ADVERTISEMENT - AN INTRODUCTION

1. INTRODUCTION

Advertising is a powerful communication force, highly visible, and one of the most important tools of marketing communications that helps to sell products, services, ideas and images, etc. Many believe that advertising reflects the needs of the times. One may like it or not but advertisements are everywhere. Advertisements are seen in newspapers, magazines, on television and internet and are heard on radio. The average consumer is exposed to a very large number of advertisements every day, particularly the urban and semi-urban population.
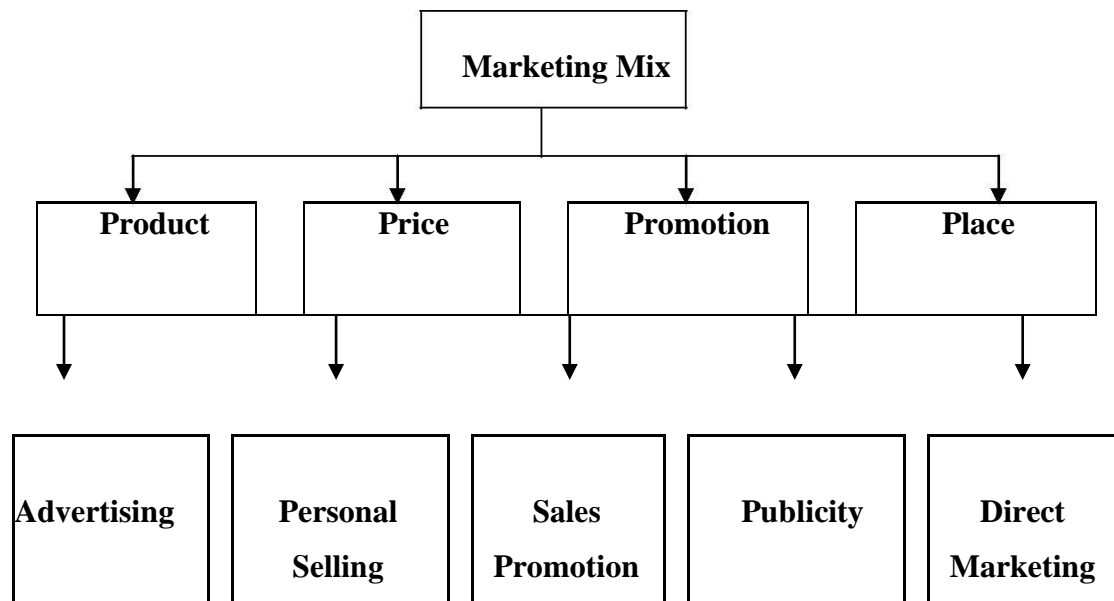
It seems almost impossible to remain totally neutral and not take any notice of modern day advertising. The most visible part of the advertising process is the advertisements that we see, read, or hear and praise or criticize. Many suitable adjectives are used to describe advertising, depending on how an individual is reaching, such as great, dynamic, alluring, fascinating, annoying, boring, intrusive, irritating, offensive, etc.

Advertising is an indicator of the growth, betterment and perfection of civilization. It is part of our social, cultural and business environment. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions. In today's environment, not only are advertisers closely examined by the target audience for whom that advertisement are meant, but by society in general.

2. MARKETING-MIX AND PROMOTION-MIX

The marketing mix is the combination of elements necessary to the planning and execution of the total marketing operation. The 'Four Ps' concept of the marketing mix, developed by Philip Kotler, and widely adopted by marketing teachers, creates four division of the mix, namely, product,, price, promotion and place. Advertising comes under promotion. Under promotion mix there are several components like advertising, personal selling, sales promotion, publicity, direct marketing etc. Advertising is one of the components of promotion as shown in fig below.

Figure of marketing-mix and promotion-mix

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3. ADVERTISING – DEFINITION

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

"Advertising is controlled, identifiable information and persuasion by means of mass communications media."

"Advertising is the non-personal communication of marketing-related information to a target audience, usually paid for by the advertiser, and delivered through mass media in order to reach the specific objectives of the sponsor." **– *John J Burnett.***

"Advertising is a message paid for by an identified sponsor and delivered through mass medium of mass communication. Advertising is persuasive communication. It is not neutral; it is not unbiased; it says; 'I am going to sell you a product or an idea."**- *J Thomas Russell and W. Ronald Lane***

4. MEANING OF ADVERTISING:

Advertising is the action of calling public attention to an idea, good, or service through paid announcements by an identified sponsor.

What is advertisement?

Any paid form of non- personal presentation and promotion of ideas, goods or services

through mass media such as newspapers, magazines, television or radio by an identified sponsor.

5. OBJECTIVE OF ADVERTISEMENT

- **To increase support:** advertising increases the morale of the sales force and of distributors, wholesalers and retailers.
- **To stimulate** sales amongst present, former and future customers. It involves decision regarding the media.
- **To retain loyalty:** to retain loyalty of present and former consumers.
- **To protect an image:** advertising is used to promote an overall image of respect and trust for an organization.
- **To communicate with consumers:** this involves regarding copy.

What is included in advertising?

(i)   The information in an advertisement should benefit the buyers. It should give them more satisfactory expenditure of their rupees.

(ii)   It should suggest better solutions to their problems.

(iii)   The content of the advertisement is within the control of the advertiser, not the medium.

(iv)   Advertising without persuasion is ineffective. Advertisement that fails to influence anyone, either immediately or in the future is a waste of money.

(v)   The function of advertising is to increase the profitable sales volume. That is, advertising expenses should not increase disproportionately.

Advertising generally includes the following forms of medium:

The messages carried in-

- ➢ Newspapers and magazines;
- ➢ Radio and television broadcasts;
- ➢ Circular of all kinds, (whether distributed by mail, by person, thorough tradesmen, or by inserts in packages);
- ➢ Dealer help materials,
- ➢ Window display and counter – display materials and efforts;
- ➢ Store signs, motion pictures used for advertising,

➢ Novelties bearing advertising messages and Signature of the advertiser,

➢ Label stags and other literature accompanying the merchandise.

What is excluded from advertising?

Advertising is not an exact science. An advertiser's circumstances are never identical with those of another; he cannot predict with accuracy what results his future advertising efforts will produce.

(i) Advertising is not a game, because if advertising is done properly, both the buyer and the seller benefit from it.

(ii) Advertising is not a toy. Advertiser cannot afford to play with advertising. Advertising funds come from sales revenue and must be used to increase sales revenue.

(iii) Advertisements are not designed to deceive. The desire and hope for repeat sales insures a high degree of honesty in advertising.

The activities excluded from advertising are:

➢ The offering of premiums to stimulate the sale of products;

➢ The use of exhibitions and demonstrations at fairs, show and conventions;

➢ The use of samples and activities, involving news releases and the activities of personal selling forces;

➢ The payment of advertising allowances which are not used for advertising;

➢ The entertainment of customers

6. OBJECTIVES OF ADVERTISING

There are 3 main objectives of advertising. These are:

To Inform

Advertisements are used to increase the brand awareness and brand exposure in the target market. Informing the potential customers about the brand and its products is the first step towards attaining business goals.

To Persuade

Persuading customers to perform a particular task is a prominent objective of advertising. The tasks may involve buying or trying the products and services offered, to from

a brand image, develop a favourable attitude towards the brand etc.

 To Remind

Another objective of advertising is to reinforce the brand message and to reassure the existing and potential customers about the brand vision. Advertising helps the brand to maintain top of mind awareness and to avoid competitors stealing the customers. This also helps in the word of mouth marketing. Other objectives of advertising are subsets of these three objectives. These subsets are:

- Brand Building
- Increasing Sales
- Creating Demand
- Engagement
- Expanding Customer Base
- Changing Customers' attitudes, etc

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

(i) To stimulate sales amongst present, former and future consumers. It involves decision regarding the media, e.g., TV versus Print.

(ii) To communicate with consumers. This involves decision regarding copy.

(iii) To retain the loyalty of present and former consumers. Advertising may be used to reassure buyers that they have made the best purchase, thus building loyalty to the brand name or the firm.

(iv) To increase support. Advertising impliedly bolsters the morale of the sales force and of distributors, wholesalers, and retailers, to instill confidence in organization.

(v) To project an image. Advertising is used to promote an overall image of respect and trust for an organization. This message is aimed not only at consumers, but also at the government, shareholders, and the general public.


7. CHARACTERISTICS OF ADVERTISING

- **Paid Form:** Advertising requires the advertiser (also called sponsor) to pay to create an advertising message, to buy advertising media slot, and to monitor advertising efforts.

- **Tool for Promotion:** Advertising is an element of promotion mix of an organization.

- **One Way Communication:** Advertising is a one way communication where a brands communicate to the customers through different mediums.
- **Personal Or Non-Personal:** Advertising can be non-personal as in the case of TV, radio, or newspaper advertisements, or highly personal as in the case of social media and other cookie based advertisements.

8. TYPES OF ADVERTISING

- Advertising is the promotion of a company's products and services though different mediums to increase the sales of the product and services. It works by making the customer aware of the product and by focusing on customer's need to buy the product. Globally, advertising has become an essential part of the corporate world. Therefore, companies allot a huge part of their revenues to the advertising budget. Advertising also serves to build a brand of the product which goes a long way to make effective sales.
- There are several branches or types of advertising which can be used by the companies. Let us discuss them in detail.
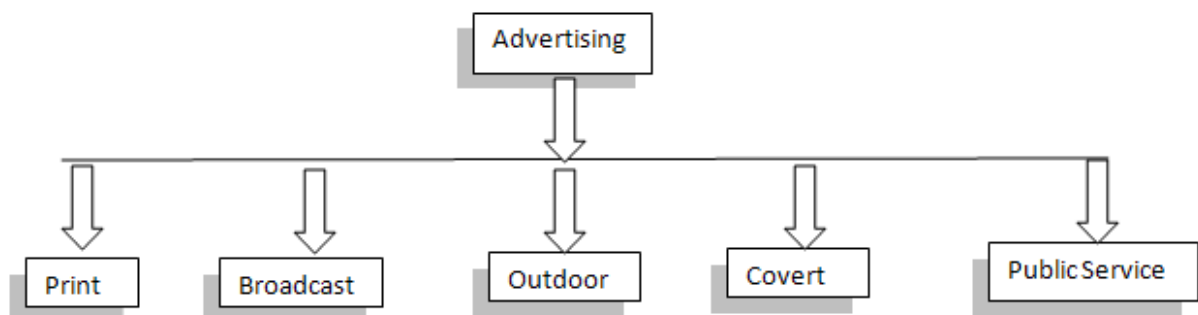
- **Print Advertising** - The print media has been used for advertising since long. The newspapers and magazines are quite popular modes of advertising for different companies all over the world. Using the print media, the companies can also promote their products through brochures and fliers. The newspaper and magazines sell the advertising space and the cost depends on several factors. The quantity of space, the page of the publication, and the type of paper decide the cost of the advertisement. So an ad on the front page would be costlier than on inside pages. Similarly an ad in the glossy supplement of the paper would be more expensive than in a mediocre quality paper.
- **Broadcast Advertising** - This type of advertising is very popular all around the world. It consists of television, radio, or Internet advertising. The ads on the television have a large

audience and are very popular. The cost of the advertisement depends on the length of the ad and the time at which the ad would be appearing. For example, the prime time ads would be more costly than the regular ones. Radio advertising is not what it used to be after the advent of television and Internet, but still there is specific audience for the radio ads too. The radio jingles are quite popular in sections of society and help to sell the products.

- **Outdoor Advertising** - Outdoor advertising makes use of different tools to gain customer's attention. The billboards, kiosks, and events and tradeshows are an effective way to convey the message of the company. The billboards are present all around the city but the content should be such that it attracts the attention of the customer. The kiosks are an easy outlet of the products and serve as information outlets for the people too. Organizing events such as trade fairs and exhibitions for promotion of the product or service also in a way advertises the product. Therefore, outdoor advertising is an effective advertising tool.

- **Covert Advertising** - This is a unique way of advertising in which the product or the message is subtly included in a movie or TV serial. There is no actual ad, just the mention of the product in the movie. For example, Tom Cruise used the Nokia phone in the movie Minority Report.

- **Public Service Advertising** - As evident from the title itself, such advertising is for the public causes. There are a host of important matters such as AIDS, political integrity, energy conservation, illiteracy, poverty and so on all of which need more awareness as far as general public is concerned. This type of advertising has gained much importance in recent times and is an effective tool to convey the message.

Print Advertising: Newspaper, magazines, & brochure advertisements, etc.
Broadcast Advertising: Television and radio advertisements.
Outdoor Advertising: Hoardings, banners, flags, wraps, etc.
Covert Advertising: Advertisements displayed over the internet and digital devices.
Public Service Advertising: Product placements in entertainment media like TV show, YouTube video, etc.

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9. IMPORTANCE OF ADVERTISING

(i) To the Customers

- **Convenience:** Targeted informative advertisements make the customer's decision

making process easier as they get to know what suits their requirements and budget.

- **Awareness:** Advertising educates the customers about different products available in the market and their features. This knowledge helps the customers compare different products and choose the best product for them.
- **Better Quality:** Only brands advertise themselves and their products. There are no advertisements of unbranded products. This ensures better quality to the customers as no brand wants to waste money on false advertising.

(ii) To the Business

- **Awareness:** Advertising increases the brand and product awareness among the people belonging to the target market.
- **Brand Image:** Clever advertising helps the business to form the desired brand image and brand personality in the minds of the customers.
- **Product Differentiation:** Advertising helps the business to differentiate its product from those of competitors' and communicate its features and advantages to the target audience.
- **Increases Goodwill:** Advertising reiterates brand vision and increases the goodwill of the brand among its customers.
- **Value for Money:** Advertising delivers the message to a wide audience and tends to be value for money when compared to other elements of promotion mix.

10. ADVANTAGES OF ADVERTISING

1. **Reduces Per Unit Cost:** The wide appeal of advertisements increases the demand of the product which benefits the organization as it capitalizes on the economies of scale.
2. **Helps in Brand Building:** Advertisements work effectively in brand building. Brands who advertise are preferred over those which don't.
3. **Helps in Launching New Product:** Launching a new product is easy when it is backed by an advertisement.
4. **Boosts up Existing Customers' Confidence in the Brand:** Advertisements boosts up existing customers' confidence in the brand as they get a feeling of pride when they see an advertisement of the product or the brand they use.
5. **Helps in Reducing Customer Turnover:** A strategic advertisement of new offers and

better service helps reduce customer turnover.

6. **Attracts New Customers:** An attractive advertisement helps the brand in gaining new customers and expanding business.

7. **Educates The Customers:** Advertisements inform the customers about different products existing in the market and also educates them in what they should look for in an apt product.

11. DISADVANTAGES OF ADVERTISING

1. **Increases the Costs:** Advertising is an expense to the business and is added to the cost of the product. This cost is eventually borne by the end consumer.

2. **Confuses the Buyer:** Too many advertisements with similar claims often confuses the buyer in what to buy and should he buy the product or not.

3. **Is Sometimes Misleading:** Some advertisements use smart strategies to mislead the customers.

4. **Only For Big Businesses:** Advertising is a costly affair and only big businesses can afford it. This makes small businesses out of competition with big businesses who gets to enjoy a monopoly in the market.

5. **Encourages The Sale Of Inferior Products:** Effective advertisements even lead to the sale of inferior products which aren't good for the consumers.

12. FUNCTIONS OF ADVERTISING

• To identify products and differentiate them from others. (Branding)

• To communicate information.

• To induce consumers to try new products and to suggest reuse. (new and repeated consumers)

• To stimulate the distribution.

• To build brand awareness, preference and loyalty.

• To lower the cost of sales. (For the cost of reaching just one prospect through personal selling, companies can reach thousands of people through media advertising.)

13. CLASSIFICATION AND TYPES OF ADVERTISING

1. **Product – Related Advertising**

   A.   Pioneering Advertising

      B.   Competitive Advertising

      C.   Retentive Advertising

2. Public Service Advertising

3. Functional Classification

      A.   Advertising Based on Demand Influence Level.

          a.   Primary Demand (Stimulation)

          b.   Selective Demand (Stimulation)

      B.   Institutional Advertising

      C.   Product Advertising

         a. Informative Product Advertising

         b. Persuasive Product Advertising

         c. Reminder-Oriented Product Advertising

4. Advertising based on Product Life Cycle

      A.   Consumer Advertising

      B.   Industrial Advertising

5. Trade Advertising

      A.   Retail Advertising

      B.   Wholesale Advertising

6. Advertising Based on Area of operation

      A.   National advertising

      B.   Local advertising

      C.   Regional advertising

7. Advertising according to Medium Utilized

1. Product – Related Advertising

It is concerned with conveying information about and selling a product or service.

Product advertising is of three types-

   A. Pioneering Advertising

   B. Competitive Advertising

   C. Retentive Advertising

i. Pioneering Advertising

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a "primary" demand. It conveys information about, and

selling a product category rather than a specific brand. For example the initial advertisement for black and white television and colour television. Such advertisements appeal to the consumer's emotions and rational motives.

ii. Competitive Advertising

It is useful when the product has reached the market-growth and especially the market-maturity stage. It stimulates "selective" demand. It seeks to sell a specific brand rather than a general product category. It is of two types:

A. **Direct Type:** It seeks to stimulate immediate buying action.

B. **Indirect Type:** It attempts to pinpoint the virtues of the product in the expectation that the consumer's action will be affected by it when he is ready to buy.

Example: Airline Advertising

Air India attempts to bid for the consumer's patronage either immediately -direct action-in which case, it provides prices, time tables and phone numbers on which the customer may call for reservations; or eventually – indirect action – when it suggests that you mention Air India's name when talking to your travel agent.

iii. Retentive Advertising:

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

2. Public Service Advertising

This is directed at the social welfare of a community or a nation. The effectiveness of product service advertisements may be measured in terms of the goodwill they generate in favour of the sponsoring organization. Advertisement on not mixing drinking and driving is a good

example of public service advertising. In this type of advertising, the objective is to put across a message intended to change attitudes or behaviour and benefit the public at large.

3. Functional classification

Advertising may be classified according to the functions that it is intended to fulfill.

  (i)   Advertising may be used to stimulate either primary demand or selective demand.

  (ii)   It may promote either the brand or the firm selling that brand.

  (iii) It may try to cause indirect action or direct action.

I. **Advertising Based on Demand Influence Level**

A. Primary Demand Stimulation

         Primary demand is demand for the product or service rather than for a particular brand. It is intended to affect the demand for the type of product, and not the brand of that product. Some advertise to stimulate primary demand. When a product is new, primary demand stimulation is appropriate. At this time, the marketer must inform consumers of the existence of the new item and convince them of the benefits flowing from its use. When primary demand has been stimulated and competitors have entered the market, the advertising strategy may be to stimulate the selective demand.

B. Selective Demand Stimulation

         This demand is for a particular brand such as Charminar cigarettes, Surf detergent powder, or Vimal fabrics. To establish a differential advantage and to acquire an acceptable sort of market, selective demand advertising is attempted. It is not to stimulate the demand for the product or service. The advertiser attempts to differentiate his brand and to increase the total amount of consumption of that product. Competitive advertising stimulates elective demand. It may either be direct or indirect type.

ii. Institutional Advertising

Institutional Advertising may be formative, persuasive or reminder oriented in character. Institutional advertising is used extensively during periods of product shortages in order to keep the name of the company before the public. It aims at building for a firm a positive public image in the eyes of shareholders, employees, suppliers, legislators, or the general public. This sells only the name and prestige of the company. This type of advertising is used frequently by large companies whose products are well known. HMT or DCM, for example, does considerable institutional advertising of its name, emphasizing the quality and research behind its products.

Institutional advertisements are at consumers or focus them upon other groups, such as voters, government officials, suppliers, financial institutions, etc. If it is effective, the target groups will respond with goodwill towards, and confidence in the sponsor. It is also a useful method of introducing sales persons and new product to consumers. It does not attempt to sell a particular product; it benefits the organization as a whole.

It notifies the consumers that the company is a responsible business entity and is patriotic; that its management takes ecologically responsible action, is an affair- motive- action employer, supports the socialistic pattern of society or provides employment opportunities in the community.

When Indian Oil advertisements describe the company's general activities, such as public service work, this may be referred to as institutional advertising because it is intended to build an overall favorable attitude towards the company and its family of products. HMT once told the story of the small-scale industries supplying it with component parts, thus indicating how it aided the development of ancillary industries.

iii. Product Advertising

Most advertising is product advertising, designed to promote the sale or reputation of

a particular product or service that the organization sells. Indane's Cooking Gas is a case in point. The marketer may use such promotion to generate exposure attention, comprehension, attitude change or action for an offering. It deals with the non-personal selling of a particular good or service. It is of three types:-

A. Informative Product Advertising

B. Persuasive Product Advertising

C. Reminder-Oriented Product Advertising

A. Informative Product Advertising

This form of advertising tends to characterize the promotion of any new type of product to develop an initial demand. It is usually done in the introductory stages of the product life cycle. It was the original approach to advertising.

B. Persuasive Product Advertising

Persuasive product advertising is to develop demand for a particular product or brand. It is a type of promotion used in the growth period and, to some extent, in the maturity period of the product life cycle.

C. Reminder-Oriented Product Advertising

The goal of this type of advertising is to reinforce previous promotional activity by keeping the brand name in front of the public. It is used in the maturity period as well as throughout the declining phase of the product life cycle.

