were evaluated, nearly 16 per cent featured children in their films. In fact, even among the 77 household products such as fabric whiteners, detergents etc under the scanner, 10 per cent made use of kids to sell their brands.

So based on the above we can say that the analysis validates the hypothesis that children are being planted in television commercials not only to sell products linked to them but to also push goods like fabric whiteners and refrigerators. The latter being the product categories where kids are not traditionally expected to be a part of the decision-making process.

The brand managers, perhaps, target children in the hope of building brand loyalty right from the beginning. There is an increasing realization among marketers that children play a dominant role in decision-making for products other than the ones they consume themselves especially decisions related to the purchase of high involvement categories such as durables and non-durables,”

Children have become the focal point of intense advertising pressure. A research in the US states that children between the ages of two and eleven spend about 25 hours per week watching television and see approximately 20,000 ads per year. So it does not come as a surprise that in India children between the age of 11 and 15 influence their parents to buy a product and succeed nearly 50 % of times.

Advertisements featuring children in categories such as airconditioners, washing machines, cooking oil, home appliances and even paint is based on the acceptance of this target audience as a strong influencing and persuasive group among marketers. Consequently, categories using kids today extends to the family spending area including beverage, toothpaste or even a luxury car. Hyundai and Maruti Udyog Ltd hold painting contests for kids and distribute free T-shirts.

Clearly, advertisers have been quick to cash in on the growing importance of kids within the families. Ever since the emergence of nuclear families in urban areas, all the activities in a household revolve around the “young ones” and parents would do anything to keep the children happy. Besides, in most product categories where there is no tangible benefit or differentiator among brands, the decisions are emotionally driven. Here, kids tend to play a bigger role. So, in case of parity among most brand offerings (features, quality, price) be it durables or fast moving consumer goods, the advertising focuses on emotional connect.

We must however understand that the indiscriminate usage of children in advertising will invariably lead to brand not conveying the intended message. Using children in unrelated categories or for unrelated appeals is an indicator of not having a well-defined strategy for the brand. As far as the emotional connect goes, evoking mush and romance is the easiest way out, however, going by the flood of commercials using children available today, it seems that is far from possible.



A growing concern is the tobacco advertisements on television. Tobacco use among young people continues to rise as the industry aggressively promotes its products to a new generation of potential smokers. Companies spend billions a year to promote their products. Much of this promotion takes the form of powerful advertising that influences children and adolescents in their views on tobacco.

The WHO is calling on lawmakers around the world to take action against advertising of tobacco and tobacco products to protect the health of the young and the old. All advertising reaches children and teenagers—whether intended or not. Tobacco advertising nominally aimed at 18-24 year olds is especially attractive to teenagers aspiring to enter this age group. Advertising should be responsible regarding this exposure and social problem where children are concerned.

Now, coming back to the ‘child power’, advertising experts feel that the trend is likely to continue. However, with the children getting smarter, advertising will need to be better thought out. Commercials will have to present a more convincing reason and offer a more tangible value and logic before children buy the brands they promote.



## Women in Advertising



India is a patriarchal country- with almost everything centered on the Adult Indian Male - even communications. This is evident in Beauty crème ads, where there has to be a male to appreciate beauty. With the woman stepping out of the house and beyond, it wasn't long before marketers started revamping their ad campaigns. In the earlier talcum powder ads, there used to be a woman coming out the shower and casually applying the talc. A woman now steps out of home on the street carrying the talc in her purse and using it whenever she feels like. This is just one of the changes that advertising has undergone.

To put it empathetically, stereotypes were prevalent in advertising. Women were featured in Nycil or Dettol ads taking care of children's wounds and soothing them. This was true in other media vehicles as well. If you ever paid attention to radio ads there was always a lilting feminine voice endorsing a brand.

Coming back to television, it is said that women view television for longer hours. Definitely! No wonder that cosmetics and grocery brands are heavily advertised during daytime. Based on this, we might as well assume that shaving creams ads are aired at nighttime. Wrong! Because it is the woman who purchases even toiletries for men.

Women make up over two-thirds of the adult viewing audience on weekday afternoons, the programme that traditionally includes soap operas. The only time of the week when men routinely form the largest proportion of the viewing audience is during sports telecasts on weekend afternoons. Prime time evening audiences are more evenly divided, but women viewers still out-number men.

Complementary to the concept that television viewing is a gendered activity, is the advertisers' awareness that consumer behavior is also gendered. Men and women have been conditioned to purchase different products in different ways for different reasons. As a result, most advertisers carefully purchase

time for their commercials during programmes watched by the particular "target" audience they consider most likely to buy. For example, during cricket matches and other sport events you would see ads of Kingfisher and Foster. On the other hand, during a cookery show like Khana Khazana, you would see ads of Badshah Masalas or other groceries.

Coming to the question of change, the roles of men and women have changed. The world of the Indian woman is no longer limited to the four walls of her home and the Indian male has to chip in with household chores. Advertisers are taking notice of this metamorphosis: A father cleaning his child's dirty t-shirt in the Ariel Ad or "the woman of substance" as portrayed by Femina Ads - independent and head on!

Ads have taken a step forward by identifying what women view as masculinity and vice-versa. This is what can be called "Gendered Advertising"- similar in some respects to customized advertising. Advertisers want viewers to enjoy their commercials and to associate the advertised products with a comfortable reinforcing picture of mainstream cultural values. As a result, commercials are designed to take optimal advantage of gender-specific fantasies, myths, and fears. The Raymond Man is almost a dream come true for a woman. The ad plays out her fantasies and becomes aspirational for men.

No longer do you see only Karen Lunel and Pooja Bedi sporting bikinis in ads, men too are baring it all. (Be it the Denim man who doesn't "have to try too hard" or the next-door Brylcreem guy.) It is the Elle 18 girls who are daring to be different. Advertising to the genders has changed.

Gender perception in communication has evolved by introspecting the roles of men and women in society. These images in television commercials provide an especially intriguing field of study for consumer behavior. Advertisers on the other hand seem quite willing to manipulate these fantasies and exploit our anxieties about our identities, to sell products.



The status of women in India has raised many a controversy and headed many a movement. With the passage of time, the Indian woman's role has metamorphosed from a domestic manager to a prime purchaser. She has now emerged as a potential consumer, ready to redefine her status in the world-wide economy, and her contribution to the society is no longer confined to being solely progenitor.

### Emergence of Women as Consumers

Traditionally, the role of wife and mother has been seen as a woman's destiny and her only career choice. For years, she remained totally dependent on her husband financially and chose to remain unaware of the world outside her home. It was the man who was the consumer for the whole family and thus a target for marketers. However, in the last 40 years, the rapid strides in education and employment have paved the way for drastic changes in the status of women—the latter have become self-reliant and also share enhanced emotional bonds with their husbands. From the woman confined to the domestic sphere to the liberated woman of the 21st century, from the woman totally dependent on a man to the totally independent career woman of today, women have made their way through and have evolved as individuals in their own right. And as far as the notion of consumers is concerned, women have become the target market for products and services in India.

### Gender in Advertising

Advertising seems to be obsessed with gender and sexuality and continues to represent an arena in which gender display plays a major role. It has emerged as a world of 'commercial realism' in which we are given 'realistic' images of domestic life and male-female relationships which are not actually real but which provide us with a 'stimulated slice of life'. As gender representation is such a dominant feature of modern-day advertising, it is often called the social resource 'used most' by advertisers. In turn, advertising provides an ideal place to examine the encoding of cultural norms and values in ritualized formats.

Bearing in mind that India has a very low literacy rate, the trend of magazines as an informative and entertaining medium has comparatively gained enormous popularity among the increasing urban population of India. Magazines in India are regarded as a strategic informational, educational and cultural institution as well as the fifth state of public inquest. They are read for gaining knowledge, for recreation and for equipping oneself with the latest information. Women's magazines were introduced in the Indian market only after the women's liberation movement. They now reach out to women in both urban and rural societies in India and cater to women in terms of their age, class and role. The market for women's magazines is increasing at such a rapid pace that it is no more flooded only with domestic women's magazines but also with global ones such as *Cosmopolitan* and *Vogue* which choose to cater to an elite audience. And the ad agencies that create the advertisements in these magazines strive to promote a sophisticated consumerist culture and encourage the readers to imitate the style, philosophy and format of western magazines and advertisements.

