



**DEPARTMENT OF BBA**

**V SEMESTER BBA**

**MARKETING ELECTIVE**

**ADVERTISING AND MEDIA  
MANAGEMENT**

**STUDY MATERIAL**

**BY**

**PROF. ROOPA KV**

## Unit 1: INTRODUCTION & BASIC CONCEPTS 12Hrs

- History of advertising;
- Advertising purpose and functions;
- Economic, social & ethical aspects of advertising;
- Advertising & the marketing mix,
- Advertising as a communication process;
- types of advertising;
- Major Institutions of Advertising Management.

### **Advertising:**

#### **MEANING**

The term advertising is derived from original *latin* word '**ADVERTERE**' which means to *turn the attention*.

**Advertising** is a marketing communication that employs an openly sponsored, non-personal message to promote or sell a product, service or idea. Sponsors of advertising are typically businesses wishing to promote their products or services.

#### **DEFINITION**

#### **Philip Kotler:**

“Advertising is any paid form of non-personal presentation and promotion of goods, services, or ideas by an identified sponsor.”

#### **William Stanton.**

Advertising consists of all activities involved in presenting to a group a non-personal, oral or visual, openly sponsored identified message regarding a product, service, or idea. The message, called an advertisement, is disseminated through one or more media and is paid for by the identified sponsor”-

## HISTORY OF ADVERTISING

1. Egyptians used papyrus to make sales messages and wall posters (Papyrus /pə'paɪrəs/ is a material similar to thick paper that was used in ancient times as a writing surface. It was made from the pith of the papyrus plant.)
2. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form,
3. In ancient China, the earliest advertising known was oral, as recorded in the Classic of Poetry
4. A copper printing plate dated back to the Song dynasty used to print posters in the form of a square sheet of paper with a rabbit logo with "Jinan Liu's Fine Needle Shop" and "We buy high-quality steel rods and make fine-quality needles, to be ready for use at home in no time" written above and below<sup>[11]</sup>; is considered the world's earliest identified printed advertising medium.<sup>[12]</sup>
5. Thomas J. Barratt of London has been called "the father of modern advertising".<sup>[14][15][16]</sup> Working for the Pears Soap company, Barratt created an effective advertising campaign for the company products, which involved the use of targeted slogans, images and phrases. One of his slogans, "Good morning. Have you used Pears' soap?" was famous in its day and into the 20th century
6. In June 1836, French newspaper *La Presse* was the first to include paid advertising in its pages, allowing it to lower its price,
7. 1920- radio
8. 1950- Commercial Television
9. 1980 – cable television
10. 1990 – Online advertising

### 5 M'S OF ADVERTISING:



### FEATURES OF ADVERTISING:

1. Provides information
2. Paid form
3. Non personal
4. Identified sponsor
5. Basically for persuasion.
6. Any form- Print/electronic
7. Can be for Goods, Services, Awareness or An idea.
8. Mass communication
9. Target audience
10. Is an art, science and profession
11. An important element of marketing mix
12. Regulated by government. – ASCI- Advertising standards council of india

## **Features of Advertisement**

### **1. It is a paid form of communication:**

Advertisements appear in newspapers, magazines, television or cinema screens because the advertiser has purchased some space or time to communicate information to the prospective customers.

### **2. It is a non-personal presentation of message:**

There is no face-to-face contact with the customers. That is why, it is described as non-personal salesmanship. It is a non- personal form of presenting products and promoting ideas and it supports personal selling. It simplifies the task of sales-force by creating awareness in the minds of potential customers.

### **3. The purpose of advertising is to promote idea about the products and services of a business:**

It is directed towards increasing the sale of the products and services of a business unit.

### **4. Advertisement is issued by an identified sponsor:**

The identity of the businessman issuing the advertisement must be disclosed. Non-disclosure of the name of the sponsor in propaganda may lead to distortion, deception and manipulation. Advertisement should disclose the sources of opinions and ideas it presents.

## **5. Mass Communication**

An advertisement is a form of mass communication that focuses on delivering a message to a specific audience. This audience can be made up of a group of people or a specific individual (listeners, readers or spectators).

There are several tools used by a commercial to communicate, such as promotion, one-to-one marketing and guerrilla advertising.

## **6. Includes different types of communication**

An advertisement can be given in an oral, written or audiovisual format. Has a presence in different media, including newspapers, magazines, leaflets, television, film, radio, among other mass media.

That is, an advertisement is issued by any channel that can ensure its exposure to the public.

Some authors define it as a printed, written, oral or illustrated item that contributes to the art of selling.

In this way, its main purpose is to place itself in the group of individuals individually or collectively in favor of the interests of the promoter.

## **7. Applicable to several industries**

The commercials are a popular and widely used form of communication destined to catch the attention of a specific public.

This type of advertising is not only used by private businesses, it can also be used by museums, non-profit organizations, government agencies, educational institutions and other entities that want to attract the attention of their target audience (Characteristic of an effective advertising, 2013).

**8. Art, science and profession:** Advertising is art, science and a profession, and this is now universally accepted. It is an art as it needs creativity for raising its effectiveness. It is a science as it has its principles or rules. It is also a profession as it has a code of conduct for its members and operates within standards set by its organized bodies. In its field, AD Agencies and space brokers function as professionals.

**9. The element of a marketing mix:** Advertising is an important part of a marketing mix. It supports the sales promotion efforts of the manufacturer. It makes a positive contribution to sales promotion provided other elements in the marketing mix are reasonably favorable. It is alone inadequate for promoting sales. Many companies now spend huge funds on advertisements and public relations.

**10. Publicity of** goods, services, ideas and event events.

It is primarily for giving information to consumers. This information is related to the features and benefits of goods and services of different types. It offers new ideas to customers as its contents are meaningful. The aim is to make the popularize ideas and thereby promote sales. For example, an advertisement for family planning, family welfare, and life insurance is useful for placing new ideas before the people.

## **PURPOSE OF ADVERTISING:**

### **To create awareness:**

One of the most widely accepted **purpose of advertisements** is to increase the recognition of a brand name or product, or to communicate information about the availability of the product to the public. This is an important objective from many points of view.

First, when a new product enters the market, it does not easily gain the favour of the buyers unless they are well informed about it. That is, awareness about the product must exist before a favourable attitude toward the brand can be developed. Awareness about the brand is all the more important when several brands compete with each other.

### **To Reminding buyers to use the product:**

For discretionary items having an irregular or unusual pattern, an appropriate advertising policy must aim at stimulating the primary demand. To attain this objective, the buyers must be reminded not only to use the product but also to restock it.

### **To change belief about brand:**

If an attribute is already considered important, buyer will examine the relative strength of different brands with respect to that attribute. Accordingly, the **purposes of advertisements** are to improve the buyer's rating with regard to the product advertised vis-a-vis the other competing brands.

When the attribute of a product is not peculiar, advertisements are floated to establish the superiority of product over other competing brands.

### **To promote direct sales:**

In some cases, advertising is used for the purpose of persuading the customer to place an order for the product. Mail order houses through leaflets and catalogs, advertise their products in such a manner that customers are convinced of their value and are tempted to write to the institution to get the product without going to a shopping mall or without going into further details about the product.

Products like books, ready-to-wear garments, slimming machines, toys and sports goods can be profitably sold by direct mail advertisements. Through such advertisements, the company lays stress on price appeal, and uses such slogans as “direct from factory to you.”

### **To build Company’s Image:**

The general purpose of advertisements is to build a company’s image. Practically all companies try to build their image through advertisements. Some consider it as the primary objective of advertisement.

For example, Godrej, Lakme, Vimal, VIP have built up an image through advertisement. It is largely assumed that if the company has some image or reputation in the market, it will be easy to sell its product. For example, Vimal’s clothing is very costly; yet it has good sales because of its image.

### **To Preview New Trends**

Previews about the virtues of new products, services and ideas motivate consumers to obtain them because they don't want to be left out. Advertising lets consumers in on up-and-coming trends and new markets. They offer coupons, rebates and trial offers on new products, services or ideas to recruit new customers and induce existing customers to try things. Advertisers preview new or improved products, services and ideas to consumers in order to appeal to their sense of wanting to be in the know about leading edge trends.

Previewing new trends is a technique employed by advertisers that capitalizes on consumers' desires to "keep up with the Jones" by owning the latest and greatest product, service or idea.

### **To Display Competitive Pricing**

Advertising displays consumer goods with competitive prices relative to the current market, thus educating consumers about what things should cost. Advertising lets you know what the competition is doing, when the next sale is, and how you can receive the latest coupon or rebate and seeks to assure you that you are receiving the best value for your money.

### **To Identifying Brands and Products**

Products, services and ideas are sold through businesses that are differentiated by their brand identities. Brand identity is communicated to the public via advertising. Consumers build emotional relationships with certain brands with which they become increasingly familiar through the years, thanks to advertising.

## **To Persuade Consumers to Purchase**

Powerful, visual advertising presentations compel consumers to purchase goods, services and ideas as a way to achieve emotional fulfillment. Persuasion is the core mission of advertising. Advertising tells you how the product, service or idea you are considering will improve your life. According to Jeremiah O'Sullivan R, author of "The Social and Cultural Effects of Advertising," advertising feeds on the concepts of ideology, myth, art, sexual attraction and religion.

## **BENIFITS OF ADVERTISING:**

### **Benefits to Manufacturers and Traders:**

**It pays to advertise. Advertising has become indispensable for the manufacturers and distributors because of the following advantages:**

- (i) Advertising helps in introducing new products. A business enterprise can introduce itself and its products to the public through advertising.
- (ii) Advertising develops new taste among the public and stimulates them to purchase the new product through effective communication.
- (iii) Advertising assists to increase the sale of existing products by entering into new markets and attracting new customers.
- (iv) Advertising helps in creating steady demand of the products. For instance, a drink may be advertised during summer as a product necessary to fight tiredness caused by heat and during winter as an essential thing to resist cold.
- (v) Advertising helps in meeting the forces of competition in the market. If a product is not advertised continuously, the competitors may snatch its market through increased advertisements. Therefore, in certain cases, advertising is necessary to remain in the market.
- (vi) Advertising is used to increase the goodwill of the firm by promising improved quality to the customers.
- (vii) Advertising increases the morale of the employees of the firm. The salesmen feel happier because their task becomes easier if the product is advertised and known to the public.

(viii) Advertising facilitates mass production of goods which enables the manufacturer to achieve lower cost per unit of product. Distribution costs are also lowered when the manufacturer sells the product directly to the customers. Advertising also facilitates distribution of the product through the retailers who are encouraged to deal in the advertised products

### **Benefits to Customers:**

#### **Advertising offers the following advantages to customers:**

- (i) Advertising helps the customers to know about the existence of various products and their prices. They can choose from the various products to satisfy their wants. Thus, they cannot be exploited by the sellers.
- (ii) Advertising educates the people about new products and their diverse uses.
- (iii) Advertising increases the utility of existing products for many people adding to the amount of satisfaction which they are already enjoying.
  - (iv) Advertising induces the manufacturers to improve the quality of their products through research and development. This ensures supply of better quality products to the customers

### **Benefits to Society:**

#### **The whole society is benefitted because of advertisement in the following ways:**

- (i) Advertising provides employment to persons engaged in writing, designing and issuing advertisements, and also those who act as models. Increased employment brings additional income with the people which stimulate more demand. Employment is further generated to meet the increased demand.
- (ii) Advertising promotes the standard of living of the people by increasing the variety and quality in consumption as a result of sustained research and development activities by the manufacturers.
- (iii) Advertising educates the people about the various uses of different products and this increases their knowledge. Advertising also helps in finding customers in the international market which is essential for earning foreign exchange.

(iv) Advertising sustains the press, and other media. It provides an important source of income to the press, radio and television network. The customers are also benefitted because they get newspapers and magazines at cheaper rates. The publishers of newspapers and magazines are benefitted because of increased circulation of their publications. Lastly, advertising also encourages commercial art.

### **ASPECTS OF ADVERTISING:**



The economic, social and ethical aspects play a significant role in enhancing business. The advertising brings development of the economy by enhancing demand. It encourages people to purchase goods and services. Social advertising focus on social concerns and awareness for human being.

The various stake holders such as business houses, government, profit and nonprofit organizations contributes towards the welfare and well being of the society. Ethics is the most important feature of the advertising industry. It should avoid attacking competitors unfairly; it shall be free from offensive to public decency etc.....

#### **A) ECONOMIC ASPECTS OF ADVERTISING**

1. **Enhance product value:** Advertising increases product value through brand image. most of them prefer to purchase the products which are advertised in the market .
2. **Enhance product utility:** Advertising educates customer about the product, Features and advantages.
3. **Reduce prices:** consumer price includes the production costs, selling cost, and distribution costs. In the long run advertising leads to more sales and leads to increased production and decreased cost of the product.

4. **Reduce production cost:** In long run advertising reduces the production cost. The plant capacity will expand over a period of time. The producers can purchase large quantities of raw materials at discounted rates from suppliers and achieve economies of scale.
5. **Reduce distribution costs:** Distribution costs includes sales promotion costs. Effective advertisements cut down the expenditure on personal selling and reduce distribution costs.
6. **Enhances demand and choice:** Effective advertising gives advertiser to introduce new brands. And helps in convincing customers to purchase the advertised products.
7. **Overcome competition:** effective advertisements help companies to sustain present competition. It establishes identity and gains customer confidence.
8. **Enhances economic growth:** Helps in educating people , Employment and job growth .

## B) SOCIAL ASPECTS OF ADVERTISING:

The advertisements which deal with social causes aimed at welfare and well being of the people is called social advertisement. It is a social institution. It is a continuous social process.

The social process stands for all social activities that are performed to achieve the goals and objectives of an individual and the society.

Example:- the advertising which communicates the message to save oil, save water, save energy etc

Characteristics

1. It is public relations advertising
2. It focuses on the matters of social importance.
3. It initiates public action towards the social problems.
4. It has concern to rural people.
5. It ensures consumer welfare.



## SOCIAL ASPECTS OF ADVERTISING:

1. **Health care:** Advertising on health and awareness. Ex AID's , Dengue
2. **Child Care:** Educating public on child care and safety Ex: Advertising related to nutrition and child development

3. **Education:** Advertising related to right to education to women and positive change in the society
4. **Dowry Prevention:** Helps in eradicating the problem of dowry
5. **Family welfare:** Advertising on population and immunization
6. **Safety problems:** Advertising educating public to follow traffic rules and prevent Accidents
7. **Resource prevention:** Advertising on energy conservation, save environment , save electricity and save water.

#### **ETHICAL ASPECTS IN ADVERTISING:**

1. **Truth in advertising :** advertisements must provide truthful information
2. **Avoid misrepresentation :** The advertiser must not misinterpret the product attributes like quality, benefits and features
3. **Avoid misuse of Endorsement and testimonials:** The testimonials and endorsements must reflect the genuine and truthful opinions from public or movie stars or sportsmen.
4. **Avoid Illusion :** Advertiser should avoid the advertisements which claims illusion like reduction of weight, increasing fairness.
5. **Avoid psychoactive ads:** The advertising which has negative emotional impact on target customers, anxiety.
6. **Deceptive advertising:** Advertisements must be transparent and reveal correct information.
7. **Bait and switch tactics:** It is illegal to advertise a product when the company has no intention to sell the product at advertised price.
8. **Advertising on children:** Advertisements should not have bad impact on children when they are advertising products related to children like chocolates, toys and biscuits.
9. **Advertising claims to be true:** The claims promised in advertisements must be true. like sore throat, kills 100 percent germs.
10. **Guarantees and warranties:** information related to guarantee, conditions must be disclosed in the advertisements.

## ADVERTISING AND MARKETING MIX



### 1. ADVERTISING AND PRODUCT:

A product is a set of physical elements. It is a tangible good or an intangible service. The marketers can expand the current product mix by enhancing the depth and width of a product lines. The attributes of product mix includes....

To make effective advertising the advertiser needs to answer the following questions:

- a). How to position the product?
- b). How to enhance the brand image ?
- c). How to make optimum utilization of resources?
- d). What are the product development strategies?
- e). What are the strategies at different stages of life cycle.
- f). What are the types of media for advertising.

Advertising plays vital role in providing information and educating the customers about their products and services in the following ways

#### 1. Awareness:

One of the important roles of advertising is to create awareness of the product or services such as brand name and price. The awareness of the product or services can be created through highlighting the unique features of the brand. Nowadays, due to intense competition it is not just enough to create awareness, but top of mind awareness is needed.

## **2. Information:**

Advertising helps to inform the target audience about the product. Providing information is closely related to creating awareness of the product. Potential customers must know about a product, such as product features and uses.

Product information is very much required, especially when the product is introduced in the market, or when product modification is undertaken. Proper product information can help the consumers in their purchase decision.

## **3. Persuasion:**

When business firms offer similar products, the firm must not only inform the customers about the product's availability, but also persuade them to buy it. Through persuasive messages, the marketers try to provide reasons regarding the superiority of their products as compared to others available in the market. Persuasion can be undertaken through creative advertising messages, product demonstration at trade fairs, offering free gifts, premium offers and organizing contests.

## **. Attitudes:**

Promotion is required to build or reinforce attitudes in the minds of target audience. The marketers expect the target audience to develop a favourable attitude towards their brands. Positive attitude towards the brand helps to increase its sales. Through promotional techniques like advertising, the marketer can correct negative attitude towards the product, if any. Negative attitude can also be corrected through public relations and advertising.

## **5. Reminder:**

If target customers already have a positive attitude towards a firm's product or service, then a reminder objective may be necessary. The reminder objective is necessary because the satisfied customers can be targets for competitors' appeals. Well-established brands need to remind the customers about their presence in the market. For instance, 'Raymond – the complete man' campaign is designed to remind the customers.

## **6. Brand Loyalty:**

Advertising helps to develop brand loyalty. Brand loyalty results in repeat purchases and favourable recommendations to others by existing customers. Sales promotion, effective personal selling, timely and efficient direct marketing, and other techniques help to develop brand loyalty.

## **7. Brand Image:**

An advertiser helps to develop a good image of the brand in the minds of target audience. There are several factors that can be of help to audience. There are several factors, such as the character of the personality that endorses the brand, the content of the advertising message, the nature and type of packaging and the type of programmes or events sponsored, that can help to develop brand image in the minds of target audience.

## **8. Counter Competitors' Claims:**

The marketer may counter the claims made by the major competitors. For instance, competitive advertising is undertaken to counter the claims made by competitors either directly or indirectly. With the help of creative advertising, the marketers can claim the superiority of their brand. The marketer may also undertake aggressive sales promotion to counter the competition in the market.

## **9. Expansion of Markets:**

Successful ads results in expansion of the markets. A marketer may intend to expand markets from the local level to the regional level, from the regional level to the national level, and from the national level to the international level. For this purpose, the marketer may undertake various techniques of promotion.

### **10. Educating the Customers:**

Promotion may be undertaken to educate the customers. For instance, some of the advertising is undertaken to educate the audience regarding the use of the product, handling operations, and so on. Public awareness campaigns also educate the public regarding the negative effects of noise, air and dirt pollution, social evils, and so on.

### **B) ADVERTISING AND PRICE:**

The price is the amount a customer pays for the product. It is the exchange value of the product. The advertiser needs to have effective pricing policies. They must ensure the profits of the company and appropriate pricing for attracting customers.

The advertiser should set a price that complements the other elements of the marketing mix.

Advertising must give the details regarding

1. Price and MRP
2. Discounts and offers
3. Price bundling
4. Comparison pricing with competitors

### **C) ADVERTISING AND PLACE/DISTRIBUTION CHANNEL.**

The place refers to physical distribution and storage of goods which is convenient for consumers to access. The advertisers need to ensure the goods are available at the convenient place and at the right time to the buyers.

The advertising plays a significant role in effective distribution and market expansion.

The attributes of place mix includes channel of distribution etc.

Advertisements must include

1. The places where the goods are available- retailers, wholesalers, E-Retailers.
2. Transportation
3. Warehousing
4. Inventory levels
5. Timing of sales

### **D) ADVERTISING AND PROMOTION:**

The promotion informs, persuade and remind customers about products or services. It consists of advertising, publicity, personal selling and sales promotion technique...

The advertising helps the sellers to face and overcome competition. It helps to develop brand image. It enhances brand loyalty.

Advertising through

1. Personal selling. Training the employees
2. Proper selection of Message

3. Proper selection of timing and frequency.
4. Proper selection of endorsers
5. Proper selection of media

### **Factors Influencing Marketing Mix**

Some of the factors influencing marketing mix are.

1. Target Market
2. Product type
3. Purchase decision
4. Product life cycle
5. Advertising budget
6. Media preference
7. Competitors strategies

**1.Target Market :** In order to select the best methods to reach different target markets, the advertiser needs to have different advertising to different customers the advertisers need to know the answers of the following questions.

**2. Product Type:-** the different product requires different types of promotional activities. The marketing of technical products demands professional selling. It helps the customer to understand the technicality of the product.

**3. Purchase decision:** The purchase of industrial goods is time consuming process. The industrial products are very expensive and technically sound. The purchase decision is a complicated process. It needs proper brain storming by various stakeholders such as production manager, purchase manager, finance manager etc....

**4.. Product Life Cycle:-** the stage in the product life cycle affects the type and amount of promotion to be used. The products in the introductory stages need more promotion.

**5. Advertising Budget:** The advertising budget affects a reach and frequency of advertisement. The reach in advertising means the number of people exposed to the message. The frequency in advertising means how often people are exposed to the particular advertisement.

**6. Media Preference:-** the different types of consumers prefer different types of media.  
Example:- most of the students are found of cricket. They prefer to watch sports channels

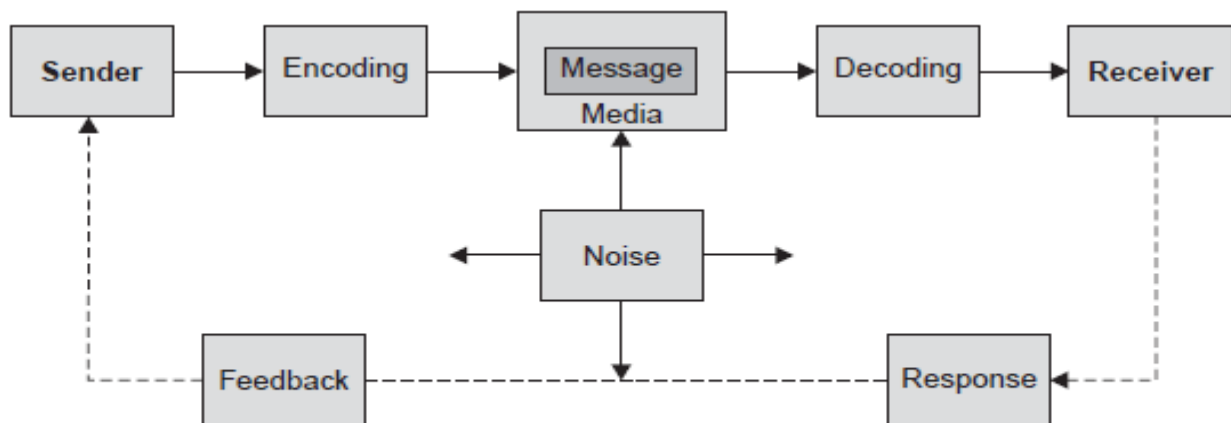
**7. Competitors Strategies.** The advertising varies according to competition. In case the competitors' is making use of extensive advertising strategies. The advertiser needs to come out with better advertising strategy in the market compared to its competitors.

## ADVERTISING AS A COMMUNICATION PROCESS:

Communication is derived from the Latin word “ communis” meaning to share the communication is the process which involves conveying information through the exchange of facts, ideas, opinions, thoughts, message or information, by means of speech, visuals, signals, writing or behavior B\W two or more persons.

### Elements of advertising communication

1. **Advertiser:** company which wishes to communicate about their products or services.
2. **Advertising Agency:** Companies outsource the advertising to the ad agencies.
3. **Media :** the vehicle used for the delivery of the message like newspaper , channels, radio, Television, outdoor display, internet, social media.



### Elements in the communication process

4. **Target Audience:** The audience includes both users and non users of products and services. Generally for the mass audience, it includes readers, listeners, and viewers.

Communication process as such must be considered a continuous and dynamic inter-action, both affecting and being affected by many variables.

#### (1) Sender:

The person who intends to convey the message with the intention of passing information and ideas to others is known as sender or communicator.

#### (2) Message :

This is the subject matter of the communication. This may be an opinion, attitude, feelings, views, orders, or suggestions.

**(3) Encoding:**

Since the subject matter of communication is theoretical and intangible, its further passing requires use of certain symbols such as words, actions or pictures etc. Conversion of subject matter into these symbols is the process of encoding.

**(4) Communication Channel:**

The person who is interested in communicating has to choose the channel for sending the required information, ideas etc. This information is transmitted to the receiver through certain channels which may be either formal or informal.

**(5) Receiver:**

Receiver is the person who receives the message or for whom the message is meant for. It is the receiver who tries to understand the message in the best possible manner in achieving the desired objectives.

**(6) Decoding:**

The person who receives the message or symbol from the communicator tries to convert the same in such a way so that he may extract its meaning to his complete understanding.

**(7) Feedback:**

Feedback is the process of ensuring that the receiver has received the message and understood in the same sense as sender meant it

**(8) Noise:** noise is any disturbance or interruption that can creep in at any point of the communication process.

## **CLASSIFICATION OF ADVERTISING**

### **1. Classification on the basis of geographical area**

- **Local advertising:** local markets by local outlets like retail stores, consumer durables through posters, pamphlets, hording, local newspaper, local channels.
- **Regional advertising :** Undertaken by regional distributors ( state wise )
- **National advertising :** Advertisements by companies like Soap, shampoo.
- **International advertising :** Companies which sell their products worldwide does the advertising in the world like Coca-Cola, Pepsi.

### **2. Classification on the basis of geographical area.**

- **Consumer advertising :** Products which are advertised to the end-users of the consumer goods like Tea, coffee, bike, car.
- **Industrial advertising :** Advertising done for the industrial goods like machinery, and industrial goods in trade dictionaries, business magazines.
- **Trade advertising:** Advertising which attracts whole sellers and retailers by motivating to purchase products for sale purpose. EX: Metro.

- **Professional advertising:** professional groups like doctors, lecturers, lawyers, engineers. Ex: Doctor recommends patient for purchasing a particular brand of medicine.

### 3. Classification of the basis of media

- **Print media advertising:** Advertising on magazine, newspapers, journals, handbills, pomp lets.
- **Electronic advertising:** Advertising on mobile, radio, Television, internet, Social media.
- **Outdoor media :** Banners, Posters, Hoardings, Electronic bill boards.
- **Other media:** Calendars, Dairies,

### 4. Classification on the basis of advertising stages

- **Pioneering stage advertising:** To create awareness on new products.
- **Competitive stages advertising :** Advertising of well established brands in market
- **Retentive stage advertising:** Reminder advertisements to retain the market in long run.