4. Advertising Based on Product Life Cycle

A. Consumer Advertising

B. Industrial Advertising

A. Consumer Advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and

alcoholic beverages are examples. Baring a few, these products are all package goods that the consumer will often buy during a year. There is a heavy competition among the advertisers to establish an advantage for their particular brand.
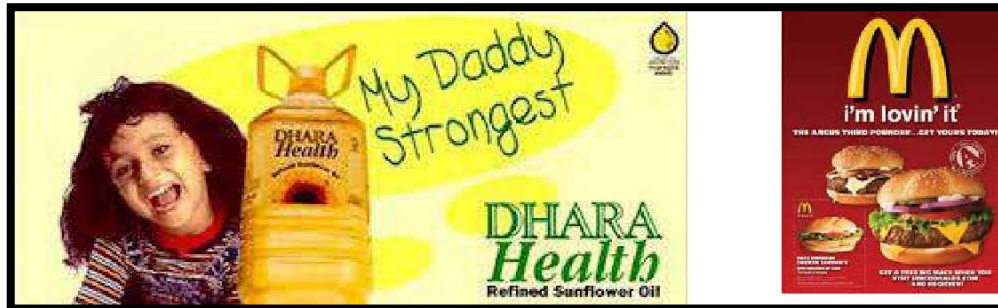
B. Industrial Advertising

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

➢ To inform,
➢ To bring in orders,
➢ To induce inquiries,
➢ To get the advertiser's name on the buyer's list of sources,
➢ To provide support for the salesman,
➢ To reduce selling costs,
➢ To help get items in the news column of a publication,
➢ To establish recognition for the firm or its product,
➢ To motivate distributors,
➢ To recognition for the firm or its products,
➢ To motivate distributors, to create or change a company's image,
➢ To create or change a buyer's attitude.

The basic appeals tend to increase the rupee profits of the buyer or help in achieving his non-monetary objectives. Trade journals are the media most generally used followed by catalogues, direct mail communication, exhibits, and general management publications. Advertising agencies are much less useful in industrial advertising.

5. Trade advertising

- **Retail Advertising**
- **Wholesale Advertising**

A. Retail Advertising This may be defined as "covering all advertising by the stores that sell goods directly to the consuming public." It includes, also advertising by establishments that sell services to the public, such as beauty shops, petrol pumps and banks. Advertising agencies are rarely used. The store personnel are usually given this responsibility as an added task to be performed, together with their normal functions. The result is that advertising is often relegated to a secondary position in a retail store.

One aspect of retail advertising is co-operative advertising. It refers to advertising costs between retailers and manufacturers. From the retailer's point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

B. Wholesale Advertising

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

6. Advertising based on Area of Operation

It is classified as follow:

    A. National Advertising

    B. Regional Advertising

    C. Local Advertising

A. National Advertising

       The term 'national advertising' has a special connotation that advertising is not confined to any geographic area within the nation. This type of advertising is undertaken mostly by a marketer of branded product or services, sold through different outlets in the distribution channel, wherever they may be located and appears in both national and regional media like print, electronics, outdoor etc. Apparently the term 'national advertising' conveys mass marketing effort. In reality this does not necessarily mean that the product is sold nationwide. The goal is to inform, persuade or remind consumers about company or brand. National advertising often identifies a specific target audience and attempts to create an image for the product. For example the ad for Mercedes-E class is targeting a specific segment in the Indian market.

B. Regional Advertising

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

C. Local Advertising

    It is generally done by retailers rather than manufacturers. These advertisements save the customer time and money by passing along specific information about products, prices, location, and so on. Retailer advertisements usually provide specific goods sales during weekends in various sectors.

7. Advertising According to Medium

The most common classification of advertising is by the medium used. For example: TV, radio, magazine, outdoor, business periodical, newspaper and direct mail advertising. This classification is so common in use that it is mentioned here only for the sake of completeness.

QUESTIONS:

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

ADVERTISING MEDIA

INTRODUCTION

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

MEANING OF MEDIA ADVERTISING

Advertising media refers to the various media channels through which advertising is done. Advertising media is used for showcasing promotional content which communicated in various forms such as text, speech, images, videos using TV, radio, online, outdoor etc.

OBJECTIVES OF MEDIA ADVERTISING

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

1. **It must reach the largest number of people possible.**

2. **It must attract their attention.**

3. **It must be economical.**

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

For this purpose the management should consider the following factors:

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

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

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

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

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

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

7. **Competitors Choices:** A company should also take into account the wisdom of competitor's media choices despite differences in advertising objectives and appropriations. It is not desirable to outright dismiss their choices. Generally, the

advertising media used by competitors are preferred so as to make an impressive appeal for the product.

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

9. **Media Availability:** The question of media availability is quite relevant while considering advertising media alternatives because not all Medias are available to a company at all times whenever required. For instance, in 1973, and 1974, owing to acute newsprint shortage, space availability in national dailies was a real problem.

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

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

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

TYPES / FORMS OF MEDIA ADVERTISING

Nine types of advertising media available to an advertiser are:

(1) Direct Mail

(2) Newspapers and Magazines

(3) Radio Advertising

(4) Television Advertising

(5) Film Advertising

(6) Outdoor Advertising

(7) Window Display

(8) Fairs and Exhibition and

(9) Specially Advertising

(1) Direct Mail:

This is one of the oldest types of advertising media. Under this method message is sent to the prospective buyers by post. A mailing list is prepared for this purpose. Circular letters, folders, calendars, booklets and catalogues are sent under this type of advertising. In the sales letter an appeal is made to the buyers separately.

(2) Newspapers and Magazines:

These are the important forms of press advertising, newspapers are the most effective and powerful medium of advertising. Newspapers contain valuable information with regard to different current events. It may be referred to as 'a store house of information'. There are daily, bi-weekly and weekly newspapers. Newspapers have widest circulation and read by many people. The newspapers may be local, provincial or national.

(3) Magazines:

Magazines or periodicals are other important media of communication. Magazines may be released weekly, monthly, quarterly, bi-annual or annual. These are read with more interest by the readers as compared to newspapers. Advertisements given in magazines are more descriptive and attractive. They are usually in colored form which depicts the product nicely and gives lasting impression to the reader.

There are magazines or journals meant for general public and special class of people. There are exclusive magazines relating to industry, trade, finance and economics etc. There are also special magazines for men, women and children. The magazines have longer life and are very suitable for advertising specific goods.

(4) Radio Advertising:

Radio advertising is very popular these days. The advertisements are broadcasted from different stations of All India Radio. Radio advertising can be explained as "word of mouth advertising on a wholesale scale". The advertising messages can be in different regional

languages.

The most important advantage derived from radio advertising is that it covers every type of listener whether illiterate or educated. It is a very effective medium for popularizing on mass scale various consumer articles. The coverage of this medium is wider extending to a large number of listeners. It ensures quicker repetition.

(5) Television Advertising:

This is the latest and the fast developing medium of advertising and is getting increased popularity these days. It is more effective as compared to radio as it has the advantages of sound and sight. On account of pictorial presentation, it is more effective and impressive and leaves ever lasting impression on the mind of the viewer.

It is a very costly medium which can be employed by big concerns only; it has a shorter life span and limited coverage. Back reference to the advertisement cannot be made after its presentation. The duration of the advertisement is very limited.

(6) Film Advertising:

This is also known as cinema advertising. This also provides sight and hearing facilities like television. Short advertisement films are not prepared by big business houses which are sent to different cinema houses to be shown to the audience before the regular shows or during the intermission. It has more repetitive value but not to the same viewers. Its coverage is limited which benefits the local population only

It is a very costly medium involving higher distribution and film making costs. Only big organizations can afford to produce advertisement films. It ensures more flexibility at larger costs. Its effectiveness cannot be measured properly. Film making is a time consuming process.

(7) Outdoor Advertising:

This type of advertising include different media like posters, placards, electric displays or neon signs, sandwichmen, sky writing, bus, train and tram advertising. This is also known as 'Mural advertising'. The main aim of outdoor advertising is to catch the attention of passerby within twinkling of an eye.

This is the most effective medium of advertising. This is very suitable in the case of consumable and household articles like soaps, medicines, fans, shoes and pens etc.

(8) Window Display:

It is a common method which is usually undertaken by retailers who display their products in the shop windows in order to attract the customers. This is also known as exterior display.

It is the most effective and direct method of influencing the people. Window display has direct appeal to the onlookers. It is instrumental in arousing the desire to purchase in the prospective customers. It acts as a silent salesman.

(9) Fairs and Exhibition:

A trade exhibition or a fair is organized on extensive scale which is attended by different manufacturers and traders along with their products to be sold to the large number of people who visit the exhibition. The exhibition may be either organized on local, provincial or international basis. The examples of some of the international exhibitions are EXPO 70 of JAPAN, ASIA 72 and recent trade fair at Delhi every year.

Different stalls or pavilions "are allotted to various traders who display their goods in these pavilions. The manufacturers also distribute the sales literature and sometimes free samples of goods to the people. Facilities of practical demonstration are also provided to the customers. The customers clearly understand the method of operation and use of the product.

(10) Specially Advertising:

Most of the business houses in order to increase their sales, advertise their products, give free gifts like diaries, purses, paper weights and calendars to the customers. The name of the firm or the dealer is inscribed on the articles presented.

(11)Trade magazine or journal

From Wikipedia, the free encyclopedia

A trade magazine, also called a trade journal, or trade paper (colloquially or disparagingly a trade rag), is a magazine or newspaper whose target audience is people who work in a particular trade or industry. The collective term for this area of publishing is the trade press.

Trade publications keep industry members abreast of new developments. In this role, it functions similarly to how academic journals or scientific journals serve their audiences. Trade publications include targeted advertising, which earns a profit for the publication and sales for the advertisers while also providing sales engineering–type advice to the readers, that may inform purchasing and investment decisions.

Trade magazines typically contain advertising content centered on the industry in question with little, if any, general-audience advertising. They may also contain industry-specific job

notices.

QUESTIONS

1.   What is Advertising Media? Explain the main factors to be kept in mind while selecting advertising media.

2.   What is Advertising Media? Explain the determinate of advertising media.

3.   What do you understand by Radio Advertising? Explain its merits and demerits of Radio Advertising.

4.   Radio Publicity has become a „must‟ of the Modern Business". Comment.

5.   What is FM broadcasting? Explain modulation characteristics of FM Radio broadcast

6.   What is Internet Advertising? What are the types of Internet Advertising?

7.   What are the advantage and disadvantages of Internet Advertising?

8.   Television Publicity has become a must of the Modern Advertising." Comment.

9.   What is Television Advertising? Give its Merits and Demerits.

10.   What is Press Advertising? What are its Forms? Describe the Advantages and Disadvantages of each.

11.   What is meant by Press Advertising Media? Discuss the Various Forms of Press Advertising. Explain the Merits and Demerits of each

12.   Write notes on : (a) Film Advertising (b) Point of Purchase Advertising (c) Specialty Advertising (d) Video Advertising

13.   What do you understand by Outdoor Advertising Media? What are its Forms? Explain its Merits and Demerits

14.   What do you mean by Mural Advertising? Discuss its Merits and Demerits.

15.   What is meant by Outdoor Advertising? What are its Main Characteristics? Discuss its Advantages and Disadvantages.

16.   What are different forms of Displays?

ADVERTISING AGENCIES

INTRODUCTION

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

Advertising Agency is just like a tailor. It creates the ads, plans how, when and where it should be delivered and hands it over to the client. Advertising agencies are mostly not dependent on any organizations.

These agencies take all the efforts for selling the product of the clients. They have a group of people expert in their particular fields, thus helping the companies or organizations to reach their target customer in an easy and simple way.

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

MEANING:

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

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their target customer in an easy and simple way.

DEFINITION OF ADVERTISING AGENCY

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

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

1. **Planning**: Advertising agency studies the product or services of clients to identify the inherent qualities in relation to competitor's product or services, analysis competition and marketing environment to formulate advertising plan.
2. **Preparing**: After the study of product, competition, and marketing environment the experts of agency has to write, design, and produce the advertisement, it is also called formulation of ad-copy.
3. **Executing**: Now, media is selected for time or space, ad is delivered to media, checked, verified, and released in media. After ad release payment is done to media and client is billed for the services provided.

FUNCTIONS OF ADVERTISING AGENCY

Advertising agency performs following functions:

1. **Contacting Clients**: Advertising agency first of all identify and contact firms which are desirous of advertising their product or services. Ad-agency selects those firms which are financially sound, makes quality products or services, and have efficient management.
2. **Planning Advertisement**: Advertising agency's next function is to plan ad for its client. For ad planning following tasks are required to be performed by ad-agency:

- Study of client's product to identify its inherent qualities in relation to competitor's product.
- Analysis of present and potential market for the product.
- Study of trade and economic conditions in the market.
- Study of seasonal demand of the product
- Study of competition and competitor's spending on advertising.
- Knowledge of channels of distribution, their sales, operations, etc.
- Finally, formulation of advertising plan

3. **Creative Function**: Creative people like - the copywriters, artists, art-directors, graphic-specialists have to perform the creative function which is most important part of all advertising function.
4. **Developing Ad-Copy**: Ad-agency with the help of their writers, artists, designers, animators, graphic-designers, and film-directors prepares and develops Ad-copy.
5. **Approval of Client**: Ad-copy is shown to the client for his approval
6. **Media Selection and scheduling**: It is very important function of ad-agency to select appropriate media for its clients. Ad-agency has to consider various factors like-media cost, media coverage, ad-budget, nature of product, client's needs, targeted customer, and etc while selecting media.
7. **Ad-Execution**: After approval, verification, and required changes, the ad-copy is handed to the media for ad-execution.
8. **Evaluation Function**: After execution, it is the responsibility of ad-agency to evaluate the effectiveness of ad to know how beneficial the ad is for its client.
9. **Marketing Function**: The advertising agency also performs various marketing function like- selecting target audience, designing products, designing packages, determining prices, study of channel of distribution, market research, sales promotion, publicity, etc.
10. **Research Function**: Ad-agency performs various research functions like- research of different media, media cost, media reach, circulation, entry of new media, information regarding ratings, and TRP's of TV programmes, serials.
11. **Accounting Function**: Accounting function of ad-agency includes checking bills, making payments, cash discounts allowed by media, collection of dues from clients,

payment to staff, payment to outside professional's like- writers, producers, models, etc.

ROLE OF ADVERTISING AGENCIES

- Creating an advertise on the basis of information gathered about product
- Doing research on the company and the product and reactions of the customers.
- Planning for type of media to be used, when and where to be used, and for how much time to be used.
- Taking the feedbacks from the clients as well as the customers and then deciding the further line of action

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

- The agencies are expert in this field. They have a team of different people for different functions like copywriters, art directors, planners, etc.
- The agencies make optimum use of these people, their experience and their knowledge.
- They work with an objective and are very professionals.
- Hiring them leads in saving the costs up to some extent.

TYPES OF ADVERTISING AGENCIES

There are basically **5 types of advertising agencies**.

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

2. **Interactive Agencies**
   - Modernized modes of communication are used.
   - Uses online advertisements, sending personal messages on mobile phones, etc.

- The ads produced are very interactive, having very new concepts, and very innovative.

3. Creative Boutiques
- Very creative and innovative ads.
- No other function is performed other than creating actual ads.
- Small sized agencies with their own copywriters, directors, and creative people.

4. Media Buying Agencies
- Buys place for advertise and sells it to the advertisers.
- Sells time in which advertisement will be placed.
- Schedules slots at different television channels and radio stations.
- Finally supervises or checks whether the ad has been telecasted at opted time and place or not.

5. In-House Agencies
- As good as the full service agencies.
- Big organization prefers these type of agencies which are in built and work only for them.
- These agencies work as per the requirements of the organizations.

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

AIDA Model & DAGMAR approach

AIDA Model is a selling concept presented by Elmo Lewis to explain how personal selling works. AIDA Model outlines the processes for achieving promotional goals in terms of stages of consumer involvement with the message. The Stages are Attention, Interest, Desire, and Action.

1. Attention

In this media filled world, advertisers need to be quick and direct to grab audience attention. Ads are required to be eye catchy which can make audience stop and read or

watch what advertiser have to say next. Powerful words and pictures are used in ads to make them attractive.

2. Interest

After getting attention of a chunk of the targeted audience, it is required to keep them engaged with the ad to make them understand the message in more detail. Gaining the reader's or audience interest is more difficult process than grabbing their attention. To gain audience interest the advertisers must stay focused on audience needs.

3. Desire

The Interest and Desire parts of AIDA go hand-in-hand. As advertiser builds the audience interest, he also needs to help them understand how what he is offering can help them in a real way. The way of doing this is by appealing to their personal needs and wants. A good way of building the reader's desire for advertiser offering is to link features and benefits. Hopefully, the significant features of the offering have been designed to give a specific benefit to members of the target market.

4. Action

Finally, advertiser needs to be very clear about what action he wants the audience to take- trial, purchase, repurchase, or other.

DAGMAR approach to setting advertising objectives

DAGMAR stands for *Defining Advertising Goals for Measured Advertising Results*. DAGMAR Model was developed by Russell Colley in 1961 for setting advertising objectives and measuring advertising results. According to DAGMAR Model the ultimate objective of advertising involves a communication task, intended to create awareness, impart information, develop attitude and induce action.

1. Awareness

Before the purchase behavior is expected from target audience it is necessary to make the audience aware with the product or company. The initial communication task of the advertising activity is to increase the consumer awareness of the product or offer.

2. Comprehension

Only Awareness is not being sufficient to stimulate a purchase, sufficient knowledge and information about product or organization is necessary. This step involves the target audience to learn something about product, organization, or offer. Here

communication task of advertising activity is to make consumer learn about product - product characteristics, benefits, or uses.

3. Attitude or Conviction

At this step a sense of conviction is established. By creating interest and preference, buyers are moved to a position where they are convinced that a particular product in the class should be tried at the next opportunity. At this step communication task of advertising activity is to mould the audience's beliefs about the product and this is often done through messages that demonstrate the product's superiority over a rival or by talking about the rewards as a result of using the product.

4. Action

Finally, communication must encourage buyer to engage in purchase activity.

SERVICE RENDERED BY AN AD AGENCY

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

Selection of Clients:

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

Media Selection:

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

Advertising Planning:

The third as well as the major function of advertising agency is the advertising planning for its clients. For this purpose, the advertising agency requires a detailed knowledge of the firm's products, its advertising history, market conditions, channel

of distribution, knowledge of competitors" products and their advertising techniques, field to be covered, nature and type of consumers etc.

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

Creative Function:

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

Research Function:

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

Approval of the Client:

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

Marketing Function:

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

Evaluation Function:

Simply drafting advertising copy and handing over the same to the media is not enough. The next major function of the advertising agency is to have an exhaustive evaluation of the advertising effects for the benefit of his client. In case of any

deficiency, necessary suggestions should be given and the same be made effective after approval of the client.

Coordination Function:

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

AGENCY SELECTION CRITERION

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

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

Normally, an agency which is located near the advertisers place is selected.

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

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

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

Past Record: Past records of the agency in terms of number of clients, effectiveness, credit reputation etc. helps in selecting the agency. The advertiser enquires about the

agency's timelines, punctuality, past record helps to show whether the agency is reliable or not.

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

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

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

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

AGENCY ACCREDITATION

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

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

- The agency has fulfilled the minimum business limits with Doordarshan / AIR and the Indian Newspapers Society.
- The agency has proved its creditworthiness during the period of its provisional accreditation status.
- The agency has adhered to the rules of accreditation as specified by the media.

AGENCY CLIENT RELATIONSHIP

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

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

ORGANISATION STRUCTURE OF AN ADVERTISING AGENCY

Meaning:

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

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

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

Organization and Working of an Advertising Agency:

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

Advertising Agency Limited
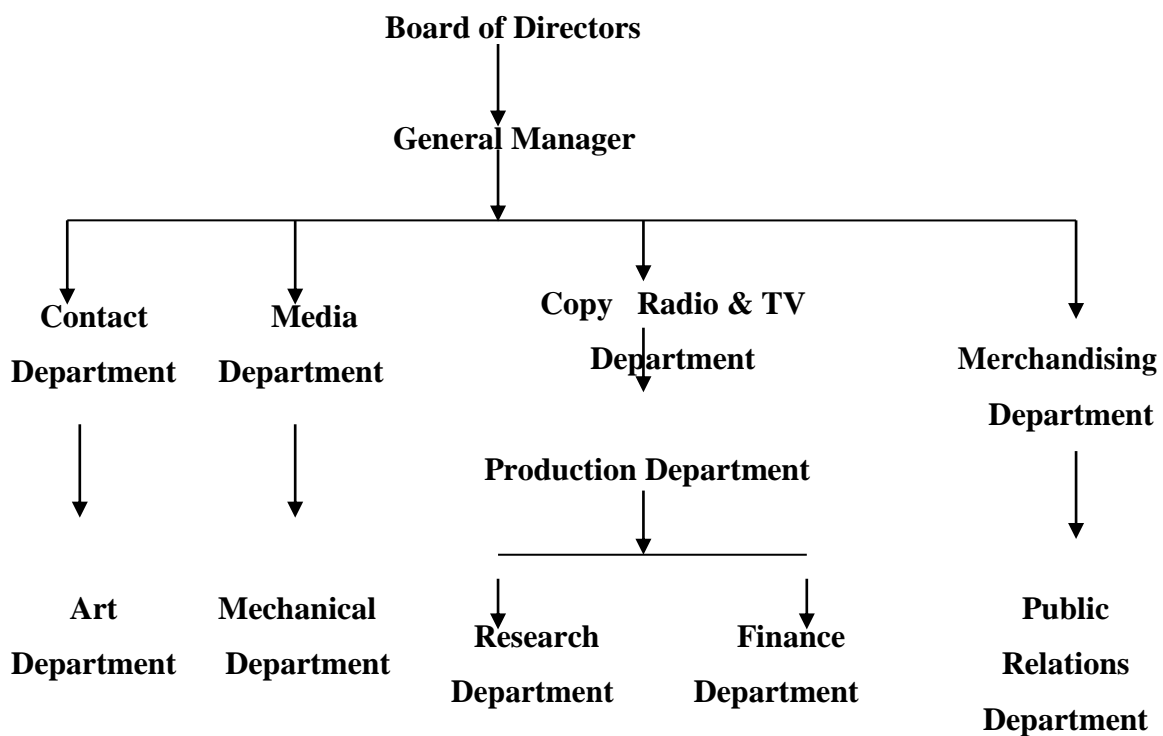
Departments of an Advertising Agency

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

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

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

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

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

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

departments. It is also an important department.

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

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

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

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

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

METHODS OF REMUNERATING AN ADVERTISING AGENCY

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

1. Commission Method: This is the oldest and most common method of remunerating an advertising agency. Under this method the advertising agency has a fixed commission by the media owners on the advertising bill for the advertising space bought by the respective advertising agency.

