ADVERTISING MANAGEMENT

LESSONS 1 TO 13

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CONTENT

MM-02 : ADVERTISING MANAGMENT

Objective

The aim of the paper is to acquaint the students with concepts, techniques and give experience in the application of concepts for a developing and effective advertising programme.

Course Contents

Advertising's Role in the Marketing Process : Legal Ethical and Social Aspects of Advertising; process of Communication-Wilbur Schramm's Model, Two step Flow of Communication, Theory of Cognitive Dissonance and Clues for Advertising Strategies : Simulation of primary and Selective demand-Objectives, Setting and Market positioning; Dagmar Approach Determination of Target audience; Building of Advertising Programme Message. Headlines, copy, Logo Illustration, Appeal, layout; Campaign Planning; Media "Planning, Budgeting Evaluation-Rationale of Testing Opinion and Aptitude Tests, Recognition Recalling Experimental design; Advertising Organization-Selection comparison and Appraisal of art Agency, Electronic Media Buying Advertising campaign Advertising Consumer Behaviour. Sales Promotion-Roe of Creative Strategies Advertising-Retail, National, co-operative, Political, International Public Service Advertising.

Suggested Readings

1. Aaker, David A. etc. Advertising Management, 4th ed. New Delhi, Prentice Hall of India. 1895.

2. Beleh, George E and Beleh, Michael A. Introduction to Advertising and Promotion. 3rt ed. Chicago, Irwin, 1998.

3. Borden William H. Advertising, New York, John Wiley, 1981.

4. Hard, Norman, The Practice of Advertising Oxford, Butterworth Heinemann, 1995.

5. Kleppner, Otto Advertising Procedure. Englewood Cliffs, New jersey, Prentice Hall, Inc., 1986.

6. Ogilvy, David, Ogilvy on Advertising. London Longman, 1983.

7. Sen gaupta, Subroto. Brand Positioning, Strategies for Competitive Advantages. New Delhi, Tate Me Graw Hill, 1990.

The list of eases and specific reference invading recent articles and reports will be announced in the pass at the time of launching of the course.

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LESSON - 1
THE COMMUNICATION AND PERSUASION PROCESS

Structure

1.1 Learning Objectives

After studying the lesson, you should be able to understand:

      1. Meaning of advertising communication system and advertising exposure model.

      2. What advertising is?

      3. How objective and targets are selected?

      4. Various message strategies and tactics.

1.2 INTRODUCTION

      The most important factor to be considered in planning advertising, in addition to the marketing plan, is an understanding of the communication and persuasion process. Although much has been researched and

written about the effects of advertising and how it works. It is important to appreciate that this is a subject about which there are few definitive answers. An appreciation for the processes by which advertising works is of great value in designing advertising plans that maximize the advertisement's impact on the consumer.

1.3 ADVERTISING COMMUNICATION SYSTEM

Advertising communication always involves a perception process and four of the ele-ments shown in the model the source, a message, a communication channel, and a receiver. In addition, the receiver will sometimes become a source of information by talking to friends or associated. This communication is termed word of mouth communication, and it involves social interactions between two or more people and the important ideas of group influence and the diffusion of information.

1.31. Source

The source of a message in the advertising communication system is the point of which the message originates. There are many types of sources in the context of advertising, such as the company offering the product, the particular brand, or the spokesperson used. They are of obvious importance in deciding how best, and through whom, to communicate the advertising message.

1.3.2. Message

The message refers to both the content and execution of the advertisement. It is the totality of what is perceived by the receiver of the message. The message can be executed in a great variety of ways and can include.

1.3.3 Channel

The message is transmitted through some channel from the source to the receiver. The channel in an advertising communication system consists of one or more kinds of media, such as radio, television, newspapers, magazines, billboards, point of purchase displays, and so on. The impact of the communication can be different for different media.

1.3.4. Receiver

The receiver in an advertising communication system is also called the target audience. Thus, the receiver can be described in terms of audience segmentation variables, lifestyle, benefits sought, demographics, and so on. It is the characteristics of the receiver the demographic, psychological, and social characteristics that provide the basis for understanding communications, persuasion, and market processes. Furthermore advertising can actually stimulate word of mouth activity. Even when it cannot stimulate it, knowledge of its appropriateness and power can be very helpful.

Note that an advertising message can have a variety of effects upon the receiver. It can

- Create awareness
- Communicate information about attributes and benefits
- Develop or change an image or personality
- Associate a brand with feelings and emotions
- Create group norms
- Precipitate behavior

1.4 ADVERTISING EXPOSURE MODEL

First, exposure to the advertisement can create awareness about the brands, leading to a feeling of familiarity with it. Second, information about the brand s benefits and the attributes on which the benefits are based can register with the consumer can also result from exposure to the ad. Third, advertisements can also generate feelings in an audience that they begin to associate with the brand or its consumption. Fourth, through the choice of the spokesperson and various exceptional devices, the advertisement can lead to the creation of an image for the brand, often called brand personality. Fifth, the advertisement can create, the impression that the brand is favored by the consumer's peers, or experts individuals and groups the consumer like to emulate.

Understanding information processing invariably leads to the need for understanding a wide range of other important psychological constructs, such as perception, learning, attitude formation and change, source effects, brand personality and image, cognitive and affective response, and social factors such as group influence.

1.5 THE ADVERTISING PLAN.

The advertising plan should only be developed once the overall marketing plan has been created and the role of advertising within it has been assessed. Advertising planning and decision making focus on three crucial tasks objectives and target selection, message strategy and tactics, and media strategy and tactics. The broad purpose of advertising management is to develop, implement, and control an advertising plan. Planning as a process involves the generation and specification of alternatives. Some of the questions every advertising manager must address.

In an established brand situation, analysis will involve a retrospective look at what has been done in the past and whether basic changes in the current plan are called for. In new product situations, the manager may be essentially Starting from scratch, and each aspect of the plan will require basic new thinking, significant amounts of new research information and the development of entirely new advertising objectives and new copy and media strategies.

1.6 OBJECTIVES AND TARGET SELECTION

An operational objective is one that provides useful criteria for decision making, generates standards to measure performance, and serves as a meaningful communication device. Objectives in advertising can be couched in many ways and still fulfill the functions of an operational objective. It is sometimes possible to develop objectives in terms of sales goals. Thus a significant increase in brand awareness can usually be identified with advertising. There are simply few other possible causes. To justify the use of intervening variables, a link must be established between them and subsequent sales. It is often tempting to direct advertising at a broad audience the implicit argument is that everyone is a potential customer. It is best to consider directing the advertising to more selected groups, for which it is easier to develop relevant, stimulating copy.

1.7 MESSAGE STRATEGY AND TACTICS

The actual development of an advertising campaign involves several distinct steps. First, the advertising manager must decide what the advertising is meant to communicate by way of benefits, feelings, brand personality, or action content. We call this message strategy. Once the content of the campaign has been decided, decisions must be made on the best and at most effective ways to communicate that content.

1.7.1 Message strategy

One of the first strategic objectives has to be the design of an advertisement that gains attention, for without that nothing else is possible. Much of the material draws on recent work of consumer behavior researchers in this area, particularly in extending our understanding of learning, attitudes, and attitude change. It focuses on how decisions can be made about which attributes and benefits to emphasize in the advertising.

1.7.2 Message Tactics

The pros and cons of different kinds of spokespersons and the kinds of advertising sit-uations in which they may be most appropriate are presented and discussed. The content and tone must eventually be translated into specific advertisements. Throughout the process, decisions have to be made concerning which different copy approaches, scripts, and final advertisements will be used. Assessments of what makes for good copy are not merely subjective, of course, and several kinds of research based tests can be used, in the laboratory or in the field, to enable a creative team to check the evolving campaign continually against its objectives.

1.8 MEDIA STRATEGY AND TACTICS

Media tactics comprise the decisions about, which specific media television, radio, magazines, etc. or media vehicles

1.8.1 Media Strategy

Media Strategy Setting Media Budgets is closely tied in with the objectives and target selection decisions. Although there are many rules of thumb often used to decide how much money to spend on advertising, the soundest rules involve beginning with a detailed specification of what a corporation is attempting to accomplish with advertising, and the resources necessary. It is only when the job to be done is well specified that the amount and nature of the effort the amount of money to be invested in advertising can be really determined.

1.8.2 Media Tactics

Media Tactics Allocating Media Budgets discusses criteria that apply in the allocation of an advertising budget across media types and within each media type. The media allocation decision and media planning represent one of the few areas in advertising in which the use of mathematical techniques and computer programs is well accepted. One such factor is the type of vehicle audience and how well it matches the target audience of the campaign. Another is the ability of the vehicle to enhance the advertising impact, perhaps by creating a compatible mood or setting.

1.9 FACILITATING AGENCIES

The advertiser basically needs to know what kinds of facilitating agencies exist and the nature of the services they can provide. From a planning viewpoint, much local advertising, for example, is done without the services of an advertising agency or a research supplier. A national advertiser, on the other hand, may have under contract many different agencies and research suppliers, each serving one or more brands in a product line made up of several products.

1.10 SOCIAL, LEGAL AND GLOBAL FACTORS

The final external factor in the planning framework concerns environmental factors social, legal, and global. In developing specific advertisements, there are certain legal constraints that must be considered. Deceptive advertising is forbidden by law. However, the determination of what is deceptive is often difficult,

partly because different people can have different perceptions of the same advertisements. In guarding against deception, all types of perceptions must be considered. Furthermore, the letter and the spirit of the law on deceptive advertising is evolving rapidly. It is no small task to keep abreast of these developments. One solution is to create bland advertising that is vague, and contains little specific information. However, such an approach can result not only in ineffective advertising, but it can lessen the social value of advertising by reducing the amount of useful information that it provides to society. Thus, an advertiser who attempts to provide specific, relevant information must be well aware of what constitutes deception in a legal and ethical sense and of other aspects of advertising regulation.

Even more difficult considerations for people involved in the advertising effort are broad social and economic issues. Does advertising raise prices or inhibit competition Also, issues such as the appropriateness of the use of sex or fear appeals are being examined. It has been suggested that women and minority groups are exploited in advertising by casting them in highly stereotyped roles. Another concern is that advertising, especially when it is more irritating than entertaining, is an intrusion into an already excessively polluted environment. A whole set of rules is emerging to cover advertising directed at children, and advertising of prod-ucts such as alcohol and cigarettes, and the use of environmental and health claims in advertising. These and other similar concerns, particularly those that most large corporations and advertising agencies are now multinationals and global in their perspectives and organization.

1.11 Self-assessment questions

     1. What is advertising plan?

     2. What do you mean by Target selection?

     3. Define the term advertising.

     4. What is the difference between message strategy and message tactics?

1.12 SUMMARY

The predominant perspective of advertising management is that of the advertiser or brand manager in the advertiser component of the overall system. The broad purpose of the manager is to develop, implement, and control an advertising plan. His or her major activities involve planning and decision making. Planning concerns the generation and specification of alternatives, and decision making concerns the choice process. Which alternative should be chosen which message or media strategy is best in a particular situation, what copy theme should be used, what media mix will be most effective. The advertising plan is developed in the context of the company's total marketing program which flows from situation analysis and an assessment of the consumer market and competitive situation the company is in. Externally, the manager needs to engage in situation analysis with respect to the market conditions that are operating at the time and to assess the consumer market, competitive, facilitating agency, and social, legal, and global factors that will affect decision making and the development of the plan. Internally, analysis should focus on the overall marketing program and how advertising will interact with the various components of the program. It is vital that the advertising plan be developed so as to mesh with and support the various components of the marketing and communications mix such as personal selling, pricing, public relations, and promotion. The advertising manager also needs to know the major areas of his or her planning and decision making responsibilities. There are three areas of major importance objective and target selection considerations,' message strategy and tactics, and media strategy and tactics. Planning and decision making are required from each perspective, and the final advertising plan will reflect the various decisions made in each area.

Cognitive and affective, or feeling, processes that occur between exposure to advertise-ments and ultimate buying or consuming behavior are primary points of focus. Exposure can lead to increased awareness of and familiarity with the brand, added information on brand attributes and benefits, creation of a brand image or personality, association of feeling with the brand, linkages of brands with peers and experts, and or reminders and inducements to try or continue using the brand. All can affect brand attitude and ultimately purchase behavior.

Implementation of advertising plans is done with the assistance of many different kinds of external organizations such as production houses, broadcast and print media, advertising agencies, and research supplier companies. These are the facilitating agencies that help in bringing advertising into being.. Also, implementation takes place in an environment of major social, economic, legal, and global forces. These, too, must be understood to develop effective advertising and engage in effective advertising management.

1.13 Glossary

Message: a verbal, written, or recorded communication sent to or left for a recipient who cannot be contacted directly.

Media channel: A media channel refers to the specific medium by which an advertiser's message is conveyed to its intended audience.

Advertising: Advertising is a marketing tactic involving paying for space to promote a product, service, or cause. The actual promotional messages are called advertisements, or ads for short. The goal of advertising is to reach people most likely to be willing to pay for a company's products or services and entice them to buy.

Tactics: A tactic is a conceptual action aiming at the achievement of a goal

Strategy: Strategy is an action that managers take to attain one or more of the organization's goals. Strategy can also be defined as "A general direction set for the company and its various components to achieve a desired state in the future. Strategy results from the detailed strategic planning process".

Plan: A plan is a method of achieving something that you have worked out in detail beforehand

1.14 Answers: self-assessment

1. For answer refer: section 1.5

2. For answer refer: section 1.6

2. For answer refer: section 1.1

4. For answer refer: section 1.7

5. For answer refer: section 1.7

1.15 Terminal Questions

1. What are the basic differences between planning and decision making in ad-vertising management ?

2. How does an advertising plan differ from an overall marketing plan?

3. How do advertising decisions differ from other types of marketing decisions

4. Outline the major components and considerations that you would include in your advertising plan if you were the brand manager of a brand of gasoline, a major credit card?

5. "An important internal component to be considered is the overall marketing plan". Discuss.

6. Advertising plans rest on three central planning and decision making consid-erations. Name them and give examples of each.

7. Explain the meaning of the term message strategy. Give an example of three alternative messages strategies that might be adopted for a brand of peanut butter.

1.16 SUGGESTED READINGS

1. Aaker, David A. etc. Advertising Management. 4T ed New Delhi, Prentice Hall of India, 1985.

2. Beleh, George E. and Beieh Michael A. Introduction to Advertising and Promotion. 3rd ed. Chicago. Irwin, 1995.

3. Borden. William H. Advertising. New York, John Wiley. 1981.

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5. Kleppner, Otto. Advertising Procedure. Englewood Gill's, New Jersey, Prentice Hall Inc., 1986.

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7. Sengupta, Subroto. Brand Positioning. Strategies for Competitive Advantages. New Delhi, Tata McGraw Hill, 1990.

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LESSON - 2
ROLE OF ADVERTISING IN MARKETING PROCESS

Structure

2.1 LEARNING OBJECTIVES

2.2 INTRODUCTION

2.3 FUNCTIONS

    2.3.1 Economic Functions

    2.3.2 Social Functions

    2.3.3 Psychological Functions

2.4 CLASSIFICATION OF ADVERTISING

2.4.1 Geographical Spread

    2.4.1.1 National Advertising:

    2.4.1.2 Local Advertising:

    2.4.1.3 Global or Regional Advertising:

2.4.2 Primary Demand Advertising

2.4.3 Product of Institutional Advertising

2.4.4 Co-operative Advertising

2.4.5 Target Group

    2.4.5.1 Consumer Advertising:

    2.4.5.2 Industrial Advertising:

    2.4.5.3 Trade Advertising:

    2.4.5.4 Professional Advertising:

    2.4.6.5 Farm Advertising:

2.4.6 Non-Commercial Advertising

2.4.7 Direct or Indirect Action Advertising

2.4.8 Advertising Classified by Nature of Appeal

2.4.9 Public Awareness Advertising

2.4.10 Business to business advertising

2.4.11 Retail Advertising

2.4.12 Personal Advertising

2.4.13 Classified Advertising

2.4.14 Service Advertising

2.4.15 Educational and NGO Advertising

2.5 RECRUITMENT ADVERTISING

2.6 CHARACTERISTICS OF RECRUITMENT ADVERTISING

2.7 FINANCIAL ADVERTISING

2.8 THE ROLE OF ADVERTISING. WITHIN T|IE MARKETING PROGRAM

2.9 SELF ASSESSMENT QUESTIONS

2.10 SUMMARY

2.11 GLOSSARY

2.12 ANSWER: SELF ASSESSMENT QUESTIONS

2.13 TERMINAL QUESTIONS

2.14 SUGGESTED READINGS

2.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Function of advertising in marketing process.

2. Various types of advertising

3. Various characteristics of recruitment advertising

4. Meaning of financial advertising.

5. Role of advertising in the marketing programs.

2.2 INTRODUCTION

Advertising is a means by which sellers communicate to prospective buyers, the worth of their goods and services. It is a basic tool of marketing for stimulating demand and for influencing the level of the demand. It has various functions like economic, social and psychological.

2.3 FUNCTIONS

2.3.1. Economic Functions

The advertisement has to facilitate to sell a product or service. The advertisement accomplishes the same by communicating effectively, by communicating to the right people, by communicating the right message through brilliant and persuasive language, making use of appeals to different human motives. Advertising performs the economic function by being an art of persuasion. It also is helped by a science of layout, visualization, print reproduction, special effects on films etc. Sales information is conveyed to millions of people far and wide. Advertising is a subject of study in journalism, mass communication and management schools. It is a profession which employs both creative and noncreative persons executives, media planners, art directors, administrative heads, copy writers etc. Advertising is also an economic process. It helps the products to become known, to facilitate ultimately an exchange between those who need the products and those who can satisfy this need.

2.3.2. 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 and music systems, autos and two wheelers, polyesters and pop corns, ball point pens and antibiotics. We used these articles after getting interested in them through advertising. It has contributed to our standard of living substantially.

2.3.3. Psychological Functions

Advertising is closely linked to consumer behaviour. 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 psychological motives. Its appeals may be rational or emotional.

2.4 CLASSIFICATION OF ADVERTISING

Several categories of organisations are large users of advertising. The principal means of classification are:

- By geographical spread, such as national, regional and local;
- By target group, such as consumer advertising, industrial advertising;
- By type of impact such as primary demand or selective demand advertising, direct or indirect action advertising, and institutional advertising;
- By function or purpose which include product vs non product, commercial vs non commercial.

It is conceptually more interesting and analytically more important to classify advertising. The basis of classification, however, can be diverse, as will be evident from below:

2.4.1 Geographical Spread

On the basis of geographical spread, advertising can be classified as National, Local and Global (Regional).

2.4.1.1 National Advertising: Some manufacturers may think that their target is the entire country. They select media with a countrywide base.

2.4.1.2. Local Advertising: Small firms may like to restrict their business to State or regional level, A classic example is Nirma washing powder, which initially was sold only in Gujarat and subsequently entered the other markets. Retail stores also undertake local advertising. The area to be covered would generally be a city or a town and media would be selected which principally relates to that area.

2.4.1.3. Global or Regional Advertising: Some global corporations use a universal copy in all their markets, e.g. Coke or Colgate. Multinational firms treat the world as a single market.

2.4.2. Primary Demand Advertising

The main aim of such advertising is to create a demand for the product. For example, cars, refrigerators, washing machines, watches etc. Such advertising is directed towards a class of customers, it is also describes ad selective demand advertising.

2.4.3 Product of institutional Advertising

Advertising of this kind is of 'window display of satisfaction'. To achieve this desired effects and results, the advertising must carry the brand of the product or of the manufacture. Most of the companies were successful in the making an image on the minds of the people by using their names, such as D.C.M., Bata, Dunlop, Bombay Dyeing etc. The product 'Brand' is also used to achieve the same result such as Horilcks, Dalda, Vespa, etc. Thus advertising that stresses either the produce or the manufacturers is termed respectively as product or institutional advertising. A lot of major companies and their number is growing by the day spend a good portion of their ad. budget on institutional advertising.

2.4.4. Co-operative Advertising

When manufacturers, wholesalers or retailers jointly sponsor and share the expenditure on advertising, it takes the form of cooperative advertising such advertising would carry the names of all the parties involved. For example, the manufacturers of car, fans, TV sets, etc. undertake this type of advertising.

2.4.5. Target Group

Advertising can be classified on the basis of intended audience towards whom the advertising is directed as follows Consumer Advertising, Industrial Advertising, Trade advertising, Professional Advertising, Farm Advertising.

2.4.5.1. Consumer Advertising: A very substantial portion of total advertising is directed to buyers of consumer products who purchase them either for their, own use or for their household's. These advertisements are intended to promote sale of the advertised products by appealing directly to the consumers. Such advertising is called consumer advertising.

2.4.5.2. Industrial Advertising: This category would include machinery and equipment, industrial intermediates, parts and components etc.

2.4.5.3. Trade Advertising: Advertisements which are directed by the manufacturers to the distribution channel members, such as wholesalers or retailers, are called hade advertising.

2.4.5.4. Professional Advertising: There are certain products for which the consumers themselves are not responsible for the buying choice. Firms operating in such market segments, therefore, have to direct their advertising to these decision makers, who are professional people. Such advertising is called professional advertising.

2.4.5.5. Farm Advertising: For selling farm products such as fertilizers etc. some kind of specialisation is found in all the above forms of advertising. All these forms could be collectively called selective advertising.

2.4.6 Non-Commercial Advertising

These are usually published by charitable institutions to solicit general and for financial help, e.g. collection of funds.

2.4.7. Direct or Indirect Action Advertising

Advertising that stresses and persuades immediate buying of the product is known as direct action advertisement.

2.4.8. Advertising Classified by Nature of Appeal

Sometimes, advertising is classified by the nature or type of appeal used or motives towards which advertising is aimed. For this, it may be (a) rational, and (b) emotional.

2.4.8.1. Rational Advertising explains the medicinal quality of or the characteristics of the product.

2.4.8.2. Emotional Advertising tries to create an image of the product by investigating the emotional feelings.

2.4.9 Public Awareness Advertising

Many advertisers resort to comparative advertising to gain top-or-the-mind awareness, but unfortunately no serious research has been conducted in this country to provide a serious base to this assumption.

2.4.10. Business to business advertising

The purpose of business to business advertising is to promote non consumer goods and services. These may include raw materials, components and accessories plant and machinery services such as insurance office equipment and supplies.

2.4.11. Retail Advertising

Here we have a form of advertising which lies between trade and consumer advertising. The most obvious examples are those for department stores and supermarkets. A major form of retailing nowadays is direct response marketing or retailing without shops.

2.4.12. Personal Advertising

Personal add counters have been opened by some of the newspapers in different parts of big cities. Such advertisements can also be booked over telephone.

2.4.13. Classified Advertising

Classified advertisements are used as a tool of reaching out to various categories of consumers by companies, agents to find, cars, houses and a plethora of new and second hand goods. In fact, some newspapers generally term the ads of personal nature as classified, while others differentiate them, on the basis of selling space in column cum-centimeters for the display add versus selling space by words for classified ads.

2.4.14. Service Advertising

Governments, and some companies have come forward to issue public service advertisements. Issues which are public interest directly fall in the category of public service advertising, hi India, the Governments, both at the Central and State levels, are probably the largest advertisers in the country.

2.4.15. Educational and NGO Advertising

Educational institutions advertise inviting students for various courses. The Non-governmental sector also referred as the NGOs, over the past one decade or so have come' to the forefront, espousing various causes. These range from education to environment protection, from women s issues to empowering the handicapped, from child right to helping the aged. Fund raising is a very important activity with some NGOs to sustain their programmes. The message in advertisements or appeals of this kind should not only be very powerful but also very clear. The person who you are trying to involve through the advertisement must clearly know what he is expected to do and whether he can do it, considering his resources.

2.5 RECRUITMENT ADVERTISING

This form of advertising aims to recruit staff the police, armed forces and other public services and may consist of run on classified advertisements or displayed classified, although other media such as radio and television are sometimes used. Before recession and mass unemployment occurred, recruitment advertising had become an important source of revenue for the media and there were many specialist recruitment advertising agencies or divisions of advertising agencies devoted to handling this kind of advertising, famous ones like Austin Knight Advertising have survived.

2.6 CHARACTERISTICS OF RECRUITMENT ADVERTISING

The advantage of using a recruitment or selection agency is that applications can be obtained discretely and they can be screened to provide employers with a short list of the best candidates. Two skills have to be applied. The advertisements must be so worded that they both sell the job and attract the best applicants, while correct choice of media will bring the vacancy to the notice of the largest number of good applicants as economically as possible. Regular users of recruitment advertising usually have a standard style of advertisement complete with company logo.

2.7 FINANCIAL ADVERTISING

It is probably difficult to put a limit on what can be contained under this heading, but broadly speaking financial advertising includes that for banks, savings, insurance and investments. In addition to advertising addressed to customers or clients it can also include company reports, prospectuses for new share issues, records of investments in securities and other financial announcements.

2.8 THE ROLE OF ADVERTISING WITHIN THE MARKETING PROGRAM .

Advertising planning and decision making take place in the context of an overall marketing program. Obviously, there are several marketing tools that can be used to help an organization achieve its marketing objectives. Its product or service can be developed or refined. A distribution network can help match an organization s output with its clientele. Pricing strategy is another marketing decision variable. The most appropriate way to improve the sales of a brand may not involve promotion or advertising at all, but may involve more extensive distribution better relationships with the trade, a lower price, or simply better product quality.

In addition to placing the advertising plan in this total context, the brand manager must also take care to develop a marketing program in which the component parts work in a coordinated, synergistic manner instead of at cross purposes. For instance, when a firm develops a prestige product with a premium price, it is important that the advertising reinforce that idea of high quality and prestige. This can be done by associating the product with prestigious people, situations, or events.

The advertising and selling effort may be primarily directed to either the consumer or the trade. In the former case, the intent would then be to have consumer interest "pull" the merchandise through the distribution channel in the latter case, distributor margins would get the emphasis, consumer advertising would be less, and the intent would be to push it through the channel.

The Role of Advertising within the Communications Mix

Once it has been determined that a key problem or opportunity for the brand involves its communication with consumers, it should not be immediately concluded that more money needs to be spent on advertising. Advertising is only one part of the communications mix a firm can also communicate, with its consumers through the sales force, through publicity or public relations, and through various consumer and trade promotions.

An advertising has various strengths and weaknesses. Unlike the high cost of a sales call. And, again, unlike sales calls, advertising can use complex visual and emotional devices to increase the persuasiveness of the message. However, salespeople can often communicate more complex information by getting an order. Thus, direct marketing may be needed to target certain prospects with a more customized message, provide them with detailed information, and induce them to act.

Advertising is notorious for this inability to actually get the sale while the effects of advertising in increasing brand awareness and favorable attitudes for the brand are easily documented, effects on sales are harder to find. It is thus often useful, after advertising creates awareness of a brand, to supplement advertising with sales promotions which are often more effective in actually getting consumers to try the brand. Finally, advertising is also weak in another respect it is widely perceived as biased. Many consumers often do not trust advertising and are skeptical about its him claims.

Thus, an integral part of the advertising planning and decision-making process is an assessment of the role that advertising is meant to play as one part of a firm s communications mix and as one part of the total marketing mix. Once this perspective has been gained, the brand manager must design a marketing and communications plan in which the different elements complement each other in increasing the sales for the brand.

Direct or Database Marketing

Direct marketing includes not just direct mail, but also telemarketing and direct response advertising on TV and radio and other media, in which the ad aims to generate an action response. Direct marketing has two key advantages that differentiate it from regular, mass advertising: (1) The ability to target specific, individual consumers with an offer that is tailored to that consumer and (2) The ability to directly measure response. For example, the script used by a telemarketer can be tailored to what is known about the person being called.