### Female Role Portrayals in Women's Magazines

In recent years widespread attention has been drawn to the roles portrayed by women in advertisement. In certain cultures, the mainstream media still reinforces the stereotyped image of a woman whose identity has been shaped by the limited roles she has to play in society and on screen. The media not only reflects social values, attitudes and behavior towards women very subtly but also at times distorts the images of women. A study in 1970 in Britain revealed that magazine advertisements presented the following clichés about women's roles in the society:

1. A woman's place is in the home,
2. Women do not make important decisions,
3. Women are dependent and need men's protection, and
4. Men regard women primarily as sexual objects; they're not interested in women as people.

Assaulted by criticism from feminist leaders against this presentation of women in advertising, the National Advertising Review Board (NARB) established a panel to address charges that advertising was rampantly sexist in the 1970s. Women were often portrayed as housewives and too infrequently as professionals. Women were featured as sex objects to the exclusion of their individuality and portrayed often as dependent, requiring men to solve their problems. However, since 1988, advertisers have become increasingly sensitive to the issue of stereotyping—there is less stereotyping of women as physical objects, and a trend towards portrayals using either 'family' or 'independent' cues is visible.

Even though the developing nations have directed increasingly sharp criticism at the mass media for the so-called stereotyped portrayals of women in traditional wife and mother roles, women are still not seen as individuals in their own right. Today in India, women are entrepreneurs in their own right, but the press coverage of their efforts is minimal. And even if a woman is projected as a professional, she is first viewed as somebody's daughter or wife.

Until very recently, Indian magazine advertisements continued to portray women in their stereotypical images. A woman was either shown in the kitchen cooking food, washing a bucketful of clothes, bandaging wounds or feeding her husband and children. Therefore, the picture that emerged was that of a woman who never produced knowledge or wealth but always consumed and remained a sort of hanger-on to her male. In addition to this, advertising was blatantly anti-woman, treating her as a sex symbol. Studies in the past on the projection of women in advertisements have shown that whether she was used for advertising cosmetics, fabrics, jewellery, domestic gadgets, suitcases, scooters or stationery, a woman was mostly projected as glamorous or enticing. Another trend in advertisements of men's clothes was the invariable use of admiring women by the side of men, which created an impression that, all a woman desired was a man dressed in sophisticated garments. However, in the post-feministic 1990s and subsequently, advertisers have been attempting to construct multiple possible identities for women in an effort to change their stereotypical image and enhance their spending power. In India,

nowhere is this trend reflected more clearly than in advertising imagery, where the image of the 'new Indian woman' is expressed explicitly. Today in India, women appear less frequently dependent upon men while men are less likely to be depicted in themes of sex appeal, dominance over women and as authority figures. Advertisements have also started portraying women more frequently as career-oriented and in non-traditional activities and are constructing the persona of the 'new Indian woman'.

Bearing in mind the importance of the 'new Indian woman' as a consumer, advertisers have targeted this profile in a systematic manner. With the increase in urban population, the trend is of booming consumerism. Based on extensive market research, advertisements for goods and services are now addressed to the growing class of urban middle-class woman with either independent salaries or who have an increasing control in purchase decisions. Even with the entry of global products as well as advertising, the role played by the Indian woman in advertising is still very much Indian—in the sense that strategies of advertising representation are careful to avoid a 'westernized' image of her. Hence, media producers attempt to construct a cognate, pan-Indian identity for this 'new woman', cutting across regional, linguistic, caste and other differences. In this way India, with its own social and cultural imperatives, has managed to keep its distinctive cultural baggage even in the face of an increasingly open market system.

The Different roles that a woman portrays in an advertisement are:

### **Decorative Role Portrayal**

Decorative models are passive and non-functional and their primary activity is to adorn the product/service as a sexual or attractive stimulus. They are like mannequins with the least lifelike of roles. 'She' is in an artificial world, often obviously so in the way she stands and looks (dummy poses and catalogue expressions). She is on exhibition in competition with others. She is aloof, haughty, and ostensibly sufficient unto herself, while relying on others to reinforce her self-image. Her outdoor image tends to be exotic and her indoor one non-domestic.

### **Recreational Role Portrayal**

The recreational portrayal is of models in a non-working activity of leisure (reading, watching television) or of sports (hiking, jogging, swimming, and boating). The importance of these ads is that women are not shown in passive poses, a pattern portrayal that every study on gender roles has shown to be prevalent. In the past, the Indian woman was seen as someone very sensitive and delicate. Recreational activities mentioned earlier were, therefore, not connected with women but with men.

### **Independent Career Role Portrayal**

The independent career woman is the only woman involved in something that does not have to do with social success, home and family, or even her own femininity. She has stability and a substantial nature. She is portrayed infrequently. Women in India are rapidly advancing towards becoming financially independent individuals by seeking higher education and opting for a career rather than remaining housewives for the rest of their lives.

### **Self-involved Role Portrayal**

The self-involved female is the woman who is literally and metaphorically wrapped up in herself. Even when being seductive, she is aware of her femininity and sensuality rather than the presence of any potential lover. She may be portrayed in a haze of romance, perhaps with a man, and is more bound up with aspirations and dreams of her own than with the actuality of the man. The ubiquitous diamond engagement ring advertisements are almost perfect examples e.g. De Beers. Here, attention is focused on the woman's feelings about herself where she has a typically soft expression and directs her attention and tactility towards herself. She is alone with herself, involved with her body, thoughts and beauty.

### **Carefree Role Portrayal**

The carefree woman is always a girl or a woman with a girlish look, which gives one a sense of a short spell of deceptive freedom. She is like a fluttering butterfly, which has not yet decided where to settle. She is having fun while she's young. The carefreeness or friendliness is social in nature to some extent and outgoing as well. Yet, the exuberance and cheeriness are rarely directed towards anyone or anything in particular and are only held in the minds of the actor, for example in the Tampax ads. It must be noted that since the 'carefree girl' is very much into herself and looking for some excitement in her life, she is mostly shown on her own and very rarely with a man or a child.

### **Family Role Portrayal**

The family or domestic management role is described in ads in which women are shown performing household chores, taking care of children, or supervising home furnishing or maintenance. An example would be in the home environment where the house, its furnishings, its decoration, and the food served in it are marks of a woman's sophistication, fashion awareness, sense of good taste and status. She is proud of this world, which is her creation, but cannot possibly escape from it. A comparative study on gender displays in US and Indian advertisements by Griffin et al (1994) showed that over three times as many images of women as domestic managers appeared in ads in The Illustrated Weekly of India than in Life. India Today had about twice as many domestic management portrayals as Newsweek. More than three times as many images of body display appeared in Life as The Illustrated Weekly of India. Therefore, one can say that Indian advertisements do portray women in their traditional roles till today, although because of the influence of western society, this trend is changing—more and more advertisements portray women as career-oriented and persons who are not just expected to remain in the confines of their homes but are outgoing and enjoy an active social life.

### **Nudity**

Today, there is a related phenomenon that may possess even more long-term significance both for marketing managers and society in general. This trend is towards increasing eroticism and nudity in advertisements. Nudity, even if not blatant as currently portrayed, has been common in women's advertisements for some years. Nakedness is a feature of advertisements for products of the feminine sort and is private, isolated and a

Urban India is slowly transforming into a western society. The West, through the various media, is increasingly influencing this sector of the Indian economy, especially in terms of its fashion—and nowhere is this trend more prominent than in Indian women's fashion magazines. This shows that even though Indian advertisements have Indian models with traditional dresses, they are being increasingly replaced with models in western outfits or have other western aspects to them. It is only in the last 20 years that India has opened up to western culture. With the advent of privatization and the liberalization of the economy, India has seen a surge of multinationals invade her consumer market. And the new revolution in advertising is also a true revelation of the changed consumer scenario. The presence of an increasing number of women's magazines, as well as advertising in these magazines portraying the different roles of women, clearly reveal the changing perception of women in today's society. As marketers, unlike before, are investing large sums of money and time, investigating and collecting data solely on women's psychographics—attitudes, habits, preferences—to meet their needs and wants, it is obvious that women today are no longer cocooned in their traditions but have imbibed western culture to their convenience. This osmosis of traditional culture with western culture not only reflects the metamorphosis of women in society but also reveals the new Indian market—a revolutionized consumer marketplace.

Decorative models are passive and non-functional and their primary activity is to adorn the product/service as a sexual or attractive stimulus. They are like mannequins with the least lifelike of roles. 'She' is in an artificial world, often obviously so in the way she stands and looks (dummy poses and catalogue expressions).