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

2. Fee System: The fee system came into effect following a controversy between the advertiser and the advertising agency. The former argued that 15% commission was too high a rate, whereas the agency took the stand that it was un-remunerative in view of many services rendered to the client by the advertising agency.

Under fee system, the agency payment consists only the service charges which are to be computed on the basis of cost plus system. Under the system a certain fixed percentage (flat rate) on cost may be charged from the client as fee to be paid to the agency along with the bill. This system enables the advertising agency to make fair profits on services rendered by it and, in turn, the advertiser pays for what he gets - nothing more and nothing less. The fee system is generally used in radio and television-advertising.

3. **Service Charges:** Under this method, service charges are added to the cost of materials and services bought by the advertising agency for the client in art work, photography, typography, plates etc. Normally, it is cost plus 15%.

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

CHANGING ADVERTISING AGENCY OR CLIENT TURNOVER

Meaning:

When an advertiser leaves one advertising agency, and shifts to another, this practice is termed as client turnover. Highly frequent rate of client turnover results in great loss to advertisers. When an agency is changed the advertiser suffers on two counts, on having to do away with the old agency and another with the new one. It is very much like an employer suffering financial and other kinds of losses on account of high „rate of labour turnover in his enterprise. Productivity is the main factor of loss of the employer as well advertiser. Just as the old employee's experience with organization is an important factor in policy decisions and implementation.

Similarly the old agency's experience in advertising the company's product lines is a total loss in case of turnover to another agency. The old agency must have already collected considerable data about the company's product, the market, the nature and the extent of competition the consumers and host of other subjects. Such a mass of information and data cannot be easily transferred to the new agency. Researchers have identified as many as forty factors that influence the sale of a product, advertising being one of them.

When an advertiser leaves one advertising agency and switches over to another, it is known as „changing of advertising agency" or „client turnover". The tendency to change advertising agencies now and then is most common amongst many advertisers. This may result in a reduction of the effectiveness of their advertising campaign.

THE REASON FOR CHANGING THE ADVERTISING AGENCIES:

1. Dissatisfaction to the advertiser from the services of the advertising agency.
2. The advertiser is interested in a new criterion with which the present agency is not familiar.
3. The client and agency perceive the advertisement strategy in a drastically different manner.
4. Change for the sake of change.
5. Lack of coordination between the top executives of the client and the agency.
6. Loss of confidence.
7. Staff changes also lead to change of advertising agency.
8. Perceived unreasonable of the other party.
9. Politics and nepotism also result in change of advertising agency.

Changing of advertising agency is not always fruitful. The loss might be more as compared to gain on account of the change. In the first year the new agency has to digest the problems of the advertiser, the nature of the products and the competitive situation that exists. The first year of change may be referred to as the study year. Thus change of agency amounts to leaving one which is quite familiar with the advertiser's problems and going to a stranger at least as far as the advertiser is concerned.

In case of any dissatisfaction with the existing agency, it is better to find out and discuss it with the top management team of the agency so that the misunderstanding, if any, may be removed and also to give a chance to the agency for improving its services. The selection of an advertising agency should be made carefully so as to avoid a subsequent change. It should be kept in mind that the agency advertiser relationship is like the physician-patient or the lawyer-client relationship. The patient pays fee to the physician whether he gets relief or not. The lawyer too takes fee, irrespective of the judgments in the case. However, in both the cases they perform their duties faithfully and therefore why make a change? This fact should be given due weight while taking any decision to change the advertising agency.

CAREER OPTIONS IN ADVERTISING

Advertising is an important profession and advertising industry provides enormous opportunities for career development. The advertising industry consists of the advertising agencies, the advertisers, the media and the ancillary services. Each of these active

participants in advertising provides challenging career options to the students to build up career in this fast developing industry.

1) Advertising Agencies: An advertising agency is a team of professional advertisers appointed by client to plan, produce, and place advertising campaign on the behalf of client.

The total number of advertising agencies in India is believed to be around-4,000, including studios and non-accredited set-ups. The accredited agencies or those with partial accreditation account for 550. The number of new advertising agencies especially one-man or owner-manager type ad agencies are increasing at a faster rate. This is because advertising business provides ample scope for growth and development. Advertising is most suited profession for strongly motivated individuals, who have high degree of conviction and belief to make their Endeavour a success whatever may be the odds.

Advertising agency has grown by leap and bound and now they account for billing over Rs. 2000 crores per annum. They are constantly in need of talented and creative staff in their following functional departments:

2) Account Executive: The word „Account" in advertising terminology means „Client" and an Account Executive is the man on the agency staff responsible for handling a particular client. He approaches different potential clients for seeking new business for the ad agency which he represents. He is the main link between the agency and the client.

Account executive is an important career option in ad agency. He explores the possibilities to book new business by approaching new clients. Successful account executives are promoted up to the positions of Account Director.

3) Copywriter: Copywriting is an art and the persons with good communication skills stand a fair chance to be copywriters. They contribute to the theme of an advertisement. In most ad agencies, there are creative teams headed by either a copywriter or a visualize.

A good copy can be destroyed if the words are badly set. Equally, unwise choice of typefaces, sizes and weights can destroy the layout. Creation of an effective copy for the client establishes them as copywriter.

It is the job of the copywriter to conceive advertising themes of copy flat forms, and to write the wording, including heading headlines and slogans.

4)   Visualizes: Visualizes are those artists who translate the imaginations of the copywriter on the paper. Visualizes help shaping an effective ad. The visualizes usually have

professional degree in fine art or commercial art. It is not essential for a good visualize having professional degree or diploma. Visualizing and layout is an important career option.

5)   Creative Department: Creative department is the key department in an ad agency. It is in this department that the idea or theme behind the advertising campaign is born and the complete advertising plan is executed. Creative Director is the head of creative department. The department comprises of Visualizes, creative artists and copywriters and their duty is to create advertisements. The creative director coordinates the copy-writing and designing.

6)   Production Department: Production department also provides good opportunities for career building. The production department can be divided into two sections: one section is responsible for the mechanical preparation of the advertisement or the printed material, and the other for the administration of the detail work. The mechanical production section has many people to deal even technically with block-makers, printers, photographers, DTP operators in designing print outs. Many production departments also handle the job in different languages and need people to assist the advertising job.

7)   Art Department: The approved layout pass into the hands of artists to prepare finished drawings for reproduction. Art department is in the charge of an Art Director and it is his duty to co-ordinate the work to select the correct type of treatment so as to prepare the visuals and then the final art-work.

8)   Free Lancers: These are professionals who work in dependently and have a successful track record. They are copywriter, jingle singers, radio announcers, artists, Visualizes, technical writers, etc.

Thus, advertising can be an exciting and rewarding career, provided those in this profession understand the full social implication of advertising and their responsibilities to the profession.

QUESTIONS

1. What is an Advertising Agency? State and explain the functions of an Advertising Agency.
2. What is meant by an Advertising Agency? What are its main functions?
3. What factors are considered for selection of advertising agency?
4. Outline the Organization of an Advertising Agency.

5. State and explain the functional organization of Advertising Agency.

6. What are the services rendered by an advertising agency?

7. Explain the Organization and Working of an Advertising Agency.

8. What Factors would you keep in mind while selecting an Advertising Agency?

9. What should be the Criteria for Selection of an Advertising Agency?

10. Discuss the Advantages of the Advertising Agency to the Firm

11. State and explain the Methods in which Advertising Agencies are Compensated for the Services Rendered by them

12. Write short notes on the following :

      a) Agency-Client Relationship

      b) Client Turnover

      c) Agency Accreditation

ADVERTISING BUDGET

INTRODUCTION

Some people think that money spent on advertising is expenditure. Some consider it a waste of money. Some are of the opinion that we spend money on advertising because our competitors spend a lot of money on it. They consider advertising as an evil. Here we do not intend to discuss the benefits of advertising and its necessity for business growth and survival. Nowadays, money spent on advertising is treated as a long term investment in the image of a brand. Planned advertising expenditure is required to build a consumer franchise for the advertised brand, apart from its being of direct return. That is why every business enterprise spends a lot of money on advertising campaign every year out of its budget provisions.

DEFINITION: ADVERTISING BUDGET

An advertising budget is the amount a company set aside for its promotional activities. Advertising budget is used by a company for marketing the products and services to the customers. Advertising budget includes money for doing advertising research, getting creative made, printing material, allocating money to advertising media and ensuring proper implementation of ad campaigns.

IMPORTANCE OF ADVERTISING BUDGET

The objective of a company which markets its products is to earn profits and increase brand awareness. Advertising objectives of a company is purely dependent on the **advertising campaign**, type of customers, **advertising media** and what the company wants to achieve. Hence, for any marketing activity that a company wants to do, it has to spend some money. This is why advertising budget is important. It helps in understanding the objectives. The costs, helps to formulate strategies and generate profits by increasing the overall sales.

FACTORS AFFECTING ADVERTISING BUDGET

Advertising is one of the variables which affect sales and hence the profit earned. It is therefore difficult to calculate the amount to be allocated for advertisement budget. Also the budgeting depends on various other factors like:

1. Degree of competitiveness in market: Monopoly/Duopoly/Oligopoly

A monopoly firm does not have to worry about the promotional spends as it is the only player in the market. For duopoly, where market is dominated by two dominant players, the promotional budgets would be high to outperform each other. In an Oligopolistic market, where the market is cluttered and there are many players, promotional spends has to be higher as the frequency of advertisements has to be increased to get noticed among so many players. Thus depending upon the competition the advertising budget is set.

2. Market Share: Market leader/Market Follower

The advertising budget for a market follower will be decided by the tactics of the market leader. To improve market share one of the investment is to increase promotional spent. Thus, where a company stands is a deciding factor in advertising budget

3. Product life-cycle stage: Introduction/growth/maturity/decline

The advertisement budget would be higher at the introduction and growth stages as it has to introduce the product in the market and establish itself among the competitors so the frequency of advertisements would be high and so would be the budget. As the product reaches maturity and decline stages the promotional spent would be lower.

4. Advertising Frequency: An ad can be played only once or can be be multiple times. Also, it can be daily, weekly, fortnightly, monthly etc. Depending upon the requirement, the advertising budget is altered.

All these factors are responsible in creating a efficient advertising budget.

METHODS OF ADVERTISING BUDGET ALLOCATION

There are various approaches which businesses use to calculate their advertising budget:

1. Percentage of Sales: In this method the advertising budget is calculated as certain fixed percentage of the sales or estimated sales.

2. Comparison with Competitor: In this method the advertising budget is estimated based on competitors promotional spending. Either equal, more or less depending on the objectives of the company.

3. Affordability: In this method the budget for advertising is decided based on availability of funds. Mostly for small companies the funds available varies from time to time based of business performance. Hence marketing spend vary throughout the year based on availability of funds.

4. Goal and Task: If the organization has well defined objectives or goals it can use this method of allocating advertisement spending. The tasks associated with the goals are evaluated and cost calculations are done. Based on the cost estimates funds are allocated.

5. Intuitive: In this method, seasoned managers take decisions of allocating advertising budget for advertisements based on their experience and intuition. This method is based on the past experiences of the company

6. All available funds: In this, the organization is focused heavily on advertising and it allocates all available funds for promotional activities. This approach might get the organization noticed but on the other hand lack of funds stunts growth.

Thus, this summarizes the advertising budget allocation methods

STEPS IN ADVERTISING BUDGET

There are certain steps which can be followed in creating an advertising budget. They can be explained as below:

1. Understanding advertising objectives based on the goals which have been set by the company

2. Determine the tasks, ad campaigns which could be done

3. Formulating, evaluating and preparing the breakup of advertising budget

4. Taking approvals from the senior management

5. Allocation of funds for different activities under the advertising budget

6. Monitoring and controlling the expenditure and revising it for better profit

Hence, this concludes the definition of Advertising Budget along with its overview.

MAIN PROCESS OF ADVERTISING BUDGET

Advertising budget is prepared by the advertising manager of the company. The advertising budget process includes the following major steps:

1. Collection of Data and Preparation of Advertising Budget:

The starting point of any advertising budget process is the determination of the size of advertising appropriation. The requisite information keeping in view with the products, packaging, target markets, advertising copy, new product introductions, types of consumers, extent of competition along with the competitors" strategy, media selection etc. is gathered. Having decided upon the above variables, the advertising manager takes a decision on the very important issue „how much to spend" for advertising. Once the total expenditure is arrived at, the next step is the apportionment of this fund among various advertising units over a period. By advertising unit, we mean a specific advertisement delivered through various media vehicles. The fund allocation has to take into account the market potential within various segments, the time period and the geographical areas over which advertising will be spread in accordance with the overall advertising strategy.

2.   Presentation and Approval of the Budget:

After the preparation of advertising budget, the next step in a budget making process is to present the same before the top management through the chief of the marketing division for necessary approval. In some organizations, there is a separate budget committee, comprising of the representatives of the financial and other functional areas. The budget committee or the top management, as the case may be, will evaluate such proposed expenditure to achieve the targeted sales in a given budgeted period. Since advertising budget is employed to increase sales the advertising budget must be compatible with the sales goals of the company.

Besides increasing sales, it should be adequate enough for the new product to make a successful entry in the chosen segment of the market. After considering all these factors if satisfied, the budget committee or the top management, as the case may be, will finally accord his approval over the budget proposals and thus will return the same to the advertising manager for execution.

3. Budget Execution:

After the approval, the next step in budget making process is the execution of the budget. During the execution of the budget, the advertising manager has to exercise monitoring control so that the funds that have been allocated are spent in accordance to the approval plan

and in economical manner. Whenever there are critical changes in the marketing situation, necessitating an adjustment in the advertising support, the necessary modifications should be effected in the advertising budget. That is why, advertising budgets should be flexible and provision is made for the contingency account to face the critical changes in the marketing environment. The advertising manager should be duly authorized by the budget committee or the top management for making the required modifications etc. as and when required.

4. Control of Budget: The fourth and the last step in the budget making process are to have a control over the budget. It is the prime duty of the advertising manager to see whether the actual expenditure coincide with the budgeted expenditure or not. The advertising manager should also see that the amount appropriated for advertising is being used only on the item and activity as expressed in the budget.

Determining Advertising Appropriation

Advertising appropriation is that part of company's budget which is to be spent or, say, invested on media, men and other advertising material so as to impersonally communicate with the target-prospective customers. Determining the appropriation advertising outlay is essential for the development of creative media strategies because in a large measure the tempo and tenor of the advertising campaigns depend on how much is available for spending. However, from the managerial point of view, it is the most difficult work.

Cost factor is one of the deciding factors in determining the advertising appropriation. A cost analysis study of different media of advertisement and their effectiveness should be considered while determining the advertising appropriation.

DECIDING ON ADVERTISING BUDGET

The following are the five factors that are considered while setting the advertising budget:

1. **Stage in the product life cycle:** New products typically receive large advertising budgets to build awareness and to gain consumers trial.
2. **Market share and consumer base:** The brands having a high market share usually require less advertising expenditure whereas for products whose brand needs to be built, requires larger advertising expenditure.
3. **Competition and clutter:** In today's competitive market, where there are a large number of competitors, a brand must advertise heavily to be heard.

4. **Advertising frequency:** The number of repetitions that need to be made to put across the brand message to consumers has an important impact on the advertising budget.

5. **Product substitutability:** Brands in the commodity class require heavy advertising to establish a different image. For example, cigarettes, beer, soft drinks. Also advertising is important when the brand can offer unique physical benefits or features.

QUESTIONS

1. What is Advertising Budget? Discuss the various steps involved in preparing an Advertising Budget.

2. Define Advertising Budget and Explain methods of framing the Advertising Budget.

3. What are the approaches to Advertising Budget?

4. What is meant by determining advertising appropriation? Describe the methods of determining advertising appropriation.

5. What are the methods of framing the Advertising Budget? Explain.

6. What are the Common Practices in use for determining the size of an Advertising Budget?

7. What are the methods of framing the Advertising Budget?

8. "Money spent on Advertising is an Investment and not Expenditure." Comment on this statement.

9. Do you think that money spent on advertising is an investment? Discuss.

ADVERTISING APPEAL

MEANING:

An advertising appeal is a statement designed to motivate a person to act. The appeals which the advertiser makes usually focus the buying motives of the consumers. Pleasing total quality of a radio becomes basis to motivate the music and the vitamin contents of a drug form an appeal to motivate public and listen to people to preserve their health. However, numerous appeals may be made for any product.

Advertising appeals are designed in a way so as to create a positive image of the individuals who use certain products. Advertising agencies and companies use different types of advertising appeals to influence the purchasing decisions of people.

DIFFERENT TYPES OF ADVERTISING APPEAL

There are three types of appeals:

1) **Rational or Informational Appeal**
2) **Emotional Appeal**
3) **Moral Appeal**

1) Rational or Informational Appeals
This is generally product oriented appeal, highlights the functional benefits like- quality, economy, value, or performance of a product. Following are different types of rational appeals:

- **Feature Appeal** - Advertisements based on such appeal are highly informative, provides information of product attributes or features that can be used as the basis for rational purchase decision. Technical and high involvement product often uses this appeal.
- **Competitive Advantage Appeal** - Such appeal is used to compare the product with the competitor's product directly or indirectly and advertiser try to present his product superior then competitor's product on one or more attributes.

- **Favourable Price Appeal** - Here price offer is considered as the dominant point of the message.

- **News Appeal** - Some type of news or announcements about product or company dominates the advertisement.

- **Product Popularity Appeal** - Product popularity is considered as the dominant point of advertisement by highlighting the increasing number of users of brand or the number who have switched to it.

- **High Quality** - Some products are preferred for their quality not merely because of their taste or style, such products are advertised by highlighting the quality attribute in advertisement.

- **Low price** - Many people prefer low priced goods. To target such audience products are advertised by highlighting the low price tag of the product.

- **Long Life** - Many consumers want product of durable nature that can be used for a long period, in advertisement of such product durability is the dominant point of the message.

- **Performance** - Many advertisements exhibit good performance of product.

- **Economy** - Many customers consider savings in operation and use of product, for example in case of automobile the mileage is considered while selecting the brand or model.

- **Scarcity** - Another appeal that is occasionally used is scarcity. When there is a limited supply of a product, the value of that product increases. Scarcity appeals urge consumers to buy a particular product because of a limitation.

- **Other Rational Appeals** - Other rational appeals include purity, more profits, time saving, multifunction, more production, regular supply and availability of parts, limited space required, artistic form, etc. that can make advertising effective.

2) Emotional Appeals

An emotional appeal is related to an individual's psychological and social needs for purchasing certain products and services. An emotion affects all type of purchase decisions. Types of emotional appeals are as follows:

- **Positive Emotional Appeal** - Positive emotions like- humour, love, care, pride, or joy are shown in advertisements to appeal audience to buy that product. For example- Jonson and Jonson baby products.

- **Negative Emotional Appeal** - This includes fear, guilt, and shame to get people to do things they should or stop.

- **Fear** - Fear is an emotional response to a threat that expresses some sort of danger. Ads sometimes use fear appeals to evoke this emotional response and arouse consumers to take steps to remove the threat. For example- Life Insurance

- **Anxiety** - Most people try to avoid feeling anxious. To relieve anxiety, consumers might buy mouthwash, deodorant, a safer car, get retirement pension plan.

- **Humour** - Humour causes consumer to watch advertisement, laugh on it, and most important is to remember advertisement and also the product connected with humour. For example- Happydent, and Mentos.

3) Moral Appeals

Moral appeals are directed to the consumers' sense of what is right and proper. These are often used to exhort people to support social and ethical causes. Types of Moral Appeal are as follows:

- Social awakening and justice
- Cleaner and safe environment
- Equal rights for women
- Prohibition of drugs and intoxication
- Adult literacy
- Anti-smuggling and hoarding
- Protection of consumer rights and awakening

4) Other Type of Appeals

- **Reminder Appeal** - Advertising using reminder appeal has the objective of building brand awareness. For example- IPO

- **Teaser Advertising** - Advertisers introducing a new product often use this appeal. It is designed to build curiosity, interest and excitement about a product or brand. For example- Ponds ad of Saif & Priyanka

- **Musical Appeals** - Music is an extremely important component in advertising. It captures the attention of listeners. For example- Docomo, Airtel
- **Transformational Appeal** - The idea behind this appeal is that it can actually make the consumption experience better. For example- Ambay products
- **Comparison Appeal** - In this appeal a brand's ability to satisfy consumers is demonstrated by comparing its features to those of competitive brands. For example- Tide & Surf
- **Direct Appeal**s - Direct appeals clearly communicate with the consumers about a given need. These extol the advertised brand as a product which satisfies that need.
- **Indirect Appeals** - Indirect appeals do not emphasize a human need, but allude to a need.

CHARACTERISTICS OF ADVERTISING APPEALS

Advertising appeals should have three characteristics: should be meaningful, believable, and distinctive.

1) **Message execution:** Execution style the approach, style, tone, words, and format used for executing (properly conveying) an advertising message.
2) **Slice of life:** style sows one or more "typical" people using the product in a normal setting.
3) **Lifestyle:** shows how a product fits in with a particular lifestyle.
4) **Fantasy:** creates a fantasy around the product or its use.
5) **Mood or image:** builds a mood or image around the product or service, such as beauty, love, intrigue, or serenity.
6) **Musical:** shows people or cartoon characters singing about the product.
7) **Personality Symbol:** creates a character that represents the product.
8) **Technical expertise:** shows the company's expertise in making the product.
9) **Scientific evidence:** presents survey or scientific evidence that the brand is better or better liked than one or more other brands.
10) **Testimonial evidence or endorsement:** features a highly believable or likable source endorsing the product.
- The advertiser might also choose a tone for the ad.
- The advertiser must use memorable and attention-getting words in the ad.

- Format elements make a difference in an ad's impact. The illustration, headline, and copy must be on point and work together. Consumer-Generated Messages. Ad-creation contests, searching for existing videos.

- If done well, consumer-generated advertising efforts can produce new creative ideas and fresh perspectives on the brand from consumers who actually experience it. Selecting Advertising Media Advertising media the vehicles through which advertising messages are delivered to their intended audiences

- Determining Reach, Frequency, and impact. Reach is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time.

