

ADVERTISING

Skill Development Course for B.Com & BBA

First Year Semester: 2

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Skill Development Course for B.Com & BBA

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FOREWORD

Since its establishment in 1976, Acharya Nagarjuna University has been forging ahead in the path of progress and dynamism, offering a variety of courses and research contributions. I am extremely happy that by gaining a 'A' Grade from the NAAC in the year 2014, the Acharya Nagarjuna University is offering educational opportunities at the UG, PG levels apart from research degrees to students from over 285 affiliated colleges spread over the two districts of Guntur and Prakasam.

The University has also started the Centre for Distance Education with the aim to bring higher education within reach of all. The centre will be a great help to those who cannot join in colleges, those who cannot afford the exorbitant fees as regular students, and even housewives desirous of pursuing higher studies. With the goal of bringing education in the doorstep of all such people. Acharya Nagarjuna University has started offering B.A, and B, Com courses at the Degree level and M.A,M.Com., L.L.M., courses at the PG level from the academic year 2021-22 on the basis of Semester system.

To facilitate easier understanding by students studying through the distance mode, these self-instruction materials have been prepared by eminent and experienced teachers. The lessons have been drafted with great care and expertise in the stipulated time by these teachers. Constructive ideas and scholarly suggestions are welcome from students and teachers invited respectively. Such ideas will be incorporated for the greater efficacy of this distance mode of education. For clarification of doubts and feedback , weekly classes and contact classes will be arranged at the UG and PG levels respectively.

It is aim that students getting higher education through the Centre for Distance Education should improve their qualification, have better employment opportunities and in turn facilitate the country's progress. It is my fond desire that in the years to come, the Centre for Distance Education will go from strength to strength in the form of new courses and by catering to larger number of people. My congratulations to all the Directors, Coordinators, Editors and Lesson -writers of the Centre who have helped in these endeavours.

Prof. P.Rajasekhar
Vice –Chancellor, FAC
Acharya Nagarjuna University

AP STATE COUNCIL OF HIGHER EDUCATION

B.A.B.Com & B.Sc Programmes Revised CBCS w.e.f 2020-21

Skill Development Courses Commerce Stream

ADVERTISING

Total 30 hrs (2hrs/wk) 02 credits & Maximum 50 M

Learning Outcomes:

After Successful completion of this course, the students are able to

1. Understand the field of Advertising
2. Comprehend opportunities and challenges in advertising sector
3. Prepare a primary advertising model
4. Understand applying of related skills
5. Examine the scope for making advertising a future career

Syllabus

UNIT I: 06 hrs

Introduction of advertising concepts – functions — Creative advertising messages – Factors determining opportunities of product / service/ idea.

UNIT II: 10 hrs

Role of advertising agencies and their responsibilities – scope of their work and functions – Ethical issues - Laws in advertising. Advertising Statutory Bodies in India- Role of Advertising Agencies Association of India (AAAI). Advertising Standards Council of India (ASCI)

UNIT III: 10 hrs

Types of advertising - Basic characteristics of a typical advertisement - Identifying and Reaching target groups - Local Advertising - feedback on Impact of advertisement– Business promotion.

Recommended Co-curricular Activities (04 hrs)

1. Collection and segmentation of Advertisements
2. Invited Lectures/skills on local advertising basics and skills
3. Visit to local advertising agency
4. Model creation of advertisements in compliance with legal issues
5. Assignments, Group discussion, Quiz etc.

Reference book and Websites:

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press Publications of Indian Institute of Mass Communications
4. Website on Advertising

MODEL QUESTION PAPER FORMAT

Max. Marks: 50

Time: 1 1/2 hrs (90 Minutes)

SECTION A (Total: 4x5=20 Marks)

(Answer any four questions. Each answer carries 5 marks)

(At least 1 question should be given from each Unit)

1. What is advertising? Explain the importance of Advertising.
2. Discuss various functions of Advertising.
3. What the Role of advertising agencies?
4. Explain different Advertising Statutory Bodies in India.
5. What are the Basic characteristics of a typical advertisement?
6. Local Advertising
7. Creative advertising messages
8. Identifying target groups.

SECTION B (Total: 3x10 = 30 Marks)

(Answer any three questions. Each answer carries 10 marks)

(At least 1 question should be given from each Unit)

1. What is product? What are the Factors determining opportunities of product
2. What is Association? Explain the Role of Advertising Agencies Association of India (AAAI)
3. What is feedback? Discuss about Feedback on Impact of advertisement?
4. What is Message? How can you Creative advertising messages?
5. What is Law? Explain various Laws in advertising.

ADVERTISING CONTENT

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LESSON 1

ADVERTISING: CONCEPTS & FUNCTIONS

Aims and Objectives

After studying this lesson student should be able to:

- Know the concept of advertising,
- Objectives of advertising
- Understand the features of advertising & types
- Importance of Advertising

Structure:

1.1 Introduction

1.2 Definitions of Advertising

1.3 Features of Advertising

1.4 Meaning of Advertising

1.5 Objectives of Advertising

1.6 Nature & Scope of Advertising

1.7 Functions of Advertising

1.8 Creative advertising messages

1.9 Summary

1.10 Technical Terms

1.11 Self Assessment Questions

1.12 Suggested Readings

1.1. INTRODUCTION

The word advertising derived from the Latin word "advertere" which means "to notify or to inform". Advertising means informing the public of the existence of a particular product or service. In other words, advertising defined as "non personal forms of presentation and promotion of ideas, goods or services by an identified sponsor through paid sponsorship." In short, advertising is an attempt to make a particular product or service known to the public and to create demand for the same.

The word advertising originates from a Latin word advertise, which means turn to. The dictionary meaning of the term is "to give public notice or to announce publicity". Advertising may be defined as the process of buying sponsor-identified media space or time in order to promote a product or an idea.

It has been wrongly assumed that the advertising function is of recent origin. Evidences suggest that the Romans practiced advertising; but the earliest indication of its use in this country dates back to the middle Ages, when the use of the surname indicated a man's occupation. The next stage in the evolution of advertising was the use of signs as a visual expression of the trade man's function and a means of locating the source of goods. This method is still in common use.

The seller in primitive times relied upon his loud voice to attract attention and inform consumers of the availability of his services. If there were many competitors, he relied upon

his own personal magnetism to attract attention to his merchandise. Often it became necessary for him to resort to persuasion to pinpoint the advantages of his products. Thus, the seller was doing the complete promotion job himself.

Development of retail stores, made the traders to be more concerned about attracting business. Informing customers of the availability of supplies was highly important. Some types of outside promotion were necessary. Signs on stores and in prominent places around the city and notices in printed matters were sometimes used. When customers were finally attracted to the store and satisfied with the service at least once, they were still subjected to competitive influences; therefore, the merchant's signs and advertisements reminded customers of the continuing availability of his services. Sometimes traders would talk to present and former customers in the streets, or join social organizations in order to have continuing contacts with present and potential customers.

As the markets grew larger and the number of customers increased, the importance of attracting them also grew. Increasing reliance was placed on advertising methods of informing about the availability of the products. These advertising methods were more economical in reaching large numbers of consumers. While these advertising methods were useful for informing and reminding and reminding, they could not do the whole promotional job. They were used only to reach each consumer personally. The merchant still used personal persuasion once the customers were attracted to his store.

The invention of hand press increased the potentialities of advertising. By Shakespeare's times, posters had made their appearance, and assumed the function of fostering demand for existing products. Another important event was the emergence of the pamphlet as an advertising medium. The early examples of these pamphlets disclose their sponsorship by companies want to generate goodwill for their activities. The low cost of posters and handbills encouraged a number of publishers to experiment with other methods.

1.2. DEFINITION

Advertising is impersonal communication of information about products, services or ideas through the various media, and it is usually persuasive by nature and paid by identified sponsors (Bovee,1992).

1.2.1. Advertisement can also be defined as below:

- i) According to **American Marketing Association** " has defined as "any form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor".
- ii) According to **Webstar**, "Advertising is to give public notice or to announce publicity".
- iii) According to **Gardner**, "Advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production".
- iv) According to **Koekemoer**, "advertising is a way of announcing what the organisation wants to sell. Its primary aim is to encourage potential consumers to react positively to the

propositions of the organisation. Mass media advertising, such as television commercials, targets large audiences with a relatively universal message.

1.2.2. The standard definition of advertising includes the main elements:

- i) Paid form of communication.
- ii) The presence of an identified sponsor.
- iii) Distribution through the media.
- iv) The presence of a specific audience for treatment.
- v) Lack of personalization of distributed information.
- vi) Aimed action.
- vii) It is a mass communication reaching a large group of consumers. It makes mass production possible.
- viii) It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person.
- ix) It is a commercial communication because it is used to help assure the advertiser of a long business life with profitable sales.
- x) Advertising can be economical, for it reaches large groups of people. This keeps the cost per message low.
- xi) The communication is speedy, permitting an advertiser to speak to millions of buyers in a matter of a few hours.
- xii) Advertising is identified communication. The advertiser signs his name to his advertisement for the purpose of publicizing his identity.

From this it follows that advertising is usually a non-personalized form of communication, paid by an identified sponsor, implemented in a certain way through the media and other legal means and aimed to familiarize with some products and its further acquisition by possibly large audience of consumers.

1.3. FEATURES OF ADVERTISING

- i) Communication:** Advertising is means of mass communication reaching the masses. It is a non-personal communication because it is addressed to masses.
- ii) Information:** Advertising informs the buyers about the benefits they would get when they purchase a particular product. However, the information given should be complete and true

iii) Persuasion: The advertiser expects to create a favorable attitude which will lead to favorable actions. Any advertising process attempts at converting the prospects into customers. It is thus an indirect salesmanship and essentially a persuasion technique

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

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

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

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

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

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

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

1.4. MEANING OF ADVERTISING:

Advertising is the action of calling public attention to an idea, good, or service through paid announcements by an identified sponsor. Advertisement is a mass communicating of information intended to persuade buyers to buy products with a view to maximizing a company's profits.

1.4.1. What is included in Advertising:

- i) The information in an advertisement should benefit the buyers. It should give them a more satisfactory expenditure of their rupees.
- ii) It should suggest better solutions to their problems.
- iii) The content of the ad is within the control of the advertiser, not the medium.

- iv) Advertising without persuasion is ineffective. The advertisement that fails to influence anyone, either immediately or in the future, is a waste of money.
- v) The function of advertising is to increase the profitable sales volume.

1.4.2. Advertising includes the following forms of messages:

The messages carried in-

- i) Newspapers and magazines;
- ii) On radio and television broadcasts;
- iii) Circular of all kinds, (whether distributed by mail, by person, thorough tradesmen, or by inserts in packages);
- iv) Dealer help materials,
- v) Window display and counter – display materials and efforts;
- vi) Store signs, motion pictures used for advertising,
- vii) Novelties bearing advertising messages and Signature of the advertiser,
- viii) Label stags and other literature accompanying the merchandise.

1.5. OBJECTIVES OF ADVERTISING

The fundamental purpose of advertising is to sell something – a product, a service or an idea Each advertisement is a specific communication that must be effective, not just for one customer, but for many target buyers. The objectives of advertising should be specific, it traditionally stated in terms of direct sales. Advertising seek to inform persuade and remind potential customers and may have a favourable reaction to the promotional message. In addition to this general objective, advertising is also used by the modern business enterprises for certain specific objectives which are listed below:

1.5.1. The basic objectives of an advertising programme may be listed as below:

- i) To sell something – a product, a service or an idea.
- ii) To introduce a new product by creating interest for it among the prospective customers.
- iii) To support personal selling program. Advertising maybe used to open customers' doors for sales man To reach people inaccessible to salesman.
- iv) To enter a new market or attract a new group of customers.
- v) To build brand awareness enhance the goodwill of the enterprise by promising

better quality products and services.

vi) To increase sales and build profits gradually.

vii) To attract the customers of competitors. Here the advertisers try to convince the customers to switch from the existing brand.

viii) To improve dealer relations. Advertising supports the dealers in selling the product. Dealers are attracted towards a product which is advertised effectively.

ix) To warn the public against imitation of an enterprise's products.

1.6.A. NATURE OF ADVERTISING

Advertising is the dispersal of information related to an idea, product or service to induce, motivate action according to the intention of the advertiser. It is a type of non personal communication, paid by the sponsor, very often a manufacturer or a trader, to inform the present and prospective customers about its product. Sometimes the sponsor can be a Government agency who advertises for the public to look after the public interest and welfare. The entire presentation made verbally or visually in print or broadcast through a demo in one or more mediums is called an —Advertisement. Advertisement is inclusive of all, the message, slogan, and all those activities that enhance the image of message (for example: action, copy design, color and contrast used) that reaches and is well understood by the target group. Such an advertisement creates and builds an image so that the viewer or listener gets interested in it, his interest gets transformed into a desire, and then finally, his interest changes into action, sales/consumption.

1. Paid Form: Advertising is an activity it is not a free of cost. It is paid form of presentation of an idea product and service an indirect way such as through the message send through media or communication.

2.Non-Personal Presentaion PromOTION: It is an impersonal attempt to present the message regarding product. Advertiser makes convenient to pass the advertising message to the target audience/market. In this promotion and presentation manufactures and consumers are not in personal contact with one another i.e. no direct contact involved between manufactures well as customer.

3. Ideas Good And Service: Advertising is not only to promote goods and services to see to the customers. It's also helps in social causes such as discourage smoking, conduct awareness on dangerous diseases and also donate the donations to help poor and also for natural disaster victims.

4. Identified Sponsor: Advertising of identified sponsor clarifies the doubt of difference between advertising and propaganda. Advertising and propaganda is to present certain ideas, opinions to influence public actions. In case of advertising sponsor ideas, opinions are known.

5. Controlled: The advertiser controls the advertising message through direction. Advertiser says what they want to say by selecting the message through media to the target audience. In case of publicity it is not controlled under advertiser.

6. Mass Communication: A group of audience can be reached by mass media such as news papers magazines, television, radio and outdoor displays. Through the communication of media multiple message are delivered to thousands of people simultaneously.

7. Persuasive Act: The main feature of advertising is to present and promote the ideas goods or services to achieve the predetermined goals and objectives through the communication.

8. It Is Not Neutral It Is Not Unbiased: Advertising cannot be said to be neutral or unbiased. All the ads that appear are controlled by the advertiser and also serve the advertiser interest in some way.

9. Competitive Act: In today's world of business competition is important manufacturers want to push their products and services to get maximum profit and satisfy the customers. Competition is mainly focused on quality and price and also brought to the notice of target audience.

10. Informative Act: Each and every advertisement is a piece of information to the listeners, readers and viewers and announces the arrival of new product to explain special features and explain the best use of the product. Information helps the decision of customers to buy the product or not to buy the product.

1.6.B. SCOPE OF ADVERTISING

The scope of Advertising has increased many-fold in past decade due to the intensified competition from both domestic and international sellers. In the age of technology, products are launched at fast pace and providing information to users at such a speed has further increased the importance of advertising. The scope of advertising is as follows,

1. Message: Advertising carries a message of the product. The message may be oral or visual. It is designed in a systematic and psychological manner to influence the future customers/new customers.

2. Media: With the help of media large number of advertising with their respective advantages and disadvantages cost and benefits of customer approachment with help of print and electronic media such as news paper, TVs and radio's.

3. Merchandise: The person who brought and sells the products to the customers' is called merchandise. The advertiser should demonstrate the attribute of the product and avoid the criticisms of a similar product of the competitor.

4. Advertiser: The advertiser is considered as a core institution of society and also helps the people in understanding merits and demerits of the product. So advertiser controls the message and media to benefit the society. A slight negligence on the part of advertiser should destroy the image of the product.

5. Objectives: Advertiser has certain objectives such as increase sales, creation of awareness and interest to the customer, introducing a new product these are the objectives which are fulfilled by the advertiser.

6. Activities: Advertiser assists the performance of certain activities of the advertiser and sponsor of the product. It also includes some of the activities are mass-communication (media), carrying messages, developing impression and build image of the particular product to the target customers.

7. Art And Science: Advertiser considers both art as well as science because both have the sum of some characteristics. It is an art the advertiser create his abilities and effective way of communication. Advertising is also a science based on a certain socio psychological factor which influences market decision and effective relations are made.

1.7. FUNCTIONS OF ADVERTISING

Effective communication is crucial to the organization, and advertising is an important tool which may be used to gain communication success. Advertising executes several important communication functions in order to attain the organization's promotional aims. To this end, advertising endeavors to provide information to the target market about the organization's brands, and to influence consumers to try the product. Furthermore, advertising keeps reminding the consumer of the brand, thus increasing its salience and the possibility that it will be chosen when a purchase need arises. This may also stimulate repeat purchases.

Advertising sets the brand apart through differentiation and builds brand value and customer loyalty to the brand. The value of the organization's brands is increased through advertising, as advertising has the power to impact on the consumer's perceptions and attitudes towards the brand. Increased advertising expenditure is linked to an increase in the perceived quality of brands. Finally, advertising, as part of the promotional toolbox, needs to support the other promotional elements of the organization. It should be integrated fully with the rest of the promotional and marketing mix of the organization in order for the organization to reach its goals.

1.7.1. ESSENTIAL FUNCTIONS OF ADVERTISING

Following are the essential functions of advertisement:

1. To introduce a product into market.
2. To attract and create interest in customers towards a product.
3. To encourage consumers to purchase a particular product.
4. To win loyalty and faith of consumers for a particular product.
5. To communicate different information about a product to existing customers.
6. To create, maintain and raise demand for a product.
7. To capture a share or place in the market.
8. To raise standard of living of society.
9. To face competition successfully.
10. To eliminate or minimise role of middlemen.
11. To explain and convince reasons for justifying price rise.
12. To reach far-away consumers for communicating messages.
13. To make a popular brand.
14. To make it easy for middlemen to sell products of an enterprise.
15. To communicate success of product/enterprise to the business world.
16. Immediate objective is to provide support for personal selling
17. Long-term objective is to increase firm's net profits .

1.7.2. THE VARIOUS FUNCTIONS MAY BE ANALYZED AS FOLLOWS:

i) Precipitation – Advertisement performs the function by stimulating needs and wants and creating a general awareness. It primarily focuses on what the product or services can do, offer, or provide.

ii) Persuasion: The comparative advertising generates persuasion. The consumer knows about the product or service and that often leads consumers to purchase the product. Persuasion may be through different appeals like, love, fear, shame, humour etc.

iii) Reinforcement – Advertisements reassure consumers that they have made the wise decision by buying a product or service. This generates a good feeling and serves the function of reinforcement.

iv) Reminder – An effort is made through advertisements to keep the company or brand name always fresh in the memory of the target audience..

v) Develops brand preference – The attributes of the products and services are highlighted through advertisement. The prospects or the consumers are assured of the quality and the use value of the product advertised. This will generate the consumer satisfaction and preference for the brand.

vi) Lower Prices – If the production costs and the selling costs are reduced, the effective price of the product will also come down.

vii) Competitive weapon – Advertising along with other promotional-mix elements, may prove to be an extremely powerful weapon to counteract the competitive market. The promotional efforts will generate brand image and loyalty and will help to develop the confidence of the consumers steadily.

viii) Disseminating Information: A primary function of all advertising is to inform people about the products and services of the advertiser. This function is particularly important in industrial marketing because purchases are so frequently made on the basis of facts and logic. If a professional buyer reads an ad at all, he will probably read it carefully, for trade journals and the ads they contain are one of his sources of information about product availability.

ix) Identifying New Customers: It is very unlikely that an industrial buyer would commit himself to the purchase of a product solely on the basis of information supplied by an advertisement. But buyers frequently can be induced to request additional information about a product or even to order small test lots of it on the basis of information that is presented in a well-written, highly factual advertisement.

x) Establishing Recognition: A resource file containing the names of firms selling products which the company regularly buys is standard equipment in many purchasing departments. This record generally contains pertinent information about each supplier, such as his reputation for quality and service, his financial standing, his price performance, his reliability, and other facts that bear on his usefulness as a source.

xi) Supporting Salesmen: Advertising can also be effective in preparing prospective customers for salesmen, in reaching personnel inaccessible to them, and in overcoming prejudice about the company or its products.

xii) **Motivating Distributors:** The industrial goods producer who sells through distributors or manufacturer's agents must convince them to devote sufficient time and energy to his products to sell them successfully. Otherwise, neither the manufacturer nor the middleman will derive much benefit from them.

xiii) **Stimulating Primary Demand:** It is sometimes profitable for the industrial goods manufacturer to promote demand for the products of his customers and prospective customers. This may be an effective way of increasing the use of materials or machinery manufactured by the advertiser. Steel companies, for example, have for years placed advertisements in consumer media promoting the virtue of products made of steel.

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

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

xvi) **Creation of Good Public Image:** It builds up the reputation of the advertiser. Advertising enables a business firm to communicate its achievement and its effort to satisfy the customers' need to the public. This increase in the goodwill and reputation of the firm is necessary to face competition in the market.