### 5. Classification on the basis of purpose

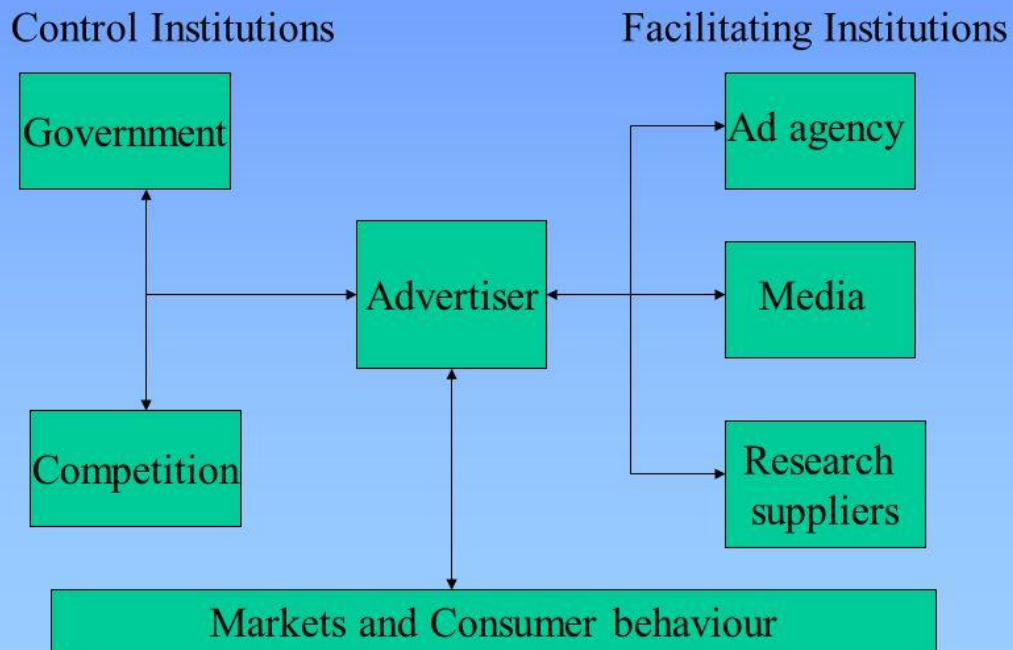
- **Direct action advertising:** undertaken to obtain immediate response or action. Ex: discount sales, flash sales.
- **Indirect action advertising:** advertising by comparing with competitor. Ex magi and yippee- non sticky.
- **Direct- response of advertising:** Direct advertising by the manufacturer to consumer without any intermediary Ex: Mail, SMS, Calls.
- **Primary demand creation advertising:** Advertisements undertaken by trade associations or corporative groups. Ex: Coffee board advertising to consume more coffee.
- **Selective advertising :** marketing of selective brands only. Selective advertising focuses on creating a demand for a specific brand of product or service. For example, soda manufacturers often promote each brand they make with a dedicated marketing campaign. In contrast, primary advertising focuses on creating a demand for a general product class or category.

### 6. Classification on the basis of functions

- **Social add:** under taken by non commercial organizations for social cause Ex: Collecting donations for Flood purpose.
- **Political add:** Advertising undertaken to promote political parties to vote and support them.
- **Product adds:** Advertising of tangible products. EX: Watch. Dress.
- **Service adds:** Advertising of services like banks, airlines, hotels, educational institutions.
- **Institutional add/ corporate adds:** to recognize the corporate firms.

## MAJOR INSTITUTIONS OF ADVERTISING MANAGEMENT

### Major Institutions involved in the field of Advertising management



#### 1. GOVERNMENT :

Advertising is regulated by government authorities. Government implements some laws and regulations for the advertiser and the advertising agencies.

- **The consumer protection Act, 1986 and advertising**
- **Press Council of India Act, 1978**
- **Cable television regulation act, 1955 and Cable television amendment act, 2006**
- **Establishment of the ASCI (Advertisement standard council of India), 1985**
- **Food Safety and Standards Act, 2006-** Section 53 of this Act provides a penalty of up to Rs. 10 lakhs for false and misleading advertisements relating to the description, nature, substance or quality of any food;
- **Drug and Magic Remedies (Objectionable Advertisement) Act, 1954-** This Act purports to regulate the advertisements of drugs in certain cases and to prohibit the advertising for certain purposes of remedies alleged to possess magic qualities and to provide for matters connected therewith;

- **Drugs and Cosmetics Act, 1940-** Section 29 of the Act imposes penalty upon whoever uses any report of a test or analysis made by the Central Drugs Laboratory or by a Government Analyst, or any extract from such report, for the purpose of advertising any drug. The punishment prescribed for such an offence is a fine which may extend up to five hundred rupees and/ or imprisonment up to ten years upon subsequent conviction;
- **The Monopolies and Restrictive Trade Practices, 1984** (herein after "MRTP Act") and the Trade Marks Act, 1999 work in tandem to provide the basic structure that govern Comparative Advertising. The Trademarks Act, 1999 has incorporated the provisions related to this concept in Ss. 29(8) and 30(1). According to the statute Comparative Advertising is permissible, with certain limitations as to unfair trade practices.

The Section 6 of this Act grants consumers the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be to protect the consumer against unfair trade practices. Section 2(r) of the Act, under the definition the term “unfair trade practice”, it also covers the gamut of false advertisements including misrepresentations or false allurements. And to redress against such unfair trade practices on false advertisements may be sought under the Act.

The Advertising Standard Council of India was established as a nonstatutory tribunal. It created a self-regulated mechanism of introducing the advertising ethics in India. The ASCI judges the advertisements based upon its Code of Advertising Practice, also known as the ASCI code. This Code applies to advertisements read, heard or viewed in India even if they originate or are published abroad so long as they are directed to consumers in India or are exposed to a significant number of consumers in India.

## 2. COMPETITION:

Competitors also influence the organisations. Consumers will switch over to competitors brand if not advertised effectively. Hence advertiser’s promotion strategy must be better than the competitors.

**Competitive advertising** is used by companies as a way to differentiate from competitors. This approach puts two brands side by side to show consumers the differences between the brands. Some companies name the competitor, while others use vague phrases like 'the leading competitor' and 'brand X.'

One example is the Apple vs. Microsoft campaign. Specifically, in 2006, Apple put out the 'I'm a Mac versus I'm a PC' campaign. The goal of the campaign was to show that Apple is cool while Microsoft is nerdy. PCs had become the norm in every household. This campaign was aimed at getting the next generation to think outside the box and enjoy what technology has to offer. The campaign released 60-plus ads and was successful in converting people to the Apple lifestyle.

Among the most popular rivalries of all time is that of Pepsi versus Coca-Cola. Almost everyone you talk to has a favorite. There are even people that choose the restaurant they want to eat at based upon which beverage brand is served. The two brands have positioned themselves differently in the marketplace. Pepsi aims to be the trendy brand, while Coca-Cola takes a more classic approach. However, there is a constant showing of taste tests and superiority claims within their advertising.

### 3. ADVERTISER:

The organisation or company communicating about their products. He is known as the sponsor .

The budget available: A manufacturer may have a very colourful and bold plan of advertising. He may be dreaming of advertising on a national television network and films. If budget does not allow, then he is to be happy with a low budget media like his news-paper and outdoor advertising. Instead of colour print in magazine, he may be forced to go in for black and white. Thus, it is the resource constraints that decide the choice.

### 4. TARGET AUDIENCE:

The target audience might be the listeners, viewers, readers.

- Present customers
- Competitors customers
- Potential users- (people interested to purchase)
- Non users- People who do not use your products

### 5. MASS MEDIA:

- Print media- newspapers,magazines,journals
- Electronic media- Television, radio, internet
- Outdoor media- posters, hoardings, electronic bill boards
- Direct mail- letters, SMS, E-mails.

### 6. ADVERTISING AGENCIES:

According to the AMA “ the advertising agency is defined as an independent business organization, composed of creative and business people, who develop, repair and place advertisements in advertising media for sellers seeking to find customers for their goods and services”

An **advertising agency**, often referred to as a **creative agency** or an **ad agency**, is a business dedicated to creating, planning, and handling advertising and sometimes other forms of promotion and marketing for its clients. An ad agency is generally independent from the client; it may be an internal department or agency that provides an outside point of view to the effort of selling the client's products or services, or an outside firm. An agency can also handle overall marketing and branding strategies promotions for its clients, which may include sales as well.

Typical ad agency clients include businesses and corporations, on-profit organizations and private agencies. Agencies may be hired to produce television advertisements, radio advertisements, online advertising, out-of-home advertising, mobile marketing, and AR advertising, as part of an advertising campaign

## **Min functions of advertising agencies:**

### **1 .Advertising and Marketing Plan**

The primary role of advertising agencies is the creation of an advertising and marketing plan specific to your business, product and brand. Ad agencies work with your business objectives, keep within ad budgets and develop advertising and marketing campaigns to satisfy business needs. Ad agencies pull all this together to provide a creative and compelling campaign intended to engage the attention of potential customers and get them to buy your product or service.

### **2. Graphic Design, Copywriting and Printing**

Full service agencies typically employ graphic designers and copywriters or contract with trusted outside firms. Since printing is a specialized industry, agencies will handle this function through a printing partner. Graphic design, copywriting and printing are vital elements of the overall ad program, as poorly written, designed and printed advertising can hinder the effectiveness of the campaign and may reflect poorly on the business.

### **3. Media Purchasing**

Media purchasing, such as ads placed in magazines, newspapers, television broadcasts and radio shows, is another role of a full service agency. Ad agencies have intimate knowledge of pricing, effective scheduling and results-oriented media platforms that would involve considerable time, research and effort for the business owner who chooses to act alone in these areas.

### **4. Web Marketing**

From professional web design, publishing, page traffic reports and web page updates, full service ad agencies can handle all the details. Website templates provided by internet service providers and home web design programs can appear "homemade" and may not reflect a quality business image. Professionally designed sites, such as those used by larger businesses, are almost always created by professionals.

### **5. Tracking Results**

Tracking and tweaking advertising is another role of full service ad agencies. If an ad isn't meeting business objectives, the agency will investigate and analyze the cause and suggest new approaches. Ad campaign success is the agency's primary goal, so it can get repeat business from clients.

## **7 . RESEARCH SUPPLIERS**

Market research companies conducting advertising research studies and surveys. Find firms that generate advertising research information about what is being communicated through a specific advertising vehicle.

Research companies like Nielsen .

- Identify the suitable media, creative areas,
- Understanding the purchase behaviour, consumer attitude, preference, motives.
- Competitors strategies
- Collect primary and secondary data, analyse and gives the information to the companies.

**ADVERTISING AND MEDIA MANAGEMENT**  
**2<sup>ND</sup> MODULE NOTES**  
**BBA V SEMESTER – MARKETING SPECIALISATION**  
**BY PROF. ROOPA KV**

**Unit 2: ADVERTISING AND CAMPAIGN PLANNING 10Hrs**

- Marketing planning
- Marketing strategy
- Situation analysis
- Advertising plan
- Advertising objectives
- DAGMAR approach;
- Advertising strategy and types of advertising strategy
- Advertising campaign planning process.

**INTRODUCTION:**

The advertiser needs to develop the process of marketing plan. The advertiser needs to incorporate overall marketing objectives, strategies and programs of actions. The marketing strategy is the foundation of a marketing plan.

**Marketing Plan:**

- Definition: - a comprehensive blue print which outlines an organizations overall marketing effort is called marketing plan.
- It is written document that describes an organization's advertising and marketing efforts for a future period of time.

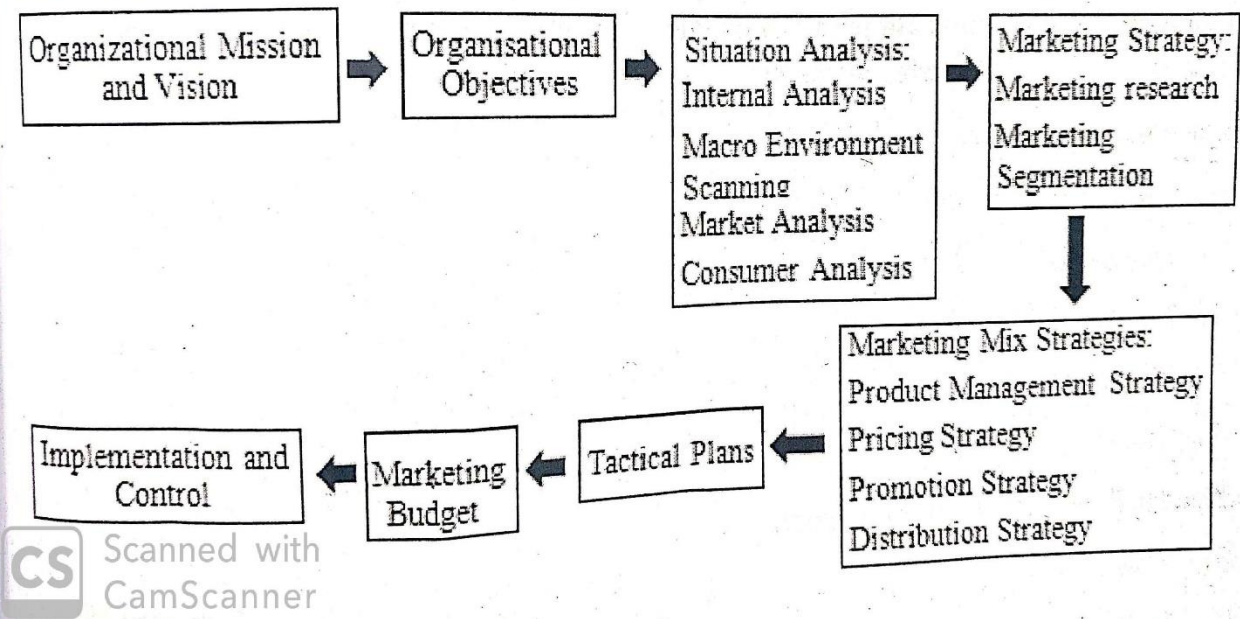
**MARKETING PLANNING PROCESS**

- 1. Organisational Mission and Vision**
- 2. Organisational objectives**
- 3. Situation analysis**
- 4. Marketing strategy**
- 5. Marketing Mix strategies**
- 6. Tactical Plans**

## 7. Marketing budget

## 8. Implementation and control.

### STEPS INVOLVED IN THE MARKETING PLANNING PROCESS



1. **Organizational mission and vision:** -a mission describes the organization's basic function in society, in terms of the products and services it produces for its customers. A mission statement is a formal description of the mission of a business. The organization mission is the guiding force for the organization.

It helps in identifying long run vision. It helps in achieving the organizational goals in long-run. The mission comes from the top management of the organization.

2. **Organizational objectives:** The objectives reflect what the organization expects to achieve. The objectives are defined by the top management. It is communicated down to the marketing department.

Some of the objectives of the company are:-

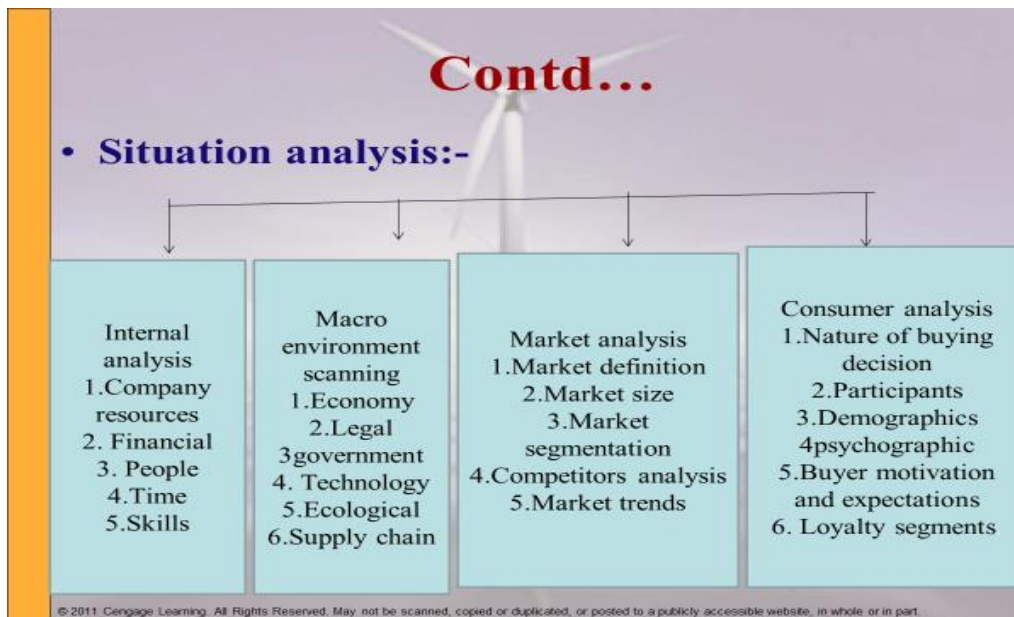
Corporate objectives, financial, marketing, long term objectives, corporate culture, production objectives.

3. **Situation analysis:** Situation analysis is done to identify the feasible and potential marketing opportunities in the environment.

To understand firms, own capabilities.

To understand the environment in which the firm is operating.

To identify opportunities to satisfy unfulfilled customer needs.



#### 4. Marketing Strategies:

After identifying the marketing opportunities, a strategic plan is developed to pursue the identified opportunities. The marketer needs to develop strategies for optimum utilization. The marketer needs to have effective marketing strategies to achieve their objectives. The marketer needs to establish a plan of action. It helps the marketer in marketing decision making.

#### 5. The marketing mix strategies include; -

Product management strategy  
 Pricing strategy  
 Promotion strategy  
 Distribution strategy

#### 6. Tactical plan.

The day to day actions that marketer undertakes to achieve strategic goals are called tactics. The steps or tactics needed to achieve the defined goals in a strategic plan is called tactical plan. These are planned activities. It helps in achieving one milestone to other in pursuit of the overall goals.

#### 7. Marketing budget:

The marketer needs to spend the money to carrying out marketing tactics. The marketing budget lays out the spending requirements needed to carry out marketing tactics. The marketing department may request a certain level of funding they feel is required to the top management.

The top management decide about how much financial support will be offered.

## **8. Implementation and control:**

Finally, the marketing plan is implemented. The results of marketing efforts are monitored to adjust the marketing mix according to the market changes. The marketer needs have control over their marketing process.

### **Marketing strategy:**

A marketing strategy is a written plan. It includes product development, promotion, distribution, pricing approach etc..

It identifies the company's marketing goals. It explains how to achieve those goals.

Example:- if the target audience is young adults. The advertisers may adopt the internet based marketing strategy. The advertiser can have following tactics such as email marketing, social network marketing, search engine advertising etc...

### **According to David Aaker,**

Marketing strategy is defined as a process that allows an organization to concentrate its resources on the optimal opportunities with the goals of increasing sales and achieving a sustainable competitive advantage”.

## **TYPES OF MARKETING STRATEGIES**

- 1) Business-to-consumer :
- 2) Employee marketing
- 3) Business to Business :
- 4) Direct selling :
- 5) Cause marketing :
- 6) Earned Media/PR :
- 7) Co-branding and affinity marketing :
- 8) Internet Marketing :
- 9) Point-of-purchase marketing :
- 10) Word-of-mouth advertising :
- 11) Paid media advertising :
- 12) Storytelling :
- 13) Referral Program :
- 14) Growth Hacking :
- 15) Networking events :
- 16) Content Marketing :
- 17) Retargeting :
- 18) Search Engine Marketing :
- 19) Social Media Marketing :
- 20) Content Marketing :
- 21) Social media and viral marketing :
- 23) Inbound Marketing :
- 24) Influencer Marketing :
- 25) Behavioural Marketing :

## **1. Business-to-consumer :**

B2C market strategy is for those companies which market their products directly to consumers. These types of businesses can work online or in store. A business-to-consumer strategy is consumer driven. You must know your customers inside-out. Their preferences of social media, where they live, and how much money they earn.

## **2) Employee marketing**

The strategy of this marketing type is to overtake its employees as potential customers and brand ambassadors. We all know that companies provide employee discounts as a part of their deal. Mostly, employees buy from their employees as long as they are getting the best deals. In this way, employees become the advocate of the company.

They not only come to work and get paid, but they promote your products and thus, help you to generate revenue. They will recommend your products to their family, friends, and acquaintances. They might share about your products on social media and can refer potential employees. Therefore, never make a mistake to ignore your employees while building a market strategy. They can be loyal customers of your business if treated right.

## **3) Business to Business :**

Business-to-business marketing takes place when a business markets its products and services to another business.

For instance, you produce equipment of machines, you are doing a business-to-business space. It requires a different approach than business-to-consumer marketing because there are several more steps involved in it. You need to find out the decision makers and find out ways to persuade them to business with you. To do this, you need to build a relationship with them by providing superlative services.

## **4) Direct selling :**

There are few products which can be sold by meeting your customers face-to-face and providing them a demonstration of your products. For example, if you are selling a product used at home. You can call a group of customers in one person's home and can provide a demonstration about how that product works.

Related: [The Importance of Strategic Planning in an Organization](#)

There are companies like Amway, Vestige, Avon which apply direct selling marketing strategy to build their businesses. This market strategy is less expensive but works for a few products and it requires sales skills and an extrovert personality to convince your customers to buy products.

## **5) Cause marketing :**

Many companies opt for this marketing technique to boost their sales. People get drawn towards the businesses which are working for a cause. They feel good knowing that their money is being used for a good cause. Therefore, there is no harm to opt for this strategy which benefits you as well as the community. To do this, you need to get into a partnership with a charity organization.

You can choose the cause of providing education to orphan children. For this, you can partner with an orphanage or an NGO working for this cause. Later, you can let your customers know so that they can add to a donation by purchasing things from you.

#### **6) Earned Media/PR :**

In the modern era, there is hardly a person who isn't aware of this type of marketing strategy. Companies pay a lot of money to promote their products on various media platforms like newspaper, television, social media etc. They even pay celebrities to promote their products. People trusts earned media than any other sort of promotion.

#### **7) Co-branding and affinity marketing:**

By using this marketing strategy, you share your customers with businesses that compliment your own business. For example, if you are selling Yoga related products like a yoga mat, yoga pants etc. you can tie up with a famous yoga instructor to promote your products by sharing a percentage of profit with them.

If you follow yoga instructors on Instagram you must have seen them promoting products of certain brands. It is clear that co-branding or affinity marketing represents a partnership between two businesses with similar interests. They aren't competitors to each other. Hence, there is no fear of losing your customer base. Affinity marketing refers to creating a product with another business to boost its sales.

#### **8) Internet Marketing :**

Internet marketing includes various marketing from social media, blogs, email, vlogs to landing pages. Any type of marketing that you conduct on the internet is called internet marketing. However, internet marketing requires a strategy that how and when you post your posts and how you encourage people to purchase your product.

#### **9) Point-of-purchase marketing :**

Point-of-purchase marketing strategy includes placing your product where customers make the most purchase. You must have noticed that many small products are being placed near the cash counter. This is done intentionally so that people make an impulse purchase. In addition to this, you must have experienced cashier who tried to sell your product. This is another example of POP marketing.

#### **10) Word-of-mouth advertising:**

Traditionally, word-of-mouth advertising was limited to face-to-face praise of the product. Nowadays, the method of this type of marketing has been changed.

When people mention your services or products on their social media page and give a positive review, they are doing word-of-mouth advertising of your business. You can also pay some review bloggers to write reviews about you. These days people have a tendency to read reviews about everything before making a purchase.

## **11) Paid media advertising**

Paid media advertising is the best solution to grow your business fast. Obviously, you will have to liquidate capital to get results. But there is Return of investment on every penny you spent. Followings are the types of paid media advertising.

Paid search

Paid social

Television and radio commercial

Display advertising

Print ads

Billboards

Related: 3 Main Types of Business Strategies

This type of marketing requires planning and specific goals for every ad's performance. In case, your advertising is not working, don't keep wasting your money instead think about some other ways to market your product.

## **12) Storytelling:**

Storytelling is an emotional way to reach your audience. You can produce personal stories, brand stories or a story of one of your customers after taking their permission. There is one more trend of saying a story in exactly six words. Here writer requires great writing skills to create a short meaningful story. This type of marketing strategy helps you to win the trust and loyalty of your customers.

## **13) Referral Program:**

This type of marketing strategy makes the use of your existing customers to get new customers on board. You pay some incentive or benefits to your customers if they ask their friends to buy your product or service. People usually do word-of-mouth marketing to get the benefit. The amount you pay to them is quite small in front of the returns you are getting. Find the way to keep the track of referrals done by your customers before giving them benefits.

## **14) Growth Hacking:**

This type of marketing strategy is used to gain resurgence in the audience in a short span of time by hacking into one of the internet marketing strategies. There are many professionals who can do this job for you in return for money. One method is to try several marketing strategies simultaneously. You can get a huge amount of data by following this technique.

## **15) Networking events:**

Yes, internet marketing will get your audience. But there are other marketing techniques too that you cannot do from behind the computer screen. For this, you need to step out in the real world and organize some networking events to get prospects who might enjoy your services. For example, if you are providing an online course, you can set up a booth where people can reach you and you can share knowledge with them about your course and encourage them to take the course by providing them additional discounts.

### **16) Contest Marketing:**

People enjoy participating in contests. You can use online platforms like Facebook, Instagram, YouTube or other online platforms to run contests. Organizing contest is the best way to direct traffic to your website and optimize the conversion rate. You can keep digital devices or travel tickets as prize money.

### **17) Retargeting:**

Using this type of marketing you target people who have shown interest in your business before. For example, Facebook let you place a pixel on your website. A user will see the ad of your product on Facebook if he/she has recently visited your website.

As they already know about your brand, they will recognize it and there are high chances for them to get convert. There are other retargeting platforms too like Instagram, YouTube etc. where you can retarget your prospects.

### **18) Search Engine Marketing:**

Everyone wants their content to appear first in a search engine using search engine optimization (SEO). Search engine marketing can help you generate a massive return on investment. To do this, you need to have unique, creative, value-driven content so that your content appears appealing to search engine. You can learn online how to use search engine optimization to market your products and services.

### **19) Social Media Marketing :**

Businesses make the use of social media platforms to share value-rich content and directing traffic to their websites and landing pages, thereby, improving brand awareness and multiplying customers. social media marketing strategy works better if you know how to use hashtag, links, images, and videos to increase engagement.

### **20) Content Marketing :**

This type of strategy involves sharing the content that you write of your blog or landing pages to social media platforms. It is one of the effective marketing strategies because it gets organic traffic to your blog and convert visitors into loyal followers. You need to upload value-rich data constantly to keep your followers. Therefore, you should plan your content months in advance.

### **21) Social media and viral marketing :**

It is unpredictable that what kind of content will go viral through social shares, email, search engine etc. however, getting your business in the eyes of your audience is one of the best methods to increase your business. There are a few ways that you can try to make your content viral on the internet such as

Post visual posts like images and videos.

First, build your audience and then release your content.

Produce content on a trending topic.

Encourage your followers to share your content.

Share emotional, inspiring, or entertaining content.

Give an incentive for every video share.

This is the oldest type of marketing strategy. Where rather than sending emails you send postal mail to your prospect. There is one glitch in this type of marketing strategy that you can't do cold-call. You need to have a list of qualified prospects who will not let your email go waste.

### **23) Inbound Marketing :**

This type of market strategy is effective when you want to build a positive relationship with your prospect audience without spending too much money. This includes marketing strategies which attract your customers to your business like a magnet. You can make your presence visible on social media use an email list to share free content. As people have become blind to television advertisement these days. This type of marketing strategy will surely get their attention.

### **24) Influencer Marketing :**

This type of marketing involves online influencers like bloggers, YouTubes to recommend your products and services to their audience. You can either give away free products or pay them to promote your business. Every influencer has its own terms and conditions. You should discuss with them before lending into partnership.