2.9 Self-assessment questions

1. What are the functions of advertising?

2. What is primary demand advertising?

3. Define the co-operative advertising.

4. Define the term target group.

5. What is recruitment advertising?

2.10 Summary

Advertising is a part of marketing, in order to raise awareness and create interest in the brand. While advertising is a single part of the Marketing mix. It is one of the most important parts of marketing. Advertising is the best way to communicate to the customers. It creates brand awareness and helps to inform the customers about the brands available in the market and the variety of products useful to them. Advertising is for everybody including kids, young and old. It is done using various media types, with different techniques and different methods. It helps in creating and identifying the need of the customers. It is involved in spreading the word about a business, product, or service offered to the public.

2.11 Glossary

Local advertising: 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 etc.

Co-operative advertising: Cooperative advertising is the sharing of costs for locally placed advertising between a retailer or wholesaler and a manufacturer.

Target group: A target audience is the intended audience or readership of a publication, advertisement, or other message. In marketing and advertising, it is a particular group of consumers within the predetermined target market, identified as the targets or recipients for a particular advertisement or message.

Farm advertising: it is direct marketing efforts with agricultural advertisements.

Retail advertising: Retail Advertising refers to advertising for the retail business, in connection of the private business of branches. Furthermore, the designation Retail is used also in the tourism and banking industry. Service advertising: it involves the setting of standards and investigation of deviations from targets.

Recruitment advertising: Recruitment advertising, also known as Recruitment communications and Recruitment agency, includes all communications used by an organization to attract talent to work within it.

2.12 Answers: self-assessment

1. For answer refer: section 2.3

2. For answer refer: section 2.4.2

2. For answer refer: section 2.4.4

4. For answer refer: section 2.4.5

5. For answer refer: section 2.5

2.13 Terminal questions

1. What are the various functions of advertising in marketing?

2. What are the various types of advertisement?

3. What is the difference between co-operative advertising and product of institutional advertising?

4. Describe in detail the non-commercial advertising.

5. What is the difference between public awareness advertising and business to business advertising?

6. What are the various characteristics of recruitment advertising?

7. What is the role of advertising within the marketing program?

8. Define the terms: a) service advertising b) personal advertising c) Retail advertising

9. Distinguish between commercial and non-commercial advertising.

10. What do you understand by financial advertising?

2.14 SUGGESTED READINGS

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LESSON-3
OBJECTIVE

Structure

3.1 Learning Objectives

After studying the lesson, you should be able to understand:

       1. Function of objective.

       2. Marketing strategy and situational analysis.

       3. The consumer learning process.

       4. The consumer motivation process

       5. Meaning and attitude and relationship between recall and persuasion.

3.2 FUNCTION OF OBJECTIVE

Objectives serve several functions in modern management. They provide a vehicle by which the client, the agency account executive, and the creative team communicate. They also serve to coordinate the efforts of such groups as copywriters, radio specialists, media buyers, and research specialists. A related function of an objective is to evaluate results. This function implies that there needs to be a measure such as market share or brand awareness associated with the objective.

3.2 SALES AS AN OBJECTIVE

Advertising objectives, like organizational objectives, should be operational. They should be effective criteria for decision making and should provide standards with which results can be compared. A convenient and enticing advertising objective involves a construct like immediate sales or market share. However, objectives that involve an increase in immediate sales are not operational in many cases for two reasons (1) advertising is only one of many factors influencing sales, and it is difficult to isolate its contribution to those sales and (2) the contributory role of advertising often occurs primarily over the long run.

It is clearly unfair, in this situation, to gauge the success of the ads themselves by the number of cars sold. Such a situation did actually occur with Nissan s new luxury car, the Infiniti, when it was launched. Some people therefore argue that evaluating advertising only by its impact on sales is like attributing all the success (or failure) of a football team to the quarterback. Thus, advertising objectives that emphasize sales are usually not very operational because they provide little practical guidance for decision makers. No one argues the desirability of a sales increase, but which campaign will or did generate such an increase? If an objective does not contribute useful criteria on which to base subsequent decisions, it cannot fulfill its basic functions.

3.4 TOWARD OPERATIONAL OBJECTIVES

If immediate sales do not form the basis of operational objectives in most situations. Addressing these questions in a careful, systematic way will often yield useful and effective objectives.

- The target segment
- The ultimate behavior within that segment that advertising is attempting to precipitate, reinforce, change, or influence.
- The process that will lead to the desired behavior and what role can advertising play in the process.

3.4.4 The Target Segment : The first step is to identify the target audience. Usually, but not always, the target is the end consumer. Exceptions arise when a company wants to recognize and motivate its employees, induce intermediate distribution channels to stock and push a product, or increase favorability among stakeholders such as financial stock analysts, government regulators, stockholders, and so on.

3.4.2 The Analysis of the Ultimate Desired Behaviour: The second step involves the analysis of the ultimate desired behavior such as trial purchases of new customers, maintenance of loyalty of existing customers, creation of a more positive use experience, reduction of time between purchases, increasing the use up rate, or the decision to visit a retailer.

3.4. 3 The Analysis Of Communication And Decision Process: The third step then involves an analysis of the communication and decision process that will lead to the desired behavior in the targeted segment. Operationally, this usually involves using advertising-response measures that intervene between the incidence of the stimulus, and the ultimate behavioral response that is the focus of the advertising.

3.5 BEHAVIORAL DYNAMICS

An understanding of market dynamics is necessary to an analysis of the ultimate behavior on which advertising should focus. An increase in sales or, more generally, an increase in product use can basically come from various sources from new customers attracted to the brand for the first time by increasing the loyalty of existing customers, and by inducing existing customers to use more of the product class, either by increased usage or in new situ-ations.

3.5.1. New Customers from Other Categories

Another approach is to attract people from segment 1M, those not now using the product class. Pepsi might conclude that it is easier to get young coffee drinkers to switch from coffee to Pepsi for their morning drink, than it is to get Coke drinkers to switch to Pepsi. An example of such an approach is the Dannon Yogurt, The intent of that advertisement is to attract those using sour cream as a baked potato topping to a different type of topping that they are not currently using.

3.5.2. Increasing Brand Loyalty, Reducing Attrition and Price Elasticity

A defensive strategy is also possible. We are not the only ones advertising all our competitors are, all the time, trying to steal our customers away from us or trying to increase their own share of requirements. It is very important, therefore, to recognize the effect that advertising has on reinforcing a present customer s existing preference for our brand.

A related behavioral objective to that of increasing loyalty might be to decrease a consumer's price sensitivity. A company would hope that by creating more loyal consumers it is able to charge a higher price of leducc the imed for discounts and thus increase its contribution margin. It has also been argued, however, that higher levels of advertising might actually increase the extent to which consumers do comparison shopping and compare prices, and thus actually increase, rather than decrease, price elasticity.

3.6 MARKETING STRATEGY AND SITUATION ANALYSIS

The planning and decision making process begins with a thorough analysis of the situation the advertiser faces and the development of marketing strategy. Marketing strategy includes the long run vision and objectives of the company as well as an articulation of the specific strategic position it will aim to occupy in the marketplace in the years ahead. The development of marketing strategy thus, should begin with situation analysis, and a comprehensive examination and analysis of ail important external and internal factors operating in a particular situation. This includes assessing the strengths, weaknesses, threats, and opportunities.

Situation analysis invariably involves research of some kind. For advertising planning and decision making, the principal thrust of research efforts is on market analysis or, more broadly, the analysis of consumer motivation and behavior with respect to the product, service, idea, or object to be advertised. Situation analysis can be based on conventional wisdom, managerial experience, or the creative teams inherent imaginative abilities, but current market and environmental conditions—what the situation' is how can only be adequately assessed by research.

In many cases, a situation analysis is undertaken from the perspective of the total company or product line and will involve finding answers to dozens of questions, including questions about the history of the product, distribution, pricing, packaging, consumer analysis, and competition.

3.7 CONSUMER AND MARKET ANALYSIS

A situation analysis often begins by looking at the aggregate market for the product, service.

It is vitally important, however, that the reasons for these aggregate statistics and market trends be understood. The analyst needs to examine and understand the attitudes and behaviors of consumers as individuals.

3.8 COMPETITIVE ANALYSIS

Advertising planning and decision making are heavily affected by competition. Competition is a pervasive factor it occur as a consideration in all phases of the advertising planning and decision making process. A type of market structure analysis that involves the development of perceptual maps of a market.

Situation analysis usually include an analysis of what current share the brand now has, what shares its competitors have, trends in these shares, reasons for these trends, what share of a market is possible for the brand, and from which competitors an increase in share will come.

Opportunity for marketing and advertising can also be uncovered using competitive analysis. In other terms, is there a bundle of attributes that a consumer desires and that some competitor has not yet targeted? Much research shows that companies that are the first to launch brands that meet unmet needs of ten have a "Pioneering advantage"

These types of questions need to be asked and answered. Many companies have initiated their own tracking systems for monitoring competitive advertising that monitor the content of the advertising, how much money is being spent, and the media in which completive advertisement appear.

3.9 THE CONSUMER LEARNING PROCESS

Each time we file a new perception in our minds it s a learning process. Like perception, learning works off the mental files and at the same time contributes to them. Learning produces our habits and skills. It also contributes to the development of interests, attitudes, beliefs, preferences, prejudices, emotions, and standards of conduct all which affect our perceptual screens and our eventual purchase decisions.

3.10 THE CONSUMER LEARNING PROCES

Learning is a relatively permanent change in thought process or behaviour that occurs as a result of reinforced experience. Advertisers classify most learning theories into two broad categories-cognitive *theory and conditioning theory* depending on the level of consumer involvement in making a purchase. **Cognitive theory** views learning as a mental process of memory, thinking, and the rational application of knowledge to practical problems. **Conditioning theory** treats learning as a trial and error process. A stimulus motivate the consumer s need and creates the drive to respond. If the consumer s response reduces the drive, then satisfaction occurs, and the response is rewarded.

Conditioning theory is more applicable to the simple, basic purchases consumers make every day soap, cereal, toothpaste, paper towels. If learning is reinforced enough and repeat behaviour is produced, a purchasing habit may result. The mightiest weapon consumers have, and the one manufacturers fear most, is their refusal to repurchase. Advertising is powerful in that it can get them to buy a product once. Repetition is important to learning. Repeat messages penetrate customers' perceptual screens by rekindling memories of key information from prior ads.

3.11. THE CONSUMER MOTIVATION PROCESS

Abraham Maslow maintained that the lower, physiological and safety needs dominate human behaviour and must be satisfied before the higher, socially acquired needs become meaningful. The highest need, self actualization, is the culmination of fulfilling all the lower needs and reaching to discover the true self. The consumer first evaluates the need and either accepts it as worthy of action or rejects it. Acceptance converts satisfaction of the need into a goal, which creates the dedication to reach a particular result. Advertising should stimulate the decision about wants and needs. If they accept this need, they will formulate a goal: to shop for report-writing software compatible with their computer. Before creating messages, advertisers must carefully consider the goals that lead to consumer motivation.

3.12 THE COGNITIVE RESPONSE MODEL

To recapitulate, research streams one through three have established that:

- in low involvement situations, it may be more appropriate to create ads that raise awareness and change brand, attitudes through exceptional liking and credibility, while.

- in high involvement situations, it may be better for ads to provide strong reasons why the brand is superior.

It is natural to assume that when advertisements change consumer attitudes in such high involvement, central processing situations. It is because consumers learn the content of the advertisement and that this learning then leads to changes in attitude toward the brand. It would also make sense to test the effectiveness of these advertisements by measuring how much of their content was actually learned by consumers exposed to them, by asking them what they remembered from the add.

Research into cognitive responses usually involves asking audience members during the ad exposure or just after it to write down all the thoughts that occurred to him or her during the exposure. A variety of types of cognitive responses are potentially relevant in such analysis.

Obviously, the impact on attitude of cognitive responses will depend on the nature of the cognitive responses evoked by the add. The basic predictive model is that the number of SAs will be positively associated with changes in beliefs, attitudes, and behavioral intentions and that the number of CAs will be negatively correlated. Consumers can also have various other thoughts when they view ads, some possibly related to their own lives and experiences. While some of these idiosyncratic thoughts can add richness and personal meaning to how they see the advertised brand.

The theory states that people strive to justify their reducing the degree to which their impressions and beliefs are inconsistent when reality. For example, a consumer purchased a Sony a LG TV set. After some time, he comes across advertisements about the rival Sony, which highlight certain characteristics which LG does not have. According to this theory, which is based on empirical research, he will choose to ignore information about Soni, which has certain features which his purchase LG does not have or subconsciously seek a reassuring information about LG in order to reduce the dissonance. Research has further proved that new buyers of such products are more likely to read advertisements of the brands they already own than about competitive brands. On the other hand, they may accept the new evidence and reduce the dissonance by changing their purchasing behaviour, by either trading in LG or vowing to purchase Soni next time. They however, do hope that consumers of competitive products do, because those buyers might relieve that uncomfortable tension by switching to their products.

3.13 WHAT IS ATTITUDE

Attitudes is the most important variable in social Psychology. Attitudes govern the response to a stimulus and lead to behaviour usually to action.

3.14 COMPONENTS OF ATTITUDES

There are three main components of attitude. These are cognitive affective evaluation, and cognitive.

3.14.1 Cognitive Component- The cognitive component is what the individual knows or believes about the product. We are not only concerned with the beliefs about the characteristics of the object, but more or less, about its evaluations also. It is important to evaluate the object in terms of its qualities. Without belief attitude cannot take shape.

3.14.2 Affective component- The affective component is the individual s emotional reaction to the object i.e. whether individuals like the object or not or to know whether they have favourable or unfavourable attitude towards the object.

3.14.3 Cognitive component- This component is the behavioural part of the attitude, the readiness to respond with action. If the attitude is negative, it adversely affect the behaviour of the person. The response may range from ignoring the object stimulus to aggressively attacking it.

Each of these three components of attitude varies according to the situation and the person. Attitude may range from indifferences to passion with many complexities along the way. Attitudes, good or bad, are learned and do not spring up all of a sudden. Attitudes do not function in isolation. They interact with perception, thinking, feeling, and reasoning.

Consumer attitude is very important for the marketer to assess the success of the product. The marketer should have an ability to understand, predict and influence consumer attitudes in order to have a fair share in the market.

3.15 THE RELATIONSHIP BETWEEN RECALL AND PERSUASION

It was stated above that recall of message content does not have a very strong relationship to persuasion overall because what matters more in determining per suasion is what people themselves thought when they saw your add. Recall does indeed relate to persuasion when the consumer is in a low involvement situation and is therefore not evaluating the brand at the time the advertisement is seen. Consequently, when such a low involvement consumer eventually needs to pick a brand, he or she has to search in memory for facts to use in that choice decision-and brands that they can recall more about stand a better chance of being selected.

The relationship between recall and persuasion gets more complicated in high involvement situations. Another way to think about whether Or not recall should be an advertising objective in such situations is to remember that recall is a necessary but not sufficient condition for persuasion. That is, if someone does not remember the ad, they cannot possibly remember what was in it and are unlikely to develop a preference for the advertised brand member what you said about your brand doesn't mean you convinced them, if they were looking for some other benefit altogether.

Another reason why recall may be unrelated to persuasion may simply be that whatever does get recalled about a brand at the time the consumer is about to choose a brand is simply not very relevant or helpful in that later brand selection decision. (1) available and accessible in memory and (2) considered more diagnostic. Thus, even if some pieces of information are' remembered later, they may not get used if they are considered less helpful in brand selection than some other pieces of information available to the consumer later that the consumer considers more useful in making a choice.

This means that advertisers really have two hurdles. First, they must try to place into the consumers memory. Second, these attributes must be easily recallable by the consumer they should be easily accessible in that consumer s memory and reminder material at the point of purchase that cues the consumer to what was said by the ad when it was seen in the past.

3.16 Self-assessment questions

1. Define the term Objective.

2. What are the behavioural dynamics?

3. What is the situational analysis?

4. Define consumer learning process.

5. What is the cognitive response model?

3.17 Summary

Learning is defined as a relatively permanent change in the behaviour that occurs as a result of experience of self or others. There occurs an enhancement of knowledge, skills and expertise which are relatively permanent. Consumer learning is defined as a process by which people gather and interpret information about products and services and use this information/knowledge in buying patterns and consumption behaviour. As Schiff man has put it "consumer learning can be thought of as the process by which individuals acquire the purchase and consumption knowledge and experience that they apply to future related behaviour". Consumer learning may be intentional, where learning is an outcome of a careful search for information; learning can also be incidental, where learning occurs as a matter of chance, by accident or without much effort.

3.18 Glossary

Objective:A specific result that a person or system aims to achieve within a time frame and with available resources.

Target marketing: Target marketing involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments consisting of the customers whose needs and desires most closely match your product or service offerings.

Behavioural dynamics:a descriptive analysis of the internal behaviour patterns which motivate or cause the overt, external behaviour.

Consumer: The consumer is an individual who pays some amount of money for the thing required to consume goods and services

Learning: Learning is the process of acquiring new, or modifying existing, knowledge, behaviours, skills, values, or preferences.

Attitude:attitude is a way of feeling or acting toward a person, thing or situation.

3.19 Answers: self-assessment

1. For answer refer: section 3.2

2. For answer refer: section 3.5

2. For answer refer: section 3.6

4. For answer refer: section 3.10

5. For answer refer: section 3.12

3.20 SUGGESTED QUESTIONS

1. Discuss in brief about objectives. Light upon various function and dimetnions of objectives?

2. What do you mean by behavioural dynamics?

3. Briefly discuss marketing strategy and situational analysis?

4. Do people first form beliefs and then attitudes, or the reverse? Do people change attitudes before changing behavior?

5. What other types of cognitive responses are there besides support arguments and counterarguments? How could they be useful in. predicting and managing response to advertising?

6. Contrast the central and the peripheral routes to persuasion. Categorize the other approaches covered in the chapter as to whether they follow the central or peripheral route.

3.21 SUGGESTED READINGS

1. Aaker, David A. etc. Advertising Management. 4 '1' ed New Delhi, Prentice Hall of India, 1985.

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LESSON -4
MEDIA DECISION

Structure

4.1 Learning Objectives

After studying the lesson, you should be able to understand:

      1. Media class decisions media vehicle decisions

      2. Qualitative media vehicle source effects

      3. Media option decisions, scheduling and timing decisions

      4. Media buying and organization

4.2 INTRODUCTION

The selection of the most effective media schedule is based in upon both quantitative and qualitative criteria. That is, the media planner attempts first to ensure that, for the available budget, the advertiser is obtaining the maximum number of advertising exposures to the target segments-at the lowest possible cost. Such analysis requires working with huge masses of data on the audiences of the media vehicles and the costs involved in using these vehicles. Computer programs are often used to assist in such quantitative analyses.

4.3 MEDIA CLASS DECISIONS

The first media allocation decision is the budget over various media, on both quantitative and qualitative criteria.

Quantitatively, data are collected on just how many people in the target market can be reached through that media. Radio, for example, is a terrific medium to reach business commuters through "drive-time" or to reach teenagers. Television s great strength is as a mass medium, since it delivers very broad reach at low cost.

Qualitatively, the most important considerations have to do with the fit between the medium and the creative execution. Television, because it can show action using both audio and visual, can make an impact that simply is not possible in other media. For some types of advertising, such as emotional or image advertising, or product demonstrations, this type of impact can be critical to the copy approach.

Print, especially the magazine medium, is more suitable for long and complex messages. Like magazines, newspapers typically carry ads containing much more information than do ads on TV or radio. Car advertisers in the U.S. recently have begun to emphasize magazines at the expense of TV, as their ads for new models have begun to offer more product information to technologically more Sophisticated consumers. Because of their association with news stories, however, newspapers could have a sense of objectivity and a spirit of being current that could rub off on the advertisements in the right context. Radio can involve the listener by getting him or her to use imagination to visualize stimuli.

A second set of qualitative criteria has to do with production logistics. Radio and newspapers are much more flexible on this score and also have the advantage of lower production costs, so that they are frequently utilized by retailers, banks, airlines, and other businesses where rapid price changes need to be communicated at short notice.

When news has to be communicated rapidly to a target market, broadcast media and newspapers also have another relevant advantage over magazines or direct mail.

A third set of qualitative criteria has to do with the competitive setting. Often, when faced with a high spending competitor, it makes sense to use another medium than that used by the competitor, to avoid being "swamped" by the competitor's advertising. Ultimately, the final choice of media classes involves reconciling these different quantitative and qualitative criteria, using managerial judgment.

Obviously, a good media plan integrates the many different media used. For instance, TV could be the initial medium to generate awareness and interest in a new product, while a follow up radio campaign using the TV soundtrack could serve as a lower cost, high frequency reminder campaign.

4.4 MEDIA VEHICLE DECISIONS

The consideration in making a media vehicle decision is the number of exposures that can be obtained. These quantitative considerations are later supplemented by various qualitative ones, such as the suitability of a particular editorial environment to a particular add.

4.4.1. Media Terminology

The first column is the unit cost of a full-page color advertisement. The second column shows the total audience (also called relationship), in millions, obtained by the magazine. Note that the total audience is much higher than the circulation because of the substantial numbers who read a magazine that someone else bought. The third column is the basic counting statistic, cost per thousand.

It is, of course, of no value to obtain audience members if they are not exposed to the advertisements themselves. It is advertisement exposures that are of ultimate interest to the advertiser, not vehicle exposures, but it is the latter that are reported by the media data sources.

To obtain total gross rating points for a media schedule, the ratings of the commercials are summed.

3 showings In a time slot with a 12 rating = 36 GRP

3 showings in a time slot with a 4 rating = 16 GRP

10 showings in a time slot with a 9 rating = 90 GRP

Total for the week = 142 GRP

4.4.2 Reach and Frequency

At this stage it is appropriate to introduce the two most basic terms in media planning: reach and frequency. Reach refers to the number of people or households that will be exposed to an advertising schedule.

Cumulative audience is a more restrictive term, used to designate the reach of two or more issues of the same media vehicle here the duplication being subtracted out is the internal overlap of people who see or read two issues or shows of the same media. In such situations, the number of new readers or viewers picked up by the media vehicle in its second issue or show is called its accumulation. When the duplication being subtracted out is one between two or more different media vehicles.

The term reach thus almost always refers to unduplicated reach. However, since in almost every media schedule there are many people who see an ad more than once, frequency refers to the number of times someone sees the add Average frequency thus refers to the average number of times a person or household is exposed to a schedule.

Another campaign involving a series of advertisements designed to communicate product details may require many exposures, as may an image campaign. In that case the frequency could be a very important characteristic of a proposed media schedule.

4.4.3. Qualifiers on Basic Reach and Frequency

4.4.3.1. Qualifying Reach

The first refinement of the counting exposures approach to media vehicle selection is to consider the types of people being exposed. A primary issue in developing advertising objectives is to specify the target segment or segments. It will be of little value to deliver an audience containing people not in a target segment.

Such a figure, which includes only the target audience, is sometimes called the effective audience. Good Housekeeping is still the most efficient magazine, but now Glamour s cost looks better, relative to the other alternatives than it did when the total audience was considered.

It turns out that data such as product usage and life style profiles of media users are available, but that demographic data on vehicle audiences is much more complete, convenient, and inexpensive. Thus, if a product user target segment can be defined in terms of demographics, the task of matching the target segment to a vehicle audience is much easier.

When several target segments are involved it might be useful to weight each formally as to its relative value. Thus a computer component manufacturer might have as a primary segment design engineers and maintenance engineers, and buyers might represent secondary segments. Weights could then be attached to each group, and a media vehicle s total reach might be evaluated in terms of the weighted sum of the individual groups reached.

4.4.3.2. Qualifying Frequency

The exposure counting approach to media decisions implicitly assumes that all ex-posures to an individual will have equal impact. Clearly, there may be a need to achieve some minimum level of frequency against every, reached individual.

At the higher end of the frequency scale, the value of successive exposure will eventually diminish. If the number of exposures is excessive, the audience can become annoyed, and the impact of future exposures may actually be negative. Such a frequency distribution specifies the exact number of people exposed once, twice, three times, four times, and so on.

The method works quite well when only one vehicle is involved or when, for example, only daytime television spots are involved. However, it works much less well when a more realistic schedule involving several different vehicles is to be evaluated. Some researchers have even suggested that exposure distributions are not really necessary and that media models using only single-insertion ratings and the number of insertions can perform just as well as models using exposure distributions, in selecting the best schedules.

The frequency distribution thus provides a much more detailed portrayal than reach and average frequency.

A variety of frequency distributions can generate the same reach and average frequency values, which have very different implications. The implicit assumption behind the consideration of frequency distributions is that the number of exposures that an individual receives matters. It is often helpful to make that assumption explicit by specifying the value of successive exposures.

4.4.4. Measuring Print vehicle Audiences

Such print vehicle circulation data, however, neglect pass along readers both inside and outside the home. Thus, to measure a vehicle's audience It is necessary to apply approaches such as recent reading and through the book to a randomly selected probability sample.

In recent reading, respondents are next asked whether they looked at any copy of each title within that specific past week or during the last specific month. One problem is that the survey is unlikely to represent an "average" week, so there is a seasonality factor to consider. Another concern is the tendency to exaggerate readership of prestige magazines and to minimize readership of vehicles that do not match people s self image.

Companies using this method thus show respondents flash cards with the magazine s logo on them, to aid recall, but it is alleged that respondents often confuse magazine titles, which distorts the figures collected.

In the through the book approach, following the screener question mentioned earlier, respondents are shown a stripped-down copy of a specific issue of a magazine that he or she reads and asked whether several articles were read and if they were interesting. The respondent is then asked if he or she read that specific issue. This approach is obviously sensitive to the issue s age. A too-recent issue will miss later readers. A too-old issue risks forgetting.

In addition to media-data including duplication and accumulation data-that cover TV, radio, magazines, newspapers, outdoor, and Yellow Pages, both services also obtain demographic and psychographic data on brand and .category users. These data are thus, used frequently to identify the target markets for ad campaigns, and the media reaching those targets. The data are available both in printed volumes and on computer tape.

4.4.5 Other Media Data

These include estimates of how much your competitive brands are spending, by major, medium and by geographical area, obt aifred through services such as the Competitive Media Reporting Leading National Advertisers. Media Records, the Rome Report, Broadcast Advertisers Report Broadcast Advertisers report and so on.

4.5 USING COMPUTERIZED MEDIA PLANNING MODELS

Clearly, making media decisions can be difficult. There are usually a huge number of alternative feasible schedules, and huge masses of cost, audience size, and duplication data. Duplication data are usually only available for each pair of media vehicles and ways have to be found to estimate the total unduplicated reach in schedules with tens or hundreds of media vehicles, not just two.

A better way to cope with this complexity, however, is to use a formal media planning computer model. Such media selection models have undergone an extensive evolution over the past thirty years, and may be classified into three main types.

The first major category of models use mathematical optimization techniques, such as linear, nonlinear, integer, dynamic, or goal programming, and attempt to maximize reach.

Their demise led to the second major category of models, called' simulation models. In essence, these operate on real exposure data and simulate what the reach and frequency exposures would be among these consumers forgiven media schedules.

It is easily seen why such computer models can be valuable to a media planner, who can quickly see the trade-offs between cost, reach, and frequency for different alternative media schedules under consideration. It is important always to remember, however, that a media planner should not be seduced by the seeming objectivity of numbers on a computer printout.

4.6 QUALITATIVE MEDIA VEHICLE SOURCE EFFECTS

Media vehicle source effects are a measure of the qualitative value of the media vehicle. The concept is that an exposure in one vehicle might have more impact than an exposure of the same advertisement in another vehicle.

A more objective measure is the number of compatible pages, or the number of editorial pages that the magazine has devoted during the last year to the subject in question, such as foreign travel.

4.6.1. Unbiasedness

If advertising concerned with political or social issues is considered, the position of the vehicle may indeed affect the communications. Many advertisers want their ads to be seen in publications that are respected for their objectivity, hoping that it will rub off as some kind of endorsement of their ads. It is also important that advertisers not be seen as attempting to our tail the editorial objectivity of media.