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

xviii) **Research:** Advertising stimulates research and development activities. Advertisement has become a competitive marketing activity. Every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every business firm to do more and more research to find new products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future.

xix) **Education to People:** Advertising educates the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their knowledge. It is advertising which has helped people in adopting new way of life and giving up all habits.

xx) **Helps in Increasing Sales Turnover:**

Advertising helps in increasing the sales turnover. It helps in creating awareness amongst its consumers and thus, improving the customer base of the product. It helps in creating as well as increasing the demand for the product. Due to this all the companies have huge advertising budget.

xxi) **It Builds Customer Loyalty:** Advertising not only helps in generating demand for a product but also helps in maintaining the customers. In-order to retain a customer, the

advertiser had to make him feel that he is paying much less than what he is supposed to. The real asset of a company is the loyal customer who creates his own tribe which is the plus point for the company where customers believe in the products and services of the company for the longest period.

xxii) Helps in Future Growth of the Business: Advertising helps in future growth of the business. Advertising is a creative activity which involves research and different dimensions of research will pave way for understanding the future needs of changing customer behaviours. Thus whenever the marketing mix undergoes changes, target market changes and accordingly product-portfolio also changes.

xxiii) Promotion Mix is the Strongest Component: Marketing mix involves four points including place, price, product and promotion. Each mix is important and complementary to each other. But promotion mix does a lot more. One may have a product of quality, reasonably priced, available at different outlets in right quantities and at the right time, but if the customers are not aware of the product then all the effort to increase the sales of the product will be futile.

xxiv) Provide Information: The manufacturer needs to provide the information related to the products, services or ideas to customers. To address the masses the manufacturer uses appropriate media of advertising. The advertiser needs to provide complete and true information. The advertiser expects to create a favourable attitude which leads to immediate sales. For example – The producer of laptop provides the information through television advertising about various aspects of laptop such as the price, quality, features, size, utility etc.

xxv) Consumer Choice: The advertising facilitates consumer choice. It enables consumers to purchase goods as per their requirements. The effective advertising needs to provide a right choice to consumers and ensure customer satisfaction. If the manufacturers provide more choice to customers it results in customer loyalty. For example – If a television manufacturer provides various product lines with regard to size, shape, colour, features etc. The customers will have the choice to purchase according to their requirements.

xxvi) Enhances Brand Image: Brands are the identification that differentiates one business from another through name symbol etc. The advertising enhances the goodwill of the company. It increases the market receptiveness of the company's products, services or ideas. It helps the salesmen to win customers easily. For example – Most of the people like to have branded products compared to local products.

xxvii) Enhancing Demand: The producers make use of advertising in different media to enhance the demand for their products, services or ideas. It creates a favourable climate for enhancing sales. The advertising helps to create a positive impact on customers about the products and the brand. It is an effective tool to motivate potential customers to purchase, avoid brand switching and encourages repetitive purchase. For example – The mobile phone manufacturer has come out with additional features in the existing mobile phone. It is very much required for the manufacturer to select appropriate media to communicate the targeted population to ensure increase in demand for mobile.

xxviii) Effective in the Market: In present scenario we find many companies manufacturing the same kind of products and services. It is essential for the manufacturer to create a positive image of his products and services. For example – When competitors are adopting intensive

advertising as their promotional strategy, it is sensible to follow similar practices to neutralize their effects.

xxix) Profit Maximisation: The objective of a company is to earn maximum profits. The advertising is a tool to achieve their profits. The effective advertising motivates the targeted audience to purchase and repurchase, thus resulting in enhanced sales volume.

xxx) Cost Effective: Advertising is a good idea as a sales tool. It helps to communicate the masses. It takes less time to communicate the information. It reduces the cost per customer. It is cost effective as it does most of the selling job for small items. For example – The advertising of small items such as biscuits, chocolates, ice cream etc. It can do a large part of the selling job for durable goods.

xxxi) Barring New Entrants:

The advertiser builds up a certain monopoly through advertisement. The advertiser ensure enhanced brand image through advertising over a period of time. The new entrants find it difficult to enter into the existing market.

xxxii) Economic Functions: All that advertisement has to do is to sell a product or service. This the advertisement accomplishes by communicating properly and effectively, by communicating to the right people, by communicating the right message, put across through brilliant and persuasive language, making use of appeals to different human motives.

xxxiii) Social Functions: Advertising has improved our standards of living. We realised how comfortable we could be in presence of AC, pressure pans and cookers, compact discs (CD'S) and music systems, autos and two-wheelers, polyesters and pop-corns, ball-point pens and antibiotics.

xxxiv) Psychological Functions: Advertising is closely linked to consumer behaviour. So it affects personality of the consumer, his concept of self, his attitudes, beliefs and opinions, his life-cycle and life-style etc. Advertising appeals to our physiological and psychological motives. Its appeals may be rational or emotional.

1.8 CREATIVE ADVERTISING

Creative advertising is defined as a strategy to effectively and creatively advertise a brand or product in a way that people remember them. It moves the customers and forms/changes their perceptions by connecting with them. A clever advertisement doesn't feel like an ad. Creative advertising is when a team of creative's come together to make a campaign or commercial that creatively and effectively tells the story of a brand or nonprofit. Creative equals brand recognition. Providing value to your customers by creating meaningful connections through creative in advertising is one way to create brand recognition. Consumers are more likely to resonate with an ad if it is something they can relate to or if it is relevant to their interests.

i) Process of selecting and presenting the messages: The creative part of advertising involves the process of selecting and presenting the messages. The business of conceiving, writing, designing and producing these messages is called “advertising creativity” and the key wordsmith is called a copywriter or copy chief or copy supervisor. The success of advertising depends to a great extent on the quality of the message or copy of advertisement rather than the money spent on advertising.

ii) Conventional theory of advertising: The conventional theory of advertising includes the concept of AIDA (Attention, Interest, Desire and Action). Most of the advertisers believe that the message in advertisement copy must attract the attention and interest of the consumer if buying is to result. But they forget that only good advertisement copy or good message can attract the attention and interest of the receiver until and unless the much advertise product attributes have a strong impact on consumers. The consumers come to know the existence of the product only through the advertisement. Advertising tries to persuade the consumers that they need the product. But if the product attributes fail to satisfy the need of buyers, good creativity will not pay.

iii) Creativity is an art. An artiste, writer, poet, novelists, play writer takes well known ideas, words and phrases and relates them in a fresh, often brilliant manner while preparing an advertising copy. They combine the product attributes and the ideas, words and phrases in such a manner that persuades the consumers to buy the product. This combination really represents an art or a creativity. A child can draw a smiling picture of a woman, but it does not carry a creative message of some worth.

iv) Purpose to achieve client's objectives : The advertising copy writer writes with a purpose to achieve client's objectives to express features or attributes of particular products and services, presented in terms of consumer benefits and in the language most appropriate to defined target audience.

v) Merchandise in ways : Thus advertising messages should present merchandise in ways that interest people in buying. Print ads and broadcast commercials portray products as problem solvers or methods where by wants and needs may be fulfilled. When creating, copy writer builds messages according to specific plans, to fulfill specific objectives; therefore he should follow a disciplined way in creating them. In the words of

Alfred Polite –“Advertising creativity has to follow rules which are guided by a well defined purpose, by an analysis of thoughts supplied by imagination, by a selection of the useful ones which meet the purpose.

You can write effective ads by following these five short tips.

- i) Use Short Sentences. Long sentences will not sell your ad, let alone your product.
- ii) Use Different Sentence Structures. ...
- iii) Keep Your Ad Short. ...
- iv) Close With a Statement That Calls Your Reader to Action. ...
- v) Re-Read and Rewrite as Necessary.

How to write a script for an advertisement

- i) Research. You can't write a script without researching what exactly your clients want and what they respond to. ...
- ii) Review the Mission of the Company. ...
- iii) Keep an eye on the competition. ...
- iv) Gather the troops. ...
- v) Put your best foot forward. ...
- v) Tell them what they need to know

1.8.1. Creating Advertising Message

Advertising message — is an idea an advertiser wants to communicate to their target audience. Its goal is to convince people to perform a certain action, such as registering, purchasing something, or making a reservation. A good message should be engaging, to the point, memorable, and lead to a purchase decision. Know your target audience. ...Focus on a few themes and keep your message simple. ...Differentiate your product or service from competitors' offerings. ...Emphasize what is fresh and new about your products or services. A visual message is any direct, mediated, or mental picture. Visual Message. There is a message in this work. Whether you understand it is dependant on how effectively principles of Visual Communication have been used.

An effective communication requires the messages source to create (encoding) a message that can be interpreted (decoding) by the intended message receiver. In advertising, the act of creating a message is often considered the creative aspect of carrying out an advertising campaign. And because it is a creative process, the number of different ways a message can be generated is limited only by the imagination of those responsible for developing the message.

When creating an advertising message the marketer must consider such issues as:

- i) General Message Factors
- ii) Message Structure
- iii) Message Testing
- iv) General Message Factors

A) Factors:

When developing the message the marketer must take into consideration several factors including:

i) Characteristics of the Target Audience: The makeup of the target audience (e.g., age, location, attitudes, etc.) impacts what is conveyed in the message.

ii) Type of Media Used: The media outlet (e.g., television, print, Internet, etc.) used to deliver the message impacts the way a message will be created.

iii) Product Factors: Products that are highly complex require a different message than simpler products. Additionally, the target market's familiarity with a product affects what is contained in a message. For instance, a new product attempting to gain awareness in the market will have a message that is much different than a product that is well-known.

iv) Overall Advertising Objective: As mentioned, the objective of the advertising campaign can affect the type of add that is designed. For example, an advertisement with the objective of stimulating immediate sales for an existing product will be different than an advertisement that seeks to build initial awareness of a new product.

B) How do you write an attractive marketing message?

Here are five tips for writing marketing texts that get read and produce results:
Be brief and focused. Your text message should be laser focused and succinct. ...
Here are five tips for writing marketing texts that get read and produce results:

i) Be brief and focused.

Your text message should be laser focused and succinct. There's no room for fluff in mobile marketing. Know who your target audience is and speak directly to it. Leave out extraneous details and simply describe how to take advantage of your offer and its benefits.

ii) Avoid hype, slang and abbreviations.

If your text message looks like spam, consumers will delete it without a second thought. It's critical that you leave out anything that might seem too slick and promotional. That includes marketing hype like "amazing" offers, slang and text abbreviations, all of which cheapen the perception of your brand and can destroy your campaign.

iii) Offer something of immediate value.

No one wants to receive texts from a company unless the messages offer something of immediate value. Because text messaging is an instantaneous medium, you should include real-time offers. Whether you're providing information about a sale or a new product, the message should describe the benefits of acting now.

iv) Identify yourself.

How often have you received a text that doesn't identify the company or brand? Instead, you often see a phone number you don't recognize and a vague message that could have come from any number of companies. And how often have you simply deleted those anonymous messages? It's essential that you clearly identify your business or brand to avoid getting the spam treatment.

v) Make consumers feel special.

Don't clutter consumers' text message inboxes with offers and news they could easily get from your website or your brick-and-mortar locations. Instead, make recipients of your texts feel they're special and have qualified for an exclusive promotion. Otherwise, they will most likely opt out of receiving any future texts from you.

1.9. SUMMARY:

Advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization. Advertising has become essential to promote sales, to introduce new product, to create good public, for large scale of production, for educating people etc. Advertising is the integral part of every day's life. Without advertising modern society cannot survive. Advertising is useful to society as it encouraging people to purchase goods and services it bridges the gap among people by communicating varied culture through advertising message, it contributes to bring about all

round development of the economy by increasing demand, it provides opportunities to people to improve their income.

1.10: TECHNICAL TERMS

- Advertising** : Advertising is the techniques and practices used to bring product services, opinions, or causes to public notice to persuade the public to respond in a certain way toward what is advertised
- Message** : A message is a discrete unit of communication intended by the source for consumption by some recipient or group of recipients.
- Modern society** : When society is industrialized it is considered to be modern society or it can be defined as people living together in current time. It is based on expansion of education, technology, industry and urban life. It has a complex culture changing with the time. Its base is materializing.
- Culture** : Culture can be defined as all the ways of life including arts, beliefs and institutions of a population that are passed down from generation to generation. Culture has been called "the way of life for an entire society." As such, it includes codes of manners, dress, language, religion, rituals, art.
- Contributes** : To give or supply (something, such as money or time) as a part or share contribute money to a cause contributed canned goods to the food drive

1.11. SELF ASSESSMENT QUESTIONS

1. Define advertising and explain its nature of advertising?
2. Define advertising and explain the main objectives of advertising?
3. Explain the features and characteristics of advertising?
4. What is advertising? Explain the importance of advertising?
5. What are the advantages and disadvantages of advertising?

1.12: SUGGESTED READINGS

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press Publications of Indian Institute of Mass Communications
4. Website on Advertising

Mr . P.V.V. KUMAR

LESSON- 2

FACTORS DETERMINING OPPORTUNITIES OF PRODUCT / SERVICE/ IDEA

Aims and Objectives

After studying this lesson student should be able to:

- Know the Classification of advertising,
- Understand the role advertising on Economy
- Importance of Advertising

Unit Structure:

- 2.1. Introduction**
- 2.2. Modern Advertising Methods**
- 2.3. Importance of Advertising**
- 2.4 Advantages / Merits of Advertising**
- 2.5. Disadvantages / Demerits of Advertising**
- 2.6. Problem and Prospects**
- 2.7. Factors Determining Opportunities of Product / Service/ Idea.**
- 2.8. Summary**
- 2.9. Technical Terms**
- 2.10. Self Assessment Questions**
- 2.11. Suggested Readings**

2.1. INTRODUCTION

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

Advertising is an expression and part of an economic system. Each economic system has an interesting relationship with the social system, political system and cultural value. Whatever be the character of the economic system, there are three basic features which are common to all are: i) Determination of goods and services and the quantities to be produced or offered. ii) Allocation of resources according to priorities of production-mainly land, labor and capital. iii) Distribution of goods and services among individuals and groups.

2.2. MODERN ADVERTISING METHODS

Advertising and marketing have become an essential part of the business world. If a person has a good product or an efficient service to offer, he has to master the art of selling it. Some advertising agencies stick to conventional advertising methods; most of the leading players are resorting to fresh and modern advertising methods. There is a new cult of modern advertisers who are experimenting with ideas that are truly modern and innovative. Newspaper advertisements and colored fliers are so old-fashioned. It is the era of saying hello to instant, quick, smart and out-of-the box ideas instead of associating advertising with the newspaper advertisements, television advertisements and radio advertisements. There are different types of advertising and advertising techniques that are available for promoting products and services. However, here are some of the latest and hottest trends in advertising that are gaining popularity. Advertisers are looking for new types of advertising appeals that they can target. Many of the new-age advertising methods are a result of the advent of the Internet, while some of the trends are just novel ideas that have transformed mundane advertising media into brilliant and witty advertising methods.

Internet advertising is a vast concept and it entails several sub-types, many of which have been recently introduced. Email advertising is one of the earlier trends, while the new ones include banner advertising, pixel advertising, blog advertising, keyword advertising and contextual advertising. The following are some of the most widely used modern advertising methods:

2.2.1. Web Banner Advertising: Unlike the billboard advertising which is used on roads, a similar type called banner advertising is used on the web. The horizontal advertisement strips that are seen at the top of almost every web page are nothing but the web banner advertisements. Web banners are usually constructed using images, or JavaScript, or any other multimedia objects and animation. Web banners are usually linked to web pages that are related to the content on the existing web site.

2.2.2. Bandwagon Advertising: This is a propaganda advertising technique, which aims at convincing the user that everyone else is using the products or everyone in the customer base, is in favor of the brand and so he/she must do so. This compels the consumer to at least think about buying that product and check what everyone else is raving about and in turn 'jump on the bandwagon'. Bandwagon advertising is a strategy that is based on consumer psychology and hence, is an effective advertising technique which can be used via any media print, electronic, or broadcast.

2.2.3. Promotional Advertising: Promotional advertising involves the use of promotional give-away items or promotional media events, which help to garner public attention and an effective way of advertising. Handing out promotional freebie is a modern advertising technique that is innovative and very effective.

2.2.4. Testimonials and Endorsements: An endorsement from a celebrity or a public figure is reason enough for certain customers to try a particular product. Such testimonials or endorsements are a great way to advertise particular products and services. Another evolved version of testimonial and endorsement is a new type called covert advertising which involves the use of brand names or actual products in movies or television shows.

2.2.5. Contextual Advertising: Contextual advertising is a very specifically targeted form of Internet marketing in which the advertisements are selected by automated systems based on the content being viewed by a particular user. The automated system scans the text of a

website for keywords and sends advertisements that match the content which the user is viewing. Many search engines also make use of contextual advertising for displaying advertisements on the search result pages, that the advertisements match the things that the user is looking up on the web. Google AdSense was the first 74 contextual advertising venture. After Google started this trend, there were many others like Yahoo! and Microsoft who followed suit.

2.3. IMPORTANCE OF ADVERTISING

Advertising has become an essential marketing activity in the modern era of large scale production and serve competition in the market. Advertising is efficiently used with at least one other sales method, such as personal selling or point-of-purchase display, to directly move customers to buying action. Advertising has become increasingly important to business enterprises – both large and small. The production cost per unit of output is lowered. It in turn leads to lower prices. Lower consumer prices then allow these products to become available to more people. It performs the following functions:

1. Promotion of Sales: It promotes the sale of goods and services by informing and persuading the people to buy them. Advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. A good advertising campaign helps in winning new customers both in the national as well as in the international markets.. Advertising is to stimulate market demand.

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

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

4. Mass Production: Advertising facilitates large-scale production. Advertising encourages production of goods in large-scale because the business firm knows that it will be able to sell on large-scale with the help of advertising. Mass production reduces the cost of production per unit by the economical use of various factors of production. Advertising helps to increase mass marketing while helping the consumer to choose from amongst the variety of products offered for his selection

5. Research: Advertising stimulates research and development activities. Advertising has become a competitive marketing activity. Every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every business firm to do more and more research to find new products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future. In India, advertising as a profession is in its infancy. Because of this fact, there is a tremendous scope for development so that it may be productively used for the benefit of producers, traders, consumers, and the country's economy.

6. Education of People: Advertising educates the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their

knowledge. It is advertising which has helped people in adopting new ways of life and giving-up old habits. It has contributed a lot towards the betterment of the standard of living of the society. The health department popularizes family planning through advertising labour organizations have also used advertising to make their viewpoints known to the public at large. Advertising assumes real economic importance too.

7. Support to Press: Advertising provides an important source of revenue to the publishers and magazines. It enables to increase the circulation of their publication by selling them at lower rates. People are also benefited because they get publications at cheaper rates. Advertising is also a source of revenue for TV network.

2.4. ADVANTAGES / MERITS OF ADVERTISING

Advantages of advertising are as follows:

- 1. Expansion of market:** It enables the manufacturer to expand his market. It helps in exploring new markets for the product and retaining the existing markets. It plays a sheet anchor role in widening the marketing for the manufacturer's products even by convey the customers living at the remote areas.
- 2. Increased sales:** Advertisement facilitates mass production to goods and increases the volume of sales. In other words, sales can be increased with additional expenditure on advertising with every increase in sale, selling expenses will decrease.
- 3. Fights competition:** Advertising is greatly helpful in meeting the forces of competition prevalent in the market. Continuous advertising is very essential in order to save the product from the clutches of the competitors.
- 4. Educates the consumers:** Advertising is educational and dynamic in nature. It familiarizes the customers with the new products and their diverse uses and also educates them about the new uses of existing products.
- 5. Elimination of middlemen:** It aims at establishing a direct link between the manufacturer and the consumer, thereby eliminating the marketing intermediaries. This increases the profits of the manufacturer and the consumer gets the products at lower prices.
- 6. Better quality products:** Different goods are advertised under different brands names. A branded product assures a standard quality to the consumers. The manufacturer provides quality goods to the consumers and tries to win their confidence in his product.
- 7. Supports salesmanship:** Advertising facilitates the work of a salesman. The customers are already familiar with the product which the salesman sells. The selling efforts of a salesman are greatly supplemented by advertising.
- 8. More employment opportunities:** Advertising provides and creates more employment opportunities for many talented people like painters, photographers, singers, cartoonists, musician and people..

2. 5. DISADVANTAGES / DEMERITS OF ADVERTISING

1. Add to costs: It is a medium for many advertisers to incur high cost compared to others. It increases cost of the products. To meet the expenditure the price of the product is raised.

2. Breaking up your favorite shows: Sometimes, people just want to watch that thriller shows straight through without having adverts but fortunately in between the shows the advertisement breaking up the action.

3. An online annoyance: Trying to stay absorbed in an online article when ads are popping up left, right and center can be very difficult.

4. A security risk: Sometimes accessing web pages or websites may also rise of “Adware” Malicious software that plants risky ads in the user computers.

5. Confuses buyers: Many a time distorted version of reality is shown in the advertising. They come to realize later that the information given in the advertisement was something else whereas the actual product was quite different from it.

6. Some advertisement is in bad taste: Many times, foul language and objectionable pictures are used in advertising in order to attract particular class. It causes decay of social values.

2.6. PROBLEM AND PROSPECTS

While advertising can be seen as necessary for economic growth, it is not without social costs. Unsolicited commercial e-mail and other forms of spam have become so prevalent as to have become a major nuisance to users of these services, as well as being a financial burden on internet service providers. Advertising is increasingly invading public spaces, such as schools, which some critics argue is a form of child exploitation. This increasing difficulty in limiting exposure to specific audiences can result in negative backlash for advertisers.