- Frequency is the measure of how many times the average person in the target market is exposed to the message. Media impact- the qualitative value of message exposure through a given medium. i.e. Newsweek more respected than National Enquirer. Radio vs. TV.

Essentials of a Good Advertising Appeal

The following are the essentials of a good advertising appeal:

1. It must be Communicative: An advertising appeal must successfully tell what it wishes to convey. As far as possible, the message must be communicated in a simple language.

2. It must have a Good Theme: A good theme means there must be something which has to be told to the prospects. Only meaningful words become effective in conveying the story.

3. It must be Distinctive: An advertising appeal must be distinctive. It should present a product in a distinctive way. If it is a new product, then „new" alone makes it distinctive.

4. It must be Interesting: A good advertising appeal must be interesting. An advertisement must provide interest to the readers or the listeners or viewers and this can be done by telling the story of an advertisement in an interesting manner.

5. It must be Believable: The theme of an effective advertising appeal must be believable. The message which is doubted can never be effective. Only facts are presented in an interesting manner.

6. It must be Complete: An advertising appeal should be complete and must not be superfluous. Such information which is likely to confuse the prospects in making buying decision should be avoided.

EFFECTS OF ADVERTISING ON SOCIETY

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

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

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

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

Advertising and Social Responsibility

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

ADVERTISEMENT COPY

An advertising copy is a term used to describe the main text used in the advertisement. The text could be a dialogue, a catchy punch line or a company's dictum.

It is a print, radio or TV advertising message that aims at developing and retaining an interest of the target customer and prompting him to purchase the product within a couple of seconds.

According to the UK advertising guru, David Ogilvy, 'people do read lengthy advertisements if they are skillfully written'. The most significant part of the copy is the headline, and sometimes even a small shift in the text brings magnanimous results. A short ad copy is the most popular in consumer-product advertising, or an artful, indigenous lengthy ad copy may work wonders too. An advertisement copy is mostly a result of extensive advertising and consumer research designed by professional copywriter's employees by advertising agencies. Drafting an ad copy demands skill and effort. An ad copy involves a complete investigation of the target audience. There is a substantial effort that goes into making an ad copy. Companies outsource their ad campaigns. The advertisement industry flourishes when they succeed in delivering the advertisement just like its copy.

Definition: Advertising Copy

An advertisement copy is the text used in the advertisement, be it print, radio, television or other form of advertisement. The text so used can be in the form of dialogs, some catchy phrase, a company's motto or slogan or any word advertising agency.

ESSENTIALS OF A GOOD ADVERTISEMENT COPY

An ad copy is made of various principles, all of which are integrated into a few lines of the copy that the advertisers are allowed to engage. It combines search engine optimization with marketing strategies and is used in all kinds of advertisements, not only pay per click and contextual ads. The essentials of a good ad copy are as follows:
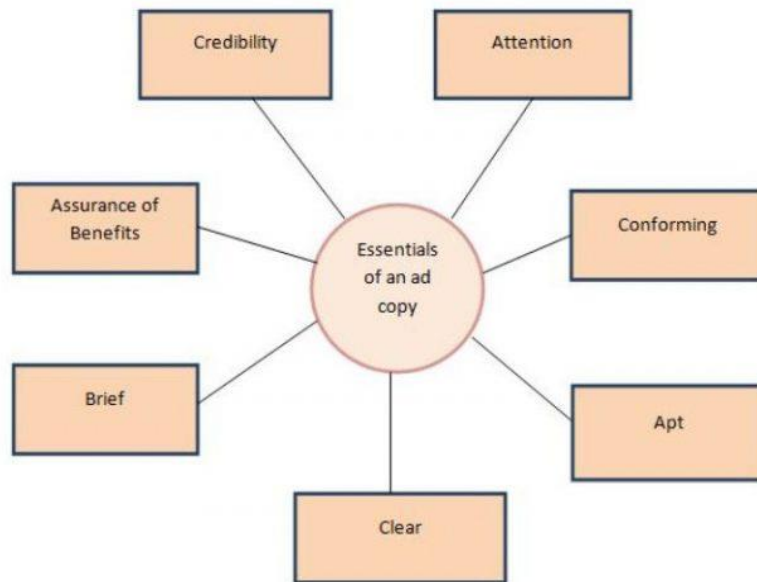
Figure in essentials of an ad copy

Credibility- An ad copy must focus on the credibility or the reliability of the advertising. The copywriters should essentially flaunt an element of reliability in the ad so that the consumers are convinced to go ahead with the product. The credibility of an advertisement is the extent of honesty in the ad message. Misleading and misinterpreted ads harm the reputation of the selling house.

Attention- The keywords, punch lines or a phrase that seize the attention of the potential consumers or some component in the ad that attracts the target audience is essential in a good advertising copy.

Assurance of benefit– An advertisement copy must contain some promise of the benefits that the product offers if the consumer purchases and uses the product.

Brief and clear- An ad copy must be brief and clear, i.e. it must be to the point. It doesn't mean that the copy must omit the important elements of the advertising. A clear copy is easy and quick to be read by the readers. It is self-explanatory, definite, and precise. Clarity makes way for interpretation.

Apt and conforming- The copy must be apt and must match the needs of the prospects. A copywriter has to use the most suitable USP. Every ad copy must meet the conforming standards and rules acceptable to the advertising media and the laws of the land. A copy that offends the morality challenges religious beliefs of the people is not welcomed by any media.

TYPES OF ADVERTISING COPY

Technique or formula of presentation of an ad is the way in which a message is presented. Various types of advertisement copies are formulated to inform, inspire, influence, affect, engrave, and inscribe the mindset of the reader. Certain elements are significant in a copy like the attention, conviction, sentiment, instinct, and education.

The advertisement copies can be divided into six main types:

- Human interest ad copy
- Educational ad copy
- Reason for the ad copy
- Institutional ad copy
- Suggestive ad copy
- Expository ad copy
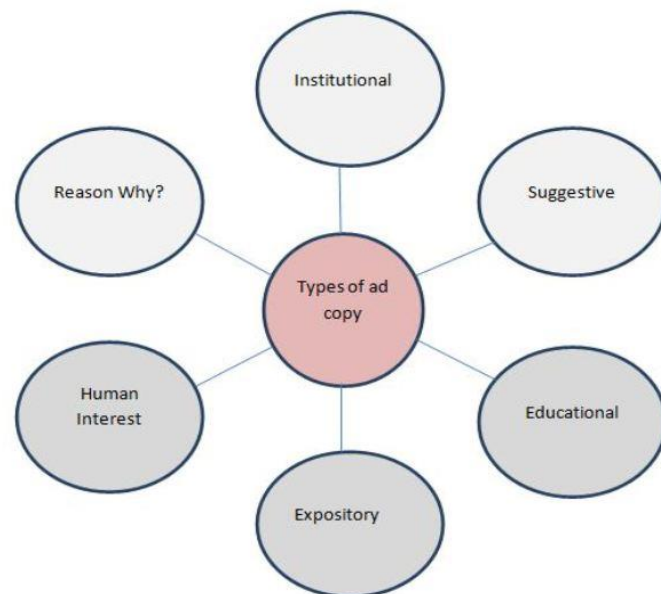
1. Human interest copy

Human interest copy entices the emotions and senses of its prospective customers rather than the intellect and judgment. This advertisement copy defines the product to people instead of sticking to facts. Human Interest copy gets to selling part indirectly or reluctantly. It focuses on people's undying interest in themselves, their families and friends. The most important forms of Human Interest Copy are- humorous copy fear copy, predicament copy, and story copy.

- **Humorous copy**

Humorous ad copy is a copy which is designed to make the reader laugh. This copy brings about a smile on the readers face.

- **Fear copy**

Fear ad copy arouses a sense of fear in the reader to save their lives or to protect themselves from something. It creates interest among its consumers by instilling a sense of fear in them. Fear advertisement copies must be designed carefully as it may carry an unpleasant association on the viewer's mind concerning the product.

- **Story copy**

In a story copy, a story is narrated in a very interesting way to develop interest amongst its prospects. Customer experiences can also be narrated in the form of a story.

- **Predicament copy**

In a predicament copy, the copy provides a dramatic explanation about the product. This copy explains all the advantages and benefits of using the product. The predicament copy usually takes over the other three forms of the advertisement copy.

2. Educational ad copy

An educational ad copy attempts to inform, update and prompts its clients to buy a product by educating the prospective customers. It is designed to educate the public about the attributes of the product. Introductory ad copies are usually created in this way. It is the responsibility of every manufacturer to educate the prospects regarding the product and endure a warm welcome amongst its clients. Such an ad copy signifies the benefits and special features of the product.

3. Reason Why Copy

A Reason Why advertising copy offers reasons as to why the consumers are expected to buy the product of a particular brand. The reason why copy appeals directly to the intellect or the judgment of an individual than the emotions. It tries to explain the product qualities and benefits by giving evidence in the forms of testimonials, guarantees, customer experiences, and so on.

The approach of this copy explains reasons to readers as to why the advertised product has to be purchased. The format of this copy states a fact about a product or a service in the headline and then explaining why the fact is true in its further text. This form of advertising works better in print than on media, because broadcasting an ad has a limitation with respect to time. There are good chances of the viewer missing the headline or the reasons why the headline claims to be the truth.

4. Institutional Ad Copy

Institutional copy doesn't sell its goods and services. Institutional ad copy aims at promoting the selling house. It focuses to build a strong reputation for the selling house. The main objective of this type of ad copy is to create, maintain, and increase the goodwill through its

philosophy, objectives and policies so that the prospective customers register it in their minds. Institutional copy invites the target customers to the selling outlet. It is also called as prestige or corporate advertising.

5. Suggestive Copy

A suggestive copy suggests or attempts to convey the message to the readers directly or indirectly and prompts them to purchase the product. Suggestive ad copy works best when the reader is confused regarding the quality of the product and is juggling with decision making regarding his purchase.

6. Expository Copy

Expository copy conflicts with the Suggestive copy. An Expository copy doesn't conceal anything about the product but instead exposes the facts that are clear and apt. It describes the product features, uses, merits, operation and benefits of the products or services. Even a swift glance registers quickly in the consumer's mind and is quite easy to remember or pick up.

Writing an ad copy is an art of putting in the words or the elements that create a strong desire to possess the product wherein the product features satiate the consumers desire to possess the product. It is the ability to eliminate the surplus and substitute it with the essential elements without jeopardizing the meaning.

Action is the essential end goal of any advertisement copy, which is to receive some reaction from the target audience for the advertisement. It could be just about visiting the page of the brand on the net, enquiring or filling a form or the actual purchase itself.

CHARACTERISTICS OF ADVERTISING COPY:

The format of advertising copy must be so designed that it possesses the characteristics, or features like:

(1) Arresting pictures,
(2) Arresting headlines,
(3) Novelty and contrast of the product,
(4) Dis-tinctiveness,
(5) Message size and position (how long, how short, how it is put, etc.),

(6) Colour,

(7) Shape, and

(8) Movement.

COMPONENT PARTS OR ELEMENTS OF ADVERTISING COPY:

The make-up or component parts of the copy of advertising can be viewed from two aspects:

A. Advertising theme and
B. Advertising layout.

(A) Advertising Theme:

A theme represents a particular view-point or a central idea with which the message is conveyed to the consuming public. The theme involves a rational appeal based upon human emotions, desires or sentiments. Such well-thought-out and specific appeals became effective in arousing desire and in initiating action on the part of consumers.

The following are the common themes used in advertising:

1. The theme of beauty:

The sales appeal for cosmetics, perfumeries and toilet products are usually based upon the theme of beauty. Accordingly, the message of the advertisement contains expressions like "For romantic or charming appearance, use product A", "Product B ensures alluring or exquisite complexion", or "Care your hair with product C for glossy glimpse and luxuriant growth."

2. The theme of pride:

The sales message in the case of jewelleries, radios, costly clothes, motor cars and others is laid upon the theme of pride, since the acquisition of such products is deemed as proud possessions on the part of buyers. For example, "Prestige car means A", "Radio B adds decency to any home", "Discerning people prefer fabric C", or "X's Jewellery adorns fashionable ladies."

3. The theme of health:

Food products and drugs are advertised through reliance upon the theme of health. To take some examples, "Product A supplies boundless energy and vigour", "Health brings happiness—and the key to health is held by product B", "Product C keeps you free from disease", or "Eminent physicians prescribe D for cold and cough."

4. The theme of comfort:

Products which aid in giving comfort to the people at work or at home are advertised through the theme of comfort. Elec-trical fans, air-conditioning plants, refrigerators and the likes belong to the group of products meant for providing comfort.

5. The theme of economy:

This is a common appeal used in many cases for making bargaining purchase, for saving money or far protecting costly things from decay and destruction.

6. The theme of fear:

The theme of fear is utilized by insurance companies and safety-vault operators in expanding the demand for their services. Possible dangers and their consequences are presented in the copy of advertising for initiating action on the part of their customers.

7. The theme of emulation:

The desire for imitation is strongly implanted in human nature. By giving illustrations and factual information as to what some distinguished persons do, the message of the advertisement may call for imitation on the part of others. To take one case, "The succ-essful men all over the globe use Blade A."

8. The theme of distinction:

The desire for individual recognition, distinct social status and superior community standing is inherent in human beings. As an outward mark of that distinction, selected products of very expensive nature are acquired by a class of people who may be high-born or aristocrats.

9. The theme of affection:

Baby foods, toys and other playthings are advertised on the basis of this theme. By directing appeal towards parental love, the copy of advertising becomes effective in securing action on the part of buyers.

10. The theme of patriotism:

The appeal for products of national origin is sometimes based upon national sentiments. For the prosperity of a nation and its citizens, the theme of patriotism makes out a case for using national products in preference to goods of foreign origin.

COPY TESTING

Introduction

Copy testing is a tool involving a procedure where the effectiveness of an advertisement is measured before it appears in its final form, during and after its exposure to the audience to determine whether and to what extent, it has accomplished its assigned task. In this way, the copy testing is a method used to control the effectiveness of future advertising. It addresses the following questions –

(a) Will a proposed copy theme be effective at achieving advertising objectives?

(b) Does the set of advertisings that makes up an advertising campaign create the desired interest level and image? And

(c) Will an individual advertisement attract the attention of the audience?

DEFINITION OF 'COPY TESTING'

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

METHODS OF COPY TESTING

The various methods of testing advertising copy are

1. Pre-test methods
2. Post-test methods
3. Concurrent methods

PRE-TEST METHODS

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

a. Check list method

b. Consumer Jury method

c. Sales Area Test

d. Questionnaire

e. Recall test

f. Reaction test

g. Readability test

h. Eye-movement test

a. Checklist Method

The copywriters use checklist method to test the effectiveness of advertising copy. The purpose of this method is to ensure that all elements of the advertising copy are included with due importance in the advertisement. As it is a pretest method omissions can be included in the copy before release of the advertisement.

A checklist is a list of good qualities to be possessed by an effective advertisement. The researcher has to compare the advertisement with the checklist and tick the items present in the advertisement copy. Accordingly a copywriter can draw specific conclusions and make suitable changes in the advertising copy.

b. Consumer Jury Method

This method essentially involves the exposure of alternative advertisements to a sample of jury; of prospects and securing of their opinion and reactions to the advertisements. This test is designed to learn from a typical group of prospective customers gathered in one place or a sample of prospects that are independently, visited by interviewers or contacted by mail their preference for one advertisement over the other or for several advertisements out of a group. Advertisements which are unpublished are mocked up on a separate sheet and these are presented before the consumer jury either in personal interviews or group interviews.

c. Sales Area Test

Under this method advertising campaign is run in the markets selected for testing

purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for effective sales campaign. In other markets suitable changes are made in the advertising campaign.

d. Questionnaire Method

It is a list of questions related to an experiment. It contains questions and provides space for answers. The draft of an advertisement along with some relevant questions is to be sent to a group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.

e. Recall Test Method

Under this method, advertising copies are shown to a group of prospects. After few minutes they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.

f. Reaction Test

The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilution etc. Their reactions reveal the psychological or nervous effects of advertising.

g. Readability Test

All the listeners of advertisements cannot read it equally. So respondents are drawn from different socio economic and geographical backgrounds. This method is used to find out the level of effectiveness when and advertisement is read.

h. Eye Movement Test

The movements of eyes of the respondents are recorded by using eye observation camera when advertisements are shown to them in a screen. This helps to find out the attention value of advertisement.

POST-TEST TECHNIQUES

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

1) Recognition Test

It determines the readership of the advertisement in the newspapers and journals. This test is conducted by personal interviews with readers, and magazines or newspapers. The interviewers locate the readers of the particular issue of the magazine in question. They, then, go through the magazine page by page with the respondent indicating those advertising elements which he or she recognize as having read.

The data collected by this test indicate the proportion of qualified readership of a publication who claims to have 'seen', 'read some' or 'read most of the elements of the individual advertisement. These measurements may also seek to obtain quantitative data regarding the parts of an advertisement which were seen or heard.

2) Recall or Impact Test

The recognition test measurers the stopping power of the advertising but does not tell us what the readers understood or retained of the advertisement. The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listeners, days after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the questions from the readers / viewers and in response to the question asked, the reader reveals the accuracy and depth of his impression by his answers.

3) Psychological Analysis

The whole process of advertising is psychological in character. It is therefore, natural to apply some psychological tests to measure the effectiveness of the advertising.

Four psychological testing techniques are most commonly used –

   (a)   Tests of readability and comprehension;

   (c)   Tests of believability Attitude tests; and

   (d)   Triple Associates Test.

(a) Tests of Readability and Comprehension

It this technique, by means of a series of penetrating questions and by other techniques developed by psychologists, the ease of readability and comprehension is determined, in advance of publication. It is determined by the interviewer under this method whether and to what extent the readers have gone through the advertisement.

(b) Tests of Believability

Advertisement message effectiveness can be measured by the degree of credibility the readers have in the product. Scale techniques are generally employed to measure the credibility by putting several statements or product claims before the consumers and are created by them. The statement or product claims that gets the highest priority votes may be taken as the most effective statement or claim.

(c) Attitude Tests

A number of attitude tests are developed by the psychologists who can be applied to

copy testing. Typical consumers are exposed to sample advertising messages, either printed or oral. The interviewer then asks series of penetrating questions, to determine the attitude produced by these various message. Psychological reactions such as age, involvement, the eye of person who would use the product and the personality of the product reflected by the advertisement being tested, are obtained. The researcher looks especially for elements in the advertising which arouse psychological hostility.

(d) Triple Hostility Tests

These tests in advertising which recalls by seeking to learn the extent of the consumers association with the product, the brand name and copy theme. The test is useful only when the advertising features a specific theme or slogan, which the reader may remember. This procedure is sometimes known as theme penetration.

Concurrent Methods

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

1. Co-incidental surveys and
2. Electronic devices.

1. Consumer Diaries

Under this method, diaries are supplied to a few selected customers. They are also informed to record the details of advertisements they listen or read.

The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

2. Co-Incidental Surveys

This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.

3. Electronic Devices

Now a day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

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

I. Historical method and

II. Experimental method

I. Historical Method

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

II. Experimental Method

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

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

Communication Effects of Advertising

The management should attempt to evaluate the effectiveness of the advertising campaign if the firm's advertising goals are to be achieved and the ad effectiveness is to be increased. By regular evaluation of the effectiveness, the shortcomings and the plus points would be revealed and the management would be able to improve the campaign by negating the shortcomings and retaining the favorable point. For this purpose, it is very necessary to know how advertising affects the buyer's behaviors'. But this is very difficult task because measurements are imperfect and imprecise.

The effectiveness of advertising can be measured by the extent, to which it achieves the objectives set for it. If it succeeds in attaining the objectives advertising can be said to be effective otherwise it will be a waste of money and time. In this sense, advertising can be recognized as a business activity like other activities.

In a very real sense the integrity of promotional activities rests on how well those activities work. An advertising budget that is spent on some poorly defined task or on undefined tasks may be regarded as an economic waste as compared to that spent to achieve the well defined objectives for which the results can be measured. Any social institution upon which a significant portion of our total productive efforts is expanded should be able to point to its specific accomplishment. Indeed, it is a source of discomfort that specific results of

advertising activities have not always been subject to precise measurement. Both practitioners and critics feel that promotional activities should only be accepted as socio – economic – institution with full right and privileges "when the means exist to prove that advertising super are productive rupees' It is undoubtedly a source of embarrassment that we cannot exactly measure the effectiveness of advertising in definitive terms.

The exact result of advertisement expenditure is very difficult to predict because.-
The reaction of consumer – buyers to the advertising efforts cannot be known in advance.

(a) The reaction of competitors in the field cannot be guessed in anticipation and

(b) The unexpected events (such as change in social and economic environment and the government policies etc.) cannot be accurately anticipated. Such events may influence the results of the advertising efforts.

Although a lot of money is spent on protesting yet the advertisers like to confirm the results by post testing of their promotional campaigns due to the following reasons:-

(i) There is a need to produce more effective advertising by retaining the good and removing the bad.

(ii) The advertising executives can prove to the satisfaction of the management that a higher advertising budget will benefit the firm.

(iii) There is a need for measuring the results to determine the level of expenditure that is most promising.

Most research focuses on the communication effect rather than sales effect because it is a long run process. In the short run, however sales may be slight and important but in the long run its effects on brands and companies may be of great importance. Indirectly it will affect the sales in the long run, by changing the consumer awareness and attitude. The advertisers are therefore, concerned with their impact on consumer awareness and attitude. The communication effect on sales may be presented in the following figure:-

Communication Effect on Sales

Awareness

Attitude

Trial

Satisfaction

Purchases or repurchase
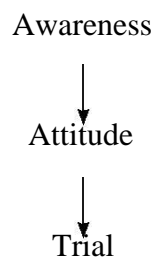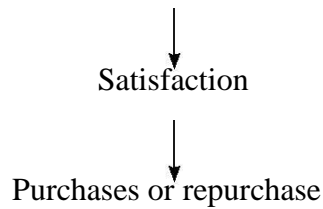
Awareness builds a favorable or at least a curious attitude towards the product which leads to experimentation. If consumer is satisfied with the trial he may decide to purchase the product.

There are many critical and unresolved issues in determining how to test the communication effects of advertising. Among these are:-

(1) ***Exposure Conditions –*** Should advertising be tested under realistic conditions or under more controlled laboratory conditions?