[illegible]

## LESSON 36: TUTORIAL

You are to take up the issue of ethics in front of a committee and give valid arguments against the following advertisements being put on air:

- Fair & Lovely ads portraying that if a woman is not fair in her skin tone then she faces the problem of getting married. That the girl is luck in finding a match. If she is fair then the boy is lucky.
- Use of children to sell products. Especially the “Chabaza” advertisement.
- Sexual undertones in advertisements.

Ideally this tutorial should be made in the form of a conference where a student has to present his / her viewpoints in not more than 10 minutes. You could also enact advertisements (electronic) to prove your point. It is left to the faculty as to how he / she wants to go about it.

The faculty could give another tutorial if he / she so desires.

### Notes

## LESSON 37: KEY QUESTIONS

### Learning Objectives

- Within this lesson you would have to prepare the projects at the discretion of the faculty.

A list of possible projects is provided below, but students can create their own projects subject to the faculty's approval. Each report should be submitted in written form (3-5 pages each), but can also take the form of a PowerPoint presentation.

1. Review an advertisement on television, or radio. Identify the target audience, attention getting techniques, messages, visuals, and/or sound effects. What motives are being addressed? Analyze the advertisement's effectiveness and appropriateness of messages, visuals and/or sound elements.
2. Review a print advertisement. It can be a display ad, classified, or outdoor form of advertising. Identify the target audience, attention getting techniques, messages and visuals. What motives are being addressed? Analyze the advertisement's effectiveness and appropriateness of messages and visuals.
3. Locate an example of an online banner or online display advertisement that either really "works," or really does not work. Give your professional opinion as to why (in advertising terms). Consider issues related to target audience, placement, suitability of message and visuals given the actual (as opposed to intended) audience. Provide the location and context and give your rationale as to why the advertisement was functional or not.
4. Pick a product or service currently being advertised that "bothers" you in some way (ex: cigarette or alcohol commercials aimed at children, political "slur" campaigns, violent video games, etc.). Discuss what you think are the ethical implications of the product or service's introduction to both the intended and unintended audience. Discuss what you would do (or change) if you were the advertising manager in charge of that offering. Discuss ways in which you could balance the profit needs of the company with societal concerns.
5. Find a product that interests you. Write a print advertisement for that product that could be used to direct market it in a national magazine.
6. Watch an infomercial (a commercial that runs 30 minutes to sell a product). Aside from length, what are the differences between the infomercial and a regular 30-second commercial? What are the advantages and disadvantages? Discuss what are critical concerns for an infomercial advertiser.
7. Think up a target group to which you would like to market a product or service. Locate a publication that would properly target that market. Order a media kit from the advertising offices of the publication. Describe how the publication properly targets your identified market. What are the costs, sizes, discounts, etc.
8. Choose a cable TV specialty channel such as ESPN or Discovery. Describe the target audience (in terms of demographics and psychographics) that the channel seems to be aiming towards. Compare that to the advertisements that are running on the station. Describe those that seem to match the target audience and those that do not.
9. Read several advertising-related help wanted advertisements. Use advertising journals for this exercise as opposed to newspapers. Describe the duties and requirements for the jobs, and salary if cited.
10. Attend an advertising-related function such as a media trade show or advertising seminar. (Note: your instructor may be able to help you locate a local event). Write a general account of the event.
11. Research a failed product or service. Describe why they failed from an advertising perspective. How did the marketers fail to adequately promote the product or service?
12. Find an example of an unusual form of advertising (examples include cash register tapes, promotional items, or wrapped cars [cars painted as a rolling advertisement for a product]). Discuss the ad from a creative and strategic perspective. Does it work? Does it make an impact? Does it make sense?



### Notes

## LESSON 38: ADVERTISING CAMPAIGN EXERCISE

## Learning Objectives

- Within this lesson you would have to prepare the projects at the discretion of the faculty.



You will be developing a complete advertising campaign for a 6-month to 1-year period of time for a product / brand of your choice. Your campaign should serve as an advertising plan and should include: identification of the target audience, objectives, selection of appropriate media, creative work, budgets, advertising calendars, and methods for monitoring progress.

Note: The creative work should include at least one (1) example of a print advertisement, one (1) television commercial, and one (1) radio spot. Your print advertisement can be any size at or above a ¼ page of a standard-size magazine. Your layouts can be rough (this is not an art class), but should be as realistic as possible for you. The television commercial should contain a minimum of 5 storyboard frames. Place the copy below the frames, and include a script complete with any visual or sound effects. The radio spot should be for a 60-second commercial, and should contain a script complete with sound effects (optional).

## Submission of Campaign Making

Because this is a college-level course, the campaign should be typed. Make sure to document and reference where you obtain your information. Beyond documentation, you can submit your assignments in any attractive and readable format.



## Notes

[illegible]

## LESSON 39: CASES 1 & 2

### Case 1

#### With Kid Gloves

Why understanding a child's mind is important for a marketer

#### Source: Business Standard

Whatever the mood of economy, children will not stop running to the kirana store to buy that new chocolate bar or pester their parents to go for a flat TV from Sony. Kids form three markets, all rolled into one.

As a primary market, children have access to money from various sources and spend part or all of it on themselves. They generally spend on products like beverages, books, confectionery, snacks and sports gear. Many brands are now affordable, and brand messages are flashed continuously on various television channels.

As influencers, they play a key role in the purchase process by making requests or demands for certain products. Some products like cars, air-conditioners, refrigerators and washing machines (normally an adult domain) catch their fancy and they would like to own them.

This segment has been fuelled by factors like double-income parents willing to meet their kids' demands (maybe as a substitute for their attention, time etc), and easy access to market information via the media and peer pressure.

Yet another segment formed by them is the future market. Wooing them early with market programmes enable companies to convert them into loyal customers when they reach market age. A six-year-old could aspire for a bicycle, which say a nine-year-old is riding.

This nine-year-old might be dreaming of owning a stereo system, which his 13-year-old cousin blasts at full volume. And this 13-year-old might be impatient to buy his own mobike, which his 19-year-old brother zooms around in.

Kids have been used in a number of advertisements to provide an emotional platform so that the ad has a chance of being unique. Also the presence of a child communicates "family" and not individual values. Some common positioning ideas used in TV commercials have been:

Kids being naughty, defying parents (eg, Videocon Internet TV where he creates havoc at a movie shooting),

Doing things differently (Carrier air-conditioners making teenagers' drinks freeze),

Concern/love and fulfillment of wishes by parents (Kissan Tom Tom Sauce, where the father spruces up the kids' lunch). However, in order to target them effectively it is essential to have a thorough understanding of who they are.

Kids-Link, the market research arm of Kidstuff Promos & Events, carried out a number of focus group discussions among SEC-A, seven to 15-year-old boys and girls in Delhi on various aspects.

### People Who Matter Most in Life

A majority of seven- to 12-year-olds said it was parents and siblings with an appreciable number conveying that teachers and cousins also played a key role. Among 13- to 15-year-old boys, other than parents and siblings, advice from friends with experience in the profession they wished to choose also mattered. Teachers played a key role in imbibing moral values.

The girls had almost similar views; but they said "We are more formal with teachers; parents are almost like friends."

A brand can play a key role in kids' lives by understanding who matter most to them and then trying to create a relationship based on that insight. For instance, the Maggi ad showed kids coming to their mother saying, "Mummy, bhokh lagi", an Annapurna Iodised Salt ad shows teachers playing a game with the students, while a grandmother is seen telling her grandchildren not to take short-cuts in an ad for Himalaya Chyavanaprash.

### Biggest Fears or Worries

The seven- to 12-year-olds are petrified by lions, snakes, ghosts and lesser evils like the class teacher, specially when they haven't done their homework, losing a good position in class, exams, board exams and friendships breaking up.

For the boys, the stress was more performance-related: "How to be a successful man, how to come first in class, difficulties in my career and studies, what if I'm not able to do what my parents expect from me, board exams". Some others were pollution, not owning a cellphone and losing near and dear ones.

The girls were perturbed by "failure in achieving anything you want, failing in board exams, relationship with parents, fight with mothers losing friends and World War III".

Fears and worries are powerful emotions and marketers who can help comfort a child by resolving a fear will have gained a loyal patron.

### The Most Important Thing in Life

"Fun, fame, money, doing good to others, becoming a cricketer, discovering what scientists have yet not discovered, becoming a doctor to help the poor," are some of the most vital things in the life of seven- to 12-year-olds. For 13- to 15-year-old boys it was simple: Money only or money and fame. The girls were more explicit with answers like fame, respect, money and satisfaction.