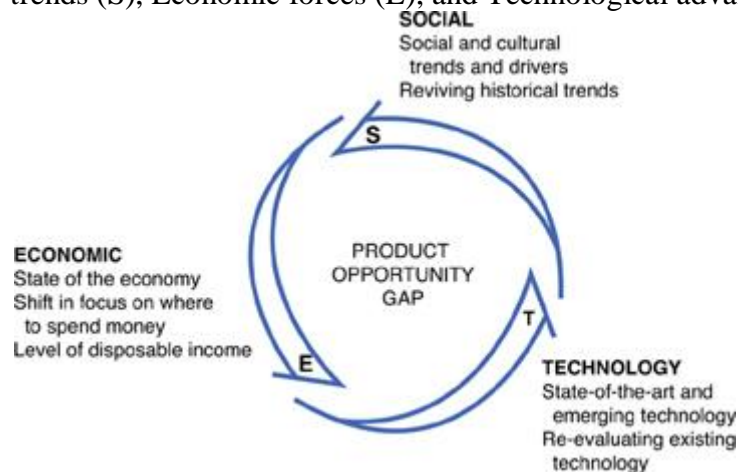
One of the most controversial criticisms of advertisement in the present day is that of the predominance of advertising of foods high in sugar, fat, and salt specifically to children. Critics claim that food advertisements targeting children are exploitive and are not sufficiently balanced with proper nutritional education to help children understand the consequences of their food choices. Additionally, children may not understand that they are being sold something, and are therefore more impressionable. The other criticisms include the change that are brought by those advertisements on the society and also the deceiving ads that are aired and published by the corporations. Cosmetic and health industry are the ones which exploited the highest and created reasons of concern.

2.7. FACTORS DETERMINING OPPORTUNITIES OF PRODUCT / SERVICE/ IDEA

2.7.1. *Identifying Product Opportunities:*

Identifying product opportunities should be the core force driving companies that manufacture products, supply services, and process information. A product opportunity exists when there is a gap between what is currently on the market and the possibility for new or

significantly improved products that result from emerging trends. A product that successfully fills a Product Opportunity Gap (POG) does so when it meets the conscious and unconscious expectations of customers and is perceived as useful, useable, and desirable. No one asked for a body monitor that integrated into daily activity before BodyMedia introduced the FIT System, and no one asked for an alternative hangout to a bar before Starbucks provided the coffeehouse as “your ‘third place.’” Successfully identifying a POG is a combination of art and science. It requires a constant sweep of a number of factors in three major areas: Social trends (S), Economic forces (E), and Technological advances (T) (see [Figure 1.2](#)).



[Figure 1.2](#). Scanning SET Factors leads to POGs.

2.7.2. Social Factor: Entertainment

Some of the most powerful trends in the country come from the entertainment fields. Entertainment is all about fantasy and desire. Movies can vary from pure diversion to infotainment or documentary; however, to succeed, every film must hold a person’s attention. Entertainment has all of the factors needed to make it a trendsetter: rapid turnover of products, access to investment capital, and a constant need to find the next story or special effect. Movie producers require a global distribution to maximize profit. They use powerful marketing techniques to get consumers into theaters and to buy or rent videos for their homes. The actors, clothing, activities, sets, and special effects create trends that lead to a variety of new aesthetic influences. The technology used in films has as much trickle-down or tech transfer as NASA and military research. The scenarios created through science fiction set expectations for new technologies and space exploration.

i) The social factors focus on culture and social interaction and include these:

- Family and work patterns (for example, the number of single parents with two jobs or the number of double-income households with flexible hours)
- Health issues (for example, people living longer with more active lives)
- Use of computers and the Internet

- Political environments
- Successful products in other fields
- Sports and recreation (for example, Gen-X snowboarders creating a new “loose-fitting grunge wear” fashion aesthetic and lifestyle)
- Sporting events (for example, the emergence of new, retro, or ultramodern state-of-the-art facilities and the athletes who perform in them)
- The entertainment industries, including film and television
- Vacation environments (for example, the fantasy fulfillment provided by Disney World, Las Vegas, and Club Med)
- Books (for example, Oprah’s Book Club)
- Magazines
- Music (from hip-hop to new classic-chic)
- Environments at work (that raise quality of workplace standards)

ii) Impact of advertising on modern society

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

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

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

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

Improve standard of living: Advertising is an economic activity. It provides opportunities to people to improve their income. It motivates people to consume more material and thereby improves their standard of living. Provide employment: Effective advertising generates demand for goods and services. High demand calls for more production which requires more of physical and human resources thus creating employment opportunities.

Objectionable and in bad taste: Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. Intrusive, repetitive, unreal, offensive and depressing are some of its unpleasant features.

Excessive fear appeal: The fear appeal in advertising creates anxiety that is supposed to be subsidized by an available product. Such appeals may create emotional disturbances in some audience members. Products like fairness cream, insurance or a germ killing toothpaste all tries to play with the fear factor.

Intrusiveness: An advertisement campaign moves with repetition from a period of effectiveness to acceptance, to a period of irritation.

Manipulation: Advertisements have the raw power to manipulate consumers. Many companies have the capacity to obtain large numbers of advertisement exposures, which is not good for healthy competition.

Effects on Values and Life-Style: Advertising receives wide exposure as it is disseminated through mass media. It has an effects on what people buy and thus on their activities. It is a persuasive vehicle which has an impact on the values and life-style of society. The impact of advertising has its negative as well as positive side.

The relationship of advertising to materialism: Advertising creates or fosters materialism. Materialism is defined as the tendency to give undue importance to material interests. People buy high-end luxury products for social status. It reflects changing values and attitudes that are created by more significant sociological forces.

Advertising plays role in creating harmful stereotypes of women and ethnic minorities. Contribution of advertising in promoting harmful products: The harmful products like tobacco, alcohol are promoted through surrogate advertising.

2.7.3. Economic Factor: The 90's Boom and Bust

The economic boom in the 1990s created multimillionaires overnight through IPOs, stock options, and individual investment in the stock market. Excess disposable cash resulted in a void in material goods that these young, geeky, intelligent, socially responsible, technology oriented—and rich—new group of consumers sought. Lifestyle-oriented products, at times excessive, that filled this void include recreational SUVs, clothing, tech products, PDAs that connect through the Web for constant stock price monitoring, and the proliferation of coffeehouses.

The second major SET Factor is Economics. The economic factors focus on real or perceived excess income that gives people purchasing power. This results in a state we call *psycheconometrics*: the spending power people believe they have to buy the products and services they believe will enhance their lifestyle. These factors are influenced by the overall strength of and forecast for the economy, fuel costs, raw material costs, loan rates, availability of venture capital, the stock market and its forecasts, and real disposable income. Other economic issues that influence product development come from understanding who has the income, who is doing the purchasing, and for whom the purchasers are buying. As social factors change, where people spend their money changes.

The SET Factors generate opportunities for producing new products that can have an effect on the way people live their lives at any given moment. The goal is to create products and services by identifying an emerging trend and to match that trend with the right technology and understanding of the purchasing dynamics. The window of opportunity is often small—a product that comes out either too early or too late can fail even if the opportunity existed

initially. For example, in the 1970s, AMC introduced the Pacer, a shorter, wider car with a larger window area to maximize the internal sense of space. Many of the attributes that the Pacer incorporated became the goal of all car manufacturers in the two decades that followed. As another example, the Apple Newton was an early PDA with many of the attributes of smartphones today, but cost and size compromised its appeal beyond the lead users and early adopters.

i) Impact of Advertising on developing the economy

Advertising plays a crucial role in developing the economy of the country. Advertising effects on production cost, distribution cost and prices are discussed below

Creates demand: Advertising creates demand and expand market size for the product. Production results various economies such as better utilize of expenses, availability of good quality raw material at lower prices, availability of better machinery. These results the cost of production.

Spending higher amounts: Advertising costs is a part of selling and distribution cost spending higher amounts on advertising increases distribution cost for distributing the products and services to the consumers. Less selling efforts are required by the salesman, personal selling's is required. Then the sales are increased and distribution cost comes down.

Reduce the prices :Advertising is used to reduce the prices. Advertising results in reduction on production cost and distribution cost. So advertising increases the market share and attracting the customers, and reduce the advertiser prices. It is also helped in reducing he prices of the competitor's products.

Attracting the new customers: In case of new products, advertising creates the demand and educating the audience regarding creates the demand and educating the audience regarding the usage of the product. The old products emotional appeals. So advertising creates additional demand by attracting the new customers with replacement of existing customers.

Promotes competition: Advertising promotes competition among different brands of the same product. The company offering good quality products at reasonable price in the competition. When one advertiser launches the schemes and offers other advertisers follows the same. It also promotes consumer choice.

Effect on consumer choice: Advertising has favorable effect on consumer choice. Advertising gives information about various brands, products available in the market their features price, place and availabilities etc. Consumer can make comparative study of all such choices to purchase suitable products. Without advertising customers/consumers not able to know a built various available brands.

Business cycle : Advertising helps in reducing the extent of business cycle. In period of recession advertisers increase their ad-expenditure to revert their falling sales. In boom period advertisers decreases their ad-expenditure and they sell their entire production with less advertising efforts. More advertising is required in recession period and less advertisings in boom period to increase the sales.

Service sector increase exports : Advertising promotes demand increases productive and industrial activities promote growth in agriculture growth in service sector increase exports etc. All this results in increase in national income also promotes the standard of living of customers. But advertising creates demand promote new products expand markets promotes production and thus results in increase of national income.

Creates time utility: Advertising creates time place and perception utility. In case of seasonal products it creates time utility. In case of off-seasonal products it creates demand utilities. In case of earlier products sold it creates the utilities demand. In case of perception utility it creates positive image of product in the minds of audience.

Created employment: Advertising has created both direct and indirect employment to various persons in the society. Now-a-day advertising is a big industry. It provides employment to persons in various jobs like copywriter artists, graphic designers, painter, models, music, actors, etc. At present lakhs of people working in advertising industry.

2.7.4. Technology Factors: Computers to Genetics

Fifty years after the first computers cranked out calculations to help the U.S. win World War II, the always-increasing power and speed of each month's latest PC chip has brought computing into every part of modern life, from the home PC, to the car transmission, to the oven, to the stereo, and now to everyone's Smartphone, iPod, and iPad. The latest technologies, from micro electro mechanical systems (MEMS) in automobile airbags to layered manufacturing technologies creating structures for tissue growth, will lead to the emergence of new industries and applications. The first genetic fingerprint of the human species in the year 2000 and the first cloning of Dolly the sheep in 1997 have already begun to open up a new century of technological advancement, new products, and new—and potential—lifestyle influences.

The Technology factors focus on direct and imagined results from new scientific discoveries in corporate, military, and university research and the implied capabilities stemming from that research. These factors include the amazing growth in computing power predicted by Moore's Law (Intel co-founder Gordon Moore's prediction in 1965 that the number of transistors per square inch on integrated circuits would double every year) and the analogous reduction in physical size of peripherals and supporting functions; new material and manufacturing advances; electrical, mechanical, and chemical innovations; aerospace and military technologies; film and sports entertainment technologies; and micro-, nano- and biotechnologies. The capability for sensors within products to consistently connect to external systems in real time has generated a plethora of new product service options.

Successful new products become necessary once they hit the market. Most consumers are not even aware they need the product because they are immersed in the trend. If the company hits

the trend at the point it is just catching on, the product will become instantly desirable. The length of a trend, combined with the product's attributes of use and usability, determines the lifetime of the product.

2.8. SUMMARY

Advertising plays a crucial role in developing the economy of the country. Advertising promotes demand increases productive and industrial activities promote growth in agriculture growth in service sector increase exports etc. All this results in increase in national income also promotes the standard of living of customers. But advertising creates demand promote new products expand markets promotes production and thus results in increase of national income.

2.9. TECHNICAL TERMS:

Crucial : The definition of crucial is something that is essential or vitally important. An example of crucial is information that a bomb is about to go off.

Productive : Productivity is a philosophy of life, a state of mind. Being efficient means doing, at every moment, what we consciously choose to do and not what we feel we are doing forced by circumstances. Productivity means adopting an attitude for continued improvement.

Agriculture growth : The resilience of the farming community in the face of adversities made agriculture the only sector to have clocked a positive growth of 3.4 per cent at constant prices in 2020-21, when other sectors slid. The share of agriculture in GDP increased to 19.9 per cent in 2020-21 from 17.8 per cent in 2019-20.

Service sector : The service sector, also known as the tertiary sector, is the third tier in the three-sector economy. Instead of product production, this sector produces services maintenance and repairs, training, or consulting. Examples of service sector jobs include house keeping, tours, nursing, and teaching.

2.10. SELF ASSESSMENT QUESTIONS

1. What are the different classifications of Advertising?
2. What is the role of advertising on economy of the nation?
3. Explain the Role of Advertising in the Society?
4. What do you know about creative message

2.11. SUGGESTED READINGS:

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press
Publications of Indian Institute of Mass Communications
4. Website on Advertising

Dr. SREEDHARA RAMESH CHANDRA

LESSON 3

ADVERTISING AGENCIES- AN OVERVIEW

Aims and Objectives

After studying this lesson student should be able to:

- Know the concept & the Functions of advertising agencies
- Reveal the Role & Responsibilities of advertising agencies
- Analyse the Ethical Issues of Advertising

Unit Structure

- 3.1. Introduction**
- 3.2. Role of advertising agencies**
- 3.3. Responsibilities of advertising agencies**
- 3.4. Scope of advertising agencies**
- 3.5. Functions of advertising agencies**
- 3.6. Ethical issues in advertising agencies**
- 3.7. Laws in advertising**
- 3.8. Summary**
- 3.9. Technical Terms**
- 3.10. Self Assessment Questions**
- 3.11. Suggested Readings**

3.1. INTRODUCTION

The first Advertising Agency was William Taylor in 1786 followed by James “Jem” White in 1800 in London and Reynell & Son in 1812. An Advertising Agency is selected by a manufacturer trader to present the advertisement on his behalf. The advertiser who does not have the capacity of carrying out advertising activities take the help on services of advertising agencies who are specialized in those fields.

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 work of a tailor is to collect the raw material, find matching threads, cut the cloth in desired shape, finally stitch the cloth and deliver it to the customer.”

3.1.1. Meaning

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

agency conduct the production activities of visualization, layout, illustration, headlines, copy etc. They also help in the selection of proper media and the frequency at which the advertisement should be presented. Thus, the advertising agency relieves the burden of the trader or manufacturer of the responsibility of advertising, production and distribution.

3.1.2. Definition of Advertising Agency

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

According to **American marketing Association**, "An Advertising agency is an independent business organization composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods and services."

Advertising Agency is an independent business organization specialized in advertising related work which undertakes the work of planning, preparing, and executing advertising campaign for its clients. Advertising Agency is a body of experts specialized in advertising.

3.1.3. Advertising Agency performs following activities for its clients:

i) Planning: Advertising agency studies the product or services of clients to identify the inherent qualities in relation to competitor's product or services, analysis competition and marketing environment to formulate advertising plan.

ii) Preparing: After the study of product, competition, and marketing environment the experts of agency has to write, design, and produce the advertisement, it is also called formulation of ad-copy.

iii) Executing: Now, media is selected for time or space, ad is delivered to media, checked, verified, and released in media. After ad release payment is done to media and client is billed for the services provided.

3.1.4. Types of Advertising Agencies :

There are basically 5 types of advertising agencies.

i) Full service Agencies: Large size agencies. ... Deals with all stages of advertisement. Different expert people for different departments. Starts work from gathering data and analyzing and Ends on payment of bills to the media people.

ii) Interactive Agencies: Modernized modes of communication are used. ... Uses online advertisements, sending personal messages on mobile phones, etc. The ads produced are very interactive, having very new concepts and very innovative

iii) Creative Boutiques: Very creative and innovative ads. .. No other function is performed other than creating actual ads. Small sized agencies with their own copy writers, directors and creative people.

.iv) Media Buying Agencies. Buys place for advertise and sells it to the advertisers. Sells time in which advertisement will be placed. Schedules slot sat different television channels

and radio stations. Finally supervises or checks whether the ad has been telecasted at opted time and place or not.

v) In-House Agencies: As good as the full service agencies. Big organization prefers these type of agencies which are in built and work only for them.

These agencies work as per the requirements of the organizations. There are some specialized agencies which work for some special advertisements. These types of agencies need people of special knowledge in that field. For example, advertisements showing social messages, finance advertisements, medicine related ads, etc.

3.2. ROLE OF ADVERTISING AGENCIES

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.

All companies can do this work by themselves. They can make ads, print or advertise them on televisions or other media places; they can manage the accounts also. Then why do they need advertising agencies? The reasons behind hiring the advertising agencies by the companies are:

- i) Creating an advertise on the basis of information gathered about product.
- ii) Doing research on the company and the product and reactions of the customers.
- iii) Planning for type of media to be used, when and where to be used, and for how much time to be used.
- iv) Taking the feedbacks from the clients as well as the customers and then deciding the further line of action.
- v) The agencies are expert in this field. They have a team of different people for different functions like copy writers, art directors, planners, etc.
- vi) The agencies make optimum use of these people, their experience and their knowledge.

3.2.1. Agency Selection Criterion Following are some points to be taken in account while selecting the advertising agency:

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

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

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

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

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

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

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

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

3.2.2. Service Rendered By an Ad Agency

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

Selection of Clients:

The first and the foremost function of an advertising agency is to contact and select clients who are desirous of advertising their products, services or anything which they want to sell. The preference in contacting and choosing the clients is given to those firms which have sound values, able management, efficient operative products and services. The financial position, size and nature of business, efficient management and operative products etc. must be given due weight.

Media Selection:

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

Advertising Planning:

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

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

Creative Function:

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

Research Function:

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

Approval of the Client:

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

Marketing Function:

The advertising agency also performs marketing functions such as selecting target consumers, designing products and packages, developing channels of distribution strategy, determining prices and rate of discount etc. It gives useful advice to its clients with regard to the nature and trend of the market conditions. Accordingly, the client produces goods keeping in his mind the prevailing conditions in the market.

Evaluation Function:

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

Coordination Function:

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

3.3. RESPONSIBILITIES OF AN ADVERTISING AGENCIES

Communication is the key to all major activities associated with marketing and advertising is the one that requires it the most. Advertising is an essential component of marketing that allows you to propagate your promotional message to your target audience and encourage them to engage with your business in the most creative way possible. The role of advertising

is not to gain maximum eyeballs but to convert the limited number of eyeballs watching a specific advertisement.

An advertising agency masters this art of smart persuasion. It employs all its resources for conveying the message of a brand to its target audience for reeling them in and making them want to engage with the brand. All types of advertising agencies help brands in taking a creative way with their campaigns and cater to the specific demands of a specific bunch of customers. Such agencies are often melting pots of several innovative ideas shared by people with a variety of perspectives.

Have a look at some of the key roles and responsibilities of an advertising agency:

i) Conducting A Thorough Research

No brand would want to launch an advertising campaign without conducting extensive research pertaining to several aspects. An advertising agency assists brands to do the same. The structure of advertising agencies is such that a team is dedicated specifically to conducting researches and providing the brands with the results. Market research is the most prominent and productive research conducted by an advertising agency. It is always advisable to be well-versed with the market you are catering to. The research provides important findings of the trends in the market, preferences of the target audience, and other relevant information.

Market research involves keeping a track of the competitors as well. An advertising agency would help you analyze the strategies of all your competitors (especially the market leaders) and learn from the same. This helps you in realizing what works in a specific market and to target better.

ii) Developing Advertisements

This is the core of an advertising agency. The creative department is dedicated to developing ads that are consumed by the target audience across different media platforms. This department is involved in activities that form the basis of all advertising services. Here, the copies of ads are developed, scripts of ad films are written, logos and posters are designed, taglines are decided, and advertisements are produced. This is the most creative and visionary role of advertising agencies as it involves the manifestation of ideas in the form of advertisements featured on multiple platforms.

iii) Media Planning And Buying

A lot depends on the media platforms chosen by you for showcasing your ads. An advertising agency helps you in selecting the media that is best suited for your brand.

This decision is taken based on the goals of your campaign, the audience that you are targeting, the message that you are propagating, and the product/service that you are selling. This role of advertising agencies does not involve choosing the maximum number of media platforms but choosing the ones that provide maximum traction to the brand.

Moreover, an advertising agency assists you in buying space, time, or slots on the media platforms chosen. This decision is taken largely on the basis of the audience targeted and their consumption habits.

Today, digital advertising agencies have been planning and buying spaces on digital platforms as well. As more and more consumers are switching to digital media, ad spaces on Facebook, Google, Instagram, YouTube, and other relevant platforms have become increasingly popular.

iv) Account Management

In terms of advertising, the account is referred to as the client managed by an advertising agency. This is a fairly sensitive and dynamic role of advertising agencies.

Account managers are responsible for bridging the gap between the clients and all other departments in an advertising agency. It is they who arrange client meetings and understand their goals, needs, and preferences. The profiling done by the account managers forms the basis of an advertising campaign.

Right from the client acquisition to final follow-ups, account executives keep a track of all the needs of the client and receive feedback from them pertaining to the ongoing advertising campaigns.

v) Budgeting

No marketing activity can be carried out sustainably without charting out a budget for the same. It is the responsibility of an advertising agency to ascertain your budget requirements and help you formulate a fixed advertising budget.

Ad agencies provide an extensive account of all the expenses to be incurred and revenue likely to be generated over a specific period of time. This helps businesses in making important decisions pertaining to their ad campaigns and their core business processes.

vi) Sales Promotion

Although the core objective of an advertising agency is to persuade the target audience in engaging with specific businesses, they help their clients with sales promotion from time to time.

Sales promotion involves a set of activities dedicated to driving more sales by hard-selling and closing sales cycles faster. This is often a short-term incentive provided to the customers, making them buy the products/services of a brand, and improving the sales figures.

Sales promotion activities require to be advertised in an impactful way and an advertising agency ensures that it persuades the target audience to be a part of sales promotion and drive more sales for the business.

vii) Public Relations

Although this is not the key role of advertising agencies, several agencies extend their services by helping their clients out with public relations (PR).