(2) ***Execution –*** Protesting a finished advertisement as an expensive and time consuming. Does protesting a preliminary execution produce accurate and useful data?

(3) ***Quality vs. Quantity Data-*** Quantitative data are the easiest and the almost precise measurement. But qualitative data collected through interviews may provide information that short answer questions never can.

Many types of advertising tests are conducted (different methods of pretests and post – test are given in question number) In T.V. commercials are tested by inviting a group of people to the studio to view a programme. The audience is then surveyed about the commercials. Print advertisements are tested through dummy magazine portfolio tests.

Communication Effectiveness Vs Sales Effectiveness

It is easier to assess the communication effect of advertising than the sales effect. Many firms try to measure the effectiveness of advertising in terms of sales results but this practice is always misleading. Since, the effect is the result of so many variables, a distinct effect of advertising on sales cannot be correctly measured, although there may be some exceptions. For example direct mail advertising can effectively be measured by the inquiries received. But in many situations the exact relationship between advertising activity and sales cannot be established satisfactorily.

In order to measure the effectiveness of advertising, which approach (communication effectiveness or sales effectiveness), is more suitable? Two factors are to be considered in deciding the approach. They are

1. Relevance of Advertising Objectives on the Overall Performance Objectives

Generally advertising managers would like to know the role of advertisements on the overall performance of the business firm i.e., return on investment and on profitability. A sale is a determining factor of company performance.

2. Difficulty and Cost of Obtaining Data Needed to Evaluate Effectiveness

Generally communication measures are easy to follow than sales effectiveness measures. If the measures of advertising are more relevant they will be difficult and costly. If it is less difficult and cheap the measures will not be more relevant. Therefore, the advertising manager has to make a balance between these two approaches.

Suitability

In small business firms where the marketing research resources are limited advertising managers may decide on less expensive and less relevant measures. The big business house, which has more access to research, may decide on the more relevant and expensive measures.

SUMMARY

Copy testing is a tool involving a procedure where the effectiveness of an advertisement is measured before it appears in its final form, during and after its exposure to the audience to determine whether and to what extent, it has accomplished its assigned task. There are various methods of copy testing such as pre testing, post testing and concurrent method. Pre-test method refers to testing the potentiality of a message or copy before printing or broadcasting. Post test method is done after advertising and concurrent methods are conducted while the consumers are exposed to different types of media.

ADVERTISEMENT COPYWRITING

"Baat karne se baat banti hai"
"Built For The Road Ahead"

What does come in your mind? Remember, where did you hear these captions?

The first one is "**Airtel**," Second belongs to "**Ford**".

Some punch lines are eye-catching and grab attention at the very first time. Why?

It is because of the fascinating words that are used and arranged in a creative way. This chapter discusses the techniques of creative copywriting without creating an issue of copyright.

What is Copywriting?

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

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

ELEMENTS OF COPYWRITING

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

- **Heading** − Headline gives the first impression and lasts on readers' mind, therefore, it should be eye-catching. Heading should tell − what it is all about your ad in a very few words, ranging from 3 to 30 words.

- **Body copy** − Write body copy in such a way that it seems as the continuity of the heading. Provide details of all the features and benefits that you are claiming for. The language should be promising and trustworthy.

- **Slogans** − Think of *"The ultimate driving machine"* (BMW); *"Just do it"* (Nike); *"Because I'm worth it"* (L'Oréal), what comes to your mind? The moment, you hear the slogans; you link it with the respective brand not only because you have heard it many times, but rather it works. A well-written and effective slogan is a trustworthy brand representative. However, your slogan should be small and crispy giving meaning to your brand.

- **Taglines** − Taglines are usually used for literary products to reinforce and strengthen the audience's memory of a literary product. For example, "she went in search of answers, and discovered a love she never expected,' Book Name "Faithful" and Writer - Janet Fox. Thus, tagline tells the gist of the products for marketing purpose. Like, a slogan, it should be small and eye-catching.

- **Jingle Lyrics** − More often accompanied with background music, iingle lyric is a short slogan, tune, or verse written to be easily remembered (especially used in advertising). For example, Fanta: "Wanna Fanta, Don't You Wanna?" It should be small, crisp, and rhythmic (like a song) so that it registers with people at once and they remember it.

- **Scripts** (for audio and video ad) −Scripts are the descriptions of an ad that narrates the dialogues, actions, expression, and movements of characters. Since, script is a complete guideline of an ad; therefore, it should be written meaningfully, orderly, and nicely.

- **Others** − (White Paper, Press Release, & other written material such as emails, articles, and blog (for the internet)): These are all promotional write-ups written purposefully to promote a particular product/service. So, while writing white paper, press release, articles, blog, or even an email you need to focus or emphasize ONLY on one product that you want to promote. You need to describe all features and offers of the respective product in simple and plain language.

Art of Copywriting

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

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

COPYWRITING TECHNIQUES

Following are the techniques of persuasive copywriting

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

Pay Attention while Writing Headlines

1. Try to keep headline as small as possible (5 to 10 words are ideal).
2. Use meaningful and striking words to make heading persuasive.
3. Try to use brand name in the headline.
4. Stick with the typeface in a headline.

Pay Attention while Writing Subheading

- Subheading should support the headline.
- It should be appealing so that the reader is impressed to read the body copy.
- Use minimum, but meaningful and fascinating words in subheading.

Pay Attention while Writing Body Copy

- Try to keep the sentences in present tense.
- Use simple and familiar words.
- Keep the sentences small, and do not lose the link between the sentences.
- Use singular noun.
- Use active verbs.
- Convey message as if it is new information to grab attention.
- Avoid using clichés and superlative words.

Protect Yourself From

- Using any vague word or sentence.
- Using many adjectives.
- Copying any others' sentences (Copyright issue).
- Using unfamiliar words; your target audiences are not language expert.
- Be honest; do not promise something, which is not there.
- Do not use too many words (avoid wordiness); you have limited space.
- Your message should not be violating anyone's right or feelings; you have to be honest and true.

Questions:

1. What do you understand by copywriting?
2. What is copywriting technique?
3. What are the elements of copywriting?'
4. What do you need to avoid while copywriting?
5. What do you understand by the 'art of copywriting'?

ADVERTISING LAYOUT DESIGN

INTRODUCTION

While making a design, certain things need to be taken care off, so that the design fulfils the need for effective communication besides being attractive and beautiful. While embarking on the making of the layout, one needs to understand the message and for whom it is intended. So the following aspects become the points of study to facilitate the job of making a layout. For an advertisement design is more important to be successful than just beautiful. The design must have balance, rhythm, emphasis, unity, simplicity, preparation, harmony, line, shape and movement. Good layouts never just happen; they have to be deliberately and carefully planned and worked out. Some of the things that help or direct the design of the layout must be kept in mind and considered serious:

- The nature of the message.
- Kind of picture or image that will be used.
- The process and paper on which it will be reproduced.
- The amount of text and its size.
- Whether the layout will stand alone like a poster or compete with others in surrounding environment like in a newspaper.

THEME AND CONTENT

The subject, theme or content dominate the idea of a layout — which then gives an idea about the target audience and how they need to be approached to get a favourable result. Something that is meant to shock, alarm or awaken the masses like an epidemic or terrorism need to have a bold and hard hitting approach, where as a film with a love story can have a softer and sensitive approach. The requirement of the subject leads to the "style" of the layout.

Our communication should be made only after understanding how the receiver will look at it, not just how it was perceived by the creator, the receiver may just fail to see it from our point of view. This should be the guiding force while working out a concept. Recall the series of advertisements for a leading television brand which used a devil to show envy. When the revolutionary campaign was released long ago, the up-market target audience may have enjoyed the concept, but majority of the countrymen who saw it did not understand it.

Creative strategy needs a bit of practice — a background has to be made for the main message so that it is received favorably in the right manner as desired.

Example, it is like how you ask your dad for a laptop. He must be in the right mood, you will look for the correct time and grab the opportunity when it comes, besides having practiced couple of times for what words to choose and what tone to use.

PRINCIPLES OF GOOD LAYOUT

An infinite number of arrangements are possible for the elements of an advertisement. However, regardless of the arrangement of the elements, certain sound principles should be followed in a good layout. These include:

(1) Balance: Balance, of considerable importance in a layout, involves artistically combining the various sizes and shapes that make up an advertisement. Essentially, there are two forms of balance

- Formal or symmetrical
- Informal or asymmetrical

(2) Movement: If a print advertisement is to get the reader's eye to "move" through it, the layout should provide for gaze motion or structural motion.

(3) Unity: Unity in layout refers to keeping the elements of the advertisement together so that the advertisement does not "fall apart".

(4) Clarity and Simplicity: Although, it is important to make a layout interesting, care must be taken to see that it remains simple enough so as not to lose its clarity and simplicity.

(5) Emphasis: A good layout should make the advertisement as a whole prominent and also emphasize certain more important elements. It can be done so by following some of the following techniques:-

- **Repetition:** A headline, an illustration or a trademark, for example, may gain added emphasis if repeated several times.

- **Contrast:** Another technique is contrast of size, color, or style. In a row of six men, all six feet tall, with a small boy at the end, the boy would attract attention.
- **White Space:** This is another technique which should be use very carefully.

TYPES / KINDS OF LAYOUTS

The several different forms of layout each serve a particular purpose and may not all be used for any one advertisement. They are as follows:

1. **Thumbnail Sketches**:

   They are miniature sketches that are used by the art directors to convey the basic layout style and treatment without spelling out small details.

2. **Rough Layout**:

   Rough layouts or visuals, are prepared for almost all advertisements. They are the same size as the finished advertisements except for outdoor posters.

3. **Finished Layouts:**

   The next stage is the preparation of the finished layout, which is worked more carefully than the rough layout. They suggest in considerable detail the style of the illustration and headlines and therefore serve as a guide to artist and typographer.

4. **Comprehensive Layouts**:

   A comprehensive layout is prepared for a client when they are unable to judge the effect of the finished advertisements by looking at the finished layout. These layouts come very close to resembling the finished advertisements.

5. **Working Layouts**:

   Working layouts are not really layouts, but rather a sort of "blueprint" for production, indicating the exact position of the various elements and appropriate instructions for the typographer and engraver. They are also known as "mechanicals".

A layout is the play in placement of given **text and suitable images** on a given surface area.

Layouts can be classified in three categories:

1) **Text Dominant**
2) **Image Dominant**
3) **Image and Text**

- **Text Dominant:** If there is too much or large text then it will have to be text dominated. But from the layout point of view the headline could be used in large display fonts occupying more area if that creates the desired effect.
- **Image Dominant:** These layouts are seen regularly in our newspapers and magazines, where a picture of a celebrity takes centre stage or the product is shown in all its glory like in most automobile advertisements.
- **Image and Text:** In these types of layouts, image and text are used in equal measure, and given a balanced exposure.

MECHANICS OF LAYOUT

Layout artist follow certain general rules in the mechanics of their production to achieve as nearly as possible the effect of the finished advertisement. Some of the rules are as follows:

1. Headlines, subheads and logotypes are lettered in on the layout to indicate the general type classification to be used and the weight of the type.
2. The lettering should be careful enough to suggest the general type classification that is in keeping with mood of the layout.
3. Body copy, unless it is very large, is not lettered on the layout.
4. A finished layout to be submitted to a client for approval should contain no extraneous marks.
5. Measuring out the space for the advertisement.
6. By, paying a premium charge, the advertiser may use the white margin around the advertising space.
7. In illustrations which are to have tonal values, such as photographs and wash drawings, the tonal values should be indicated by shading the drawing on the layout.

ORIENTATION OF THE LAYOUT

The paper or surface we use for artworks usually is rectangular in shape. How you place it when you start working on it, taller side i.e.-vertical or wider side i.e. horizontal is what is called orientation of layout. Those of you who are familiar with working on a computer may know that if you open 'page layout' in the menu you get two options – the horizontal format which is called landscape and vertical known as portrait.

When one starts to work on a design, it's important to decide which option we want to use or better, which one will be more suitable to the job we are about to execute. For example if it's a letter, it is always in a vertical format as the line length in a horizontal orientation will become too long to read and comprehend. (You have learnt in the chapter on typography about the ideal number of characters easily readable in a line.) Besides business letters, certificates and other such official documents are normally stored in files, so the vertical or portrait style is preferred.

The choice of format has to be made only on some occasions as certain things already have a fixed format like:

Vertical: Newspapers, Magazines, Most Books, Journals

Horizontal: Hoardings, Banners and Sign Boards, Vehicle graphics.

LAYOUT COMPOSITION

The visual aspects of the message to be conveyed have to be considered to make the layout aesthetic and communicate effectively. Then it also depends on what the layout is being made for since the requirements for different media differ.

If you look at newspapers, magazines, books, stationary, posters, hoardings, book covers etc., you will notice that the layout is different. These layouts are based on a fixed format called **Grid**. There can be layout compositions which are not formatted or conform to any specification, they are called free or informal compositions, and they may be illustrative.

Balance in Compositions is usually classified as:

1) **Symmetrical**
2) **Asymmetrical**
3) **Mechanical**
4) **Visual**

(a) The layout composition is easy to make if it is based on a grid.

(b) A grid helps divided and use the given space in an organized manner.

(c) A grid is made after centre of interest is decided depending on the requirement, for text if it is primary in the case of books, in a book cover text could be secondary and in case of a magazine cover, apart from the title, the rest of the text could be tertiary in importance.

(d) A grid helps define the text box, the image box and the gutter (space between text and image boxes.) Let us take a closer look at how a grid is made and how it works.

THE GRID SYSTEM

The grid method encourages the designer to view the entire page surface as a total unit, breaking the area into sub-zones in which the elements are placed – rather than letting the layout develop from copy in a free flowing haphazard manner.

(i) **Each element of the total presentation like copy, picture, logo etc**. is placed into one or more of these sections. It is then very easy to move each of these units around until the most suitable and pleasing arrangement is determined. Text and visuals can be distributed leaving white spaces as required and suitable. Let us go step by step.

(ii) The Grid system first divides the page into vertical and horizontal sections of equal size.

(iii) Now margins are added around each unit. The margins indicate breaks between columns of copy and or breaks which would keep blocks of elements from coming too close to each other.

(iv) The divisions can now be used as required to place text and visuals.

(v) Copy, headline, logo, visual and other such elements like these determine the grid format, the grid in turn, determines the precise size and space. Another example is of an Irregular Grid. This when used gives a more refined look. This is called **dropping units**.

COLOUR IN LAYOUT

Colour is a very important factor in an advertising layout because it attracts attention. If an advertisement is colorful it's obviously more attractive, provided it is used discriminatively. Since the image reproduced is as good as real, and the nature of properly and perfectly conveyed colour can be very advantageous. Colour increases the degrees of attention and invites more audience. It increases memory value and layout efficiency, also creates a pleasing, rhythmic movement of the eye. Colour has emotional qualities.

Copy and Type

Reading the content of the text, and understanding the message always helps make a good layout. It is good, to think seriously about the written text, which is called copy in a layout. Since, have to work with it so learn to examine the words themselves in order to find some key that will be a guide. Reading or studying the copy will help plan the layout. Choosing the

column width and typeface may be influenced by the kind of text you have to deal with, so you can work backwards.

Design for Publication

When we begin to design it is important to know how and where it is going to be printed. These days the design could be applicable to various media, not just one, so one must try to know the expected usages. While designing for the print media the size and other things have to be kept in mind. After all a good design has to look good after it is printed in a magazine, newspaper, poster or book, wherever it is meant for. Two things that largely contribute to the final result are, the type or method of printing which could be offset, digital or screen and the type of paper used.

Layout of a Newspaper

Newspapers as you may have observed have a typical layout and the pages are divided vertically into what is known as columns. The column size in different newspapers also vary, newspapers are generally around eight columns of 4cms width each. The divisions are made by line spaces left blank between two sets of texts, these are called gutters.

Layout for a Magazine

Like newspapers, magazines also have their specifications. The page sizes are defined and the print area is also fixed and artwork or layout must adhere to that. Notice that in all newspapers and most magazines, a kind of border or margin is left outside of the area of artwork, the matter or text area is known as the print area. Printing of text is seldom done till the edge of the paper. On the covers of magazines and on some pages inside you may observe the picture or background colour printed up to the edge of the paper, this is called the bleed.

FUNCTIONS OF AN ADVERTISING LAYOUT

An advertisement layout is a blueprint. The main functions of layout are:-

i. Assembling different Parts

The main function of layout is to assemble and arrange different parts or elements of an advertisement illustration, headline, sub headlines, slogans, body text and identification mark and boarder and other graphic materials – into a unified presentation of the sales message. In all the layouts these elements are presented in the same size, form, shape,

position and proportion as desired by the advertiser in the final ad proof. Thus layout gives both creative personals (copywriter and artists) and the advertiser who pays for it a good idea of how the finished ad will finally appear.

ii. Opportunity of Modification

The layout offers an opportunity to the creative teams, agency management and the advertiser to suggest modification before its final approval and actual construction and production begins.

iii. Specification for Costs

The layout provides specification for estimating costs and it is a guide for engravers typographers and other craft workers to follow in producing the advertisement.

ETHICS OF DESIGN AND LAYOUT

It is not necessary that all elements of advertisement copy must form part of the copy. They appear in today's ads with varying degree of frequency. The components of the copy must be decorated or positioned on the basis of certain basic principals regardless of the number of elements in an add. The following five principles of good composition are important to anyone who creates or evaluates the advertisement -

(1) Balance
(2) Proportion
(3) Contrast and emphasis,
(4) Eye –movement, and
(5) Unity.

1. Balance

A layout may be called balanced if equal weight or forces are equidistant from a reference point or a light weight is placed at a greater distance from the reference point than a heavy weight. Balance is the law of nature. The reference point or fulcrum is the optical centre of the advertisement. The artists with a given area or space, are to place all the elements within this space. Optical centre of fulcrum of the ad is often a point approximately two – thirds of the distance forms the bottom. It is the reference of the layout.

2. Proportion

Proportion is closely related to balance since it refers to the division of space among layout elements for a pleasing optical effect. Good proportion in an advertisement requires a desired emphasis on each element in terms of size and position. If the major appeal in an

advertisement is product's price. The price should be displayed in proportionate space position.

3. Contrast and Emphasis

Contrast means variety. It gives life to the whole composition and adds emphasis to selected important elements. An advertiser always looks to advertisements from completion point of view and desires the policy of the most important elements to attract the attention of the people.

An advertisement with good contrast may attract the attention of customers contrast maybe visible in a number of ways. It may be witnessed through sizes, shapes and colours. Different colours sizes and shapes of elements in an advertisement add contrast. The varying directions, of design elements (Vertical trees, horizontal pavements arched rainbows) add contrast. There must be sales communication purpose behind every layout decision made.

4. Eye Movement

Eye movement is the design principle which helps move the eyes of the readers from element to element in the order given in the hierarchy of effects model for effective communication of the message in advertising. An effective ad uses movement to lead its reading audience from initial message awareness through product knowledge and brand preference, to ultimate action (intent to purchase).

Direction and **sequence** are two terms for the same element and artists may perform it in many ways.

Mechanical eye direction may be created by devices such as pointing fingers lines arrows or even a bouncing ball that moves from unit to unit.

Planned eye movement should follow the established reading patterns too, such as the tendency to start to top left corner of a page and read through to the lower right corner. The eyes also moves naturally from large items to small from dark to light and from colours to not – colours.

5. Unity or Harmony

Unity or harmony is another important design principle. Although each element should be considered as a separate unit in striving for balance, proportion, contrast and eye movement the complete layout or design should appear as a unified composition. Common methods of securing unity in layouts are

(i) Use of consistent typographical design.

(ii) Repetition of the same shapes and motifs,

(iii) The overlapping of elements

(iv) Use of a boarder to hold elements together and

(v) Avoidance of too much space between various elements.

Although unity and contrast seem conflicting but, they function quite smoothly together if they operate at cross purposes, if the artists strive for balance here as well as in the layout overall.

Unity contributes orderliness to elements – a state of coherence, if they are properly placed. Contrasting size**,** shapes, colours and directions can flow together beautifully.

ELEMENTS OF A LAYOUT

An advertising copy is the means by which the advertiser's ideas are given expression to in a message to readers.

Regardless of its length and brevity copy refers to all the reading matters of an advertisement, including the headline, sub- headlines, text or body, and the name of the firm or the standard initials of the advertiser. As we have seen that advertising has so many immediate purposes but its ultimate goal is to stimulate sales.

As a reader turns the pages of a magazine or newspaper, he notices so many advertisements but a great variation in copy. Some copy may be so sticking that the reader takes immediate action and rush to the nearest dealer to purchase it while there may be some other copy or copies that he does not like or it does not click to his mind. The first copy conforms to the requisites of a good copy.

A copywriter must take pains in making up a sound advertisement copy containing its various components i.e. headlines, subhead lines, illustrations etc. The following are the main components of an advertisement copy

1. Background
2. Border
3. Caption
4. Coupon
5. Decoration
6. Heading
7. Illustration
8. Mascot
9. Name Plate
10. Price
11. Product

12. Slogan
13. Space
14. Sub-heading
15. Text
16. Trademark

1. Background

The background for the advertisements should be somewhat catchy and colorful. The arrangement of background differs from medium to medium and advertisement to advertisement. In short, background should be suitable for the contents of the advertisement.

2. Border

It is defined as the frame of the advertisement. Border is employed to impart the reading atmosphere. The border may be light or heavy, obvious, plain or fanciful. The border may also contain a logo.

3. Caption

It refers to the subtitle. But in most of the advertisement it is converted into heading or sub-heading.

4. Coupon

Coupon is that part of the advertisement which is intended for the convenience of the prospective customer in communicating with the advertiser. The coupon must contain the name and full postal address of the firm followed by the offer. The offer should be brief and clear. There should be space for name and address of the prospective customer. The usual shape of the coupon is triangular or rectangular.

5. Decoration

Advertisement decoration is the ornament of the advertisement. This is done to emphasis the advertisement message.

6. Heading

The heading or headline is defined as the title of the advertisement. The words in the heading should be short.