4..6.2 Expertness

Advertisements can usually be expected to reflect the degree of expertise associated with the area of interest of the vehicle in which they appear. The editors and writers are recognized authorities in competitive and instructive tennis.

Obviously, a vehicle s perceived expertise will only rub off on relevant ads. A study found that ads for cooking products using a "reason why" approach benefited from placement in magazines rated as expert regarding cooking issues, but not ads for such products relying on "mood" appeals. Such mood ads benefited instead from placement in "prestige" magazines, while the "reason why" ads did not.

4.6.3. Editorial Fit

Researchers have argued for a strong contextual priming effect. When the editorial matter discusses some attribute, it makes it more likely that an ambiguous ad close by will be interpreted with that same attribute in mind, because the editorial matter makes that attribute more accessible in memory and more likely -to be used in subsequent information evaluation. Magazines try to create special sections, or advertorials, that maximize the chances of such positive editorial rub-offs, as a sales device to sell more ad pages.

4.6.4. Prestige

A vehicle s prestige is another attribute commonly considered to be important for some product. Thus if a product is endeavoring to build a status image, it may well be useful to advertise it in a high status vehicle.

A study by Gert Assmus provides an. interesting, approach. .toward identifying the components of the vehicle source effect and demonstrates the relevance of the prestige dimension. The three attributes that were the strongest predictors of the overall vehicle source effect rating were useful editorial content, prestige, and reference value. Knowledge of these elements could be of value in attempting to assign vehicle source weights in the medical context.

4.6.5. Mood Created

The influence of a vehicle s prestige may be viewed as working through the mood it creates among its readers. The concept is that a vehicle-induced mood will affect the impact of a commercial communication.

It also seems reasonable that vehicles that evoke likable moods are liked more, and that some of this liking gets transferred on the ad and then the brand. Researchers have found that such a transfer of "overall" program liking does indeed occur for TV programs.

4.6.6. Audience involvement

Ads that interrupt highly involving programs should benefit because that involvement should spillover to the processing of the ad itself. Some researchers have suggested that instead of choosing media vehicles on the basis of the lowest cost per thousand exposures, advertisers should instead compute and use cost per thousand involved viewers.

In terms of which programs are more involving, some agency executives found that in daytime programming, commercials in serial programs generated more recall and attentiveness than other program types, and situation comedies fared least well.

Thus there seem to be evidence supporting both the "more involving programs, are better" and "less involving programs are better". It has been suggested that which is better may depend on how strong the ad itself is. If the ad is weak, a more involving program environment means that the consumer will think more about the program, and thus have fewer negative thoughts about the ad than otherwise, making the ad more effective in more involving programs. But if the ad is strong, a less involving program is better for ad effectiveness, since it will distract the consumer less from thinking the .positive thoughts the ad is capable of evoking.

4.7 MEDIA OPTION DECISIONS

The media planner is really concerned with advertisement audience size rather than vehicle audience size. Thus, in addition to selecting particular media vehicles, decisions also have to be made about the particular "unit" of advertising that is to be employed fifteen-second versus thirty-second TV commercial, half page versus full page ad, inside page magazine ad versus back cover magazine ad, black and white versus four color ad, and so on.

One measurement approach to making such decisions in magazines is to use average Starch recognition scores or Starch ad norms. In the Starch survey, respondents are taken through a magazine and, for each advertisement, are asked if they saw it in the issue. Studies using the Starch data indicate that advertisement exposure will depend on the product class, the involvement of the segment in the product class, and on such media option variables as the size and color of the advertisement, position, and copy approach.

4.7.1 Advertisement Size and Color

Verling Trohdahl and Robert Jones determined that the size determines 40 percent of the variation in newspaper advertisement readership. The difference between fifteen-and thirty second spots is even less if multiple exposures to each, rather than a single exposure, are considered, and if the ads are informational in nature. The total frequency of brand mentions in the ad, rather than the length of the ad itself, is what seems to matter for informational ads.

4.7.2 Copy Execution

Starch found that advertisements very similar to the editorial matter of a magazine suffer somewhat in the noted score but gained in terms of the read most measure, The use of panels like a comic strip receive slightly less noted scores but substantially better read most scores. Incidentally, larger sized ad illustrations also help Starch recognition scores.

4.8 SCHEDULING AND TIMING DECISIONS

Decisions on how best to "space out" ads over time are based essentially on as-sumptions about how the advertising objective being aimed at respond to the presence of advertising exposures. Based on these

assumptions, the advertiser typically chooses from among three patterns of distributing the planned ads over a given time period: (1) fighting, or a burst of advertising alternated with periods of total inactivity; (2) continuous, or even, advertising spread evenly through the campaign time period; and (3) pulsing, a continuous base augmented by intermittent bursts of heavy advertising.

The point of these efforts to estimate parameters is not so much to indicate specific "universal" parameter values but rather to illustrate approaches that can be taken to estimate functions in given contexts.

It should be noted, in conclusion, that the superiority of fighting or pulsing in maximizing peak levels of recall has been examined not only in the field experiments described earlier, but also in many of the mathematical models built by management scientists, in which an optimal scheduling strategy is sought.

4.9 CREATIVITY IN MEDIA PLANNING

This, the media departments in many agencies are staffed by more junior and less well paid people; it is certainly more common to find "creative stars" in an agency than "media stars". There are many celebrated anecdotes about agencies saving their clients an enormous amount of media money or greatly leveraging the payoff from a small media budget as a result of a creative choice of media vehicles or timing of exposures, and so on.

4.10 MEDIA BUYING AND ORGANIZATION.

Once a final media schedule is determined, using the criteria just discussed, the actual negotiation and buying of the media units have to occur. While the buying of media was tradi-tionally done by the advertising agency that did the creative work on the account, this pattern has recently begun to change. Some have begun to consolidate all the media buying for all their accounts at one agency, rather than spread it over several agencies.

The underlying reason for these changes has been the negotiating benefit, to the client, of buying a bigger dollar amount of media time or space from each media supplier. The rates for media are rarely fixed in stone, though they may appear to be so when described on a rate card. Broadcast media, and increasingly magazines as well, undertake a negotiation process with agencies and clients taking into account the total size of the media buy as well as the supply and demand situation at the time of negotiation.

Since negotiations are involved, the expertise of the agency media buyers obviously, matters a lot. For this reason, advertising agencies and media buying services have media buying units in which media buyers specialize according to the medium and the geographical areas involved.

These negotiations are complex, and media buys are made at different rates depending on the conditions involved.

If bought in the upfront market, the advertiser often receives an exposure size guarantee the number of people guaranteed to watch the show-but is limited in terms of cancellation flexibility.

The price paid also varies with the specificity of the schedule the rates are higher if the advertiser wants his spot to run at a fixed time of day, or fixed page location, rather than anywhere.

4.11 Self-assessment questions

1. Define the qualifying reach.
2. Define the term unbiasedness.
3. What is the media option decision?
4. What is media buying?

4.12 SUMMARY.

The selection of the type of medium, such as television, radio, or magazines will depend in part upon the number of people in the target audience that the medium can deliver, as well as compatibility with the needs of the creative message, needs regarding timing and flexibility, and so on.

Exposure decisions add precision to an understanding of what the media plan is actually delivering.

Data sources were discussed. One approach to measuring print readership is recent reading, asking people whether they read a magazine last month. The people meter attaches to TV sets and monitors the stations watched in order to obtain measures of television program viewing.

Decisions as to media options, must also be made as do decisions as to scheduling/ timing, the use of fighting, pulsing, or continuous advertising. The actual buying can be done by the advertising agency.

4.12 Glossary

Media Channel: A media channel refers to the specific medium by which an advertiser's message is conveyed to its intended audience. Tradition channels include newspapers, magazines, billboards, direct mail, radio stations, and television stations.

Audience: An audience is a group of people who participate in a show or encounter a work of art, literature theatre, music video games etc.

Expertness: skilfulness by virtue of possessing special knowledge, expertise. Skilfulness - the state of being cognitively skilful.

Prestige: widespread respect and admiration felt for someone or something on the basis of a perception of their achievements or quality.

Unbiasedness: free from bias especially: free from all prejudice and favouritism.

Creativity: the use of imagination or original ideas to create something; inventiveness.

4.13 Answers: self-assessment

1. For answer refer: section 4.4.3.1
2. For answer refer: section 4.6.1
2. For answer refer: section 4.7
4. For answer refer: section 4.10

4.14 TERMINAL QUESTIONS

1. A basic component of a media model objective function involves counting ex-posures generated by an insertion schedule.
2. How else might you want to qualify exposures?
3. What other components might be added to the list?

4.15 SUGGESTED READINGS

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LESSON - 5
TARGET SEGMENT

Structure

5.1 Learning Objectives

After studying the lesson, you should be able to understand:

 1. The DAGMAR approach

 2. Challenges to the DAGMAR approach

 3. Hierarchy model of communication effect

5.2 INTRODUCTION

A basic question in the objective-setting process is the identity of the ***target segment.*** To whom is the advertising to be addressed? The target audience can be defined in many ways. The process of objective setting is intimately connected with that of selecting a target segment and may involve sub-segments that are relevant to the communication task. Although the general marketing strategy would include ail professionals in small banks, the advertising objectives could appropriately define this group into subgroups. A target thus could be the heavy user, the nonuser, the loyal user of our brand, or the group loyal to another brand.

The advertising response measures can be particularly useful segmentation variables in the advertising context. Thus, segments can often be identified that are unaware of the brand, do not know or are not convinced that it has a key attribute, or have not yet developed a positive attitude. One or more of these segments can then be selected as the primary target. Such a segmentation choice can make the advertising more effective since a campaign designed to create awareness will tend to be very different from one designed to communicate a product attribute.

5.3 THE DAGMAR APPROACH

The approach to setting advertising objectives just outlined will be expanded on the basis of research findings, constructs, and measurement tools are developed to make the ap-proach effective and operational. It provides a rationale and basis for the introduction of advertising response measures in advertising objectives and for the concept of measuring such objectives over time. There are several reasons for this diversion. First, the historical roots of the approach are not only interesting but provide a deeper understanding of thrust and scope. Second, they provide suggestions on implementation that are still useful and valid.

The DAGMAR approach can be summarized in its succinct statement "defining an advertising goal". An advertising goat is a specific communication task, to be accomplished among a defined audience, in a given period of time. A communication task is involved as opposed to a marketing task and that the goal is specific, involving an unambiguously defined task, among a defined audience, in a given time period.

5.3.1. A Communication Task

An advertising objective involves a communication task, something that advertising, by itself, can reasonably hope to accomplish. It is recognized that advertising is mass, paid communication that is intended to create awareness, impart information, develop attitudes, or induce action.

In the DAGMAR approach, the communication task is based on a specific model of the communication process. The model suggests that there is a series of mental steps through which a brand or objects must climb to gain acceptance. An individual starts at some point by being unaware of a brand's presence in the market. Increase consumer awareness of the brand to advance the brand one step up the hierarchy. The second step of the communication process is brand comprehension and involves the audience member learning something about the brand. The third step is the attitude step and intervenes between comprehension and final action. The action phase involves some overt move on the part of the buyer, such as trying a brand for the first time, visiting a showroom, or requesting information.

A communication model such as the DAGMAR model, which implies that the audience member will pass through a set of steps. A host of hierarchy models have been proposed. The AIDA model, developed in the 1920s, suggested that an effective personal sales presentation should attract Attention, gain Interest, create a Desire, and precipitate Action. The new adopter hierarchy model, conceived by rural sociologists, postulated five stages awareness interest, evaluation, trial, and adoption. It includes six stages awareness, knowledge, liking, preference, conviction, and purchase.

5.3.1.1. A Specific Task

The DAGMAR approach emphasizes the communication task of advertising not the marketing objectives of the firm. The second important concept of the DAGMAR approach is that the advertising goal should be specific. It should be a written, measurable task involving a starting point, a defined audience, and a fixed time period.

5.3.1.2. Measurement Procedure

The DAGMAR approach needs to be made specific when actual goals are formulated. When brand comprehension is involved. Furthermore, the specification should include a description of the measurement procedure. However, merely mentioning its protein content is inadequate and open to different interpretations.

5.3.1.3. Benchmark

A basic aspect of establishing a goal and selecting a campaign to reach it is to know the starting conditions. Without a benchmark, it is most difficult to determine the optimal goal. Without a benchmark measure, such a circumstance could not be ascertained quantitatively. In addition, benchmarks can suggest how a certain goal can best be reached. A benchmark is also a prerequisite to the ultimate measurement of results, an essential part of any planning program and of the DAGMAR approach in particular. In fact, the key to the DAGMAR approach is probably the generation of well conceived benchmarks before advertising goals are determined.

5.3.1.4. Target Audience

A key tenet of the DAGMAR approach was that the target audience be well defined. If the goal was to increase awareness, for example, it was essential to know the target audience precisely. The benchmark measure could not be developed without a specification of the target segment. Further, the campaign execution will normally depend on the identity of the target segment.

5.3.1.5. Time Period

The objective should involve a particular time period, such as six months or one year. The length of the time period must fit into various constraints involving the planning cycle of both a company and an agency. However, the appropriate time necessary to generate the kind of cognitive response desired should also be considered.

5.3.1.6 Written Goals

Finally, goals should be committed to paper. Under the discipline of basic shortcomings and misunderstandings become exposed, and it becomes easy to determine whether the g al contains the crucial aspects of the DAGMAR approach.

5.3.1.7 The DAGMAR Checklist

An aid to those implementing the DAGMAR approach is a checklist of promotional tasks. The suggestion was to rate each of the promotional tasks in terms of its relative importance in the context of the product situation involved.

Following is the DAGMAR approach as presented in Colley's book.

5.4 OVERSEAS AIRLINE SERVICE—DAGMAR CASE STUDY

The company was one of the smaller of several dozen airlines competing for American overseas airline passengers.

The copy and media strategy decided on was, therefore, to concentrate on a particular segment of the audience, with highly distinctive copy and art beamed at

To what extent does the advertising aim at closing an immediate sale?

- Perform the complete selling function.
- Close sales to prospects already partly sold through past advertising efforts.
- Announce a special reason for "buying now".
- Remind people to buy.
- Tie in with some special buying event.
- Simulate impulse sales.
- Does the advertising aim at near-term sale by moving the prospect, step by step, closer to the sale.
- Create awareness of existence of the product or brand.
- Create brand image or favorable emotional disposition toward the brand.
- Implant Information or attitude regarding benefits and superior features of brand. Combat or offset competitive claims.
- Correct false impressions, misinformation, and other obstacles to sales.
- Build familiarity and easy recognition of package or trademark. Does the advertising aim at building a long range consumer franchise
- Build confidence in company and brand, which is expected to pay off in years to come. Build consumer demand that places company in stronger position In relation to its distribution. Place advertiser in position to select preferred distributors and dealers.
- Secure universal distribution.
- Establish a "reputation platform" for launching new brands or product lines.
- Establish brand recognition and acceptance that will enable the company to open up new markets.
- How important are supplementary benefits of end use advertising?
- Aid salespeople in opening new accounts.
- Aid salespeople in getting larger orders from wholesalers and retailers.
- Aid salespeople in getting preferred display space.
- Give salespeople an entree.
- Build morale of company sales force.
- Impress the trade.

Source Russell H. Colley, Defining Advertising Goals for Measured Advertising Results (New York Association of National Advertisers, 1961), pp. 61 68.

The audience was experienced, sophisticated world travelers. The message was the image of an airline that caters to a distinctive, discriminating, travel wise audience. Experience and judgment indicated that selling to the seasoned traveler was a wise strategy. Not only does he or she make a more frequent customer, but his or her advice is sought and habits are emulated by the first trippers.

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5.5 CHALLENGES TO THE DAGMAR APPROACH

The DAGMAR approach had enormous visibility and influence. It introduced the concept of communication objectives like awareness, comprehension, image, and attitude. In introducing communication objectives, behavioral science constructs and models such as attitude models were drawn upon. The DAGMAR approach focused attention upon measurement encouraging people to create objectives so specific and operational that they can be measured. It provided the potential to improve the communication between the creative teams and the advertising clients.

A measure of the significance of an idea is the degree of both theoretical and empirical controversy that it precipitates. By this measure the DAGMAR approach has been most significant. There have been six different kinds of challenges to the DAGMAR model. If awareness does not affect sales, why bother to measure it? If it does have a dose relationship, why not measure sales directly This argument has gained strength in recent years since it is' now possible to measure advertising effects on short term sales for packaged goods with great precision through controlled experiments utilizing scanner data panels.

A second version of this criticism is that if sales affect measures flawed, the use of intermediate objectives has serious flaws too. For instance, any use of an intermediate objective, involves the assumption that the relationship between, sales and that intermediate, objective is positive and monotonic. These assumptions may not hold true in all situations'.

5.5.1 Practicability

A second objection focuses on the many implementation difficulties inherent in the DAGMAR approach. In particular, the checklist falls short of providing sufficient details to implement the approach.

5.5.2. Measurement Problems

The third problem is measurement. Substantial conceptual and measurement problems underlie all these constructs.

5.5.3. Noise in the system

It can be argued that there are many causal factors besides advertising that determine awareness.

5.5.4. Inhibiting the Great Idea

The DAGMAR model is basically a rational, planned approach that, among other things, provides guidance to creative people. Of course, there might also be a lesser probability of a spectacularly ineffective advertising campaign.

5.6. HIERARCHY MODEL OF COMMUNICATION EFFECT

The counterargument is that other models may hold in various contexts and that it is naive to apply the DAGMAR hierarchy models in all situations. At this point there is general agreement that, indeed, the appropriate model will depend upon the situation and a key problem in many contexts is in fact to determine what that model is. However, the basic thrust of DAGMAR the use of advertising response measures as the basis of objectives and the focus on measurement does not depend upon the DAGMAR hierarchy model, so this issue is not really that crucial as it may have once appeared.
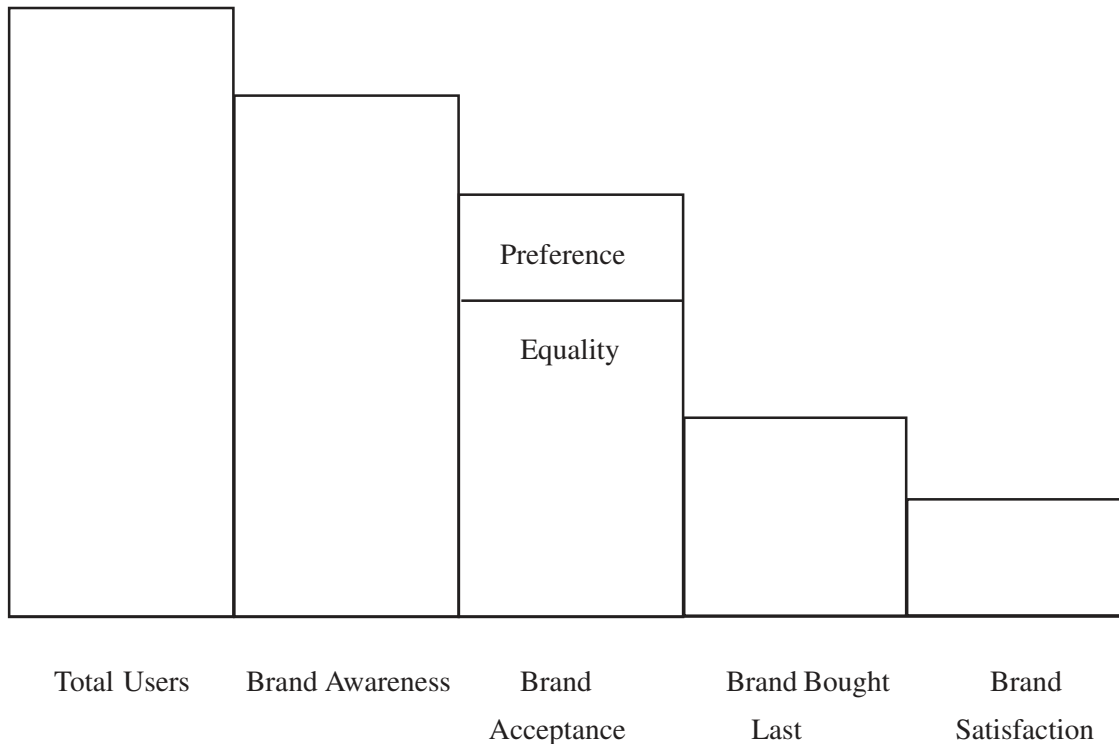
Figure   Consumer demand profile.

Source John C. Maloney, Attitude Measurement and Formation, paper presented at the Test Market Design and Measurement Workshop, American Marketing Association. Chicago, April 21, 1966.

5.7 WHICH HIERARCHY LEVEL

The existence of such cross sectional information provides a firm basis for the DAGMAR approach. However, to provide sensitive measures of the economic value of goal accomplishment, it is desirable to measure the same respondent at several points in time.

General Content of the Questionnaire

Used to Establish Advertising Goals for General Motors Products.

- Preferences levels by brand. This includes
  Awareness "Buying classy."
  "Consideration class'
- Product image
- Message registration. This includes Specific product attributes
  Slogans
  Story line
- Market behavior which includes Shopping behavior, dealer visits
  Purchases
  Intentions

- Product inventory

  content and condition

- Demographics

- Media consumption   '

  Television :

  Magazines :

  Radio:

  Newspapers

Source Gail Smith, How GM Measures Ad Effectiveness, in Keith K. Cox, ed, Readings m Market Research (New York Appleton Century Crofts. 1967), p. 172.

5.8 Self-assessment questions

1. Define the term Benchmark.

2. What is DAGMAR approach?

3. What is a communication Task?

4. Define the term Target audience.

5. What is measurement procedure?

6. What do you mean by DAGMAR Checklist?

5.9 SUMMARY

Short run sales usually do not provide the basis for operational objectives for two reasons (1) advertising is usually only one of many factors influencing sales, and (2) the impact of advertising often occurs primarily over the long run.

The development of more operational objectives involves three considerations. First, the behavioral decisions or actions that advertising is attempting influence need to be analyzed. Second the communication and decision process that precedes and influences mat behavior should be examined. Third, the specification of the target segment needs to be specified. Segment defining variables that are often useful include usage, benefits sought, awareness level, brand perceptions, and life-style.

This approach to setting objectives is a refinement and extension of an approach known as the DAGMAR approach. This approach defines an advertising goal as a specific communication task to be accomplished among a defined audience in a given time period of the communication process involving awareness, comprehension, attitude, arid action. By introducing behavioral science theory into advertising management, the DAGMAR model provides the framework for the development of more operational objectives. Another objection is that it is difficult to select a hierarchy level on which to base objectives and to know how to move people up the hierarchy. By providing guidance to operating people the DAGMAR approach is said to inhibit the development of the great idea.

Another criticism is that a single hierarchy model of the communication process is not appropriate, and that different hierarchies may be relevant in different kinds of situations. In addition, the advertiser also needs to determine those hierarchy levels that have not yet been reached by large numbers of potential customers.

5.10 Glossary

Measurement: Measurement is the assignment of a number to a characteristic of an object or event, which can be compared with other objects or events.

Task: It means a piece of work to be done. Task implies work imposed by a person in authority or an employer or by circumstance.

Benchmark:A benchmark is something whose quality or quantity is known and which can therefore be used as a standard with which other things can be compared.

Goals:A goal is an idea of the future or desired result that a person or a group of people envision, plan and commit to achieve.

Audience: An audience is one or more people who come together to listen to the speaker. Audience members may be face to face with the speaker or they may be connected by communication technology such as computers or other media

Communication: Communication is the act of conveying meanings from one entity or group to another through the use of mutually understood signs, symbols, and semiotic rules.

5.11 Answers: self-assessment

1. For answer refer: section 5.3.1.3

2. For answer refer: section 5.3

2. For answer refer: section 5.3.1

4. For answer refer: section 5.3.1.4

5. For answer refer: section 5.3.1.2

6. For answer refer: section 5.3.1.7

5.12 TERMINAL QUESTIONS

1. What are operational objectives consider various organizations.

2. Evaluate the judgment of a brand manager of Budweiser beer who decides that the goal of his advertising should be to remind people of the brand.

3. Why might advertising have an impact many years after it appears?

4. Distinguish between a communication objective and a marketing objective.

5. What is the difference between brand image or personality, brand comprehension, and brand attitude?

6. How would you go about selecting which advertising response variable on which to base an advertising objective.

7. What is the "great idea' concept? Identify some campaigns that would qualify. Attempt to specify a set of DAGMAR objectives that might apply. Is the DAG MAR approach inconsistent with the hope of obtaining a truly brilliant creative advertising campaign.

5.13 SUGGESTED READINGS

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LESSON-6
POSITIONING STRATEGIES

Structure

6.1 Learning Objectives

After studying the lesson, you should be able to understand:

      1. Meaning of positioning and positioning strategies.

      2. How positioning strategies are determined?

6.2 INTRODUCTION

Positioning—involves a decision to stress only certain aspects of our brand, and not others. The key idea in positioning strategy is that the consumer should have a clear idea of what your brand stands for in the product category. Furthermore a brand is not sharply and distinctly positioned. Such positioning is achieved mostly through a brand's marketing communications. Its distribution, pricing, packaging, and product features can also play major roles. Positioning is not what you do to the product, but what you do to the consumer's mind, through various communications. Many products in the over-the-counter drug market, for instance, have identical formulas but are promoted for different symptoms, by using different names, packaging, products forms, and advertising. A brand should be positioned in a way that is maximally effective in attracting the desired target segments.

6.3 POSITIONING STRATEGIES

A brand's position is the set of associations that a consumer has with the brand. These cover physical attributes, lifestyle, use occasion, user image, or stores that carry it. A brand's position develops, through advertising and publicity and word of mouth and usage experience. It can be sharp or diffuse, depending on the consistency of that brand's advertising. A brand's position refers to a comparative assessment by the consumer of how this brand is similar to or different from the other brands that compete with it. The location of your brand in that map, relative to that of your competitors, is your position, and the locations of all the brands in that map are determined by the associations that the consumer makes with each brand. A positioning strategy is important to provide focus to the development of an advertising campaign. The strategy can be implemented in a variety of ways that derive from the attributes, competition, specific applications, and the characteristics of the product class. Each represents a different approach to developing a positioning strategy. Following approaches to positioning strategy are used (1) using product characteristics, (2) the price-quality approach, (3) the use or applications approach, (4) the product-user approach, (5) the product-class approach, (6) the cultural symbol approach, (7) the competitor approach.

6.3.1. Using Product Characteristics

Probably the most-used positioning strategy is to associate an object with a product characteristic or customer benefit Imported automobiles illustrate variety of product. Features that can be employed and their power in image creation. Honda and Toyota have emphasized economy and reliability and have become the leaders in the number of units sold. Sometimes a new product can be positioned with respect to a product characteristic that competitors have ignored. Sometimes a product will attempt to position itself along two or more product characteristics simultaneously. In the toothpaste market, Crest became the leader decades ago by positioning itself as a cavity fighter, a position that was established by an endorsement by the American Dental Association. IT is always tempting to try to position along several product characteristics as it is frustrating to have some good product characteristics that are not communicated.

6.3.2. Positioning by Price and Quality

The price-quality product characteristic is so useful and pervasive that it is appropriate to consider it separately. In many product categories, there exist brands that offer more in terms of service, features;, or performance. Manufacturers of such brands charge more, to cover costs and to communicate the fact that they are of higher quality. There are usually other brands that appeal on the basis of price, although they might also try to be perceived as having comparable or at least adequate quality. In many product categories, the price-quality issue needs to be considered in any positioning decision. There is always the risk that the quality message will blunt the basic "low- price" position or that people will infer that if the prices are low, the quality must be low, too.

6.3.3 Positioning by Use

Products can, have multiple positioning strategies, although increasing the number involves obvious difficulties and risks. A positioning strategy represents a second or third position for the brand, a position that deliberately attempts to expand the brand's market.

6.3.4 Positioning by Product User

It is an another positioning approach is to associate a product with a user or a class of users. Makers of casual clothing such as Calvin Klein or Jordache to develop a fashion image.