### Technology in Their Lives

Most seven- to 12-year-olds are familiar with a PC and use it for e-mail, games, project work and surfing sites like cartoonnetworkindia.com, classteacher.com, pitara.com and ealiz.com. Computers are mostly used in school as only a few had PCs at home.



Among 13- and 15-year-old boys, the PC applications were nearly the same as seven- to 12-year-olds. Some pointed out “chatting with cousins” and “working on different software” as additional use. Some popular sites were rediff.com, indiatimes.com, yahoo.com, egurucool.com and espn.com. Majority used PCs at school, some at home and few at cyber cafés.

The girls’ responses were similar to the boys. They used the PC mostly for chatting, e-mail and games. Some singled out playing cards, using PaintBrush software and collecting news and articles. Favourite sites were yahoo.com, indiatimes.com, hotmail.com and baazee.com.

Children today are much more sophisticated and computer literate than we were. In order to sell to them, marketers need to understand implications of technology in their lives — for example, it has made them less social to some extent.

### Some Favourite Brands Seven- to 12-year-olds

Cornetto: “because the cone is very crisp”

Boomer: “because it’s sweeter and softer (than other gums)”

MAX Candy: “because there are so many different types”

Frooti: “because it’s mango and natural”

Head & Shoulders: “because it keeps hair silky”

Sunsilk: “because it nourishes”

Doy: “because it comes in different colours and sizes”

Band Aid: “because of free stickers”

MRF Cricket Bat: “because it has a firm stroke”

### 13- to 15-year-old Boys

Cadbury Dairy Milk: “because it’s tasty”

Nirula’s ice cream: “because the flavours are very nice and there is variety”

Alpenliebe: “because it tastes good”

Hero Cycles: “because they are cool, better than others and run very faster”

Britannia: “because of its wide range of biscuits”

Reebok: “because they are durable and fashionable”

Benetton: “because it’s cool”

### 13- to 15-year-old Girls

Pepsodent: “because it is in fashion and I like the ads”

McDonald’s burger: “because it’s very tasty and they are the best”

Top Ramen Noodles: “because they taste good”

Temptations chocolate: “because it is tempting”

Lakme: “because it is the best”

Domino’s pizza: “because they are yummy”

Compared to adults, kids are less capable of processing product information, and they have lesser product experience to realize in their decision-making process. They search for bits and pieces of information that they can make sense of and tend to develop brand loyalty based on these. Marketers need to understand how kids receive brands while targeting them.

While marketing to kids we need to adapt the marketing programmes. Based on their nuances they need to be treated specially. Some simple steps are:

Keep the positioning simple and childlike: The communication message must be based on simple ideas and appeal to the kids’ imagination.

Example: Boomer chewing gum with the jingle “Boom boom boomer” and Boomer Man, the super hero.

Give them instant gratification: Kids are overjoyed by instant gratification, however small the gift may be. Tattoos with candy, dinky cars with Maggi noodles and cricket bats with Milo are some examples of freebies that have successfully driven sales among kids. These premiums appeal to kids who are constantly seeking excitement and novelty on a short-term basis. Also collectibles work well in peer groups, which are strong among kids.

Reach their height and sell to them: Retail outlets selling to kids need to realize that children who come to their store must be made comfortable — for instance, give a sweet to every kid who comes in.

Display products at their level so that they can conveniently interact with them. Kids love bright colours and cartoon characters — make sure your store has those.

A little special effort in selling to these little consumers will go a long way.

## Case 2

### PR or Advertising - Who’s on Top?

By Richard Nemec

It’s a quintessential communication story for the 1990s: The client is a start-up venture with a few million dollars in current revenues and billions of dollars’ worth of potential. Their product is on the low end of high tech, but with a broad range of new market potential. Where does this new enterprise turn for its marketing communication needs?

A virtual marketing department serves as the corporate communication arm of this company, which produces both hardware and software, operates a clinic in Los Angeles, and through the Internet has created a nationwide network of 300 professionals in the psychological counseling field, using an evolving electronic health-care tool.

One lone experienced communication professional provides the start-up enterprise’s combined advertising, PR, marketing and sales operation. The uniqueness of the product and the professional counseling service providers’ market make the traditional marketing approaches obsolete. Big national publicity splashes are in the works and two books are already being published.

“There is no question that we are absolutely going to hire a PR firm before we hire an ad agency,” says Kent Pelz, sole proprietor of AdVantage, providing virtual marketing/advertising departments for start-up companies and others, most of which have not gone public yet and have visions of exploiting the Internet. Pelz has a real client, EEG Spectrum, a biofeedback firm in southern California owned by some creative venture capitalists, for whom his statement above applies.

"Traditionally, that is pretty unusual," Pelz, who has more than three decades in the advertising/marketing business, admits. "At least in my experience, hiring an ad agency always came first. "The business world hasn't been its traditional self for a long time now - ever since microchips and Microsoft and the Net consumed our lives. A globalization of the world's economies and consolidation of the largest companies and industries have followed suit. No wonder PR-advertising isn't the same old game.

As the international business giants get ever bigger, myriad niche businesses are springing up in health care, telecommunication, energy, banking and entertainment. We live in a business climate that has shifted radically in less than a decade, but it promises to shift some more before the millennium is only a few years old.

The communication drivers for these still-to-be defined markets have been turned upside down or totally reinvented.

"There is no doubt that the communication paradigm has shifted," said Gerald Swerling, former Porter/Novelli West Coast operations head and now an independent counselor and head of the graduate PR program at the University of Southern California Annenberg School of Communication. He notes that a "tremendous maturity" has taken place in the public relations function this decade. He sees CEOs "demanding" that there be PR professionals at the strategic planning table for new products and initiatives, although he is realistic enough to note that the situation could change just as quickly as it has developed.

Nevertheless, the perception remains that advertising is still king of the communication mix in any serious marketing effort. And it is true that there is more advertising being sold these days than ever before. (A projected U.S. \$112 billion in the U.S. alone in 1998, with another \$88 billion collectively in Japan, Germany, the United Kingdom and France.)

The Wall Street Journal technology supplement in November quoted Marian Salzman, Young & Rubicam's futurist and the co-author of the book "Next: The Flow of the Future" on communication's future role: "By 2008, we'll be even more bombarded by advertising messages than we are in 1998! They'll add to the stress of info overload."

The raw numbers, however, may belie the dynamics in today's global markets that make branding and focus more important than ever - even for the mega-organizations with consolidated breadth and depth to their businesses. Relative apples-to-oranges comparisons arise if advertising placement dollars are used; more accurate is a comparison of PR and advertising agency fees for clients.

"The birth of a brand is achieved with publicity, not advertising," write Al and Laura Ries in their newest book, "The 22 Immutable Laws of Branding," in which "Law Three" (the third chapter) is devoted to publicity's new prevalence over advertising in creating brands for consumers.

"Today brands are born, not made," write the Rieses, a father-daughter marketing consultancy based in Atlanta, Ga. "A new brand must be capable of generating favorable publicity in the media or it won't have a chance in the marketplace."

They cite Anita Roddick's personal publicity approach to building her Body Shop stores worldwide; Starbucks Coffee, which has reportedly spent only about U.S. \$10 million in advertising over the past 10 years; and Wal-Mart as examples of successful multi-billion-dollar, late-20th century businesses that have used no, or relatively little, advertising to gain their success. The Rieses think most of today's successful new brands have reached their success by being first in new categories of products.

"There is a strong relationship between the two," according to the Rieses. "The news media wants to talk about what's new, what's first, and what's hot, not what's better. When your brand can make news, it has a chance to generate publicity. And the best way to make news is to announce a new category, not a new product."

One of the harbingers of the Rieses' observation is the fact that communication professionals increasingly are serving senior management or clients that want to combine the old separate business disciplines of PR, advertising, marketing and opinion research. Regarding the latter, I have personally observed a growing tendency to combine previously separate and tightly segmented disciplines for marketing, advertising, public opinion and political research. Traditional political polling techniques are now routinely used among employee or niche advertising audiences to find out what's on people's minds, but also what moves, or motivates, them.

Communication is increasingly behavior-focused - whether it is political, commercial or public policy-based. The critical question to answer: What is moving, or will move, important narrow audiences?

"Many of my clients are demanding an integrated marketing approach to their issues," says Gwen Young, president and founder of Young Communications, Los Angeles. "This is particularly true in the social marketing area [anti-smoking, birth control, safe sex, and utility deregulation, to cite a few]."