### **25) Behavioural Marketing :**

In the present time, businesses can generate more data than ever before in history. Behavioural marketing exploits this advantage to target specific consumers. By tracking IP address, cookies, and web histories you can make sure that your audience is viewing your content at the right time.

The above were all the different marketing types and Types of Marketing strategies which can be planned and executed by a company. Hope the article helps you with coming up for strategies to run for your organization.

## **SITUATION ANALYSIS:**

Situation analysis refers to a collection of methods that managers use to analyze an organization's internal and external environment to understand the organization's capabilities, customers, and business environment.[1] The situation analysis consists of several methods of analysis: The 5Cs Analysis, SWOT analysis and Porter five forces analysis.[2] A Marketing Plan is created to guide businesses on how to communicate the benefits of their products to the needs of potential customer. The situation analysis is the second step in the marketing plan and is a critical step in establishing a long term relationship with customers.[3]

The situation analysis can be done through the following.

- 3C analysis
- PEST analysis
- SWOT analysis
- Gap analysis
- Porter's five force model.

**5C Analysis** is one of the most popular and useful frameworks in understanding internal and external environments. It is an extension of the 3C Analysis that originally included Company, Customers, and Competitors. Collaborators and Climate were later added to the analysis to make it comprehensive. This integrated analysis covers the most important areas of marketing, and the insights generated can help identify the key problems and challenges facing the organization. However, it should be noted that not all five elements need to be considered when identifying the problem in a particular area of marketing. Depending on the area of marketing under scrutiny, some areas need to be given more importance than others.

# 5C Analysis

Similar to a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, a 5C analysis helps you to identify the internal and external factors that can help or hinder your company.



**1. Company**—The company analysis studies an organization’s vision, strategies, capabilities, product line, technology, culture, and objectives. It is useful in understanding the existing and potential problems with the company’s business.

2. **Customers**—Understanding customers is a key part of situation analysis. It involves knowing the target audience, their behaviour, market size, market growth, buying patterns, average purchase size, frequency of purchase, and preferred retail channels.
3. **Competitors**—Competitor analysis is critical in understanding the external environment in which the firm operates. This analysis involves knowing the competitors' strengths, weaknesses, positioning, market share, and upcoming initiatives.
4. **Collaborators**—Collaborators are the external stakeholders who team up with the organization in a mutually beneficial partnership. Agencies, suppliers, distributors, and business partners are typical collaborators. It is important to understand their capabilities, performances, and issues to better identify business problems.
5. **Climate**—Climate analysis is the evaluation of the macro-environmental factors affecting the business. PESTEL analysis can be used to analyze climate—political, economic, social/cultural, technological, environmental, and legal scenarios are included in PESTEL.

## 2. PESTEL stands for:

P – Political  
E – Economic  
S – Social  
T – Technological  
E – Environmental  
L – Legal



## **Political Factors**

These are all about how and to what degree a government intervenes in the economy. This can include – government policy, political stability or instability in overseas markets, foreign trade policy, tax policy, labour law, environmental law, trade restrictions and so on.

It is clear from the list above that political factors often have an impact on organisations and how they do business. Organisations need to be able to respond to the current and anticipated future legislation, and adjust their marketing policy accordingly.

## **Economic Factors**

Economic factors have a significant impact on how an organisation does business and also how profitable they are. Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.

These factors can be further broken down into macro-economical and micro-economical factors. Macro-economical factors deal with the management of demand in any given economy. Governments use interest rate control, taxation policy and government expenditure as their main mechanisms they use for this.

Micro-economic factors are all about the way people spend their incomes. This has a large impact on B2C organisations in particular.

## **Social Factors**

Also known as socio-cultural factors, are the areas that involve the shared belief and attitudes of the population. These factors include – population growth, age distribution, health consciousness, career attitudes and so on. These factors are of particular interest as they have a direct effect on how marketers understand customers and what drives them.

## **Technological Factors**

We all know how fast the technological landscape changes and how this impacts the way we market our products. Technological factors affect marketing and the management thereof in three distinct ways:

- New ways of producing goods and services
- New ways of distributing goods and services
- New ways of communicating with target markets

### **Environmental Factors**

These factors have only really come to the forefront in the last fifteen years or so. They have become important due to the increasing scarcity of raw materials, pollution targets, doing business as an ethical and sustainable company, carbon footprint targets set by governments (this is a good example where one factor could be classed as political and environmental at the same time). These are just some of the issues marketers are facing within this factor. More and more consumers are demanding that the products they buy are sourced ethically, and if possible from a sustainable source.

## **Legal Factors**

Legal factors include - health and safety, equal opportunities, advertising standards, consumer rights and laws, product labelling and product safety. It is clear that companies need to know what is and

what is not legal in order to trade successfully. If an organisation trades globally this becomes a very tricky area to get right as each country has its own set of rules and regulations.

After you have completed a PESTEL analysis you should be able to use this to help you identify the strengths and weaknesses for a SWOT analysis.

### 3. SWOT ANALYSIS:

<b>S</b> <b>STRENGTHS</b>	<b>W</b> <b>WEAKNESSES</b>	<b>O</b> <b>OPPORTUNITIES</b>	<b>T</b> <b>THREATS</b>
<ul style="list-style-type: none"><li>• Things your company does well</li><li>• Qualities that separate you from your competitors</li><li>• Internal resources such as skilled, knowledgeable staff</li><li>• Tangible assets such as intellectual property, capital, proprietary technologies etc.</li></ul>	<ul style="list-style-type: none"><li>• Things your company lacks</li><li>• Things your competitors do better than you</li><li>• Resource limitations</li><li>• Unclear unique selling proposition</li></ul>	<ul style="list-style-type: none"><li>• Underserved markets for specific products</li><li>• Few competitors in your area</li><li>• Emerging need for your products or services</li><li>• Press/media coverage of your company</li></ul>	<ul style="list-style-type: none"><li>• Emerging competitors</li><li>• Changing regulatory environment</li><li>• Negative press/media coverage</li><li>• Changing customer attitudes toward your company</li></ul> <p>WordStream</p>

An overview of the four factors (Strengths, Weaknesses, Opportunities and Threats) is given below-

**Strengths** - Strengths are the qualities that enable us to accomplish the organization's mission. These are the basis on which continued success can be made and continued/sustained.

Strengths can be either tangible or intangible. These are what you are well-versed in or what you have expertise in, the traits and qualities your employees possess (individually and as a team) and the distinct features that give your organization its consistency.

Strengths are the beneficial aspects of the organization or the capabilities of an organization, which includes human competencies, process capabilities, financial resources, products and services, customer goodwill and brand loyalty. Examples of organizational strengths are huge financial resources, broad product line, no debt, committed employees, etc.

**Weaknesses** - Weaknesses are the qualities that prevent us from accomplishing our mission and achieving our full potential. These weaknesses deteriorate influences on the organizational success and growth. Weaknesses are the factors which do not meet the standards we feel they should meet. Weaknesses in an organization may be depreciating machinery, insufficient research and development facilities, narrow product range, poor decision-making, etc. Weaknesses are controllable. They must be minimized and eliminated. For instance - to overcome obsolete machinery, new machinery can be purchased. Other examples of organizational weaknesses are huge debts, high employee turnover, complex decision-making process, narrow product range, large wastage of raw materials, etc.

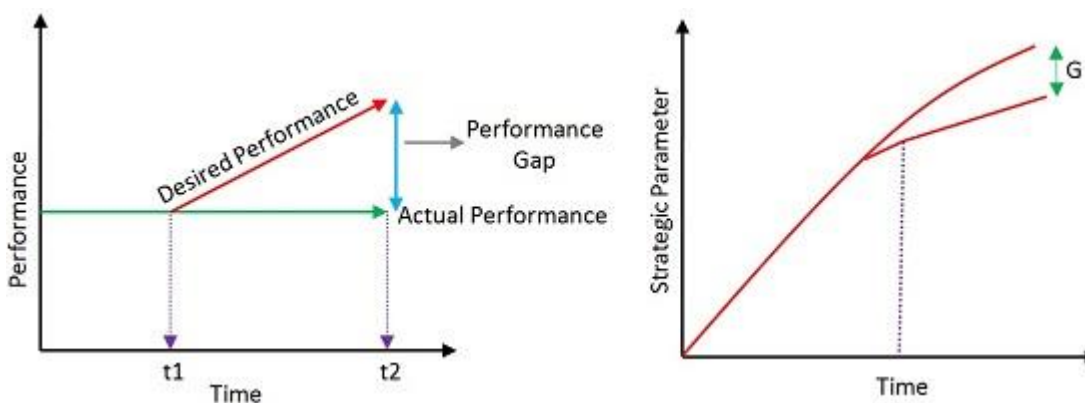
**Opportunities** - Opportunities are presented by the environment within which our organization operates. These arise when an organization can take benefit of conditions in its environment to plan and execute strategies that enable it to become more profitable. Organizations can gain competitive advantage by making use of opportunities.

Organization should be careful and recognize the opportunities and grasp them whenever they arise. Selecting the targets that will best serve the clients while getting desired results is a difficult task. Opportunities may arise from market, competition, industry/government and technology. Increasing demand for telecommunications accompanied by deregulation is a great opportunity for new firms to enter telecom sector and compete with existing firms for revenue.

**Threats** - Threats arise when conditions in external environment jeopardize the reliability and profitability of the organization's business. They compound the vulnerability when they relate to the weaknesses. Threats are uncontrollable. When a threat comes, the stability and survival can be at stake. Examples of threats are - unrest among employees; ever changing technology; increasing competition leading to excess capacity, price wars and reducing industry profits; etc.

#### 4. GAP ANALYSIS

**Definition:** Gap Analysis can be understood as a strategic tool used for analyzing the gap between the target and anticipated results, by assessing the extent of the task and the ways, in which gap might be bridged. It involves making a comparison of the present performance level of the entity or business unit with that of standard established previously.



Gap Analysis is a process of diagnosing the gap between optimized distribution and integration of resources and the current level of allocation. In this, the firm's strengths, weakness, opportunities, and threats are analysed, and possible moves are examined. Alternative strategies are selected on the basis of:

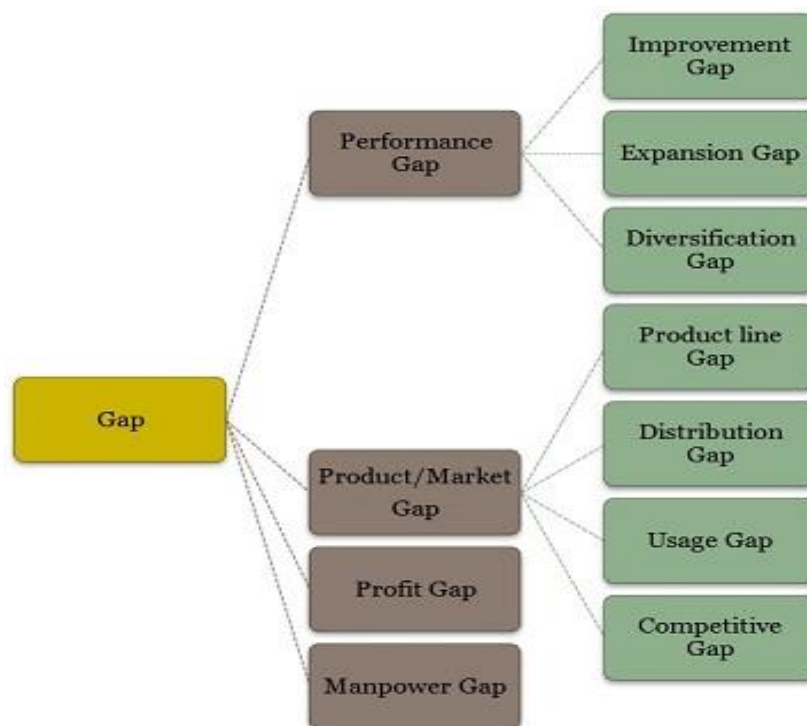
- Width of the gap
- Importance
- Chances of reduction

If the gap is narrow, stability strategy is the best alternative. However, when the gap is wide, and the reason is environment opportunities, expansion strategy is appropriate, and if it is due to the past and proposed bad performance, retrenchment strategies are the perfect option.

### Types of Gap

The term ‘strategy gap’ implies the variance between actual performance and the desired one, as mentioned in the company’s mission, objectives, and strategy for reaching them. It is a threat to the firm’s future performance, growth, and survival, which is likely to influence the efficiency and effectiveness of the company.

**There are four types of Gap:**



1. **Performance Gap:** The difference between expected performance and the actual performance.
2. **Product/Market Gap:** The gap between budgeted sales and actual sales is termed as product/market gap.
3. **Profit Gap:** The variance between a targeted and actual profit of the company.
4. **Manpower Gap:** When there is a lag between required number and quality of workforce and actual strength in the organization, it is known as manpower gap.

### 5. Porter’s Five Forces Model

Definition: Porter’s five forces model, refers to a framework based on the competitive analysis, introduced by Harvard Business School Prof. Michael E. Porter. The model

determines the intensity of competition in any industry is a mix of five competitive factors operating in different areas of the whole market.



### 1. Threat of new entrants:

Potential entrant is the major source of competition in the industry. The product range, quality, capacity, etc. brought by them, increases competition. The size of the new entrant plays a major role here, i.e. the bigger the entrant, the more intense is the competition. Moreover, the prices are slashed, and the overall profitability of existing players is also affected, by the new entry.

It analyses the ease of entry to the new market, i.e. if the entry is easy, then the level of competition in the industry is severe.

### 2. Bargaining power of suppliers:

Suppliers, also exert substantial bargaining power over the firms, by threatening to increase prices or degrade quality. They are likely to exercise power if:

The number of suppliers in the industry is limited in number.

They offer the specialised product.

The supplier's product is an important input, to the buyer's product.

The product has a few substitutes.

Thus, the factor analyses bargaining power of industry suppliers, which directly affects the profitability, i.e. the higher the cost, the lesser is the profitability.

3. **Bargaining power of customers:** The market of outputs, i.e. the customers have the ability to compete with the supplying industry and put the companies under pressure, by forming groups or cartels. This force not only affects the prices but also influences the producer's cost and investments in certain circumstances, as the powerful buyers influence producers to offer better quality which involves cost and investment.

Buyer groups are likely to exercise power if, they are concentrated, products are homogeneous, the switching cost is low, and full information is available.

4. **Threat from substitutes:** It is the quiescent source of competition, present in the industry. They are the key cause of competition in many industries. Substitute products are offered at reasonable prices along with high quality, to the customers can radically change the competitive scenario of industry, especially, when the introduction is sudden.

5. **Rivalry among current players:** Last but not the least, is the rivalry among current players, which is all that is known as competition. It can be shown in a number of ways such as:

Price competition

Advertising battles

New introductions

Improving quality

Increasing consumer warranties.

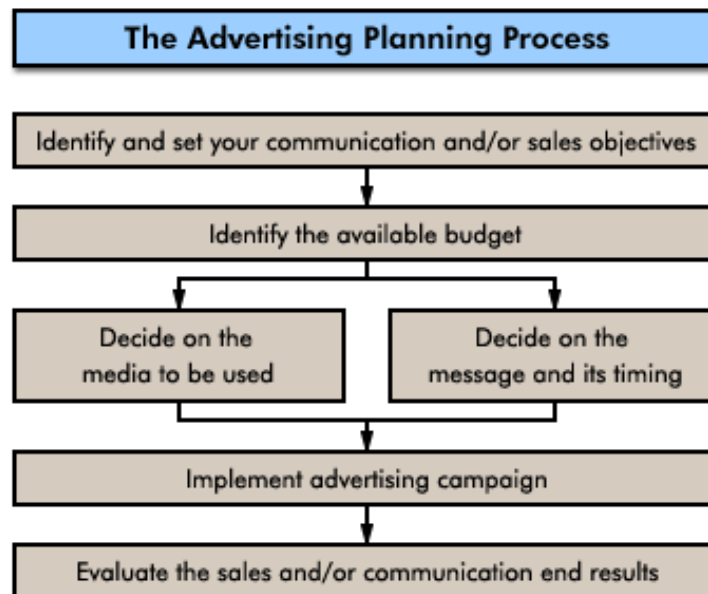
So, this factor analyses, how ruthless the competition is, by identifying the existing player and marketing down their moves and activities. The competition is said to be acute when, there are a few sellers, offering similar products to the customers because it is easy for buyers to switch to the one offering product at low prices.

Therefore, the model is all about taking offensive and defensive actions, to create and maintain a competitive position in the market and to cope with the challenges (five forces) successfully.

### **Advertising Plan:**

#### **Definition: Advertising Plan**

An advertising plan is a strategy about how a company is planning to communicate to its audience. In the plan you define your audience and the medium to reach out to them. Communication mediums may include newspaper ads, billboards, email, social media like Facebook, twitter, linked in, direct mail such as fliers or postcards.



### 1. Mission:

Advertising Objectives can be classified as to whether their aim is:

- To inform: This aim of Advertising is generally true during the pioneering stage of a product category, where the objective is building a primary demand.
- To persuade: Most advertisements are made with the aim of persuasion. Such advertisements aim at building selective brand.
- To remind: Such advertisements are highly effective in the maturity stage of the product. The aim is to keep the consumer thinking about the product.

### 2. Money:

This M deals with deciding on the Advertising Budget

The advertising budget can be allocated based on:

- Departments or product groups
- The calendar
- Media used
- Specific geographic market areas

**There are five specific factors to be considered when setting the Advertising budget.**

**i. Stage in PLC:** New products typically receive large advertising budgets to build awareness and to gain consumer trial. Established brands are usually supported with lower advertising budgets as a ratio to sales.

**ii. Market Share and Consumer base:** high-market-share brands usually require less advertising expenditure as a percentage of sales to maintain their share. To build share by increasing market size requires larger advertising expenditures. Additionally, on a cost-per-impressions basis, it is less expensive to reach consumers of a widely used brand than to reach consumers of low-share brands.

**iii. Competition and clutter:** In a market with a large number of competitors and high advertising spending, a brand must advertise more heavily to be heard above the noise in the market. Even simple clutter from advertisements not directly competitive to the brand creates the need for heavier advertising.

**iv. Advertising frequency:** the number of repetitions needed to put across the brand's message to consumers has an important impact on the advertising budget.

**Product substitutability:** brands in the commodity class (example cigarettes, beer, soft drinks) require heavy advertising to establish a different image. Advertising is also important when a brand can offer unique physical benefits or features.

### **3. Message:**

Message generation can be done in the following ways:

**A. Inductive:** By talking to consumers, dealers, experts and competitors. Consumers are the major source of good ideas. Their feeling about the product, its strengths, and weaknesses gives enough information that could aid the Message generation process.

**B. Deductive:** John C. Meloney proposed a framework for generating Advertising Messages.

According to him, a buyer expects four types of rewards from a product:

- Rational
- Sensory
- Social
- Ego Satisfaction.

Buyers might visualize these rewards from:

- Results-of-use Experience
- Product-in-use Experience
- Incidental-to-use Experience

### **4. Media:**

The next M to be considered while making an Advertisement Program is the Media through which to communicate the Message generated during the previous stage. The steps to be considered are:

### **5. Measurement:**

Evaluating the effectiveness of the Advertisement Program is very important as it helps prevent further wastage of money and helps make corrections that are important for further advertisement campaigns. Researching the effectiveness of the advertisement is the most used method of evaluating the effectiveness of the Advertisement Program.

Research can be in the form of:

- i. Communication-Effect Research
- ii. Sales-Effect Research

## ADVERTISING OBJECTIVES:

# Possible Advertising Objectives

● TABLE | 15.1 Possible Advertising Objectives ← The overall advertising goal is to help build customer relationships by communicating customer value.

<b>Informative Advertising</b>	
Communicating customer value	Suggesting new uses for a product
Building a brand and company image	Informing the market of a price change
Telling the market about a new product	Describing available services and support
Explaining how the product works	Correcting false impressions
<b>Persuasive Advertising</b>	
Building brand preference	Persuading customers to purchase now
Encouraging switching to your brand	Persuading customers to receive a sales call
Changing customer's perception of product value	Convincing customers to tell others about the brand
<b>Reminder Advertising</b>	
Maintaining customer relationships	Reminding consumers where to buy the product
Reminding consumers that the product may be needed in the near future	Keeping the brand in customer's mind during off-seasons

### Three main Aims of Advertising

#### **Informative Advertising**

Informative advertising is especially relevant in the pioneering stage of a new product category. The objective is to build primary demand. To support this objective, informative advertising provides information about the features of a new product or service in order to initiate the decision-making process of consumers. For instance, the yogurt industry initially had to inform consumers of the nutritional benefits of yogurt.

#### **Persuasive Advertising**

Persuasive advertising becomes relevant in the competitive stage. The company's objective is to build selective demand for a particular brand. It has to persuade consumers of the fact that its products or services offer more value than competing products or services. For instance, BMW attempts to persuade consumers that its cars deliver more driving pleasure than Mercedes-Benz cars.

Some persuasive advertising uses comparative advertising, which makes explicit comparisons of the attributes of two or more brands. For instance, Burger King used comparative advertising for its attack on McDonald's: Burger King directly compared its flame-broiled burgers to the fried ones of McDonald's to gain advantage. In some countries, comparative advertising is not permitted. In addition, a company should always make sure that it can prove its claim of superiority and cannot be counterattacked in a vulnerable area, which may result in an "advertising war".

## Reminder Advertising

Finally, reminder advertising becomes relevant in the case of mature products. At this stage, consumers are aware of and informed about the features of a product. Also, they are persuaded of its benefits. However, these benefits must be repeated to remind consumers to buy the product. For instance, Coca-Cola ads in magazines are intended to remind people to purchase Coca Cola.

A related form of Reminder Advertising is Reinforcement Advertising, which aims to assure current purchases that they have made the right choice. For instance, automobile ads often depict satisfied customers enjoying special features of their new car.



### 1) Introduce a product

The most common reason Advertising is used is to introduce a new product in the market. This can be done by existing brands as well as new brands. Have a look at the latest iPhone in the market or a Samsung smartphone and you will find a lot of advertisement for these new products. The objective of advertising here is to tell customers – “Here is the new product we have launched”

### 2) Introduce a brand

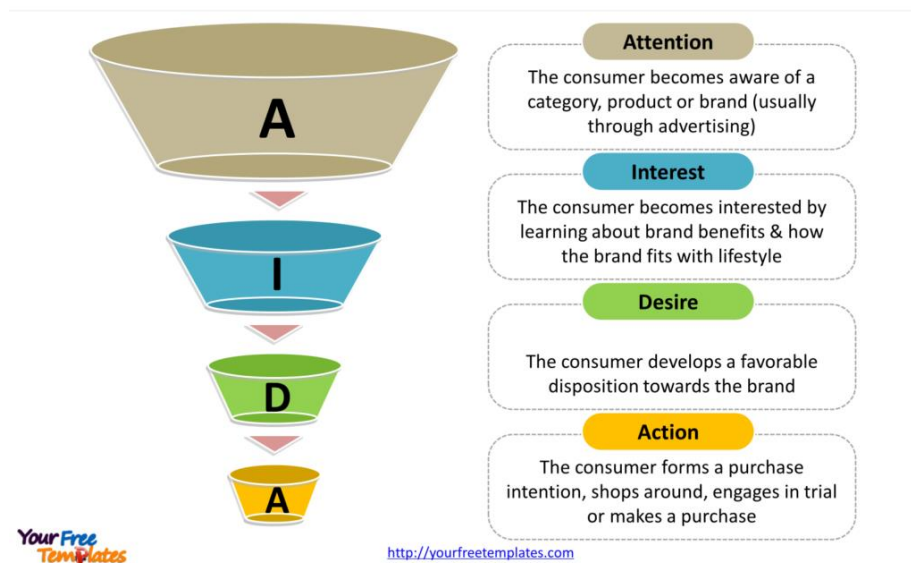
There are many startups in the market today and many of them are services. Services are generally marketed as a brand rather than marketing their individual service product. Thus, Uber will market its own brand and introduce that Uber has started servicing customers in a new market. Same goes for Oracle or Accenture – Companies which market their brand and their presence in the market rather than marketing an individual product.

### 3) Awareness creation

According to the AIDA model, the most important job of advertising is to get attention which is nothing but Awareness creation. Advertising needs to capture the attention of people and make them aware of the products or their features in the market.

Example – Most of the Bank ads that you see are awareness campaigns. The ads that advertise the benefits of savings / mutual funds or benefits on credit and debit cards are all awareness creation ads.

## Marketing Sales Funnel



### 4) Acquiring customers or Brand switching

One of the major objectives of advertising and the first objective of many advertising campaigns is to acquire more customers. This is also known as making the customers switch brands. This can happen by passing on a strong message so that the potential customer leaves the brand which he is tied up with and comes to your brand.

Example – Most telecom companies launch plans and strategies just to acquire customers and then advertise these strategies in the market so that the customer switches brands. There is hardly any differentiation in the telecom market – thus advertising is a major way to acquire customers. The Vodafone Zoozoo campaign was just that – Influence the customers and create passion in such a way that they do brand switching,

### 5) Differentiation and value creation

A most important aspect of Advertising is to differentiate the product or the service from those of the competitor. A customer can only differentiate between services based on the value the firms provides over that of competitors.

If a competitor is just advertising the features, whereas your firm advertises the promises and commitments that it will keep, naturally more customers will “trust” your brand over

others. This is the reason that advertising is used commonly to create value and to differentiate one brand from another.

Coca cola, Toyota, Amazon are some of the most trusted brands in the market. It is no doubt that these brands are also amongst the top advertisers in their respective segments. These brands target value creation as well as differentiation via their advertising campaigns.

## **6) Brand building**

When a brand regularly advertises and delivers quality products and fulfils the promises it makes, automatically the value of the brand is built. However, there are many other aspects of brand building. One of the first ones is to advertise via ATL and BTL campaigns etc.

Brands have different objectives of Advertising. Brands like P&G and HUL regularly invest funds in building a good brand value for the parent brand. By doing so, even if one brand is affected, the parent brand is untouchable.

Recently we observed the problems of Maggi in India where Maggi was banned completely due to high lead content. However, this did not affect the parent brand Nestle much and neither affected its other brands like Nescafe which had done their own brand building and were independent of the parent brand. This brand was built by good products and constant advertising towards building brand equity and making a connect with the audience.

## **7) Positioning the product – Product and brand recall**

One of the key factors in the actual purchase of a product is the products recall and the brand recall at the time of purchase. Amongst the objectives of advertising, one objective is to correctly position the brand in the minds of the customer.

Examples include premium brands like Ralph Lauren, Gucci, Hermes or others which are clearly positioned premium. This position is achieved by first having a very premium product line which is high priced but it is also achieved by buying premium advertising and placing the ads in media vehicles which are very premium.

Besides premium marketing, we can also look at niche marketing. Kent is a company which has focused all its advertising on its purification capability. They claim they are the masters of water purifiers. Their repeated advertising creates a high product and brand recall in the minds of the customers thereby positioning them as the top purchased brand in the water purifier segment.

## **8) Increase sales**

Naturally, with so many steps being taken to advertise the product, it is no doubt that one of the objectives of advertising is to increase sales. Many a times this objective is achieved via advertising. However, if the campaign is improper or the audience is not targeted properly, then advertising can fail in its objective.

Nonetheless, there are many seasonal products wherein an immediate increase in sale is observed due to advertising. The best example is Ice cream brands which advertise heavily during the summer months because they know that advertising will immediately influence the sales figures. They do not waste money in advertising during the winter season at all.