Public relations involve a set of activities that are dedicated to creating and maintaining a favorable image of a business in the market. Unlike the hard-selling of products and services, public relations are focused on selling the essence of the brand.

For example, if a chain of luxury hotels resorts to a PR campaign, the campaign would not involve letting the audience know about the features of the hotel and asking them to engage with them directly. Instead, it will revolve around the importance of a vacation and a luxurious stay to get rid of all stress.

viii) Developing Marketing Strategies

On the basis of the research conducted, an advertising agency helps businesses in developing a powerful marketing strategy and implementing the same in the form of an advertising campaign.

Depending on your marketing goals, budget requirements, and the target audience you want to cater to, advertising agencies create advertising campaigns for a specific period of time. It is the agency's responsibility to keep their client in the loop at all times and be transparent at every stage of the campaigns.

ix) Personalizing Marketing Communication

Over time, the need for personalized marketing has increased at a notable speed. Today, customers only want to see the ads of brands they are willing to engage with and the products they want to purchase.

An advertising agency helps businesses in tailoring their marketing communication according to the specific needs of their customers. Practices like selective targeting help brands reach out to their audience at the right time, on the right platform(s), and with the right message. This increases the chances of a prospect being converted and a deal closing.

An advertising agency holds a very special place in the realm of marketing because of being directly associated with revenue generation. It is a creative amalgamation of ideas and innovative applications of the same.

No matter what your requirements are and what your budget constraint is, there are several types of advertising agencies to help you sell your products/services in the best way possible.

3.4. SCOPE OF ADVERTISING AGENCIES

The scope of advertising is to communicate a message to current customers or potentially target new customers. It helps a company get a message or a piece of information across to their customer base regarding a new product or special deal.

From being one of the newest and smallest markets, India is now among the top 10 countries. According to the Pitch Madison Ad Report 2017, the Indian advertising industry grew by almost Rs 5,500 crore in 2016, adding about 12.5 percent to AdEx to reach Rs 49,480 crore.

3.4.1. Defining the scope of advertising agency services to determine agency compensation

The significant development of the scope of work approach for agency fees. While the predominant agency fee model is still resource based, such as retainers and project fees increasingly important for both advertisers and their agencies is a measure of productivity and value. Therefore the ability to measure and manage the agency scope of work has become increasingly important beyond the basics and how to start measuring scope of work shared here. If you would like to read more on Agency Scope of Work you will find it here.

Think of the marketing plan as the blueprints for a construction of some sort. After all we refer to it as brand building so the metaphor is not that far removed. In developing the plans for the building we need to take into consideration the end use (objectives) the style (brand personality) and the budget (budget).

As clearly the plans will determine the scope of work, which will determine the tasks to be delivered, which will determine the level and type of resources required, which will then determine the cost of those resources, then throw in the materials (production) and all together it will then determine the overall cost.

Yet defining the scope of work can be a difficult and apparently almost Herculean task for some marketers.

3.4.2. The usual problems with determining scope of work are:

1. The marketing plan does not currently exist (no plans, no approval)
2. The budget is unconfirmed or changing (clearly someone with deep pockets)
3. The details of the marketing plan are unclear (someone who is indecisive)
4. The requirements are defined by the business, not marketing (you are actually the architect and the real client is somewhere else)

3.4.3. Let's look at some of the different ways a scope of work can be developed.

i) Defining the scope of work by budget

If there is a budget allocated for advertising and promotion within the marketing budget, then at the very simplest and highest level this can be compared to the previous year's budget. Simple allocations of media versus non-media spend can be factored into the equation and a proportion of the budget allocated on the basis of the variation to the previous year's resource plan can be calculated.

While quite rudimentary, this is based on the fact that many agencies will work out revenue projections based on the advertisers proposed spend along the lines of the traditional media commission for media agencies or extraction rate for creative agencies.

ii) Defining scope of work by deliverables

While the budget or proposed spend can define a basic volume of work, it does not take into consideration the complexity, which can impact significantly on the resources required.

Only by developing a marketing/advertising plan and projecting the type of deliverables required can you begin to develop a detailed scope of work from which the agencies can develop a proposed resource plan.

Even in the media space, a number of smaller media campaigns can be more resource consuming than one major campaign, while online media planning and optimisation is significantly more resource consuming than many traditional media campaigns.

For creative work, allocating the type of deliverables (TV, Online, Mobile, Press, Magazine etc) based on the previous campaign requirements can be more insightful than having no scope at all.

iii) Defining scope of work by strategy

If trying to lock in the deliverables proves too difficult or constraining, then another valid approach is to define the strategic requirements by brand or category and develop a scope of work based on past requirements and remuneration for similar strategic deliverables.

This could be defined a number of ways, such as “new product launch”, or “Tier 1, 2 or 3 activity”, or “Maintenance” etc. Each of these would then be related back to a previous similar activity and the remuneration paid to the agency. This obviously requires a level of transparency into the cost paid in the past.

iv) Managing changes to the scope of work

Where the marketers are unable to provide a defined scope of work, there is often a move to secure an “all in” remuneration model. We call this the “All you can eat model” because typically it becomes like a marketer feeding frenzy of agency services until the agency runs out of resource allocation.

While this may appear easy, the problem is that without a base scope of work initially, even with the best intentions, there will quickly develop conflict between the agency and advertiser if the scope outstrips the resources covered by the remuneration level. If you have no scope of work and the agency is not complaining about the level of remuneration, it could be that the level is about right or possibly much higher than required.

3.5. FUNCTIONS OF ADVERTISING AGENCIES

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

Selection of Clients : The first and the foremost function of an advertising agency is to contact and select clients who are desirous of advertising their products, services or anything

which they want to sell. The preference in contacting and choosing the clients is given to those firms which have sound values, able management, efficient operative products and services. The financial position, size and nature of business, efficient management and operative products etc. must be given due weight.

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

Advertising Planning: The third as well as the major function of advertising agency is the advertising planning for its clients. For this purpose, the advertising agency requires a detailed knowledge of the firm's products, its advertising history, market conditions, channel of distribution, knowledge of competitors' products and their advertising techniques, field to be covered, nature and type of consumers etc. Next planning job is to decide about the advertising medium in which the advertisement is to appear. The advertising message must be adapted to the medium in which it is to appear.

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

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

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

Marketing Function: The advertising agency also performs marketing functions such as selecting target consumers, designing products and packages, developing channels of distribution strategy, determining prices and rate of discount etc. It gives useful advice to its clients with regard to the nature and trend of the market conditions. Accordingly, the client produces goods keeping in his mind the prevailing conditions in the market.

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

Coordination Function: The last but not the least important function of the advertising agency is to establish effective coordination with client's sales force and distribution network

to ensure the long running success of the advertising campaign. Each time the advertising agency contacts the client regarding advertising media to be used and the number of times the advertisement is to be repeated after giving effect to changes, if any, as suggested by the advertiser.

Research Function: Ad-agency performs various research functions like- research of different media, media cost, media reach, circulation, entry of new media, information regarding ratings, and TRP's of TV programmes, serials.

Accounting Function: Accounting function of ad-agency includes checking bills, making payments, cash discounts allowed by media, collection of dues from clients payment to staff, payment to outside professional's like-writers, producers, models, etc.

3.6. ETHICAL ISSUES IN ADVERTISING AGENCIES

A mail survey reports on ethical problems faced by 330 advertising agency executives. The most frequently cited difficult ethical problem is "treating clients fairly." Creating honest advertisements and representing clients whose products or services are unhealthy or not needed were also frequently mentioned. Many agency executives reported that such ethical problems affect both their performance and their relationships with co-workers.

3.6.1. *Journal Information*

As the premier journal devoted to the development of advertising theory and its relationship to practice, The Journal of Advertising serves as a public forum where ideas about advertising can be expressed and debated. The journal covers all research related to the various types of advertising, giving special attention to research dealing with the economic, political, social, and environmental aspects of advertising, and methodological advances in advertising research. Other topics of interest recently covered include the assessment of advertising effectiveness, advertising ethics, and global issues surrounding advertising.

3.6.2. *Publisher Information*

Building on two centuries' experience, Taylor & Francis has grown rapidly over the last two decades to become a leading international academic publisher. The Group publishes over 800 journals and over 1,800 new books each year, covering a wide variety of subject areas and incorporating the journal imprints of Routledge, Carfax, Spon Press, Psychology Press, Martin Dunitz, and Taylor & Francis. Taylor & Francis is fully committed to the publication and dissemination of scholarly information of the highest quality, and today this remains the primary goal.

Ethics is a set of moral principles, norms or values. It is a branch of social science. It deals with good and bad with reference to a particular culture. It refers to the moral duty and obligation and advertiser has towards the society. Moral principles are the rules or standards of what is "right" or "wrong". Every advertising tries to persuade the people. In the modern competitive market each advertiser wants to win over his rivals by effective advertising. In this process, there are chances of hiding truth and facts in order to succeed in increased sales and profit. But the advertiser has social and moral duty or obligation towards consumers.

An advertiser should maintain a high degree of ethical stands i.e. he must inform the facts or truth to consumers. An advertisement with false claims may succeed in short run but

it will definitely give a bad name to the product in long run. Because one can fool some people all the time, and all the people for sometime, but one can not fool all the people all the time. If unethical practices are continued they will destroy the image of the business as a whole and advertising itself will become less effective.

3.6.3. Some of the moral codes developed in advertising are :

- i) It should avoid attacking competitors unfairly.
- ii) It shall be free from offensive to public decency.
- iii) It shall make clearest claims regarding price reduction guarantees etc.

3.6.4. Ethics, as a tool of communication

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

- i) Ethics in advertising means that the advertisers should do only good advertising, meaning thereby honest advertising. It means that only true facts, no exaggeration and no lies, about the product, service, idea or institution should be stated, in clear terms, in the ad.
- ii) Ethics in advertising also means that only good products, services and ideas should be advertised and that took to the right consumers. Advertising for products like cigarettes, beer, whisky, rum, gin, tobacco, panparag and other harmful products should be avoided.
- iii) Ads showing testimonials should be restricted to competent persons, who must express honest views and choices.
- iv) Ads in poor taste and offensive to public decency with double meaning tone must be avoided.
- v) Ads should avoid attacking unfairly competitors. In sum, advertising should be honest, objective, informative and persuasive in contents.

3.7. LAWS IN ADVERTISING

Advertisements have been the core source of spreading awareness. They create a kind of belief or a kind of trust which build in the minds of the people and makes it easy for businesses. It is a well-accepted fact that the role of advertising, in the twenty-first century, has grown enormously, further it would not be wrong to say that, not only in earlier times people use to rely on advertisement for the purpose of information but even to this day it is considered as one of the most prevailing medium and has its own influence in the modern times. In India, there is no uniform legislation relating to the advertising industry.

At present in India, there is no central statutory agency or uniform legislation regulating the advertising industry. The Indian advertising market as a whole is regulated and controlled by

a non-statutory body, the Advertising Standards Council of India (ASCI). In India, there is no uniform legislation relating to the advertising industry. The present paper briefly discusses the historical background and development of the concept of advertisement. The paper focuses on the different laws governing advertisements with an emphasis on what is prohibited in advertisements

With the ever-growing influence of advertisements in our society and the rapidly changing trends in the industry, the current system of patchwork regulation is no longer sufficient to effectively regulate the advertising sector.

With advertisements ranging from blinged-up billboards to subtle Instagram posts, Consumers are more vulnerable than they ever have been. Traditional issues of advertising such as misleading prices, deceptive representations, and labelling issue etc. have now joined hand with modern day troubles of 'sponsored' movie shots or even paid social media posts.

On the other hands for businesses, the increasing stakes associated with advertisements have made it crucial that they have requisite clarity as to what they can or cannot do. Further, with growing competition, most businesses entities themselves need protection from their contemporaries disparaging their products or otherwise indulging in unfair trade practices.

Consequently, the nation's advertising laws have to stay synchronised with the rhythm of the dynamic and innovative advertising industry. The need for a uniform statutory framework regulating advertisements has become more urgent than it ever was, and the hope remains that the prayers for such codification of advertising laws would soon be answered by the nation's legislature.

3.7.1. LAWS RELATING TO UNFAIR TRADE PRACTICES

Anti-trust or competition law in India has provisions to protect the consumers against "unfair trade practices". The **Competition Act, 2002** prohibits the making of any representation to the public which is false or misleading in a "material respect".

An unfair trade practice means the practice of promoting sale, use or supply of any goods or services in a manner that involves an "unfair method" or "unfair deceptive practice"

Rule 7(9) of the **Cable Television Network Rules, 1994** provides that "*No advertisement which violates the standards of practice for advertising agencies as approved by the Advertising Agencies Association of India, Bombay, from time to time, shall be carried in the cable service.*"

Consumer's right

There can be said to be two categories of misleading advertisements.

The first kind pertains to the **violation of the consumer's right to information and to choice**. Such advertisements relate to non-health issues that can cause mental agony and, or financial loss to the consumer.

The second kind of misleading advertisements include health and nutrition related claims, and they are a violation of the right to safety of the consumer and can cause prejudice to the health of consumers.

Steps Taken

- i) Ministry of AYUSH issued a directive to clamp down on misleading ayurveda ads, and asked the ASCI to identify ads that violated its advisory.
- ii) ASCI had issued advisory urging advertisers to fully substantiate their Covid-related claims through recognised testing facilities.
- iii) It has implemented the influencer advertising guidelines, making it mandatory for influencers to label promotional content in their posts.
- iv) In the year 2016, the Ministry of Information & Broadcasting cast a mandate on all commercials and advertisements to follow the ASCI Code

3.8. SUMMARY

The Ad Agencies conduct market research, consumer research, product research etc. for the manufacturer or trader. A full-service advertising agency provides various services like, Media Selection, Advertising Planning, advertising messages, theme of advertisement etc. While selecting the advertising agency some points are to be observed such as Location, Facilities and Services Provided, Imaginations and creative skills of the personnel of agency, the reputation of the advertising agency, , the size of the advertising agency etc. Since advertising agency is an independent business organization, it may be in the form of a sole proprietorship, partnership or Joint Stock Company form of organization. The advertising industry consists of the advertising agencies, the advertisers, the media and the ancillary services.

3.9. TECHNICAL TERMS

Ad Agencies : Firms may decide that they would like to employ an external firm to

carry out advertising for them. The external firm is known as an advertising agency. Examples of international advertising agencies include WPP and Omnicom group

Market research: Market research is the process of determining the viability of a new service or product through research conducted directly with potential customers. Market research allows a company to discover the target market and get opinions and other feedback from consumers about their interest in the product or service.

Advertising messages: Advertising message — is an idea an advertiser wants to communicate to their target audience. Its goal is to convince people to perform a certain action, such as registering, purchasing something, or making a reservation.

Imaginations : The act or power of forming a mental image of something not Present to the senses or never before wholly perceived in reality. 2a : creative ability. b : ability to confront and deal with a problem : resourcefulness use your imagination and get us out of here.

3.10. SELF ASSESSMENT QUESTIONS:

1. What is an Advertising Agency; explain the functions of an Advertising Agency.
2. What is meant by an Advertising Agency? What are its main functions?
3. State and explain the functional organization of Advertising Agency.
4. What are the services rendered by an advertising agency?
5. What Factors would you keep in mind while selecting an Advertising Agency?
6. Explain the concept of ethics in advertising?

3.11. SUGGESTED READINGS

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press
Publications of Indian Institute of Mass Communications
4. Website on Advertising

Mr . P.V.V. KUMAR

LESSON-4

ADVERTISING STATUTORY BODIES IN INDIA

Aims and Objectives

After studying this lesson student should be able to:

- Role & Responsibilities of Advertising Statutory Bodies in India
- Advertising Standards Council of India (ASCI)
- To know the Functions of ASCI

Unit Structure:

- 4.1. Advertising and Social Responsibility
- 4.2. Advertising Standards Council of India
- 4.3. Consumer Complain Council
- 4.4. Advertising Agencies Association of India
- 4.5. Techniques And Importance Of Advertisement In Indian Market
- 4.6. Summary
- 4.7. Technical Terms
- 4.8. Self Assessment Questions
- 4.9. Suggested Readings

4.1. ADVERTISING AND SOCIAL RESPONSIBILITY

Advertising has a strong social responsibility, independent of its known commercial responsibility. Advertisers should have a deeper sense of social responsibility and should develop their own set of ethical and social norms taking into consideration the values of their society.

Culture is total of tangible and intangible concepts that define a way of life culture includes art literature, music (tangible) and knowledge, morals, customs, laws etc. (intangible). It covers the attitude and values of the whole society which are passed from one generation to another. Habits, customs, attitude, beliefs and values are thus, a part of culture. Advertising is a product of culture. Advertising is an art of persuasion, but still people buy only those goods and services which they needs. What they purchase is the outcome of the cultural values. The consumer's behaviour is influenced by his family status, family life cycle, social relations, opinion leaders, reference groups etc.

The value system is ever changing with the passage of time. With these changes on value system, the role of advertising keeps pace with the changing times. Once a particular set of values have been accepted by a society, the advertising as a social and business process tries to bring all those goods and services which are made to respect the value system. Critics of advertising points out that mass media supported by advertising have encouraged what is popular rather than what is good and in doing so have encouraged materialistic values rather than cultural ones. They cite the examples of films, serials that are shown on TV and on the

big screen, which depicts scenes of rape, murders, and other acts of violence and crime. However, there are various social, religious and educational institutions to guide the people of a particular society in their behavior.

On the other hand, supporters claim that advertising do upgrade the cultural values for the betterment of the society. They cite the instances of advertising campaigns on family planning, drug abuse, noise pollution and other such public awareness advertising. Thus it can be concluded that advertising upholds and upgrades the cultural values in several respect but in some cases advertising may be directly or indirectly responsible to the evil craze of materialism.

4.1.1. Effects of Advertising on Society

In today's world of cutthroat at competition every organization is investing heavily in advertising. Advertising is necessary to make a new product popular in the market and to increase the sales of existing brands. Advertising plays an important role in brand building and informing public about available products so that they can make informed choice among different products or brands.

Advertising is a powerful medium of mass communication. As advertising is a form of mass communication and thus just like other popular forms it too have some social responsibilities associated with it. However, the question is whether advertising fulfill its social responsibilities or not.

Advertisements are meant for the masses and people relate themselves with this medium. Thus, for understanding its responsibilities towards the public, its positive and the negative aspects needs to be understood.

The purpose of an ad is to influence you to purchase the product. If you select one brand of product over another brand of product, say a loaf of bread which you need, that's one thing. But, if you go out and purchase a product you don't need because an ad convinced you that you "had to have it", that's excessive consumption, which is wasteful. Also, ads sometimes position a product as a status symbol - the cool thing to have - and if someone can't afford that product and buys a lesser expensive version (say, sneakers) they might be ridiculed by their peers.

4.2. ADVERTISING STANDARDS COUNCIL OF INDIA (ASCI)

The Advertisement Standards Council of India (hereinafter, "ASCI") was established in the year 1985 under Section 25 of the Companies Act, 1956. It has been defined as a "voluntary, self-regulatory council" which has been registered as a non-profit company. The ASCI team consists of a Board of Governors, members of the Consumer Complaints Council and a Secretariat. The Board of the ASCI consists of a governor and 16 members, which comprise of members of reputable firms including media agencies, advertisers and other individuals involved with the advertising business. It is important to note that the ASCI is not a government body and is not responsible for formulating rules for the general public. The Consumer Complaints Council is the body responsible for examining and investigating complaints from consumers and the public at large in relation to any contravention of the Code of Conduct of the News Broadcasting Associations and advertisement ethics.

Ancillary services: The sponsors of the ASCI, who are its principal members, are firms of considerable repute within industries in India, which comprise of advertisers, media, and advertising agencies and other professional or ancillary services connected with advertising practice. The ASCI is not a Government body, nor does it formulate rules for the public or for the relevant industries.

Guidelines for ethical : There are certain laws, standards and codes which provide guidelines for ethical and professional management of business. These laws are called self regulation laws. These self-regulation laws provide guidelines for the advertisers, publications and advertising agencies. These laws mainly prohibit those aspects of advertising which are either untruth or harmful to the society. There are more chances of being wrong or untruth advertisements in the market, which mislead the consumers. Unethical advertisements not only harm the consumers but it also produces losses to the society. In long run such advertisements don't succeed.

Code for Self-Regulation: It has adopted a Code for Self-Regulation in Advertising. It is a commitment to honest advertising and to fair competition in the market-place. It stands for the protection of the legitimate interests of consumers and all concerned with advertising – advertisers, media, advertising agencies and others who help in the creation or placement of advertisements. As the Code becomes increasingly accepted and observed pro-actively, three things will begin to happen. i. Fewer false, misleading claims ii. Fewer unfair advertisements iii. Increasing respectability

Protection of healthy, effective advertising : This only means more freedom for an agency to practice their craft or carry on their business effectively. As a member of ASCI, one can mould the course of Self-Regulation and participate in the protection of healthy, effective advertising. One can have a say, through the Board of Governors, in the further development of the Code and future appointments to the Consumer Complaints Council (CCC). Membership of the ASCI (open only to Firms) entitles one to appoint nominee to discharge one's function as a member, including standing for election to the Board of Governors and voting at general meetings.

Encourage the public: ASCI encourage the public to complain against advertisements which they consider to be false, misleading, offensive or unfair. All of these complaints are evaluated by an independent Consumer Complaints Council (CCC).