6.3.5. Positioning by Product Class

Some products need to make critical positioning decisions they involve Product-class associations. The toilet soap Dove positioned itself apart from the soap category as a cleansing cream product, for women with dry skin.

6.3.6. Positioning by Cultural Symbols

Many advertising use cultural symbols to differentiate their brand from competitors. The essential task is to identify something that is very meaningful to pepple that other competitors are not using with that symbol.

6.3.7. Positioning by Competitor

In most positioning strategies, an explicit or implicit frame of reference can be the dominant aspect of the positioning strategy. It is useful to consider positioning with respect to a competitor for two reasons. First, the competitor may have a well-crystallized image over many years. The competitor's image can be used to help and communicate another image referenced to it.

Positioning with respect to a competitor can be an excellent way to create a position with respect to a product characteristic. Thus, products like liquor, will often use an established competitor to help the positioning task.

Positioning with respect to a competitor can be accomplished by comparative advertising.

6.4 DETERMINING THE POSITIONING STRATEGY

The identification and selection of a positioning strategy can be difficult and complex. However, it becomes more manageable and decomposed into a six-step process.

- Identify the competitors.
- Determine how the competitors perceived.
- Determine the competitors' positions.
- Analyze the customers.
- Select the position
- Monitor the position.

In each of these steps one can employ marketing research techniques to provide needed information. Sometimes the marketing research approach can be helpful even if the research is not conducted.

The first four steps provide a useful background. The final steps address the evaluation and measurement follow-up.

6.4.1 Identifying the Competitors

A first step is to identify the competition. This step is not a simple as it might seem. Pepsi might define its competitors as follows:

- Other cola drinks.
- Nondiet soft drinks
- All soft drinks.
- Nonalcoholic beverages.
- All beverages except water.

In most cases, there will be a primary group of competitors and secondary competitors. It will be useful to identify both categories. Thus, Coke will compete primarily with other coals.

A knowledge of various ways to identify such groupings will be of conceptual value. One approach is to determine from buyers of a product which other products they considered.

Another approach is the development of associations of products with use situations. A respondent might be asked to keep a diary or to recall the use contexts. The respondent could then be asked to name that would be appropriate. The respondent could be asked to identify appropriate use contexts so that the list of use contexts was more complete. This process would continue for perhaps twenty or thirty respondents until a large list of use contexts. Another group of respondents would then be asked to make a judgement, as to how appropriate each would be for each use situation. Then, groups of users could be clustered based on their similarity of appropriate use situations.

These two approaches suggest a conceptual basis for identifying competitors even when marketing research is not employed. A management team or a group of experts, such as retailers or buyers who have an understanding of the customer, could employ one or both of these conceptual bases to identify competitive groupings.

6.4.2. Determining How the Competitors Perceived

To determine how competitor products are perceived, it is necessary to choose an appropriate set of product attributes for the comparison. The term attributes includes not only product characteristics and customer benefits but also product associations such as product uses or product users.

In any product category there are usually a host of attribute possibilities. Further, some can be difficult to specify.

The task is to identify potentially relevant attributes, to remove redundancies from the list, and then to select those that are most useful and relevant in describing brand images.

Another approach is to remove redundancy through a statistical technique called factor analysis. Respondents are asked to rate each of the objects with respect to each attributes. Correlations between attributes are then calculated, and factor analysis essentially groups the attributes on the basis of those correlations.

6.4.3. Determining the Competitors' Positions

Another useful exercise is to determine how competitors are positioned. The primary focus that how they are positioned with respect to the relevant attributes. Which competitors are perceived as similar and which as different? However, it is also possible to use research to help answer such questions empirically. Such research is termed multidimensional scaling because its goal is to scale objects on several dimensions. Multidimensional sealing can be based upon either attribute data or non-attribute data.

6.4.3.1. Attribute-Based Multidimensional Scaling

The most direct way to determine image is to scale the various objects on the attribute dimensions. For example, the respondent could be asked to express his or her agreement or disagreement with statements regarding the Ford Escort: With respect to its class I would consider the Ford Escort to be

Sporty

Roomy

Economical

Good handing

Alternatively, perceptions of the brand's users or use contexts could be used to determine the brand image: I would expect the typical Escort owner to be

Older

Wealthy

Independent

Short neighborhood trips

Cross-country trips

6.4.3.2. Non-Attribute-Based Multidimensional Scaling

Attribute-based approaches have several conceptual disadvantages. A complete, valid, and relevant attribute list is not easy to generate. Furthermore, an object may be perceived or evaluated as a total whole. These disadvantages lead us to the use of non-attribute data.

Similarity measures simply reflect the perceived similarity of two objects in the eyes of the respondents. Thus, the respondent does not have an attribute list that implicitly suggests criteria to be included or excluded. A multidimensional scaling program, then, attempts to locate objects in a two-or-three dimensional space. The program attempts to construct the perceptual map such that the two objects with the highest similarity are separated by the shortest distance, the object pair with the second highest similarity is separated by the second shortest distance, and so on.

The disadvantage of the similarity-based approach is that the interpretation of the dimensions does not have the attributes as a guide. Attribute data can be collected separately and correlated with the dimensions. In addition to the use of similarity data, methods have recently been developed that can extract positioning maps from purchase data of members of longitudinal purchase panels, based on the patterns of brand switching for individual households as well as in other ways.

6.4.4 Analyzing the Customers

The ultimate positioning decision specifies where in the perceptual map the brand is positioned. This obviously requires knowing which areas in the map will be attractive to the customers. Thus, the task is usually to identify segments or clusters of customers based on their preferred locations in the perceptual maps. The decision will then involve selecting the segments as well as the target position.

One approach to segmentation involves identifying which attributes or customer benefits are most important and then identifying groups of customers who value similar attributes or benefits.

6.4.5 Making the Positioning Decision

The four steps or exercises just discussed should be conducted prior to making the actual positioning decision, as the results will nearly always contribute to the decision. Although marketing research will be more definitive, if research is not feasible or justifiable, the process should still be pursued. However, some guidelines or checkpoints can be offered.

6.4.5.1. An economic analysis should guide the decision. The success of any objective basically depends on two factors: the potential market size times the penetration probability. Unless both of these factors are favorable, success will be unlikely.

The market segment size, right now or very soon, should be worthwhile. If new buyers are to be attracted to the product class, a reasonable assessment should be made of the potential size and share of that growth area. Demographic trends are obviously very useful in making such forecasts: the recent growth in singly-person households.

It categories are not growing, and share gains are sought from other brands within the category, those brand should have a large enough market share to justify the effort. The "penetration probability" must indicate that there is indeed a competitive weakness to attack, or a competitive advantage to exploit, that will lead to the intended share gain.

6.4.5.2 Positioning usually implies a segmentation commitment. Positioning usually means that an overt decision is being made to ignore parts of the market and to concentrate only on certain segments. Such as approach requires commitment and discipline,

There is always the possibility of deciding to engage in a strategy of undifferentiating—that of attempting to reach all segments. In that case, it might be reasonable to consider deliberately generating a diffuse image, or an image that will mean different things to different people.

It is possible to "over segment" the market, an aim at too specialized a market. Some recent research shows that communicating several differentiating features for a brand in one ad can lead to the perception of the brand being so different from the others in the category that it is seen as a specially or subtype.

6.4.5.3 If the advertising is working, stick with it. An advertiser will often get tired of a positioning strategy and the advertising used to implement it and will consider making a change. However, the personality or image of a brand, like that of a person, evolves over many years, and the value of consistency through time cannot be overestimated. Some of the very successful, big-budget campaigns have run for ten, twenty, or even thirty years.

6.4.5.4. Don't try to be something you are not. It is tempting but naive, and usually fatal, to decide on a positioning strategy. Before positioning a product, it is important to determine the position of the various competitors. One approach is to scale the competitors on the various identified attributes.

6.4.5.5. Consider symbols. A symbol can have strong associations that should be considered when making positioning decisions.

A positioning objective, like any advertising objective, should be operational. To evaluate the advertising, it is necessary to monitor the position over time. A variety of techniques can be employed to make this measurement; typically, test ads are shown to one group of consumers, but not to another, and differences in their positioning maps are then compared.

6.5 Self-assessment questions

1. What is positioning?

2. What are the various positioning strategies?

3. Define the term product characteristics.

4. What is tribute based multidimensional scaling?

6.6 SUMMARY.

A key advertising objective is identifying the target market segments. A concentration strategy involves the selection of a single segment, whereas a differentiation strategy will have several segments, perhaps each having a separate advertising goal.

There are a variety of positioning strategies available to the advertiser. An object can be positioned as follows:

- **By product characteristics.**
- **By price and quality.**
- **By use or application.**
- **By product user.**
- **By product class.**
- **By cultural symbol.**
- **By competitor.**

Four steps should precede the selection of a positioning strategy. In the first, an effort should be made to identify the competitors. In the second step, the attributes used to evaluate competitors. The third step involves the determination of the position. The fourth step involves customer analysis.

The positioning decision should involve an economic analysis" of the potential target segments and the probability of affecting their behavior with advertising. Other factors include realizing that positioning involves a segmentation commitment, and. Consideration of available symbols. Finally, marketers should consider the evaluation stage, when the position is monitored.

6.7 Glossary

Positioning: Positioning refers to the place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors.

Quality: The quality of something is how good or bad it is.

Competitor: Any person or entity which is a rival against another. In business, a company in the same industry or a similar industry which offers a similar product or service are known as competitor. The presence of one or more competitors can reduce the prices of goods and services as the companies attempt to gain a larger market share.

Product Class: A product class is a group of products that are homogeneous or generally considered as substitutes for each other. The class is considered as narrow or broad depending on how substitutable the various products are. For example, a narrow product class of breakfast meats might be bacon, ham, and sausage.

Culture: Culture is the characteristics and knowledge of a particular group of people, encompassing language, religion, cuisine, social habits, music and arts.

6.8 Answers: self-assessment

    1. For answer refer: section 6.2

    2. For answer refer: section 6.3

    2. For answer refer: section 6.3.1

    4. For answer refer: section 6.4.3.1

6.9 TERMINAL QUESTIONS

1. Distinguish between controlled coverage and customer self-selection. Which approach would likely be most effective for the manufacturer of the expensive sports car?

2. How will you expand the list of seven positioning strategies.

3. Obtain two examples of each of the positioning strategies discussed.

4. Identify the competitors of the listed brands of beet by asking consumers or potential consumers of that object what they would select if that object were not available.

5. Determine the use situations relevant to beer, and for three use situations list other products that might be appropriate.

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LESSON -7
CREATIVITY

Structure

7.1 LEARNING OBJECTIVES

7.2 INTRODUCTION

7.3. THE CREATIVE PROCESS

7.4 THE USES OF LAYOUTS

7.5 VARIOUS STEPS IN THE LAYOUT

      7.5.1 Balance

      7.5.2 Proportion

      7.5.3 Movement

      7.5.4 Unity

      7.5.5 Mood

      7.5.6 Photography.

      7.5.7 Drawings

      7.5.8 Line Drawings

      7.5.9 Drawings.

      7.5.10 Colour Psychology

7.6 TYPOGRAPHY

      7.5.1 Type groups

      7.5.2 Type measurement

      7.5.3 Criteria for selecting type

7.7 LAYOUT.

7.8 TYPES OF TELEVISION COMMERCIALS

7.9 IMPORTANCEOF CREATIVITY

      7.9.1 Creativity helps advertising inform

      7.9.2 Creativity helps adverting persuade

      7.9.3 Creativity helps advertising remind

7.10 THE STAGES OF ADVERTISING DESIGN PROCESS

      7.10.1 Thumbnail sketches

      7.10.2 Rough layout

      7.10.3 Comprehensive

      7.10.4 Dumm

      7.10.5 Mechanical paste up

      7.10.6 Approval

7.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Meaning of creativity and process of creativity.

2. Various steps in the layout.

3. Meaning of typography.

4. Types of television commercials and importance of creativity.

5. Various stages of advertising design process.

6. Various formats of radio and TV commercials and print production process.

7.2 INTRODUCTION

Creativity is generally defined in aesthetic terms as the ability to produce useful ideas, originality, imagination, or the capacity of joining two or more elements to form a new unity or purpose. The creative process may not be a scientific process, yet it aims at finding a solution to a problem. To create means to originate, to conceive a thing or idea that did not exist before. Creativity involves combining two or more previously unconnected objects or ideas into something new. As Voltaire said, Originality is nothing but judicious imitation.

7.3 THE CREATIVE PROCESS

One school of copy writers feel that creativity is a serious affair that comes from inspiration and a lengthy individual thought process. There are others who feel that creativity is the result of team work. Once the idea is finalized, they argue, the copy writer can play with effective words. Living legend David Ogligay alter surveying his creative directors, has give following attributes in a creative person

- Skilled in the art of brain picking

- Possesses a sense of humour

- Not boring

- Ambitious

- Passionate student of advertising, its history, what works and what does not if hard working

- Knows all there is to be known about the product.

The following checklist of Product Marketing Pacts could prove very useful to them. Identity Trademarks, Trade names, product symbols patented information.

Packaging : Sizes offered, shape, design package, styling, colour, ipeetel protection for product, package label.

Research What research the company has about the product.

Performance What does the product do what is it expected to do that it does not how does it work how is it made or produced.

Physical characteristics. What are its physical characteristics, in terms of colour appearance, smell, taste, texture, etc.

Effectiveness : The proof of its quality and performance.

Product image How do the people view the product, what do they like or dislike about the product **Life span:** What is the life span of the product.

Competitive information Who are the competitors, does the product have any advantage over thorn.

Manufacturing How is it made how long it take how many steps are needed in the process.

History When was it created or invented, who introduced it, has it had any other names have there been any product changes.

Consumer need How is the product used are there many possible uses how frequently is it purchased what kind of person buys the product why is bought.

Distribution How widely is the product distributed, are there exclusive sellers

7.4 THE USES OF LAYOUTS

A layout is an overall orderly arrangement of all the format elements of an ad headline, subheads, visuals, copy, captions, trademarks, slogans, and signature. The layout serves several purposes. First, it helps both the agency and the client develop and evaluate the ad s final look and feel.

Second, the layout helps the creative team develop the ad s psychological elements the nonverbal and symbolic components. In the Timberland ads, image was the primary reason for combining a dominant, spacious photograph with sparse, elegant copy. The ad makes a credible instant impression on its target audience, and that adds value to the brand. Third, once the best design is chosen, the layout serves as a blueprint.

Once the production manager knows the dimensions of the ad, the number of photos, the amount of typesetting, and the use of art elements

7.5 VARIOUS STEPS IN THE LAYOUT

The various steps in the layout are the progression from visualization to the final artwork, when it is ready for sending for production. A good layout should have the following basic elements

7.5.1 Balance

Balance may be defined as a matter of weight distribution. In layout, it is related to the optical centre of an advertisement. The optical centre is the point which the eye designates as the control of an area.

7.5.2 Proportion

Proportion is related to balance but is concerned primarily with the division of the space.

7.5.3 Movement

This is the result of reading a particular kind of script early from life. Readers of western and Devanagri script are habitual of looking at the reading material from left to right and then and from top to bottom.

7.5.4 Unity

Unification of the layout is what is meant by the term unity. When the element tie into one another by making use of the same basic shapes.

7.5.5 Mood

Sizes, textures, colours, Illustration and the type also contribute to create a mood for the add. It is always ideal to choose type from one family to create the right harmony and mood.

7.5.6 Photography.

Pictures in advertisements create a feeling of immediacy, live action, speed, empathy, association and flexibility. The pictures encompass a variety of subjects, viz people, animals, flowers, monuments, birds, objects et al. Professional photography is a specialised area, and agencies generally have on their panel photographers from various fields of specialisation, like fashion, nature, profiles, table top, industry, children, etc.

7.5.7 Drawings

A number of techniques are used in producing drawings. Some of these include the following

7.5.8 Line Drawings

In this, everything is sharp, precise and in black and white without any gray and tones. Cdiluuus aie genially done as line

7.5.9 Drawings.

Wash Drawings A wash drawing can be defined as an Illustration, using tones and shades and can be in one or more colours.

Other styles include scratch broad, acrylic, tempera and water colour techniques.

7.5.10 Colour Psychology

Colour adds realism, besides beauty and. distinctiveness. The right blend of colours adds a dash of magic to the add. Some scholars feel that people s reaction to colour is based on a person s national origin and culture.

7.6 TYPOGRAPHY

Typography is the art of selecting typefaces, of which there are hundreds of designs blending different typefaces and marking up copy for typesetting. Good typography leads to legibility, and attractiveness, Typography is yet another area that needs to be considered carefully, especially in print advertising material, Type styles are chosen keeping in view the objectives and strategy of the campaign.

There are two classes of type, viz. display type and text type.

7.6.1 Type groups

Thousands of typefaces are available, and type designers are continually developing new ones. However not every print house has all the varieties,

7.6.2 Type measurement

The term refers to the vertical measurement of the letter, which incorporates not only the body of the letter, but also the ascenders and the descenders,

7.6.3 Criteria for selecting type

Balance, unity, movement, clarity and simplicity are some of the criteria needed to select type,

7.7 LAYOUT.

The layout activity involves bringing all the pieces together before the advertising is sent out for production. A layout can be in relatively unfinished form, a preliminary layout, or can be a very detailed specification of all aspects of the production requirements, a comprehensive layout. The decision the layout rest on the agency s trust in the supplier firms. Many agencies choose to send on only preliminary layouts for a significant amount of creativity.

Layout involves decisions as to how the various components of headline, Illustration, copy, and identification marks are to be arranged and positioned on the page. There are five considerations take into account in developing print layout Balance the arrangement of elements to achieve a pleasing distribution or visual impression. Contrast using different sizes, shapes, densities, and colors to enhance attention value. Proportion the relation of objects to the background in which thoy appoor and to ooch cither. Gaze motion the headline. Illustration, copy, and identification marks. Unity, the qualities of balance, contrast, proportion, and gaze motion should be combined to develop unity of thought, appearance, and design in the layout Concerning layout, Stophen Baker, an art director, draws a distinction between arranging elements on a page and visualizing an idea. He states the former is a designer s or layout man s feat his innate sense of composition, balance, color is brought fully into play. On the other hand, presenting the clearest visual interpretation requires a strong desire to communicate with the audience, a flair for the dramatic, the ability to think in pictorial terms usually referred to as visual sense and, probably most significant, a firm understanding of the advertiser's goal.

- Picture window : A large picture or Illustration with tightly edited copy fitting into the small space alloted to it.
- MondriaN : these break out space into a series of severely demarcated rectangles or even sized boxes.
- **Type** specimen : these exhibit large type size with no Illustration at all.
- Copy heavy no Illustration, rely mostly on words.
- Frame artwork or Illustrative material framing the copy.
- Multi-panel these look like comic strips.
- Circus like multi-panel, with even more components.

The layout, of a television commercial is the storyboard, it can be generated in a relatively primitive form, in which only artist sketches and suggestive copy are included. The copy art team creating a TV commercial will indicate the nature of the camera shots and camera movements, the level and type of music, and so on.

7.8 TYPES OF TELEVISION COMMERCIALS

Audio and visual elements can be combined to produce several types of television commercials, just as a story can be told in many different ways. Emphasis can be placed on the story itself, on the problem to be solved, on the central character. The various types of structure can be identified. Storyline a commercial that tells a story a clear, step by step unfolding of a message

- Problem solution presents the viewer with a problem to be solved. Probably the most widely used and generally accepted example of a TV commercial.
- Chronology delivers the message through a series of related scenes, each one growing out of the one before.
- Special effects no strong structural pattern strives for and often achieves memorability through the use of some striking device,
- Testimonial : it uses well known figures or an unknown man in the street to provide product testimonials.
- Satire a commercial that uses sophisticated wit to point out human foibles, generally produced in an exaggerated style

- Spokesperson the use of an on camera announcer who basically, talks. Talk may be fast and hard sell or more personal, intimate sell.

- Demonstration , uses some physical apparatus to demonstrate a product s effectiveness, and tire commercials employ this approach heavily.

- Suspense : suspense to the final resolution is given a heightened sense of drama.

- Slice of life a variation on problem solution, begins with a person at the point of, and just before the discovery of, an answer to a problem.

- Analogy offers an extraneous example, then attempts to relate it to the product message

- Fantasy uses caricatures or special effects to create fantasy surrounding product and product use Jolly Green Giant, White Knight.

- Personality a technical variation of the spokesperson or announcer on camera, straight sell structure. Relies on an actor or actress rather than an announcer to deliver the message.

- These structures are, of course, not mutually exclusive, but rather serve to provide points of focus for analysis, production, and research.

- The remaining six types all are more emotional in orientation arid can be distinguished on the basis of whether the emotion arousing capacity or the characterization being used relates to source or message. The principal objective would be emotional arousal, and interest would center on whether the particular emotion was evoked in the target consumer.

7.9 IMPORTANCEOF CREATIVITY

7.9.1. Creativity helps advertising inform

Advertising s responsibility to inform is greatly enhanced by creativity. Good creative work makes advertising more vivid, and many researchers believe vividness attracts attention, maintain interests, and stimulates consumers thinking. Other creative techniques can also improve an ad s ability to inform. Advertising writers and artists must arrange visual and verbal message components according to a general of social meaning so that readers of viewers can easily interpret an ad using commonly accepted symbols.

7.9.2 Creativity helps adverting persuade

The ancients created legends and myths about gods and heroes symbols for humankind's institinctive, primordial longings and fears-to affect human behaviour and thought. Creativity also helps position a product on the top rung of consumer s mental ladders. The higher form of expression creates a grander impression. To be persuasive, an ad s verbal message must be reinforced by the creative use of nonverbal message elements. Artwork can also stimulate emotions. Colour, for example, can often motivate consumers depending of their cultural background and personal experiences.

7.9.3 Creativity helps advertising remind

Imagine using the same invitation, without any innovation, to ask people to try your product again and again, year after year. The creative ads for soft drinks, snacks, and cerea hose primal mission is simply to remind us to indulge again.

7.10 THE STAGES OF ADVERTISING DESIGN PROCESS

The design process serves as both a creative and an approval process. In the creative phase, the designer uses thumbnails, roughs, dummies, and comprehensives in other words, non-final art to establish the ad s look and feel. The approval process takes place throughout the entire design process.

7.10.1 Thumbnail sketches

The thumbnail sketch, or thumbnail, s a small, rough, rapidly produced drawing the artist uses to visualise layout approaches without wasting time on details.

7.10.2 Rough layout

In a rough, the artist draws to the actual size of tiled. Headlines and subheads suggest the final type style, Illustrations etc.

7.10.3 Comprehensive

The comprehensive layout, or comp, is a highly refined facsimile of the finished add. A comp is generally it elaborate, with elaborate, with coloured photos, press-on-learning etc.

7.10.4 Dumm

A dummy presents the handheld look and feel of brochures, multipage materials, A dummy for a brochure, for example, is put together, page by page, to look exactly like the finished product.

7.10.5 Mechanical paste up

The type and visuals must be placed- into their exact position for reproduction by printer. Some agencies, however, still make traditional mechanica where black type and line art are pasted in place on a piece of white art board called a paste up indicating the Rue and positioning of colour. Printers refer to the mechanical or pasteup as camera ready art ink n paper exchanges can be made or the art. However, the expanse grow tenfold with each step from thoughts to mechanicals to printing.

7.10.6 Approval

The work of copywriter and art director is always subject to approval. The biggest challenge in approval is keeping approvers from corrupting the style of the add. The creative team works hard to achieve a cohesive style.

7.11 ELEMENTS OF COPYWRITING FOR PRINT ADVERTISING

In print advertising, the key format elements are the headlines, the visuals, subheads, body copy, slogans, seals, logotypes logos , and signatures, floppy writers can correlate the headline, Visual, and subheads, body copy, slogans, seals. Logo types and Body copy handles credibility and desire, and the action step takes place with the logo, slogan, and signature block. Following are the main elements of copywriting.

7.12 HEADLINES

The headlines the words in the leading position in the advertisement the words that will be read first and are situated to draw the most attention.

7.12.1 Role of Headlines

The headlines is the most important thing as advertiser says to the prospect. It explains or gives greater meaning to the visual and then immediately dictates the advertiser s position in that person s mind. The headlines present the complete selling idea. Headlines HgaHlinos help trigger a recognition response, which reinforces brand recognition and brand preference. Finally, headlines should present product news. Consumers look for new products, new uses for old products, or improvements on old products.

7.12.2 Types of Headlines

7.12.2.1. Label Headlines. A label headline identifies the name of the product e.g. such type of headlines inspire the readers least. It is generally used when a prior interest in the article has already been well established.

Selective Headlines: Selective headline seeks clientele by directing appeal to those for whom the product holds interest. It eliminates all other readers, for whom the product is not appealing e.g. Attention Importers. Copywriters use many variations of headlines depending on the advertising strategy. Headlines may be classified by the type of information they carry benefits, news information, provocative, question, and thoughts. A question headline asks a question, encouraging readers to search for the answer in the body of the adjoin add. A command headline orders the reader to do something, so it might seem negative. But readers pay attention to such headlines. Many headline types are easily combined. But the type of headline used is less important than the way it s used.

7.12.2.2. Subheads

The subhead, an additional smaller headline, may appear above the headline or below it. A subhead above the headline, called a kicker is often underlined. Subheads may also appear in body copy. Subheads are usually set smaller than the headline but larger than the body copy or text. Subheads are important for two reasons most individuals read only the headline and subheads, and subheads usually support the interest step best.

7.12.2.3. Body Copy

The body copy comprises the interest, credibility, desire, and often even the action steps. It is a logical continuation of the headline and subheads, set in smaller type, Body copy covers the features, benefits, and utility of the product or service.

7.12.2.3.1. Body Copy Styles

Experienced copywriters look for the technique and style with the greatest sales appeal for the idea being presented. Common copy styles include straight sell, institutional, narrative, dialog monolog, picture caption, and device

Advertisers use institutional copy to promote a philosophy or extol the merits of an organisation rather than product features. Copywriters use narrative copy to tell a story. Ideal for the creative writer, narrative copy sets us a situation and then resolves it at the last minute by having the product or service come to the rescue.

With any copy style, the copywriter may use some device copy to enhance attention, interest, and memorability. Device copy uses figures of speech as well as humour and exaggeration. Verbal devices help people remember the brand and tend to affect attitude favourably.

7.12.2.3.2. Formulating Body Copy

The keys to good body copy are simplicity, order, credibility, and clarity.

Four basic format elements are used to construct long copy ads the lead in paragraph, interior paragraphs, trial close and close.

- Lead in paragraph. The lead in paragraph is a bridge between the headline and the sales ideas presented in the text.

- Interior paragraphs. Develop credibility by providing proof for claims and promises and build desire by using language that stirs the imagination.

- Trial close. Interspersed in the interior paragraphs should be suggestions to act now. The trial close gives them the opportunity to make the buying decision early.

- Close. The close is the action step. A good close asks consumers to do something and tells them how. A business reply card or a toll free phone number may be included.

The close can be direct or indirect. A director close seeks immediate response in the form of a purchase, a store visit, or a request or further information.

7.12.2.4 Slogans

Slogans have two basic purposes to provide continuity to a series of ads in a campaign and to reduce an advertising message strategy to a brief, repeatable, and memorable positioning statement.

Seals, Logos, and Signatures : A seal is awarded only when a product meets standards established by a particular organisation, logotypes and signatures are special designs of the advertiser s company or product name.

7.13 ORMATS FOR RADIO AND TV COMMERCIALS

Many radio and TV commercial styles have been successful. Hank Seiden, the former chairgf Ketchum Advertising, developed the execution. The following eight common commercial formats that is used in either radio or television straight announcement, presenter, testimonial, demonstration, musical, slice of life, lifestyle, and animation.

7.13.1 Straight announcement

The straight announcement is the oldest and simplest type of radio or TV commercial and probably the easiest to write. Music may play in the background. Straight announcements are popular because they are adaptable to almost any product or situation.