7. Illustration

Illustrations are the part of layout that pictures the basic theme of the advertisement. It has the power to capture the attention of the reader. The advertisements become richer by the use of illustrations.

8. Mascot

It is known as the trade character or trade figure. It is an illustration of either a real or

an imaginary figure or personality given in the advertisement.

9. Name Plate (Logo)

The name plate or name block is the signature of the advertiser. It represents the personality of the company and its product.

10. Price

It is another part of layout. The price of the product should be featured clearly. The price is usually taken in the concluding lines of the copy.

11. Product

It refers to the representation of the product offered for sale. A very popular practice is to show the product in use with illustrations.

12. Slogan

Slogan is a sales argument. The arrangement of slogan in the layout is determined by the importance of its relation to the advertising message.

13. Space

Space refers to the entire space left in the space hired by the advertiser. This depends on the design of the copy.

14. Subheading

It is a secondary heading. It is given to support the heading or to pick out the various selling points given in the text.

15. Text

Text or body of the advertisement refers to the general reading matter. It is the subject matter of the copy. It should be neither too wide nor too narrow.

16. Trade Mark

It is a word or design by which a product is defined. If the trademarks are registered it can be included in the layout.

17. Colour

Colour is another element of lay out and can be used with impact only if its dimensions are understood. Basic principles of lay out design are the same for both colour and black-and-white. The decision to use colour, and how much of it, can influence the development of copy and art and the production of finished print advertisement. The use of colour directly influences the cost of advertisement but offers significant advantages.

➢ Colour adds attention-capturing value to the advertisement.

➢ Colour can help in imparting emphasis to important elements in an advertisement..

- ➢ Colour can add as sense of realism or atmosphere.
- ➢ Colour imparts a feeling of quality and prestige to the advertisement.

INTRODUCTION TO TYPOGRAPHY

The term "Typography" comes from Greek words: "typos" (form) & "graphe" (writing)
Definition: Typography is the art and technique of arranging type in order to make language visible.

The 3 goals of typography:
- The 1st goal of typography is readability
- The 2nd goal of typography is to transfer information to the reader in an efficient manner.
- The 3rd goal is to use "type" to provide a sense of order and structure that makes logical and visual sense.

Typeface or Font
- ➢ **A Typeface** is a family of typographical symbols and characters. Helvetica, Bodoni, Futura, Verdana, Myriad, Arial etc. are Typefaces.
- ➢ **A Font**, on the other hand, is traditionally defined as a complete character set within a typeface, often of a particular size and style. Myriad Pro Semibold Italic 24 pts, Futura BdCn BT 18 pts etc. are Fonts Specimen of the Trajan typeface

Type Classification
There are a number of different ways to classify typefaces and type families. The most

common classifications are:

- ➢ **Serifs vs. Sans Serif**
- ➢ **Proportional vs. Monospaced**
- ➢ **Technical Styles**
- ➢ **Mood**

Serifs vs Sans SerifsSerifs are semi-structural details on the Sans Serifs lack such serif details on ends of some of the strokes that make up characters. Sans-serif typefaces are more letters and symbols. Modern in appearance than serifs "Sans‟ is a French word, which means "without" Serif typefaces guides the eyes from letter to Sans Serif types are usually used in letter and are therefore preferred for body magazine headlines and websites for it is copy in print documents. The readability of easier to read off the computer screen them serifs online has been debated are also used to attract attention within a Print Ad for instance. Popular serif typefaces: Garamond & Caslon Popular sans serif typefaces: Helvetica & Futura.

Proportional vs. Monospaced Proportional typefaces Monospace typefaces the space a character takes up is Each character takes up the same dependent on the natural width of that amount of space. Narrower characters An "i" takes up less space simply get a bit more spacing around than an "m", for example. Times New them to make up for the difference in Roman is a proportional typeface. Width Courier New is a monospace typeface

By Technical Styles (in chronological order) Black letter Black letter is the earliest printed type, and is based on hand-copied texts. It is traditionally associated with medieval German / Gothic and Old English. Dates back to around 1450 Old style Old style is typified by a gradual thick-to-thin stroke, gracefully bracketed serifs, and slanted stress, as indicated by the red line through the uppercase „O‟, and as measured through the thinnest parts of a letterform. Dates back to around 1475.

By Mood

Different typefaces have strikingly different moods.

Commonly used moods include:

      i) Formal vs. informal

      ii) Modern vs. classic/traditional &

      iii) Light vs. dramatic.

      iv) Times New Roman is a formal font, and is used for business correspondence.

v) Comic Sans, on the other hand, has a more informal mood and should be avoided for official correspondence

The Creative Process

Every print piece starts with the creative process. Writers, editors, graphic designers and artists are the initial step in the creation of magazines, newspapers, brochures, flyers, catalogues and other print pieces.


From a simple sketch
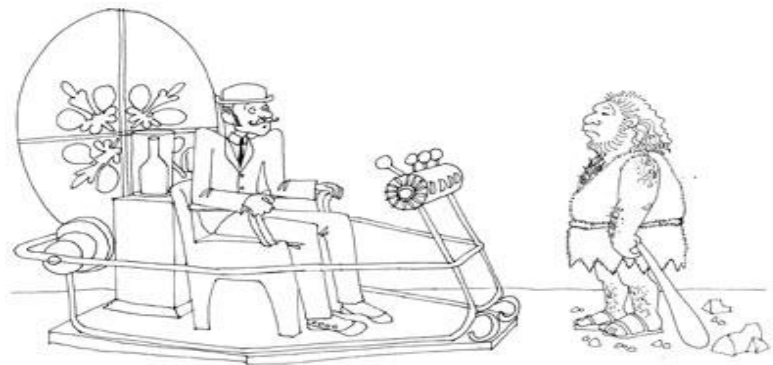
To a final colour drawing

When each article is written, edited and approved with final art, the pieces are sent electronically to the director of graphic design for page layout.

When each article is written, edited and approved with final art, the pieces are sent electronically to the director of graphic design for page layout. The director determines what page a story will appear on, where art will be in relation to words and, in some publications, where advertising will appear.

Lithography

- Lithography is a chemical process.
- Lithography depends on the principle that oil and water do not mix
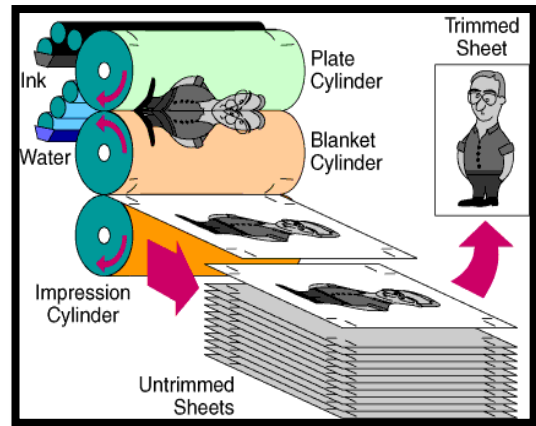
Images (words and art) are put on plates which are dampened first by water, then ink. The ink sticks to the image area, the water to the non-image area. Then the image is transferred to a rubber blanket and from the rubber blanket to paper.

Pre-Press Production

Before the job can be printed, the document must be converted to film and "plates." Images from the negatives are transferred to printing plates in much the same way as photographs are developed. A measured amount of light is allowed to pass through the film negatives to expose the printing plate. When the plates are exposed to light, a chemical reaction occurs that allows an ink-receptive coating to be activated.

Formatting the page by cutting negatives and placing them in place before the plate is made

A blueprint of the negative and plate layout, used to check image positions before printing.

There are different materials for plates, including paper (which produces a lower-quality product). The best plate material is aluminium, which is more costly.

Each of the primary colours -- black, cyan (blue), magenta (red), and yellow -- has a separate plate. Even though you see many, many colours in the finished product, only these four colours are used.

The Press Run

The printing process used to print our newspapers is called web offset lithography. The paper is fed through the press as one continuous stream pulled from rolls of paper. Each roll can weigh as much as 2,000 pounds (1 ton). The paper is cut to size after printing. Offset lithography can also be done with pre-cut paper in sheet fed presses.

Web presses print at very high speeds and use very large sheets of paper. Press speeds can reach up to 50,000 impressions per hour. An impression is equal to one full press sheet (38 inches x 22 and three quarters), which is 8 pages of the Express & Star.
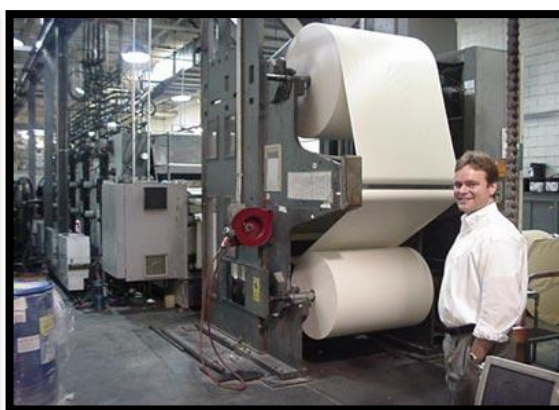
The press has to maintain a constant balance between the force required to move the paper forward and the amount of backpressure (resistance) that allows the paper to remain tight and flat while travelling through the equipment.

The Inking Process

Ink and water do not mix -- this is the underlying principle of offset lithography. The ink is distributed to the plates through a series of rollers. On the press, the plates are dampened, first by water rollers, and then ink rollers. The rollers distribute the ink from the ink fountain onto the plates.

The image area of the plate picks up ink from the ink rollers. The water rollers keep the ink off of the non-image areas of the plate. Each plate then transfers its image to a rubber blanket that in turn transfers the image to the paper. The plate itself does not actually touch the paper -- thus the term "offset" lithography. All of this occurs at an extremely high speed.

Colour control

Colour control is a process that involves the way in which the ink blends together, and is tied closely to the plate registration. The amount of ink that is released into the units depends on how much ink is needed to achieve a desired look. The ink is adjusted via the control panel that is part of the overall control console.

Bindery

The bindery is where the printed product is completed. The huge rolls of now-printed paper

are cut and put together so that the pages fall in the correct order. Pages are also bound together, by staples or glue, in this step of the process.

The "stitcher" gathers, assembles and staples the magazines (called books) before they are sent for final trimming.

ADVERTISING CAMPAIGN

An advertising campaign is a series of advertisement messages that share a single idea and theme which make up an integrated marketing communication (IMC). Advertising campaigns appear in different media across a specific time frame. The critical part of making an advertising campaign is determining a champion theme as it sets the tone for the individual advertisements and other forms of marketing communications that will be used. The campaign theme is the central message that will be communicated in the promotional activities. The campaign themes are usually developed with the intention of being used for a substantial period but many of them are short lived due to factors such as being ineffective or market conditions and/or competition in the marketplace and marketing mix.

- An advertising campaign is an organized series of advertising messages with identical or similar messages over a particular period of time.
- It is an orderly planned effort consisting of related but self contained & independent advertisements.
- Though the campaign is conveyed through different media, it has a single theme & unified approach.
- There is a psychological continuity due to a unified theme.
- The physical continuity is provided by similarity of visuals and orals.

What is campaign?

A campaign can be defined as a uni-focus, short term communication program, making use of

various mass media, aimed at a defined target audience. In an advertising campaign, strategy is considered the most important part of the campaign. The pre campaign decisions were taken and included in the strategy. Since the campaign are cost intensive, it is important to plan to precision to achieve the desired response.

ADVERTISING CAMPAIGN OF TYPES / BASIS

Geographical spread:

- ✓ Local market campaign
- ✓ Entire region campaign
- ✓ National campaign

Pioneering campaigns: Introduce New Products

Competitive campaigns: Emphasize competitive superiority to retain the present market and to expand it either by increasing the products consumption or by wearing the customers away from a competitive brand.

Classification in terms of media:

- ✓ Direct mail campaign
- ✓ Newspaper campaign
- ✓ TV campaign etc

On the basis of campaign's purpose:

- ✓ Direct action campaign: where a customer is expected to buy a product
- ✓ Indirect action campaign
- ✓ Product promoting campaigns
- ✓ Corporate image promoting campaigns

Campaign Type 1:

The word hook is a repeatable catch phrase from ad to ad. Great examples of advertising campaigns using the word hook include Verizon's "Can you hear me now?" created by Bozell/New York to convince the world that Verizon has the best network.

How effective was it? Consider that in July of 2003, a J.D. Power & Associates survey ranked Verizon at the top of the list for wireless quality, while Alltel was ranked number seven-even though they share the same network through a nationwide roaming agreement.

Campaign Type 2:

A character hook uses a hero, villain, or victim to embody a key attribute of a brand. Great heroic character hooks include Ronald McDonald, a hero of happiness created in 1963.

Ronald helped McDonald's to own family fast food. How effective was this character? Consider that 96% of school children in the United States can identify Ronald McDonald. Only Santa Claus is more commonly recognized.

Campaign Type 3:

A *repeatable theme* is a situation that plays out again and again calling out the need for a company's product. Example of a repeatable theme includes the York Peppermint ads created by Cliff Freeman. Consumers know the punch line that is coming. They love to see the set-up played out in different situations. It is satisfying to be in on the joke, before it comes. Repeatable themes make the target customer feel like they have the inside track. They know how to play along and thus feel connected to your brand.

Campaign Type 4:

A *consistent layout* uses a unique, design look and repeats these elements at each touch point. This allows customers to easily identify your company in a blink. The more distinct these elements are from your competitors, the easier it is to stand out from the clutter.

Great examples of consistent layout include the Continental ads, with the blue globe, yellow trim, and white all caps headline. NW Ayer put that design on everything from print ads to bag tags to cocktail napkins and helped Continental become the number one airline in the world, as well as the most profitable. Consistent layouts include Apple's iPod ads with dancer people on bright backgrounds. The iconic ads helped make the iPod the number one MP3 player in the world and helped Apple extend its brand from a computer company to a consumer electronics company.

ADVERTISING CAMPAIGN

Advertising campaigns are the groups of advertising messages which are similar in nature. They share same messages and themes placed in different types of medias at some fixed times. The time frames of advertising campaigns are fixed and specifically defined.

The very prime thing before making an ad campaign is to know-

Why you are advertising and what are you advertising?

Why refers to the objective of advertising campaign. The objective of an advertising campaign is to

- Inform people about your product
- Convince them to buy the product
- Make your product available to the customers

The **process of making an advertising campaign is as follows:**

1. **Research:** first step is to do a market research for the product to be advertised. One needs to find out the product demand, competitors, etc.
2. **Know the target audience:** one need to know who are going to buy the product and who should be targeted.
3. **Setting the budget:** the next step is to set the budget keeping in mind all the factors like media, presentations, paper works, etc which have a role in the process of advertising and the places where there is a need of funds.
4. **Deciding a proper theme:** the theme for the campaign has to be decided as in the colors to be used, the graphics should be similar or almost similar in all ads, the music and the voices to be used, the designing of the ads, the way the message will be delivered, the language to be used, jingles, etc.
5. **Selection of media:** the media or number of Medias selected should be the one which will reach the target customers.

6. **Media scheduling:** the scheduling has to be done accurately so that the ad will be visible or be read or be audible to the targeted customers at the right time.
7. **Executing the campaign:** finally the campaign has to be executed and then the feedback has to be noted.

Mostly used media tools are print media and electronic media. Print media includes newspaper, magazines, pamphlets, banners, and hoardings. Electronic media includes radio, television, e-mails, sending message on mobiles, and telephonic advertising. The only point to remember is getting a proper frequency for the ad campaign so that the ad is visible and grasping time for customers is good enough.

All campaigns do not have fix duration. Some campaigns are seasonal and some run all year round. All campaigns differ in timings. Some advertising campaigns are media based, some are area based, some are product based, and some are objective based. It is seen that generally advertising campaigns run successfully, but in case if the purpose is not solved in any case, then the theory is redone, required changes are made using the experience, and the remaining campaign is carried forward.

CAMPAIGN PLANNING

PARAMETERS OF CAMPAIGN PLANNING:
- ✓ Total advertising budget
- ✓ Media availability
- ✓ Consumer profile
- ✓ Product profile
- ✓ Campaign's duration & its timing
- ✓ Advertising & marketing objectives
- ✓ Distribution channels
- ✓ Marketing environment including pressure groups & competitors

POINTS TO BE CONSIDERED WHILE PLANNING AD CAMPAIGN
- Identify the problem
- Budget
- Pre testing
- Target audience
- Media selection

- The language
- Visual & the copy
- Timing & duration
- Post testing
- Effect on sales

Steps in campaign planning

    1. Analyzing the market

    2. Determining advertising objectives

    3. Establishing budgetary and control system

    4. Developing advertising strategy for:

        1. Selecting media

        2. Creating messages

    5. Coordinating advertising with other promotional and marketing methods

    6. Evaluating results

    The process of advertising campaign planning in detail

Step 1: Analyze the market

    (a) Determining the demand factors.

    (b) Identifying the target group.

    (c) Assess the competition

    (d) Legal and regulatory environment

Step 2: Determining advertising objectives

- **Defining the Marketing Objectives:** Decide what the marketing objectives is out to achieve in terms of:
    - Increase sales of brand x·
    - Increase market share· Generate 500 new enquiries each month· Increase distribution penetration·
    - Establish a network of distributors
- **Defining the communication objectives**: Decide what the communication objectives is out to achieve in terms of:·

    −Increasing brand awareness·

    −Positioning the service as the friendliest on the market· Repositioning Guinness from

an old man's drink to a young man's drink·

–Maintaining brand x as the preferred brand·

Step 3: Establishing the budgetary and control system

    (a) Advertising budget is a plan for financing certain future advertising operations.

    (b) Mostly a fund will be allocated to this purpose to marketing department

    (c) Within this fund they try to do media selection and other advertising expenses

    (d) An advertising budget must be flexible to change according to changing marketing conditions

STRATEGIC ADVERTISING DECISION

INTRODUCTION

Strategy, tactics, and campaign are words drawn from military dictionary. All of these are essential for conducting warfare. Brand management in highly competitive world is also like warfare. The right strategies and tactics are needed to have desire effect on the consumer. As per Leo Bogart in his book 'Strategy in Advertising', 'Strategy is the art of deploying available resources to attain objectives in the face of active opposition' in his book he state that 'in a competitive economy, the success of a company often hinges on its ability to master the strategy of advertising. According to David Farbey 'Companies' do not spend hard-earn money on advertising unless they have to and if they spend it, it must work,. He argues that advertising is put to use to achieve certain commercial objectives.

An advertising plan aims at providing a flow for the execution of creative media and execution strategies. An advertisement strategy, hence, can be described as the communication that convey brand's primary benefits, that is, how it can solve a consumer need.

Setting Advertising Objectives

The advertising objectives are determines on the following basis:

1. *Message About Product* – Details about the product play a prominent role in advertising for new and existing products. In fact, a very large percentage of product-

2. Oriented advertising includes some mention of features and benefits offered by the marketer's product. Advertising can be used to inform customers of changes that take place in existing products. For instance, if a beverage company has purchased the brands of another company resulting in a brand name change, an advertising message may stress "New Name but Same Great Taste".

3. *Message About Price* – Companies that regularly engage in price adjustments, such as running short term sales (i.e., price markdown), can use advertising to let the market know of price reductions. Alternatively, advertising can be used to encourage customers to purchase now before a scheduled price increase takes place.

4. *Message About Other Promotions* – Advertising often works hand-in-hand with other

promotional mix items. For instance, special sales promotions, such as contests, may be announced within an advertisement. Also, advertising can help salespeople gain access to new accounts if the advertising precedes the salesperson's attempt to gain an appointment with a prospective buyer. This may be especially effective for a company entering a new market where advertising may help reduce the uncertainty a buyer has about a new company.

5. *Message About Distribution* – Within distribution channels, advertising can help expand channel options for a marketer by making distributors aware of the marketer's offerings. Also, advertising can be used to let customers know locations where a product can be purchased.

Strategic Planning Process

All marketing communication must be consistent with, and in support of, the overall marketing plan. Before a manager even begins to think about specific communication issues, it is important to review the marketing plan. Once this review is completed, it is then helpful to outline briefly 'what we know' about the market and the specific marketing objectives and goals for the brand. This sort of information often has a significant bearing upon what it is that you will want to communicate to your target audience, and it provides important background information for those charged with creating massage.

Five Steps Strategic Planning Process

Step 1: Select the Target Audience

The first task in strategic planning is to decide upon the target audience. Whom we select must be consistent with the brand's marketing objectives. If part of the marketing strategy is to build the category, this means looking for new users. If the marketing strategy is to increase usage, this means focusing upon existing users. For strategic planning process we will consider three questions that should be addressed in the planning process.

Where Sales or Usage to Come from?

Here, we must decide if our primary emphasis should be users or non-users of our brand. While we obviously want a broadly based business, realistically it is either a trial or a repeat purchase target audience objective that will best satisfy a brand's marketing objectives. Communication strategy will differ significantly, depending upon which of these target audience action objectives is used.

What do we know about the Target Audience?

Once the appropriate users groups have been determined, the manager must build a

profile of them. Too often this profile includes only demographic characteristics for example female 25-45 with children and psychographic or lifestyle descriptions like 'outgoing with an interest in cultural activities' are not enough. For marketing communication to be effective it is important also to know those target audience attitudinal and behavioural patterns that are relevant to a brand's marketing communication and media strategies. This means knowing what the proposed target audience's category behaviour is now, or is likely to be in response to our campaign, and how their underlying brand attitudes and motivation affect choices.

Where does the Trade fit in?

We must never lose sight of the fact that the trade is almost always a part of our target audience. It is easy to fall in to the trap of thinking only about consumers when considering a target audience. But our strategic planning requires a total look at the marketing communication task, and when advertising and promotion to the trade are used they must be integrated with advertising and promotion to the consumer.

Step 2: Understand Target Audience Decision Making

Once the target audience has been selected, next step is to gain an understanding of how that target audience goes about making purchase decision in the category. This is important, because if you are to affect the purchase decision positively and increase the likelihood of your brand being selected, you must understand what is involved in the making of that decision.

Step 3: Determine the Best Positioning

The third step in the strategic planning process is to determine how best to position your brand, While the basic brand positioning will no doubt already be established (except the new products), the strategic planning process must address the particular communication positioning that will be adopted for your brand. We must decide whether we want to link the brand in the target audience's mind to the category need in which it already sees it competing, or reposition the brand by linking it to another category need where the brand will have a stronger competitive advantage.