4.2.1. ASCI's Mission

ASCI has one overarching goal- to maintain and enhance the public's confidence in advertising. ASCI seeks to ensure that advertisements conform to its Code for Self-Regulation which requires advertisements to be:

- i. Truthful and fair to consumers and competitors.
- ii. Within the bounds of generally accepted standards of public decency and propriety.
- iii. Not used indiscriminately for the promotion of products, hazardous or harmful to society or to individuals particularly minors, to a degree unacceptable to society at large.

The Advertising Standards Council of India (ASCI) became more powerful after a recent Government notification in The Gazette of India: Extraordinary {Part II – sec. 3(i)}, on 2 August 2006 by which TV commercials must abide by the Advertising Standards Council of India (ASCI) code. The amendment made in Cable Television ‘Networks (Amendment) Rules, 2006 now states that “(9) No advertisement which violates the Code for Self-Regulation in Advertising, as adopted by the Advertising Standards Council of India (ASCI), Mumbai for public exhibition in India, from time to time, shall be carried in the cable service”.

4.2.2. Codes of ASCI

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

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

4.2.3. Characteristics of ASCI

The codes laid-down by ASCI have following characteristics:

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

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

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

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

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

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

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

4.2.4. 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 with a view to.

- i) Ensuring the truthfulness and honesty of representations and claims made through advertising and safeguarding against misleading advertising.
- ii) Ensuring that Advertising is not offensive to generally accepted norms and standards of public decency.
 - i.
- iii. 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.
- iv. Ensuring that advertisements observe fairness in competition and the canons of generally accepted competitive behavior.
- v. 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.
- vi. 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.
- vii. To give wide publicity to the Code and seek adherence to it of as many as possible of those engaged in advertising.
- viii. 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

4.2.5. Functions

- i) The ASCI has adopted a self-regulating code, in its commitment to further the interests of the consumers.
- ii) The ASCI also invites complaints from consumers against any such unfair, untruthful and false claims and advertisements; all of such complaints are examined independently by the Consumer Complaints Council.

- iii) ASCI picked up advertisements of several other categories such as paints, apparel, detergents, skin care, ACs, fans, water purifiers, plywood and laminates, supplements and food – all promising Covid-related benefits,
- iv) It deals with complaints related to online real money gaming ads in Jan-March 2021 and released detailed guidelines for the sector

It examines whether the advertisements are in violation of The Drugs and Magic Remedies Act.

ASCI was formed with the support of all four sectors connected with Advertising -- Advertisers, Advertising Agencies, Media (including Broadcasters and the Press) and others like PR Agencies and Market Research Companies. The Consumer Complaints Council (CCC) is ASCI's heart and soul.

4.3. CONSUMER COMPLAINTS COUNCIL (CCC):

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.

4.3.1. 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.

ASCI propagates its Code and a sense of responsibility for its observance amongst advertisers, advertising agencies and others connected with the creation of advertisements, and the media.

ASCI encourages the public to COMPLAIN against advertisements with which they may be unhappy for any reason and ensures that each complaint receives a prompt and objective consideration by an impartial committee Consumer Complaints Council (CCC) which takes into account the view point of the advertiser, and an appropriate decision is communicated to all concerned. ASCI endeavors to achieve compliance with its decisions through reasoned persuasion and the power of public opinion.

The Role and Functioning of the ASCI & its Consumer Complaints Council (CCC) in dealing with complaints received from consumers and industry, against ads which are considered as false, misleading, indecent, illegal, leading to unsafe practices, or unfair to competition, and consequently in contravention of the ASCI code for self-regulation in advertising.

If an ad is to be reviewed for its likely impact on the sensibilities of individual viewers of TV, or readers of press publications, it is required to convey to the advertiser concerned, the substantial issues raised in the complaint, in the exact context of the specific ad, as conveyed by the perception of the complainant, and to elicit the appropriate response by way of comments from the advertiser.

Only then will the CCC of the ASCI, be in a position to deliberate meaningfully on the issues involved, and to arrive at a fair and objective conclusion, which would stand the scrutiny of all concerned with the right to freedom of expression, and the freedom of consumers to choose the products /services made available to them in the marketplace.

For this it is required to have a clearly readable copy or clipping of the ad under complaint, with full particulars of name and date of publication, or a printout of an ad or promotion on a website or in case of a T.V. Commercial (TVC), the channel, date and time or programme of airing, and a description of the contents of the TVC, along with a hard copy of the complete complaint preferably signed by the complainant.

The ASCI receives and processes complaints against ads, from a cross section of consumers, the general public and Industry, in the interests of all those who rely on advertising as a commercial communication, and this covers individuals, practitioners in advertising, advertiser firms, media, ad agencies, and ancillary services connected with advertising. As a policy ASCI does not disclose the identity of the complainant to the advertiser.

In the case of complaints which were upheld by the CCC during the past year, over 80% of such ads have been withdrawn or modified appropriately by the advertisers or ad agencies involved, and the concerned media have also confirmed that they would not carry such offending ads/TVC.

4.4 ADVERTISING AGENCIES ASSOCIATION OF INDIA (AAAI)

Advertising Agencies Association of India is a private company that has been in the industry for 77 years. The company currently specializes in the Marketing and Advertising area. The position of the President is occupied by Ashish Bhasin. Its headquarters is located at Mumbai, Maharashtra, IN. The number of employees ranges from 25 to 100. The annual revenue of Advertising Agencies Association of India varies between 100K and 5.0M. To connect with Advertising Agencies Association of India employee register on SignalHire.

The Free Press of India (FPI) was the first news agency in the country to be both owned and managed by Indians. Sadanand said that he had planned its creation in 1923 and that it was actually established in 1925.

The Advertising Agencies Association of India (AAAI) is the official, national organization of advertising agencies, formed in 1945, to promote their interests. so that they continue to make an essential and ever-increasing contribution to the nation, by working towards the following objectives:

Two people are employed at Advertising Agencies Association of India. Advertising Agencies Association of India is based in Mumbai, Maharashtra. The NAICS codes for Advertising Agencies Association of India are [541810, 541]. Membership in AAAI is open to **anyone with an interest in artificial intelligence research and development**. The AI Magazine is published quarterly and is emailed in a searchable digital format to all current AAAI members. Membership in AAAI is open to anyone with an interest in artificial intelligence research and development. The AI Magazine is published quarterly and is emailed in a searchable digital format to all current AAAI members.

The Advertising Agencies Association of India (AAAI) offers programmes and services that give significant benefits to members. The association promotes professionalism, through its founding principles which uphold sound business practices between advertisers and advertising agencies and constituents of the various media. The AAAI today is truly representative, with a very large number of small, medium and large-sized agencies as its members, who together account for about 80% of the advertising business placed in the country. It is thus recognized as the apex body of the advertising industry at all forums – advertisers, media owners, associations, and even Government, as the spokesperson for the advertising industry.

The AAAI is thus a true association, in the sense that a large number of its members are directly involved with one or more of the active committee groups and the remaining members are in touch through direct communication. Only such agencies that are independent, committed to the cause of advertising, financially sound and who offer professionalism and expertise in order to fulfill their obligations to consumers, advertisers and media are accepted as members of AAAI. Key benefits include: Source of Information, Active participation in AAAI programmes, Access to Peer Groups, Professional Development, Membership Benefits.

AI ethics is a set of guidelines that advise on the design and outcomes of artificial intelligence. Human beings come with all sorts of cognitive biases, such as recency and confirmation bias, and those inherent biases are exhibited in our behaviors and subsequently, our data.

Advertising agencies association of India Dentsu is currently the largest advertising agency and the fifth largest advertising agency network in the world in terms of worldwide revenues. It is one of the Top 10 Advertising Companies in India. To benefit Indian consumers and to protect their interests by helping ensure that advertising is honest and in good taste. To benefit Indian advertisers by promoting their sales, increasing their sales and increasing productivity & profitability, to stimulate business and industrial activity.

The Directorate of Audio Visual Publicity is the nodal agency to undertake multi-media advertising and publicity for various ministries and departments of the Government of India.

4.4.1 Objectives of AAAI:

To benefit Indian consumers and to protect their interests by helping ensure that advertising is honest and in good taste.

To benefit Indian advertisers by promoting their sales, increasing their sales and increasing productivity & profitability, to stimulate business and industrial activity.

To benefit media by establishing sound business practices between advertisers and advertising agencies and each of the various media owners.

To benefit the nation by harnessing advertising for the good of the country, its institutions, its citizens to co-operate with the Government in promoting its social objectives and in the task of nation-building.

To question advertising that is wasteful and extravagant to make it possible for the small entrepreneur to grow through advertising and to compete with the biggest to encourage market and media research to serve society by meeting its social responsibilities.

To encourage the interest of young individuals in the business of communication, to assist in education and training programmes and to provide information of benefit to members. Non-members are also provided this service for a fee.

To establish a common platform in building and sustaining the prestige of the advertising profession and to serve as a spokesman against unwarranted attacks or restrictions on advertising.

To establish a forum where representatives of advertisers, advertising agencies, media owners and Government can meet on mutual ground and examine problems of mutual concern.

To offer effective co-operation and liaison with Government officials and bodies for the purpose of broadening their understanding of the role of advertisers, advertising and advertising agencies.

To co-operate with Government bodies in discussion of matters such as taxes, radio and TV advertising, legislation, political campaign advertising, controls on pharmaceuticals, tobacco or liquor advertising and other subjects of similar complexity and sensitivity.

The AAAI today is truly representative, with a very large number of small, medium and large-sized agencies as its members, who together account for almost 80% of the advertising business placed in the country. It is thus recognised at all forums - advertisers, media owners and associations, and even Government - as the spokesperson for the advertising industry.

To benefit Indian consumers and to protect their interests by helping ensure that advertising is honest and in good taste. To benefit Indian advertisers by promoting their sales, increasing their sales and increasing productivity & profitability, to stimulate business and industrial activity.

AAAI has been behind the National Readership Survey as a joint industry initiative in collaboration with INS and ABC. Having felt the need for a self-regulating body in Advertising, AAAI was highly supportive to the formation of Advertising Standards Council of India (ASCI). AAAI enjoys a healthy relationship with Indian Society of Advertisers (ISA). Time and again, AAAI has been called upon by its members to resolve disputes with advertisers for which formal Arbitration proceedings have been conducted. AAAI also assists our members to collect payment from defaulting advertisers.

4.4.2. Digital Agencies

Advertising Agencies Association of India (AAAI) will now allow digital agencies to be a full-fledged independent member. The move will benefit standalone, independent digital agencies which were left out from the AAAI as membership was only open to creative, media and full-service agencies. Membership to the AAAI will also be advantageous for the larger digital marketing ecosystem.

“In order to future proof AAAI it is essential to include the digital agencies as our members since digital is an important and ever-increasing part of our industry. With this in mind, Anupriya Acharya was nominated by the executive committee of AAAI to drive the ‘Digital Media Forum’, which has now resulted in the opening up of membership for the digital agencies to become full-fledged members of Advertising Agencies Association of India, for the first time in our 75 years of history as an association,” Ashish Bhasin, president, Advertising Agencies Association of India and CEO APAC, and chairman India Dentsu Aegis Network, said.

“With digital advertising becoming so mainstream, there are many digital agencies operating in this space now. Hence, it is important that AAAI begins incorporating these too, to be truly representative of the current industry environment. In order to enable greater participation from the digital agencies, we created the first-ever ‘Digital Agency Forum’ wherein we got key leaders from digital agencies of existing AAAI members to identify important areas that are unique to the digital agencies and find solutions to address some of their challenges and opportunities,” Anupriya Acharya, vice-president, AAAI, and CEO, Publicis Media India, stated.

The Digital Agency Forum focuses on areas such as account shift protocols, viewability standards and audience metrics, relationships with digital bodies, best practices, commercial norms, talent and training, to begin with, but will expand its role as it grows.

4.4.3. “TRUTH” In Advertising

Truth refers to facts which can be observed and verifiable. In law, truth means a swear taken by each person entering a witness box. This truth is the whole truth and nothing but the truth. Advertising is said to render greatest service by presenting the commercial knowledge. It has to be good and true because it cannot afford to be bad or untrue. Advertisements carrying correct and true information will build confidence in the minds of consumers and build goodwill of the product. Wrong or untrue information presented by advertising damage the image of the company.

They are different ways of presenting untruth in advertising.

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

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

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

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

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

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

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

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

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

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

4.5 TECHNIQUES AND IMPORTANCE OF ADVERTISEMENT IN INDIAN MARKET

Advertisement is derived from the old French from the verb *advertir* which later on changes to *advertise* which means denoting a statement calling attention to something.

“A notice or an announcement in a public medium promoting a product, service, or event or publicizing a job vacancy”. It’s the dictionary meaning of advertisement. Advertisement can also be defined as “paid form of non-personal presentation and promotion of idea, goods or services by an identified sponsor” So it is very clear that the basic meaning of advertisement is an impersonal presentation where a standard or common message regarding the merits, price and availability of product or service is given by the producer or marketer. The advertisement builds pull effects as advertising tries to pull the product by directly appealing to the customer to buy it. for eg. Apsara pencil

Effective Techniques of Advertisement

Advertisement has become the biggest weapon of the companies to sell their product and to show that their product is much better than their competitors. But doing only advertisement is not ample, one should create it more appealing and effective. So that it could grab the

attention of the customer. There are some effective techniques which makes the advertisement a never forgettable one:

1. Emotional Appeal

Most of the advertisement uses this technique to emotionally black mail the consumer, which they really do very well. They hit on the need of the consumer very accurately and thus they connect with people. For e.g.- In the advertisement of Fortune oil they say “Ghar ka khan” which they are connecting the buyer to their mothers.

2. Promotional Advertising

In this technique, the seller uses to give attractive offers to pull the customer towards their product. By offering the customer gets influenced by such offers and purchases that product..

3. Bandwagon effect

Bandwagon effect is a persuasive technique through which one can persuade others, so that the majority could agree on that argument. It usually makes the customer believes that the product is fruitful for them. In the above advertisement of toothpaste, they are showing that “over one million” have used their product which means that one million have trusted their brand so they should also.

4. Repetition

Repetition is very useful in advertisement as when a person listen or watch something again and again he/she do not forget it easily. It creates a good image in the eyes of the consumer. But one should also be careful regarding the no. of times their repetition is being telecasted because it can make the viewer restless and irritated. So the correct use of repetition is essential. For e.g.-The advertisement of “TRIVAGO” it comes so many times on television that it makes the viewer annoyed.

5. Endorsements

Endorsing famous personality for their product helps to gain the attention of the consumer. As consumer beliefs in that celebrity which ultimately makes them belief on their product. They think that the quality of the product is also good as it is used by a celebrity. And it Also shows the advertisement attractive.

6. Targeted Audience

Before creating an advertisement always keep in mind the targeted audience. As they only are the actual buyer so their need must be satisfied from that product. It should be shown in the advertisement that this product is made for them only.

7. Symbolism

This technique is also very effective as you can symbolise your product with something natural or essential or one can give a deeper message through that product to the public which tells that how much worthy the product is for the use. For e.g-

8. Use of colours

Always use bright and vibrant colours in advertisement as it drags the attention of the viewer .It always shine between all other dull advertisement around it. Such advertisements are usually uses in the products related to kids as their eyes catch such colours very easily. For

e.g.- In the advertisement the colours used are very bright and lovable by kids also, as per the requirement of the advertisement.

9. Punch line

Punch line creates humour in the advertisement and makes it funnier, which maintains the interest of the viewer and encourages them to watch it again and again. For e.g.- “kya apke tooth paste mai namak hai” this punch line got so famous that several people acted on this and uploaded their video on social media.

10. Use of current events

The use of current events in the advertisement make the audience holding and curative to watch it, if the story of advertisement is made by keeping in mind the recent events then the advertisement will definitely be watched by the viewers . For e.g.- At the time of demonetisation in India many mobile payments app took advantage of this and advertise their service as much as possible, which ultimately dragged the public towards their service as during that time people might have need of such service.

11. Use Metaphor

Use of metaphor in advertisement is very common nowadays even people also likes it, knowing the fact very well that it's not true in real life still they believe in it and start purchasing that product and try to be that person shown in the advertisement. So this is a very common and fruitful trick to gain the attention of people only a good theme is required in this. For e.g.- Advertisement of “MOUNTAIN DEW” This advertisement clearly shows that after drinking you can do all impossible things of world.

12. Facts And Figures

The use of facts and figures provides people security towards that product and satisfies their need. They purchase that product without even thinking a second. They rely on data shown to them. So use of statistical data in the advertisement creates a great impact on the people

13. Slice of Life

Use a part of life of people in the advertisement connects the viewer to the story of the advertisement as they feel that their story is going on the television and the product shown in that advertisement is the solution of that problem. For e.g.-Advertisement of “Sanitary Napkins” it shows the actual problems which females used to face in their life and how beneficial these napkins are for them.

14. Weasel Words

Weasel words are those words which make the word or phrase meaningful or believable although it might be not true. It is just all about how you phrase that sentence to make your product valuable in the eyes of the viewer. This technique is most important and effective and it is also very common. For e.g. In the displayed advertisement it is shown that by using that product the wrinkles of the women will be decreased but it is not saying that they will disappear so this is a weasel word which ultimately tricks the customer to buy that product.

15. Use of Innovative idea

For an attractive advertisement a unique story is very important with some visualisation effect which really plays as crucial role by watching the uniqueness of the advertisement the viewer would definitely get attracted towards that brand or product. For e.g.-The recent advertisement of “Aditya Birla Group” is the finest example of such innovative

advertisement. In that advertisement they showed that how Aditya Birla is present in the lives of people way of presenting was very creative.

Importance of Advertisement

In nowadays marketing scenario advertisement has become a very essential part of life of not only for business giants but also for the customers for whom the advertisement is actually created the society in which the advertisement is created. So let's discuss its importance according to each one of them.

Importance for consumers

1. *Increases Awareness:* Advertisement increases the awareness of the customer regarding the product whether it is new product or existing one. As without advertisement how one may come to know that this product exists in the market. It also shows various discounts or offers that prevails in the market of particular brand.

2. *Ease of Comparison:* As it is clearly visible that that there are many companies producing the same product so, with the help of advertisement the customer can decide to take which product in use. It can be conveniently decided by the customer by comparing the features of the product.

Importance for business

1. *Increase in sales:* Advertisement stacks big part in the profit of companies by promoting the products on the various modes of advertisement like –social media, internet, television radio etc. That is the main reasons that the companies are investing so much in the advertisement as there is not only the competition of product but also the kind of advertisement the company is broadcasting.

2. *Help in grasping the market again:* If a product has lost its market or left behind in the race of competition from other products then advertisement is the greatest weapon to grab the hold in the market again. By showing its unique selling price in comparison to other competitive products.3-) Building of goodwill-A good advertisement which easily connects with the people helps in maintaining and creating a good brand image of the company. As by watching more and more advertisement customer's reliability also get increased and it ensures that the quality of the product is also useable.

Importance for the society

1. *Creates Employment:* When companies start doing advertisement it generates employment for many persons which are behind the camera and are in front of the camera. As for creating an effective advertisement a separate department is made under which large number of people get employment and can showcase their creativity.

2. *Increase awareness:* through advertisement like no smoking, no drinking and driving creates awareness among people about the facts which they do not know. Advertisement showed by government like- Jago Grahak Jago, and various schemes of government which people are rarely aware of can reach them very easily.

4.6. SUMMARY

The Advertising Standards Council of India became more powerful after a recent Government notification. ASCI encourage the public to complain against advertisements which they consider to be false, misleading, offensive or unfair. All of these complaints are evaluated by an independent Consumer Complaints Council. It implemented the influencer advertising guidelines, making it mandatory for influencers to label promotional content in their posts. An unfair trade practice means the practice of promoting sale, use or supply of any goods or services in a manner that involves an “unfair method” or “unfair deceptive practice”.

4.7. TECHNICAL TERMS

- Offensive** : Offensive can mean not just attacking someone or something, but belching, insulting people, or otherwise not respecting common standards of behavior. Definitions of offensive. adjective. unpleasant or disgusting especially to the senses.
- Unfair** : The definition of unfair is something that is not in accordance with justice or that is not kind or impartial. When an inadequate and ineffective worker gets promoted instead of you because he happens to be a friend of the boss, this is an example of something that would be described as unfair.
- Testimonials** : A testimonial is a statement from a past customer that describes how a product or service helped them. Testimonials are often written by the business based on specific questions they ask satisfied customers. They usually show impact through before-and-after comparisons or provide specific improvement statistics
- Complain** : To complain is to express your unhappiness about something. You might complain to your landlord about a raise in your rent, or to the cops about your noisy ...

4.8. SELF ASSESSMENT QUESTIONS

1. Explain, the Laws in advertising. Advertising Statutory Bodies in India?
2. What do you know about Advertising Standards Council of India?
3. Describe the Laws Relating to Unfair Trade Practices?
4. What are the ethics in advertising?

4.9. SUGESTED READINGS:

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press Publications of Indian Institute of Mass Communications
4. Website on Advertising

Mr. P.V.V.KUMAR

LESSON-5

TYPICAL & LOCAL ADVERTISING & TYPES OF ADVERTISING

Aims and Objectives

After studying this lesson student should be able to:

- Know the types of advertising & its characteristics
- Understanding the concept of Local advertising
- Impact of Advertisements

Unit Structure:

- 5.1. Introduction
- 5.2. Types of advertising
- 5.3. Typical advertisement
- 5.4. Identifying & Reaching target groups
- 5.5. How to Reach Your Target Audience
- 5.6. Local Advertising
- 5.7. Summary
- 5.8. Technical Terms
- 5.9. Self Assessment Questions
- 5.10. Suggested Readings

5.1 INTRODUCTION:

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

5.1.1 Definitions:

According to **American Marketing Association**, “Those marketing activities, other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as displays, show and exhibitions, demonstration and various non-recurrent selling efforts not in an ordinary routine.”