If the script is well written and the announcer convincing, straight announcements can be very effective. Since they don t require elaborate production facilities, they save money, too.

Straight announcements are commonly used on late night TV programs, by local advertisers, and by non profit or political organisations.

7.13.2 Presenter

The presenter commercial uses one person or character to present the product and carry the sales message:

7.13.3 Testimonial

The true testimonial where a satisfied user tells how effective the product is can be highly credible in both TV and radio advertising. Celebrities may gain attention, but they must be believable and not distract from the product;

7.13.4 Demonstration

Television is uniquely suited to visual demonstrate. And a demonstration convinces an audience better and faster trap an oral message.

7.13.5 Musical

The musical commercials, or jingles, we hear on radio and TV are among the best and worst ad messages produced.

Musical commercials have several variations. The entire message may be sung, jingles may be written with a donut m the middle or orchestras may play symphonic or popular arrangements. This is called a musical logo. After many repetitions of the advertiser's theme, the listener begins to associate the musical logo with the product.

Advertisers have three sources of music. They can buy the right to use a tune kom the copyright owner. They can use a melody in the public domain. Or they can hire a composer.

7.13.6 Slice of life problem solution

The slice of life commercial is a dramatisation of a real life situation. It usually starts with just plain folks, played by professional actors, discussing some problem. Such commercials can get attention and create interest even though they are often irritating to viewers and hated by copywriters. The key to effective slice of life commercials is simplicity. The ad should concentrate on one product benefit and make it memorable. Creating that believability I take very professional talent and money. In all cases, the story should be relevant to the product and simply told.

7.13.7 Lifestyle

To present the user rather than the product, advertisers may use the lifestyle technique. Likewise, beer and Soft drink advertisers frequently target their message to active, outdoors young people, focusing on who drinks the brand father than on specific product advantages.

7.13.8 Animation

Cartoons, puppet characters, and demonstrations with computer generated graphics are very effective animation techniques for communicating difficult messages and reaching specialised markets, such as children.

7.14 COPY

7.14.1. Meaning of Copy

Copy refers to written material which is to be set in type for the print media for broadcast commercials. The word copy is used for the simple reason that contained only the advertising message in words to be printed suitably. In fact, the term advertising message now has the connection of what is communicated by the entire ad rather than the word messages of headlines, sub heads and the body copy.

7.14.2 Different Types of Copy

Copy writing is one major task in the creation of an advertisement. Copies can be written in several forms, of which the following are Illustrations. Scientific copy in this copy, the technical specifications of a product are explained. Saffola a low cholesterol edible oil makes use of a scientific copy.

Descriptive copy In a non technical manner, the product attributes are described. For example, Milly from Marlex is a flour mill for the kitchen.

Topical Copy When the copy is integrated to a recent happening V or event, it is said to be topical copy. Mostly political events, national sports, world events, parliament news all get extended to the advertisement copy, foese days many advertisements are featuring. Sachin Tendulkar, Ocama Bin laden, Amitabh Baehchan and Bill Clinton.

Endorsement copy In these copies, a product is endorsed by an opinion leader who has a large following. Mostly celebrities are chosen to promote televisions, coffee, tyres, textiles, soft drinks, toilet soaps and what have you.

Questioning Copy In this copy, several questions are put forward to emphasise a certain attribute. Should a grown man s clothes just conceal his body- or reveal his mind can be as questionnaire in this type.

Prestige Copy The product is not directly advertised. The copy is used to build an image. The personal power advertisement for Raymonds Shirtings is an example.

Reason Why Copy It is known as an explanatory copy where the reasons for a purchase are explained.

Human Interest Copy It makes its appeal to the emotions and the senses rather than to the intellect and judgement. Sympathy, fear, bonus, curiosity and other emotional appeals like appeals to the senses of sight hearing touch taste, and smell, are used in such type of copy.

Humours Copy It exploits the sense of humour of the people

Fear Copy It appeal to the sense of fear of people to save their lives, properties and other belongings. Such copy of advertisement should be drawn carefully

Story Copy In such a copy, a story is narrated in a very interesting manner to create an impression in the minds of the people about the product

Predicament Copy Predicarrlent copy usually overlaps the other three kinds of human interest copies.

Colloquial Copy or Conversational Copy The colloquial copy presents the message in the way of conversation. In such copy the style is one of a personal talk or one of an eyewitness account.

Personality Copy This copy attempts to encase the opinion of personality real or imaginary about the product. Invariably, such copy shows a certificate or a testimonial of such influential person.

Educational Copy The copy is designed to educate the general public about the attributes of the product. Such an advertisement copy depicts the specialties of the product in contrast .to the existing brands in the same product category. The purpose of such type of copy is to maintain or increase the demand or to make it perpetual.

7.15 THE ROLE OF ART IN CREATING PRINT ADVERTISING

Design refers to how the art director and graphic artist choose and structure the artistic elements of an add A designer sets a style the manner in which a thought ecimagc is expressed by choosing particular artistic elements and blending them in a unique way.

First, the sheer size of the photograph captures attention. The copy is set in a neat, easy to read format with lots of white space.

A number of artists, working under the art director, may produce initial layouts of the ad concept.

7.16 PRINT PRODUCTION PROCESS

The Preproduction Phase Planning the Project

The first step, preproduction begins when the creative department submits the approved creative concepts rough or comprehensive layout and copy to the production department.

Working backward from publication closing dates the production manager decides when each step of the work must be completed a Typography and copy casting

Art directors select type styles to enhance the desired personality of the product and complement the tone of the add

Advertising artists have to know the five major type groups, the artistic variations within a type family, and the structure of type. They should consider four important concepts when selecting type readability, appropriateness, harmony or appearance, and emphasis.

Artists who plan to buy type outside must copy cast or copy fit to forecast the total block of space the type will occupy in relation to the typeface s letter size and proportions.

7.16.1 Planning the job

The overall purpose of preproduction is to plan the job thoroughly.

The production manager must decide early which is most important for a particular project speed, quality or economy. Typically, the manager must sacrifice one in favour of the other two.

The Production Phase Creating the Artwork

The production phase involves setting up the artwork and typesetting, completing ancillary functions such as Illustration in photography, and. then melding all these components into ajinal tangible form for the printer or publisher.

Preparing mechanicals

To create the art for an ad, brochure, or package, the production artist normally begins by marking out a grid on which to lay the type and art.

The production artist then specifies the style and size of the typefaces for the text and inputs this information, along with the copy, into the computer

The art elements must be properly positioned in the artwork whether to have layers of art that can be reproduced. This procedure is easily performed in the computer. The various lament of art assigned to a layer the operator names and can be run out as separate film negatives or paper positive images as needed.

7.16.2. Camera ready art and halftones

The production artist adheres to this printing principle by using black and white artwork that is called line art and by converting gray images to a form of line art called halftones.

7.16.2.1. Line art. Normal photographic paper produces images in continuous tones black and white with shades of gray in between. But printing presses cannot print gray. The art work is simply photographed as is and the result is called a line film.

7.16.2.2. Halftone screens. While line plates print lines and solid areas (like type), halftone plates print dots. The combination of dots, when printed, produces an optical Illusion of shading, as in a photograph. The fineness of the halftone screen determines the quality of the

7.16.2.3. The Prepares Phase: Stripping, Negs, and Plates

In the prepares phase, the printer makes a plate from the base art and one from each inventory.

The various layers of line art and halftones are converted to film negatives, which are carefully mounted together in perfect registration— through a process known as stripping—onto opaque plastic sheets called flats. This leaves some areas of the plate capable of holding ink and others unable to do so. Once dry, the plates are "hung" on the press, ready for printing.

Printing in colour

A printing plate can print only one colour at a time. An advertiser who wants to print an ad or a brochure in blue, green, and black needs three different plates and the job is referred to as a three-colour job

Four-colour separations

Four separate halftone negatives are needed to make a set of four-colour plates: one each for yellow, magenta, cyan, and black. Each of the resulting negatives appears in black and white, and the set is called the colour separation. Until recently, most colour separations were done using a photographic process.

And all this can be accomplished in several minutes instead of the hours or days previously needed for camera work and hand etching.

7.16.2.4. The Duplication and Distribution Phase: Printing, Binding, and Shipping

The last phase of the print production process involves the actual printing, proofing, and finishing steps of drying, cutting, binding, and shipping.

The press run

Once the paper, plates, and ink are readied, the press is started and stopped a few times to adjust the alignment of the image on the paper.

Finishing

Once all the pieces are printed, the ink must dry. Then the excess paper is cut away using huge cutting machines. The final step may be the bindery for two- and three-hole drilling, wire stapling, and folding.

7.17 SELF ASSESSMENT QUESTIONS

- Define Creativity. Describe the creativity process,
- What are different types of television commercials?
- What are the different element of copywriting?

7.18 Summary

Creativity is generally defined in aesthetic terms as the ability to produce useful ideas, originality, imagination, or the capacity of joining two or more element to form a new unity or purpose. The creativity process may not be a scientific process, yet it aims at finding a solution to a problem. Creativity helps advertising information, it helps advertising persuade, and it helps advertising remind etc.

7.19 Glossary

Packaging: The Packaging refers to all those activities related to designing, evaluating and producing the container for a product.

Research:_Research_ is defined as, a careful consideration of _study_ regarding a particular concern or a problem using scientific methods.

Typography: Typography is the art and technique of arranging type to make written language legible, readable, and appealing when displayed.

Layout:the act or process of planning or laying out in detail.

Creativity: Creativity is the act of turning new and imaginative ideas into reality. Creativity is characterised by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions.

Headlines: A headline is the title of a newspaper story, printed in large letters at the top of the story, especially on the front page.

7.20 Answers: self-assessment

1. For answer refer: section 7.2 and 7.3

2. For answer refer: section 7.8

2. For answer refer: section 7.14

7.21 Terminal questions

1. What is creativity?

2. Describe the various steps of creative process.

3. What are the various uses of layouts? Also describe the various steps in the layout.

4. What is topography? Describe the classes of typography.

5. What is the importance of creativity in advertising?

6. Enlist the various elements of copywriting for print advertising.

7. What are headlines? What is the role of headlines?

8. Describe the various types of headlines.

9. What are the various formats for radio and TV commercials?

10. What is the role of ART in creating print advertising?

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LESSON - 8
ADVERTISING AGENCY

Structure

8.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Meaning of advertising and types of advertising agencies.

2. Functions of advertising agency.

3. Various factors affecting the client agency relationship.

4. The role of advertising agency and types of agency organisation.

5. Various advertising department organisations.

8.2 INTRODUCTIONS

An advertiser firm may organise the advertising campaign to a body of experts known as advertising agency. The advertising agency is an independent institution set up to render specialised services in advertising in particular and in marketing in general. Thus an advertising agency is "an organisation which consists in the acquisition as a principal, of the right to use space or time in advertising media and the administration on behalf of the advertisers of advertising appropriations made by them." Thus, it is an organisation, specially created for rendering services in advertising.

A modern advertising agency offers specialised knowledge, skills and experience which are required to product an effective advertising campaign. It has writers, artists, media experts, researchers, television producers, account executives, etc. these specialists work together to understand fully the advertiser's requirements of an advertisement campaign and develop suitable, advertising plans and strategies.

Advertising agency is the facilitating institution of the advertisement industry. These advertising agencies provides a full range of services to advertisers, from the conception of idea to the exposure of printing of an advertisement and therefore large advertising agencies organise various activities and maintain a formal structural relationship between various departments.

8.3 THE ORGANISATIONS IN ADVERTISING

The advertising business is composed of four different groups. The two main ones are the advertisers and the agencies. Advertisers range in size from huge multinational firms to small independent stores and in type from service organisations to industrial concerns to political action committees.

The third group, the medial sells time and space to carry the advertiser's message to the target audience. The last group, the suppliers, includes the photographs, illustrators, printers, digital service bureaus, colour film separators, video production houses, and other who assist both advertisers and agencies in preparing advertising materials, suppliers also include consultants, research firms, and other professional services that work with both advertisers and agencies.

8.4 THE PEOPLE IN ADVERTISING

When most people think of advertising, they imagine the copywriters and art directors who work for ad agencies. Most companies have an advertising department, even if it's just one person.

Many people are involved in a company's advertising function

- Company owners and top corporate executives make key advertising decisions,
- Sales and marketing personnel often assist in the creative process, help choose the ad agency, and evaluate proposed ad programs.
- Artists and writers produce ads, brochures, and other materials.
- Product engineers and designers give input to the creative process and provide information about competitive products.
- Administrators evaluate the cost of ad campaigns and help plan budgets.
- Clerical staff co ordinate various advertising activities.

8.5 TYPES OF ADVERTISING AGENCIES Advertising agencies are of varying sizes, shapes and types.

8.5.1 Full Service Agencies

Advertising services encompass planning, creating and producing advertising campaigns which broadly include, account planning, research, creative services, media planning and production of advertisement material for print, broadcast and outdoor media. Non advertising functions may include public relations, making corporate identity plans, packaging, organising fairs, exhibition and training material, to name a few

The benefits of a full service agency, include "attracting and holding the very best talents, providing numerous services which may require an interrelated approach, and providing an objective examination of concepts from an outside perspective based on widespread experience."

Bov'ee and Arens further divide full service agencies into two specialist areas, viz.,

General Consumer Agencies, a general agency that is willing to represent the wider variety of accounts like soaps, detergents, cereals, oils or automobiles etc.

Industrial agencies, an industrial agency represents a client or a company that makes goods to be sold to other businesses. Computer hardware, precision equipment, furnaces, turbines and x-ray equipment etc.

8.5.2 A LA Carte Services

A La Carte services, i.e., order according to choice, can be had from a full service agency or small specialist outfits which go by the nomenclature a la carte or boutique.

8.5.3 Business to Business Agencies

Business and industrial advertising requires some technical knowledge and ability or translate that knowledge into precise, persuasive communications.

Most business to business advertising is placed in trade magazines or other business publications. Since commissions often don't cover the cost of the agency's services, business agencies typically charge their clients service fees.

8.5.4 The House Agency

A house agency is an advertising agency established by a company to look after its advertising requirements. Keeping in view the parameters of accreditation, such agencies get media recognition. In the Indian context two of the top agencies, viz., Lintas and Mudra Communications started as the house agencies of Hindustan Lever Ltd. and Reliance respectively.

8.6 FUNCTIONS OF ADVERTISING AGENCY

The advertising agency performs all the managerial functions. Some of these are planning, creation and execution, co ordination, accounting, media, research and internal control.

8.6.1 Planning

The advertising agency plans the advertising campaign. The management delegates the responsibility of advertising planning and execution to the agency.

8.6.2 Creation and Execution

Specific advertisements are created. The advertising copy is written; the layout is prepared. The advertising agency prepares a suitable advertising copy for insertion in all the media.

8.6.3 Co-ordination

The advertising agency co ordinates several activities. The combined efforts of sales persons, distributors are co-ordinate properly to project and implement the advertising programme.

8.6.4 Accounting

The advertising agency maintains proper accounts in co-operation with the client. The accountant is in charge of the administration of the advertising programme on the agency side.

8.6.5 Media

The advertising agency selects the media or a set of suitable media for the client to reach the right type of audience, which is an important factor in media selection.

8.6.6 Research

Research is a key function in an advertising campaign. Research makes every decision systematic and logical, based as it is on facts and figures.

8.6.7 Internal Control

The advertising agency manages its employees, finances and other resources effectively and economically. Public relations, sales promotion functions and client contacts are maintained by the management for the effective operations of the advertising agency.

8.7 FACTORS AFFECTING THE CLIENT AGENCY RELATIONSHIP

Many forces influence the client agency relationship. Generally they can be grouped into the four Cs. i.e., Chemistry, Communication, Conduct, and Changes.

8.7.1. Chemistry

Agencies are very conscious of this factor and Wine and dine their clients in hopes of improving it. Smart clients do the same.

8.7.2 Communication

Poor communication, a problem often cited by both agencies and advertisers, leads to misunderstandings about objectives, Strategies, roles and expectations-and to poor advertising.

8.7.3 Conduct

Dissatisfaction with agency performance is the most commonly cited reason for agency switches, regardless of country. Service like products, move through life cycles.

8.7.4 Changes

Changes occur in every relationship. Unfortunately, some of them damage the agency client partnership. The client's market position or policies may change, or new management may arrive. Agencies may lose key staff people. The medium that carries the advertiser's message is the vital connection between the company that manufactures a product or offers a service and the customer who might wish to buy it. Although the plural term media commonly describes channels of mass communication such as- television, radio, newspapers, and magazines. Today, we can classify advertising media into six major categories Print, Electronic, Out of home, Direct mail, Digital interactive, and Other media.

8.8 BASIC PRINCIPLES OF AGENCY CLIENT RELATIONSHIP

- The agency avoids advertising a close substitute competing product;
- The agency receives the green signal from the client for all the expenses incurred on his advertising;
- The agency keeps the media commission for itself;
- If the media grants any cash discount, it is passed on to the client;
- The agency is not taken to task for media lapses in terms of scheduling, positioning, etc.

8.9 BASIC PRINCIPLES OF AGENCY MEDIA RELATIONSHIP

- These principles are
- The agency alone is responsible for payment to the media;
- The agency does not allow any cut from the commission received from the media;
- The media do not discriminate amongst the agencies and follow a uniform policy for all the agencies
- The media do not alter the advertising material without the prior consent of the agency.

8.10 SELECTION OF AN ADVERTISING AGENCY

The following points should be considered for selection of an ad agency:

First and foremost, the agency must be known. Previously unknown agencies are not preferred.

Secondly, the agency must have creativity. Creative people are a little crazy, nonconformists. Creativity does not follow any logical pattern. Creative people are like naughty children.

Thirdly, the agency must have a sound track record, a good deal of experience.

Fourthly, the account executives must have ability to understand the client's problems.

Fifthly, you may look at the accounts they handle, and the accounts they have gained and lost. **Sixthly,** the personal equation of the client with the agency also matters.

Seventhly, their ability and presentation may make you opt of them Premier Auto (The company that makes Fiat cars) was shopping around for an agency to launch its 118 NE.

Lastly, there are some unique considerations, some prefer a small, some medium, some a large agency.

So creativity, commitment to client and the quality of its top management go a long way in the selection of an agency.

8.11 THE ROLE OF THE ADVERTISING AGENCY

The agency purchases advertising space and time in various media on behalf of different advertisers, or sellers-its clients-to find customers for their goods and services. This definition offers clues to why so many advertisers hire ad agencies. The agency isn't owned by the advertiser, the media, or the suppliers.

Second, like all agencies, MCC employs a combination of business people and creative people, including administrators, accountants, marketing executives, researchers, market and media analysts, writers, and artists.

The agency provides yet another service by researching, negotiating, arranging, and contracting for commercial space and time with the various print and electronic media. Agencies don't work for the media or the suppliers. Their moral, ethical, financial, and legal obligation is to their clients.

Finally, good agencies serve the needs of a variety of clients because of their daily exposure to a broad spectrum of marketing situations and problems both at home and abroad.

8.12 HOW AGENCIES GET CLIENTS

To succeed, ad agencies need clients. New clients come from personal contact with top management, referrals from satisfied clients, publicity on recent successful campaigns, trade advertising, direct mail solicitations, or the agency's general reputation.

8.12.1 Referrals

Most good agencies get clients by referral from existing clients, friends, advertising consultants, or even other agencies. The head of one company asks another who's doing her ads, and the next week the agency gets a call.

8.12.2 Presentations

An advertiser may ask an agency to make a presentation anything from a simple discussion of the agency's philosophy, experience, personnel, and track record to a full blown audiovisual presentation of a proposed campaign. Some advertisers ask for or imply that they want a speculative presentation, meaning they want to see what the agency will do for them before they sign on.

8.13 TYPES OF AGENCY ORGANISATION

The agency maybe organised on the basis of a group system or a departmental system or as a decentralised organisation or smaller agency organisation.

8.13.1 Group System

The group system involves writers, artists, and media planners. They remain with the advertising agency. They are employed under the general direction of the executives. Each member of the group is given a special function.

8.13.2 Departmental System

The specialists are grouped under separate departments. For example, copywriters are employed or deputed under the copy department. Artists work under the art department. They work directly under departmental heads.

8.13.3 Decentralised Organisation

The decentralised functions are allocated to some branches, which perform the advertising jobs in their respective areas.

8.13.4 Smaller Agency Organisation

The smaller agency organisation performs all the jobs of advertising. The executives handle a variety of jobs.

8.14 ADVERTISING DEPARTMENT ORGANISATION

There may be several departments under the advertising department. Each department is given specific jobs to perform efficiently.

8.14.1 Organisation by Sub functions. The advertising derailment functions on the basis of sub functions to discharge all the functions of advertising effectively and smoothly.

8.14.2 Organisation by Media. The organisation of advertising department by media assists the performance of each medium successfully.

8.14.3 Organisation by Product. The term organisation by product refers to the fact that several products are manufactured by the organisation.

The performance of the advertising sub functions is co ordinated by the advertising manager.

8.14.4 Organisation by Market Segmentation. Market segmentation includes different types of customers. Each market segment is headed by a manager with responsibility for that market.

The sentiments, attitudes and characteristics of each market segment are different. Therefore, they require separate advertising attention. The advertising manager assigns the responsibility of advertising to the respective sub-departments.

8.14.5 Organisation by Geographical Area. Advertising functions vary from one area to another. They require special treatment for advertising purposes. Advertising functions are organised to suit their needs and desires.

An international organisation may be required for these companies which have an international market. The advertising manager for each continent is required to look after the advertising functions in his area.

8.15 Self-assessment questions

1. Define the term Advertising agency.

2. What is a full service agency?

3. Define business to business agencies.

4. What are the functions of advertising agency?

5. What is the role of advertising agency?

8.16 Summary

Advertising agencies are deemed as the backbone of the Advertising Industry. The role of advertising agencies start from the identification of the advertising needs of the product to the actual execution of the advertising project in various available media options relevant to the characteristics of the product. For instance, it may not be very useful to advertise for children books and comics in a business magazine or financial journal. Similarly it won't be useful to advertise for Office products in Children comics or even lifestyle magazines. This Chapter had looked into the role of advertising agencies and their importance in advertising.

8.17 Glossary

Accounting: Accounting is the process of recording financial transactions pertaining to a business.

Coordination: Co-ordination is the unification, integration, synchronization of the efforts of group members so as to provide unity of action in the pursuit of common goals.

Internal control: It is a process for assuring of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

Referrals: The act of telling someone about the positive features of a person or a business, or the person who is being referred.

Agency: An agency is a business which provides a service on behalf of other businesses.

8.18 Answers: self-assessment

1. For answer refer: section 8.2
2. For answer refer: section 8.5.1
2. For answer refer: section 8.5.3
4. For answer refer: section 8.6
5. For answer refer: section 8.11

8.19 TERMINAL QUESTIONS

- What is Advertising Agency? How does the advertising agency work?
- Outline the organisation of an advertising agency? What roles do the major organisation involved in the advertising business perform?
- Discuss the various types of Ad-agencies?
- Explain the Function of Advertising' Agency.
- What are the advantages and disadvantages of an in-house agency.
- What are the major influences or factors affecting on the client agency relationship.

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LESSON-9
MEDIA STRATEGY

Structure

9.1 LEARNING OBJECIVES

9.2 INTRODUCTION

9.3 MEDIA TACTICS

9.4 ORGANIZING FOR GLOBAL ADVERTISING

9.5 ROLE/IMPORTANCE OF TELEVISION

9.5.1 Time gap to purchasing

9.5.2 An immobile medium:

9. 5.3 Difficult to gain enquiries:

9.6 THE PROS AND CONS OF BROADCAST T.V. ADVERTISING

9.6.1 The Pros

9.6.1.1 Mass Coverage:

9.6.1.2 Low cost:

9.6.1.3 Sole selectivity:

9.6.1.4 Impact:

9.6.1.5 Creativity:

9.6.1.6 Prestige:

9.6.1.7 Social dominance:

9.6.2 The Cons:

9.6.2.1 High Production cost:

9.6.2.2 High Air-time cost:

9.6.2.3 Limited selectivity :

9.6.2.4 Brevity :

9.6.2.5 Clutter:

9.6.2.6 Zipping and Zapping:

9.7 THE PROS AND CONS OF CABLE T.V. ADVERTISING

9.7.1 The Pros

9.7.1.1 Selectivity:

9.7.1.2 Audience demographics:

9.7.1.3 Low cost:

9.7.1.4 Flexibility:

9.7.1.5 Testability:

9.7.2 The cons:

9.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Meaning of media strategy and media tactics.

2. Role and importance of television and pros & cons of T.V. Advertising.

3. The pros and cons of cable T.V. advertising.

4. Types of television advertising and radio advertising.

9.2 INTRODUCTION

Media strategy refers to the setting and allocation of advertising budgets. Ad budgets would be likely similar across countries if purchase cycles for that product category are similar, since the frequency of exposure often depends on the length of the purchase cycle. On the other hand, there are many more factors that most likely will be different across countries: the absolute and relative costs of various media, the number of target consumers reached by these media, the spending levels and patterns of competitive brands, the product life cycle stage and household penetration percentages for the product category, and so on.

9.3 MEDIA TACTICS

Media tactics refers to the allocation of advertising budgets across specific media vehicles. Since by far the bulk of the media options available in any market are local or regional-specific to that country-the media planning and buying almost always have to be done at a local or regional level.

This need for local decision making is made even stronger by the absence in many markets of the kinds of syndicated media data. Unless the media planner is physically in the local market there is almost no way of knowing the relative costs and efficiencies of local media options. Usually, therefore, the media planning and buying are done locally, but the core ele-ments of media strategy-such as the target audience definition, the reach and frequency goals, and so on may still be decided centrally, or at least be made subject to central approval. It is thus becoming possible to make centralized (and thus cost efficient) cross-country media buys using some of these media channels, and large global advertisers are in a position to obtain lower prices from such channels by virtue of the size of their media buys.

Finally, it should also be noted that media institutional arrangements also vary greatly across countries. Much more media buying is done via huge media organizations in Europe than is currently done in the United States, for instance, although there have recently been legislative restrictions restricting it in Europe.

9.4 ORGANIZING FOR GLOBAL ADVERTISING

International advertising networks have existed since 1899, when J. Walter Thompson first went international. McCann-Erickson opened its London office in the 1920s, to handle Standard Oil, one of the first truly global brands. Since then most larger agencies and agency holding companies have greatly expanded their international networks, through full or part- ownership's of local agencies, joint ventures, strategic alliances, etc. Today, at least thirteen ad agency networks have operations or affiliates in more than thirty nine countries each. These thirteen include Backer Spielvogel Bates, BBDO, Leo Burnett, D'arcy Masius Benton and Bowles, DOB Needham, FCB Publicis, GGK, Grey, Lintas Ammirati, Ogilvy and Mather, Saatchi & Saatchi, J. Walter Thompson, Young & Rubicam, and McCann Erickson As discussed in Chapter 1, several of these belong to one agency holding group. Such consolidation can lead to reduced production costs, enhanced coordination, and a greater chance that a consistent brand image is projected worldwide. While the trend toward such consolidation seems strong, some research has shown that in most cases client companies still use different agencies for their home markets and for overseas.

The other reason is simply that the rate of growth in advertising spending has recently become very high outside North America and western Europe, so that ad agencies based in those regions have been driven to expand into other markets to take advantage of that advertising billings potential.

As part of these global servicing requirements, global clients have begun to demand centralized account servicing structures from agencies so that the global headquarters personnel of the client can deal with just one account team at the agency that is responsible for the creation, coordination, and implementation of the global ad campaign for that client. In response, most global agencies now have a few key account personnel that serve as the global account managers who deal with the headquarters personnel of these global companies. These global account managers, in turn, then deal with the local account managers for that account in the various networked local agencies.