One of the latest examples of this flip-flop in advertising-public relations in late 1998 was the PR senior executive chosen to head Young & Rubicam, Inc., the U.S.-based international ad agency. It made headlines in the national business press when Thomas Bell, a former president and CEO of Burson-Marsteller Worldwide, was picked to head the operations of Y&R Worldwide, the fifth largest international communication company. Speculation is that Bell eventually will be chairman and CEO of a vast multinational communication empire in which PR and advertising are increasingly blurred, although Y&R's roots are firmly planted in the ad business. If current indications are borne out, communication efforts may, in fact, be driven more by public relations and broad public policy considerations focused on narrow audiences who can be moved to act. But the other side for communication professionals is the fact that the riskiness of their jobs and projects will continue to grow. There is nowhere to hide. Adaptability and flexibility will be necessities for anyone trying to build and carry out successful, integrated communication programs.

"Those who adapt are most likely to prosper; those who resist are most likely to wake up one day and say, 'What happened?'" writes New York City based executive recruiter Elaine Goldman

in an article in the Public Relations Society of America's quarterly professional publication, *Strategist* (Spring 1998).

But seasoned professional communicators - in both advertising and public relations - are reluctant to make sweeping judgments because the footprint of advertising is so large in our increasingly market-driven society. Our electronic and technological revolution has increased exponentially the numbers of products and services. This, in turn, has created unlimited choices for consumers. All of this means big bucks for advertising.

What is more subtle and less recognized as yet is the inherent need to be able to focus and differentiate products and services better in this cacophonous competing data stream. In this increasingly crowded, complicated marketplace, tethered as it is to its electronic moorings, advertising will not differentiate your client or product. It is not a good branding mechanism.

Example: A fledgling part of the multi-billion-dollar U.S. electric generation industry that deals with producing power from environmentally clean sources - so-called "green" power - illustrates how complex our consumer products and services are becoming. (Color-coded electricity!) Necessarily, the communication campaigns for these items must be more strategically focused and conceived.

"If you look at the standard ways green power has been advertised so far, it hasn't been getting a really great response," says John Giese, green power manager for the nation's largest municipal utility, the City of Los Angeles Department of Water and Power. "We feel we've got to use some nontraditional ways to get the word out, so people understand that this really does make a difference.

"I don't think people really understand that when you bring green power on the grid, you're starting to actually clean up the air for your kids. It is a tough message to get out there. Traditional advertising is very expensive and since you're in a thin margin business, you have to find ways to reach people with a good message for a lot less money than having full-on TV ads every day."

You need news value and a human side to your messages in today's world. This is why integrated marketing communication has been such a buzz word, although only the insiders know what it really means. (I am still unsure.) I prefer to think that, realistically, the concept is still being defined, just as markets and market segments are being constantly redefined in our cyberspace-driven world. Audiences shift with the click of a mouse.

So the challenge for communicators to ponder is that today's constantly shifting business/communication climate involving more and more consolidations and increasing niche companies and markets may be turned upside down in regard to communication drivers. The perception, nevertheless, remains that advertising is top dog in any major marketing effort. It is probably only a "perception," however.

"Your premise is right on," says veteran communication executive and counselor Lloyd Dennis, from his seaside home office in southern California. "Advertising, however, is still viewed as the major marketing tool. I don't think publicity will

supplant it. Senior management still doesn't appreciate how public positioning can help create a better image."

Dennis thinks the trend will continue toward integration of advertising and public relations, but the speed and scope of advertising will always attract support from business leaders. It can make a splash and be done quickly if necessary. Effective PR programs take more time, and their value isn't always related as readily to the overall company marketing effort.

What we miss sometimes is that the communication function has become much more strategic and broad-based. Thus advertising keeps a high, big-budget profile, but it should not drive communication strategy. In this arena, the public relations aspects should drive, and increasingly are driving, integrated communication strategies. This is true because advertising increasingly is used to reinforce and maintain points of view, but not create them.

In Gerald Swerling's graduate PR program at University of Southern California's Annenberg School, students are prepared to be "strategists" and general problem-solvers for organizations. Swerling no longer sees them as solely communication specialists; rather they are "organizational strategists" familiar and comfortable with organizational dynamics. "They are people with a grasp of the whole business structure, just as any good marketing or accounting professionals would be, too," Swerling says.

Today's world has many more voices and diverse cultural backgrounds to be dealt with in integrated communication efforts. The open space of the Internet tends to accentuate this diverse landscape. In this environment, there is more emphasis on strategic focus and a need to educate audiences.

An experienced social marketing/public relations professional acknowledges that more often than not she finds herself working more closely with clients' marketing staffs than with the traditional PR and community outreach professionals. Her clients continue to employ advertising, but with a more community-based approach. They tend to apply public relations skills to strengthen an advertising campaign's main message, provide more depth and offer more credibility through articulating third-party voices.

The creation of understanding and motivation, and eventually behavior changes, needs a more focused, people-to-people approach. And that is possible only in highly strategic PR/marketing efforts to create a cadre of third-party endorsers. This effort, albeit slower than an advertising campaign, will create the desired climate, which advertising will then be used to reinforce. And if research shows the climate has not been created, organizations can save their advertising dollars until the time is right.

Lotus Notes became the successful company that was eventually bought by IBM for U.S. \$3.5 billion through publicity, despite its disconnected advertising, according to Al and Laura Ries.

"Most companies develop their branding strategies as if advertising were the primary communication vehicle. They're wrong. Strategy should be developed first from a publicity point of view."

Increasingly today, PR may be the “lead,” or driver, for a communication program because it comes first in the timing sequence. The entertainment industry, which some professionals think has expanded its strategic communication tremendously since its historic narrow focus on the publicity function alone, provides a good example of this new sequence in the way it now uses PR to build awareness of major new movies before moving into heavy advertising and hype. The late 1997 introduction of Paul Simon’s short-lived Broadway musical, “Capeman,” is another example where intense interest in the real-life character on which the production was based (the “news” value or PR) provided a rich communication mix long before the show opened and advertising dollars were used.

“Advertising in the 1990s may be too complex and expensive at times,” says Swerling, who provides strategic PR counsel to various Fortune 1000 clients in addition to his ongoing academic ties. “You can’t just run ads on the major networks anymore if you want a ‘national campaign.’ There are a lot more diverse channels now. Media are fragmented and the costs are up all over.”

It is understood today that all corporate communication, in essence, exists to support the movement of a product or service into the hands of the consumer. So within a given organization, communicators are dealing with an audience that is going to produce a product, do it efficiently, and ultimately get it out the door and on a shelf.

"There is more of a bottom-line, net-income mentality that exists at all levels of communication now that I don't think had existed before," says Kathleen Des Rosiers, managing director with New York-based Marshall Consultants, Inc., a corporate and marketing communication executive search firm. "You see it in all areas of communication. I see striking changes in internal communication."

To cut through the thicket of theory and practice on this subject that is spread across organizations - both public and private - today, I talked with a number of communication veterans, survivors of various information wars over the past three decades. All of them see less distinction among marketing, public relations and advertising.

One such vet, Chuck Rossie, a former network-affiliate TV news director and more recently a crisis communication consultant to organizations around the U.S., referred to his old edition of Cutlip & Center's PR book, "Effective Public Relations," to recall the essence of the three fields. By the textbook definitions of old: (1) "marketing," which is spreading throughout even the public sector these days, is supposed to identify human needs or wants and fulfill them with products and services; (2) "advertising" then uses paid media to support that effort; and (3) "PR" uses relationship-building to create publicity and third-party support.

Since the essence of all successful business, government and philanthropy at the close of the twentieth century is "relationships," PR has to be taken more seriously and used more fully and creatively. If it is, marketing should be more thorough and successful, and advertising will be more focused and creative.

"To me, the future leads to an integration in which the relationships on the old PR side have to expand to include emotional connections," Rossie says. "The 'transactions' on the old marketing side will have to expand to create or support relationships beyond plain cash exchange, and all of the messages to inform or persuade - including direct and indirect advertising - must meld together.

"This means that maybe the person who produces the online computer newsletter, and the person who writes the speeches for the bosses to put on video, and the person who buys the pop-up advertising online may have different roots, but will look more like each other in 25 years than they did 25 years ago."

It promises to be an exciting 25 years. But communicators had better buckle up for the ride!

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## LESSON 40: CASES STUDY

### Case 3

#### Is Celebrity Advertising Effective

##### By Business Standard

What are the benefits of representing India in the national cricket team? It is an opportunity to compete with the best in the world and pitch one's talent against the best.