According to **W.J. Stanton**, “Sales promotion defined as demand stimulating devices to supplement advertising and facilitate personal selling.”

5.2 TYPES OF ADVERTISING

Companies today have access to a wide variety of advertising options. Advertisements can reach customers in various places, including while watching television, walking around town or browsing the internet. To determine which types of advertising best suits its needs, a company may need to consider numerous factors, such as budgets or the consumers it wants to target. In this article, we provide examples of 14 different types of advertising that companies can use to promote their products or services.

Advertising is a component of a company's marketing strategy. Companies use advertising to share information about their products or services through various media. The advertising landscape has changed with technology, with print and broadcast advertising serving as the traditional format and digital advertising serving as a more modern option. With technology, companies gain new ways of targeting consumers and tracking the effectiveness of their advertising campaigns.

1. Product – Related Advertising A. Pioneering Advertising B. Competitive Advertising C. Retentive Advertising
2. Public Service Advertising
3. Advertising based on Product Life cycle : A. Consumer Advertising B. Industrial Advertising
4. Trade Advertising: A. Retail Advertising B. Wholesale
5. Advertising based on Area of Operation It is classified as follow:
A. National Advertising B. Regional Advertising C. Local Advertising
6. Advertising According to Medium

5.2.1. Product – Related Advertising

A. Pioneering Advertising:

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a “primary” demand. It conveys information about, and selling a product category rather than a specific brand. For example, the initial advertisement for black – and – white television and colour television. Such advertisements appeal to the consumer’s emotions and rational motives.

B. Competitive Advertising:

It is useful when the product has reached the market-growth and especially the market-maturity stage. It stimulates “selective” demand. It seeks to sell a specific brand rather than a general product category. It is of two types: A. Direct Type: It seeks to stimulate immediate buying action. B. Indirect Type: It attempts to pinpoint the virtues of the product in the expectation that the consumer’s action will be affected by it when he is ready to buy.

Example: Airline advertising.

C. Retentive Advertising:

This may be useful when the product has achieved a favorable status in the market – that is, maturity or declining stage. Generally in such times, the advertiser wants to keep his product's name before the public. A much softer selling approach is used, or only the name may be mentioned in “reminder” type advertising.

5.2.2. Public Service Advertising

This is directed at the social welfare of a community or a nation. The effectiveness of product service advertisements may be measured in terms of the goodwill they generate in favor of the sponsoring organization. Advertisements on not mixing drinking and driving are a good example of public service advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behavior and benefit the public at large.

5.2.3. Advertising based on Product Life Cycle

A. Consumer Advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and alcoholic beverages are examples. Baring a few, all these products are all package goods that the consumer will often buy during the year. There is a heavy competition among the advertisers to establish an advantage for their particular brand.

B. Industrial Advertising

Industrial executives have little confidence in advertising. They rely on this form of promotion merely out of fear that their competitors may benefit if they stop their advertising efforts. The task of the industrial advertiser is complicated by the multiple buying influence characteristics like, the derived demand, etc. The objectives vary according to the firm and the situation.

5.2.4. Trade Advertising

A. Retail Advertising:

This may be defined as “covering all advertising by the stores that sell goods directly to the consuming public. It includes, also advertising by establishments that sell services to the public, such as beauty shops, petrol pumps and banks.” Advertising agencies are rarely used. The store personnel are usually given this responsibility as an added task to be performed, together with their normal functions. The result is that advertising is often relegated to a secondary position in a retail store. One aspect of retail advertising is co-operative advertising. It refers to advertising costs between retailers and manufacturers. From the retailer's point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

B. Wholesale Advertising:

Wholesalers are, generally, not advertising minded, either for themselves or for their suppliers. They would benefit from adopting some of the image-making techniques used by retailers – the need for developing an overall promotional strategy. They also need to make a greater use of supplier promotion materials and programmes in a way advantageous to them.

5.2.5. Advertising based on Area of Operation***A. National advertising***

It is practiced by many firms in our country. It encourages the consumer to buy their product wherever they are sold. Most national advertisements concentrate on the overall image and desirability of the product. The famous national advertisers are: Hindustan Levers , DCM ,ITC ,Jay Engineering ,TISCO

B. Regional advertising

It is geographical alternative for organizations. For example, Amrit Vanaspati based in Rajpura claims to be the leading hydrogenated oil producer in the Punjab. But, until recently, it mainly confined itself to one of the vegetable oil brands distribution to Malihabad district (in U.P. near Lucknow).

C. Local advertising

Advertising is done by done by retailers rather than manufacturers. These advertisements save the customer time and money by passing along specific information about products, prices, location, and so on. Retailers are concerned with building store traffic, so that their promotions often take the form of direct action advertising designed to produce immediate store traffic and sales. . Retailer advertisements usually provide specific goods sales during weekends in various sectors.

5.2.6. Advertising According to Medium

The most common classification of advertising is by the medium used. For example: TV, radio, magazine, outdoor, business periodical, newspaper and direct mail advertising. This classification is so common in use that it is mentioned here only for the sake of completeness. Any medium can be effectively used for advertising. Based on this criteria there can be several branches of advertising. Mentioned below are the various categories or types of advertising:

A) Print advertising

Print advertising refers to printed advertisements, often seen in newspapers and magazines. However, this category also includes other printed materials, such as brochures, directories and flyers. Companies can place advertisements in local newspapers—whether throughout the paper or within the classifieds section—to target consumers within a geographic location.

B) Outdoor advertising

Outdoor advertising refers to advertisements that consumers see outside their homes. As a result, this type of advertising is sometimes called out-of-home advertising. Examples include

billboards and advertisements seen in public places or transit vehicles, such as on the sides of buses or inside subway cars.

C) Broad cast Advertising: Television, Radio, and the Internet

Television advertising

Television advertising is a type of broadcast advertising where companies advertise their products or services through 20-, 30- or 60-second TV commercials. It can be costly but enables companies to repeat their advertisements regularly. The costs to air television commercials can vary due to the following factors: For example, it is much more costly to air a commercial during a widely watched event, such as the Super Bowl. While consumers now have the ability to skip advertisements on their televisions, it still serves as an effective method of reaching a large audience. Repeating advertisements help build recognition and brand awareness, and even if consumers are not watching the ads, they may still be listening to them.

Radio advertising

Radio is another form of broadcast advertising that plays ads during programming breaks. Customers can hear radio advertisements while conducting other activities, such as driving or doing household chores. Like television, radio enables the repetition of advertisements, which can give companies more recognition with consumers. Companies can research what radio stations are popular with their target customers. They can also learn what times of day these customers listen to the radio most. For example, they may try to advertise during a morning time slot when they know many of their customers will be driving to work.

Direct mail advertising

Direct mail is a type of print advertising that sends advertisements to customers through the mail. Examples include brochures, catalogs, newsletters and flyers. This approach enables companies to identify an even more targeted market than other print advertising formats because it distributes ads via a direct mailing list. For example, someone who opens a hair salon can create a flyer that announces their grand opening. They can then send that flyer to a list of residents located within five miles of the salon. To attract new customers, the owner can also include a discount coupon with the mailer.

5.2.7. Podcast advertising

In podcast advertising, companies can sponsor podcasts or have advertisements for their products or services played during the episodes. Typically, podcasts play ads at the beginning, middle and end of episodes. Similar to radio advertising, companies can research which podcasts are most popular with their target audience. Some podcast hosts read from a script provided by the company or create their own, which can be an entertaining way for listeners to consume advertising content. Often, companies will offer a discount code available to listeners of a podcast. Besides attracting new customers, this code can help companies assess how well this advertising strategy works based on its use.

5.2.8. Mobile advertising

Mobile advertising reaches consumers through any mobile device with internet connectivity, such as a cellphone or tablet. These advertisements may appear to consumers through social media, on webpages or within apps. For example, a customer playing a mobile game may receive ads for similar games between gameplay rounds. The benefit is that these advertisements can reach consumers no matter where they are. If individuals enable location settings, companies may even be able to target them via geographic location.

5.2.9. Social media advertising

Companies use social media advertising to promote their products or services on various platforms. Social media advertising, like other digital advertising, enables companies to target specific audiences. They may focus on reaching customers based on their geographic location, age group or buying habits. They can either pay for the platforms to promote their advertisements, or they can use more organic methods.

5.2.10. Paid search advertising

Paid search is a type of online advertising, sometimes referred to as pay-per-click (PPC) advertising. Companies who use PPC advertising only pay a fee when users click on their ad. They bid on specific keywords, usually related to their business, along with the placement of their ad on the search engine. For example, a company that sells folding bicycles include the keyword "foldable bikes" in their bid. When users search that phrase, the company's products appear as an ad within the search results—typically at the top of the page.

5.2.11. Native advertising

Native advertising is a type of digital advertising in which ads look similar to the rest of the page content. Pay-per-click advertisements can serve as a form of native advertising because the advertised product often blends in with the other results. Businesses enjoy using this format because it does not interrupt the user experience, unlike display advertising.

For example, a website that publishes articles about professional development may also include sponsored articles. These look the same as the articles published by the site's writers and editors but came from a business looking to promote its products or services. A reader may find an article about time management tips and realize later that it is a sponsored post from a company that sells time-tracking software. In this scenario, the company also would likely mention or advertise its software within the article's content.

5.2.12. Display advertising

Display advertising is a type of digital advertising that uses identifiable ads. These may include banner ads at the tops or sides of web pages and pop-up ads. Another example would be the video ads that appear before or during streaming video content. Display advertising encourages users to click on them to move to the company's website, often to make a purchase. These advertisements are very prevalent online, though sometimes that can make them easy for consumers to ignore.

One method used in display advertising is remarketing or retargeting. When users visit a brand's website, they often accept browser cookies that allow the site to track their journey. If the user decides not to purchase anything on the site, the brand may target that customer and place ads for their products on other websites to remind them to return and buy the item.

5.3 TYPICAL ADVERTISEMENT

The service sector, also known as the tertiary sector, is the third tier in the three-sector economy. Instead of product production, this sector produces services maintenance and repairs, training, or consulting. Examples of service sector jobs include housekeeping, tours, nursing, and teaching.

provide basic information such as your contact details and website address. increase sales by telling potential customers about your product or service. tell customers about changes to your service, new product launches, special offers and improvements.

Traditional advertising focuses largely what you'd think of when you think of "typical" advertising: television, radio, newspaper, magazine, direct mail, and billboard designs. This type of advertising reaches an enormous audience

5.3.1. Basic Characteristics of a Typical Advertisement

What Makes a Good Advertisement?

As consumers, we've all seen our fair share of ads that wow us, and ads that, well, flop. So what makes a good advertisement? There are 10 characteristics that make for a strong ad or campaign. i) [It's promotional](#) ii) [It's persuasive](#) iii) [It's part of an overall marketing strategy](#) iv) [It's targeted](#) v) [It's an investment](#) vi) [It's original](#) vii) [It's creative](#) viii) [It's consistent](#) ix) [It's personalized](#) x) [It's ethical](#)

i) It's Promotional

At its core, advertising is a form of communication that **aims to publicize a product or service and encourage sales**. By nature, good advertising is promotional. While some may refer to advertising as "propaganda", they are in fact two separate concepts. Propaganda seeks to influence a population's ideology and ways of thinking, while advertising focuses on influencing purchasing habits. A good advertisement is promotional in nature, though this promotion can be more or less subtle.

ii) It's Persuasive

To achieve their main objective (to increase sales of a certain product or service), effective ads must **convince consumers that a certain product or service is better than a similar offering from a competitor**. Persuasive advertising assures that a product can solve a consumer's need or improve their life in some way.

Advertising employs a variety of resources such as appealing to consumers' [emotions](#), winning their trust with arguments of authority, or using logical reasons to justify the purchase of a product. Remember those lessons about ethos, pathos, and logos from high school? Effective advertising uses these tools all the time.

This can be seen in all the campaigns that De Beers has launched over the years in which they convinced people that diamond rings were essential to an engagement.

iii) It's Part of the Company's Overall Marketing Strategy

Behind every campaign, there is a lot of strategic thinking involved. Advertising always aligns with a specific [marketing objective](#) that ladders up to the global interests of the brand or company. Thus, a strong advertising strategy should be framed within the general [marketing plan](#), like in Nike's Just Do It campaign.

iv) It's Targeted

In the past, advertising relied on mass media such as radio and television to reach as wide an audience as possible. Effective advertising in today's world requires **highly targeted and segmented audiences**. Every brand has a [buyer persona](#) or ideal customer profile they are trying to attract. The more focused your advertising is on a particular audience, the more effective it can be. The content of your advertising messages should be specially designed to appeal to the feelings and needs of your audience. Ads do not work if they are not trying to appeal to a specific type of person.

v) It's an Investment

Advertising campaigns require an investment of time, resources, and of course, money. Generally, the channel issuing the advertisements charges a certain amount in exchange for its dissemination.

A good ad campaign will increase the company's profits, and this should exceed the invested cost. To understand the relationship between costs, advertisers measure the campaign's [ROI](#) (return of investment). A positive **ROI** indicates that the advertising campaign has been a success.

vi) It's Original

It's no secret that advertising suffers from market saturation. Consumers are exposed to hundreds of ads a day in different formats, and most don't even pay attention to them. Therefore, effective advertising **stands out from the competition** by using unexpected formats and resources. You can grab a user's attention by emphasizing the novelty of your product or service, offering a great deal, or doing something completely out of the box, like Coca-Cola's "Share a Coke" campaign.

vii) It's Creative

Videos that tell stories, shocking images, unforgettable speeches, catchy jingles, etc. Effective ads use creativity to stand out and make a brand immediately identifiable or memorable. The best creative ads manage to surprise users, move them to action, and become instantly memorable, all while remaining faithful to the principles of the brand. A great example of this is Old Spice's viral ad campaign, The Man Your Man Could Smell Like.

viii) It's Consistent

Truly great ads stay consistent with the core of the brand and the values associated with it. Generally, a single ad can't achieve this goal, especially in a saturated environment. Therefore, a key aspect of advertising is consistency.

Ideally, each consumer within the target audience should receive enough impact to remember the brand and its message, but not so much that it becomes annoying or saturated. It is also interesting to consider that impacts can be repeated through the same medium (for example, watching the same TV commercial several times) or transmitting the same message by adapting it to different channels (cross-channel or multi-channel advertising).

ix) It's Personalized

Personalization is an increasingly important trend in recent times and it's getting easier than ever. Truly effective ads are increasingly **personalized to the characteristics and needs of a particular user**. For example, you can use [marketing automation](#) to send e-mails with personalized content, like the one below by Sephora. These kinds of emails are activated when a user performs a certain action and are a great example of incorporating personalization into advertising. Remarketing is another great way to use personalized ads, especially for ecommerce or retail stores.

x) It's Ethical

Because of its persuasive power, advertising should be controlled to prevent misleading information or unethical campaigns. While there are several public bodies that regulate the ethical aspect of advertising, it is also essential that **advertisers and agencies take responsibility**. In the end, honest and clean advertising reflects the values of the advertiser, contributes to improving a brand's image, and is beneficial in the long run.

5.3.2. Metrics to Measure the Effectiveness of Advertising Campaigns

Below are some important metrics to help you monitor the success of your advertising campaigns. This is not an exhaustive list; rather, these are some key metrics to help get you started! For a more complete list, check out our post "[The 22 Most Important Digital Marketing Metrics](#)".

i) Traffic Sources and Channels

When it comes to paid traffic sources, some will always be more effective than others. It's up to you to figure out which ones work the best for your business!

ii) Click-Through Rate

You may already be familiar with this one. It is the ratio of clicks to impressions for an ad campaign and is most often used to measure ad efficiency.

iii) Conversion Rate

This is the most important metric of your campaign because it tells you the percentage of users who completed a certain action on your website. The action can be anything from filling out a form to signing up for a free trial of your product or service.

iv) Retention Rate

The retention rate measures how many of your customers you have managed to retain, or keep, over a certain period of time. It typically equates to a user using your product or service more than once a day, week month, etc.

v) Social Metrics

Lastly, we have social media metrics. Social media is one of the most important tools for brands when it comes to running ad campaigns. Indicators like the number of shares, views, likes, comments, and so on can help you understand how your ad campaign is performing.

5.4 IDENTIFYING & REACHING TARGET GROUPS

Looking for a new way to segment your target audience? This is everything you need to know about the 6 types of market segmentation: demographic, geographic, psychographic,

behavioural, needs-based and transactional. A target audience is defined as a group of people having common interests, demographics, and behavior. Market researchers need to collect feedback from the consumers of certain products and services.

A target audience is defined as a group of people having common interests, demographics, and behavior. Market researchers need to collect feedback from the consumers of certain products and services.

5.4.1. Tactics To Identify Your Target Audience

1. Start with your current customers

Maria Mora of Big Sea, says, “Before you can identify your target web audience, you need to understand your target customer. We begin with a deep dive with the sales and marketing teams to understand what their client base has looked like in the past, and what their aspirational client base looks like. Then you can take tactical measures to attract and connect with that audience online.”

“Look at the characteristics of your best existing customers and organize that list into at least one profile based on shared characteristics,” said David Hoos of The Good. Some good metrics include those with the largest deal sizes, the longest retention, and the easiest customers to work with.”

2. Think benefits not features

Steve Pritchard of Orlando Villa Holidays says, “The best way to work out which consumers to target is to identify who has a need or interest in your product or website and then begin narrowing it down from there. Start by pinpointing all of the different features and qualities of your offering, then have a think about who would benefit from these features.

“To identify your target audience for your site, you have to go backward, starting with your final goal,” says Minuca Elena. “Who could buy what you are selling? Even if you sell services or you sell products (your own products or as an affiliate), there is still a sale involved. Ask yourself who are your ideal clients, what profession or hobbies do they have, gender, age, income, topics of interests, etc. For example, let’s say you are selling baby gear, then your target audience is young moms, with an age between 25-40 years old, that are searching for parenting advice.

3. Collect demographic data on your target audience

Ross Kernez says, “To better understand the customer, I would suggest marketers up draw up their demographic portrait. This process is a bit like creating a character in the video game Sims: at the beginning, you have a digital person with a zero background, but gradually he has a house, work, hobbies, and friends. It is important to make the portrait as detailed as possible so that the abstract client turns into an old acquaintance. Also, if you have direct competitors, it will be logical to look for the target audience among their subscribers on social networks. You can add potential customers as friends and invite them to your group, write private messages, or set up targeted advertising on them.”

4. Send out customer surveys

Anna Rubkiewicz of Survicate says, “One of the best methods is running surveys to find out who the leads who convert to customers actually are. After all, your target audience should be

the people who find your services of value – even if you’re currently targeting a different group with your website messaging.”

For example, Rubkiewicz recently ran a survey looking to understand what blog readers wanted to get from their articles and newsletters.

“We ran a survey on some of our most popular articles on the blog and were astonished to collect over 600 answers – just within 3 days,” said Rubkiewicz. “You can imagine how many insights that gave us as to which content we should write to make a difference for our target audience and turn them into prospects.

Nick Maynard of Ridgeway agrees, “Talk to your current customers. Build a survey with one of the many free survey tools (Google Forms is an obvious starting place) aimed at identifying key personas and combine with Audience data from your analytics.”

5. Look for trends in online customer feedback

Patricio Quiroz of Code Authority says, “You want first to identify what is the purpose of your product or service. Really take some time on researching and finding the benefits that your product or service provides. Then you will identify who exactly is buying or in need of your particular services. Then you can go to popular online forums like Reddit or Quora to see who exactly is asking questions or interested in that industry/niche. This will help you pinpoint what age group, gender, and industry that your target audience might be in. Once you have narrowed down who this audience might be, you will be in a better position to market specifically for this group of people.”

“If you have yet to identify the segment you most resonate with, focus on distribution and user studies,” says Yaniv Masjedi of Nextiva.”Promote your content among new audiences, then engage with and read user feedback. From there, you’ll begin to notice trends in which demographics most align with your content. And, you’ll have insights into how to best tailor it to them.

6. Go niche

Jason Yau of CanvasPeople says, “Know your niche and own it. Spend the majority of your time focusing on all things related to your website. Your target audience should be hyper-focused because that is who will most likely be interested in your products or services. Have a specific plan of action with your targeted audience, and stick to that plan.”

7. Research your competitors

Ellie Pearce of Whoever You Need says, “My number 1 tip is always to keep a close eye on your competition. If there are companies that are selling a similar product to yourself and have been doing so for years, then they already know your audience very well. Look at their social media platforms, the type of people that regularly like their posts, and what is the type of content that gets a lot of response? Also, see if you are able to find the areas that aren’t working so well. Ask yourself, how can you improve it? Get an idea of the blog articles that they are regularly posting. Can you create a similar article on your own products? Compiling this along with the data you already have on current customers can help broaden your audience reach to a group of characteristics that you may not have even considered before.”

8. Create a market positioning map

Alex McCormick of Checklate says, “A good way to identify a target market for your website is to use a market analysis method known as market mapping. This is a simple diagram that allows you to identify gaps in the market or industry your product/service/website operates in.”

9. Resist the urge to overcomplicate it

“Gary Stevens from Hosting Canada adds it is easy to overthink it, “What type of person would be most motivated to respond to your call to action?” says Stevens. “Even thinking on a granular level, such as thinking of just one person, can be extremely helpful. If your friend Todd is the first person you think of when you think about who would answer your call to action, then your next step would be to figure out what type of audience Todd belongs to.”