Step 4: Develop Communication Strategy

In developing a communication strategy we must first establish our communication objectives by selecting the desired communication effects. This is taking the first step in addressing what we want our marketing communication to say about our brand in order to motivate the target audience to take whatever action is required.

➢ Communication Effects

➢ Communication objectives are quite simply the communication effects for which we are looking.

The four communication effects are:

Category Need

(i) It does not make much sense to try and sell a brand if there is no perceived need for the product. Most of the time this is not an issue, but for innovative new products, for example, until there is awareness of the new product as such, it is almost impossible to create interest in a brand of that new product.

(ii) Before there were television or CD players, there was really no 'need' in the market for such products. But, when they were developed, it was necessary to establish the 'need' by introducing the product category itself to the public. Once people understand what this new product category is all about, it is possible to talk about brands.

(iii) Category need may also be a communication objective where demand is category seems to be slackening. This can happen for example, when something goes out of fashion for a period of time. If this occur, it may be necessary to remind people of a latent category need. This is a particularly appropriate strategy for market share leaders, who should reap the benefit of any renewed interest in a category.

Brand Awareness

Brand awareness is always a communication objective, regardless of what type of marketing communication you may be using in your campaign. While this is an obvious point for advertising, it is also true for everything from promotion to packaging. Without this essential link between the message and the brand, there is no chance for effective marketing communication.

Brand Attitude

Like brand awareness, brand attitude also a communication objective for every type of marketing communication used in a campaign. Brand attitude strategy is at the heart of developing a communication strategy and all other forms of marketing communication.

Brand Purchase intention

Too often managers feel that most important, perhaps the only objective for marketing communication is to generate sales or usage of their product or service. While this is almost always a marketing objective, it is not often a primary communication objective. Of course we want our marketing communication to help contribute to an intention to buy or use the brand, but this is rarely the primary objective. Without brand awareness and brand attitude

there can be no brand purchase intention.

Step 5: Set a Media Strategy

In this step the manager must select the best communication options to deliver the creative message. This is the first step in considering media selection, and one of the most important things the manager will need to think about at this point is the different relative strengths of advertising and promotion in satisfying the communication objectives

Basically both advertising and promotion should have a significant effect upon brand awareness, the primary strength of advertising is brand attitude, while the primary strength of promotion is brand purchase intention, and neither advertising nor promotion can have much of a direct effect upon category need.

Advertising Budget Strategy

The size of the advertising budget can have an impact upon the composition of the advertising mix. In general, a limited promotion budget may impel the management to use types of promotion that would not be employed otherwise, even though they are less effective than the others.

Industrial firms generally invest a larger proportion of their budgets in personal selling than in advertising, while the reverse is true of most producers of consumer goods. Organizations with small budgets may be forced to use types of advertising that are less effective than others.

Some marketers find it necessary to restrict their efforts primarily to personal selling and publicity. There are organizations with small promotion budget which take the opposite course of action. They concentrate on advertising and sales promotion, and neglect other methods. Some marketers advertise in expensive ways (through classified advertisement in newspapers and magazines) and spend virtually nothing on personal selling.

There is universal difficulty of relating advertising expenditures to sales and profit results. Determining the results of advertising and consequently the amount of money to be allocated in advertising budget are complicated by several major difficulties as follows:

  (i)   The effects of external variables such as population, or income, changes on economics conditions and competitive behaviour;

  (ii)   Variations in the quality of advertising;

  (iii) Uncertainly as to the time-lag effect of advertising; and

  (iv)   The effect of the firm's other marketing activities, such as product Improvement and stepped-up personal selling.

The above complexities make the companies resort to more than one method of determining the size of their advertising budget.

Advertising Budget involves the allocation of a portion of the total marketing resources to the advertising function in a firm. The size of the budget allocation should be based on the potential contribution that advertising can make. Advertising budgeting should be based on a careful analysis of the opportunity for using advertising.

Marginal Analysis Approach

The marginal analysis approach to the allocation of resources provides a useful framework. How much should a firm spend on advertising? A firm may choose to spend promotion funds up to the point where marginal cost equals marginal revenue. Such analysis may be used for advertising budget decision.

The allocation procedure is to increase advertising expenditure until each rupee of advertising expense is matched by an additional rupee of profit. This marginal analysis results in the maximization of the productivity. The difficulty arises in the identification of this optimal point. The following table illustrates this point.

Marginal Analysis for Advertising Budgeting (` in thousands)

Alternative Advertising Expenditure	Marginal Advertising Costs	Net Revenue	Marginal Revenue	Total Profit	Marginal Profit
30	-	20	-	-10	-1
35	5	24	+ 4	-11	-1
40	5	30	+6	-10	+1
45	5	40	+10	-5	+5
50	5	55	+15	+5	+10
55	5	77	+22	+22	+17
60	5	88	+11	+28	+6
65	5	95	+7	+30	+2
70	5	98	+3	28	-2
75	5	99	+1	24	-4
80	5	99	0	+19	-5
85	5	97	-2	+12	-7
90	5	95	-2	+5	-7
95	5	90	-5	-5	-10
100	5	83	-7	-12	-7

This analysis assumed that the management desires to maximize the profit contribution from advertising. It is not feasible to spend on advertising in increments of less than `5,000. The net revenue refers to sales minus all the non-advertising costs which are based on a pre-determined non-advertising marketing mix. At lower levels of advertising (less

than ` 5,000), the company cannot generate sufficient sales to cover all the costs. So, ` 5,000 represent the absolute minimum advertising budget for the company to make any profit at all.

According to the Marginal analysis management must select performance objectives for advertising expenditures. Marginal analysis relies on sales and profitability, which are important to assess the potential contribution of advertising expenditures. For advertising decisions for a new product introduction, the management may determine a minimum budget level and then asses the different levels above this.

Implementing the marginal analysis is a difficult task. Advertising is not the only factor affecting product performance. It is also difficult to predict the time pattern of the contribution, for it cannot be assumed that advertising will have an immediate impact. All these factors make it difficult for us to assess precisely the net sales marginal revenues, or other performance contribution estimates.

To cope with the realities of advertising budgeting, a variety of procedures have been adopted, which vary considerably when compared with the marginal analysis framework.

Advertising Budget Allocation by "Rule of Thumb"

Under this approach, the decisions on the amount to be spent are made by advertising managers in co-operation with advertising agency. Many companies resort to more than one method of determining the size of their advertising budgets. Some methods which are in common use are as follows:-

1. Profit Maximization

The best method for determining advertising expenditure is to identify a relationship between the amount spent on advertising and profits, and to spend that amount of money which maximizes the net profits. Since the effects of advertising may be reflected in future sales too, the advertiser maximizes the present value of all future profits at an appropriate rate. Therefore, a very few advertisers are able to implement the profit-maximizing approach to determine their advertising expenditure.

2. Advertising as a Percentage of Sales

Advertising Allocation = % ´ ` Sales

A pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. But the question is - What is the relationship between advertising expenditure and sales revenue? Though it looks simple, it is not an effective way of achieving the objectives. Arbitrary percentage allocation fails to provide for the flexibility.

This method ignores the real nature of the advertising job. It is not necessarily geared to the needs of the total marketing programme. But this method is widely used. Its wide use

reflects the prevailing uncertainty about the measurement of advertising effectiveness. It is an easy way of minimizing the difficulties of annual budgeting negotiations. It is also safe method as long as competitors use a similar method. The fixed sum per unit approach differs from the percentage of sales approach in only one respect that it applies a pre-determined allocation to each sales or production unit.

3. The Objective and Task Approach

The most desirable method is the objective and task approach. It is goal-oriented. The firm agrees on a set of marketing objectives after intensive market research. The costs of advertising are then calculated. When the resulting amount is within the firm's financial means, it is the advertising budget. It involves the following two steps:

(a) First, the organization must define the goals the promotional mix is to accomplish. For example, a 5 per cent increase in market share, or a 10 per cent rise in gross sales, or a 3 per cent addition to net profit, or more likely, a combination of several items.

(b) Second, it must determine the amount and the type of promotional activity required to accomplish the objectives set. The sum of these becomes the firm's promotion budget.

A crucial assumption underlies the objective and task approach is that the productivity of each advertising rupee is measurable. The task approach starts by asking what the objectives of the advertising campaign are. The "advertisability" of the product is more sharply defined. This approach requires that assumptions about media, copy, and all the other parts of a campaign be co-coordinated to achieve a specific set of objectives. The task approach has special merit in the introduction of a new product.

The main problem with this approach is that it is not easy to determine the cost of fulfilling an objective or to decide whether an objective is worth fulfilling. The task method forces advertising managers to engage in advance planning.

4. Competitive Parity Approach

This approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry. Meeting competition's budget does not necessarily relate to the objective of promotion and is inappropriate for most marketing programmes.

It is a defensive approach. It assumes that the promotion needs of the organization are

the same as those of its rival and makes it easy for analyzing the realities of its own competitive situation and to ignore the possibility of other strategies. But the needs will never be the same. It also assumes that budgets arrived at by competitors are correct, but they may have arrived at in a haphazard manner. Besides, their marketing strategies may also be different from our organization. Therefore, this method may be recommended only as a supplement to others.

However, the imitate-competitors strategy is most applicable in industries where competition is in order to prosper and even to survive. In a way, is better than the per cent of sales method as it recognizes that the competition as a key element in marketing and promotes stable relationships.

Competitive parity budgets can be determined in several ways; but all are based on spending approximately the same amount or percentage of sales as one's competitors. Some of the ways include:

(a) Spend the same rupee amount on advertising as a major competitor does.

(b) Spend the same percentage of sales on advertising as a major competitor does.

(c) Spend the same percentage of sales on advertising as the average for the entire industry.

(d) Use one of these "rules of thumb" in a particular market.

All these have one common characteristic, that is, the actions of competitors determine the company's advertising budget. But under this situation, a company faces several risks. Sufficient information may not be readily available to estimate the competitor's advertising budget. Such information is derived from secondary sources for some products than others. When only partial information can be obtained, such as expenditure on media, competitive parity may be misleading. It implies that all firms in an industry have the same opportunities but not so in practice. For example, a company introduces a new product to compete with a competitor's already established brand; the opportunity for advertising for these two brands would be entirely different.

5. All the Organization can Afford Approach

It involves the income statement and the balance sheet. It asks how much is available to the firm. This question is partially answered by anticipated sales and margins. The decisions based wholly on them ignore the requirements of the advertising. The basic weakness is that it does not solve the problem of "how much should we spend" by asking: "What can we profitably spend?" In some instance, companies adopt pricing policies or

others strategies intended to yield more advertising rupees. Some may spend whatever rupees are available for promotion, the only limit being the firm's need for liquidity.

This approach does ensure that advertising expenditures are assessed in the light of the profit objectives. It does put advertising in perspective with other corporate functions as contributors to the achievements of objectives.

6. By Using Judgment

This method relays upon the judgment of experienced managers. Over the years, some of these individuals develop a feel for the market that permits them to arrive at appropriate decisions, given the organization's objectives and limitations. It is a vital input for the determination of the budget. When the management uses other methods, it should temper them with the judgmental evaluations made by experienced managers. Judgment is subject to error and bias. Other methods should supplement this technique.

To conclude, promotion may be viewed as a long-run process. Joel Dean has indicate that advertising should be seen as a business investment, in the same sense as opening a new plant or spending additional funds on improved package design.

Summary

Strategy, tactics, and campaign are words drawn from military dictionary. All of these are essential for conducting warfare. Brand management in highly competitive world is also like warfare. The right strategies and tactics are needed to have desire effect on the consumer. Strategy is the art of deploying available resources to attain objectives in the face of active opposition.

An advertising plan aims at providing a flow for the execution of creative media and execution strategies. An advertisement strategy, hence, can be described as the communication that convey brand's primary benefits, that is, how it can solve a consumer need.

STRATEGIC MEDIA PLANNING

Selecting Media Outlets

With an objective and a budget in place, the advertising campaign will next need to focus on developing the message. However, before effort is placed in developing a message the marketer must first determine which media outlets will be used to deliver their message since the choice of media outlets guides the type of message that can be created and how frequently the message will be delivered.

An advertising message can be delivered via a large number of media outlets. These range from traditional outlets, such as print publications, radio and television, to newly emerging outlets, such as the Internet and mobile devices. However, each media outlet possesses different characteristics and, thus, offers marketers different advantages and disadvantages.

The characteristics by which different media outlets can be assessed include the following seven factors:

1. Creative Options
2. Creative Cost
3. Media Market Reach
4. Message Placement Cost
5. Length of Exposure
6. Advertising Clutter
7. Response Tracking

Creative Options

An advertisement has the potential to appeal to four senses – sight, sound, smell and touch. (It should be noted that promotion can also appeal to the sense of taste but generally these efforts generally fall under the category of sales promotion which we will discuss in a later tutorial.) However, not all advertising media have the ability to deliver multi-sensory messages. Traditional radio, for example, is limited to delivering audio messages while roadside billboards offer only visual appeal. Additionally, some media may place limits on when particular options can be used. For instance, some search engines or websites may only

accept graphical-style ads, such as images, if these conform to certain large dimensions and limit small advertising to text-only ads.

Creative Cost

The media type chosen to deliver a marketer's message also impacts the cost of creating the message. For media outlets that deliver a multi-sensory experience (e.g., television and Internet for sight and sound; print publications for sight, touch and smell) creative cost can be significantly higher than for media targeting a single sensory experience. But creative costs are also affected by the expectation of quality for the media that delivers the message. In fact, media outlets may set minimal production standards for advertisements and reject ads that do not meet these standards. Television networks, for example, may set high production quality levels for advertisements they deliver. Achieving these standards requires expensive equipment and high cost labor, which may not be feasible for small businesses. Conversely, creating a simple text only Internet advertisement requires very little cost that almost anyone is capable of creating.

Media Market Reach

The number of customers exposed to a single promotional effort within a target market is considered the reach of a promotion. Some forms of advertising, such as television advertising, offer an extensive reach, while a single roadside billboard on a lightly traveled road offers very limited reach.

Market reach can be measured along two dimensions: 1) channels served and, 2) geographic scope of a media outlet.

➢ *Channels Served* **-** This dimension relates to whether a media outlet is effective in reaching the members within the marketer's channel of distribution. Channels can be classified as:

- *Consumer Channel* – Does the media outlet reach the final consumer market targeted by the marketer?

- *Trade Channel* – Does the media outlet reach a marketer's channel partners who help distribute their product?

- *Business-to-Business* – Does the media outlet reach customers in the business market targeted by the marketer?

➢ *Geographic Scope* – This dimension defines the geographic breadth of the channels served and includes:

- *International* – Does the media outlet have multi-country distribution?

- *National –* Does the media outlet cover an entire country?
- *Regional –* Does the media outlet have distribution across multiple geographic regions such as counties, states, provinces, territories, etc.?
- *Local –* Does the media outlet primarily serve a limited geographic area?
- *Individual –* Does the media outlet offer individual customer targeted?

Message Placement Cost

Creative development is one of two major spending considerations for advertising. The other cost is for media placement; the purchase of ad time, space or location with media outlets that deliver the message. Advertising placement costs vary widely from very small amounts for certain online advertisements to exorbitant fees for advertising on major television programs.

Media outlets set placement cost using several factors though the most important are determined by audience size, audience type and an advertisement's production characteristics:

➢ **Audience Size** – Refers to the number of people who experience the media outlet during a particular time period.

For example, for television outlets audience size is measured in terms of number of program viewers, for print publications audience is measured by number of readers, and for websites audience is measured by number of visitors. In general, the more people experiencing a media outlet, the more the outlet can charge for ads. However, actual measurement of the popularity of media outlets is complicated by many factors to the point where the media outlets are rarely trusted to give accurate figures reflecting their audience. Today nearly all media outlets rely on third-party audit organizations to measure audiences and most marketers rely on these auditors to determine whether the cost of placement is justified given the audited audience size.

➢ **Audience Type** – As we have discussed many times in the Principles of Marketing tutorial, the key to marketing is aligning marketing decisions to satisfy the needs of a target market. A well-defined target market is critical to successful marketing and vital to a successful advertising campaign. When choosing a media outlet, selection is evaluated based on the outlet's customer profile (i.e., viewers, readers, website visitors) and whether these match the characteristics sought by the marketer's desired target market. The more selectively targeted the audience, the more valuable this

audience is to advertisers since with targeted advertising promotional funds are being spent on those with the highest potential to respond to the advertiser's message. The result is that media outlets, whose audience shares very similar characteristics (e.g., age, education level, political views, etc.), are in a position to charge higher advertising rates than media outlets that do not appeal to such a targeted group.

➢ **Characteristics of the Advertisement** – Media outlet also charge different rates based on creative characteristics of the message. Characteristics that create ad rate differences include:

- Run Time (e.g., length of television or radio ads)
- Size (e.g., print ads size, billboard size)
- Print Style (e.g., black-and-white vs. color)
- Location in Media (e.g., back magazine cover vs. inside pages)

Length of Exposure

Some products require customers be exposed to just a little bit of information in order to build customer interest. For example, the features and benefits of a new snack food can be explained in a short period of time using television or radio commercials. However, complicated products need to present more information for customers to fully understand the product. Consequently, advertisers of these products well seek media formats that allot more time to deliver the message.

Media outlets vary in how much exposure they offer to their audience. Magazines and other publications provide opportunities for longer exposure times since these media types can be retained by the audience (i.e., keep old magazines) while exposure on television and radio are generally limited to the time the ad was broadcast.

Advertising Clutter

In order to increase revenue, media outlets often include a large number of ads within a certain time, space or location. For instance, television programs may contain many ads inserted during the scheduled run-time of a program. A large number of advertisements create an environment of advertising clutter, which makes it difficult for viewers to recognize and remember particular advertisements.

To break through the clutter advertisers may be required to increase the frequency of their advertising efforts (i.e., run more ads). Yet greater advertising frequency increases

advertising expense. Alternatively, advertisers may seek opportunities that offer less clutter where an ad has a better chance of standing out from others. This can be seen with online downloads (e.g., podcasts) of sports and news programming where a 5-10 minute story will be presented with a single 30-60 second ad.

Response Tracking

As we noted in Part 13: Advertising, marketers are embracing new technologies that make it easier to track audience response to advertisements. Newer media developed using Internet technology offer effective methods for tracking audience response compared to traditional media. But Internet-media are not alone in providing response tracking. Other advertising outlets, such as advertising by mail and television infomercial programming, also provide useful measures of audience reaction.

Creating a Message

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

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

➢ General Message Factors

➢ Message Structure

➢ Message Testing

General Message Factors

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

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

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

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

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

Message Structure

Most advertising messages share common components within the message including:

1) *The Appeal* – This refers to the underlying idea that captures the attention of a message receiver. Appeals can fall into such categories as emotional, fearful, humorous, and sexual.

2) *Value Proposition* – The advertising message often contains a reason for customers to be interested in the product which often means the ad will emphasize the benefits obtained from using the product.

3) *Slogan* – To help position the product in customer's mind and distinguish it from competitors' offerings, advertisements will contain a word or phrase that is repeated across several different messages and different media outlets.

Message Testing

Before choosing a specific message marketers running large advertising campaigns will want to have confidence in their message by having potential members of the targeted audience provide feedback. The most popular method of testing advertising for the marketer (or their ad agency) is to conduct focus groups where several advertising messages are presented. On the Internet, advertising delivery technology allows for testing of ads by randomly exposing website visitors to different ads and then measuring their response.

Evaluating Campaign Results

The final step in an advertising campaign is to measure the results of carrying out the campaign. In most cases the results measured relate directly to the objectives the marketer is seeking to achieve with the campaign. Consequently, whether a campaign is judged successful is not always tied to whether product sales have increased since the beginning of the campaign. In some cases, such as when the objective is to build awareness, a successful campaign may be measured in terms of how many people are now aware of the product.

In order to evaluate an advertising campaign it is necessary for two measures to take place. First, there must be a pre-campaign or pre-test measure that evaluates conditions prior

to campaign implementation. For instance, prior to an advertising campaign for Product X a random survey may be undertaken of customers within a target market to see what percentage are aware of Product X. Once the campaign has run, a second, post-campaign or post-test measure is undertaken to see if there is an increase in awareness. Such pre and post testing can be done no matter what the objective including measuring the campaign's impact on total product sales

Summary

An advertising message can be delivered via a large number of media outlets. These range from traditional outlets, such as print publications, radio and television, to newly merging outlets, such as the Internet and mobile devices. However, each media outlet possesses different characteristics and, thus, offers marketers different advantages and disadvantages.

CREATIVITY IN ADVERTISING

INTRODUCTION

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

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

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

The advertising copy writer writes with a purpose to achieve client's objectives to express features or attributes of particular products and services, presented in terms of consumer benefits and in the language most appropriate to defined target audience. Thus advertising messages should present merchandise in ways that interest people in buying. Print ads and broadcast commercials portray products as problem solvers or methods whereby wants and needs may be fulfilled.

When creating, copy writer builds messages according to specific plans, to fulfill specific objectives; therefore he should follow a disciplined way in creating them. In the

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

Activities Comprising Creative Design Task Process

Although there is no one set form for designing the process there are various variables that are typically parts of the creative design process. These activities are:

(1) Advertising Objectives

The main objective of advertising is to aid the selling process through communication with existing and prospective customers. Most advertisements inform and persuade. Some are designed to establish attitudes and buying behaviors of the patterns. Still others strive to reinforce or to change existing shopping habits brand images and usage patterns. The advertisement copy must achieve the advertising communication objectives. Now, it is the responsibility of the creative specialists to translate the information available to them into an advertisement or a basic theme for an advertising campaign that will achieve the advertiser's objective.

(2) Information to creative People

The second task of the creative people, after getting the advertising objectives, is to product for collecting various information relating to the product and the marketing mix. Creative design people prepare for the design task by examining the information on the product which is to be offered in the advertising. This makes for the integration of advertising messages with the other components of the marketing mix. Such types of information may be gathered in meetings between the creative personnel and the marketing managers for the product.