It is an opportunity to travel around the world. It is an opportunity to uphold national pride. And make good money from every match played. But there is more — a ticket to modelling in the advertising world (and a future perhaps in Bollywood). Not surprisingly it's a very attractive profession.

As advertisers pour crores of rupees every year into celebrity advertising, the question arises... is it worth all the money and the headaches of coordinating stars and managing their tantrums.

Think of Sachin Tendulkar. He means Pepsi in soft drinks, Boost in malted beverages, MRF (MRF.BO, news) in tyres, Fiat Palio in cars, TVS Victor in two-wheelers, Colgate (COLGd.BO, news) Total in toothpastes, Britannia in biscuits, Visa in credit cards, Airtel in mobile services and Band-aid.

Clearly, an overload of brands and categories associated with one star. Does it actually help each of the brands? Does the consumer think in categories and slot brands accordingly or is it one big maze of brands and saliency is dependent on recency.

Interestingly, while celebrity advertising is big, few agencies actually present celebrity advertising as a solution to client problems. In the advertising world, celebrity advertising is seen as a substitute for 'absence of ideas' — and actually frowned upon. Yet it appears again and again.

The reasons are quite insightful.

A client hits upon celebrity as a solution when his agency is unable to present to him a viable, exciting solution for his communication/marketing problem. He then feels that the presence of a well-known face is an easy way out.

A client looks at a celebrity solution, sometimes, to follow competition. When attacked with a celebrity, a quick response is to get another one to combat. The result is often, at best, achieving parity.

A third, and often unfortunate, reason for celebrities is a client's desire to rub shoulders with the glitterati. And signing a celebrity is a passport to that. Most frequently, celebrities are given as 'fate accompli' to the agency. And scripts are written around them.

It is rare that there is an idea on the table and client and agency mutually agree that the presence of a celebrity will actually lift the script. This is very similar to Bollywood blockbuster films where the cast is decided upon and the script either written accordingly or re-engineered around the cast!

There is no doubt that celebrity advertising has its benefits — the four Qs:

Quick saliency: It gets cut through because of the star and his attention getting value. Goodlass (GDLA.BO, news) Nerolac has ensured high saliency for its brand with the inclusion of Amitabh Bachchan in its advertising.

Quick connect: There needs to be no insight but the communication connects because the star connects. Sachin, Shahrukh and their ilk's ensure an easy connect for Pepsi with the youth.

Quick shorthand for brand values: The right star can actually telegraph a brand message fast without elaborate story telling. Kapil Dev and Sachin Tendulkar seem to have done that successfully for Boost in the early '90s. And helped to differentiate it in the malted beverages market.

Quick means of brand differentiation: In a category where no brand is using a celebrity, the first that picks one up could use it to differentiate itself in the market. Boost did it in the malted beverage category.

And Preity Zinta does all the above four for Perk — connecting with the youth and reinforcing the brand's youthful, spontaneous, energetic values.

There are however the classic fears of celebrity usage.

The celebrity vampires the product: Unless the celebrity's values, the category benefit and the brand values are closely linked, there are chances that the celebrity is remembered more than the brand he is advertising for.

And in a celebrity clutter, the chances that the brand and category can be remembered become even more difficult for the average consumer. Pepsi and Lux tend to use multiple celebrities in an attempt to overcome this.

The celebrity trap: Once into a celebrity, it is hard to get out of it. If the brand has done even moderately well after the break of a celebrity campaign, it becomes difficult to separate the role of message and the role of the celebrity in selling the brand.

And hence, the celebrity becomes an addiction for the marketing team. And the task to find substitutes becomes more and more difficult. Interestingly, celebrity is a disease that is seen to spread across a marketing department. Once one brand manager gets into it, others tend to follow, not wanting to be left behind!

With the surfeit of celebrities on screen and in the newspapers, there are two new drawbacks emerging for celebrity usage.

Celebrity credibility is coming under question. Consumers are getting more and more advertising savvy and are beginning to voice opinions, even in small towns, like "He has been paid to sell the product". Clearly celebrity endorsement is no longer as credible as it was a few decades ago.

Unless category and celebrity are closely linked (like Nike and sports stars), the power of a celebrity's word is questionable.

The trustworthiness of public figures, which celebrities tended to bring in the past, is bound to disappear if a celebrity begins to appear and endorse a brand in every conceivable category!

Celebrity clutter. With each celebrity endorsing multiple products and multi brands in a category, resorting to different celebrities, the consumer is left confused. And reluctant to get into 'this celebrity is bigger than that comparison' to make brand choices.

Santro is endorsed by Shahrukh Khan and Palio by Sachin Tendulkar... does the consumer buy the brands because of the star pull? ... a question worth pondering about. It ends up making brand parity rather than giving brand differentiation, often one of the key aims of using a celebrity.

When Palmolive used Kapil Dev in the '80s, his line 'Palmolive da jawaab nahin' became famous — it is remembered even today. Pataudi gave Gwalior suitings a strong competitive edge and pushed it to Number 2 in perceptions in the suitings market.

Even Sridevi made Cema bulbs and tubes memorable by dancing in a bulb! The advertisements by themselves were fairly non-descript; the celebrities gave the brand the differentiation. Celebrity advertising were few and far in between in those days. The days of 'pure' celebrity working for the brand seem to be over.

Today, it is back to the power of an idea and an insight. No simple solutions exist any longer. Unless there is something powerful in the idea, the celebrity is just another cost.

Aamir Khan and Coke is the ultimate example of the same. As long as the brand depended on his star value and wove interesting stories around him, it just didn't cut ice with the consumer — until 'Thanda Matlab Coca-Cola' happened. Could it have worked as well without a celebrity? One will never know as the brand has entered the celebrity trap.

Something worth thinking about.

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## Case 4

If the medium is indeed the message, why is media planning not at the heart of the communication process? Why are the media function still seen as an important but a peripheral player, a kind of quantitative outhouse in the main agency compound? Why is it the perennial postscript at presentations ("And finally, we will do media if we have the time")? To be sure, media has evolved dramatically. We all know how the media landscape has changed. The media explosion and the resultant media fragmentation has given rise to a new, even more dazzling set of acronyms that the function can befuddle its audiences with. Structurally the function has changed, the business model has changed as have tracking methods. In short, virtually everything has changed.

And yet, what this change seems to have accomplished is to push media even more into isolation. It has become a more specialized island, where mainland laws do not apply. It is a code language that specialists whisper to each other while

everyone else in the room furtively looks at their watches. Maybe there is nothing wrong with this.

Maybe media has become too complex a subject for generalists. Maybe the wise thing to do is to let media as a function evolve on its own as a full discipline in its own right

and here lies the paradox. There are enough respected thinkers who believe that media plays the primary role in communication. That content is nothing and media is everything. Marshall McLuhan is the most celebrated among a band of media determinists who believe that media has impacted society much more than the content it carries. And that every medium has its own implicit language through which it effects the viewer.

At a commonsensical level, this is not new to us. We know that the same message carried in print produces a different effect than if carried on television. And likewise for all media. The question is, how much do we know about these differences? Apart from clichés like 'newspapers are good for topicality and magazines retentivity (a word created unmistakably by media planners), how well do we really understand the effect media has on people?

The truth is that our conception of media is that it is a passive vehicle, an inert deliverer of a 'potent' message. Its role is to bridge the distance between the message and the receiver. Its effectiveness is judged on the basis of how many people it delivers the message to at what level of intensity and cost. All measurement of media effectiveness relates to how well the message is transmitted and not how well it is received. Media is thus seen as a 'dead' intermediary, a mere postman in the core communication process. The larger problem lies in our definition of what constitutes media. Again we define the tangible carriers of message as media. What about typography? Typography is, in fact, a medium; choosing one font over another is conceptually like choosing one medium over another. Only here, the evaluation is not based on reach and frequency but on which font best conveys the intent of the message. Typography is a good way for us to grasp the full conceptual meaning of media. Like all media, a font is a carrier of a message, but one that transforms the message itself. Imagine the Sony logo in a thin elegant typeface; it would forever alter the meaning of that brand, without any change in any other message.

In a similar way, the cartoon is a medium. It has its own language and produces its own distinctive effect. A mouse beating the brains out of a cat is considered funny, for one. A music video is likewise a medium for a similar set of reasons. By the same token, a 30-second commercial is a medium and, that too, one distinct from a 10-second commercial.

When we define media in terms of tangible carriers of messages, we inevitably focus largely on numbers. Since it is assumed that the only effect media has on people is that it faithfully transports a message, the evaluation is quantitative: how many people it reached how many times.