Obviously, one of the key barriers or problems to creating global ad campaigns is the possible resistance of local ad agency and /or client personnel to campaigns "not invented there" but imposed centrally from elsewhere. To help overcome this, many global campaigns are created with advance input from the personnel of local operations and may even use multinational account and creative teams at the central location. Such multinational teams may be permanent, Or temporary.

Another reason for such centralized campaign creation is that creative talent is often scarce in certain parts of the world. Even when creative talent is easily available locally, centralized campaign creation has the advantage of making sure that the creative product produced locally is not different from the kind desired merely because the creative style and philosophy of the local agency differed from that of the central agency.

9.5 ROLE/IMPORTANCE OF TELEVISION

Television (T.V.) in India made its initial appearance as the poor country cousin of films some 33 years ago. Initially, it was in inaugurated in Delhi but soon spread to the other metros and important cities. In the wake of Asiad 1982 we got colour T.V. (CTV). A missive expansion programme was taken up, and an infrastructure of 533 transmitters was created with 22 production centres, covering 82-percentage population in not-too-distant future. The radio is quite popular in towns, and in now going to the villages as well. Sometimes, the commercial is repeated frequently. T.V. ads alone may not be sufficient. They need supportive ads in other media.

9.5.1 Time gap to purchasing : If advertisement sink into the mind a mind that is well prepared for buying a certain product cannot do so immediately because there is a night to go by and only next morning the action can be taken. By that time, we might not have kept the product in mind.

9.5.2 An immobile medium: Radio can be listened to either in a car of while walking. Newspapers are read in locals, in offices and at many other locations.

9.5.3 Difficult to gain enquiries: T.V. restricts itself to typical retail purchases. Detailed enquiries cannot come. It is difficult to note either the telephone number or the address. It is a digest, and is easily assimilated and absorbed. At first viewing, there is novelty. But on absorption, this wears off. This problem can be overcome if we can serialize a commercial. It is better to produce several less ambitious films than to produce one supper production.

9.6 THE PROS AND CONS OF BROADCAST T.V. ADVERTISING

9.6.1 The Pros:

Contemporary broadcast television offers advertisers many advantages over competing media.

9.6.1.1 Mass Coverage: A full 98 percent of all US homes have a TV and viewing time for the average household increased from about five hours a day in 1960 to almost seven hours a day in 1994.

9.6.1.2 Low cost: Despite the often judge initial outlays for commercial production and advertising time.

9.6.1.3 Sole selectivity: Advertising messages can be presented when potential customers are watching, and advertisers can reach select geographic audiences by buying local and regional markets.

9.6.1.4 Impact : Television offers an immediacy that other forms of advertising cannot achieve, displaying and demonstrating the product with sound and full colour right before the customer's, eyes.

9.6.1.5 Creativity: The various facets of the T.V. commercial-sight, sound, motion, and colour- permit infinite original and imaginative appeals.

9.6.1.6 Prestige: Since the public considers T.V. the most authoritative and influential medium, it offers advertisers a prestigious image.

9.6.1.7 Social dominance: in North America, most people under age 35 grew up with T.V. as a window to their social environment.

9.6.2. The Cons:

Sometimes broadcast T.V. just doesn't "fit" the creative mix because of cost, lack of audience selectivity, inherent brevity, or the clutter of competitive messages.

9.6.2.1 High Production cost: One of broadcast T.V.'s greatest handicaps is the high cost of producing quality commercials.

9.6.2.2 High Air-time cost: The cost of large coverage, even at low rates, prices small and medium-size advertisers out of the market.

9.6.2.3 Limited selectivity : Broadcast T.V. is not cost-effective for advertisers seeking a very specific, small audience and is losing some of its selectivity because of changing audience trends.

9.6.2.4 Brevity : Studies show that most T.V. viewer can't remember the product or company in the most recent T.V. ad they watched-even if it was within the last five minutes.

9.6.2.5 Clutter: T.V. advertising is usually surrounded by station breaks, credits, and public service announcements, as well as size or even other spots.

9.6.2.6 Zipping and Zapping: VCR users who skill through commercials when replaying tapes programs are zipping; remote-control users.

9.7 HE PROS AND CONS OF CABLE T.V. ADVERTISING

9.7.1 The Pros

The primary advantages of cable T.V. are its selectivity, low cost and great flexibility.

9.7.1.1 Selectivity: Cable offers specialised programming aimed at particular types of viewers. Narrow casting allows advertisers to choose programming with the viewer demographics that best match their target customers.

9.7.1.2 Audience demographics: Cable subscribers are younger better educated, more affluent, have higher-level lobs, life in larger households, and are more likely to try new products and buy more high-ticked items such as cars, appliances, and high-tech equipment.

9.7.1.3. Low **cost:** many small companies get T.V's immediacy and impact without the enormous expenditures of broadcast. T.V. Cable advertising may cost as little as radio.

9.7.1.4. Flexibility: Broadcast T.V. commercial needs to be short because of the high costs of production and air time, but cable ads can run up to two minutes and, in the case of infomercials, much longer.

9.7.1.5. Testability: Cable is a good place to experiment, testing both new products and various advertising approaches-ad frequency, copy impact, and different media mixes.

9.7.2. The cons:

Like every medium, cable T.V. has it drawbacks.

9.7.2.1 Limited reach: about 40 per cent of households don't have cable. This is cable's main weakness.

9.7.2.2 Fragmentation: with more than 50 channels at their disposal, cable viewers do not watch anyone show in enormous numbers.

9.7.2.3 Quality: Cable, particularly local cable, sometimes has poorer production quality has less desirable programming than broadcast T.V

9.7.2.4 Zipping and Zapping : Cable T.V. is subject to some of the same drawbacks as broadcast T.V., including zipping and zapping.

9.8 TYPES OF TELEVISION ADVERTISING

Advertisers use different strategies to buy time on broadcast and cable T.V. There are various ways advertisers can buy time on T.V. They include sponsoring an entire program, participating in a program, purchasing spot announcements between programs, and purchasing spots from syndicators.

9.8.1 Network advertising:

Networks offer large advertisers convenience and efficiency because their massages can be broadcast simultaneously via many affiliate stations throughout the country.

An advertiser who underwrites the total cost of a program is engaging in sponsorship. In a sole sponsorship, the advertisers is responsible for both the program content and the cost of production. Sponsorship is so costly that single sponsorship are usually limited to specials. The sponsor controls the placement and content of its commercials. The commercials can be fit to the program and run any length the sponsor desired so long as they remain within network or station regulations.

Network advertising also has several disadvantages : lack of flexibility, long lead times inconvenient restrictions, and forced adherence to network standards and practices.

9.8.2 Soft Announcements

National spot announcements run in cluster between programs. They are less expensive then participation and more flexible than network advertising because they can be concentrated in specific regions of the country.

This new technology enables agency buyers to electronically process orders, makes goods, and revisions and maintain an electronic audit trail through the life of a schedule.

9.8.3 Syndication

Syndicated programs are an increasingly popular alternative to network advertising. Television syndication comes in three forms: off network, first-run and barter.

In syndication, the producers (Warner Bros., Disney) deal directly with the stations rather than going through the networks. This "direct from the factory" approach is efficient and gives local T.V. stations more programming control and greater profits.

9.8.4. Local T.V. advertising

Local business and retailers, often in cooperation with nationally known manufacturers.

Most local stations ell spot announcements, but some local advertisers develop and sponsor local programs or buy the rights to a syndicates series.

9.9 RADIO AS SECONDARY TOOL FOR ADVERTISING IN ELECTRONIC MEDIA

Radio is a persona, one-on-one medium; people listen alone. And radio as mobile. It can entertain people who are driving, walking, at home, or away from home. It's a particularly strong way to reach people who commute by car. Radio is also adaptable to moods. In the morning, people may want to hear the news, upbeat music, or interesting chatter; in the afternoon, they may want to unwind with classical of easy-listening music.

- Identify stations with the greatest concentration of the advertiser's target audience by demographics.
- Identify stations whose format typical offers the highest concentration of potential buyers.
- Determine which time periods on those stations offer the most potential buyers.

- Using the stations' rate cards for guidance, construct a schedule with a strong mix of the best time periods. This gives the media buyer a starting point for analysing costs and negotiating the buy.

- Assess the proposed buy in terms of reach and frequency.

- The key word is target; the media buyer is not interested in the station's total audience.

- Negotiate and place the buy.

9.10 NEW MEDIA

The most prominent new media today include on-line database, the internet, CD-ROMs, and stand-alone kiosks. Coming soon is interactive television.

9.10.1 The personal computer online

With a modern-equipped personal computer the thousands of product marketers are business services already using these online services as an advertising medium. You can advertise in the CompuServe classifieds just like in the newspaper.

9.10.2 The internet

You can get access to the internet, the world's largest computer network, through the only services. With a simple click of the mouse, visitors can navigate their way around the world from one Web site to another. Web exploded from about 50 sites in 1993 to over 70,000 sites in 1995, with 3 to 5 million Web pages.

National advertisers are developing multimedia menus that include games, bulletin broads, and interesting or entertaining information in addition to product data. The internet, like any medium, has its drawbacks. It is not a mass medium in the traditional sense, and it may never offer mass media efficiency. Some marketers may decide it's too complex, too cumbersome, too crowded, or not worth the time and effort. It is not controlled by any single entity, so security problem. The majority of people who cruise the Internet are well-educated, up-scale males. And the democratization of the Net is quickly broadening this group, which will expand the opportunities to a wider range of marketers.

9.10.3 CD-ROM catalogues, magazines, and kiosks

The benefit of this technology is storage space; a high concentration of data, combined with full motion video and high-quality audio, can be stored on one disk.

Marketers like it because of its high quality and rascality. In fact, CompuServe, which already publishes a monthly magazine for its customers, is enhancing its online electronic mall with sound and video and mailing it as a bimonthly CD magazine. The CD-ROM is also being used as a sound and video catalog that can be connected via modern to its source and uses to make transactions online.

The immense strong capacity of the CD makes it an ideal medium for saving the detailed information housed in stand-alone sales and information kiosks.

9.10.4 Interactive television

Imagine you are watching "Seinfeld," and a spot for State Farm Insurance appears. You remember you are not happy with your current insurance carrier.

9.11 Self-assessment questions

1. What do you understand by media tactics?

2. What is the role of television in advertising?

3. What are the pros and cons of TV advertising?

4. Define the local TV advertising.

5. What is radio advertising?

9.12 SUMMARY

A few key conclusions can be drawn that will serve to summarize this chapter. First, there are many potential advantages to creating globally coordinated brands and ad campaigns, but, in most cases, there are enough variations in local consumer, competitive, cultural, and economic conditions to make complete standardization impossible or infeasible. Despite the increasing convergence of markets, consumers and media across the world, vast differences remain. Thus, most companies try to balance global and local needs as best they can, often by creating strategies and creative ideas centrally but allowing local tactical and executional variations. In doing so, they seek to use ad agencies with global resources and networks, and both clients and agencies are modifying their structures and systems to implement global ad campaigns.

9.13 Glossary

Prestige: reputation or influence arising from success, achievement, rank, or other favourable attributes

Zipping: To move or act with a speed that suggests such a sound: The cars zipped by endlessly.

Fragmentation:a situation in which there are many different types of customer for a particular product or service or many different companies providing a particular product or service

Advertising Network: An *advertising network*, or *ad network*, connects businesses that want to run *advertisements* with websites that wish to host them

Syndication: a group of individuals or organizations combined or making a joint effort to undertake some specific duty or carry out specific transactions or negotiations: The local furniture store is individually owned, but is part of a buying syndicate.

Internet: The Internet is a global wide area network that connects computer systems across the world.

9.14 Answers: self-assessment

1. For answer refer: section 9.3

2. For answer refer: section 9.5

2. For answer refer: section 9.7

4. For answer refer: section 9.8.4

5. For answer refer: section 9.9

9.15 SELT ASSESSMENT QUESTIONS

- Which brands do you think are truly global brands? What do you think gives them this global appeal?
- Discuss the role of Television in Electronic Media? Also explain the various types of Television?
- In Electronic Media explain the importance of Television with its Merits and Demerits?
- Discus the various Pros the Cons of broadcast Television Advertising?
- Explain the seven steps in Preparing A Effective Radio Schedule?
- Discuss the various New Media used for Advertising in the field of Electronic Media?

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LESSON - 10
ECONOMIC ANALYSIS AND ALLOCATING BUDGETS

Structure

10.1 Learning Objectives

After studying the lesson, you should be able to understand:

    1. Meaning of economic analysis and budget setting analysis.

    2. Objective and task.

    3. Meaning of market experimentation and budgeting.

    4. Regression analysis for budgeting.

10.2 INTRODUCTION

The theoretical underpinning of an advertising budget decision is based on economic marginal analysis and is easily expressed. A firm should continue to add to the advertising budget for a specific brand or specific geographical market. If companies advertising mature industrial products find that the sales potential per account are increasing, then the budgets for advertising and personal sales calls should go up, too. On the other hand, if levels of competitive spending reduce the revenue impact of this company's promotional spending, its budgets should go down. Such an analysis could theoretically be applied to the other components of the marketing mix such as sales promotion, personal selling, distribution, and pricing. A resulting optimal expenditure level can be obtained by allowing any identifying optimal budgets for each kind of marketing spending. If the sum of these expenditures exceeded the available resources, the marketing budget for each would have to be scaled down. It has been found empirically, that the elasticity of sales response to price cuts is, on average, about twenty times the elasticity of sales to increases in advertising. This suggests that price discounting may be a more appropriate investment of the marketing dollar than an advertising increase, until the point is reached where advertising begins to have the bigger effect.

10.3 SOME DIFFICULTIES IN APPLYING MARGINAL ANALYSIS

There are some difficulties in applying marginal analysis in practice. The assumption in the foregoing has to consider sales as a function of advertising expenditures with advertising as the only input and immediate sales as the output. Such assumption can be appropriate in some direct advertising. However in other situations, it is more tenuous. Even when it does seem reasonable, the determination of the shape and other is also not an easy task. Furthermore, even when a certain response curve does accurately represent a certain situation, there is no guarantee that it will continue to be valid in the future. As a result, the nature and shape of the response function also can change. The nature of the advertising campaign, the copy used, and the media selected will usually influence the shape of the response curve.

Furthermore, it is difficult to find out the effect of advertising from the other forces, which also influence sales. Sales are a result of a company s total marketing and promotional effort as well as a number of environmental conditions, like economic, climatic, social, and cultural factors. If all factors including competitive activity remained constant except for advertising, it would be reasonable to consider advertising to be the only determinant of sales.

The dependent variable in the response function is sales-by implication, immediate sales. Although, there are cases such as direct mail advertising wherein, the use of immediate sales is quite appropriate, in most instances. Furthermore, advertising might attract buyers who are loyal to particular product for several years. Their immediate purchases may be of the value to the firm that enticed them to try the brand.

10.4 PRACTICAL BUDGET SETTING ANALYSIS

There are two ways in which firms can react to the difficulty of deter mining the marginal analysis. They admit that the task is so formidable that is hot worthwhile to pursue it and rely instead on other types of decision rules. There are doubtless that base their ad budgets very simply on what they have always spent, historically. Such inertia is inexcusable, especially in today s extremely competitive environment. When .used, .the rules employed may or may not reflect a marginal analysis. While not necessarily optimal, they, have the advantage of simplicity.

A second reaction is to attempt to determine a data based response function relating advertising expenditure to sales, despite the difficulties. Once, the shape of this curve is known, it can be used to determine the level of advertising that maximizes sales. The argument is that, even if the result is imperfect, it might indeed provide some guidance, and the method at least has a theoretical basis. The primary tools used in estimating such a response function are split cable testing, field experimentation, regression analysis of the effects of increasing advertising frequency levels.

It should be emphasized here that no method of determining an ad budget is ever perfect, because there are simply too many uncertainties involved in the measurement of advertising effects. Thus, several methods should be tried, and judgment will have to be applied to come up with a figure that seems warranted from needs and competitive standing point of view-all at once.

10.5 SIMPLE BUT QUESTIONABLE BUDGETING DECISION RULES

There are several decision rules on which many firms draw in making budget decisions. Various such rules can be described. The rules are basically justified by arguing that budgets based on them are unlikely to be far from the actual optimal budget if a marginal analysis could be performed. In many cases, the rules are used in combination, the net budget being a compromise among several of the rules.

10.5.1 Percentage of Sales or of Cross Margin

One rule of thumb used in setting advertising budgets is the percentage of sales. Past sales or a forecast of future sales can be used as the base. If a firm or brand has been successful over several years using the percentage of sales approach, it might be assumed that the decision rule yielded budgets reasonably close to the optimal. The rule does tend to make explicit the marketing mix decision, the allocation of the budget to the various elements of the marketing program. Furthermore, it provides comfort to a financial executive who likes to know that her or his firm can afford the advertising. Finally, if competitors also leads to a certain stability of advertising within the industry which may be useful.

The major flaw in the method is that it does not rest on the premise that advertising can influence sales. It can lead to excessive expenditures for large established brands and for over the hill brands that are basically servicing old loyal customers who will very likely continue to buy even if advertising support is withdrawn. The second flaw in this method is that it ignores brand profitability, by looking only at brand sales. This would imply that more profitable brands get more advertising support, compared to less profitable brands, even if their sales revenue figures are identical.

10.5.2 Making a Move

When a brand decides to make a move, a substantial increase in advertising might be necessary, an increase that may not be justified by the percentage of sales logic. Similarly, when the effects of the Miller effort became evident, the other beer companies had to consider breaking out of their percentage of sales routine and react to the Miller move.

10.5.3 Established Brand

When a brand becomes established and dominant, it can usually start reducing the percentage of sales allocated to advertising. As brand name awareness becomes very high and the brand's image becomes very set, it is not usually necessary to advertise as heavily.

10.5.4 New Brand

A new product,, concept, or brand will have the special task of generating awareness and distribution from a zero level. As a result, it is usually necessary to make heavy investments in advertising during the first year or two of the brand's life.

10.5.5 Competitive Parity and Share of voice

Another common guide is to adjust the advertising budget so that it is comparable to those of competitors. The logic is that the collective minds of the firms in the industry will probably generate advertising budgets. Furthermore, any departure from the industry norms could precipitate a spending war.

The problem here is that there is no guarantee that a group of firms is spending at an optimal level. Even if they are, it is likely that the situations of individual firms are sufficiently unique so that the practices of their competitors should not be followed. The success of the larger firm may be due to many other factors in addition to advertising. Furthermore, the method does not consider such questions as differences in effectiveness of various campaigns or the efficiency of media placement.

10.6 OBJECTIVE AND TASK

Objective and task, more an optimal approach to budgeting than a simple decision rule, is used by two thirds of the largest advertisers an advertising objective is first established in specific terms.

The major problem with this approach is that the link between the objective and immediate and future sales is often not spelled out. Many advertising and new product researchers, however, have managed to develop proprietary estimates of how different levels of ad response objectives correspond to typical levels of trial for new products. Another problem is that it is hard to estimate the precise relationship between advertising media exposure and the adjective objective.

10.7 MARKET EXPERIMENTATION AND BUDGETING

A direct approach to estimating the sales response to advertising is to conduct field market experiments. Advertising expenditure levels are deliberately and systematically varied across areas.lt is important to remember that these were old, well established brands, such that it is very likely that their previous levels of advertising and brand awareness were likely to be close to saturation levels. Smaller, newer brands typically show a greater responsiveness to advertising weight increases than older brands, especially if the money is spent in geographical areas where market potentials are high but existing brand penetration is low.

The biggest set of experimental results that reported for consumer non-durable products come from a study by Information Resources Inc, which generates scanner data from split cable testing facilities. In its facilities, brands can test different levels of ad frequency to matched panels of households, and see the sales results at the grocery checkout scanner. Finally, it is important to realize that such weight tests can be done for industrial products as well. It also appeared to be useful to increase advertising not only to the end users but also to the intermediary dealers.

10.7.1 Testing Advertising and Other Marketing Mix Elements

It is useful to include marketing variables other than advertising in the experiment; particularly when the advertising response will depend on the levels of those other marketing variables. New nutritional convenience food in, which both advertising and price levels were tested. Two of the cities received a high advertising weight that was approximately twice that received by the another two cities.

In this case, the response to advertising depended on the price level selected. If price had not been included in the experiment. A distorted impression might have emerged as to the advertising response. Inclusions of price also provide useful information about marketing decision variable. In general, it is always very useful in an advertising field experiment to also measure the levels of other marketing variables that might impact on the sales results.

10.7.2 Problems with Market Experimentation

There are major problems associated with their use. Experimentation is inherently expensive. There are several types of costs to consider. First, there are the obvious direct costs of setting up the experiment. Second is the fact that management decisions are delayed by the research. On the one hand, validity considerations demand a longer experiment. However, as the length increases, the timeliness of the results suffers. Third, there is a security cost, particularly in new product contexts. Finally, an advertising test will invariably involve excess advertising in some areas and less than optimal in others.

Market experiments are never controlled as well as would be desirable. The company's own sales force can work extra hard during the test, making it difficult to draw conclusions. The experimental cells can differ in more than just the amount of money being spent. The media mix and or the creative might also vary, again making interpretation of test results difficult. They are more concerned with their marketing position than with any experiment. Competitors marketing efforts can confound the experiment. Further, competitors sometimes deliberately attempt to disrupt the test by radically changing some element of their competitive marketing strategy.

10.7.3 Split Cable Testing

A relatively new and powerful technique for measuring advertising response is termed split cable testing. Information Resources, Inc.'s Behavior Scan is one of the several split cable, testing operations. The advertising budget test simply involves setting the advertising expenditure levels, assigning each to a group of panelists, and monitoring the results. The ability to control exposure levels and to monitor purchase activity provides the potential to conduct experiments that are tightly controlled. Since the same data source provides information on both advertising exposure. Such data are often called single source data. The exact number of advertising exposures is known. In a field test, even if the expenditure level were known, the number of exposures could vary enormously. Purchases can be monitored ac-curately on a daily basis. Split cable testing is certainly the state of the art and is undoubtedly the most effective way to measure the response function. Second, it is often necessary to run a test for at least six, months and perhaps several years. The need to measure the impact on brand goodwill and loyalty may take longer to determine.

Third, the experiments can actually be over-controlled. Thus effective advertising could easily affect the retailer's initial opinion and decision to stock the brand and the enthusiasm with which it is pushed. Fourth, there is still doubt about the overall representativeness of the markets in which test market scanner data are available. Finally, the tools are only now being developed to cope with, and analyze, the huge masses of data that single source scanner data provide. Working with these data requires judgments on how to aggregate the information, across time periods, households, stores, brand varieties and pack sizes, and so on.

10.8 REGRESSION ANALYSIS FOR BUDGETING

Another approach to estimating the relationship between advertising and sales the advertising response curve-is to look at the historical patterns of sales and advertising.

A systematic way to analyze such patterns is through the use of a statistical technique called multiple regression analysis. A typical regression model could attempt to predict sales in one time period with the following types of explanatory variables:

- Sales In the preceding period.
- Advertising In the current period.
- Advertising in the previous period.
- Advertising two periods back.
- Other marketing variables, such as distribution or price, for this brand, as well as for competitive brands.
- Some measure of the 'quality' of the creative message (e.g., a copy testing score).
- Measures of competitor advertising.

To isolate the impact of advertising spending it is necessary to include other marketing variables. First, it is useful to try to separate the effect of advertising spending from the effect of copy quality. Second, it is important to include other marketing variables in the predictive model. Unless such promotion was included in the model, the apparent advertising effect might really represent a promotion effect. Third, unless some measure of competitor advertising is also used, the apparent advertising impact may be distorted. Research has clearly shown that competitor advertising reduces the effectiveness of a brand s own advertising.

One of the key problems facing the regression modeler is how best to model the shape of the relationship between advertising and sales-while typical regression computer programs assume a straight line relationship between advertising and sales, this relationship is most often a curved, or curvilinear, one. For instance, the responsiveness of sales to advertising may begin to decline after some level of advertising spending. This diminishing returns phenomenon is then better represented by a downward sloping curve, in a graph in which advertising levels are related to sales results.

10.8.1 Problems with Regression Analysis

Regression analysis is sometimes useful, but on the whole it has been disappointing. There are several other difficulties associated with regression analysis modeling in general and with the problem of measuring the carryover effect in particular. Among them are the following :

- There is often little variation In advertising except that due to seasonable factors, without variation In advertising It is not possible to detect the impact of changes In advertising on sales. This problem is severe when a brand is over-advertising and it is so far out on the advertising response curve that there is no response to any change in advertising.

- The data may be syndicated store movement data overcome this problem but are expensive and available only to consumer products firms. In fact, it is difficult to get any accurate measure of advertising exposures. This sometimes leads to regressions In which per capita sales figures are predicted by Inflation adjusted media dollars.

- Data describing other marketing variables are often not available or are expensive to obtain. Data describing competitor activities are rarely available.

- Annual data really are inadequate since the immediate and carryover effect of advertising usually occurs in months, not years.

- If a business uses the percentage-of-sales method of establishing a budget, a sales change could cause a change In advertising expenditures instead of the reverse.

Despite these many limitations, such regression analyses have frequently been performed and often found to be quite insightful.

The question that we are there faced, of course, is how many exposures do we need to create such top-of-mind awareness, per four week cycle or some other time frame, such as the purchasing cycle for that product?

10.8.2 How Many Exposures?

Michael J. Naples, now president of the Advertising Research Foundation, conducted an extensive review of industry studies of repetition and concluded that, in general, around three exposures within a purchase cycle are about adequate to lead to or maintain the desired level of brand awareness or brand attitudes. Herbert Krugman, a General Electric manager and prominent advertising theorist, also suggests that a level of about three exposures is needed. The first exposure elicits a "What is it?" type of response. The second exposure, if not blocked out, produces several effects. One, particularly in television or radio advertising, is a continuation of the "What is it?" response. The third exposure is basically a reminder in case the audience member has not yet acted on the message. Any additional exposure is just another third exposure, replicating the third-exposure experience. As a practical suggestion to General Electric managers, Krugman advised that they start with an objective of exposing two thirds of their target audience at least twice and not more than four times per month. A third source for a recommendation of using three or four exposures per planning cycle is the fact that this is the most frequently used level of effective frequency used by advertising agencies.

10.8.3 Wear Out

The concept of wear-out is concerned with the maximum number of exposure s that should be used for any particular ad execution in a certain period of time. Wear-out occurs when successive exposures no longer have a positive impact on the audience. The determination of the optimal frequency thus involves an understanding and an ability to predict when wear-in and wear-out will occur.

One explanation for the wear out phenomenon is that the audience stops attending to the advertising. One study found that exposure repetition ultimately generated a significant decline in brand name recall, but that this decline could be reversed when attention to the advertisement was experimentally induced. Another explanation of wear out is that excessive exposure generates irritation. The audience, which accepts advertisements as a necessary part of print or broadcast media, may resent being exposed to the same advertisement many times. They found that the production of support arguments increased and then decreased with exposure. The number of negative thoughts, however, declined after the first few exposures but then increased as repetitions mounted.

One approach to fighting wear out is to provide advertisements that reward the audience in some way. Information that is valued could be provided. Entertainment value can also come from creative approaches using music, dancing, action, or drama, and any of these can forestall wear-out. If ad is difficult to process, it can be run for more exposures without wear out than an easy to process add An implication of this last statement is that an ad being run frequently ought to be created to be relatively difficult to learn and process. Wear out can also be combated by spacing commercial exposures over time and by running multiple executions of the same campaign theme. Another one of the findings of Ebbinghaus was that spaced repetitions were more effective than the same number massed together.

10.8.4. When is more Frequency Needed

Clearly, the research based recommendation just made that three or four exposures per four week cycle is often appropriate is an average some situations call for more, others for less. The research on wear in and wear out provides some insights into the nature of the situations when higher levels of frequency may be justified. Such advertising fortunately is often entertaining and/or well liked, and thus heavy repetition involving multiple campaign executions and variations can be tolerated. Research also shows that messages that are better at generating recall, or more persuasive, are received by consumers faster, thus necessitating lower advertising spending.