Similarly, you will see many ads of raincoats during rainy season and ads of winter wear during winter seasons. All these ads are placed to increase the sale of the product immediately.

### **9) Increase profits**

With the value being communicated and the brand being differentiated as well as sales being increased, there is no doubt that advertising can contribute a lot to increasing profits. Advertising should never be looked at as an expense or a liability. In fact, it is an investment for a firm just like a brand is an investment.

Look at the likes of Siemens or Bosch – Brands which have invested heavily in positioning themselves on the basis of their German engineering. As a result, today they demand high profits in whatever segments they operate in or whatever products they sell.

Related: Types of Distribution channels - Distribution channel types

### **10) Create Desire**

Again, referring to the AIDA model, one of the key factors in advertising is to create a desire for the product so that the customer wants the product. Brands which are known to do this are BMW, Audi, Harley Davidson, Adidas and others. These brands are master of advertising where they create so much desire for the product that the customer absolutely wants a product even if he doesn't need it.

There are many stories of Harley Davidson as a brand wherein customers have saved money for years to buy a particular bike of Harley Davidson. Same stories can be heard about an Audi or a BMW. A unique example in this case are the bottles of Absolut Vodka. Absolut Vodka is so famous for its bottles that there are collectors who desire to collect all different bottle types of Absolut Vodka. Such desire creation is an effect of advertising + brand building + the fan following over time.

### **11) Call to action**

One of the most common objectives of digital advertising and digital marketing is to get a call to action. Brands invest in banner ads, link ads as well as social ads to get their potential customers to take an action. This action can be filling up an Email form, clicking on a link, watching a video, giving a survey or what not.

There are brands which have done ATL advertising and shown half the ads and then attracted customers to their YouTube channel so that they could track their viewers and get them to take some action. Call to actions are also one of the objectives of advertising in which case the actions differ from time to time based on what the marketer wants to achieve.

## DAGMAR APPROACH:

### **The DAGMAR Approach**

**Define  
Advertising  
Goals for  
Measuring  
Advertising  
Results**

DAGMAR is an advertising model proposed by Russell Colley in 1961. Russell Colley advocated that effective advertising seeks to communicate rather than to sell. Advertisers discover whether their message conveyed enough information and understanding of a product to their consumers and also its respective benefits from clear objectives.

### DAGMAR MODEL



According to this model, each purchase prospect goes through four steps:

- 1. Awareness:** taking a consumer from unawareness to the awareness of the product or company
- 2. Comprehension:** Letting the consumer know about the product and its benefits
- 3. Conviction:** Convincing the consumer to purchase the product
- 4. Action:** getting the consumer to actually purchase the product

### **ADVERTISING STRATEGY:**

An advertising strategy is a plan to reach and persuade a customer to buy a product or a service. An advertising strategy is generally tailored to a target audience perceived to be

most likely out of the population to purchase the product. Advertising strategies include elements such as geographic location, perceived demographics of the audience, price points, special offers, and what advertising media, such as billboards, websites, or television, will be used to present the product.

### **TYPES OF ADVERTISING STRATEGY:**

1. Advertising jingles'
2. Cause advertising
3. Celebrity branding
4. Comparative advertising
5. Event marketing
6. USP: unique selling proposition
7. Testimonial
8. Demonstration strategy
9. Informative strategy
10. Slogan strategy
11. Drip marketing
12. Give away strategy
13. Popular music
14. Generic strategy

1. **Advertising Jingles:** A jingle is a short song or tune used in advertising and for other commercial uses. Jingles are a form of sound branding. A jingle contains one or more hooks and meaning that explicitly promote the product or service being advertised, usually through the use of one or more advertising slogans.

**Example:** Airtel- har ek friend zaroori hothe hai

2. **Cause advertising:** Cause marketing is defined as a type of corporate social responsibility, in which a company's promotional campaign has the dual purpose of increasing profitability while bettering society.

**Example:** In a campaign to help fight against AIDS, Starbucks donates 10 cents to the Global Fund to Fight AIDS for every made-to-order beverage they sell in stores on World AIDS Day. These funds are then sent to coffee growing communities in Africa to help with the treatment and prevention of AIDS. In the eight years of this partnership's existence, Starbucks has donated more than \$14 million. Showcased on the campaign's website are personal stories of impact

3. **Celebrity advertising:** Celebrity branding or celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters.[1] Marketers use celebrity endorsers in hopes that the positive images of the celebrity endorser of the brand will also be passed on to the products or the brand image associated with the celebrities.[2] Celebrity endorsement is usually commonly used by fashion or beauty brands,[1] but a non-profit organization relies on celebrities as well, as celebrities have mass communication skills which can attract people's attention and is helpful in reaching a wider audience to raise their awareness towards a certain organization or an issue,[3] thus making celebrities effective fundraisers

4. **Comparative advertising:** Comparative advertising is a marketing strategy in which a company's product or service is presented as superior when compared to a competitor's. A comparative advertising campaign may involve printing a side-by-side comparison of the features of a company's products next to those of its competitor. It may also feature

comparison based on value or cost. Typically, the competing product is shown in a disparaging light.

5. **Event marketing:** It is defined as the marketing discipline focused on face-to-face interaction via live events, trade shows and corporate meetings among other event types. Others define it as designing or developing a 'live' themed activity, occasion, display, or exhibit (such as a sporting event, music festival, fair, or concert) to promote a product, cause or organization.
6. **Unique selling proposition:** A unique selling proposition (USP, also seen as unique selling point) is a factor that differentiates a product from its competitors, such as the lowest cost, the highest quality or the first-ever product of its kind. A USP could be thought of as "what you have that competitors don't."

A successful USP promises a clearly articulated benefit to consumers, offers them something that competitive products can't or don't offer, and is compelling enough to attract new customers.

Here are a few famous examples of USPs:

Avis' "We're only number two. We try harder" campaign.

Domino's "30 minutes or it's free" promise.

FedEx's "When it absolutely, positively has to be there overnight."

Southwest's claim to be the lowest-priced airline

7. **Testimonial Advertising:** Promotional method in which one or more testimonials from satisfied customers are used.
8. **Product demonstration:**

A product demonstration or demo, in short, is a kind of promotion for the potential customers and prospects in order to achieve the sale. The primary goal of product demonstration is to get the customer like the product and make the purchase faster.

Demos can be done instore, in home, trade shows, fairs, advertisements.

9. **Informative advertising:**

According to The Business Dictionary, informative advertising is any kind of "promotion that educates the public on (1) what are the benefits and features of a product, (2) what it does or can do, (3) how it compares with competing or similar products in value and benefits, and (4) where it can be bought. It is normally followed by persuasive and brand-building advertising."

10. **Slogan strategy:** in business, a slogan is "a catchphrase or small group of words that are combined in a special way to identify a product or company," according to Entrepreneur.com's small business encyclopedia.

**Example:** Nike: "Just Do It."

Apple: "Think Different."

L'Oréal Paris: "Because You're Worth It."

11. **Drip marketing**

**It** is a communication strategy that sends, or "drips," a pre-written set of messages to customers or prospects over time. These messages often take the form of email marketing, although other media can also be used. Drip marketing is distinct from other database marketing in two ways: (1) the timing of the messages follow a pre-determined course; (2)

the messages are dripped in a series applicable to a specific behavior or status of the recipient. It is also typically automated.[1]

**12. Give away :**

Engaging customers through contests and making them to participate and win the products.

Ex: Like, share, subscribe, games,play groups.

**13. Popular music:**

Music in advertising refers to music integrated in (mass) electronic media advertisements in order to enhance its success. Music in advertising affects the way viewers perceive the brand by different means and on different levels, and "can significantly effect the emotional response to television commercials." [1] It also has an effect on the musicians whose music is featured in advertisements.

**14. Generic advertising:**

Generic advertising is a type of marketing designed to promote a general product rather than a specific brand name. Such campaigns have been produced for everything from fresh milk to gemstones. This type of advertising does not mention particular brand names but attempts to build consumer support for the product in general.

Ex: Nivea, amul, amway.

**ADVERTISING CAMPAIGN:**

Advertising campaign involves designing a series of advertisements and placing them in various advertising media to reach a desired target group



1. **Advertising Opportunity :** Advertiser should analyse the present condition and situation By doing SWOT analysis.
2. **Analysing and defining Target audience:** Advertiser must clearly understand the target audience characteristics to design the advertise. The group of people at whom advertisements are aimed  
Who buys the product?

How often they buy?

Where they buy?

What is the amount they can afford to buy?

3. **Setting objective:** - What the firm hopes to accomplish with the campaign  
Stated clearly, Be precise, In measurable terms (AIDA. DAGMAR)
4. **Deciding advertising budget:** Is the total amount of money a marketer allocates for advertising during a specific period of time. Is the advertising budget for a specific period  
Before finalizing the advertising budget of an organization or a company, one has to take a look on the favourable and unfavourable market conditions which will have an impact on the advertising budget. The market conditions to watch out for are as follows:
  - Frequency of the advertisement
  - Competition and Clutter
  - Market Share of the Product
  - Product Life Cycle Stage
5. **Deciding advertising media:** Advertising media selection is the process of choosing the most efficient media for an advertising campaign. To evaluate media efficiency, planners consider a range of factors including: the required coverage and number of exposures in a target audience; the relative cost of the media advertising and the media environment. Media planning may also involve buying media space. Media planners require an intricate understanding of the strengths and weaknesses of each of the main media options. The media industry is dynamic - new advertising media options are constantly emerging. Digital and social media are changing the way that consumers use media and are also influencing how consumers acquire product information.

**Creative strategy/advertising message:** The underlying message or point that the customer should get upon seeing the ad is called the advertising message

**Message, infographics, Appeals , colour, background, font size.**

6. **Creating Ads, Pretesting And releasing Ads:** Market research conducted usually at the final stage before advertising launch; allowing the brand to gain a sharp, timely read of likely impact. The insights gleaned here will facilitate the crucial tweaks that help maximise effectiveness. Modern approaches focus on keeping respondents in 'automatic mode' – typically applying time pressures to get to the all-important degree of instant appeal. This method also avoids detailed questions about 'why' something is/isn't liked; behavioural psychologists having demonstrated that consumers are notoriously poor at unpicking the things that genuinely influence them (or being reluctant to admit to these!).
7. **Evaluating the ad:** Evaluation of advertising or advertising effectiveness refers to the managerial exercise aimed at relating the advertising results to the established standard of performance and objectives so as to assess the real value of the advertising performance. This evolution exercise is also known as advertising research. It is an attempt to know whether the message designed properly has reached the greatest number of prospects at the least practical cost.

**ADVERTISING AND MEDIA MANAGEMENT**  
**3<sup>RD</sup> MODULE NOTES**  
**BBA V SEMESTER – MARKETING SPECIALISATION**  
**BY PROF. ROOPA KV**

**Unit 3: CREATIVE STRATEGY & ADVERTISING BUDGET 12Hrs**

- Creative approaches
- The art of copywriting
- Advertising copy testing
- creativity in communication,
- motivational approaches & appeals,
- Advertising budget process
- Methods of determining Advertising Appropriations.

**INTRODUCTION:**

Today, our consumer market is full of the same type of proposals, as well as ways to advertise. The only thing that can “catch” the buyer is creative advertising moves. That is why creativity in advertising directly affects the indicators of marketing effectiveness and profitability of entrepreneurial activity. The conclusion is one: creative advertising is one of the main elements of the entire marketing program.

creative advertising is creativity used to [promote an object in the consumer market](#) and maintain a loyal attitude towards it with the use of unique methods, unconventional concepts and non-template models.

**The concept of “creativity” has a framework that distinguishes it from the definition of “creation”**

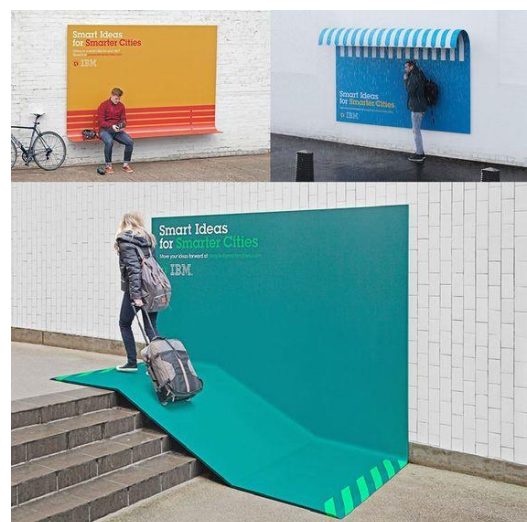
...

- 1) Creativity does not mean creativity, inspired by the writer’s inspiration; it corresponds to a clear direction to the goal advertised by the advertiser. Creative activity in marketing is always guided by knowledge, for whom, for what and why this advertising product is created.
- 2) Creativity in advertising is based on the conscious receipt of any effect using the techniques of contemporary art, giving the advertised object the desired character.
- 3) Creative advertising affects the choice of the consumer through the use of memorable, non-standard, unique, non-template ideas.
- 4) The main task, which is solved by the use of creative advertising in the marketing program, is the formation in the subconscious of the consumer of the bright image with which the advertised product or service is associated. This method is carried out by using non-standard texts, slogans and unusual media elements in the advertising product.

**Types Of Creative Advertising:**

- 1) **Creative advertising on the subjects of the street landscape (benches, lanterns, urns, garbage cans, asphalt)**

A vivid example of this approach is the image on the asphalt of footprints going to the advertised object. This method is relevant for shops, service centres, cafes and other places and is not costly



## 2) Creative advertising on fences

Large and memorable images in inaccessible places (for example, on a fence along the railway tracks) attract special attention. They are aimed not so much at the attention of urban residents, but rather at the views of hundreds of travelers who remember such a picture.



## 3. Creative outdoor advertising on balloons and airplanes

Such creative advertising of services and goods is gaining increasing popularity at mass events. Advertising images can be in the form of a logotype placed on the surface of the unit, “fly” on tapes with inscriptions attached to an air vehicle. Especially memorable is the moment when a crowd admiring the balloon from the top pours a lot of colored flyers with advertisements.



#### 4. Advertising on / in public toilets.

Creative outdoor advertising on the doors of this public place not only surprises, but also for a long time is remembered. Place the emblem and the slogan of your company on the public toilet door, and people who are standing in line or inside this room will always have something to read.



#### 5) Creative advertising in retail places

Points of trade – the very place for creative advertising. Use bright images of celebrities or popular songs that sound in the sales area. There is no doubt that this will attract the precious attention of people.



**7) BTL shares: Below the line advertising:**



Particularly effective in promoting a product or service are BTL-actions. One of the options for holding a BTL-action is a sociological survey, during which several times the advertised product is mentioned and its main consumer characteristics are spoken out. Another creative idea of advertising is the free distribution of related products (for example, 3D glasses, if the company sells modern TVs with a 3D image function

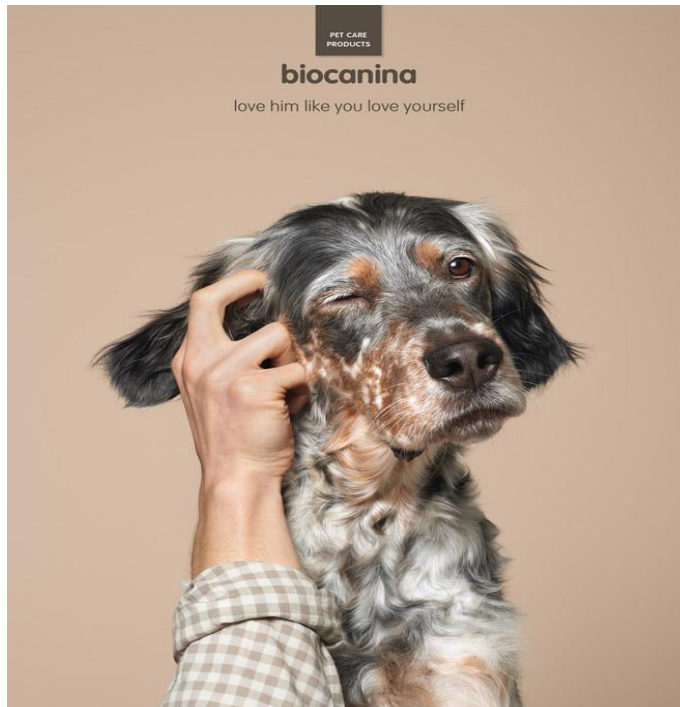
**8) The use of incompatible in one advertising product**



Such an advertising move, as the distribution of leaflets in crowded places, is familiar to many entrepreneurs: people are not very willing to take advertising materials. But if you approach this from the other side and give the leaflet strongly recommend not to take them, the majority of people will be interested to take into consideration all the information stated on the advertising medium.

### 9) Creative advertising on pets

So, to one souvenir shop in Jaipur (India) customers are called to look at a trained goat with an unusual coat color. No tourist can pass by the amusing “seller”. Yes, this store is always ahead of the sales of its competitors!



### 11) Non-standard creative advertising in the media

Examples of non-standard approach in advertising: the product is advertised on a special additional cover of the magazine or on a separate insert, with the liner differing in the quality of the paper, due to which the magazine opens exactly in the place of the liner. A sample of the product passed into the printed edition (smashed with a cream, a bag of coffee, a discount card, CD-disk, etc.)

Non-standard approach in advertising is visible on non-native media ...

- Disks (computer, music, etc.)
- Calendars
- Thermometers
- Wall posters in doctors' offices, in hairdressing salons, in service centers)
- Free magazines in waiting areas
- Posters attached to airplanes, helicopters, airships
- Aroma marketing

- Laser inscriptions and drawings in the sky and on buildings



## 12) Creative advertising in the Internet space

To date, this type of advertising outperforms many traditional methods of promoting goods and services in terms of efficiency. For its short existence, [advertising on the Internet](#) has acquired various forms and types and continues to develop rapidly. Examples of Internet marketing are: blogs, online diaries, splogs (site-blog, created to promote third-party sites, the place of redirection of visitors traffic), advertising in social networks, teaser advertising, etc.



### 13) Cross advertising

Promoting your offer through the banner networks, you have a high probability that the advertised product will simply be lost in the flow of information laid out by competing companies. Specialists of the advertising agency that proposed this approach noticed that the conversion of unique cross-banner ads is significantly higher than the same indicator for promotion through advertising sites.



### 14. Creative Advertising with videos



Short video files with ridiculous or shocking content that contain advertising information are increasingly being used as a tool for viral marketing. Here the main thing is not to overdo it and not to become a “pseudo-creative”.

#### 14. Online games

Advantages of this type of advertising are the unobtrusive promotion of goods during a computer game. The enthusiastic player does not notice how well-known brands are accompanied by the entire gameplay. An example of such effective advertising is the interpenetration of the real life of the player and its virtual actions: to restore the vital forces of the hero you need to “eat” a hamburger or to empty a soda can of a well-known brand, while the hero of the game moves on a car of a popular brand,



#### 15) Direct mailing

Today, the Internet is full of services offering to send out a commercial offer on personal e-mail mailboxes. When using this type of advertising, do not forget that the distribution by the subscribers who agree to it is much more effective than spam. The subscription can be collected by any method (attraction to an interesting information resource, application of the landing page, questioning, etc.). Having disclosed the information on the company’s pricing policy, one can get an additional item in the buyer’s loyalty, because it will not need to spend time searching for the value of the interest Product or service.



#### 16) Sponsor a Local Kids’ Sports Team

For a relatively small sponsorship fee (as compared to other forms of advertising), your business name could be all over the local ball park. Typically, a little league team will offer

to not only hang an advertising banner in the ball field, but also put your name and logo right on the uniforms. Some might even be willing to name the team after your business. Furthermore, with a sponsorship, there are then loads of opportunities on your part to host “Recognition Days” and fundraisers for the team, all the while bringing in new customers associated with the team and community. You could offer discounts at your establishment with the presentation of a game ticket (everyone loves coupons), and you could even have running incentives like “50% off if our team wins”.

In the end, creative advertising is creativity used to promote an object in the consumer market and maintain a loyal attitude towards it with the use of unique methods, unconventional concepts and non-template models.



#### 17) **SEGWAY ADVERTISING :**

Segways are moving people around in a whole new way, and Segway advertising is the latest way to take your brand or message directly to audiences in hard to reach locations.

These unique transports are still novel enough to catch people's attention and have them stop to check out the vehicles, with advertising wrapped fully around the front, sides and on both wheels. Segways are not only a prop for your branding and advertising, they allow your brand or company to inform the curiosity of a target audience and then open the door for a brand experience. Segways can even be equipped with WiFi laptops to create a more interactive experience, and allow people to access your website, enter contests, or sign up to receive promotions.



## ART OF COPY WRITING:

Copywriting is the skill of choosing the right words and technique of arranging them smartly to promote business, product, service, idea, or a person. The selection of words and its presentation largely depends upon the media through which it is planned to convey. For example, depending on whether it is a newspaper, magazine, hoarding, radio, television, or internet, the script will vary accordingly.

However, whatever is the type of media, the purpose of copywriting is the same i.e. promotion. Therefore, it should be persuasive enough to be instantly attention grabbing.

### Elements of Copywriting

Copywriting has some essential elements required to develop a convincing ad. Following are the significant elements –

- **Heading** – Headline gives the first impression and lasts on readers’ mind, therefore, it should be eye-catching. Heading should tell – what it is all about your ad in a very few words, ranging from 3 to 30 words.
- **Body copy** – Write body copy in such a way that it seems as the continuity of the heading. Provide details of all the features and benefits that you are claiming for. The language should be promising and trustworthy.
- **Slogans** – Think of "*The ultimate driving machine*" (BMW); "*Just do it*" (Nike); "*Because I'm worth it*" (L'Oréal), what comes to your mind? The moment, you hear the slogans, you link it with the respective brand not only because you have heard it many times, but rather it works. A well-written and effective slogan is a trustworthy brand representative. However, your slogan should be small and crispy giving meaning to your brand.
- **Taglines** – Taglines are usually used for literary products to reinforce and strengthen the audience's memory of a literary product. For example, "she went in search of answers, and discovered a love she never expected," Book Name "Faithful" and Writer - Janet Fox. Thus, tagline tells the gist of the products for marketing purpose. Like, a slogan, it should be small and eye-catching.
- **Jingle Lyrics** – More often accompanied with background music, jingle lyric is a short slogan, tune, or verse written to be easily remembered (especially used in advertising). For example, Fanta: "Wanna Fanta, Don't You Wanna?" It should be small, crisp, and rhythmic (like a song) so that it registers with people at once and they remember it.
- **Scripts** (for audio and video ad) –Scripts are the descriptions of an ad that narrates the dialogues, actions, expression, and movements of characters. Since, script is a complete guidelines of an ad; therefore, it should be written meaningfully, orderly, and nicely.
- **Others** – (White Paper, Press Release, & other written material such as emails, articles, and blog (for the internet)): These are all promotional write-ups written purposefully to promote a particular product/service. So, while writing white paper, press release, articles, blog, or even an email you need to focus or emphasize ONLY on one product that you want to promote. You need to describe all features and offers of the respective product in simple and plain language.

## Art of Copywriting

The basic purpose of an ad is to fascinate people. Only after catching people's attention, an ad arouses interest and desire to buy the product. Therefore, it should be an eye-catching and interesting. Copywriters play a very important role in the advertising industry, as they are the ones to choose the right word or phrase to connect with the audience.

Copywriting is the art of creative and persuasive writing that goes a long way to sell the product or an idea. One of the most traditional, but successful techniques of copywriting is "AIDA" i.e. Attention, Interest, Desire, and Action.

## Copywriting Techniques

Following are the techniques of persuasive copywriting –

- **Use Action Words** – Such as watch, look, ask, get, etc.
- **Use of Buzzwords** – Normally, buzzwords are eye-catching such as now, today, etc.
- **Use Exciting or Emotive words** – Such as amazing, wonderful, beautiful, etc.
- **Use Alliteration** – Use meaningful words of similar sound. For example, Don't be vague, ask for Haig.
- **Use Colloquial words** – Colloquialisms in copywriting is pretty popular and effective. For example, 'Pick 'n Choose.'
- **Use Punctuation** – Proper use of punctuations and grammar is an important aspect so that you can pass the right message.

Whether you are a complete novice or a seasoned copywriter, sharpening your copywriting skills is always a good thing. There are some tricks of the trade that never go out of style, and the following copywriting techniques can help you master effective and memorable copywriting.

### 1. Tell a Story

Your audience is wired to react to a story. Storytelling provides your readers with a peek into your product and how it can resolve their problem, triggering their imaginations and making the all-important emotional connection.

### 2. Speak to the Reader

One of the best copywriting techniques you can employ is to make your copy all about your reader. Know your audience, and use a writing style that will appeal to them. Most of all, be generous with the word you.

### **3. Be Positive**

Nobody likes a downer. Use an active and inspiring tone and style. Stay close the reader's desires and explain the positive benefits of using your product or service.

### **4. Harness the Power of Repetition**

Repetition is a time-tested method of committing information to memory, and repeating key points three times in copy seems to be the sweet spot. However, there is good repetition and there is bad repetition. Art of Blog does a great job of explaining the difference.

### **5. Use Facts & Stats**

Adding some well-researched facts or statistics to an empowering story is basically the recipe for triumph. Along with case studies, research and statistics will help persuade your readers to purchase, or at least to justify their desire. Including these elements into copy will also help support your claims and establish you as trustworthy.

### **6. Organize Your Content**

Another vital copywriting technique is to make your content readable. Readers should be able to ingest key points at a glance. Use bullet points and subheaders to highlight critical information and help your readers locate the information they want.

### **7. Avoid Long Paragraphs**

Novelists can get away with page after page of long, drawn out paragraphs, but you're not writing a book. Internet readers are scanners. Limit your paragraphs to 3-4 well-structured, succinct sentences.

### **8. Skip the Showy Writing**

Don't make your readers reach for a dictionary. Even if they still actually own a dictionary, they'll be put off by unnecessarily wordy writing. Put away your thesaurus and choose words that the average 8th grade student will understand. Know your audience, speak their lingo and present your ideas in layman's terms.

### **9. Lean on Copywriting Formulas**

From AIDA to to Star-Chain-Hook, copywriting formulas exist to give copywriters a framework on which to build their alluring story. Whether you collect a small arsenal or rely on a single tried-and-true standard, copywriting formulas can help you tick off the critical building blocks of all great copy.

## **10. Ask “Yes” Questions**

Every time you ask your reader a question to which the answer is yes, they are more apt to say yes to your next question. The more often they say yes to your questions, the more likely they are to say yes to your product or service.

## **11. Sell the Benefits**

Never forget that your copy is about your reader, not what you're selling. While they might appreciate the features you have to offer, consumers are much more interested in how those features will benefit them. Tell your reader what they stand to gain, and mention features only when they support the benefits.

## **12. Do Long Form Copy Right**

Most writers prefer short, sweet copy, but long form copy can often prove beneficial. However, in order for your long form copy to be successful you must hold your reader's attention through to the end. Make sentences short but sweet, break up the content, and create a definable rhythm.

## **13. Use Power Words**

Use power words like proven, now, free, and limited to charge up the impact of your writing. Choose your power words wisely to create a sense of urgency and/or exclusivity and entice readers to continue through to your call to action.

## **14. Share Reviews & Testimonials**

Community proof or social reaction to your product or service can serve to establish you as trustworthy. No matter the industry, customers are more likely to purchase when they are supplied with a positive response from their peers.