Even the qualitative parameters used - finding a fit between the environment and the message or ensuring that the message is delivered at a time when the receiver is most receptive — are not derived from the transformational role that the medium itself plays.

And this role is critical. Walter Ong uses the example of morality and literacy to make this point. The medium of writing has profoundly changed the world. Writing allows us to separate thought from action, logic from emotion. It allows us to not react instantly but to formulate our thoughts and place them in a structure. It robs our reactions of their immediacy and hence postpones emotion.

Oral cultures, on the other hand, do not separate thought from action, and respond instantly and with emotion. The oral-written difference is at the heart of the East-West divide in the way each think and what they respond to. The implications of this perspective are quite interesting. Given the fact that India has been an oral culture, what kind of message do we as a people respond to? What narrative styles are we instinctively more comfortable with?

The Hindi film structure tells us that we certainly do respond to a unique narrative style. Befitting an oral culture, our films are dramatic and decidedly non-linear, unlike western films. The power of music is another pointer to what we respond to.

The challenge for us is to understand the full scope and power of media and to cascade it back on to the message strategy. Currently, no one in the communication planning process understands how media and people interact. This could lead to completely new perspectives. For instance, we could segment the audience not by demographics or psychographics or even in terms of what they buy or watch but on the basis of how they consume media, how they process information. Again this is not really new, but we know for instance that different children learn differently. Some learn by rote (oral culture strikes again), others by writing, and yet others by analogies. Why not use this understanding in defining media segments?

This would conceivably lead to defining people from a true media perspective, which is not from the transmission but at the reception end. It would also take media into the heart of the strategic and creative processes where it rightfully belongs.

Is this a point of view that makes sense conceptually but is not really relevant in the real world? Not really. We all know that the 30-second commercial is no longer the cornerstone of the communication mix. The brand will increasingly communicate through non-traditional means. Already events, promotions, brand ambassadors and their ilk are eating into budgets of what we traditionally define as media. We must be able to evaluate whether Rs 3 crore are better spent on a commercial or on roping in Shah Rukh Khan as a brand ambassador. If the media function stays stuck in its narrow definition of what it calls media as well as in evaluating everything primarily on the basis of numbers, it will find itself addressing an ever-smaller share of the communication pie.

The basis for evaluation has to shift to determining which 'medium' produces the best effect. The media strategists of tomorrow must become focused on how people receive messages, regardless of which source they come from. It calls for a radical overhaul of the media mindset, a willingness to acquire new skills and a desire to embrace a new intellectually more challenging role.

## Case 5

### Fido's Second Coming

7-Up's mascot is back after a 10-year break to add punch to the clear lime segment which is on the fast track to growth.

In 1987, Joanna Ferrone and Susan Jones — both advertising professionals — sat at a roadside cafe in New York's Greenwich Village and, on a creative impulse, doodled on a napkin. This was the birth of Fido Dido — in India, better recognised as the scrawny, no-holds-barred, ultra-cool 7-Up mascot.

Circa 1992, when Pepsi launched 7-Up in India, the campaign relived the Greenwich Village episode — model Sheri Meher Homji sits in a cafe and, while sipping on 7-Up, doodles on a napkin. Only this time, Fido doesn't wait to be created: in his half-drawn state, he darts out of the napkin, snatches the pencil from the model's hand and completes himself. Then, he goes on to pour himself a drink of 7-Up. This campaign ran for two years. Then, Pepsi tells you, Fido took a break.

The official story is that the company believes in "constant innovation" and that none of its taglines have remained "constant" — the only exception being brand Pepsi's "Yeh Dil Maange More" positioning.

The reason, says Shashi K Kalathil, executive director, marketing, Pepsi Food Private Limited, is that the soft drinks category is a "high-impact one where you can get stale very quickly" and the target audience is a "highly promiscuous set of young people who are always falling in line with changing tastes and value".

But starting April this year, Fido is back. "The current campaign is almost a frame-by-frame copy of the previous one, only it features a different model," says Kalathil.

Before we analyse the campaign's logic and figure out the reasons for Fido's resurrection, here are a few facts about his association with the brand. Fido became the mascot in the US in 1988, a year after he was born. The Indian communication started in 1992, at the time of the brand's launch here. The Fido campaign was taken off the air in the mid-nineties — world-wide.

Fido, the trademark, is not owned by 7-Up — the brand uses him from time to time. The US campaign, which is again pretty similar to the Indian one ("Our marketing is in complete sync," says a Pepsi spokesperson), is created by BBDO. In India, ad agency HTA borrowed the whole concept and gave it an Indian setting. And significantly, in the US brand 7-Up is not a Pepsi brand, but a Cadbury Schweppes' one — in India, Pepsi has bought out the company, so it is part of the Pepsi portfolio.

Now, why is Fido Dido back in the reckoning once again? "When we sent him on the sabbatical, it was understood that he would be brought back again — it was only a matter of time," says Kalathil. Brand research over the years threw up one overwhelming indication: Fido Dido was the most visible and enduring face of 7-Up. "What is interesting is that Fido's appeal straddles generations — he is not a time-bound entity.

For instance, the early nineties' kids are now teenagers, and they all associate the brand with Fido. What's more, the teenagers then who are adults now feel the same way," he adds.

Fido may be the King of Cool, but there's more to him than that. "He is a highly evolved and fleshed-out character," says Kalathil. According to him, the brand properties of 7-Up match up to Fido's persona: 7-Up is "natural, clear, refreshing and sparkling" — all these find brand extensions in Fido: "true to himself, simple, chilled out, quick-witted".

Let's consider the carbonated soft drinks (CSD) market in India. The industry is pegged at Rs 6,000 crore in terms of consumer spend (for the calendar year 2002). The clear lemon category — where 7-Up belongs — is approximately 6 to 7 per cent of the industry.

This category is experiencing a strong double-digit growth. In fact, 7-Up grew by 50 per cent in the last year (the industry per se grew at 25 to 26 per cent), and now has a 54 per cent share in the category (the main competitor is Sprite, a brand owned by Coca-Cola India).

"The main reason for the growth is that the cola segment has now hit saturation point with marketing games being played to the hilt," says Kalathil.

Like Fido did in the nineties, the cola segment is probably going to take a break from fast-paced growth. The time is right to market the lemon segment, which in India has historical implications. Nimbu paani is still the most popular "unofficial" drink. Lemon is widely considered a good digestive for heavy Indian cuisines. And so on.

The new thrust on the lemon segment is being helped by Pepsi's claim that Fido had been "sharpening his wits" while he was lying low. So what's in store for the brand?

For starters, Pepsi is doing aggressive ground promotions and street hoardings in pockets that are 7-Up's strongholds — the south (Tamil Nadu and Andhra Pradesh in particular) and the east (Orissa). Then, the retailing strategy is being given a makeover.

In 7-Up's high-selling pockets, there are special dangles and bottle holders, which serve as points of purchase. For instance, the rack is a cut-out of Fido and 7-Up bottles are displayed strategically so that you get to view both the mascot and the brand.

There will also be new packaging. For instance, the 1.5-litre and 2-litre PET bottles of 7-Up will brandish the five "Fidosophies" (which embodies the 7-Up core brand values): (1) It's cool to be you, (2) Normal is boring, (3) Your best friend is your head, (4) Dare to be different, and (5) Life is short, live it up!

Then there is a radio communication being planned. With FM getting a boost in India, Pepsi plans to target consumers through FM in all cities which have access to it.

How has the campaign fared? Has Fido received a hero's welcome? "It's early days yet to track that but whatever initial feedback we have received has been extremely positive: people were delighted to see Fido back," says Kalathil.

Based on the above write down the marketing and advertising plans chalked out by the company? Understand all the elements like positioning, media plans, etc. You should be able to come up with a print advertisement for the above brand and also

create an advertisement for hoardings in your city. Attempt to understand as to where would you like to place 4 hoardings in your city.

## Case 6

### A Saga of Hackneyed Efforts

Fund advertisements lack differentiation and suffer from positioning blues.

For mutual funds in India, advertising has always been a handle-with-care affair. With the Securities and Exchange Board of India (Sebi) keeping an eagle eye on every campaign, advertisers have preferred to play it safe to avoid making tall claims. In the bargain, most of the 30-odd mutual funds have been repetitive in their ads, and thereby lack differentiation.

For example, take the case of slogans. LIC Mutual Fund promises to be "With you, all the time", while SBI Mutual is "A partner for life". CanBank Mutual will be "Together, for long-term prosperity".