Batra and Ray, in a laboratory experiment, argued and showed that both wear in and wear out occur faster when the consumer has a higher level of involvement in the product category and/ or knows more about it.

The complexity and size of the communication and persuasion task will also affect the repetitions needed. For example, a task that involves establishing a new brand name and communicating a complex new service will undoubtedly require heavy repetition as well as multiple executions.

10.9 Self-assessment questions

1. Define the term economic analysis.

2. What is objective?

3. Define the term task.

4. Define the term budgeting.

5. What is regression analysis?

10.10 SUMMARY.

A firm should continue to add to its advertising budget as long as the incremental expenditures are exceeded by the marginal revenue they generate. First, the assumption that advertising expenditures affect immediate sales is often faulty. Second, the shape and parameters of the relationship is no easy task. Finally, the relationship changes through time.

Practical decision makers, in response to the problems of marginal analysis, have used several decision rules. The most widely used approach, which bases the advertising budget on some percentage of sales, can lead to excessive expenditures for well established brands and inadequate expenditures for new and promising brands. They tend to be costly both in money and time Further, many factors can confound or mask the results, such as actions of retailers and competitors, the inability to deliver precise levels of advertising to test cities, and the impact of other marketing variables, Another approach is split cable testing, wherein advertising seen by matched panels of consumers is controlled and their purchases are monitored via store Scanner Systems. A third approach, regression analysis, works with existing data and is thus inexpensive. However, it, too, has its problems, because of the lack of variability of the advertising data, the lack of data on confounding factors such as competitor actions and other marketing variables, the arbitrariness of the aggregation decisions necessary, the difficulty of measuring the long term impact of advertising, and others. Advertising budgets can also be based upon an analysis of how many advertising exposures might be required per consumer to achieve the communications objective-a modified objective and task approach to budget setting.

10.11 Glossary

Budgeting: Budgeting is the process of planning future business activities by establishing performance goals and putting them into a formal plan.

Regression: Regression is a statistical method used in finance, investing, and other disciplines that attempts to determine the strength and character of the relationship between one dependent variable (usually denoted by Y) and a series of other variables (known as independent variables).

Objectives:A specific result that a person or system aims to achieve within a time frame and with available resources.

Task: The smallest identifiable and essential piece of a job that serves as a unit of work.

Brand: A brand is an identifying symbol, mark, logo, name, word and/or sentence that companies use to distinguish their product from others.

10.12 Answers: self-assessment

1. For answer refer: section 10.2

2. For answer refer: section 10.6

2. For answer refer: section 10.6

4. For answer refer: section 10.7

5. For answer refer: section 10.8

10.13 TERMINAL QUESTIONS

1. What assumptions underlie the "all-you-can-afford" and "competitive-parity" approaches to setting advertising budgets?

2. Contact someone in a firm that does a significant amount of advertising. What advertising budget setting decision rule do they use? To what extent is the budget decision arrived at by a bargaining process?

3. Design a field experiment that would provide input data for the sales response to advertising function for a company selling men's razor blades. How much would the experiment likely cost? Identify other variables that might affect sales in your chosen test markets. What is the role, if any, of laboratory experimentation in this context?

10.14 SUGGESTED READINGS

1. Aaker, David A. etc. Advertising Management. 4 '1' ed New Delhi, Prentice Hall of India, 1985.

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LESSON -11
AN ADVERTISING CAMPAIGN

Structure

11.1 Learning Objectives

After studying the lesson, you should be able to understand:

        1. Elements of a marketing plan.

        2. Planning and evaluation of advertising campaign.

        3. Public relations and corporate advertising.

        4. Public relation tools and types of corporate advertising.

11.2. MEANING

Campaign, a word taken from the military dictionary. It defines it as a "series of military operations in a definite area with one objective or forming the whole or a distinct part of war; military service in the field" or an organised course of action.

In the advertising field, a campaign can be defined as a unit focus, short term communication programme, making use of various media, aimed at a defined target audience. In contrast, in advertising, however, the customer is the proverbial "king" who is constantly indulged, persuaded and wooed, at times making use of his own weaknesses and susceptibilities. The purpose remains the same as in a warfare unit persuade to take action. Advertising campaigns are cost intensive, hence, are planned to achieve the desired response.

11.2. ELEMENTS IN A MARKETING PLAN

A good marketing plan must be consistent with the capabilities of the various departments of the company. A model marketing plan includes the four basic elements, viz., *Situation analysis; marketing objectives, marketing strategy, and action programmes.*

11.2.1 Situation Analysis

The situation analysis need to review and answer the following broad areas;

- Company s history and growth, products or services, sales volumes,
- Current value and share trends for the category of the concerned brand and competitive products.
- Brand s share and volume objective.
- What specific changes are required in the consumer behaviour. This must answer whether you are looking at increasing trial, multiple use.
- Past advertising.
- Conducted, Pick up.
- Market structure.
- Consider the economic, political, social, technological or commercial environment in which the company operates.
- What are the most relevant consumer trends, both demographic and attitudinal currently affecting the brand.
- Establish who are the primary consumers of the product, the rich middle class, destitute rural or urban.
- Consider brands characteristics, physical, functional and psychological; what primary benefits accrue to the consumer of the attributes which have a competitive edge.

11.3.2. Marketing Objectives

Once the situation analysis is over, the company should lay down specific marketing objectives with a specific time frame.

- Introduce the product to test marketing in five new geographic areas.
- To explore five new territories each in the second, and third year.
- To achieve all India penetration by the end of the third year.
- To achieve 30 per cent share of the national market at the end of the third year.

Marketing objectives ideally are the logical deductions from the review of the company's current situation, management's prediction of future trends.

Some companies set objectives by total sales volumes, sales volume by various brands, by market segments, customer type, market share in total or by product line, gross profit in total or by product category. Some other criteria for marketing objectives relate to additions or deletions in the product line, creation of extra distribution channels,' exploring new geographical territories, introducing new pricing policies, or retaining of field sales staff.

11.3.3. Marketing Strategy

Strategy is an important section of the marketing plan as to how the marketing objective will be achieved. The strategy is the total directional thrust to achieve the objective, choosing the most suitable method, the "how to" of the marketing plan. The other important inputs in a strategy include the determination of the following the right marketing mix; positioning of the product, i.e., "what the product does". Companies, generally fiddle with two kinds of positioning one is to pick a similar position next to the competitor's and battle it out, or find a position not held by anyone i.e., looking for a vacant slot. Some companies position their products on price strategy, both at the low end and upper end to their advantage.

11.4 PLANNING AN ADVERTISING CAMPAIGN

The advertising agency study the marketing plan to know, the director, the company is taking the strategic decisions for the future. Some advertising agencies are at the involved by some companies in preparing their marketing plans also. Brand positioning is the single most important objective of advertising. It evolves its unique planning model, the basic essence remains the same. Tackling of any issue goes through a planning cycle which is continuous process of learning, modification and responding to changing circumstances. The following questions are addressed and discussed on under:

11.4.1 Where are we in the mind of the consumer?

Is it familiar with the product or totally unfamiliar; are there any misconception or misperceptions about the product.

11.4.2 Where are we in the market?

This should answer the current sales situation of the brand and products of its category; the total market and relative share if the said brand; sales volumes by rupees; any seasonal or regional skews.

11.4.3 Why are we there?

Analyse reasons for the current market standing or the lack of it, distribution problems, competitor's better pricing strategy, brand image, corporate image, consumer reaction to the product and the reasons for the same what factors have contributed to the brand personality and positioning.

11.4.4 Where do we go from there?

The marketing objective of a company is to expand the market from metros to add also mini metro towns, the communication objective will be to identify the prospective buyers in the mini metros, their communicant habits and the media accessibility.

11.4.5 How do we get there?

In fact, it is the most crucial, part of plan the strategy to achieve the objective, the intended route to fulfill the aim. Strategy must cover both creatively and media planning including the economics of the exercise.

11.5 Criteria for Choice

The strategy in media should cover the following three criteria for choice:

11.5.1 Medium as Message: Determine which medium will contribute the most just by its nature an *a*ssociations; how do people use the media, for how long, with whom, when and where.

11.5.2 Medium as Medium: What medium is best suited to the target responses and in creative expressions to achieve those responses?

Medium as Vehicle: A vehicle is a part of a particular medium. For example, various channels, like the MTV, Star, Doordarshan, BBC, National Geographic, Discovery and CNBC, etc. are vehicles in the medium of television, but each one caters to various tastes of different target audience. Most advertising agencies would not hesitate to drop an ad. campaign, if it stopped working but some of the successful campaigns outlive their utility and the reasons are not far to seek. Some of these include:

- Successful campaigns often lead to career advancement Of those who were responsible for

- Positive consumer research.

- Change of agency.

Yet some of tries other campaigns which were really an outcome of the synergy between the marketing and advertising teams both from the advertisers and ad agencies include among others, the Prestige pressure pan, the Dettol, Milk maid and the Dunlop radial tyers campaigns. As a leader of a new product category, Prestige pressure pan stands out as an excellent example of team work of the R D, marketing and communicators, according to analysts. Some of the parameters consumers could rate advertisements on were top of the mind awareness, creativity, appeal, originality, technical execution, and willingness to see the ad. agency. Credibility, topicality and information content were other parameters. In summation, it can be said that every campaign needs a change, because circumstances change, and people s expectations change.

11.6 EVALUATION OF ADVERTISING CAMPAIGN

The result of an Advertising Campaign can be assessed by adopting the following procedure:

11.6.1 Appearance of campaign

Both the agency s account and the client s advertising manager will study the actual appearance of the advertising. Fresh problems can arise. Insertions may have been made wrongly. Printing quality may have been poor. Perhaps the advertisements did not appear at all because of strikes. This is critical if a new product is being launched In the shops and its success depends upon coincidental advertising. The cost effectiveness of the campaign could be in peril, if something has gone wrong.

11.6.2 Recall research

There is still time to improve a campaign and next day recall research can be conducted to test whether people saw, remembered and may be responded to the advertising.

11.6.3 Charging out

It is likely that since production of the campaign may have occupied weeks or months certain expenditures incurred by the agency will have been invoiced already. Media expect prompt payment, and agencies have to invoice clients promptly too. An agency could not survive if it did not render accounts until the completion of a campaign which might run over a considerable period, it will be remembered that a condition of agency recognition is its creditworthiness. The client s advertising manager is responsible for checking and approving agency accounts.

11.6 .4 Assessment of results

Have the objectives of the campaign been achieved? This may be less easy to assess if the marketing mix contains a number of influences upon sales. It may be desired to reach a certain volume of viewers, and weekly audience ratings can be totaled until the required number has been obtained. Then the commercial can be rested, which both avoids boring viewers, and is more economical than saturation advertising.

11.7 AGENCY CLIENT RELATIONS

A good relationship leads to good advertising, and this calls for both a skilled advertising manager representing the client and a skilled account executive representing the agency, and they need to operate as partners. Otherwise the relationship becomes soured, and the client starts looking for a new agency.

11.8 PREPARATION OF THE CAMPAIGN

11.8.1 Preparation for the presentation

Once the ideas have been agreed, the campaign can be assembled for presentation to the client. Visuals will be worked up into near finished layouts even though at this stage, professional and commercial artists may not have been engaged for artwork, and the copy will be represented on the layouts and not actually set. The media schedules will be plotted carefully, and it will be necessary to make tentative bookings in certain magazines.

11.8.2 Presentation to client

The client has to be convinced that the scheme will achieve the desired result, or at least contribute effectively to the sales target which may depend on other factors as well as advertising. A common problem at client presentations is that approval may be required of a number of company directors and executives representing the board, marketing, sales, advertising and public relations.

11.8.3 Putting the scheme into operation

The campaign is not the only one being handled by the agency and it is necessary to plan the work allocated to each department so that the advertisements are produced, delivered and inserted correctly. A daily check will be made to see that all the work is being produced on time. Similarly, with the production of TV commercials, a routine has to be followed which will include appointment of director and film unit, casting, shooting, editing.

11.8.4 Liaison work of account executive

The client has to be kept to the time schedule, but there may be amendments which have to be incorporated, and sometimes clients do not know what they really want until creative work has reached an advanced stage. Alternatives can create problems and pressures such as extra costs or extra work when time is running out.

11.8.5 Approved advertisements to the media

When everything has been completed and approved the advertisements are dispatched to the media. Amendments may have to be negotiated. This does not mean that the advertiser or the agency has deliberately o ended but that a statement or claim may have been made too zealously, or that something unethical can be read into the advertisement which was not intended.

11.9. PUBLIC RELATIONS AND CORPORATE ADVERTISING

Public relations aims to create understanding through knowledge and, if it is to be successful in educating the market. Advertising, has to be persuasive in order to sell and it may be emotional, dramatic and certainly partial.

Public relations may be thought to consist only of press relations. In deals with matters far removed from marketing and advertising, to mention only community, employee, shareholder and political relations.

11.10 DEFINITIONS

- IPR definition. 'Public relations practice is the planned and sustained e ort to establish and maintain goodwill and mutual understanding between an organisation and its public'.

- The **Mexican statement.** Public relations practice is the art and social science of analysis trends, predicting their consequences, counselling organisation leaders, and implementing planned programmes of action which will serve both the organisation and the public interest.

11.11 USES OF PUBLIC RELATIONS CONSULTANCIES

- When there is no in house public relations department a public relations consultancy may be employed to conduct a public relations programme.

- When the public relations department is exceptionally busy, an outside unit can augment its activities.

- When an outside advisory service is required.

- When a special *ad hoc* service is required, a consultancy may be employed.

- When a company is located at a distance from media centres.

11.12. DIFFERENCE BETWEEN ADVERTISING AND PUBLIC RELATIONS

Advertising reaches its audience through media the advertiser pays for. The public views ads with some skepticism, or ignores them outright. So in an integrated marketing communications program, advertising may not be the best vehicle for building credibility. Certain public relations communications are not openly sponsored or paid for. People receive these communications in the form of news articles, editorial interviews, or feature stories after the messages have been reviewed and edited filtered by the media. For building credibility public relations is usually the best approach. Public relations communications are not easily quantifiable. PR s results depend greatly on the experience and skill of the people executing it. While PR may offer greater credibility, advertising offers greater awareness and control so many companies relay their public relations messages through corporate advertising.

11.13 THE ROLE OF PUBLIC RELATIONS

The primary role of public relations is to manage a company s reputation and help build public consent for its enterprises.

The term *public relations* is widely misunderstood and misused. Part of the confusion is due to the fact that public relations covers a very broad area. It can be a concept, a profession, a management function, and a practice.

Every company, organisation, or government body has relationships with groups of people. They may be employees, customers, stockholders, competitors, suppliers. Marketing professionals refers to these people as *stockholders.* In PR terminology, each of these groups is considered one of the organisation s publics. Failure to do so may mean loss of customers and revenues, time lost dealing with complaints or lawsuits, and loss of esteem.

Because of the powerful effect of public opinion, companiesm, the organisations must consider the breadth of impact of their actions. But it also holds true for major policy decisions changes in management or pricing, labour negotiations, introduction of new products, or changes in distribution methods. Effective public relations can channel groups opinions toward mutual understanding and positive outcomes. In short, the goals of public relations are to favourably influence public opinion, build goodwill, and establish and maintain a satisfactory reputation for the organisation.

11.14 PUBLIC RELATIONS TOOLS

11.14.1 News releases and media kits

A news release the most widely used PR tool, consists of one or more typed sheets of information issued to generate publicity or shed light on a subject of interest. Topics may include the announcement of a new product, promotion of an executive.

A press kit supports the publicity gained at staged events such as press conferences or open houses. It includes a basic fact sheet of information about the event, a program or schedule of activities.

11.14.2 Photos

A photo tells the story faster. Photos should be good quality and need little or no explanation. Typed captions should describe the photo and accurately identify the people shown.

11.14.3 Feature articles

Feature articles give the company or product credibility. Editors like them because they have no immediate deadline and can be published at the editor s convenience. Features may be case histories, how to fetish as how to problem solving scenarios or state-of-the-art technology updates. Other formats include roundups of what s happening in a specific industry and editorials.

11.14.4 Printed materials

Printed materials are the most popular tools used by public relations professionals. They may be brochures or pamphlets about the company or its products, letters to customers, or enclosures that accompany monthly statements, the annual report to stockholders, other reports, or house organs.

11.14.5 Posters, exhibits, and bulletin boards

Posters can be used internally to stress safety, security, reduction of waste, and courtesy. Companies use exhibits to describe the organisation s history, present new products, show how products are made, or explain future plans. Internally, the public relations staff often uses bulletin boards to announce new equipment, meetings, promotions, new products, construction plans and recreation news to employees.

11.14.6 Audiovisual materials

Audiovisual materials can take many forms, including slides, films, film setters, and videocassettes used for training, sales, or public relations. Many public relations departments provide video news releases (VNRs) news or feature stories prepared by a company and offered free to TV stations, which use the whole video or just segments.

11.15 TYPES OF CORPORATE ADVERTISING

In an integrated marketing communications program, corporate advertising can set the tone for all of a company s public communications. Corporate advertising covers the broad area of non product advertising, including public relations advertising, institutional advertising, corporate identity advertising, and recruitment advertising.

11.15.1 Public Relations Advertising

Public relations ads try to improve the company s relations with Labours, Government, Customers, Suppliers, and even Voters. Public relations ads in other media to promote the programs and their sponsorship, enhance their community citizenship, and create public goodwill.

11.15.2. Institutional Advertising

These ad campaigns serve a variety of purposes; to report company accomplishments, position the company competitively in the market, reflect a change in corporate personality, shore up stock price, improve employee morale or avoid communications problems with agents, dealers, suppliers, or customers. A company uses advocacy advertising to communicate its views on issues that affect its business, to promote its philosophy, or to make a political or social statement. Many advertisers use umbrella campaigns, called market prep corporate advertising, to simultaneously communicate messages about the products and the company.

11.15.3 Corporate Identity Advertising

The graphic designs that identify corporate names and products are valuable assets, and companies take great pains to protect their individuality and ownership. This is the job of corporate identity advertising. When software publisher Productivity Products International changed its name to Step stone, Inc., it faced an interesting dilemma. It needed to advertise the change.

11.16 PRESS RELATIONS

Press relations aims to achieve maximum publication or broadcasting of public relations information ip order to create knowledge and understanding. *Press relations means servicing the media with news, pictures and feature articles, arranging interviews and organizing news events.*

11.17 NEWS AND ADVERTISING COMPARED

There is a very big distinction between the nature of news and advertising. The only reasons why an editor will print public relations material is because it is of interest and value to readers. The situation is different with advertising. Once the space has been bought in whatever quantity permitted by the appropriation, the advertiser can say anything within the limits of the law and the Code of Advertising Practice, dates, and the position and size of the space by booking accordingly. With public relations material, no such control exists for the editor will decide if, when, where, and how to use the information or pictures supplied. There are three simple rules about writing publishable news releases. *The subject should be in the first three words. The opening paragraph should summarise the whole story, and be capable of telling the story in a nutshell if only the first paragraph is printed. There should be no superlatives or self praise.*

11.18 PUBLIC RELATIONS AND PUBLICITY

It has been defined by the *American Marketing Association as non personal situation of demand for a product, service or business unit, by planting commercially significant news about it in a published medium or obtaining a favourable presentation of it on radio, television or stage, that is not paid for by the sponsor.* Publicity is considered more effective then advertising since it is designed to familiarise the general public with the product s characteristics and advantages. Publicity may be effected through a newspaper, a magazine and some other informative media. Public relations is an integral part of the promotional strategy.

11.19 IN HOUSE PUBLIC RELATIONS DEPARTMENTS

11.19.1 Position in Company

The public relations department should be independent, servicing production, finance and marketing, but directly answerable to the chief executive. In many large companies the public relations officer aboard director. In other companies the responsibility for public relations may fall on the shoulders of various executives such as marketing, advertising, product or sales promotion manager.

In some developing countries, the in house public relations officer may occupy a less senior or well defined position, perhaps being concerned more with personnel and protocol matters.

11.19.2 Advantages of in House Public Relations Officer

The advantages of an in house public relations officer as compared with a public relations consultancy, are as follows:

- The staff public relations officer works full time for the company, unlike the consultant whose time is controlled by the size of the fee.

- Working inside the company, the staff public relations officer has the opportunity to be familiar with the whole business. Indeed, the public relations officer should know more about the company than anyone else in it if he or she is really to advise the chief executive.

- The public relations officer may be a product of the company or industry and have technical knowledge, although this is not absolutely vital.

- Because of the public relations officer's close links within the orgara^ation.

1.20 Self-assessment questions

1. Define the term campaign.

2. What is marketing strategy?

3. Define the term Public relation.

4. What are the various public relation tools?

5. What are press relations?

11.21 Summary

An advertising campaign is a series of advertisement messages that share a single idea and theme which make up an integrated marketing communication (IMC). An IMC is a platform in which a group of people can group their ideas, beliefs, and concepts into one large media base. Advertising campaigns utilize diverse media channels over a particular time frame and target identified audiences. The campaign theme is the central message that will be received in the promotional activities and is the prime focus of advertising campaign, as it sets the motif for the series of individual advertisements and other marketing communications that will be used. The campaign themes are usually produced with the objective of being used for a significant period but many of them are temporal due to factors like being not effective or market conditions, competition and marketing mix. Advertising campaigns are built to accomplish a particular objective or a set of objectives. Such objectives usually include establishing a brand, raising brand awareness, aggrandizing the rate of conversions/sales. The rate of success or failure in accomplishing these goals is reckoned via effectiveness measures. There are 5 key points at which an advertising campaign must consider to ensure an effective campaign. These points are, integrated marketing communications, media channels, positioning, the communications process diagram and touch points.

11.22 Glossary

Situation analysis: Situation analysis refers to a collection of methods that managers use to analyze an organization's internal and external environment to understand the organization's capabilities, customers, and business environment.

Public relations: Public relations are a strategic communication process that builds mutually beneficial relationships between organizations and their publics." Public relations can also be defined as the practice of managing communication between an organization and its publics.

Advertising: Advertising is a marketing tactic involving paying for space to promote a product, service, or cause. The actual promotional messages are called advertisements, or ads for short. The goal of advertising is to reach people most likely to be willing to pay for a company's products or services and entice them to buy.

Audio-visual education: Audio-visual education or multimedia-based education (MBE) is instruction where particular attention is paid to the audio and visual presentation of the material with the goal of improving comprehension and retention.

Press relations: the activity of developing and keeping good relationships with people who work for newspapers, etc.

News: News is information that is published in newspapers and broadcast on radio and television about recent events in the country or world or in a particular area of activity.

11.23 Answers: self-assessment

1. For answer refer: section 11.2

2. For answer refer: section 11.3.2

2. For answer refer: section 11.9

4. For answer refer: section 11.14

5. For answer refer: section 11.16

11.24 TERMINAL QUESTIONS

1. What do you understand by Champaign pl Marketing? Also discuss the element of Marketing Plan?

2. The planning cycle is a way of thinking and not a sequence of procedure Comment in Advertising Campaign?

3. "Every Campaign needs a change, because circumstance change and peoples expectation change". Are you agree with this statement.

4. Describe how a proposed campaign is prepared for presentation to the client?

5. How does the Public Relations differ from the advertising?

6. Describe the role of public relations in today's organisation?

7. Define Press Relation? For what reasons would an editor print a news release?

8. Write short note on public relations and publicity.

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2. Beleh, George E. and Beleh Michael A. Introduction to Advertising and Promotion. 3rd ed. Chicago. Irwin, I995.

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LESSON-12
LOCAL AND NON-COMMERCIAL ADVERTISING

Structure

12.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Meaning of local or retail advertising and types of local advertising.

2. Objective and strategy determination.

3. Selection of local advertising media.

4. Meaning of non-commercial advertising and its types.

12.2 LOCAL OR RETAIL ADVERTISING

Local advertising is sometimes called retail advertising because so much is placed by retail stores. Local advertising is critically important because most consumer sales are made- or- lost-locally. An auto manufacturer may spend millions advertising new cars nationwide.

12.3 TYPES OF LOCAL ADVERTISERS

There are four main types of local advertisers.

- Dealers or local franchisees of national companies that specialize in one main product line or service.

- Stores that sell a variety of branded merchandise, usually on a nonexclusive basis.

- Specialty businesses and services.

- Governmental, quasi governmental, and non-profit organisations.

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12.4 THE DIFFERENCE BETWEEN NATIONAL AND LOCAL ADVERTISING

The basic principles used in national advertising also apply to local advertising. But local advertisers have special problems stemming from the day to day realities of running a small business.

12.4.1 Focus

National companies are concerned about building their brands, so their advertising tends to focus on the competitive features of one brand over another, especially in conquest sales situations. That's why local car dealers typically advertise their dealerships rather than the maker of car. And local grocers often promote only those brands for which they receive co op advertising or trade allowances from the national manufacturer.

The relationship with the customer may be the greatest difference between national and local advertisers. National advertisers a marketing executives rarely see retail customers; instead, they have traditionally thought in terms of large groups of people-segments, niches, target markets-with various geographic, demographic, or psychographic descriptions.

12.4.2 Time orientation

Due to differences in their focus and perspective, national and local advertisers also have a different time orientation. National companies think long term. A New York ad agency may have months to develop a network TV campaign; the little agency on Main Street may have to churn out a new newspaper ad every week for each of its local clients.

12.4.3. Resources

Finally, national advertisers have more resources available both money and people. The national advertiser has an army of specialists dedicated to the successful marketing of its brands. The local advertiser may have a small staff or just one person-the owner-to market the business. The local entrepreneur has to know about every face of marketing communications.

12.5 DETERMINING OF OBJECTIVES AND STRATEGY

Objectives and strategies give direction to the enterprise and continuity to its promotional e orts. They should be highly specific, written, reviewed frequently, and updated regularly.

12.5.1 Product

A local company s advertising creates awareness of the type and range of merchandise and services it offers.

12.5.2 Price

For the local advertiser, pricing strategy is critical. It s a competitive decision, a major element of the overall product concept, and an important influence on the advertising used.

12.5.3 Distribution

It s been said that the three most important factors in retail are location, location, and location. The location decision is a difficult one that requires extensive research and analysis.

12.5.4 Communication

A local business s strategic plan should spell out the roles of personal selling, media advertising, product or store publicity, sates promotion, direct mail, collateral materials, and local event sponsorship. A business that has regular customer but uses periodic sales and promotions to increase store traffic needs a semi promotional strategy. A business with a loyal, regular clientele may need only minimal advertising or promotion a non promotional strategy.

12.6 ESTABLISHING THE BUDGET

Other considerations include

12.6.1 Location. A business that depends on walk in traffic needs to do more advertising if it is located in an isolated, hard to find area.

12.6.2 Age and character of the firm. New businesses need to advertise more than established ones.

12.6.3 Size of the business. A small business does not have the revenues to spend on extensive advertising.

12.6.4 Type of product or service offered. A well Known, highly regarded business may need only a minimal ad budget because of good word of mouth.

12.6.5 Size of the trading area. Small trading areas justify small ad budgets.

12.6.6 Competitive activity. Businesses often need to match the ad budgets of their competitors.

12.6.7 Media availability, coverage, and cost. Although local media cost less, advertisers should not waste money on unnecessary coverage.

12.6.8 Previous advertising results. Positive results from previous campaigns usually validate maintaining or increasing the budget.

12.7 SELECTING LOCAL ADVERTISING MEDIA

In developing their communications strategy, local advertisers should consider all avenues available and integrate them creatively. This includes mass media as well as direct mail, sales promotion, publicity, community events, and even decor, packaging and signage.

12.7.1. Local mass media

Even community has some form of mass media available to local advertisers a daily or weekly paper, free distribution shoppers, local consumer or business magazines, outdoor advertising, and local radio or TV.

12.7.1.1. Newspapers

- As a trusted source of local information, the newspaper offers several advantages:
- Most newspapers are oriented to the community.
- The cost is low for the number of prospects reached.
- Advertising can be placed on very short notice.
- Some selectivity is possible by advertising in special interest sections.
- Consumer take their time to read the newspaper so ads have a longer life.