5.5. HOW TO REACH YOUR TARGET AUDIENCE

Once you’ve identified your target audience, you need to know how to reach them. That’s where creating a customer persona comes in handy. Armed with the information you’ve gathered with your market research and competitor analysis, you can go deeper and identify your target audience’s location, age, pain points, online locations, consumer behaviors, buyer motivation, and more.

Don’t forget to include data gathered from customer interviews and surveys. These can give you a better insight into what your target customers read, what they value, and how they think. These audience insights show you who your customers follow and listen to online and offline and which sources they use to get their information. Once you know which sources they use for their research and information gathering, you’ll be able to reach them using different media and platforms such as:

Social Media

When it comes to social media networks, you have many choices. As mentioned earlier, that doesn’t mean that you must be active on all of them. Instead, focus on social media platforms you know your audience is using. For example, Facebook is one of the largest social media platforms everyone uses, so it’s a good choice if you’re trying to reach a large audience.

But if your audience is more tech-oriented, Twitter could be the perfect place for you. Similarly, if you’re targeting people who love DIY, YouTube and Pinterest are great choices. What all of these social media platforms have in common is the ability to run targeted ads based on various demographics and interests.

However, always keep in mind your audience as people like to consume content differently. For instance, they might not be interested in ads on Instagram but may be more receptive to them in their Facebook feed.

Content Marketing

Content marketing is an excellent way to establish authority and credibility. It’s also a great form of marketing that can help you improve your SEO and reach audiences who are in the research stage of their buying journey. People often look for more information before

purchasing or comparing different options. Informative blog posts, reviews, and product comparisons can go a long way to helping them make their purchase decision.

Video Content

Video content has been on the rise for quite some time. From long-form video content to short, entertaining clips shared on TikTok and Instagram Stories, video shows no signs of slowing down. Video marketing can even help you increase website traffic for your business. Interestingly enough, older audiences prefer YouTube over other social media platforms, so it could be a great fit if your products are aimed at that particular market segment. A few ways you can use video content to reach a specific audience include educational and behind-the-scenes content, entertaining short-form content, webinars, product demos, video case studies, and brand interviews.

Email Campaigns

All of the marketing methods mentioned above are perfect for raising brand awareness. Ideally, they should help you funnel your followers and website visitors to your email list. Once your audience is on your email list, you can use email campaigns to nurture the relationship and drive purchases. Email campaigns can give you a significant return on your investment as you're marketing your offer to a hot audience. A hot audience consists of consumers who have engaged with your content and handed over their contact information so they can hear more from you.

Offline Marketing

Offline marketing typically involves placing ads on billboards, TV, radio stations, and various print publications. It can also include cold calling and direct mail advertising. If you want to raise brand awareness or if you're trying to reach an audience that isn't very active on online channels, this is a good place to focus your marketing efforts. Older generations are typically better for offline marketing campaigns as younger people tend to spend more time online. You can use Nielsen Ratings to help you determine which shows would be a good fit for your marketing campaigns. For example, prime time is attractive because it might help you reach a wide audience, but that doesn't mean it will give you a great ROI. On the other hand, a niche show that relates to your offer perfectly might give you a better ROI even if the audience is relatively small.

5.6 LOCAL ADVERTISING

Marketers and businesses consider local advertising necessary for economic growth. Advertising is usually funded by a sponsor who promotes the advertisement through different types of media, for example, television, newspaper, commercial radio advertisement, magazine mail, etc.

Local Advertising means advertising and promotion you undertake in media directed primarily in your local market area including television, radio, newspapers, magazines, billboards, posters, handbills, direct mail, yellow pages, sports program booklet advertising, church bulletins, collateral promotional and novelty ..

5.6.1 What are the different types of local advertising?

Product advertising that promotes a certain product or service. Classified advertising that is used in newspapers and buyer and seller publications. Institutional Advertising promotes an idea of the company that markets a product and service.

How to promote your business locally: Happy grocery store clerk with customer There isn't one definitive marketing effort that will win over local customers. Connecting with potential customers requires a combination of digital marketing tactics and in-person marketing initiatives.

1. Write a blog

Blogging is a free and effective marketing tool to drive traffic to your site. Your blog can bring in visitors from all over the world, but more importantly, you can use it to reach locals. There's more to it than just writing about topics you think people are searching. You must have a search engine optimization (SEO) strategy and do the proper keyword research if you want to see any real results from your blog. For example, a law firm in Austin, Texas, might wonder how they can get more clients who have had workplace injuries. You can research locally searched terms and determine that many people in Austin have questions about "work injury laws in Austin." You can then write an article on this topic and eventually see an uptick in your local SEO performance. You can use one of these free keyword research tools to plan out your strategy and choose the most impactful search terms in your area.

2. Master social media marketing

Social media marketing channels like Facebook and LinkedIn are popular ways to interact with customers and other local business owners. Consumers use social media to interact with and research local businesses. As such, they expect you to be active on your channels and respond to any comments or questions they have.

You can use your Facebook page for advertising sales events, seasonal promotions, or contests. The critical thing to remember is that you should always keep your posts relevant to your local market. LinkedIn is an online outlet you can use to network with other small business owners. Doing so can open doors to potential partnerships, collaborations, or events with other local businesses.

3. Use locally targeted ads

Locally targeted digital ads can give you access to an audience you may not be able to reach otherwise. The power of online ads lies in the ability to target specific local audiences. Your first option is search engine marketing (SEM). These are the advertisements that show up at the top of local search engine results (for example, on the first page of Google). You can choose a target audience and specific terms for your ads, so your business shows up at the top of the list when locals are searching. Let's say you run a salon in Detroit, Michigan. You may want to pay for ads that show up every time someone searches "best salon in Detroit." This way, you appear at the top of the page before all of your competitors. You can also consider cost-per-click (CPC) or pay-per-click (PPC) ads. Popular ad platforms include Facebook Ads, Google Ads, and Yelp Ads. Yelp Ads work to promote your business in key areas across the Yelp site and

mobile app—including above search results and on competitors' business pages.

4. Sign up for a local directory

Local directories like Yelp put your business on the radar of local consumers. These types of platforms let potential customers read through reviews and research a company before deciding to make a purchase. Your Yelp Business Page is a one-stop-shop where you can upload photos of your business, write a business description, add your address and phone number, respond to online reviews, and more. You can also run localized ads specifically for consumers in your area to drive relevant traffic to your business listing. Claiming your Yelp Business Page is free and only takes a few moments.

5. Grow your email list

Email marketing isn't a new idea, but it's still a powerful way to convert leads into customers. In fact, 80% of small businesses report that email marketing drives higher customer acquisition and retention. Email marketing is even more effective when you segment your email list by specific traits such as age, location, or interests. But how can you entice people to sign up for your email list voluntarily? One way is to have sign-up forms and calls to action on your website, blog content, or onsite at your business. You can also incentivize customers in your store with discounts on their next purchase if they sign up.

6. Get involved in the community

Showing that you're a contributing member of your local community and genuinely care will go a long way with customers. There are opportunities like fundraisers, volunteering, or local events that your business can participate in to give back to the community while spreading brand awareness. You could even partner with a local organization and hold a fundraising event at your business. You can donate proceeds to a good cause while also getting foot traffic in your door.

7. Promote a loyalty program

Loyalty programs can help you secure repeat business and build customer loyalty. Members will be more inclined to frequent your business if they know they're receiving a perk with every purchase. Consider offering members a discount on purchases or incentivize them with complimentary products or free upgrades. For instance, let's say you own a cafe. You can provide loyalty cards and give members a stamp for every coffee they purchase. Once they hit a certain number of stamps, they can receive a free coffee of their choice; or if they spend a specified amount of money at your shop, they'll receive a free gift with purchase.

8. Partner with local influencers

A social media influencer is someone who has a large online following and can influence other consumers' purchase decisions. Partnering with local influencers is an increasingly common marketing strategy. You can either pay them a fee or offer free products in exchange for posting about your business on their social channels. It can be a relatively inexpensive marketing tactic with high engagement rates within your community. Their

followers are more likely to trust their recommendations and may visit your business after seeing their posts. Think of it as a recommendation from a friend and building word of mouth.

9. Start a referral program

A referral program will bring you high-quality leads while strengthening your relationship with current customers. This type of marketing strategy is an excellent way to build awareness through word of mouth naturally. Consumers trust the opinion of their friends and family—86% of consumers say their purchase decisions are influenced by the opinions of close friends. Offer your current customers an incentive to refer their friends and family, and provide an incentive (like a discount) to the people they refer. For example, a lawn care provider could start a referral program that gives customers a free shrub trimming or lawn mow for every customer they refer. The new customers who were referred could also get a free mow after their first purchase.

5.6.2. What are the types of local advertising?

Here are 10 proven local advertising ideas for businesses that will help widen your market reach no matter what your budget.

Newspaper Advertising. ...Local Magazine Advertising. ... Cable TV Advertising.

Local Radio Advertising. . Local Website Advertising. . Attend a Trade Show. ...

Claim Your Local Digital Assets. ... Submit Press Releases.

5.6.3. How does the global advertising differ from the local advertising?

The real difference is with the resources used to execute the campaign. With a global campaign, the location of the end user is of little importance – you simply want to reach as many people as possible. A localised campaign is more finely targeted, so you need to decide where to target.

Global Marketing vs Localised Marketing: Which is More Effective?

What is global marketing?

At the most basic level, global marketing is generalised messaging intended for everyone. Your website homepage is a perfect example because it has to be written in such a way that as many people as possible can understand who your business is and what you offer. Typically, globalised marketing materials are written in English, the world's de facto second language. Global marketing campaigns are useful for raising the profile of your business and its services, and for driving sales to larger companies. Assuming English is not your first language, you will need a translator to prepare your copy for an international audience. You will also need an SEO expert to optimise that content to rank highly on global search engines.

What is localized marketing?

Localised marketing is far more focused, with a much smaller target audience. A good example would be a sales email sent to potential customers in Poland. For maximum conversions, the email needs to be written in Polish, and to take account of local customs and norms. And the same is true of any campaign materials aimed at a specific international market – including website landing pages. Localised marketing is a very involved process. Even if the content is roughly the same, marketers are effectively running one campaign per language/country that is being targeted. To ensure their message is properly tailored to the cultural norms of their target market, marketers will need to use native speakers who are familiar with both language and convention.

5.6.4. Why localised marketing beats global marketing

Search engines like Google help to promote the illusion of localisation through the use of pay per click (PPC) advertising. Using PPC, marketers can display text ads to people in their target markets, encouraging a click through to their website.

But without tailoring the landing page to the target market, all you end up with is extra visitors – the number of sales from these clicks will remain disappointing. Worse still, many of these clicks – which you are charged for – will be a complete waste of money.

Instead, marketers must allocate their spending more carefully. Research produced by Common Sense Advisory Inc found that leading companies spend between 0.03% and 1% of annual revenue on activities related to multilingual code and content.

For the Chief Financial Officer, this may sound like an excessive outlay. The evidence, however, proves that this investment drives more than enough revenue to cover the outlay and increase profits. Indeed, 67% of those businesses who have the most mature localisation programs invest more than \$2 million every year on language services because this spend is understood to be a revenue enabler.

Ultimately localisation outperforms global advertising because it is better targeted to your audience.

Getting started with localisation

The preparations for a localisation program are remarkably similar to any other marketing campaign. The real difference is with the resources used to execute the campaign.

Research possible markets

With a global campaign, the location of the end user is of little importance – you simply want to reach as many people as possible. A localised campaign is more finely targeted, so you need to decide where to target. Specific products and services will perform very well in some markets, and not at all in others. To avoid wasting your budget, identify those hopeless markets early, then focus on those most likely to do well.

5.7 SUMMARY

This lesson is divided into six divisions. The first division is mentioned about Introduction. The second division is explained regarding Types of advertising Typical advertisement is covered in the third division. In the fourth division is revealed about Identifying & Reaching target groups and the last but not the least division is analyzed regarding Local Advertising.

5.8 TECHNICAL TERMS

Typical : Some common synonyms of typical are natural, normal, and regular. While all these words mean "being of the sort or kind that is expected as usual, ordinary, or average," typical implies showing all important traits of a type, class, or group and may suggest lack of strong individuality. a typical small town

Local : An example of local used as an adjective is local government meaning the government that serves a town or a few towns. adjective. Local is defined as a person or thing belonging to a specific town or area. An example of a local is a person born and raised in the town where she attends college.

Identifying : which one to use depends on what exactly you want to mean. Here are some of the main ones: recognize—to be able to tell what something is

Target groups: Target groups are individuals or groups (families, teams, organizations) that generally live in a geographically circumscribed area (thus, in cities, individual municipal or rural districts). For the needs assessment, it's important to describe the target group as precisely as possible.

5.9 SELF ASSESSED QUESTIONS

1. Define typical advertising? Explain the characteristics of typical advertising
2. How does the global advertising differ from the local advertising?
3. Explained regarding Types of advertising

5.10 SUGESTED READINGS

1. Bhatia.K.Tej – Advertising and Marketing in Rural India – Mc Millan India
2. Ghosal Subhash – making of Advertising - Mc Millan India
3. Jeth Waneyjaishri & Jain Shruti – Advertising management – Oxford university Press Publications of Indian Institute of Mass Communications
4. Website on Advertising

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LESSON - 6

BUSINESS PROMOTION

Aims and Objectives

After studying this lesson student should be able to:

- Know the sales promotion
- Understanding the advertising and sales promotion
- Impact of sales promotion on business

Unit Structure

- 6.1. Introduction**
- 6.2. Importance Of Sales Promotion**
- 6.3. Advertising & Promotion**
- 6.4. Comprehensive Sales Promotion**
- 6.5. Planning For Business/ Sales Promotion Introduction:**
- 6.6. Consumer Promotion:**
- 6.7. Channel Promotion / Trade Promotion**
- 6.8. Types of Advertising**
- 6.9. Channel for Professional Advertising**
- 6.10. Summary**
- 6.11. Technical Terms**
- 6.12. Self Assessed questions**
- 6.13. Suggested Readings**

6.1. INTRODUCTION

Need and Objectives of Sales Promotion

The main objective of sales promotion is to bring about a change in the demand pattern of products and services. Basically, sales promotion has three specific objectives. First, it is meant to provide important marketing information to the potential buyers.

The second objective is to convince and influence the potential buyers through persuasive measures. Thirdly, sales promotion is meant to act as a powerful tool of competition. The specific objectives of sales promotion are as follows:

1. To introduce new products or services: Sales promotion is often used to motivate prospective consumers to try new products and services. Dealers are also induced to introduce new products and services in the market. Usually, free samples are provided through dealers during such introduction. Similarly, discounts in cash or goods may also be offered to dealers to stock new products or deal with new services. Free samples, trade discounts, cash discounts are basically sales promotion measures.

2. To attract new customers: Sales promotion measures also play an important role in attracting new customers for an organization. Usually, new customers are those persons that

are won away from other firms. Samples, gifts, prizes, etc. are used to encourage consumers to try a new brand or shift their patronage to new dealers.

3. To induce existing customers to buy more: Sales promotion devices are most often used to induce the existing customers of a firm to buy more. Product development, offering three products at the cost of two, discount coupons, are some of the sales promotion devices used by firms to motivate the existing buyers to buy more of a specific product.

4. Helps the firm to remain competitive: Most of the companies undertake sales promotion activities in order to remain in the competitive market. Therefore, in the modern competitive world no firm can escape the responsibility of undertaking sales promotion activities.

5. To increase sales in off-seasons: Many products like air-coolers, fans, refrigerators, air-conditioners, cold drinks, room heaters, etc. have seasonal demand. Manufacturers and dealers dealing with such type of goods make every effort to maintain a stable demand throughout the year.

In other words, firms try to encourage the purchase of such goods in off-seasons also. That is the main reason behind discounts and off-season price reductions of such items in the market during slack seasons.

6. To add to the stock of the dealers: Dealers like wholesalers and retailers usually deal with a variety of goods. Their selling activity becomes easier when the manufacturer supplements their efforts by sales promotion measures. When a product or service is well supported by sales promotion, dealers are automatically induced to have more of such items.

7. To increase Loyalty: Loyalty to a product or service is much more subjective and personal in nature than repeat purchase. Loyalty keeps the product moving even when the company is facing problems in terms of price, distribution etc.

- ❖ Long term collectors' promotion where a wide range of merchandise branded with product or service can be collected.
- ❖ Factory visits or exhibition stall visits which bring old and regular customers into direct contact with the company's product or services as well as company's officials.
- ❖ Mailing letters to few regular customers inviting them for product show.

8. To Widen Usage: Very often it would be seen that one product is widely used in one sector and not so in other sectors. The trend could be changed by educating consumers about the other uses of products. A detailed list of objectives is given for the benefit of the students. In spite of the several objectives of sales promotion, there are three objectives which are fundamental, viz., informing, persuading and reminding. These objectives are attained through effective communication.

- ❖ **Informing;** Informing refers to educating the consumers about the product, its features and uses. Free samples may be distributed to leading consumers who may be a source of advertisement for other prospective consumers.
- ❖ **Persuading;** Salesmen persuade consumers to buy their products. They develop or reinforce a favorable set of attitudes and influence their buying behavior. They supply comparative information on various products so that consumers may be willing to purchase the products promoted by them.

- ❖ **Reminding:** Reminding leads the firms to reinforce the previously satisfactory behavior of the customer. It provides suitable knowledge for recollection. Reminding the consumers of their past satisfaction will persuade them to stay with the product and prevent them from shifting to competitors.

6.2. IMPORTANCE OF SALES PROMOTION

Sales promotion acts as a bridge between advertising and personal selling. Due to the diversity of the market, the importance of sales promotion has increased tremendously. Sales promotion helps to remove the consumer's dissatisfaction about a particular product and manufacturer. It creates a brand image in the mind of the consumers and the users. Sales promotional devices are the only promotional devices available at the point of purchase. The sales promotional devices at the point of purchase stimulate the customers to make purchase promptly on the spot.

The importance of sales promotion in business organization can be briefly shown below:

- 1. Spreads information:** The first function sales promotion is to spread the important information about the availability, characteristics and uses of a particular product. Spreading the information about the product helps to do the marketing activities easily. It is important to provide the information about the product in the market.
- 2. Stimulates demand:** Sales promotion helps in stimulating the demand for the product in the market. Sales promotion activities are designed to create interest in new products and to persuade people to buy them.
- 3. Stabilization of sales volume:** Sales promotion helps to stabilize the sales volume. It is an important purpose of sales promotion to help in establishing sales volume by reassuring the customers about the quality and price of the product. It is possible that a customer using a particular brand may buy another because another brand is promoted in an effective manner.
- 4. Performance appraisal or marketing control:** Sales promotion helps in the marketing control too. It is important to have market control about the performance of the situation of the market. Performance in the market helps to raise the condition of the market which is approved by the customer.

6.3. ADVERTISING & PROMOTION

- ❖ **Advertising Research Foundation** *Association that provides resources aimed at helping to create more effective marketing and advertising communications.
- ❖ **American Association of Advertising Agencies** *Trade organization representing the advertising agency business.
- ❖ **Association of Marketing Service Providers** *Supports the interests of mailing service companies.
- ❖ **Association of National Advertisers** *This appears to be a fairly exclusive group whose membership consists of mostly large brand marketers who spend big money advertising on a national and international level.
- ❖ **Brand Activation Association** *Trade group that mostly focuses on consumer and trade promotions. Home of the annual Reggie Awards for top promotions.
- ❖ **Cable Television Advertising Bureau** *Trade group site has information, research reports and other materials related to advertising on cable television.
- ❖ **Council of Public Relations Firms** *Trade organization mostly for PR firms (as opposed to freelancers). Site includes firm rankings, career resources and directory for locating members.
- ❖ **Direct Marketing Association** *Leading professional association for direct marketers.

- ❖ **Path to Purchase Institute** *Focus is mostly on marketing promotions within retail stores.
- ❖ **Promotional Products Association International** *Industry group focusing on the use of products to aid promotional objectives.
- ❖ **Public Relations Society of America** *Society for those engaged in PR activities.

6.3.1. Customer-Focused Marketing

- ❖ **Professional Association for Customer Engagement** *Trade group that is focused mostly on offering help to companies using contact centers (e.g., telemarketing) for marketing.
- ❖ **Word of Mouth Marketing Association** *Supports those using referral methods to achieve marketing objectives.

6.3.2. Internet Marketing

- ❖ **Digital Analytics Association** *Newer group that looks to make sense out of datagathered through website traffic reports.
- ❖ **Interactive Advertising Bureau** *Not-for-profit trade association focusing on advertising issues across all interactive formats.
- ❖ **Mobile Marketing Association** *Focus of this group is on marketing via wireless means including advertising and SMS messaging through cell phones and PDAs.
- ❖ **Search Engine Marketing Professional Organization** *Professional group site that is dedicated to improving the understanding of search engine marketing.

6.3.3. Marketing Research

- ❖ **Council of American Survey Research Organizations** *Trade group whose mission is to improve the ethics and practice of survey research.
- ❖ **Marketing Research and Intelligence Association** *Canadian-based group with comprehensive site direct towards marketing, advertising, social and political researchers.
- ❖ **Marketing Research Association** *US-based organization dedicated to promoting excellence in marketing and opinion research. Offers news/event information, links to leading research firms and more.
- ❖ **The Marketing Research Society** *UK group which claims "largest professional body for individuals employed in market research."
- ❖ **Society of Competitive Intelligence Professionals** *This association's site includes FAQs about CI, job opportunities, chapter listings and educational options.