Private players, with their multinational connections, have not been able to make a difference, either. While DSP Merrill Lynch calls itself "A 100 per cent money manager", Franklin Templeton Investments speaks a language that will "Take money off your mind".

If you thought financial advertising was different from fast moving consumer goods (FMCG) and consumer durables advertising, sample this. Globally, Allianz positions itself as "The power on your side", the French financial services company AXA adopts a more in-the-face advertising with the punchline, "You, you, you and us".

Ajay K Kakar, executive director and head, financial practice, Ogilvy and Mather (O&M), says, "Mutual funds are as much a 365-day product as chocolates or colas. FMCGs and durables companies have realised this and are reaching out to the consumers consistently."

But financial services companies are beset with budget considerations. Ad executives estimate that the industry would have totally spent as little as Rs 30 crore in the entire last year on mass media (TV, print, hoardings, radio and Internet). Even a private mutual fund executive admits, "Most advertising for mutual funds in the country is typecast."

Kakar is particularly critical of the sporadic bursts of advertising, a strategy employed by most funds. In the early 2000 when markets were booming, most funds came into the limelight for delivering their hard-sell. But as the markets crashed, most funds stopped advertising, giving rise to the notion that mutual funds are partners only in good times.

To be fair, fund managers have their own share of hurdles while sending their product message across to the consumer. For instance, mutual funds are governed by product parity. Any new scheme that hits the market can be easily duplicated. Ditto with advertising. There is little the industry can do about it.

Shridhar Narayan, director, Commugrads, an agency specialising in mutual fund advertising, says, "Investment opportunities are the same for all players. It's only the risk appetite where players can make a difference."



An executive at GIC Mutual Fund finds Sebi regulations as the reason behind the plain vanilla advertising. He says, "Advertising that is barred will often be boring." However, there are others such as Ambareesh Murty, associate vice-president, marketing at Prudential ICICI Asset Management, who feel that "regulations keep up responsibility levels in the industry". "Regulations do not conflict with advertising as good advertising is all about the truth," Murty adds.

Point taken. But there are other reasons where regulations often play the spoilsport. For example, Sebi rules specify that fund managers must "avoid future forecasts and estimates of growth".

This is the point where advertising professionals such as Yubaraj Bhattacharya, group account director, Leo Burnett, see an obstacle as such curbs do not allow fund managers to make a promise as to returns. After all, every investor is bothered only about the future of his investments.

For foreign companies such as Australian firm AMP, and others such as John Hannock, the importance of a comfortable future plays the central theme in their communication. Take a look at one AMP commercial. The television spot showcases a young woman in an empty quadrangle. An old woman soon enters the scene and tells the former everything that has happened in her life till date, with the precision of a soothsayer.

As the young lady wonders how a stranger knows something about her personal life, the old lady confesses, "I'm you, thirty years from now". And a John Hannock commercial is focused on a baby cradled comfortably in the hands of its parent to show how the future could be secure.

The signals from international advertising are clear. Emotions always play a predominant part in advertising. "The purpose of mutual fund ads should be to generate conviction among investors," says Bhattacharya.

An advertising professional points out, "Not a single Indian fund has communicated in this manner. Only Prudential ICICI has consistently attempted to build bonds with the consumer."

The case in point is the Prudential ICICI commercial which shows a kid being sent to pre-primary school. As tears roll down the cheeks of the girl at being separated from her father, the parent re-enters the classroom to allay her fears.

The campaign created by Ogilvy and Mather has been just one of the commercials that have managed to stand out among a raft of many tacky financial advertisements. Bhattacharya points out that the analogy of sending kids to school is apt for a mutual fund ad, because a school gives a good environment and a good education. However, it cannot guarantee anything.

The LIC Mutual Fund ad is one such example. In a television ad, an individual taking part in a game of hoopla manages to circle the target only after being hand-held by a professional. Such commercials only manage to lower interest in a category where consumer interest has never attained exceptional heights.

There are other reasons that slow down the pace and take the gloss away from mutual fund advertising. Under the regulations for advertising in satellite television, any product or service provider has to satisfy a minimum export commitment over two years, before he is permitted to advertise. This is in lieu

with the forex considerations, as satellite television service providers have to be paid in foreign currency.

Then there is a blanket ban on celebrity endorsements for mutual funds. Ad executives point out that these serve as disincentives for advertising.

If ad professionals are to be believed, no mutual fund has clearly targeted the retail customer till date. This is because new mutual funds get critical mass from big-ticket investors who are usually corporates.

Bhattacharya estimates that nearly 80 per cent of the corpus would be contributed by institutional investors. This is probably the case, as apart from critical mass the institutional segment also attracts a comparatively lesser cost of servicing compared to the retail investor.

However, this is an area where industry observers such as Kakar see the need for mutuals to build a strong brand. The logic : if a big-ticket investor exits from a fund, it could shake the fund's foundations. This will not be the case if a large pool of small retail investors support the fund.

An advertising executive points out that much like the banking industry where players such as ICICI Bank and HDFC Bank or even the international players such as StanchartGrindlays or HSBC have been concentrating on the retail sector in recent times, mutual funds will have to follow the same path.

Add to this the increasing media costs. Another mutual fund executive points out to the decreasing size of broadsheet newspapers that has added to media costs. For instance, if an advertiser got 100 column centimetres (cc) of space in a newspaper earlier, today he gets only close to 75 cc at the same cost. This is because though the size has decreased, newspapers still follow the same eight column format.

Then risk factors are a part and parcel of mutual fund ads. For instance, in a 100 cc ad of Alliance Capital's Frontline Equity Fund, nearly 20 cc was consumed by the issue details. In another 100 cc ad introducing the short-term fund of DSP Merrill Lynch, 40 per cent of the ad space was about the issue details.

But that is because unlike in the west, the Indian mutual fund industry is still nascent, hence they have to target customers by providing all the details.

So what is the typical profile of an Indian retail investor? A survey by the advertising agency, Leo Burnett, among 730 middle class Indian males in the age-group of 25-40, indicated that nearly 55 per cent of the respondents were "extrovert, thinking, judging and sensing type".

This personality type lives in a world where abiding by the standard operating procedures was a primary tenet. For them, following protocol is the right path to leading a happy and rewarding life. Money for this personality type is something that had to go into devices that assure a solid foundation and long term security. Money must grow in the long term, however slow the growth may be and he would not be able to live with an irresponsible and risky decision.

Naturally, this consumer is drawn towards companies which speak the language of responsibility, soundness, solidity and

long term. But to grab his attention, as Kakar says, it is necessary to speak to the customer in a language that he is prepared to listen.

Vinod Chacko, account director, O&M, adds, "Funds have to spell out that the offerer (fund house) is bigger than the offering."

An advertising executive points out that as the customer's stated need for safety, liquidity and return cannot be fulfilled through advertising owing to Sebi guidelines, then the unstated need of "peace of mind" is something that mutual funds should aim for. This was precisely what Standard Chartered mutual fund aimed at when it took up the positioning of 'peace of mind' through visuals of individuals with their eyes closed as a form of relaxation.

However, as fund officials and ad executives put it, it has also sent mixed signals about investing with your eyes closed (nobody exhibits blind faith when it comes to money).

However, there have also been examples of good advertising. For example, several advertising executives laud the efforts of PruICICI for its 'hand' advertisement which summed up the investment culture of the retail investor.

Developed initially as an Internet advertisement by Mediaturf, the ad was rolled out across mediums to include print, hoardings and even television. Even the Allianz ad on television, which focus on the fortune lines of a palm strike the right chord. The Birla Sun Life Mutual Fund ad where a prospective groom asks the picture of his mother-in-law (just to draw a correlation as to how his to-be wife would look like 30 years down the line) is another case of advertising that stands out.

So what is the right track that mutual funds could take? Kakar feels that advertising should be educative. According to him, companies have to move away from advertising "why me" to talking "why mutual funds".

This suggestion finds approval from other executives. In fact, advertising agencies suggest that the Association of Mutual Funds in India should be the flagbearer for such a campaign. Importantly, the advertising should be consistent keeping in mind that the product could be bought throughout the year.

But there is hope. Recent radio commercials such as the PruICICI ads, which answer basic questions such as "What is a mutual fund?" and "What is an NAV?", along with Mindstorm, an investor education series initiative from IL&FS mutual fund, are indicators that mutual funds are taking some initiative on the educational front. It remains to be seen whether small beginnings result in great endings.

Prasad Sangameswaran

## Notes

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