12.7.1.2.Shoppers and free papers

A growing number of cities have all ad publications called shoppers published as a forum for local advertisers. Some shoppers are distributed through the mail and over total circulation in a given area; others print separate editions for ZIP code groupings.

In addition to shoppers, many cities have free newspapers geared toward entertainment, health, holistic medicine, computers, and other special interests.

12.7.1.3 Magazines

Slick, special interest regional magazines give local advertisers the opportunity to reach upper income prospects through a prestigious medium. However, magazine advertising is costly, it may reach people outside the advertisers's trading area, and requires two or three months lead time.

12.7.1.4 Electronic media

Local advertisers buy time on radio and TV because these media usually reach a strictly local audience, offer high impact, and have a relatively low cost per thousand.

12.7.1.5 Local outdoor and sign advertising

The most direct way for local businesses to reach customers is with signs. Local advertisers use in-store and on store signs, outdoor advertising, and transit advertising. Signs for specific products usually out items with continuous appeal, such as cars or fast food restaurants.

12.7.2 Local direct mail

Direct mail advertising can reach specific market segments and neighbourhoods. One popular type of local direct mail is shared mail.

Local advertisers with limited budgets can use direct mail to great advantage. Also, direct mail houses offer copy, art, and printing as well as mailing services.

12.7.3 Specialised media for local advertisers

In addition to mass media and direct mail, local advertisers have a wide selection of other communication vehicles at their disposal classified directories, handbills, various sales promotion techniques, free publicity in the news media, and community involvement.

12.7.4 Classified directories

Yellow Pages directories, published by both telephone and private companies, are a vital advertising medium for local businesses because Yellow Pages stay in the home or o ice as a ready source of information. Every business with a telephone gets a one line listing free; additional advertising must be paid for.

12.7.4.1 Handbills

Handbills may be single sheets or multipage ads and can be distributed on the street, in parking lots, or door to door. The main advantages of handbills are low cost, fast production, flexibility, and direct distribution to the target audience.

12.7.4.2. Sales promotion vehicles

Many sales promotion methods including coupons, sampling, specialty advertising, contests, and special events are quite effective for local advertisers.

12.7.4.3. Publicity

Local firms, find that publicity is often more cost effective than advertising and offers greater credibility, the media are always on the lookout for unusual items that may interest their audiences. Community involvement can enhance a business s image and offer wonderful opportunities for mission marketing. It may involve sponsoring a local youth sports team, a summer camp for needy youngsters, or a scholarship.

12.8 TYPES OF LOCAL ADVERTISING

Most local media ads are either product or institutional advertising. Product advertising promotes a specific product or service and stimulates short term action. Institutional advertising attempts to create a favourable long term perception of the business as a whole, not just of a particular product or service.

12.8.1 Product advertising

Most local product advertising falls into one of three major types regular price line, sale, and clearance. Regular price line advertising informs consumers about services or merchandise offered at regular prices.

To stimulate sales of particular merchandise or increase store traffic, local merchants occasionally use sale advertising, placing items on sale and offering two for one specials or reduced prices.

12.8.2 Institutional advertising

To promote an idea about the company and build long term goodwill, many types of businesses use institutional advertising. It makes the public aware of what the business stands for and attempts to build reputation and image.

Although readership is often lower, effective institutional ads build a favourable image for the business, attract new customers, and encourage customer loyalty.

12.9 CREATING LOCAL ADVERTISING

Following points are to be considered while creating a local advertising:

- **Stand out from the competition.** Make your ads easily recognisable. Ads with unusual art, layout, and typefaces have higher readership.
- **Use a simple layout.** The layout should carry the reader s eye through the message easily.
- **Use a dominant element.** A large picture or headline ensures quick visibility. Colour attracts more readers.
- **Stress the benefits.** Present the emotional reason to buy or the tangible performance characteristics customers seek.
- **Make the headline count.** Use a compelling headline to feature the main benefit.
- **Watch your language.** Make your writing style active, lively, and involving. Avoid negativism and profanity.
- **Let white space work for you.** White space focuses the reader s attention and makes the headline and illustration stand out.
- **Make the copy complete.** Emphasise the benefits most appealing to customers.
- **Make your visual powerful,** eye catching, and demonstrative of your message. The main visual is often more important than the headline. Photos work better than artwork.
- **State price or range of prices.** Dollar figures have good attention value, and readers often overestimate omitted prices
- **Specify branded merchandise.** If the item is a known brand, say so.
- **Include related items.** Make two sales instead of one by offering I related items along with a featured one.
- **Urge readers to buy now.** Ask for the ale. Stimulate prompt action by using limited supply or this week only.
- **Do not forget the store name and address.** Check every ad to be certain the store name, address, phone number, and store hours are included.
- **Do not be too clever.** Many people distrust or misunderstand cleverness.
- **Do not use unusual or difficult words.** Everyone understands simple language. Use it.
- **Do not generalize.** Be specific. Shoppers want all the facts before they buy.

- **Do not make excessive claims.** Advertisers lose customers when they make claims they can back up.
- **Plan ad size carefully.** Attention increases with size.
- **Consider your target customers.** People notice ads more if they are directed at their own gender or age group, Use titles with local or special news events.

12.10 ADVERTISING AGENCIES

Local advertisers use ad agencies less extensively than national advertisers. A major reason is that most media, including newspapers, have two sets of advertising rates, one for national advertisers and another for retail or local advertisers.

Many advertisers simply do not spend enough money on advertising to warrant hiring an agency. And some large agencies do not accept local advertisers because their budgets are too low to support the agency's overhead.

A competent agency can help:

Analyse the local advertiser s business and the product or service being sold, evaluate the markets for the business, including channels of distribution.

Evaluate the advertisers competitive position in the marketplace and offer strategic solutions.

- Determine the best communications media and advise on the costs and effectiveness of each.
- Devise an integrated communications plan and, once approved, implement it with consistency and creativity.
- Save the advertiser valuable time by taking over media interviewing, analysis, checking, billing, and bookkeeping.
- Assist in other aspects of the advertising and promotion efforts by implementing sales contests, publicity, grand openings, and other activities.

12.11 NON-COMMERCIAL ADVERTISING

Non-profit organizations the government, charities, trade associations, and religious groups-use the same kinds of creative and media strategies as their for profit counterparts to convey messages the public. But while commercial advertising is used to stimulate sales of products or services, Non commercial advertising is used to affect opinions, perceptions, or behaviour.

12.12 TYPES OF NON COMMERCIAL ADVERTISING

One way to categorise Non commercial advertising is by the organisations that use it. Advertising is used by churches, schools, universities, charitable organisations, political groups, and many other non business institutions, as well as by associations, such as labour groups, professional organisations, and trade and civic associations.

12.12.1 Advertising by non business institutions

Every year, the American Lung Association: The media donate this space and time as a public service. Such donated ads are termed public service, announcements (PSAs).

Since newspaper, radio, and TV advertising sales departments are besieged with requests from local churches, charity groups, hospital guilds, and other social organisations, they must charge for most local non-business institution advertising.

12.12.2 Advertising by non-profit businesses and associations

Many non-profit hospitals, community health clinics, consumer education groups, and business, professional, trade, and civic associations use advertising to help achieve their objectives.

12.12.3 Advertising by government organisations

In an effort to communicate with voters, many government departments employ ad agencies and public relations firms and maintain in house graphics, communications, and press relations departments.

12.12.4 Political advertising

Politicians use advertising to make voters aware of their record, their stand on issues, and their political vision. Then—in an effort to differentiate themselves—they often follow up with ads that attack their opponent s record.

12.13 Self-assessment questions

1. What is local advertising?

2. What do you mean by Retail advertising?

3. Define the term Time orientation.

4. Define the term non-commercial advertising.

5. What is political advertising?

12.14 Summary

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 items (for example, matchbooks, pens and pencils, bumper stickers, calendars) that prominently display the Intellectual Property, advertising on public vehicles including cabs and buses, the cost of producing materials necessary to participate in these media and agency commissions on the production of the advertising and amounts paid to an approved regional advertising cooperative or to a merchant's association for advertising where you are a member.Non-commercial advertising is sponsored by or for a charitable institution or civic group or religious or political organization. Many non-commercial advertisements seek money and placed in the hope of raising funds. Others hope to change consumer behaviour. So the main goals of non-commercial advertising are:

- Stimulate inquires for information

- Popularize social cause

- Change activity habits

- Decrease waste of resources

- Communicate political viewpoint

- Improve public attitude

- Remind people to give again.

So called word-of-mouth advertising is a person to person communication that is perceived as being non-commercial, concerning goods or services: it is face-to-face product related communications between and among the friends, relatives and others. Because it is non-commercial, it is usually seen as being an unbiased source of information.

12.15 Glossary

Resources: a source of supply, support, or aid, especially one that can be readily drawn upon when needed.

Distribution: Distribution means to spread the product throughout the marketplace such that a large number of people can buy it.

Newspapers: a regularly printed document consisting of large sheets of paper that are folded together, or a website, containing news reports, articles, photographs, and advertisements.

Handbills: A small printed advertisement or notice that is given to people by hand.

Non-commercial advertising: A type of advertising that is typically for the purpose of educating consumers or promoting specific ideas.

Publicity: Publicity is the public visibility or awareness for any product, service or company. ... A publicist is someone that carries out publicity, while public relations (PR) is the strategic management function that helps an organization communicate, establishing and maintaining communication with the public.

12.16 Answers: self-assessment

1. For answer refer: section 12.2

2. For answer refer: section 12.2

2. For answer refer: section 12.4.2

4. For answer refer: section 12.11

5. For answer refer: section 12.12.4

12.17 SELF ASSESSMENT QUESTIONS

1. What are the difference between national and local advertising?
2. How can you determine the objectives and strategy of local advertising?
3. Discuss the establishing of the advertising budget in brief?
4. Explain the various selection of local advertising media?
5. Define advertising agency in context of local advertising?

12.18 SUGGESTED READINGS

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LESSON - 13
CONSUMER BEHAVIOUR FROM THE ADVERTISER'S PERSPECTIVE

Structure

13.1 Learning Objectives

After studying the lesson, you should be able to understand:

1. Meaning of consumer behaviour and interpersonal influence on consumer behaviour.

2. Non personal influence on consumer behaviour

3. Some action oriented communications.

4. Meaning of public relations.

13.2 INTRODUCTION

Social scientists develop many theories of consumer behaviour to explain the process involved in making a purchase decision. Advertising's primary mission is to reach prospective customers and influence their awareness, attitudes, and buying behaviour. The moment a medium delivers an advertising message to us, our mental computer runs a rapid evaluation program called the consumer decision-making process. Note in the first box that three personal processes govern the way. These are the perception, the learning, and the motivation processes. Second, our mental processes and behaviour are affected by two sets of influences. Interpersonal influences include our family, society, and culture. Non-personal influences—factors often outside the consumer's control—include time, place, and environment. But taking that final step typically requires yet another process, the evaluation of alternatives, in which we choose brands, sizes, styles, and colors. Like the marketing communications process, the decision-making process is circular in nature.

13.2 INTERPERSONAL INFLUENCES ON CONSUMER BEHAVIOUR

For advertisers, it's not enough just to know the personal processes of perception, learning, and motivation. These influences can best be categorised as the family, the society, and the cultural environment of the consumer.

13.2.1 FAMILY INFLUENCE

From an early age, family communication affect our socialization as consumers—our attitudes toward many products and our purchasing habits.

13.2.2 SOCIETY'S INFLUENCE

The community we live in exerts a strong influence on all of us. When we affiliate with a particular society division it affects our views on life, our perceptual screens, and eventually the products we buy.

13.2.3 SOCIETAL DIVISIONS: THE GROUP WE BELONG TO

Sociologists traditionally divided societies into social classes: upper, upper-middle, lower-middle, and so on.

13.2.4 REFERENCE GROUPS: PEOPLE WE RELATE TO

Most of us care how we appear to people whose opinions we value. We may even pattern our behaviour after members of some groups we affiliate with. Reference groups can be personal or impersonal. A special reference group, our peers, exerts tremendous influence on what we believe and how we behave. They determine which brands are cool—and which are not. We may purchase a certain style or brand of clothing, choose a particular place to live. Often an individual is influenced, in opposite directions by two reference groups and must choose between them. In ads targeted to students, a local apartment complex might successfully employ the appeal of reference groups by showing students splashing in the complex's pool.

13.2.5 OPINION LEADERS: THE PEOPLE WE TRUST

An opinion leader in some person or organisation whose beliefs or attitudes are respected by people who share an interest in some specific activity. An opinion leader may be a knowledgeable friend or some expert we find credible. Thus the purchasing habits and testimonials of opinion leaders are important to advertisers. When choosing an opinion leader as a spokesperson for a company or product, advertisers must understand the company's target market thoroughly. A spokesperson out of sync with the market undermines his or her own credibility—and the company's.

13.4 THE INFLUENCE OF CULTURE AND SUBCULTURE

Culture has a tenacious' influence on the consumer. Culture refers to a homogeneous group's whole set of beliefs, attitudes, and ways of doing things, typically handed down from generation to generation. And advertisers find it much easier to work with these tastes than try to change them. The U S. and Canada embrace many subcultures, some of them quite large. They may be based on national origin, religion, language, or geographic proximity. The U.S., in particular, is a great melting pot of minority subcultures.

Subcultures tend to transfer their beliefs and values from generation to generate. Racial, religious, and ethnic backgrounds affect consumer's preferences for styles of dress, food, beverages, transportation, personal care products, and household furnishings, to name a few. Many advertising agencies now specialise in minority markets as more advertisers recognise that tailoring appeals to minorities make good business sense.

In summary, many interpersonal factors influence consumers. They have an important effect on our mental files, screens, and subsequent purchase decisions. Awareness of these interpersonal influences helps marketers—domestic or international—create the strategies on which much advertising is based.

13.5 NONPERSONAL INFLUENCES ON CONSUMER BEHAVIOUR

The most important non-personal influences—time, place, and environment—are typically beyond the consumer's control, but not necessarily the advertiser's.

13.5.1 Time

A special weekend sale may provide just the added incentive to penetrate customer's perceptual screens and bring them into a store. But running an ad for that sale of Sunday evening would be a waste of advertising rupees.

13.5.2 Place

Although we may decide to purchase a certain product, we will still hesitate if we don't know where to buy it or if it is not available in a convenient or preferred location. Distribution is an important element of the marketing mix.

13.5.3 Environment

Many **environments**—ecological, social, political, technical, economic, household and point-of-sale location, to mention a few—can affect the purchase decision. On the other hand, an enticing display next to the cash register can improve sales of low-cost impulse items. Advertisers must consider the influence of the purchase environment on the consumer's decision processes.

13.5.4. International Environments

Global marketers are especially concerned with the purchase environment. Of all business functions, marketing activities are the most susceptible to cultural error. When creating ads for foreign consumption, marketers must consider many environmental factors: cultural trends, social norms, changing fads, market dynamics, product needs, and media channels. In countries where people earn little income, demand for expensive products is low. Likewise, the state of technological development affects economic and social conditions—and the prospects for advertisers of certain products and service. On the other hand, advertisers of low-priced, imported computers might do very well. The political environment affects media availability as well.

13.6 Other action-oriented communications

13.6.1 Retail Advertising

Another example of advertising that has direct, action objectives is the advertising of retailers, or *retail advertising.* The best retail advertisements are those that provide the consumer with a lot of specific information, so that the consumer can see immediately that he or she must indeed visit the store. It is also important to create a sense of immediate availability and urgency, by stressing that this availability are "for a limited time only." While there is probably little carryover effect of advertising of a specific storewide sale, retail advertisers are very particular that every retail ad fit and enhance the specific long-term image of the store. For durable products, such as large appliances and automobiles, an appropriate behavioral objective for advertising might be to entice customers to visit a dealer's showroom. In such situations, "traffic-building" advertising becomes key, and the advertising must try to create a strong sense of desire, curiosity, and urgency to get the reader or viewer to make that store visit.

13.6.2 Cooperative Advertising

A situation closely related to retail advertising is that of *cooperative advertising,* in which a manufacturer offers retailers an advertising program for the latter to run. The program may include suggested advertising formats, materials to be used to create actual advertisements. It also often includes requests or requirements that the retailer stock certain merchandise quantities and perhaps use certain displays. There are three types of co-op advertising: (1) *vertical* (2) *horizontal* (3) *ingredient producer co-op.*

The intent of cooperative advertising, in part, is often to stimulate short-term sales. However, cop-op advertising also has other longer-term objectives: namely, to reinforce the brand image of the original manufacturer or service provider and to maintain the manufacturing company's leverage with the retail trade. Weak control over the creative content and media placement of co-op ads run by small retailers can contribute to a lack of consistency in the image of the brand and even the creation of negative associations with the brand, potentially hurting the brand's equity. Such creative control can be obtained by providing the local retailer with *advertising slicks* which can then be customized by the local retailer while still" being consistent with the national campaign for the brand. A marketer is often tempted to allocate more money into co-op advertising at the expense of national advertising. The marketer needs to determine if the product will really benefit from being associated with a store's image. The key question is: What are the relative expels of national advertising and store advertising in influencing consumer brand choice processes?

The advertising planner must also be concerned with the need to acquire or expand distribution; a high need typically compels higher co-op allowances. Further, legal and administrative requirements must be met. A co-op program is likely to yield greater benefits to the manufacturing company if the program is tightly monitored. The administrative burdens of a co-op program also need to be remembered: claims need to be documented.

13.6.3. Reminder, Point-of-Purchase, and Specialty Advertising

Sometimes the primary role of advertising is to act as a-reminder to buy and use the brand. The brand may be established and have a relatively solid, stable image. **Reminder advertising** then serves to stimulate immediate purchase and/or use to counter the inroads of competition. Reminder advertising can work in several ways. First, it can enhance the top-of- mind awareness of the brand, thus increasing the probability that the brand gets included on the shopping list or gets purchased as an impulse item. A media plan that aims to enhance or maintain top-of-mind awareness through reminder ads might utilize shorter ads with a high level of frequency or use media such as outdoor billboards or transit that are suited to such reminder advertising.

In addition, it is often useful in such situations to use items of *specialty advertising,* useful products given free to consumers that have the manufacturer's name and related information on them. Manufactured by *supplier* companies, such specialty advertising items are not usually handled by traditional advertising agencies but by organizations called specialty distributors or specialty advertising agencies? In addition to maintaining top-of-mind awareness for a particular brand, reminder advertising can also increase the motivation for the use of the product class as a whole.

13.6.4 In-Store Advertising and Merchandising

In-store advertising is a rapidly growing area of advertising, in large part because of the increasing realization among marketers that most consumer decisions about which brand to buy are made after the consumer enters the store and scans the brands on the aisles. Another frequently neglected type of in-store communication is the *merchandising environment.* Creative and attention-getting displays in the store serve to do much more than stock the product: they can greatly add to a sense of excitement about the product and lead to much greater involvement by the consumer in that product.

13.6.5 Industrial Marketing: Sales Leads

Industrial marketing is similar to the marketing of durables in that advertising can rarely be expected to make the sales. Rather, a salesperson is usually required to supply information and to handle the details of the transaction. Advertising, in this case,, can provide the engineer or buyers with the opportunity to express interest in the product by returning a card which is a request for additional information. Often this telemarketing call can itself lead to a sale. Once qualified, the salesperson then follows up these leads by calling on the prospect, discussing his or her requirements, and trying to "close" the sale.

13.7 PUBLIC RELATIONS

Because consumers are exposed to so much advertising these days, they often try hard to avoid it—and are very skeptical of it when they do get exposed it. To reach these hard-to- reach consumers and to convey messages to them in a manner that is more credible partly because it is more subtly delivered, more and more companies today are devoting a portion of their communication budgets to the use of *public relations* (PR) for marketing purposes. Public relations is usually regarded of as a way to build a corporation's public image before stakeholders such as government, shareholders, employees, and so on, and as a way to counteract negative publicity. While these *corporate reputation* and *crisis communications* uses of public relations are still very important, it is being used more and more in the form of *marketing public relations.*

13.7.1. Event and Sports Marketing

Ed. Bernays, considered the father of modern public relations, pulled off a huge publicity coup for General Electric by orchestrating the celebrations for the fiftieth anniversary of Edison's invention of the light bulb, in which then-President Herbert Hoover—and millions of others—switched on their electric lights after an NBC announcer gave the signal.

13.7.2 Cause-Related Marketing

Pampers diapers are distributed free at mobile baby care centers at state and county fairs across the country, gaining not only trial but much goodwill for the brand. American Express asks card members to "charge against hunger," donating a few cents from every card use to hunger-fighting organizations.

13.8 Self-assessment questions

1. What is consumer behaviour?

2. What do you mean by interpersonal influences?

3. Define the term Reference group.

4. What is international environment?

5. What do you understand by in store advertising?

13.9 Summary

Consumer behaviour is the study of individuals, groups, or organizations and all the activities associated with the purchase, use and disposal of goods and services, including the consumer's emotional, mental and behavioural responses that precede or follow these activities. The study of consumer behaviour is concerned with all aspects of purchasing behaviour – from pre-purchase activities through to post-purchase consumption, evaluation and disposal activities. It is also concerned with all persons involved, either directly or indirectly, in purchasing decisions and consumption activities including brand-influencers and opinion leaders. Research has shown that consumer behaviour is difficult to predict, even for experts in the field. However, new research methods such as ethnography and consumer neuroscience are shedding new light on how consumers make decisions.

13.10 Glossary

Reference groups: A reference group is a group to which an individual or another group is compared. Ie: Demographic Sociologists call any group that individuals use as a standard for evaluating themselves and their own behaviour a reference group.

Cooperative advertisement: Cooperative advertising is the sharing of costs for locally placed advertising between a retailer or wholesaler and a manufacturer. Many manufacturers have a set amount of cooperative advertising funds available per year, distributed as opportunities for collaboration arise.

Point of purchase:A point of purchase (POP) is a term used by marketers and retailers when planning the placement of products for consumers, such as product displays strategically placed in a grocery store aisle or advertised in a weekly flyer.

Sales lead:A sales lead is a person or business who may eventually become a client. Sales lead also refers to the data that identifies an entity as a potential buyer of a product or service.

Cause related marketing: Cause-related marketing (CRM) is a mutually beneficial collaboration between a corporation and a non-profit designed to promote the former's sales and the latter's cause.

Reminder: a written or spoken message that reminds someone to do something: If he forgot to pay his rent, his landlady would send him a *reminder.*

13.11 Answers: self-assessment

       1. For answer refer: section 13.2

       2. For answer refer: section 13.3

       2. For answer refer: section 13.3.4

       4. For answer refer: section 13.5.4

       5. For answer refer: section 13.6.4

13.12 TERMINAL QUESTIONS

- What do you mean by consumer decision making process.

- What are the different factors affecting consumer behaviour in decision making?

13.13 SUGGESTED READINGS

1. Aaker, David A. etc. Advertising Management. 4 '1' ed New Delhi, Prentice Hall of India, 1985.

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ASSIGNMENTS

Coursa-305

Advertising Management

1. Discuss Advertising Communication System.

2. Discuss the role of Television Electrical Media.

3. What are difference between National and Local Advertising.

4. Discuss the different types of Advertising Agency.

5. What are the basic differences between planning and decision making in advertising management?

6. Define recruitment advertising?

7. What do you mean by behavioural dynamics?

8. How else might you want to qualify exposures?

9. What is advertising Agency? How does the advertising agency work?

10. What is advertising? What are the various types of Advertising?

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Advertising Management

Paper – MM-02

Time : Three Hours   **Maximum Marks : 60 (Regular)**

100 (ICDEOL)

The candidates shall limit their answer precisely within the answer-book (40 pages) issued to them and no supplementary continuation sheet will be issued.

Note : Attempt five questions in all, selecting One question from each unit. All question carry equal marks.

Unit-I

1. "Advertising's outstanding contribution to consumer welfare comes from its part in- promoting a dynamic expanding economy comment. Explain what should be legitimate role of advertising in a country like India.

2. What is the difference between an ordinary communication and marketing communication? Explain the process of marketing communication.

Unit - II

3. What is the difference between primary demand? How advertising helps in the creation of primary and selective demand? Give examples.

4. "The only one of the basic objective of advertising in a company is to increase its sales and profits". Do you agree ? Describe the advertising objectives which a company may possibly set out to achieve.

Unit – III

5. Explain the factors which influence media planning and. selection. Suggest suitable media for the following products, giving reasons for it.

   a) Hair Shampoo

   b) Computers

6. Explain the term-massage, theme and advertising appeals. What are the qualities which you recommend for an effective advertising appeal VII. How would you generate strategic alternations for large companies? How are strategic alternations classified? What are the key steps in selecting strategies most suitable for a company?

Unit-IV

7. Measuring advertising effectiveness is highly challenging task of an advertising manager". Discuss, highlighting the various problems while doing so. How can they be overcome.

8. Describe the role of the advertising agency, its organization and its compensation methods.

Unit-V

9. How do culture and subculture influence affect consumer perceptions of a firm's advertising message? What are their implications or the advertisers?

10. Discuss the role of creativity in advertising. Take an example of an advertising campaign and a valuable creative strategy used in that advertisement.

M. B. A. Examination
Marketing Research
Paper - MM - 02

Time : Three Hours

Maximum Marks : 60(Regular)   **100 (ICDEOL)**

The candidates shall limit their answer precisely within the answer-book (40 pages) issued to them and no supplementary /continuation sheet will be issued.

Note : Attempt any five questions in all, selecting one question from each unit. All questions carry equal marks.   .

Unit-I

1. How is advertising important in today's Scenario? What if it is completely deliberated from society?

2. Is it justifiable to use puffery in advertising? Should there be a limit drawn for use of puffery?

(12)

Unit-II

3. What is buyer cognitive Dissonance? Why does it occur? How can a marketer reduce it?

4. What is the basis of determining advertising for Maruti Ltd: Which has decided to increase its sales by 20 percent for the current year.   (12)

Unit-III

5. What type of headline will best suit the Baby Food? Give reasons to support your argument.

6. How does a different stage of Layout lead to make an effective print advertisement? What do you understand by Appeal?   (12)

Unit-IV

7. What is advertising Budgeting? What steps are involved in it? What factors govern the size of advertising budget?

8. What is an advertising agency and detail the organization of an agency?   (12)

Unit-V

9. What is Buying adverting campaign? How it is developed? Discuss various elements of an effective advertising campaign.

10. What are the components to creative strategy? Creative Is the Heart of advertising". Discuss this statement in the light of instance competitive market situations.   (12)

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M. B. A. Examination

Advertising Management

Paper - MM - 02

Time Three Hours   **Maximum Marks : 60**

(Regular) (ICDEOL) 100

The students shall limit their answer precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.

Note : Attempt any five questions in all, selecting one question from each unit. All questions carry equal marks.

Unit-I

1. Is there any ethics in advertising? If so justify. Also discuss clearly and in detail advertising as "Social" and "business" process.   (12)

2. Discuss the role of advertising in the marketing process. How it helps the produces and the Middle Man?   (12)

Unit-II

3. Discuss the importance of the theory of cognitive Dissonance and clues in the context of advertising?
                                                                               (12)

4. "The role, of advertising is to effectively communicate a brand's position". Discuss.   (12)

Unit-III

5. What are the challenges of dagmar approach? Also explain various advertising goals. How are they set?   (12)

6. What is Media planning? What are the principles and problems of media planning?   (12)

Unit-IV

7. What is "advertising budget" and "advertising appropriation"? Are they same? What factor govern the size of advertising budget?   (12)

8. Define and explain advertising agency. Explain its functions and features.   (12)

Unit-V

9. If you wire the brand manager, would you recommend TV advertising for-a New brand of refrigerator? Give your reasons.   (12)

10. "Advertising creativity is disciplined creativity". Discuss this statement with examples.   (12)

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