## **15. Offer Incentives**

Readers generally have short attention spans, so write copy that offers a reward for continued reading. Then, use incentives to motivate your reader to take action. What will they get? Is it exclusive? When will they get it? Why is it urgent?

## **16. Appeal to Emotions**

If you want your reader to take an action—whether that means clicking, downloading or buying—you'll have to make them feel something first. People make decisions based on

emotion. While you must also back it up with facts and statistics so readers can justify their decisions, your main plea must make an emotional connection to be successful.

### **17. Focus on Headlines**

Whether you opt for simple and straightforward or clever and beguiling, your headline needs to lure readers and entice them to click. There are many ways to write the same headline, so try a few different angles and see which one offers the best hook. Some ideas:

Tell a story. Stories have the power to make emotional connections, and if you can introduce a great story in your headline, your readers will click to keep reading.

Tell them how to. Promise your readers a useful lesson that will improve their lives.

Ask a question. Involve your readers right off the bat by posing a relevant question then promising (and delivering) the answer

### **ADVERTISING COPY TESTING:**

Definition: Copy-testing is a comprehensive approach used as part of marketing research to test the effectiveness of an advertisement based on responses prior to it being aired. This form of pre-testing will be beneficial for the company to understand whether an advertisement carries a strong-enough message.

Copy testing is a specialised discipline of market research that evaluates the effectiveness of an advertisement based on consumer responses, feedback, and behaviour. Copy testing is also known as pre-testing. It encompasses testing of all media channels including television, social media, print, radio, and internet. Pre-testing is worthwhile for a company to comprehend whether an advertisement carries a message strong enough to register in its prospects' mind.

Before the release of an advertisement, there are multiple tests which are done to measure the effectiveness of the campaign. These assessments are conducted even after the ad is transmitted to determine the effectiveness of it.

The main resolve of copy testing is to square ads which are unlikely to connect with the audience. If in case the prospects don't connect with the ad, the chances are that they might get a wrong message or that the ad might go unnoticed. Organisations often employ market research firms for evaluation. The ad is relayed to a small group of people, and their responses are evaluated. The responses are further quantified to give a meaningful review to the company. Here the market analysts analyse real-time responses post watching the advertisement. The analysis is done with respect to various factors like the facial expression after watching the ad,

how and what the respondents felt, and so on. Copy testing often evaluates ad based on demographics and certain changes in the ad are made with respect to its demographics.

Memory tests (recall/recognition), direct response tests, persuasion tests, continuous measurement tests, psychological response tests are some of the quantitative methods of copy testing. These techniques are based on statistical principles and reliability.

## Types of Advertisement Copy Tests

The various methods of advertisement copy testing are;

- Pre-test methods
- Post-test methods
- Concurrent methods

### 1. Pre-Test Methods

Pre-test method refers to testing the potentiality of a message or copy before printing or broadcasting. It is useful because the concepts in advertising may appear to be simple and effective to the advertiser or advertising to be simple and effective to the advertiser or advertising agency. It may be difficult from the layman's point of view. All the elements in the advertising copy requires careful pre-testing to see that the matter it intends to be conveyed has been really conveyed, "prevention is better than cure". Pre-testing methods are adopted on this basis. The following are some of the pre-testing methods.

- **Checklist Method:** The copywriters use checklist method to test the effectiveness of advertising copy. The purpose of this method is to ensure that all elements of the advertising copy are included with due importance in the advertisement. As it is a pretest method omissions can be included in the copy before release of the advertisement. A checklist is a list of good qualities to be possessed by an effective advertisement. The researcher has to compare the advertisement with the checklist and tick the items present in the advertisement copy. Accordingly a copywriter can draw specific conclusions and make suitable changes in the advertising copy.
- **Consumer Jury method:** This method essentially involves the exposure of alternative advertisements to a sample of jury; of prospects and the securing of their opinion and reactions to the advertisements. This test is designed to learn from a typical group of prospective customers gathered in one place or a sample of prospects that are independently, visited by interviewers or contacted by mail their preference for one advertisement over the other or for several advertisements out of a group. Advertisements which are unpublished are mocked up on a separate sheet and these are presented before the consumer jury either in personal interviews or group interviews.
- **Sales Area Test:** Under this method advertising campaign is run in the markets selected for testing purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for effective

sales campaign. In other markets suitable changes are made in the advertising campaign.

- **Questionnaire Method:** It is a list of questions related to an experiment. It contains questions and provides space for answers. The draft of an advertisement along with some relevant questions is to be sent to a group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.
- **Recall test Method:** Under this method, advertising copies are shown to a group of prospects. After few minutes they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.
- **Reaction test:** The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilation etc. Their reactions reveal the psychological or nervous effects of advertising.
- **Readability test:** All the listeners of advertisements cannot read it equally. So respondents are drawn from different socio-economic and geographical backgrounds. This method is used to find out the level of effectiveness when an advertisement is read.
- **Eye movement test:** The movements of eyes of the respondents are recorded by using eye observation camera when advertisements are shown to them in a screen. This helps to find out the attention value of advertisement.

## 2. Post-Test Techniques

The following are the post-test techniques for measuring the effectiveness of the advertisements;

- **Recognition Test** – It determines the readership of the advertisement in the newspapers and journals. This test is conducted by personal interviews with readers, and magazines or newspapers. The interviewers locate the readers of the particular issue of the magazine in question. They, then, go through the magazine page by page with the respondent indicating those advertising elements which he or she recognizes as having read. The data collected by this test indicate the proportion of qualified readership of a publication who claims to have “seen”, “read some” or “read” most of the elements of the individual advertisement. These measurements may also seek to obtain quantitative data regarding the parts of an advertisement which were seen or heard.
- **(2) Recall or Impact Test** – The recognition test measures the stopping power of the advertising but does not tell us what the readers understood or retained of the advertisement. The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listeners, days after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the questions from the readers / viewers and in response to the question asked, the reader reveals the accuracy and depth of his impression by his answers

- **(3) Psychological Analysis – The** whole process of advertising is psychological in character. It is therefore, natural to apply some psychological tests to measure the effectiveness of the advertising. Four psychological testing techniques are most commonly used –
- **Tests of Readability and Comprehension:** In this technique, by means of a series of penetrating questions and by other techniques developed by psychologists, the ease of readability and comprehension is determined, in advance of publication. It is determined by the interviewer under this method whether and to what extent the readers have gone through the advertisement.
- **Tests of Believability:** An advertisement message effectiveness can be measured by the degree of credibility the readers have in the product. A scale technique is generally employed to measure the credibility by putting several statements or product claims before the consumers and are created by them. The statement or product Claims gets the highest priority votes may be taken as the most effective statement or claim.
- **Attitude Tests:** A number of attitude tests are developed by the psychologists who can be applied to copy testing. Typical consumers are exposed to sample advertising messages, either printed or oral. The interviewer then asks series of penetrating questions, to determine the attitude produced by these various message. Psychological reactions such as age, involvement, the eye of person who would use the product and the personality of the product reflected by the advertisement being tested, are obtained. The researcher looks especially for elements in the advertising which arouse psychological hostility.
- **Triple Hostility Tests :** These ties in advertising with recall by seeking to learn the extent of the consumer association with the product, the brand name and copy theme. The test is useful only when the advertising features a specific theme or slogan, which the reader may remember. This procedure is sometimes known as theme penetration.

### 3. Concurrent Methods

Under this method, tests are conducted while the consumers are exposed to different types of media. For instance, a magazine reader may be observed while reading the magazine, which carries an advertisement. The concurrent methods are;

- **Consumer diaries:** Under this method, diaries are supplied to a few selected customers. They are also informed to record the details of advertisements they listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.
- **Co-incident surveys:** This method is also called as co-incident telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.
- **Electronic devices:** Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

The following methods are also used to measure the impact of advertisement on the sales volume.

**Historical method:** Under this method, recorded facts related to sales before and after advertisements are compared. If an advertisement is followed with more sales, advertisement is considered to be more effective.

**Experimental method:** Under this method, the entire sales territory is divided into three or four sub-areas. The advertiser spent different amount for advertising in different areas. Then collects facts regarding sales from these sub-areas. The result is used to measure the effectiveness of advertisement in boosting sales. Following the result obtained, the advertiser prepares his advertising budget for future action.

An advertiser has to adopt some follow up measures to increase the effectiveness of advertisement. For this consumer may be contacted through direct mail after the advertisement is placed.

#### **ADVERTISING APPEALS / CREATIVITY IN COMMUNICATION:**

Advertising appeals are communication strategies that marketing and advertising professionals use to grab attention and persuade people to buy or act.

1. Adventure appeal
2. Bandwagon appeal
3. Brand appeal
4. Endorsement appeal
5. Fear appeal
6. Humour appeal
7. Less than perfect
8. Masculine/feminine appeal
9. Music appeal
10. Personal appeal
11. Play on words
12. Rational appeal
13. Romance appeal
14. Scarcity appeal
15. Sex appeal
16. Snob appeal
17. Social appeal
18. Statistical appeal
19. Youth appeal

## THE 20 ADVERTISING APPEALS YOU SHOULD KNOW

While there are more than twenty that exist, and it's possible you could even coin your own, the list below addresses twenty of the most common advertising appeals used by marketing professionals today, listed alphabetically.

### 1. [Adventure Appeal](#)

Appealing to a person's sense of adventure and excitement. The goal of the adventure appeal is to make people feel like the excitement, action, entertainment, and sense of adventure will be enhanced if they purchase or use a product or service.



### 2. [Bandwagon Appeal](#)

Appealing to people by making them feel like everyone else is doing it. The goal of the bandwagon appeal is to make people feel like since everyone else is doing something, they should to. It's a persuasion-by-numbers tactic.



### 3. [Brand Appeal](#)

Appealing to people who are brand-conscious and have certain proclivities towards brands. The goal of the brand appeal is to make people buy a product because the brand itself is a statement that the person hopes to associate with. [Read more about Brand Appeal.](#)



### 4. [Endorsement Appeal](#)

Appealing to people by using a celebrity they admire and recognize. The goal of the endorsement appeal is to encourage people to buy a product or service or act a certain way because people they know, respect, admire, and recognize also use that product or service. Trust is built by using recognizable people.



5. **Fear Appeal**

Related to the Personal Appeal (below), the fear appeal specifically appeals to a person's fears in order to encourage them to buy or act. The goal of the fear appeal is to cause someone to fear an outcome or response if they don't buy a product or act in such a way as to reduce risk.



6. **Humor Appeal**

Appealing to a person's sense of humor. Because most human beings like to laugh, humor is an effective appeal for grabbing attention and helping people remember and share information about a product or idea. The goal with humor is to help build a positive association with a product, service, or idea.



7. **Less-than-Perfect Appeal**

Appealing to a person's natural tendency to think they are less-than-perfect and that they need something to improve themselves. The goal of the less-than-perfect appeal is to make people feel as though they need a product or service to enhance their personal selves and that, without it, they will always be less than perfect.



8. **Masculine/Feminine Appeal**



Appealing to a person's desire to be the perfect man or woman. Often used in clothing and beauty products, the goal of the masculine/feminine appeal is to make people feel if they use a product or service, then they are more attractive, sexier, stronger, or any other characteristic commonly associated with their gender or sex.

### 9. Music Appeal

Appealing to a person's tastes in sounds and music. The goal of the music appeal to help increase recall (as in jingles or mnemonics) and to encourage people to feel an emotion toward a product that they feel while hearing a particular song or sound.



### 10. Personal (Emotional) Appeal

Appealing to a person's emotions. The goal of the personal appeal is to make a consumer feel sad, angry, excited, jealous, fearful, proud, nostalgic, or any other emotion enough to encourage them to buy, donate, or act.



### 11) Play On Words

Appealing to people through creative word choice and figures of speech. The goal of the play on words appeal is to help people remember a product or service or to be intrigued (sometimes through humor) by the phrasing of something.



### 11. Rational Appeal

Appealing to a person's logic and evaluative reasoning. The goal of the rational appeal is to make people feel like they need something because it makes sense and seems necessary.



### 12. Romance Appeal

Appealing to a person's natural desire to experience romance and appeal to others romantically. The goal of the romantic appeal is to make people feel like they will be more attractive, more desirable, and more likely to get the person of their dreams if they use a certain product or take certain actions.



### 13. Scarcity Appeal

Appealing to people by making them feel that something will run out soon or is about to end. The goal of the scarcity appeal is to make people feel that they need to hurry or they will be left out. Everyone else is doing it and you may lose your chance.



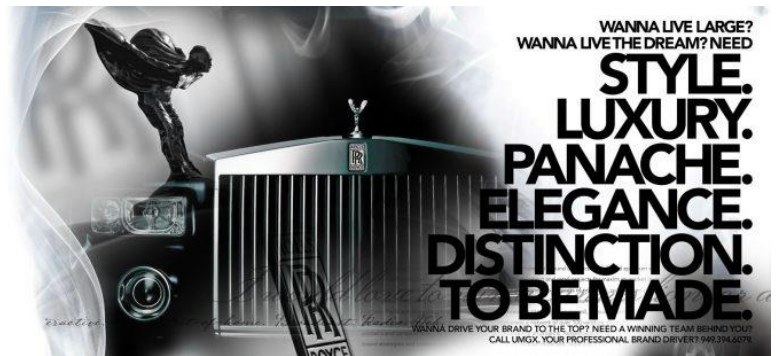
### 14. Sex Appeal

Appealing to the natural sexual desires of men and women. The goal of the sex appeal is to grab and increase attention toward a product or service by making people feel attracted to or desirous of the people using the product.



15. Snob Appeal

Appealing to people by making them feel like they will experience luxury, elegance, or superior quality. The goal of the snob appeal is to make people feel like their purchases or actions will put them in a position to experience the highest of qualities and luxuries. ↴



16. Social Appeal

Appealing to a person’s sense of belonging or feeling of inclusion. The goal of the social appeal is to cause people to make purchases and take action based on whether it will make them feel accepted, recognised, respected, affiliated with, or even rejected by a certain group, organization, or people. It’s all about status and fitting in.



17. Statistics Appeal

Appealing to people’s obsession of and trust in numbers. The goal of the statistics appeal is to use numbers and data to persuade people that what you have to say or what your product does is accurate, and research-based.



18. Youth Appeal

Appealing to a person’s desire to feel younger. The goal of the youth appeal is to make people who may otherwise feel old, out of shape, and less physically able than they were as youth to buy a product or service that will help rejuvenate their physical and emotional selves.

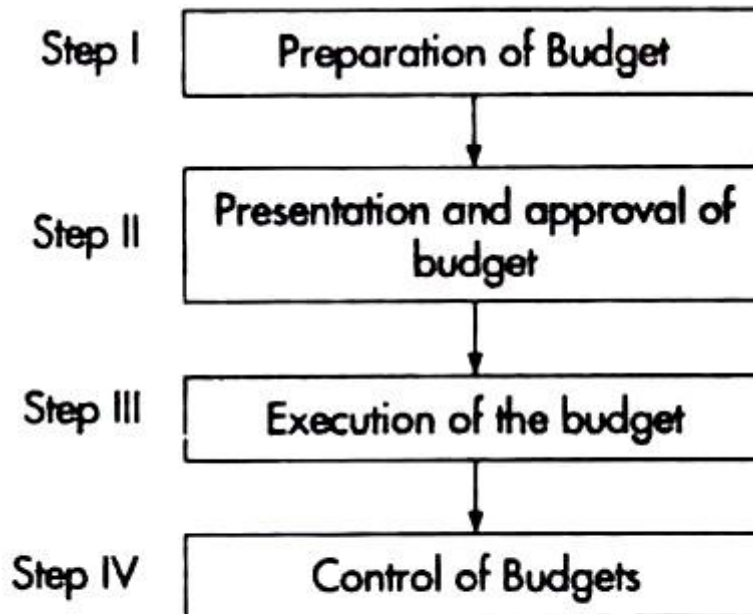


## **ADVERTISING BUDGET:**

### Definition of Advertising Budget

"Advertising budget is an estimated amount an organization decides to invest in its promotional expenditures over a period of time. An advertising budget is the money a company set aside to accomplish its marketing objectives."

### **ADVERTISING BUDGET PROCESS**



**Fig 17.3 Budgetary process**

#### **1. Preparation of Budget:**

It is generally prepared by advertising manager in consultation with marketing manager. The advertising budget made is based on inputs provided by marketing research people. The budget is generally made on annual basis. Primary input would depend upon type of product, new or established one, target market, demography composition, advertising copy and media selection etc.

#### **2. A Presentation and approval of Budget:**

After the budget is made, it is presented to top management for the approval of the budget.

#### **3. Execution of the Budget:**

After the budget is approved by the top management, it is executed. Various channels and media for budget allocation are considered. The task of preparing advertising messages and acquiring advertising time and space is given to advertising agency.

#### **4. Control of budget:**

The purpose is to know the effectiveness of advertising in-terms of money allocated to advertising. If it is found that the allocated budget is on the higher side or on the lower side the appropriate corrective action can be taken.

Before finalizing the advertising budget of an organization or a company, one has to take a look on the favorable and unfavorable market conditions which will have an impact on the advertising budget. The market conditions to watch out for are as follows:

- Frequency of the advertisement
- Competition and Clutter
- Market Share of the Product
- Product Life Cycle Stage
- Media
- Endorsement
- Size and length of advertisement

##### **Frequency of the Advertisement**

This means the number of times advertise has been shown with the description of the product or service, in the granted time slots. So here, if any company needs more advertising frequency for its product, then the company will have to increase its advertising budget.

##### **Competition and Clutter**

The companies may have many competitors for its product. And also there are plenty of advertisements shown which is called clutter. The company has to then increase their advertising budget.

##### **Market Share**

To get a good market share in comparison to their competitors, the company should have a better product in terms of quality, uniqueness, demand and catchy advertisements with resultant response of the customers. All this is possible if the advertisement budget is high.

##### **Product Life Cycle Stage**

If the company is a newcomer or if the product is on its introduction stage, then the company has to keep the budget high to make place in the market with the existing players and to have frequent advertisements. As the time goes on and product becomes older, the advertising budget can come down as then the product doesn't need frequent advertising.

## METHODS OF DETERMINING ADVERTISING APPROPRIATION

Advertising appropriation is the portion of a total marketing budget that is allocated for advertising over a specific time period. The advertising appropriation policy for a company may be based on any one of a number of approaches. For example, spending an amount on advertising that is a fixed percentage of sales or based on the ad spend level of the competition.

The methods are:

1. The Percentage of Sales Method
2. Unit of Sales Method
3. Competitive Parity Method
4. Objective Task Method
5. Arbitrary Allocation Method
6. The Affordable Method
7. Sales Response & Decay Model
8. Communication Stage Model
9. Pay Out Planning Method.

### **1. The Percentage of Sales Method:**

This method is most widely used method of setting the appropriation. In the past, the method enjoyed wide spread use. Today, although many firms use a combination of methods, they frequently report their advertising expenditures as a percentage of sales. Percentage of sales method is based on the previous year's sales, on estimated sales of coming year or on some combination of these two.

In practice, when this method based on estimated future sales, may often actually work quite well. If virtually all conditions in the firm's market including the general economic conditions and the competitive activity, remain rather constant, then it is quite possible that the same correlations will remain between the advertising and other sales and promotional activity expenditures and the resulting sales volume.

Using future sales does over come to a large extent the argument most frequently advanced against the use of percentage of past sales, which is that such a method ignores the fact that advertising should precede and is an important factor in stimulating demand and obtaining sales and is not something that follows sales. In other words, advertising should be considered the "cause" and not the "effect" of sales.

Merits:

1. There is a consistency between this approach and the standard accounting practice of handling advertising as one of the "operating expenses" that are usually analyzed in terms of their ratio to total sales volume. When the total marketing budget is

determined in the overall marketing plan this method assigns a fixed proportion of that budget to advertising.

2. Percentage of sales is simple to calculate, and it is almost second nature for management to think of costs in percentage terms. Moreover, when it is wide spread throughout the industry, it results in advertising becoming proportional to market shares, and competitive war fare is made less probable.

3. They are related to increasing revenue and, thus, suggest that money will be available for advertising expenditures.

#### Demerits:

1. This method also presents a static approach to advertising rather than one that responds to the particular needs of market conditions. With a fixed multiplier, advertising expenditure increases as sales increases, and the tendency is to spend the exact ear marked amount, which may or may not be profitable.

3. As sales decline the expenditures of advertising decline, despite the possibility that it is at this point the demand may require that extra effort toward stimulation.

4. The percentage of sales method is not consistent with the basic marketing principle that advertising is an important factor in stimulating demand, and, as such precedes sales rather than being determined by sales.

#### **2. Unit of Sales Method:**

A variation of the percentage of sales method is the “fixed-sum-per-unit” appropriation technique. This method is also based on the premise that a specific amount of advertising is related to the marketing cost each unit produced rather than total sales volume.

It does not reflect price changes as does the percentage-of-sales method and it assumes that the amount of advertising effort needed to move a unit of merchandise is not closely related to increase or decrease in price. The advantage is that the manufacturer will know in advance how much the advertising cost of each unit of the product will be, which is especially useful in price determination.

#### **3. Competitive Parity Method:**

In this method, a manager establish budget amount by matching the percentage sales expenditure of the competitors. In essence, this method consists of setting the appropriation by relating it in some manner to the expenditures of the firm’s major competitor or competitors.

It leads to stability at the market place by minimizing marketing warfare. If companies know that competitors are unlikely to match their increases in promotional spending, they are less likely to take an aggressive posture to attempt to gain market share. This minimizes unusual or unrealistic advertising expenditure.

The demerits of this method includes:

1. It is a defensive strategy.
2. It is difficult to determine the competitor's budget
3. It assumes that because firms have similar expenditures, their programmes will be equally effective. This assumption ignores the contributions of creative executions and/or media allocations, as well as the success or failure of various promotions.
4. It ignores the fact that advertising and promotions are designed to accomplish specific objectives by addressing certain problems and opportunities.
5. There is no guarantee that the competitor will not increase or decrease its own expenditure, regardless of what other companies do.
6. Coke versus Pepsi and P & G VS HLL versus miller have been notorious for their spending wars, each responding to the others increased out lays.
7. It ignores possible advantages of the firm itself; some firms simply make better products than others.
8. There is no guarantee the competitor will continue to pursue their existing strategies. Since competitive parity figures are determined by examination of competitor's previous years' promotional expenditures, changes in market emphasis and/or spending may not be recognised until the competitor will not increase or decrease its own expenditures, regardless of what other companies do.

#### **4. Objective Task Method:**

Most often the funds for promotional efforts are decided upon before the detailed plans on how these funds are to be spent are worked out. But in this approach such plans are worked out before funds are allocated. In this method objective setting and budgeting go hand in hand rather than sequentially.

It is difficult to establish a budget without specific objectives in mind and setting objectives without regard to how much money is available make no sense. Objective task method is a build-up approach. Here, the funds are allocated to different advertising functions and media

**The objective task method of budget setting consists of following steps:**

**Step-I:**

**Defining the communication objectives to be accomplished.**

**Step-II:**

**Determining the specific strategies and task needed to attain these objectives.**

**Step-III:**

**Estimating the costs associated with performance of these strategies and tasks.**

**Step-IV:**

**Monitoring and evaluating the performance in the light of budget appropriated.**

**Step-V:**

**Reevaluating objectives.**

When the objective task method is used, the first step is to set the objectives of the programme for the coming year or budget period. There may be one or several objectives, such as obtaining a certain volume of sales, obtaining a larger share of the market, entering a new area, or launching a new product.

Next, on the basis of experience or research findings, it is determined just what specific means will be necessary to achieve these objectives—the task involved.

Then it is necessary to determine how much and what kind of advertising will be required to accomplish the tasks established in the first two steps. At this point it may be advisable to take another step. The proposed appropriation for advertising is considered in light of the overall budget and financial position of the company.

If the amount involved appears to be excessive in view of the firm's financial position and overall budget situation, it may be necessary to reconsider both the objectives and the proposed advertising plans and to modify them so that they will fit into the overall situation of the company.

In theory the objective task method would appear to be the best method of setting the advertising appropriation. It does not rely on any fixed relationship between advertising and sales. It is not bound by historical precedent.

In deciding how much and what kind of advertising will be necessary to achieve the objectives, full consideration can be given to the ever changing conditions in the market. It definitely relates the amount of money to be spend to the specific tasks required to achieve the established objectives.

The major problem with this method is the difficulty of determining which tasks will be required and the cost associated with each task.

With the present available methods of measuring the effectiveness of advertising, it is difficult to say with any real certainty just how much and what kind of advertising is required to achieve a certain result. Although the experienced advertiser uses the research methods available to answer such questions.

The objective task method offers advantages over other budgeting methods, but it has more difficulty in implementing when there is no track record for the product. So this method cannot be applicable for deciding advertising budget for the product which is in the introductory stage of the Product life cycle.

#### **5. Arbitrary Allocation Method:**

In this method, the budget is determined by the manager solely on the basis of his judgment, intuition or without any rule or rationality. In this method there is no systematic thinking, no objective setting and there is a complete ignorance of the advertising purpose.

#### **6. The Affordable Method:**

Also called as all you can afford method and the budget is based upon what the company can afford and is generally related to company's profits or company assets. The approach is common among small firms.

#### **7. Sales Response & Decay Model:**

The method is proposed by vidale and wolfe. The model is based on the assumption that the shape of advertising (sales response function is known and the objective is to determine such a point that would optimize the advertising out lay/sales response ratio. The model measures the incremental changes in revenues at a given time relative to changes in the advertising budget at a time under a given set of situations.

The change in the rate of the sales at time is function of following factors:

- (a) The sales response constant (Sales generated per advertising rupee)
- (b) Sales decay constant (fraction of sales lost per time unit)

(c) The advertising budget.

(d) Saturation level of sales.

## 7. Communication Stage Model:

Designed by G. Ole, the model takes into consideration the impact of several variables that effect advertising expenditures to ultimate sales while formulating the size of the budget.

The procedure of budget setting involves the following steps:

Step-I:

Establishing the market share goal-Decide objectively as to what share of the market you can capture for example, we may want-10% of the market as our share.

Step-II:

Determining the percentage of market that we could reach by advertising for example, we may hope to reach 70% of the product users by our advertising campaign.

Step-III:

Determining the percentage of users of the product who are aware of our product and can be persuaded to try our brand.

Step-IV:

Determining the number of advertising exposures, considered for each percent of the market population for ex. 20 exposures are needed.

Step-V:

Determining the number of gross rating points (GPR) that would have to be purchased. Each GPR represent one exposure to 1% of population. For example, if each percent of target market require 20 exposures (GPR) and if we want to reach at 70% of the market, we would have to purchase 1400 GPRs.

Step-VI:

Total of budget = 1400 GPRs x Cost of each GPR Purchased.

## **8. Pay Out Planning Method:**

This method is widely used for making advertising budget for the new product. A pay out plan is developed to determine how much to spend. The basic idea is to project the revenues the product will generate over two or three years, as well as the costs it will incur.

This method is based on the expected rate of return. This method will assist in determining how much advertising expenditures will be necessary when the return might be expected.

Though the payment plan is not always perfect, it guide the manager in establishing the budget. When used in conjunction with the objective and task method, it provides a much more logical approach to budget setting then the other budgeting approaches. In short, it can be said that there is no universally accepted method of setting a budget figure. Weaknesses in each method may make them unfeasible or inappropriate.