6.3.4. Product Issues

- ❖ **Corporate Design Foundation** *An association that believes and teaches that organizational interests can be served through the effective use of design disciplines.

- ❖ **Product Development & Management Association** *Trade and academic group whose mission includes improving "the effectiveness of people engaged in developing and managing new products - both new manufactured goods and new services."
- ❖ **User Experience Professionals Association** *This professional association site has good information for those involved in online and offline product design including coverage of the usability concept, links to guidelines and methods, and conference information.

6.3.5. Retailing

- ❖ **American Association of Franchisees and Dealers** *Site contains information about owning a franchise, rights of franchise owners and other materials for those thinking of buying a franchise.
- ❖ **International Franchise Association** *Mission "is to enhance and to safeguard the business environment for franchisees and franchisors worldwide."
- ❖ **National Retail Federation** *This site from the leading retail trade group is well stocked with information for those interested in traditional retailing and includes a supplier guide, listing of state, retail associations and other information.
- ❖ **Point of Purchase Advertising International** *An international trade group that focuses on sales promotion and other marketing techniques within the retail environment.

6.3.6. Sales & Sales Management

- ❖ **Center for Exhibition Industry Research** *The main benefit offered by this group is the wide range of fee-based research reports available to both members (cheaper) and non-members covering many industries.
- ❖ **Exhibit & Event Marketers Association** *Association whose objective is "to engage exhibit and event professionals". While members get access to special services, there are many free areas including case studies and articles, glossary of terms and more.
- ❖ **National Association of Sales Professionals** *Relatively new group that is pushing for salesperson certification.
- ❖ **Society of Incentive and Travel Executives** *Association for those in the incentive industry.

6.3.7. Others

- ❖ **Hospitality Sales and Marketing Association International** *Association of travel sales and marketing professionals in industries such as hotels, resorts, airlines, cruise lines, car rental agencies, theme parks and attractions.
- ❖ **Information Technology Industry Council** *A society of US providers of information technology products and services.
- ❖ **International Newspaper Marketing Association** *An association for the advancement of newspaper marketing activities. Includes a nice research section that offers case studies and links to international newspapers and to newspaper associations.

- ❖ **Professional Pricing Society** *This is a society that provides tips on establishing a pricing strategy. Intended for "both pricing professionals and executives seeking solutions to their pricing challenges."
- ❖ **Society for Marketing Professional Services** *While the name sounds like it covers a lot of ground, this trade group appears to limit its coverage to those interested in marketing issues related to architects, engineers and contractors.

6.4. COMPREHENSIVE SALES PROMOTION

The Steps in Planning an Effective Sales Promotion Program

1. Small business owners rely on sales promotions to communicate product information to customers in a target market. A sales promotion is an element of the marketing mix that differentiates a product from competing products in the mind of a potential customer. For example, a small business can promote a product using advertisements, press releases and trade fairs. Planning a sales promotion program begins by defining objectives based on marketing opportunities and ends with the creation of budgets and timetables.

2. Assess Communication Opportunities; To understand marketing communication opportunities, you must profile your target market and identify the likely benefits of your product to current potential customers. Determine the target market's economic and cultural characteristics, such as potential customers' income level and ethnicity, which will determine the effectiveness of your sales promotion, Also pinpoint current and potential customers who are the marketers – deciders and influencers. A decider has the power and financial resources to purchase your product and an influencer is a buyer or third party, such as a journalist or industry analyst, that sways the purchase decisions of others.

3. Select Communication Channels: You use information about the target market, your products and business environment to decide the channels -- personal or non-personal -- you'll use to launch the promotional campaign. A personal channel uses two-way communication to deliver a marketing message and receive customer feedback. Such communication may occur face to face, over the telephone, through the mail or email. A sales promotion for a tablet computer might involve a sales representative, a system expert and a satisfied customer. The tablet computer manufacturer might also choose non-personal communication channels, such as television broadcasts, mobile billboards or transit advertising.

4. Select Objectives: The next step is establishing the desired effect of your promotional communication. If promoting a new product, you'll seek product awareness. After you achieve awareness, your promotion program can focus on conveying your product's benefits to deciders and influencers to establish brand acceptance. Customers must then become convinced they prefer your brand and that they want to own your product, which is brand insistence. Finally, the sales promotion should convince the buyer to take action, such as brand trial or purchase, and confirm the customers are satisfied with the purchase.

5. Determine Promotion Mix: After establishing promotion objectives, determine how to allocate company resources to achieve sales goals. For example, decide to use advertisements, publicity or personal selling to promote your product. A manufacturer of tablet computers might rely on incentives including coupons, contests and trade shows to promote sales. In turn, the manufacturer might rely on advertisements to inform potential customers of the tablet's benefits, persuade individuals to buy the tablet and inform the

public of purchase locations. Primary communication channels might include print and electronic media and press releases.

6. Develop Message: In developing the promotional message, you focus on the message content, its format and likely appeal. The appeal, which is the reason the potential customer will purchase a product, affects the relative position of your product in the market. In turn, the message structure may or may not draw a conclusion for the customer regarding the desirability of your product. For example, an advertisement regarding a laptop might refer to its relative size or processing speed. You must also consider the message format, the script, sound and camera angle for an electronic message or the headline, copy, color and illustrations for a print advertisement.

7. Develop Promotion Program Budget: The budget is prepared after the promotion campaign planned. As the budget is created, you break down the costs by territory and the individual promotion mix elements, such as advertising. In creating the budget, allot money to the program based on probable amounts spent by competitors, a percent of anticipated sales revenues or the estimated cost of each program element.

8. Determine Program Effectiveness: The final step to create a sales promotion program is to create a formal sales- promotion program document. Include in the document a situation analysis, copy strategy -- which describes the theme of an advertisement campaign -- and a timetable that references both the elements of the promotion mix and the marketing mix. Also include a means to evaluate the program, such as the use of a focus group, to determine if an advertising message is memorable, the message's selling points are recognizable and how individuals feel about the message, product and company.

6.5. PLANNING FOR BUSINESS/ SALES PROMOTION INTRODUCTION

Sales Promotion is a tool which comes after Marketing Policies, Systems and Procedures are positioned. The promotion is a continuous process. It begins with the inception of sale to attract customers, survive competition and increase sales volumes and consequently revenues. Therefore a careful planning and budgeting of expenses have to be worked out for sales promotion. No marketer can survive profitably without sales promotion. The process may vary from company to company and product to product.

Sales Promotion Planning

The main stages which are involved in sales promotion planning are:

1. Establishment of objectives
2. Selection of promotional tools
3. Planning the sales-promotion programme
4. Pre-testing
5. Implementation and
6. Evaluation

As in the case of advertising, effective sales promotion involves an on-going process with a number of stages.

- 1. Establishment of objectives:** Sales-promotion objectives vary according to the target market. If the target is the customer, objectives could include the encouragement of increased usage or the building of trial among non-users or other brand users. For

intermediaries, objectives could be to encourage off-season sales or offsetting competitive promotions. Sales-promotion activity could also be aimed at internal personnel, making up part of the reward system

- 2. Selection of promotional tools:** Promotional objectives form the basis for selecting the most appropriate sales- promotion tools. The cost and effectiveness of each tool must be assessed with regard to achieving these objectives in respect of each target market. The tools available to the service marketer are described in more detail in the next section.
- 3. Planning the sales-promotion programme :** The major decisions that need to be made when designing the sales-promotion programme relate to the timing of the promotion and how long this tool is to be used. Also important are the size of incentive, rules for eligibility and, of course, the overall budget for the promotion.
- 4. Pre-testing:** This needs to be undertaken to ensure that potentially expensive problems are discovered before the full launch of a promotion. Testing in selected market segments can highlight problems of ambiguity, response rates and give an indication of cost effectiveness.
- 5. Implementation:** The programme for implementation must include two important time factors. First, it must indicate the ‘_lead time’- the time necessary to bring the programme up to the point where the incentive is made available to the public. Second, the ‘_sell in time’ which is the period of time from the date of release to when approximately 90-95 per cent, of incentive material has been received by potential customers.
- 6. Evaluation:** The performance of the promotion needs to be assessed against the objectives set. If objectives are specific and quantifiable, measurement would seem to be easy. However, extraneous factors could account for the apparent success of many sales-promotion activities.

For example, competitive actions or seasonal variations may have influenced customers’ decision making. It can also be extremely difficult to separate out the effects of sales-promotion activity from other promotional activity-or indeed from other marketing-mixchanges.

6.6. CONSUMER PROMOTION

Sales promotion aimed at consumers is called ‘consumer sales promotion’. It aims at stimulating consumers. The main consumer promotion tools include samples, coupons, demonstration, contests; cash refund offer, premium, etc.

6.6.1. Types of Consumer Sales Promotion tools

- ❖ **Samples:** Samples are one of the most important tools of sales promotion. Samples are defined as offers to consumers of a small amount of a product for trial. Free samples are given to consumers to generate their interest in the product. Samples help consumers verify the quality of the product.

Samples are delivered at the doors of consumers. They are also sent by mail or given to customers in the retail store itself. Sometimes, samples are attached to another product.

Though sampling is effective, producing numerous samples of a product is quite expensive. Moreover, distributing samples to customers also involves expenditure.

Sampling is not justified in case of

- well established product

- a product that is not superior in some way to competing products
- a product with a slow turnover
- a product with a narrow margin of profit, or
- a highly fragile, perishable or bulky product.

❖ **Coupons**

A coupon is a certificate that fetches buyers a saving when they purchase a specified product. Coupons are generally issued along with the product. They entitle the holder to either a specified saving on a product or a cash refund.

Coupons are designed

- to introduce a new product
- to promote the sale of an established product
- to sell a product in large sizes
- to stimulate customers to switch brands; and
- to encourage repeat sales.

Coupons are used for consumer convenience goods. They may be distributed door to door, by mail or they may be inserted in packages. Sometimes, coupons may be part of magazine or newspaper advertisements.

- ❖ **Demonstration / Presentation:** Demonstration is required when products are complex and of a technical nature. Customers are educated as to how to make proper use of the product. Demonstration of products induces customers to buy. Demonstrations are provided free of cost.
- ❖ **Contests:** Contests are the promotion events that give consumers the chance to win something such as cash, trips or goods. Contests are conducted to attract new customers. They introduce new product by asking the prospects to state the reasons for the purchase of the product.

The buyer purchases the product and submits the evidence of purchase with entry form for contest. Entry forms are duly filled by the buyers. A panel of judges selects the best and buyers are given prizes.

- ❖ **Cash refund offer :** Cash refund offers are rebates allowed from the price of the product. It is an offer to refund part of the purchase price of a product to consumers who send a proof of purchase to the manufacturer. Moreover, if the purchaser is not satisfied with the product, the whole price or part of it will be refunded. Cash refunded offer is stated on the package.
- ❖ **Premium:** Premium refers to goods offered either free or at low cost as an incentive to buy a product. A premium may be inside the package, outside it or received through mail. The reusable package itself serves as a premium.

Premium is generally offered for consumer goods such as soap, toothpaste, etc. Premium may be of several kinds — direct premium, reusable container free in mail premium, a self liquidating premium, trading stamps, etc.

Direct premium can be inside the pack or outside it. A reusable container can be reused after the product is reused. Free in mail premium means a premium item will be sent by mail to consumers who present proof of purchase to the manufacturer. A self liquidating premium

is the extra quantity offered at the normal price. Trading stamps are given by the seller to consumers. These are redeemable at the stamp redemption centers.

- ❖ **‘Price off’ offer:** Goods are sold at reduced prices during slump season. Reduction in prices stimulates sale of goods.
- ❖ **Consumer sweepstakes:** A sweepstakes calls for consumers to submit their names for a draw. Names of consumers are included in a list of prize winning contest. The lots are drawn and the winners get prizes.
- ❖ **Buy back allowances:** Allowances are granted to buyers on the basis of their previous purchases. In other words, buy back allowances are given for new purchases, based on the quantity of goods bought previously.

6.7. CHANNEL PROMOTION / TRADE PROMOTION

If the promotional activities are directed at trade partners or channel members, like distributors, wholesalers or retailers, it is known as trade promotion. The basic purpose of trade promotion is to build ‘push’ in the channels so that they sell the manufacturers products with great enthusiasm. It is carried out by the manufacturers by providing various incentives to trade partners to make them work for the success of their brands.

Methods of Trade Promotion

The method of trade promotion can be briefly shown below:

Dealer premiums:

Dealer premium is one of the methods for trade promotion. In some cases, certain premiums are offered to the retailers. Certain units of the products are given free to the retailers for keeping large stocks of goods. In addition to dealer premiums, the other sales promotion activities may also be undertaken.

Advertising material:

Advertising of products also helps in the promotion of trade. It is usual practice with many producers of goods to supply advertising material to their dealers, e.g. sign boards, banners, etc. seen mostly for Pepsi, coke, etc.

Store demonstration:

Store demonstration also helps in the promotion of trade. Under it, sales personnel of the manufacturer carry out a special demonstration of their products for the benefit of dealers and consumers. Both dealers and consumers are involved in it. It helps to increase the trading activities in a rapid way.

Special displays:

Special displays about the products also help in the promotion of trade activities. During trade fairs or exhibitions, special displays and shows of the company’s products may be arranged to popularize them.

Special discounts:

Special discounts on the products also help in the promotion of trade system. During the promotion campaign, a manufacturer may offer special discounts on purchase made by the retailers. Special discounts increase the profit margin of the dealer who gets encouragement to push up the sales of the product.

Push money:

Push money also helps in the trade promotion. The dealers may be given a specific amount of money to push the sales of the manufacturer's products. A cash reward is given for pushing the product among the buyers when there is tough competition in the market

6.8. TYPES OF ADVERTISING

The various types of advertising are discussed below.

Advertising is classified into two categories, discussed below:

INDUSTRIAL ADVERTISING / BUSINESS TO BUSINESS ADVERTISING

Industrial executives have little confidence in advertising. If the company promotes his goods out of fear their competitors may benefit if this stop the advertising efforts. The task of the industrial advertiser is complicated by the multiple buying process, derive demand.

OBJECTIVES

- To inform
- To bring order
- To raise queries
- To provide support for the salesman
- To reduce selling costs
- To establish the recognition of the product.
- To motivate distributors they change the company's image.
- To change buyers attitude
- These are the basic objectives that increase the benefits of the buyers to help in benefits of non-monetary objectives.

6.8.1. Media of Industrial Advertising

- ❖ **TRADE PUBLICATIONS** Trade publications are classified into either horizontal or vertical. Horizontal publications are directed to people who hold similar jobs indifferent companies across different jobs.
- ❖ **DIRECTORY ADVERTISING** Every state has an industrial directory and these are also a number of private ones. One of the most popular directors is newyork based Thomas registers.
- ❖ **CONSUMER MEDIA** Sometime advertising of business in consumer magazines is the hope of build brand recognition. Consumer advertising is also used to influence consumers to pull the brand through the channel at the stores.
- ❖ **WEB ADVERTISING** Internet is a key factor for B2B advertising. Company websites allow business people/elements to view product lights place orders check price and availability most people websites is FedEx's site.

- ❖ **DIRECT MARKETING** Business advertisers use direct marketing such as direct marketing vehicle direct mails sent to customers data sheets etc. These are used to share the information about the product price and availability in market.

6.8.2. Institutional/Corporate Advertising

- ❖ The object of institutional advertising is to build manufacturer's reputation in the minds of the public in general.
- ❖ The advertising message is direct to tell about the company its people contribution in promoting social welfare activities promoting consumer satisfaction and achievements economic progress of the company.
- ❖ They create good image of the company can run in long run process. The company strength goes up with the enhancement of corporate image it is easier that the company launch a new product in the market.
- ❖ These are useful for research and development of the firm network distribution products and services offered by the firm social programs undertaken by firm.

OBJECTIVE

The objectives of the institutional or corporate advertising are

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

These are the objectives involved in institutional advertising to develop the brand image and increase the sales in the organization.

6.8.3. Media for Institutional Advertising

- ❖ **TELEVISION** Television is one of the leading advertising media. Television advertising can be classified into network, national, local and cable ads. Most of the audience should use the television in national local and network cables to develop the brand of the product.
- ❖ **NEWS PAPER** News paper is also one of the media for institutional advertising. Some of the customer is motivated to listening the voice in the radio to the particular advisable in radio. It also promotes the goods as well as create image in the competition market.
- ❖ **MAGAZINES** Some journals time reader-digest sports are the consumer magazines. In magazines also they promote their goals and services.
- ❖ **DIRECT MAIL** Thorough sending of direct mails also we can motivate the customers regarding our brand building and promoting goods and services.

6.8.4. Retail Advertising

Retail advertising is the advertising by retailers who usually sell goods direct to the customers. The main aim of the retailer is to create awareness of different retail products and

directly target the customers. It is also help the retailer effectively research their products to the existing customers and also new ones.

To sell the stock

- To establish the identify of business
- To attract personal telephone or mail order shoppers. Retail advertising is done through window displays posters leaflets.

6.8.5. Media/Methods Of Retail Advertising

- ❖ **PRINT ADVERTISING** Such as newspapers and magazines flash their advertisement in daily and weekly magazines to promote the goods and services and also builds the image.
- ❖ **BROADCAST** Broad cast commercially such as TV's radios ads for the targeting customers though the communication channel of broad casting the advertisement.
- ❖ **INTERNET** Using internet also they promote the goods and services to entire awareness on products to the customers. Here some offers and coupons and also available in the websites.
- ❖ **STORE ADVERTISING** In store advertising such as window displays, banners, posters, and special in-store displays.

6.8.6. Trade Advertising

Trade advertising is the combination of both retailer and wholesaler. Retailers are mainly target to the customers directly. Whereas wholesales are generally not advertising minded, either for themselves or for their suppliers. They need for the developing on overall promotional strategy.

OBJECTIVES

- ❖ Encourage the retailers to stock up the product.
- ❖ To encourage higher sales and more profits.
- ❖ It will be a part of the total advertising campaign.
- ❖ Consumers advertisers aim is to convince the customers and consumer about the benefits gained from buying the product.
- ❖ It supports distribution for increasing sales.

MEDIA / CHANNEL

- ❖ **TRADE PUBLICATIONS** Trade advertisers use trade publications because the reach the highly target audience/customers through either horizontal or vertical publications.
- ❖ **DIRECT MAIL** Direct mail to the trade audience carries directly sends the information to the customers
- ❖ **TRADE SHOWS:** By conducting trade fairs and trade exhibition we can create awareness on the products to the customers.

- ❖ **INTERNET** Through internet by using banner ads in the internet and information in the websites use for the consumers and build brand in the mind of customers.

6.8.7. Professional Advertising

Advertising aimed at teachers, accountants, doctors, dentists, architects, engineers, lawyers, these are called professional advertising and appear in official publications of professional societies. They have the own business licensed operate a code of ethics called professional advertising.

OBJECTIVES

- ❖ To convince professional people to buy items by brand name for use in their work
- ❖ To encourage professionals to recommend a specific products to their clients
- ❖ To convince the person to use the product personally.

6.9. CHANNEL FOR PROFESSIONAL ADVERTISING

- ❖ **PROFESSIONAL JOURNALS** A professional journals or professional magazine is a collection of article and images about topics of applied science and professional news items. In this we can give the advertisement on the respect fields of their profession.
- ❖ **DIRECT MAIL** Direct mail encompasses of wide variety of marketing materials including brouchers catalogues, postcards newsletters and sales letters and (is also sending a direct mail is flexible to the customers.
- ❖ **MASS MEDIA** In this mass media a large number of audiences should take place to broadcast media incase of TV's radio, newspapers, and magazines. It create a modern culture and pass the messages promote the goods and sense of the customers.

6.10. SUMMARY

The promotion of advertising involves the process of selecting and presenting the media of advertising. The business development depends on of promoting business strategies and messages. Most of the advertisers believe that the promotion is an essential part of the business. However, each media out let possesses different characteristics and, thus, offers marketers different advantages and disadvantages. Sales promotion helps to remove the consumer's dissatisfaction about a particular product and manufacturer. It creates a brand image in the mind of the consumers and the users. Sales promotional devices are the only promotional devices available at the point of purchase. The sales promotional devices at the point of purchase stimulate the customers to make purchase promptly on the spot.

6.11. TECHNICAL TERMS:

Promoting : pro·mot·ed, pro·mot·ing. to help or encourage to exist or flourish; further: to promote world peace. to advance in rank, dignity, position, etc. (opposed to demote). Education. to put ahead to the next higher stage or grade of a course or series of classes.

Strategies : Strategy is defined as a plan of action. An example of a strategy is the soccer team using a specific play from their coach in order to win.
noun. 1. The science and art of military command as applied to the overall planning and conduct of large-scale combat operations.

Messages : The Messaging screen will open, where you can create a new message or open an ongoing message thread. New Message Icon. ...

Sales promotion: A sales promotion is a marketing strategy in which a business uses a temporary campaign or offer to increase interest or demand in its product or service. There are many reasons why a business may choose to use a sales promotion (or 'promo'), but the primary reason is to boost sales.

6.12. SELF ASSEMENT QUESTIONS:

1. What is Sales promotion?
2. Modes of Sales promotion?
3. How the advertising differ with promotion?
4. What do you Know about Consumer Promotion Types
5. Explain, Channels of Sales promotion
6. Briefly explain Types of Advertising
7. What is Channel for Professional Advertising

6.13. SUGGESTED READINGS

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