**ADVERTISING AND MEDIA MANAGEMENT**  
**BBA 5<sup>TH</sup> SEMESTER**  
**MODULE-4**  
**ADVERTISING MEDIA STRATEGY**  
**BY**  
**PROF. ROOPA**

**ADVERTISING MEDIA STRATEGY**

- **Role of Media**
- **Types of media and their advantages and disadvantages**
- **Media research and advertising decision**
- **Media planning, selection and scheduling strategies**

**Advertising media**, also referred as ad media, can be defined as: Advertising media are the means or vehicles through which advertiser communicates his message to prospective customers to influence their behaviour.

**ROLE OF MEDIA :**

A deliberate media strategy is needed to identify and effectively use appropriate media.

Crafting the media strategy should follow the steps of strategic planning as outlined in Campaign Planning and Campaign Strategy: conducting a situation analysis, defining clear goals, planning action, and deciding how to monitor the process and outcomes of the media strategy. The analysis should include a thorough mapping of the media environment, to review existing media and identify the communication channels which are most likely to reach each of your target audiences or audience segments.

Elements of the media environment include:

1. Communication channels
2. Quantity and quality of media outlets; type of media outlet
3. News cycles: 24-hours (like the BBC or CNN), daily (many newspapers), weekly, monthly (many magazines) etc.
4. Popularity; levels of readership or viewership
5. Types of readership or viewership (e.g. age group, education level)
6. Levels of access by target audience(s)
7. Ideological or other leanings (e.g. media that adopt a certain religious leaning, or that are for/against a particular political party)
8. Non-traditional media outlets: new mediums (e.g. online news sites, blogs), alternative media (not mainstream, NGO-led, including community media outlets)

**Media planning** is generally outsourced to entail sourcing and selecting optimal media platforms for a client's brand or product to use. The job of media planning is to determine the best combination of media to achieve the objectives.

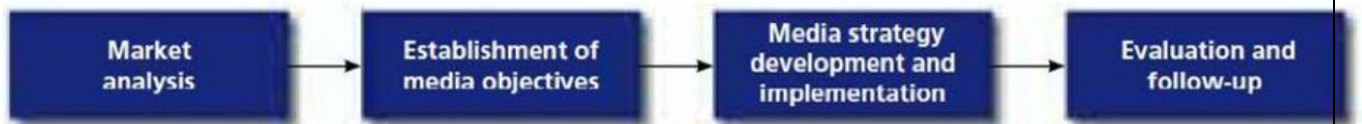
In the process of planning, the media planner needs to answer questions such as:

- How many of the audience can be reached through the various media?
- On which media (and ad vehicles) should the ads be placed?
- How frequent should the ads be placed?
- How much money should be spent in each medium?

## **MEDIA PLANNING**

The word Media came from the Latin word "Middle". Media carry message to or from a targeted audience and can add meaning to the message.

Media Planning, in advertising, is a series of decisions involving the delivery of message to the targeted audience. Media Plan, is the plan that details the usage of media in an advertising campaign including costs, running dates, markets, reach, frequency, rationales, and strategies.



### **1. Market Analysis**

Every media plan begins with the market analysis or environmental analysis. Complete review of internal and external factors is required to be done. At this stage media planner try to identify answers of the following questions:

Who is the target audience?

What internal and external factors may influence the media plan?

Where and when to focus the advertising efforts?

The target audience can be classified in terms of age, sex, income, occupation, and other variables. The classification of target audience helps media planner to understand the media consumption habit, and accordingly choose the most appropriate media or media mix.

### **2. Establishing Media Objective**

Media objectives describes what you want the media plan to accomplish. There are five key media objectives that a advertiser or media planner has to consider - reach, frequency, continuity, cost, and weight.

**Reach** - Reach refers to the number of people that will be exposed to to a media vehicle at least once during a given period of time.

**Frequency** - Frequency refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.

**Continuity** - It refers to the pattern of advertisements in a media schedule. Continuity alternatives are as follows:

**Continuous:** Strategy of running campaign evenly over a period of time.

**Pulsing:** Strategy of running campaign steadily over a period of time with intermittent increase in advertising at certain intervals, as during festivals or special occasions like Olympics or World-Cup.

**Discontinuous:** Strategy of advertising heavily only at certain intervals, and no advertising in the interim period, as in case of seasonal products.

**Cost** - It refers to the cost of different media

**Weight** - Weight refers to total advertising required during a particular period.

### 3. Determining Media Strategies

Media strategy is determined considering the following:

- **Media Mix** - From the wide variety of media vehicles, the advertiser can employ one vehicle or a mix suitable vehicle.
- **Target Market**
- **Scheduling** - It shows the number of advertisements, size of advertisements, and time on which advertisements to appear.

**-Seasonal Pulse:** Seasonal products like cold creams follows this scheduling.

**-Steady Pulse:** According to this scheduling one ad is shown over a period of time, say one ad per week or one ad per month.

**-Periodic Pulse:** A regular pattern is followed in such scheduling, as in case of consumer durable, and non-durable.

**-Erratic Pulse:** No regular pattern is followed in such scheduling.

**-Start-up Pulse:** Such scheduling is followed during a new campaign or a launch of a new product.

**-Promotional Pulse:** It is for short time, only for a promotional period.

- **Reach and frequency**
- **Creative Aspects** - Creativity in ad campaigns decides the success of the product, but to implement this creativity firm must employ a media that supports such a strategy.
- **Flexibility** - An effective media strategy requires a degree of flexibility.
- **Budget Considerations** - In determining media strategy cost must be estimated and budget must be considered.
- **Media Selection** - It covers two broad decisions - selection of media class, and selection of media vehicle within media class.

### 4. Implementation of Media Plan

The implementation of media plan requires media buying. Media Buying refers to buying time and space in the selected media.

Following are the steps in media buying:

**Collection of information:** Media buying requires sufficient information regarding nature of target audience, nature of target market, etc.

**Selection of Media/Media Mix:** Considering the collected information and ad-budget, media or media mix is selected which suits the requirements of both - target audience and advertiser.

**Negotiation:** Price of media is negotiated to procure media at the lowest possible price.

**Issuing Ad - copy to media:** Ad-copy is issued to the media for broadcast or telecast

**Monitoring performance of Media:** Advertiser has to monitor whether the telecast or broadcast of ad is done properly as decided.

**Payment** - Finally, it is the responsibility of advertiser to make payment of media bills on time.

## **5. Evaluation and Follow-up**

Evaluation is essential to assess the performance of any activity. Two factors are important in evaluation of media plan:

How successful were the strategies in achieving media objectives?

Was the media plan successful in accomplishing advertising objective?

Successful strategies help build confidence and serve as reference for developing media strategies in future, and failure is thoroughly analysed to avoid mistakes in future.

**Advertising media are the means to transmit the message from the advertiser to the particular class of people.**

### **Types of Media for Advertisement:**

**(i) Press Advertising:**

**(a) Window Display Advertising.**

**(b) Newspapers**

**(ii) Radio Advertising**

**(iii) Film Advertising**

**(iv) Television Advertising**

**(v) Direct Mail Advertising**

**(vi) Window Display**

**(vii) Outdoor Advertising**

**(viii) Internet Advertising.**

A marketer can select any one or more of the following media of advertisement to promote his sales:

### **1. Press Advertising or Print Media:**

Press advertising i.e., advertising through newspapers, magazines, journals, etc. is commonly used by modern businessmen. It may be noted that advertising is an important source of finance for the press or print media. Because of advertisements, the subscribers get newspapers and periodicals at subsidised rates.

#### **(a) Newspaper Advertising:**

Newspaper reading is a common habit among the educated people. Besides daily newspapers, there are bi-weekly and weekly newspapers also. Newspapers reach almost every place and are read by all kinds of people. Therefore, newspaper can be used as a medium of advertisement with great advantage.

While selecting a newspaper for this purpose, an advertiser has to take into consideration the strength of circulation, the class of readers it serves, the geographical region over which it is popular and the cost of space.

**Advertising through newspapers has the following merits:**

- (i) A newspaper has large circulation and a single advertisement in a newspaper can reach a large number of people.
- (ii) Continuous advertisement is possible because newspaper is published daily. An advertiser can repeat his advertisement either daily or as required by him.
- (iii) Newspapers provide flexibility in advertising in the sense that advertisement campaign can be initiated and stopped quickly. One day's notice is sufficient for this purpose. Similarly, advertisement message can be changed promptly when desired.
- (iv) Advertisements are the major source of income to the newspapers. This helps in selling the newspapers at reduced prices to the readers.

**The limitations of newspaper advertising are as follows:**

- (i) The life of a newspaper advertisement is very short. Moreover, people devote only an insignificant part of their days' time in reading the newspaper. Thus, advertisements are likely to draw the reader's attention only casually.
- (ii) Newspaper advertisement is successful only when the people to be communicated are educated.
- (iii) Newspaper cannot be used for high class coloured advertisements. The advertisements are generally printed in black and white. Because of this, they may fail to help the customer identifying the products at the point of purchase.

**(b) Magazine Advertising:**

Magazines or periodicals are an excellent medium of advertisement when a high quality of printing and colour is desired in an advertisement. Magazine advertisements can be directed towards a particular class of people and thus they avoid wasteful expenditure on advertising. Many specialised magazines or journals are published which can be used for transmitting the message to the specific class of customers.

**Magazine advertising is considered to be superior to newspaper advertising because of the following merits:**

- (i) Magazines are read more carefully and at greater leisure. Advertising through magazines is more effective.
- (ii) The life of the magazine advertisement is longer. Magazines are preserved for a long period of time and are read time and again.

(iii) Since advertisement copy is presented in a coloured form, it creates a better image of the product advertised. Exact picture can be portrayed to enable the customer to identify the product at the point of purchase.

**Magazine advertising has the following limitations:**

(i) Advertising through magazines is very costly.

(ii) The circulation of magazines is very small as compared to the newspapers.

(iii) Magazine advertisements are to be prepared and sent for publication well in advance. It is not possible to make the last minute change in the advertisement copy.

**2. Radio Advertising:**

Radio advertisements have gained great popularity these days. Advertisements are broadcast from the transmitting stations of the commercial service of All India Radio and picked up by the receiving sets owned by the public. Radio advertisements or commercials are normally broadcast along with popular programmes of music. Even the sponsored programmes of interviews and plays can also be broadcast over the radio.

**Advantages of Radio Advertising:**

**I. Scope for Mental Imagery:**

Radio advertising depends solely on the spoken words. The listener does not require same amount of attention and effort as required by other media and can hear the messages while doing other things. Human voice is the only communication mode. In case of effective message delivery, the listener develops a mental imagery of the programme or the store or setting and gets involved in the situation. Such mental imagery can be much more effective than any actual setting and performance.

**II. Low Cost Medium:**

Radio is a low cost advertising medium. It requires only a script or a copy of pre-coded message and an announcer to read the message. Also, the cost of airtime on radio is very low. Because of the low cost of developing commercials, the absolute cost of radio advertising is very low and when it is the case of wide audience reach radio is one of the most cost efficient ways to carry advertising message to target audience.

The wide audience reach is due to the fact that radio has easy accessibility across various social classes, across various times of the day, across various demographic groups, and across various geographic locations. For its low absolute cost radio advertising suits the small budget advertisers. Relatively, the lower radio advertising cost makes it one of the most efficient of all the advertising media.

**III. Selectivity and Flexibility:**

Radio advertising also offers selectivity and flexibility. Selectivity is available through the various programme formats and geographic coverage of numerous stations. The advertiser can vary the messages and the intensity of coverage of different markets to meet local conditions.

One can also obtain selectivity in terms of types of listenership by making a proper selection of programmes, time of the day, and stations. In today's scenario when mass marketing gives way to market segmentation and regional marketing, radio is gaining more and more importance to reach out to the most difficult audience.

Concerning flexibility, radio provides an opportunity to run as many commercials as one finds suitable to the product communication needs. Radio is timely in the sense that it allows for immediate broadcast of news, events or special occurrences as soon as they happen.

The same is possible with special announcements and product promotions concerning the product. Thus, due to a large listener base, selectivity, flexibility and low cost, radio has gained momentum as an advertising medium and marketers plan judiciously for radio advertising as a tool of integrated marketing communication. Radio provides a number of integrated communication opportunities such as to promote point of purchase promotions, or to promote event marketing.

There are certainly some disadvantages of using radio as advertising medium and the media planner use it carefully while planning for product promotions.

#### **Disadvantages of Radio:**

##### **a. Perishable:**

Radio has some real weaknesses as an advertising medium. Like television, radio advertising is of a perishable nature. If the listener is not available at the time of broadcast, the message is gone forever. The message requires repetition which adds to the cost and level of noise in the environment.

##### **b. Lesser Attention:**

Even though the listener is available at the time of broadcast, there may further be the problem of retaining his/her attention to the commercial. Most people do not get actively involved or attentive in listening to the radio programmes, as most often they provide the background to some other activity. Otherwise also when people are listening to the music, they may not actually grasp the content of the advertising message delivered between musical numbers.

##### **c. Absence of Visual Image:**

This is another significant point of disadvantage of radio advertising. Radio advertiser cannot illustrate the product, demonstrate the product, or use any kind of visual appeal or information to attract viewer's attention. The fleeting nature of radio messages and lack of control on the receiver's part to process the information further restrict the scope of creativity in radio advertising. Advertisers, therefore, usually combine radio as a secondary medium to work out media plan for the product.

##### **d. Audience Fragmentation:**

The rise in the number of radio stations has led to audience fragmentation and so the number of audience tuned to particular station tends to be small. This directly implies that in order to

reach larger audience base, advertisers need to buy airtime on a number of stations to provide the required coverage in a target market.

e. Cluttered Environment:

As with other media, radio also faces the problem of clutter. There are two aspects of clutter problem in radio advertising. One is the increased number of brands using radio advertising to carry the message deeper and wider in the market. Secondly, the very nature of radio advertising requires repetitions which further add to the clutter in radio environment. As a consequence, advertiser needs to be more creative and should adopt more repetitions as a way to break away from clutter.

Both radio and television are the dominant forms of broadcast media which advertisers explore to the best of their use. The role for each one is defined in carrying brand communications. Interactive media is the new form of broadcast media which has seen its growth over the last few years. The emergence of interactive media has enormously changed the face of advertising.

**3. Film Advertising:**

Films are an important medium of advertisement. Business concerns usually get a short motion picture prepared and distribute it to different cinema houses for displaying it before the commencement of the regular shows or during the period of intermission.

Such films are accompanied by running commentary to explain the features, uses and superiority of the product. But film advertisement can be adopted only by the well established firms. Since it involves high cost, small business firms can get cinema slide prepared for display in the cinema halls.

Film advertisement is very effective since it combines spoken words and visual presentation of pictures. It also helps in selective advertisement. A trader can advertise his product only in a particular locality if he wants to attract the local customers.

The major drawback of film advertisement is that it is usually ignored by the people. Only a few persons are present in the hall before the start of the film and during the interval, and they too are busy in talking.

**The merits of film advertising are as under:**

- (i) Film advertisement is very effective since it combines spoken words and visual presentation of picture.
- (ii) It helps in selective advertisement. A trader can advertise his products in the areas from where he wants to attract the customers.

The demerits of film advertising are as under:

- (i) It is usually ignored by people when they are busy in talking.
- (ii) Its effectiveness is limited as only a few people are present in the hall before the start of the feature film and during the interval.

#### **4. Television Advertising:**

Television is the fast growing medium of advertisement because of huge expansion of electronic media and cable network. It makes its appeal through both the eye and the ear. Products can be demonstrated as well as explained as in film advertisement. Advertising may take the form of short commercials and sponsored programmes.

T.V. advertising has all the merits of film advertising. It has greater effectiveness as the message is conveyed at their homes to the people. Selectivity of message can also be achieved. Commercials may be given during that time period when the prospective buyers are supposed to watch television programmes.

T.V. advertising has got all the demerits of film advertising. Television is a very costly medium of advertisement and can be made use of by the well established companies only. Another limitation of television advertisement is that once it is presented, its back reference is not possible.

#### **Advantages of Using Television as an Advertising Medium:**

##### **a. Audio-Visual Medium:**

Television as advertising medium makes full use of both sight and sound and offers tremendous creative flexibility and makes possible dramatic life like representation of products and services. Television commercials can be used to attract the attention and interest of the potential customer through the creative use of both sight and sound in combination.

##### **b. Enhanced Memorability:**

Television permits the demonstration of the product and can discuss and explain the use of the product, its features and advantages. Television commercial gives the sense of actual product use, the nearest thing to the product experience. The use of colours in commercials further adds to the commercial effectiveness and its memorability.

##### **c. Mass Reach:**

Another advantage of television advertising which emerges due to the popularity of the medium itself is its ability to reach masses. Over the years television has truly emerged as a mass medium where everyone regardless of age, sex, income or social class watches at least some amount of television programmes and shows. There are a large number of people who watch television on a regular basis.

Marketers selling products of mass consumption find television as the most suitable medium offering low cost exposure to target audiences. With widespread distribution and availability of products and services, television commercials, thus, become indispensable form of product promotion for companies dealing in packaged goods, retailing, and so on.

##### **d. Selectivity and Flexibility:**

Television has an advantage of being relatively selective and flexible in several ways. The selectivity occurs due to its programme content, broadcast time and geographic coverage which bring variation in the composition of target audience.

Thus, advertisers gain relatively selective type of audience and are able to evolve appropriate media strategies. Advertisers adjust their media strategies according to local market conditions such as to take advantage of some special occasion, or to use different appeals in different markets. Such flexibility in the use of this medium becomes possible due to the availability of various transmission arrangements, including local or spot advertising.

e. Non-Competing Environment:

Unlike print medium, television medium provides advertising exposure in a non-competitive environment. The advertising message on television appears by itself, and there are no competitive advertisements or even editorial matter to distract the viewer from the message.

Also, there are no limitations on the size of the advertisement and each advertisement is seen full screen. Television is considered as a personal medium as it involves the use of human voice, for which many a time it is considered to be more effective medium than the print.

Despite its creativity and capabilities to generate excitement and interest, television as an advertising medium carries certain disadvantages or problems which put a limitation on its use for advertising purpose. High cost, fleeting exposures, and clutter are some of the disadvantages of using television for advertising purposes.

**Disadvantages of Using Television as an Advertising Medium:**

a. High Absolute Cost:

The high absolute cost of buying airtime on television along with the cost of producing high quality commercials is the prime deterring factor in the general use of television as the advertising medium. Many small advertisers with small advertising budgets either find themselves incapable of buying airtime, or else they need to be brief in their message content.

b. Unfit to Small Target Size:

Though some selectivity is possible in television advertising due to variation in programme content or geographic area or particular air timing, yet television does not allow reaching to very specific and often small target size. The cost per exposure to target audience in such cases becomes higher due to much of the wastage exposure. Television, therefore, loses its importance in comparison to other media types such as magazine or radio as they are capable of providing more precise reach in the target market at much lesser cost.

c. Fleeting Exposures:

The advertising message on television lasts only as long as it is being presented on the screen and if the prospect is not viewing or listening at that very moment when the exposure occurs, the message is gone forever and wasted so far as that prospect is concerned.

This is called fleeting nature of television advertising. Advertisers, therefore, opt for message repetition and buy an additional airtime. But, to keep the advertising cost in line, advertisers at times decide about shorter commercials, which they believe would be as effective as the longer commercials could be.

d. Cluttered Environment:

This is another problem with television advertising as advertiser's message is just one of the many spots being aired during the commercial break. Due to a cluttered environment television advertising tends to lose its effectiveness. Advertisers, therefore, need to be more tactical in their use of media time to enhance the attention value of advertised message.

e. Ad Avoidance:

Advertising messages are most often ignored by the viewing audience, who either leave the room on some pretext or get distracted in some other way during the commercial break. Zipping and zapping are the two greater challenges that have emerged over the last few years only. Zipping occurs when customers fast forward through commercials as they play back a previously recorded programme.

Zapping involves changing television channels to avoid commercials. With remote control facilitating easy channel switch, zapping has become a more regular phenomenon. So, to inhibit zapping and to hold viewers' attention, advertisers tend to become more creative in their approach as well as in ad executions.

f. Lack of Accurate Audience Assessment:

Accurate assessment of audience size is another major problem with television advertising. Not only that the size of audience is difficult to compute, but it is also subject to errors in measurement. Households owning television, households using television, households tuned to the programme carrying advertising message and the prospect actually viewing the ad are the various accuracy levels of television audience measurement. Depending upon the access to measurement technique, the accurate measurement of the size of television audience remains elusive to some extent.

## **5. Direct Mail Advertising:**

Direct mail is probably the most selective of all the advertising media. It is used to send the message directly to the customer. For this purpose, the advertiser has to maintain a mail list which can be expanded or contracted by adding or removing names from the list. But a severe limitation is posed by the difficulty of getting and maintaining a good mailing list.

Advertisements that are sent by direct mail may be in the form of circular letters, leaflet folders, calendars, booklets and catalogues. Circular letters are sent to the prospective customers to inform them about the merits of the product and to create their interest in the product.

Booklets and catalogues contain the information about the products advertised. Information about the terms of sale and prices of different varieties of the product is given to the prospective customers through catalogues.

The merits of direct mail advertising are as under:

- (i) Mail advertising has a personal appeal since it is addressed to a particular person.
- (ii) It maintains secrecy in advertising. The competitors do not get the information about the advertised material.
- (iii) It gives flexibility in advertising. The message can be changed whenever the need arises. The mailing list can also be revised whenever the need arises.
- (iv) It gives an opportunity to the advertiser to provide detailed and illustrated information about the product to the prospects.
- (v) It is the most selective medium of advertisement. The advertiser saves money also by directing his advertisement to the selected people.

The demerits of direct mail advertising are given below:

- (i) The coverage of direct mail advertisement is limited.
- (ii) It is not possible to get the names and addresses of all the prospects when the advertisement material should be sent by mail.
- (iii) Its effectiveness is doubtful as it does not create a mass appeal.

### **6. Window Display:**

Window display is an on sight method of advertising. Goods can be exhibited in artistically laid out windows at the shop fronts or at important busy centres like railway stations and bus stops. Large show rooms are organised by big manufacturers and wholesalers in the main markets to advertise their products and attend to the queries of the prospective customers.

The retailers also organise attractive display of goods in the windows of their shops. Window displays are very popular with the retailers since it helps in informing the customers about the types of goods available with them.

The main objective of window display is to draw the attention of the public and arouse their interest in the products displayed. Almost all the manufacturers insist that their products should be displayed at the retail shops. If a product is displayed properly at the point-of-purchase (POP) by the customers, it can attract many customers.

Many people having no preference for a particular brand may discover a particular brand quite appealing and attractive and may purchase it. Thus, window display creates the demand for the product. Window display acts as silent salesman.

In order to achieve the purpose of window display, cleanliness and a well-furnished appearance for the window are essential. Articles should be arranged in a systematic way and if possible price tags should also be attached with the articles. It is better if window displays are changed regularly to make the customers look at the displays every time they visit the shop.

## **7. Outdoor Advertising:**

Outdoor advertising has gained wide popularity these days. Its purpose is to attract the attention of the people at busy roads and markets. It includes the use of poster displays, bill board displays, and electric or electronic displays.

### **a. Poster Displays:**

Posters are fixed on walls of buildings, bridges, and other public places. It is also quite common to write slogans and other message about the products in bold letters on the walls to attract the attention of the people even from a long distance. That is why, it is also known as 'Mural Advertising'. Mural advertising is frequently used to advertise fans, fertilizers, tonics, beauty aids and other consumer items.

### **b. Bill Board Displays:**

Painted or bill board displays involve the advertisements directly painted on the boards meant for this purpose. They are quite big in size and are fixed at outstanding locations like busy markets and crossings. They are also erected on tops of bridges and important buildings.

### **c. Electrical Displays:**

Electrical display involves the use of electric Electronic lights or neon tubes to attract the attention of people, particularly during night. Generally, a short message is illuminated in tubes of different colours so that it is conspicuous and attractive. Electrical displays are fixed at navy traffic consumer centres.

### **d. Vehicular Displays:**

It has become a fashion these days to use modes of public transport for advertising. The space outside and inside the buses, railway carriages and other vans may be hired by the businessmen to spread their messages. Vehicles give mobility to the message.

### **Outdoor advertising has the following merits:**

- (i) Outdoor advertising is highly flexible and is a low cost medium.
- (ii) It is very useful for advertising consumer products because posters, etc. can be displayed at various crowded centres.
- (iii) Outdoor advertisement attracts quick attention and requires very less time and effort on the part of the readers. A complete picture of the product can be shown through outdoor displays.

### **Outdoor advertising is criticised on the following grounds:**

- (i) It can't carry long messages as posters, hoardings, etc. are ready by the people at a glance.
- (ii) It has a low retention value because people don't devote special time to read the message.

(iii) It distracts the attention of the passers-by and may even cause accidents on busy roads.

### **9. Internet Advertising:**

It is the most recent advertising medium which makes use of internet to disseminate the message. It is an interactive medium and can deliver message more effectively.

The advantages of internet advertising are as follows:

- (i) It is not very expensive.
- (ii) Dramatization of message is possible.
- (iii) It is an interactive media where two-way communication is possible.

The drawbacks of internet advertising are as follows:

- (i) It has limited reach.
- (ii) Being a new medium, its effectiveness is yet to be established.

#### iii. Internet:

Internet is the latest method of communication and gathering information. With the help of internet one can have information from all over the world within a fraction of second. One can go to the website of any manufacturer or service provider and gather information.

There are also search engines or portals available when website addresses are not available. In almost all the search engines or portals different manufactures or service providers advertise their products. These days more and more companies are focusing on advertising through internet.

Advantages:

- a. Information from all over the world is made available at the doorsteps.
- b. Users can see the advertisement at their own time and as per their requirement.

Disadvantages:

- a. It is not accessible without a computer.
- b. It is not very suitable for general public.
- c. It is not suitable for illiterate people

#### iv. Cinema:

Cinema also plays an important role in advertising. Small films are prepared for advertising the various products. These pictures are played before the start of the picture and during the intervals.

## Advantages and Disadvantages of Different Media

### PRINT MEDIA

#### DISPLAY

*Posters, calendars and wall charts*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• popular</li> <li>• visual</li> <li>• longevity</li> <li>• public relations potential</li> </ul>	<ul style="list-style-type: none"> <li>• contains limited space for information</li> <li>• language and literacy (audience must be able to read and understand the language)</li> </ul>

### PRINT MEDIA

#### FOR READING

*Newsletters, pamphlets, brochures, booklets and comic books*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• control of message</li> <li>• can communicate a more detailed/complicated story</li> </ul>	<ul style="list-style-type: none"> <li>• language and literacy</li> <li>• require a lot of effort to produce</li> <li>• become outdated quickly</li> <li>• might be viewed as propaganda</li> </ul>

### PRINT MEDIA

#### FOR USE WITH GROUPS

*Flip charts and flash cards*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• educational</li> <li>• potential to communicate across languages and classes</li> </ul>	<ul style="list-style-type: none"> <li>• limited reach</li> <li>• labour-intensive to use</li> </ul>

### MASS MEDIA

#### NEWSPAPERS AND MAGAZINES

*Feature or news stories, ads or columns*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• reach large audience</li> <li>• powerful</li> <li>• permanent</li> <li>• can explain issues in depth</li> </ul>	<ul style="list-style-type: none"> <li>• language and literacy</li> <li>• may reach only a limited number of people who have access (urban audience)</li> <li>• price (may be expensive to produce)</li> </ul>

### MASS MEDIA

#### RADIO

*Spots, announcement and shows*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• reach large audience</li> <li>• accessible (especially at grassroots level)</li> <li>• can be participatory and elicit immediate response (i.e., call in programmes)</li> </ul>	<ul style="list-style-type: none"> <li>• require production skills</li> <li>• message may be transient</li> <li>• may not be sure of audience number</li> <li>• can send mixed messages; i.e., station may promote different message</li> <li>• price</li> </ul>

### MASS MEDIA

#### TELEVISION

*Spots, announcements, shows or soap operas*

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• potential to reach large audiences</li> <li>• dramatic and emotive</li> <li>• can be participatory and elicit immediate response (i.e., call in programmes)</li> </ul>	<ul style="list-style-type: none"> <li>• require production skills</li> <li>• message may be transient</li> <li>• may not be sure of audience number</li> <li>• may reach only a limited number of people who have access (urban audience)</li> <li>• can send mixed messages; i.e., station may promote different message</li> </ul>

## Advantages and Disadvantages of Different Media

### FOLK MEDIA

#### DRAMA AND POETRY

*Theatre, puppet shows, role plays and story telling*

#### Advantages

- emotive (feels good)
- engaging/powerful
- potentially interactive

#### Disadvantages

- need skills
- time bound
- limited audience
- effort intensive

### FOLK MEDIA

#### SONG AND DANCE

*Stories, testimonials, eyewitness accounts*

#### Advantages

- entertaining
- emotive
- participatory
- transmission across languages
- potential to reach across classes
- repetition in lyrics/movements can concretize messages

#### Disadvantages

- need skills
- messages tend to be more abstract (messages may get lost without follow-up actions)

### FOLK MEDIA

#### ORAL TESTIMONIES

*Theatre, puppet shows, role plays and story telling*

#### Advantages

- engaging/powerful
- bring a human face to the issue
- can be used in many arenas including mock tribunals, video and radio documentaries, theatrical productions

#### Disadvantages

- danger of putting the woman telling the story at risk

### FOLK MEDIA:

#### PRINTED MESSAGES

*T-shirts, caps, etc.*

#### Advantages

- allows an individual to show support of the cause
- long lasting

#### Disadvantages

- limited reach
- limited space

### VISUAL

#### ELECTRONIC MEDIA

#### INTERNET

#### Advantages

- global
- efficient
- interactive
- outreach
- cost effective

#### Disadvantages

- expensive
- language
- no rules or bottom lines

### VISUAL

#### ELECTRONIC MEDIA

#### VIDEO, FILM AND SLIDE SHOWS

#### Advantages

- participatory
- entertaining
- convey reality

#### Disadvantages

- need skills
- need equipment
- expensive

## **MEDIA RESEARCH**

Definition: Media Research

It is the study of the effects of the different mass media on social, psychological and physical aspects. Research survey that segments the people based on what television programs they watch, radio they listen and magazines they read.

For example: Time a person spends with a particular medium.

It includes achievements and effects of media and a study about the development of media. Newspapers, magazines, radio, TV, Cinema or other mass media analysis and collection of information's. It helps to understand the ways in which media can meet the needs of the audience. Whether it can provide information and entertainment to more and different types of people. New technological improvements that helps to improve or enhance the medium.

Thus in order to deal with social and political issues insightfully, management and regulation of media is needed. Unbiased evaluation of data can be achieved through media research.

We need to understand:

- The nature of medium being used
- The working of the medium
- Technologies involved in it
- Difference and similarities between it and other media vehicles
- Functions and services provided by it
- Cost associated and access to new medium
- Effectiveness and how it can be improved

As decision process depends on data, thus media research has grown to be utilized for long range planning. Research is in growth phase due to competitions between different media.



## **ADVERTISING AND MEDIA MANAGEMENT**

### **BBA V SEMESTER**

#### **MODULE-5**

### **ADVERTISING EFFECTIVENESS AND ORGANISING ADVERTISING FUNCTIONS**

**BY**

**Prof. ROOPA K V**

- Methods Of measuring advertising effectiveness
- Advertising Research
- Structure and functions of an advertising Agency
- Selection and coordination of advertising agency
- Selection and scheduling strategies

#### **ADVERTISING EFFECTIVENESS:**

Advertising effectiveness pertains to how well a company's advertising accomplishes the intended. Small companies use many different statistics or metrics to measure their advertising effectiveness. These measurements can be used for all types of advertising, including television, radio, direct mail, Internet and even billboard advertising. A company's advertising effectiveness usually increases over time with many messages or exposures. But certain advertising objectives can be realized almost immediately.

#### **Reach**

One metric for advertising effectiveness is reach. This measurement pertains to the number of people who actually saw a company's advertising. Small business owners usually know how many people can potentially see their ads. Local television stations report the number of viewers for certain shows. Similarly, magazines report circulation figures. But not all of these viewers or readers notice the ads. That is why small business owners often use market research surveys to measure reach. For example, 10 percent of a local restaurant's viewing audience may recall seeing their latest television ad. Advertising should be designed to attract attention, build interest and prompt action, according to the experts at "Mind Tools" online.

#### **Sales and Profits**

One of the most important objectives of advertising is to increase sales and profits. A profitable ad is an effective one. The best way to build sales and profits is by reaching the right target audience. In other words, small business owners must make sure their advertising reaches the people who are most likely to purchase their products. Companies often develop customer profiles from warranty cards or marketing research to gather this information. Target audience

variables or demographics can include age, gender, income and education. For example, a high-end women's clothing retailer may effectively drive sales and profits by targeting women with higher incomes.

### **Brand Awareness**

Brand awareness is another metric of advertising effectiveness. Brand awareness is the percentage of people who recognize a company's brand of products. It usually takes many years and lots of ad exposures to build high brand awareness. Television and radio are two of the best mediums for building brand awareness. Small companies can also build their brand awareness on the Internet by advertising in online Yellow Pages, or promoting their wares through major search engines like Google and Yahoo.

### **Testing Advertising Effectiveness**

Small companies can test their advertising effectiveness in several different ways. One way is to insert certain "word flags" into the advertising messages, according to "Entrepreneur." This may be a simple phrase or word that customers recognize and can, therefore, mention when inquiring from an advertisement. The word flag can also be in the form of a question. For example, a small restaurant company may prompt customers to ask, "What's the super special of the day?" The restaurant owner can then track the number of people who ask about the super special throughout the day. Those who use direct mail can insert codes on order forms. For example, a mail order operator would know that order forms with the "215" code came from a mailing on February 15.

## **METHODS OF MEASURING ADVERTISING EFFECTIVENESS**

There may be two types measures of advertising effectiveness namely;

1. Direct measures and,
2. Indirect measures.

### **1. Direct Measures of Advertising Effectiveness**

Under direct measures, a relationship between advertising and sales is established. A comparison of sales of two periods or two periods or two markets may be done and the corresponding changes may be noted. The following are some of the methods that are generally used in measuring that advertising effects.

#### **i. Historical Sales Method**

Some insights into the effectiveness of past advertising may be obtained by measuring the relationship between the advertising expenditure and the total sales of the product. A multiple regression analysis of advertising expenditure and sales over several time periods may be calculated. It would show how the changes in advertising expenditure have corresponding

changes in sales volume. This technique estimates the contribution that advertising has made to explaining in a co relational manner rather than a casual sales, the variation in sales over the time periods covered in the study

## **ii. Experimental Control**

The other measure of advertising effectiveness is the method of experimental control where a casual relationship between advertising and sales is established. This method is quite expensive when related to other advertising effectiveness measures yet it is possible to isolate advertising contribution to sales. Moreover this can be done as a pre-test to aid advertising in choosing between alternative creative designs. Media schedules expenditure levels or some combination of these advertising decision areas. One experimental approach to measuring the sales effectiveness of advertising is test marketing.

### **Before-after with Control Group Design:**

This classic design uses several test and control cities in this design two types of cities are selected. Cities in which advertising campaigns are affected may be named as test cities and other cities may be called central cities. First of all, the normal sales level is calculated for both type of cities prior to advertising campaign, and then the advertising campaign is presented to the test cities and not the central cities. The effect of advertising campaign, can then, be measured by subtracting the amount of post campaign figure of sale from the pre campaign sale figures in test cities

### **Multivariable Experimental Designs:**

While the experimental design discussed above yields a reasonably accurate estimate of the effects of the advertising on sales, it is not successful in explaining the success or failure of the campaign itself. Multivariable designs Produce these explanations and are, therefore used by some very large firm because of their diagnostic value. The power of this multivariable factorial design is explained by G.H.Brown, former Fords Director of Marketing Research. For any single medium, eight possible geographic areas have been exposed and eight have not been exposed. Thus, in this experimental model it is possible to evaluate how each individual medium behaves alone and in all possible to evaluate how each individual medium behaves alone and in all possible combinations with other media.

## **2. Indirect Measures of Advertising Effectiveness**

As it is very difficult to measure the direct effect of advertising on company's profits or sales, most firms rely heavily on indirect measures. These measures do not evaluate the effects of advertisements directing on sales or profits but all other factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly. Despite the uncertainties about the relationship between the intermediate effects of advertising and the ultimate results, there is no other alternative but to use indirect measures.

The most commonly used measures are;

**i. Exposure to Advertisement:**

In order to be effective, the advertisement must gain exposure. The management is concerned about the number of target audiences who see or hear the organization message set in the advertisement. Without exposure, advertisement is bound to failure. Marketers or advertisers may obtain an idea of exposure generated by the medium by examining its circulation or audience data which reveal the number of copies of the magazine, newspaper or journal sold the number of persons passing the billboards or riding in transit facilities, or the number of persons living in the tele viewing or radio listening area, and the number of persons switching on their T.V. and radio sets at various points of time. This number can be estimated by interviewing the numbers of the audience for different media.

**ii. Attention or Recall of Advertising Message Content:**

This is one of the widely used measures of advertising results. Under this measure, a recall of the message content among a specified group or groups or prospective customers is measured within 24 hours of the exposure of the advertisement. Attention value is the chief quality of the advertising copy the advertisements cannot be said to be effective unless they attract the attention of the target consumers. There are two methods for evaluating the attention getting value of the advertisements. One is pre-test and the other is post-test. In a pre-test evaluation, the consumers are asked to indicate the extent to which they recognize or recall the advertisement, they have already seen. This test is conducted in the laboratory setting. Here consumers read, hear or listen to the advertisement and then researchers ask question regarding the advertisement just to test the recall and then evaluate it. In post-test method, the consumers are asked questions about the indication of recognition or recall after the advertisement has been run. These measures assume that customers can recall or recognize what they have viewed or listened to. Various mechanical devices are being used in the western countries which provide indices of attention such as eye-camera etc.

**iii. Brand Awareness:**

The marketers who rely heavily on advertising often appraise its effectiveness by measuring the customer's awareness about the particular product or brand. The assumption of this type of measure is that there is a direct relationship between the advertisements and the awareness. This type of measure is also subject to the same criticisms as is applicable to direct measures of effectiveness (sales measures because awareness is also not the direct result of the advertisements. It is also affected by many other factors. But, for new products, changes in awareness can often be attributed to the influence of advertising.

**iv. Comprehension:**

Consumers generally use advertisements as a means of obtaining information about the product, brand or the manufacturer. They cannot be informed unless they comprehend the message (grasp the message mentally and understand it fully). Various tests for valuating comprehension are available. One is recall tests – an indicator of comprehension because it is evident that consumers recall what they comprehend. Another measure of the variable is to ask questions about subjects how much they have comprehended a message they have recently

heard or seen. One may employ somewhat imprecise test of the comprehension of a newspaper and radio advertisement. One may ask typical target consumers from time to time such questions like 'what did you think of our new commercial?' and 'Did it get the message across'? The answers of these questions will provide sufficient insight into advertising decision making.

#### **V. Attitude Change:**

Since advertising is considered to be one way of influencing the state of the mind of the audience towards a product, service or organisation, the results are very often measured in terms of attitudes among groups exposed to advertising communication. Several measures are used ranging from asking the questions about willingness to buy the likelihood of buying to the measurement of the extent to which specific attributes (such as modern or new) are associated with a product.

#### **vi. Action:**

One objective of advertisement may be assumed to be to stimulate action or behaviour. The action or intention to take an action may be measured on the intention to buy measuring instrument. Under this type of measure, consumers are asked to respond why they are interested in purchasing the product or brand. One type of action that advertisers attempt to induce is buying behaviour. The assumption is that if an increase in sales follows a decrease in advertising expenditure, the change in sales levels are good indicators of the effectiveness of advertising. Logic suggests that measurement of sales is preferable to other measurements.

Thus, these above measures (direct or indirect) are used to evaluate the effectiveness of advertisements. It seems from the analysis of the above methods of measuring advertising effectiveness that directly or indirectly changes in sales or profits are taken as the measuring rod of the effectiveness of the advertising.

## ADVERTISING RESEARCH

Definition: Advertising Research

A research conducted to improve the efficiency of an advertisement is known as advertising research. The research could be focused on one particular advertisement or could be conducted in general to know the impact of advertising on consumer behaviour.

### PURPOSE OF ADVERTISING RESEARCH

The purpose of research can be broadly classified into the following four categories:

1. **Advertising Strategy Research** : Used to help define the product concept or to assist in the selection of target markets, advertising messages, or media vehicles
2. **Creative Concept Research** : Measures the target audience's acceptance of different creative ideas at the concept stage
3. **Pre-testing** : Used to diagnose possible communication problems before a campaign begins
4. **Post-testing** : Enables marketers to evaluate a campaign after it runs

Summary of the purposes of advertising research refer the chart next page.

#### (A) Advertising strategy Research

One of the most effective and specialized forms of marketing is advertising. A large number of effective advertising research strategies are available, that can promote company's business and generate more revenues. In this regard, companies need look for various information sources for conducting research on an advertising strategy. Make sure that the advertising research strategy is optimized for a specific medium, like television, radio or internet.

Some of the effective information sources for developing an improved advertising research strategy are listed below:

- **Market Reports** - Reports containing complete information about an industry including market research, shares, consumer survey results and feedback can prove to be very useful in formulating an effective advertising research strategy and promoting company's product and services.



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	<b>Advertising Strategy Research</b>	<b>Creative Concept Research</b>	<b>Pre-testing</b>	<b>Post -testing</b>
<b>Time</b>	Before creative work begins	Before agency production begins	Before finished artwork and photography	After campaign has run
<b>Research Problem</b>	<ul style="list-style-type: none"> <li>• Product concept definition</li> <li>• Target audience selection</li> <li>• Media selection</li> <li>• Message-element selection</li> </ul>	<ul style="list-style-type: none"> <li>• Concept testing</li> <li>• Name testing</li> <li>• Slogan testing</li> </ul>	<ul style="list-style-type: none"> <li>• Print testing</li> <li>• TV story board pre-testing</li> <li>• Radio commercial pre-testing</li> </ul>	<ul style="list-style-type: none"> <li>• Advertising effectiveness</li> <li>• Consumer attitude change</li> <li>• Sales increases</li> </ul>
<b>Techniques</b>	<ul style="list-style-type: none"> <li>• Consumer attitude and usage studies</li> <li>• Media studies</li> </ul>	<ul style="list-style-type: none"> <li>• Free-association tests.</li> <li>• Qualitative interviews</li> <li>• Statement-comparison tests</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer juries</li> <li>• Matched samples</li> <li>• Portfolio tests</li> <li>• Storyboard test</li> <li>• Mechanical devices</li> <li>• Psychological rating scales</li> </ul>	<ul style="list-style-type: none"> <li>• Aided recall</li> <li>• Unaided recall</li> <li>• Attitude tests</li> <li>• Inquiry tests</li> <li>• Sales tests</li> </ul>

## 184 : Advertising and Media Management

- **Other Articles** - These include newspapers, magazines and journals. It is the most popular medium to determine a company's marketing strategy and advertising practices.
- **Demographic Data** - It is used for targeting a specific consumer market.
- **Types of Advertising Research** - There are two types of advertising research, including: (a) Customized research and (b) Syndicated research:
  - (a) **Customized Research** - A customized research is usually conducted to address the needs of a specific client and the results of the research are accessible only by that particular client.
  - (b) **Syndicated Research** - It refers to a single research strategy, whose results are available for sale to more than one company.

Tools use for Advertising Strategy research can be classified into: Usage and attitude studies and Media Studies

### Usage and Attitude Studies

A usage and attitude study is a valuable tool for understanding the marketplace appeal of a product and the opportunities for sales within a targeted consumer group. Usage and attitude studies focus on the frequency of product use, frequency of product purchase, attitudes towards merchandise in terms of strengths and weaknesses and features an item lacks that would be desirable. These studies also include questions relating to the respondents attitudes towards the brand selling the product in terms of loyalty and brand image. Though traditionally associated with physical goods, usage and attitude studies are equally useful for companies with a service-based offering.

### Media Studies

Selection of an appropriate media is vital for advertising success. Therefore, media study is conducted to know how newspapers, radio, television etc work and how they affect behaviour of consumers.

### (B) Creative Concept Research

Creative concept research refers to a form of qualitative advertising research in which a number of creative ideas for specific advertisements are examined. This is done with a view to the further developing the most potentially effective ideas. The tools used for creative concept research are: Free-association tests, Qualitative interviews, Statement-comparison tests

**Free -Association tests:** This aims at knowing what consumers say when a statement is made. It may involve stating the name of the product and knowing what people are saying about the product or specifying purpose and knowing which product the people recall to meet the specific situation.

## **Qualitative Interviews**

Creative interviewing involves finding unconventional ways to collect oral reports from group respondents. The methods of creative interviewing are unconventional in the sense that these interviews do not follow the rules of interviewing. They are responsive and adapt to the situation of the interview, and can take a long time to complete the process of collecting the information

### **(C) Pre-testing Techniques**

#### **Consumer Jury Method**

In this method, potential customers are assembled. Advertisements or commercials are shown to these customers. These customers are asked to compare, rank, and evaluate the ads based on various parameters. Conclusion is drawn on the basis of opinion of these representative customers.

#### **Matched samples**

In this method, the customers with the same characteristic features such as income, age, gender, occupation, product usage are divided into two or more two groups. These groups constitute matched samples. Advertisements are shown to these groups with little variation. The variation may be made in any of the elements of advertising. It may include theme, headline, visuals, slogans etc. Behaviour and opinion of these groups are observed before and after. The versions of their statements are tested to know the impact of the advertisement

#### **Portfolio Tests**

In this method, a group of ads, usually a mixture of test ads and control ads is placed in a portfolio. Sometimes the ads are actually placed in dummy copies of news papers or magazines. Respondents who are thought to be representative of the target audience are given the folio and asked to go through it. They read whatever interests them and can take as much time as they want. After completing this task, the respondents are asked to recall (with the folio closed) the ads that they can remember. Such recall may be on a completely unaided basis, or the interviewer may aid recall by asking about specific ads or ads for specific products. For each recalled ad, the respondent is asked to play back as much of the ad as possible. This information is recorded verbatim. Additional questions may be asked about such things as the believability of the claims in the ad, the general reaction to the ad, and whether the respondent uses the product.

Frequently, the portfolio test is used to test the merits of two or more alternatives ads. In such cases, an experimental design is used in which two or more sets of folios are prepared. The only difference between folios is that one set contains test ad A, another set contains test ad B, and so on. The non-test ads (control ads) are the same in all folios and are positioned in the same order. By using small matched samples and comparing recall and playback scores among the various groups a winner is obtained.

### **Storyboard test**

Storyboard test is similar to portfolio test. However, portfolio test is used to evaluate the effectiveness of print ads whereas storyboard tests are used to evaluate the effectiveness of film/ television ads. In this technique, storyboards are prepared in the form of film strips or video cassettes. Respondents are shown 8 to 10 such experimental advertisements. After screening the ads, these respondents are asked to recall the ads and state their observations. These respondents are also asked to make observations about the qualitative features of the ads

### **Mechanical devices**

In this method, mechanical devices are used to measure the reactions of the consumers. Usually, eye-movement cameras, and pupilometric devices are used as mechanical devices to measure the effectiveness of advertisement. **Eye-movement cameras** are used to record the amount of time the respondents spend on looking at an ad and path of the eye as it travels from one element of an advertisement to another. **Pupilometric devices** are used to record the dilation of the respondents while viewing a part of an advertisement or film ad. These changes indicates attention value of an ad and related emotional responses

### **Psychological rating scales**

Psychological rating scales are used quite frequently in research, especially in surveys. Typically, an itemized rating scale asks respondents to choose one response category from several arranged in hierarchical order. This technique helps in evaluating the impact of advertisement on the behaviour of the customers.

## **(D) Post Testing Techniques**

### **Aided recall**

In this method the respondents are shown the advertisement (or hear the recorded commercial) and are then asked if they saw (or heard) it before. This technique is used by research services to test readership, viewership, and listenership.

### **Unaided recall**

It is a research technique used to test the effectiveness of advertisements and commercials and to learn whether respondents are familiar with a particular brand, slogan, or other facet of an advertising campaign. Respondents are asked questions such as "What program did you watch last night?" or "What commercials or advertisements do you remember seeing?" and their answers are noted. In this technique, respondents are not prompted in their responses as they are in aided recall.

### **Attitude tests**

This technique intends ascertaining the attitude change of customers after the ad being watched. This method tries to evaluate the behaviour change of respondents after the ad being watched

### **Inquiry tests**

It is a technique used in advertising research where the advertising, brand, or product is tested through random inquiries of respondents. The information acquired is generally used to evaluate the various forms of advertising media. In some cases, the respondents are actually people who have written unsolicited comments to the advertiser. In other cases, the response has been stimulated by an advertiser's offer. Test of the effectiveness of advertising based on the number of inquiries about an advertisement. For purposes of the test, inquiries are solicited by coupons or by hidden offers in the advertising.

### **Sales tests**

This technique intends evaluating the effect of advertisement on the sales. The primary objective of an advertisement is to increase sales. Sales test method evaluates whether the sales have gone up after the ad is given. The sales affect on advertisement is very difficult as the sales are influenced by many factors.

### **Advertising Research Process**

There are five basic steps in advertising research

#### **Step 1 : Analyzing the situation and defining the problem**

Many large firms have in-house research department. Often the marketing department also maintains a marketing information system - a sophisticated set of procedures designed to generate a continuous, orderly flow of information for use in making marketing decisions. These systems ensure that managers get the information they need when they need it.

#### **Step 2 : Conducting Informal (Exploratory) Research**

This step is necessary to learn more about the market, the competition, and the business environment and to better define the problem. Researchers may discuss the problem with:

- wholesalers, distributors, or retailers outside the firm;
- Informed sources inside the firm;
- Customers or even with competitors.

There are two types of research data



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**Primary data:** information collected from the marketplace about a specific problem. It is typically expensive and time-consuming.

**Secondary data:** information previously collected or published, usually for some other purpose, by the firm or by some other organization. This information is readily available, either internally or externally, and can be gathered more quickly and inexpensively than primary data

### Step 3 : Establishing Research Objectives

A concise written statement of the research problem and objectives should be formulated at the beginning of any research project. A company must be clear about what decisions it has to make that the research results will guide. Once it knows the application, it can set down clear, specific research objectives.

For example, a department store, noticing that it is losing market share, might write its problem statement and research objectives as follows

**Market Share:** Our Company's sales, while still increasing, seem to have lost momentum and are not producing the profit our shareholders expect. In the last year, our market share slipped 10 percent in the men's footwear and department and 10 percent in the women's fine apparel department. Our studies indicate we are losing sales to other department stores in the same malls and that customers are confused about our position in the market. We need to make decisions about how we position ourselves for the future marketplace. Research Objectives We must answer the following questions:

- i) Who are our customers?
- ii) Who are the customers of other department stores?
- iii) What do these customers like and dislike about us and about our competitors?
- iv) How are we currently perceived?
- v) What do we have to do to clarify and improve that perception?

### Step 4: Conducting Formal Research

When a company wants to collect primary data directly from the marketplace about a specific problem or issue, it uses formal research. There are two types of formal research:

**i) Qualitative research:** To get general impression of the market, the consumer or the product.

This enables researchers to gain insight into both the population whose opinion will be sampled and the subject matter itself. This includes in-depth interview and focus group.

**ii) Quantitative research:** To get hard numbers about specific marketing situations, they may perform a survey or use some other form of qualitative research. This includes observation method and experiment



### **Step 5 : Interpreting and Reporting the Findings**

- The final step in research process involves interpreting and reporting the data. Research is very costly, and its main purpose is to help solve problems. The final report must be comprehensible to the company's managers and relevant to their needs
- Tables and graphs are helpful, but they must be explained in words management can understand.
- The report should state the problem and research objective summarize the findings and draw the conclusions.
- The researcher should make recommendations for management action, and the report should be discussed in a formal presentation to allow management feedback and to highlight important points

### **Pre-Testing of Advertising**

Pre-testing is the primarily tool advertisers use to ensure their advertising dollars are spent wisely. Testing can prevent costly errors, especially in judging which advertising strategy or medium is most effective.

- To increase the likelihood of preparing the most effective advertising messages, companies use Pre-testing. Some agencies pretest all ad copy for communication gaps or flaws in message content before recommending it to clients.
- When companies don' pretest their ads, they may encounter a surprising reaction from marketplace.
- Most negative responses, though, are more dangerous: Consumers simply turn the page or change the channel, and sales mysteriously suffer.

### **Methods for Pre-testing Ads**

#### **Print Advertising**

**Direct questioning:** Asks specific questions about ads. Often use to test alternative ads in early stages of development.

**Focus group:** A moderated but freewheeling discussion and interview conducted with six or more people.

**Order-of-merit test:** Respondents see two or more ads and arrange them in rank order.

**Paired-comparison method:** Respondents compare each ad in a group.

**Portfolio test:** One group sees a portfolio of test ads interspersed among other ads and editorial matter. Another group sees the portfolio without the test ads.

## 190 : Advertising and Media Management

**Mock magazine:** Test ads are stripped into a magazine, which is left with respondents for a specified time.

**Perceptual meaning study :** Respondents see ads in timed exposures.

**Direct-mail test:** Two or more alternative ads are mailed to different prospects on a mailing list to test which ad generates the largest volume of orders.

### Broadcast Advertising

**Central location projection test:** Respondents see test commercial films in a central location such as shopping center.

**Trailer test:** Respondents see TV commercials in trailers at shopping centers and receive coupons for the advertised products, a matched sample of consumers just get the coupons.

**Theater test:** Electronic equipment enables respondents to indicate what they like and dislike as they view TV commercials in a theater setting.

**Live telecast test:** Test commercials are shown on closed-circuit or cable TV. Respondents are interviewed by phone/sales audits are conducted at stores in the viewing areas.

**Sales experiment:** Alternative commercials run in two or more market areas.

### POST-TESTING OF ADVERTISING

**Post Testing:** is also important to evaluate the effectiveness of an ad or campaign after it runs. Post-testing provides the advertiser with useful guidelines for future advertising

Post-testing can be more costly and time-consuming than pre-testing, but it can test ads under actual market conditions.

#### Methods for Post-testing Ads

**Aided recall** (recognition-readership): To jog their memories, respondents are shown certain ads and then asked whether their previous exposure was through reading, viewing or listening.

**Unaided recall:** Respondents are asked, without prompting, whether they saw or heard advertising messages.

**Attitude tests:** Direct questions, semantic differential tests, or unstructured questions measure changes in respondents' attitudes after a campaign.

**Inquiry tests:** Additional product information, product samples, or premiums are given to readers or viewers of an ad; ads generally the most responses are presumed to be the most effective.



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## **Advertising Effectiveness and Organising Advertising Functions : 191**

**Sales test:** Measures of post sales compare advertising efforts with sales. Controlled experiments test different media in different markets. Consumer purchase tests measure retail sales from a given campaign. Store inventory audits measure retailers' stocks before and after campaign.

### **Media Research**

To develop media strategies, select media vehicles and evaluate their results, advertisers use a subset of advertising research called media research.

Agencies subscribe to syndicated research services that monitor and publish information on the reach and effectiveness of media vehicles.

### **Media research evaluation**

#### **Evaluation Audience Exposure**

The estimate in the media plan is checked against the performance of each vehicle. The critical evaluation is whether the reach and frequency objectives were obtained.

#### **Advertising ROI and Media Efficiency**

- **Wear out:** The point where the advertising gets tired and there is no response or less response than at the launch.



- **Media Optimization:** Accountability in advertising in decision making about media selection, scheduling and weights (amount of budget)

### **ADVERTISING AGENCY :**

Advertising Agency is just like a tailor. It creates the ads, plans how, when and where it should be delivered and hands it over to the client. Advertising agencies are mostly not dependent on any organizations.

These agencies take all the efforts for selling the product of the clients. They have a group of people expert in their particular fields, thus helping the companies or organizations to reach their target customer in an easy and simple way

The first Advertising Agency was William Taylor in 1786 followed by James "Jem" White in 1800 in London and Reynell & Son in 1812.

## **Role of Advertising Agencies**

- Creating an advertise on the basis of information gathered about product
- Doing research on the company and the product and reactions of the customers.
- Planning for type of media to be used, when and where to be used, and for how much time to be used.
- Taking the feedbacks from the clients as well as the customers and then deciding the further line of action

An advertising agency or ad agency is a service business dedicated to creating, planning and handling advertising (and sometimes other forms of promotion) for its clients.

Advertising Agencies can be classified by the range of services that they offer. Also, advertising agencies range in size from one man shows to large firms that employ thousands of people.

## **STRUCTURE OF ADVERTISING AGENCY:**

### **Organizational structure of an advertising agency**

Every functional thing needs a proper structure for its smooth functioning. And no matter how unique the advertising world may be, it requires an organizational structure. Advertising agencies are structured to integrate the various services and tasks involved in creating and placing advertising. There may be differences in the organizational structure of an advertising agency based upon its size. On one hand, large agencies often have higher staff strength and departments assigned to develop the strategy, conduct research, create ads, and select the media. Whereas on the other hand, smaller and regional advertising agencies that are independently owned and operated provide the same fundamental tasks of account services, creative and media with a smaller team.

### **Typical structure of an advertising agency consists of:**

- Contact Department
- Media Department
- Copy Department
- Art Department
- Production Department
- Research Department
- Accounting and Finance Department
- Public Relations (PR) Department
- Office Management

## **1. Contact Department**

Contact department, also known as client department is in charge of keeping contact with their prospective clients of the advertising agency, mostly the advertisers.

**The functions of the client department includes:**

- Carrying the important information to the clients
- Efforts for retaining and creating new clients
- Building the bridge between the advertising agency and the client
- Helps in boosting revenues
- Promotion of their agency to create new prospects
- Efficient working for the quick growth of its organization

## **2. Media Department**

Media Department of advertising agency is responsible for the choice of media. This department selects the best suitable medium for the ad agency that will be suitable for its clients.

Before the selection process, media department's initial role is to find out about

The product's nature

The market competition

Advertising budget of the client

Media trends, etc.

**The functions of media department are:**

- It selects and uses the best media possible to communicate the ad message to the ultimate consumers
- It can also fail, as a wrong selection will result in the failure of the advertised product.
- Preparation of media plans for its clients
- Media scheduling
- Supervising the execution
- It keeps constant contact with the media and the client

## **3. Copy Department**

The copy of the advertising agency is very crucial. It is called the heart of the ad as this conveys a direct message to the consumers creatively.

**Primary functions of the copy department are:**

- Preparing an attractive copy for its clients and customers.
- Participate in brain- storming sessions and come up with ideas.
- Using their extraordinary skills of putting flair and fluent language while preparing a copy.
- This department includes copywriters, copy-supervisors, and others. The copy department works in close co-operation with the art department. Mostly, the copy department is the largest department of an advertising agency. It comprises of a hard-working team of qualified professionals and experienced staff.

#### **4. Art Department**

The art department consists of all the artists in an advertising agency. The advertisement finally becomes agreeable and acceptable because of these people in the art department. These people use the principles of real art, probably on software, as a guideline or base to present a product to the targeted audience. The personals working in the art department are known as the Art Directors.

##### **The functions of the art department are:**

- Transform the idea that the client wants to convey, into a simple and beautiful imagery.
- Preparing layouts and visuals for the clients.
- To work closely with the copywriters for developing the visual messages.
- Making painted bulletins, posters, car cards, illustrations, slogans, etc.

#### **5. Production Department**

Once, after the copy and art is finalized, the advertisement is sent to the production department for further process. Both the departments, copy and art, create the basic model of the advertisement. The production department takes the advertisement into its final stage. A production manager heads the production department.

##### **Functions of the production department are:**

- Produces the final advertisements for the markets.
- Making contacts in the industry for the easy carrying out of tasks.
- Assemble the typographic design patterns, engraved photos, illustrations, copy, etc. and prepare the final advertisement.
- Sending the final product to its clients and get the approval.
- Once the approval is received, then it can be sent for final printing or production for the market.
- Keeping them updated about the latest trends and technologies.

#### **6. Research Department**

Without knowing the 5 W's and 1 H of the market, you can never run a successful advertisement campaign. The research department in advertising collects information about the market, market competition, market trends, products and services, competitors, consumer behavior, media trends, new trends in advertising, so on.

The success of the advertising agency's advertisement campaign depends upon how hard the research team has done its work. A right direction and the right approach are very important for a successful ad campaign.

##### **Functions of the research department include:**

- Carrying out research and deriving out useful information.
- Critically analyze the information, which they have derived.
- Apply the results in different ways.
- Agency makes use of above information for executing an excellent ad campaign.

## **7. Accounting and Finance Department**

As the name suggests, the accounting and finance department of an advertising agency looks into the financial and accounting matters of the organization.

**The functions of this department are:**

- To generate and keep a record of the invoices that the company incurs or gains.
- Sending out regular reminders to the clients for un-cleared payments.
- Clear accounts before or within the due dates.
- Issue payments to vendor parties within or on the due date.
- Keep a track of the monthly and yearly accounts.
- Deposit the government fees on time.
- Manage salary accounts of the employees.

## **8. Public Relations (PR) Department**

The chief responsibility of a public relations (PR) department is to maintain a cordial relationship among three parties, namely, advertising agency, clients, and media. Every organization may not have a separate department for PR hence, it becomes important for the other members of the organization to build cordial relations with clients and customers.

**The functions of the PR department are:**

- Redressing the grievances of the consumers.
- Taking feedback from clients and customers and working on it immediately.
- Serve as a road between the advertising agency and the other parties.
- Maintain a repo, by maintaining the goodwill.

## **9. Office Management**

The office management department can also be called the HR department of the advertising agency.

**Their functions include:**

- Recruiting the office staff.
- Carrying out training and development of the newly hired staff.
- Carry out promotions of the deserving candidates.
- Provide welfare facilities to staff.
- Filing and record keeping of all the essential documents.
- It is not necessary for an advertising agency to have all these different departments, depending on their scale. But even the small- sized or mid- sized agencies have people for the functions of all the departments. They can hire multi- taskers for that matter. The departments can be merged, but these are the basic functions that the organizational structure of any advertising agency follows.

## TYPES OF ADVERTISING AGENCIES :

1. Full-service agencies
2. Limited services agencies
3. Creative Boutiques
4. In house Agencies
5. Specialised Agencies
6. Media buying agencies.

1. **Full Service Agencies:** As the name implies, a full service agency is one that handles all phases of advertising process for its clients: it plan, creates, produces and places advertisements for its clients. In addition, it might provide other marketing services such as sales promotion, trade shows, exhibits, newsletters and annual reports. One major point that differentiates a full service agency from other is that the personal work full time and the services provide are extensive. The services usually provided by a full service agency include collecting and analyzing market data, proposing strategy, preparing and producing the ads, placing the ads in approved media, verifying the advertisements appearance (publication, broadcasting, etc), invoice the client, collect the bills and pay the media and other suppliers.
2. **Limited Service Agencies:** Some advertising agencies limit the amount and kind of service they offer. Such agencies usually offer only one or two of the basic services. For example, although some agencies that specialize in creative also offer strategic advertising planning service, their basic interest is in the creation of advertising. Similarly, some media-buying services offer media planning service but concentrate on media buying, placement, and billing. When the advertiser chooses to use limited-service advertising agencies, it must assume some of the advertising planning and coordination activities that are routinely handled by the full-service advertising agency. Thus, the advertiser who uses limited-service agencies usually takes greater responsibility for the strategic planning function, gives greater strategic direction to specialist creative or media agencies, and exercises greater control over the product of these specialized agencies, ensuring that their separate activities are well-ordered and coordinated.
3. **Creative Boutiques:** It is an organization that specializes in the actual creation of advertisements. In general, boutiques create imaginative and interesting advertising themes and produce innovative and original advertisements. A company that uses a creative boutique would have to employ another agency to perform the planning, buying and administrative functions connected with advertising. Full service ad agency studies the product or service and determines its marketable characteristic and how it relates to the competition. At the same time the agency studies the potential market, possible distribution plans and likely advertising media. Following this, the agency makes a formal presentation to the client deadlines, it's finding about the product and its recommendation for an advertising strategy. Creative boutiques are different from freelancers. Freelancers are individuals who work on their own with out any formal

attachment with any agency. Clients or agencies hire these from time to time. The clients also hire creative boutiques.

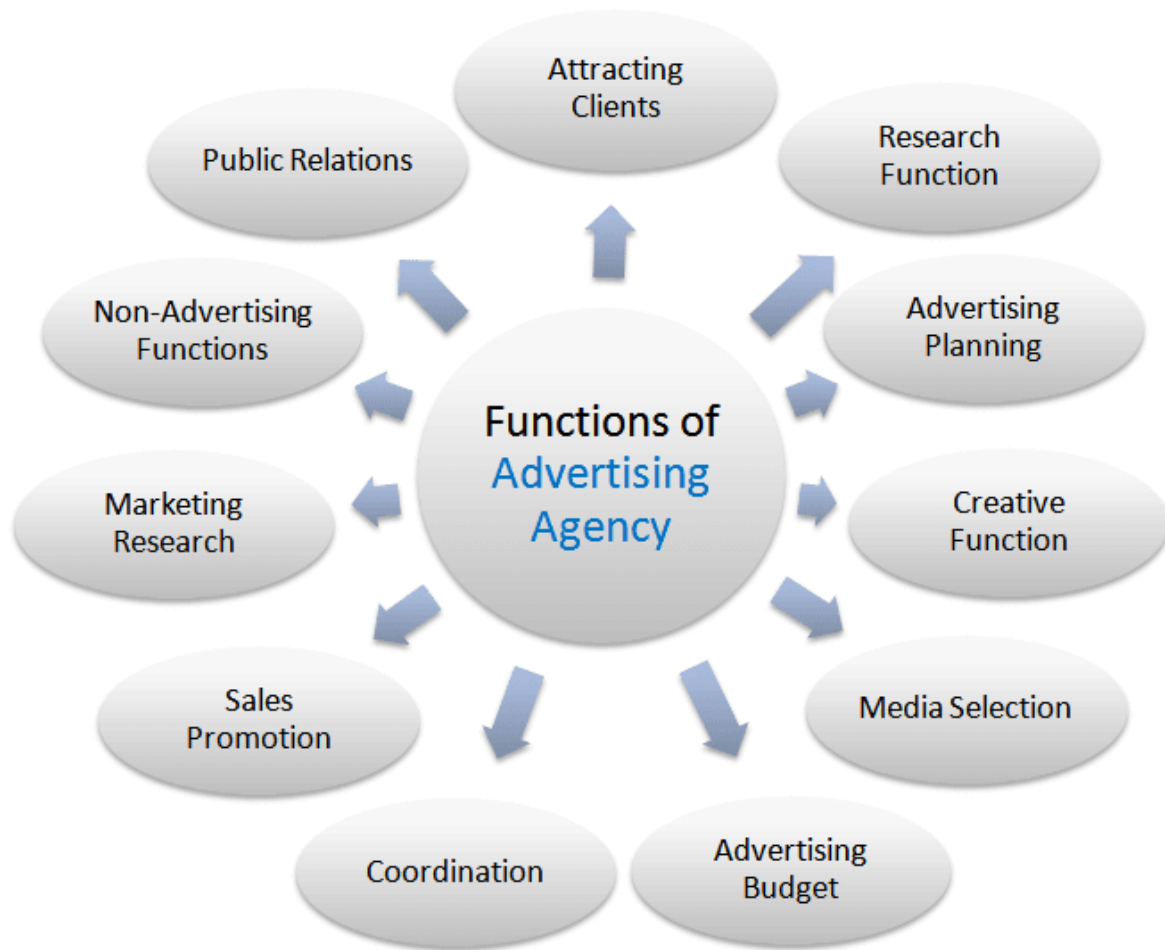
4. **In-House Agencies:** Such agencies are owned and supervised by advertisers or the client organizations. The organizational structure and functioning of in-house agencies are similar to full service agencies in most cases. The advertising director of the company usually heads an in-house agency. In house agencies are organized according to the needs and requirements of the company and are staffed accordingly. Some companies solely depend on their in-house agencies for their advertising needs. Others depend both on their in-house agency and outside agencies. Some other companies allow their agencies to take outside jobs.
5. **Specialized Agencies:** There are many agencies, which take up only specialized advertising jobs. Certain fields like recruitment, medicine, finance, outdoor advertising, social advertising, etc. require specialized knowledge. Specialization occurs in such fields for a variety of reasons. Often, as in recruitment advertising, for example, specialized media or media uses are involved that require knowledge and expertise not ordinarily found in a general-line agency. In other cases, such as medical or industrial advertising, the subject is technical and requires that writers and artists have training in order to write meaningful advertising messages about it. Such specialist advertising agencies are also usually provide full-service in that they offer all the basic advertising agency services in their area of specialization plus other, peripheral advertising services related to their area of specialization. These agencies are usually small in size.
6. **Media Buying Agencies:** It is an organization that specializes in buying radio and television time and reselling it to advertisers and advertising agencies. The services sells time to the advertisers, orders the spots on the various stations involved and monitors the stations to see if the ads actually run.

This trend for special media buying agencies started in the 1970s. Such agencies have a lot of contacts in the media and offer very low commission on media rates. Media buying agencies complement the creative boutiques. Also large companies use their specialized negotiating talents for buying media space and time.

#### **FUNCTIONS OF ADVERTISING AGENCY:**

[Advertising](#) agency is an independent service-rendering organization. It delivers various services and performs many functions for its clients, who are advertisers. It is mainly involved in activities like [planning](#), preparing and placing of ads in media. It also performs non-advertising functions for them. It offers them advisory and creative services. It does so to make a profit.

Following image depicts the major functions of advertising agency.



Eleven main functions of ad agency are as follows:

1. Attracting clients,
2. Research function,
3. Advertising planning,
4. Creative function,
5. Media selection,
6. Advertising budget,
7. [Coordination](#),
8. Sales promotion,
9. [Marketing research](#),
10. Non-advertising functions, and
11. Public relations.

## **1. Attracting clients**

Advertising agency needs clients (advertisers). Without them, it cannot survive.

Ad agency always tries to attract clients usually by giving ads in trade journals. It also seeks their attention by offering them various services. It offers expert, cheap and quick services. It maintains good relations with them. It tries to give them full satisfaction. It strives harder to attain their goodwill and customer-loyalty.

## **2. Research function**

Advertising agency gathers information related to the client's product.

It collects following information about a product under its research function:

- Features, quality, advantages and limitations of a product,
- Present and future [market](#) possibilities,
- Competition in the market,
- Situation in the market,
- Distribution methods,
- Buyers' preferences, so on.

Ad agency analyses (studies) all this collected information properly and draws conclusions for its research. It helps in planning an advertising campaign, selecting proper media and creation function.

## **3. Advertising planning**

Advertising agency plans the entire ad campaign of its client.

Advertising planning is a primary function of an ad agency. It is done when its research function is completed. That is, after analyzing the client's product, its competitors, market conditions, etc. It is done by experts who use their professional experience to make a result-oriented advertising-plan.

After making the advertising plan, it is shown to the client. If the client likes and approves it, then the plan is executed (put into action)

## **4. Creative function**

Advertising agency put the advertising-plan into action under its creative function.

Creation of ads is the most important function of an ad agency. Generally, it involves activities like:

- Copy writing,
- Drawing photographs,
- Making illustrations, layouts, an effective ad message, etc.

These jobs are done by experts like copy writers, artists, designers, etc. These people are highly skilled and creative. They make an advertisement more appealing. Attractive ads help to increase the sales of the product.

The ad agency must always use fresh ideas for creating ads. It must neither use old tactics nor copy the ad-campaign of other products.

### **5. Media selection**

Advertising agency helps an advertiser to select a proper media (ad platform) to promote his advertisement effectively.

Media selection is a highly specialized function of an ad agency. It must select the most suitable media for its client's ad. It must choose media, which has a potential to give best results for the lowest cost. It must select more than one media for the ad. For example, an advertisement can be put on television, the Internet, newspapers, magazines, etc.

After selecting the media, the ad agency must maintain good contacts with the media.

### **6. Advertising budget**

Advertising agency helps an advertiser to prepare his ad budget. It helps him to use his budget economically and make the best use of it.

Without a proper advertising budget, there is a risk of client's funds getting wasted or lost. If an advertiser suffers a loss, he may not bring new projects. As a result, there is a possibility of losing a potential client that can bring more business to an ad agency.

### **7. Coordination**

Advertising agency brings a good coordination between the advertiser, itself, media and distributors. This is a very important function. If coordination is proper, it will increase the sales of the product.

### **8. Sales promotion**

Advertising agency performs sales promotion. It helps an advertiser to introduce sales promotion measures for the dealers and consumers. This helps to increase the sales of the product.

### **9. Marketing research**

Advertising agency helps its clients to solve their marketing problems. It does so by conducting a marketing research for them.

### **10. Non-advertising functions**

Advertising agency also performs many non-advertising functions:

- It fixes the prices of the product,
- It determines the discounts,
- It designs the product,
- It also designs its package, trade marks, labels, etc.

These non-advertising services help an advertiser to increase its sales.

## 11. Public relations

Advertising agency does the public relations (PR) work for its clients. It increases the goodwill between its clients and other parties like consumers, employees, middlemen, shareholders, etc. It also maintains good relations between the client and media owner

### FACTORS CONSIDERED FOR AD AGENCY SELECTION:



**Evaluation Criteria  
Selecting Advertising Agency**

- **Size of agency**
- **Relevant experience**
- **Conflicts of interest**
- **Creative reputation**
- **Product capabilities**
- **Media purchasing capabilities**
- **Other services available**
- **Client retention rates**
- **Personal chemistry**

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**1. Years of experience:** While selecting an advertising agency, it is advisable to look into the number of years they have been in the industry. Not only does experience teach new things but also helps in recognizing what the client is actually looking for, this helps in saving both time and money.

**2. Where is it located:** World is now a global village and distance is no more a hurdle, however if given a choice, it is always better to look for an advertising agency which is located locally so that it is easy to establish an effective communication.

**3. Clientele:** In order to establish confidence at the first phase, it's wise to inquire about the advertising agencies current and past clientele. You will also be able to find out the kind of services they offer by looking into their past performances.

**4. Past performance:** As mentioned above, looking into the advertising agencies' past performance gives you a rough idea about the way they work and the end result which is delivered, accordingly you can also bid for price and set a cost structure.

**5. Attitude & Approach:** The initially stages of communication and inquiry will provide you a rough idea about the ad agencies' attitude. Since it's a creative field, therefore it is very important for the ad agency to be flexible and keep a positive attitude.

**6. Techniques and skills:** Try and look into their expertise and the services which they have rendered before. How successful an ad agency has been in the past does not always mean they would be able to do justice for you as well. Try and find out the skills they have and their forte and see whether it would match to your requirements.

**7. Cost:** Cost and pricing forms a very important part of any marketing or promotional activities. Make sure you take into consideration the total expenditure involved as well as arrangements for dispersal of expenses. It's better to discuss in advance how both the parties would like the payment to be, either fixed cost on an annual basis or a monthly payment on a flexible tenure.

**8. Applauds and recognition:** If you are looking to play safe then it's wise to hire an advertising agency which is already recognized and is known to be delivering good services, however if you are ready to experiment then sometimes small fish and new players also deliver quality results. They might not have medals to display but may prove their expertise.

**9. Size of the Agency:** big or small agencies. It again depends on the budget of the firm and its objectives.

**10. Reputation Of agency:** agency client relationship and the performance of agency must be studied.

## **ADVERTISING REGULATIONS IN INDIA**

The Indian advertising market as a whole is regulated and controlled by a non-statutory body, the Advertising Standards Council of India (ASCI).

The Advertising Standards Council of India (ASCI) established in 1985 is a voluntary self-regulatory council, registered as a not-for-profit Company under section 25 of the Indian Cos. Act with the objective of ensuring that all advertising should be legal, decent, honest and truthful along with a sense of social responsibility to the consumer and to the rules of fair competition.

### **Objectives of ASCI:**

The main objects to be pursued by the Company on its incorporation are:

- To monitor administer and promote standards of advertising practices in India
- Ensuring the truthfulness and honesty of representations and claims made through advertising and safeguarding against misleading advertising
- Ensuring that Advertising is not offensive to generally accepted norms and standards of public decency
- Safeguarding against the indiscriminate use of advertising for the promotion of products or services, which are generally regarded as hazardous to society or to individuals or which are unacceptable to society as a whole.
- Ensuring that advertisements observe fairness in competition and the canons of generally accepted competitive behaviour.

- To codify adopt and from time to time modify the code of advertising practices in India and implement, administer and promote and publicize such a code.
- To provide facilities and machinery in the form of one or more Consumer Complaints Councils having such composition and with such powers as may be prescribed from time to time to examine complaints against advertisements in terms of the Code of Advertising practices and report thereon.
- To give wide publicity to the Code and seek adherence to it of as many as possible of those engaged in advertising.
- To print and publish pamphlets, leaflets, circulars or other literature or material that may be considered desirable for the promotion of or carrying out of the objects of the Company and disseminate it through any medium of communication.

### **CONSUMER COMPLAINTS COUNCIL:**

The Board of Governors shall appoint Consumer Complaints Council, the number of members of which shall not be more than twenty one. Out of these 21 members, 12 are from civil society and nine from advertising practitioners. The CCC decides upon the complaints within a period of 4 to 6 weeks.

The Consumer Complaints Council shall examine and investigate the complaints received from the consumers and the general public, including the members of the Company, regarding any breach of the Code of Conduct and/or advertising ethics and recommend the action to be taken in that regards.

Power of the Consumer Complaints Council:

- i. Each Council shall be entitled to receive complaints from the Board of Governors, the Consumers, the general public and members of the Company.
- ii. Each Council shall enquire, investigate and decide upon the complaints received by it within the framework of the Code of Conduct adopted by the Company.
- iii. All the decisions of each Council shall be by simple majority, in writing and may specify the action to be taken in respect of the offending advertisement.

### **INTERNET ADVERTISING:**

Online advertising, also called online marketing or Internet advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers.

## 1. **Banner Ad**

A banner contains a short text or graphics to promote a product or service. Banner ad is an object on the webpage. It provides a hyperlink to the advertiser's website, Banner ad allows the users to open the advertiser's website as and when they click them, It provides information and at the same time persuades the buyer to buy the product.

2. **Pop-up Ad** Pop-up ad appears in its own window, when the user opens or closes a web page. Generally, pop-up-ads are considered very annoying and irritating. The in-built settings in browsers can block such pop-up ads.
3. **SEM Search Engine marketing** : Instead of paying for the actual ad, advertising pay each time users click on the ad to their website. Businesses benefit by gaining specific information about their market.
4. **SEO Search engine optimisation** : To gain a higher rank in search engine results, advertisers use various SEO tactics, such as linking, targeting keywords and meta descriptions and creating high level content that other sites will link to. While SEM is a paid strategy, SEO is organic, making it a sought out type of online advertising.
5. **Pay per click (PPC)** ads explain their concept right in the name. These are ads that advertisers only pay for when a user clicks on them, which contributes to the strength of PPC as a tool. If the ad was seen by 100 people and only 1 person clicked the ad, the cost of the ad revolves solely around the 1 who clicked. PPC ads are usually text, with a small image if at all. Keep in mind that 64.6% of people click on Google ads when they are looking to buy an item online.
6. **Affiliate Marketing**: Affiliate marketing is promoting a company's product while earning a commission for each sale that was made. It's essentially a 3-party advertising agreement between the advertiser, publisher and consumer. It's widely adopted with bloggers who have large numbers of followers and are looking to gain passive income.
7. **Video ads** are growing in popularity, especially with the younger generation of consumers. BI Intelligence reported that digital video will reach nearly \$5 billion in ad revenue and with the highest average click-through rate, 1.84%, of any digital format (2016). And the stats don't lie. 55% of consumers view videos in their entirety while 43% want to see more video content from markets.
8. **Social media advertising**: Social network advertising, also social media targeting, is a group of terms that are used to describe forms of online advertising that focus on social networking services. One of the major benefits of this type of advertising is that advertisers can take advantage of the users' demographic information and target their ads appropriately.

## **Facebook**

Facebook, the most popular social network, has developed a targeting technology which allows advertisements to reach a specific audience. This is within the Facebook product called Facebook Ads, which is available to users and businesses alike. While posting an ad through the Facebook Ad Manager, an advertiser is provided a set of characteristics that will define his target market. Facebook calls this audience targeting.

9. **Floating Ad**: A floating ad is a type of rich media Web advertisement that appears uninitiated, superimposed over a user-requested page, and disappears or becomes

unobtrusive after a specific time period (typically 5-30 seconds). The most basic floating ads simply appear over the Web page, either full screen or in a smaller rectangular window. They may or may not provide a means of escape, such as a close button. More sophisticated versions can come in any shape or size and include sound, animation, and interactive components. Floating ads use a variety of technologies, such as a combination of Flash and dynamic HTML (DHTML), and may have the ability to display differently according to the user's browser capabilities. United Virtualities and Eyeblaster are two advertising media companies that offer floating ads

#### 10. **E-mail marketing**

For many years this form of advertising has dominated the Internet and is no annoying, intrusive and ineffective: mass email advertisements.

In fact, we receive sooooo many email per day that we've become kind of immune to the advertising and don't need more than two seconds to send it straight to the Spam folder.

#### 11. **Remarketing**

Remarketing is one of the best Internet advertising techniques for both small and large advertisers.

It's not just a form of advertising but is rather a very good feature that allows you to create personalized advertisements that will be shown to users who have previously visited your website but didn't complete any conversion.

This solution is found within Google AdWords, the online advertising giant, and is mainly focused on Return on Investment. Therefore, it's an option you should consider if a lot of users are leaving your site without buying anything.

#### 12. **Advertising on cell phones**

This is without a doubt one of the advertising strategies on the Internet that has gained more popularity in the past years since practically **the entire world has a *smartphone*** or other type of mobile device they regularly connect with.