(3) Target Audience

The next step in the creative process is to make the copywriter available description of the demographic and psychographic make-up of the specific target audience for whom the ad is being created vis-à-vis the product. Quantitative data such as age, sex, marital status, occupation, income, education, place of residence, must be supplemented by information on consumer attitudes (related to advertised product, and its competitors as well as to the types of creative claims being considered for the message)on relevant media, shopping and buying habits and on product usages. Thus any information that describes target audience is useful.

(4) Copy and Layout Design

The next task before the creative personnel is to turn to the creative task which is the design of the copy and layout. Creative personnel, including, artists, art directors, and copy writers, must design an approach to the communication of the messages that carry pre-determined advertising objectives. Part of the process involves writing copy, the verbal text of the advertisement. The copy then must be integrated with illustrations into an overall design for the advertisement's layout. The design of the copy and the layout is an art that requires special skills.

(5) Credibility or Back-up Claim

Whatever message is designed, it must be a cluster of truth. Truth is essential in advertising. The truth is not truth until people believe in it. They cannot believe in it if they do not know what we are saying if they do not listen to us; they cannot listen to us unless we are interesting and finally we can be interesting if we say facts in a fresh, original and imaginative way. In order to establish credibility for our promises, we need to support it with facts and with satisfactions. So, truth is essential in advertising and must be supported with facts.

(6) Copy Layout Tests

The role of creativity in advertising is very important and should not be underestimated. An important aid to the creative design task is the use of copy layout tests to assess and compare alternatives. After the copy layout is released, samples can be drawn from target audiences to test its effectiveness in specific conditions. Then respondents are asked to give their opinion on the various aspects of the ad including how well it can be seen or read or heard under specific conditions, how quickly and easily the message can be understood, how interesting an ad is, how believable it is or how it will influence audience behavior.

(7) Allocation to Creative Task

The next important task to creativity is the allocation of funds towards this task. Since there is little in the way of modeling effort to help in this decision, the allocation task is usually done judgmentally.

(8) Creative Strategy and Tactics

Finally every copy strategy must describe the mood and tone of all the forthcoming ad or commercial; cheerful, dramatic, business like and whatever. All types of written materials, such as art work, layout and script must be used as components of printed or broadcast advertisements.

Thus, creativity in advertising is the most important part of the advertising programme. It is an art and should be provided sufficient funds in order to achieve the

business and marketing objectives.

Criteria for Effective Copy

The importance of a good advertisement copy can hardly be overemphasized. All the planning, research and expense would go waste if proper care is not taken in drafting an advertisement copy that will achieve the purpose of advertising.

The psychological aims of an advertisement are that the public must be made to (i) look, (ii) like, (iii) learn and (iv) buy. In other words a scientifically drafted copy should (a) attract primary initial attention, (b) hold attention in an interesting way, awaken and stimulate interest, (c) bring about an association of impression which will have permanence or memory value, (d) convince persuade, and induce to purchase the product, and (e) suggest and lead to specific response to encourage the decision to buy.

The person who drafts and prepares the copy, must be thoroughly acquainted with the mental process and be imaginative enough to think of words and patterns which may produce a desired effect on prospects i.e., it must creates an urge in the minds of prospects to go for the product advertised.

A good copy of advertisement should possess the following characteristics or qualities value-

   (1) Attention Value,

   (2) Suggestive Value,

   (3) Memorizing Value,

   (4) Conviction Value,

   (5) Sentimental Appeal Value

   (6) Educational Value,

   (7) Instinctive Value

Attention Value

An advertisement copy must attract the attention of potential consumers. If it fails in this mission, the whole money and efforts will go waste though it possess all other values because everything else follows this. So, it must have display value.

The copy should be planned, drafted and displayed in such a way that it must compel even the most casual or involuntary reader to notice it and read it \with interest. It should be designed in such a fashion that the attention of busiest person may be drawn immediately. Various devices can be used to make the copy attractive such as; use of pictures, use of display type or heading, boarder etc.

Suggestive Value

The next task would be to offer a suggestion about the use and the utility of the product that may remain inscribed on the mind of the reader even when he forget where he really saw the advertisement. Slogans, Pictures, phrases and suggesting may be used for this purpose. They should be drafted and used as to drive home to the reader the utility of the product in everyday situation.

Memorizing Value

The copy of the advertisement should be so drafted and laid out that the product will stick to the mind of the individual reader. Repetition of advertisement with slogan is an effective method of creating a memorizing value. Pictures and photographs confirming to the suggestions will have tremendous memorizing value.

Conviction Value

An advertisement copy can prove effective and achieve the desired end when the suggestions contained in it are backed by convincing arguments. The advertiser must be careful to include the statement in the advertisement copy which does not conform to the product.

Sentimental Value

Sentiment plays a very important role in advertising particularly in the case of food articles. Sentiment reflects the personal feelings and attitudes of an individual towards various things. They indicate reactions of a person in favour or against a particular product. The advertiser or manufacturer should make a sincere attempt to make an appeal to the sentiments of as many prospects as possible.

Educational Value

A good copy of advertisement must possess educational value because the object of modern advertising is not merely to satisfy existing demand but to create future demand. So a good copy of advertisement should educate the general public about the uses of the new product or the new uses of the same product. It will certainly increase the demand of the product and demand creation is one of the most important objectives of the advertisement.

Instinctive Appeal Value

Human thoughts and actions are guided by instincts and inclination. All that one thinks or does has its roots in one instinct or other. Instincts are the underlying forces which compel the men to act in certain ways.

The most important function of an advertisement copy is induce, persuade and

motivate the prospect to think' well of a product and to take to its use. Advertising essentially, is the motivation of potential consumer and for this purpose; the advertiser should attempt to make an appeal to some basic instincts to get success in motivating the prospects. Generally speaking, the following are the basic instincts which an advertiser should keep in his mind-

a) *Self Preservation Instinct* – Many of our thoughts and actions are inspired by our anxiety to preserves our person our health, our family and our belongings. The sale of products like medicines, clothes etc., may be promoted by appeal to this anxiety.

b) *Hoarding Instinct* – Banking institutions, insurance companies or other government and non- government saving organizations serve to hoarding instinct of the people. Slogans like 'Up and Up go your Savings' may be used for this purpose.

c) *Parental Instinct* – Parental instinct takes the form of love and affection for the children. Those advertisers who deal in children requirements like garments, toys baby food may promote this instinct in parents i.e., motherly feelings of women or parental sentiments of men through their advertisement copy.

d) *Self Display Instinct* – Instinct of self display is promoted by the advertisers of readymade clothing, women's dresses. Jewellery etc. An advertisement copy drafted for these products must be directed towards the aesthetic sense of the people by showing happy and likeable people in dresses and jewellery that are being advertised.

e) *Something for Nothing Instinct* – Everybody has a vague desire to get something without paying anything for it. This desire is, more or less, present in everybody irrespective of the status or income. An advertisement copy that contains an offer of a prize of a gift is likely to tempt quite a many of the customers. This instinct in widely used by lottery ticket sellers by offering one free ticket with the purchase of 10 tickets or by drycleaners by the offering 'three for two' bargain.

On the basis of the above basic instincts, the following themes or central ideas may be laid down for advertisement copies meant for advertising different types of product-

(i) *Pride* – This theme can be used to popularize luxury articles among riches, the possession of which gives them a distinctive status and a feeling of pride.

(ii) *Beauty* – This theme is used in advertisements for cosmetics, perfumeries, toilet soaps etc., for men and women.

(iii) *Health* - In drugs and food products advertisement this theme is used.

(iv) *Economy* – It is central theme in advertisement of clearance sales or bargain

purchases.

(v) *Comfort –* The advertisements for fans, electric appliance refrigerators etc. generally contain this feeling of comforts.

(vii) *Fear –* Themes stressing the fear of death, accident personal loss through burglary frenetic and other untoward happenings in life are generally used by insurance companies or banking companies. The traffic police uses this theme in their notes of caution i.e., life is short don't make is shorter'

(viii) *Parental Affection -* All advertisement copies of products meant for children such as toys, body foods and dresses etc use this feeling.

(ix) *Patriotism –* This theme may be used in advertisement for those who use foreign products.

(x) *Achievement –* This theme is used generally by large concerns engaged in the production of goods necessary for the development of country's economy.

(xi) *Emulation and Imitation –* This theme is used where people buy more not to satisfy their genuine requirement, but as their neighbors happen to possess them.

Thus, a good advertisement copy must possess the above qualities to make it an ideal advertisement.

Measuring Advertising Effectiveness

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in to advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising.

As soon as the advertising campaign is over, a need generally arises to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer' behaviour in favour of the company's product which will naturally, affect the future sale of the product.

In order to measure the effectiveness of advertising copy, two types of tests- pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of

the following ways – (a) by giving different addresses to different media, (b) different newspapers may be selected for advertisements of different departments, (c) coupon blank etc. May be provided with the advertisement or (d) enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising.

Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media

SUMMARY

The creative part of advertising involves the process of selecting and presenting the messages. The business of conceiving, writing, designing and producing these messages is called "advertising creativity" and the key wordsmith is called a copywriter or copy chief or copy supervisor. The success of advertising depends to a great extent on the quality of the message or copy of advertisement rather than the money spent on advertising. The conventional theory of advertising includes the concept of AIDA (Attention, Interest, Desire and Action). Most of the advertisers believe that the message in advertisement copy must attract the attention and interest of the consumer if buying is to result.

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MEDIA PLANNING

INTRODUCTION

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

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

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

Choosing which media or type of advertising to use can be challenging for small firms with limited budgets and know-how. Large-market television and newspapers are often too expensive for a company that services only a small area (although local newspapers can be used). Magazines, unless local, usually cover too much territory to be cost-efficient for a small firm, although some national publications offer regional or city editions. Since the advent of social media, small firms with limited budgets may benefit from using media advertising as it is cost effective, easy to manage, accurate and offers great ROI.

MEANING

Media planning is the selection of media and scheduling of advertising. It is a complex task that is often outsourced to a media agency or semi-automated.

ELEMENTS OF MEDIA PLANNING

The following are common elements of media planning.

- **Objectives:** Defining goals, strategy and marketing objectives. In other words, what are you trying to achieve and how will it be measured?
- **Cost:** Planning budget and cost targets such as cost per thousand or cost per point.

- **Target Audience:** Defining your target audience including geographical targeting such as local.
- **Media Mix:** Selecting appropriate communication and media channels based on factors such as your brand, product and creative's.
- **Vehicles: Selecting specific media properties in each media channel.**

- **Mood:** Considering the impact of a message relative to the surrounding media**.**
- **Creative Execution:** Planning the ads that will be used for each communication, media channel and vehicle. Involves consultation with the creative team that produced the advertising
- **Reach:** The percentage of your target audience that you would like to reach in a period of time.
- **Frequency:** How many times the same individual is exposed to the same ad or campaign
- **Scheduling:** Timing ads for impact and to manage cost
- **Flexibility:** Media planning often leaves room for flexibility to respond to market conditions as they unfold. For example, timing and selection of vehicles may be automated for digital channels to optimize based on results.
- **Control & Measurement:** Identifying controls and measurements

DEVELOPING A MEDIA PLAN

The fundamental purpose of a media plan is to determine the best way to convey a message to the target audience. A media plan sets out a systematic process that synchronizes all contributing elements in order to achieve this specific goal.

The media plan is broken down into four stages:

1. Market analysis
2. Establishment of media objectives,
3. Media strategy development and implementation, and
4. Evaluation and follow-up

Similarities can be made to other **marketing concepts** such as the consumer decision-making process with comparisons such as,

1. Increasing brand awareness,

2. Improving brand image, and

3. The maximization of customer satisfaction

The first phase:

The first phase of any media plan is the initial market analysis, which consists of a situation analysis and the marketing strategy plan. These form the basis of information which the rest of the media plan is reliant on. The purpose of a situation analysis is to understand the marketing problem, in relation to their competitors. For example undertaking an internal and external review or competitive strategy evaluation

The marketing strategy plan should establish specific objectives and goals that will solve the marketing problems that developed. Once the market analysis is complete the improved knowledge gained should indicate a proffered target market. Enabling the marketers to understand where the prime advertising space would be to gain sufficient exposure, what factors effect that certain demographic, and how to promote to the audience effectively.

The second phase:

The second phase in the media plan is the establishment of media objectives. Just as the marketing analysis lead to specific marketing objectives, this phase will result in explicit media objectives; such as creating a positive brand image through stimulating creativity. These objectives should be limited to those that can only be obtained through media strategies.

The third phase:

Media strategy development and implementation is the third phase and is the point in the process that is directly influenced by the actions from previously determined objectives. **Actions that meet these objectives are taken into consideration with following criteria: -** Media mix, target market, coverage consideration, geographic coverage, scheduling, reach & frequency, creative aspects & mood, flexibility, or budget considerations. Each of these criteria is explained briefly below:

- **Media Mix** – A combination of communication and media channels use that is utilized to meet marketing objectives, such as social media platforms and magazines.

- **Target Market** – A specific group of consumers that has been identified to aim it's marketing and advertising campaigns towards, as they are the most likely to purchase the particular product.
- **Coverage Consideration** – To alter the level of exposure of media to the target market, whilst minimizing the amount of overexposure and saturation into other demographics.
- **Geographic Coverage** – Increased emphasis of exposure to a certain area where interest may thrive, whilst reducing exposure to areas they have less relevance.
- **Scheduling** – The concept of aligning communication activity to coincide with peak potential consumer exposure times, such as around a big sports game on television.
- **Reach & Frequency** – The decision to have a certain message seen / heard by a large number (reach) or expose the same message to a smaller group more often (frequency).
- **Creative Aspects & Mood** – Different mediums for communication should be considered when developing a campaign. Social media might be more effective to generate emotion than a billboard poster on a main road.
- **Flexibility** – In order to adapt to rapidly changing marketing environments it is important for strategies to be flexible. Such as unique opportunities in the market, media availability or brand threats.
- **Budget Considerations** – The relationship between the effectiveness of a media campaign and the cost involved needs to be carefully managed. There should be an optimal level of response from the consumer for the price for the exposure.

The final phase:

The final phase in the media plan is to evaluate the effectiveness of the plan and determine what follow-up is required. It is important to assess whether each individual marketing and media objective was met, as if they were successful it will be beneficial to use a similar model in future plans.

COMPONENTS OF A MEDIA PLAN

- Define the marketing problem. Where is the business coming from and where is the potential for increased business? Does the ad need to reach everybody or only a select group of consumers? How often is the product used? How much product loyalty exists? How to build awareness or drive consideration through use of optimized contextual based material?

- Translate the marketing requirements into media objectives. Must the ad reach people in a wide area? Then mass media, like newspaper and radio, might work. If the target market is a select group in a defined geographic area, then direct mail could be best.

- Define a media solution by formulating media strategies. For example, the rule of thumb is that a print ad must run three times before it gets noticed. Radio advertising is most effective when run at certain times of the day or around certain programs, depending on what market is being reached.

Media planning's major steps include:

1. Targeting,
2. Environmental scan,
3. Understanding the audience,
4. Determination of content,
5. Control.

Advertising media includes:

- Social (Facebook, Twitter, Instagram, Pinterest, whatsapp, etc.)
- Television (TVC, television commercial)
- Radio (AM, FM, XM, Pandora, Spotify)
- Newspapers
- Magazines (consumer and trade)
- Outdoor billboards
- Ambient experiential
- Public transportation
- Direct Media (DM)
- Digital advertising (such as web-based, mobile and mobile applications)
- Search engine marketing (SEM, keyword marketing in search engines)
- Specialty advertising (on items such as matchboxes, pencils, calendars, telephone pads, shopping bags and so on)
- Other media (catalogs, samples, handouts, brochures, newsletters and so on)

Factors to consider when comparing various advertising media

- **Reach** - expressed as a percentage, reach is the number of individuals (or homes) to expose the product to through media scheduled over a period of time.

- **Frequency** - using specific media, how many times, on average, should the individuals in the target audience be exposed to the advertising message? It takes an average of three or more exposures to an advertising message before consumers take action.

- **Cost per thousand** - How much will it cost to reach a thousand prospective customers (a method used in comparing print media)? To determine a publication's cost per thousand, also known as CPM, divide the cost of the advertising by the publication's circulation in thousands.

- **Cost per point** - how much will it cost to buy one rating point of your target audience, a method used in comparing broadcast media. One rating point equals 1 percent of the target audience. Divide the cost of the schedule being considered by the number of rating points it delivers.

- **Impact** - does the medium in question offer full opportunities for appealing to the appropriate senses, such as sight and hearing, in its graphic design and production quality?

- **Selectivity** - to what degree can the message be restricted to those people who are known to be the most logical prospects?

Advertising Planning & Organizing Framework

Advertising management is mainly concerned with planning and decision making. The advertising manager is involved in the development, implementation, and overall management of an advertising plan. The development of an advertising plan essentially requires the generation and specification of alternatives. Decision making involves choosing from among the alternatives.

The alternatives can be various levels of expenditure, different kinds of objectives or strategy possibilities, and kinds of options with copy creation and media choices. Thus, the essence of planning is to find out the feasible alternatives and reduce them to decisions. An advertising plan reflects the planning and decision – making process and the decisions that have been arrived at in a particular product and market situation.

PLANNING FRAMEWORK

Advertising planning and decision making depends on internal and external factors. Internal factors are situation analysis, the marketing program, and the advertising plan. The three legs of advertising planning concern are the

➢ Objective setting and target market identification,

➢ Message strategy and tactics, and

➢ Media strategy and tactics.

The advertising plan should be developed in response to a situation analysis, based on research. Once developed, the advertising plan has to be implemented as an advertising campaign, in the context of social and legal constraints and with the involvement of various facilitating agencies. Let us discuss these factors one after another.

1. Situation Analysis

It involves an analysis of all important factors operating in a particular situation. This means that new research studies will be undertaken on company history and experience.

AT&T, for example, developed a new strategy for its long-distance telephone services – based on five year of research. The research encompassed market segmentation studies, concept testing, and a field experiment. The field experiment increased on testing a new advertising campaign called "Cost of Visit". An existing "Reach Out" campaign although successful, did not appear to get through to a large group of people who had reasons to call but were limiting their calls because of cost. Research based on annual surveys of 3,000 residential telephone users showed that most did not know the cost of a long-distance call or that it was possible to make less expensive calls in off-peak periods.

Five copy alternatives were subsequently developed and tested, from which "Cost of Visit" was chosen. This campaign was credited with persuading customers to call during times that were both cheaper for them and more profitable for AT&T and, overall, was more effective that the "Reach Out" campaign. One estimate was that by switching 530 million in advertising from "Reach Out" to "Cost of Visit", an incremental gain in revenue of $22 million would result in the first year and would top $100 million over five years.

This example highlights that a complete situation analysis will cover all marketing components and involve finding answers to many questions about the nature and extent of demand, competition, environmental factors, product, costs, distribution, and the skills and financial resources of the from.

2. Consumer and Market Analysis.

Situation analysis begins by looking at the aggregate market for the product, service, or cause being advertised, the size of the market, its growth rate, seasonality, geographical distribution. Whereas Consumer and Market analysis is concerned with the following factors:

Nature of Demand

➢ How do buyers (consumer and industrial) currently go about buying existing products or services?

➢ Can the market be meaningfully segmented or broken into several homogeneous groups in respect to "what they want" and "how they buy"?

Extent of Demand

➢ What is the size of the market (units and dollars) now, and what will the future hold?

➢ What are the current market shares, and what are the selective demand trends?

➢ Is it best to analyze the market on an aggregate or on a segmented basis?

Name of Competition

➢ What is the present and future structure of competition?

➢ What are the current marketing programs of established competitors?

➢ Why are they successful or unsuccessful?

➢ Is there any opportunity for another competitor? Why?

➢ What are the anticipated retaliatory moves of competitors?

➢ Can they neutralize different marketing programs we might develop?

Environmental Climate

➢ What are the relevant social, political, economic, and technological trends?

➢ How do you evaluate these trends? Do they represent opportunities or problem?

Stage of Product Life Cycle

➢ In what stage of the life cycle is the product category?

➢ What market characteristics support your stage-of –life-cycle evaluation?

Cost Structure of the Industry

➢ What is the amount and composition of the marginal or additional cost of supplying increased output?

Skills of the Firm

➢ Do we have the skills and experience to perform the functions necessary to be in the business?

➢ How do our skills compare with those of competitors?

Financial Resources of the Firm

➢ Do we have the funds to support an effective marketing program?

➢ Where are the funds coming from, and when will they be available?

3. Competitive Analysis

Advertising planning and decision making are affected by competition and the competitive situation facing the advertiser. Competition is such a pervasive factor that it will occur as a consideration in all phases of the advertising planning and decision making process. It should include an analysis of what current share the brand now has, what shares its competitors have, what share of a market is possible, from which competitors the increased share of a market is possible? The planner also has to be aware of the relative strengths and weaknesses of the different competing companies and their objectives in the product category. It is important to look at competition as a precursor to the planning process.

The Advertising Plan

As pointed out earlier, advertising plan and decision making focus on three crucial areas; objectives and target selection, message strategy and tactics, and media strategy and tactics. Let us elaborate on these points:

Objectives and Target Selection

Objectives in advertising can be understood in many ways. An important part of the objective is the development of a precise, disciplined description of the target audience. It is often tempting to direct advertising at a broad audience; but everyone is a potential customer. It is best to consider directing the advertising to more selected groups to develop stimulating copy. It is quite possible to develop several campaigns, each directed at different segments of the market, or to develop one campaign based on multiple objectives.

Message Strategy and Tactics

Messages strategy must decide what the advertising is meant to communicate – by way of benefits, feelings, brand personality, or action content. Once the content of the campaign has been decided, decisions must be made on the best-most effective-ways of communicating that content. The decisions, such as the choice of a spokesperson, the use of humor or fear or other tones, and the selection of particular copy, visuals, and layout, are what we call "message tactics"

Media Strategy and Tactics

Message strategy is concerned with decisions about how much is to be allocated to create and test advertising copy, media strategy concerns decisions on how many media

rupees to spend on an advertising campaign. Media tactics comprise the decisions on which specific media (television, radio, magazines, etc.) or media vehicles (Reader's Digest, etc.) to spend these dollars.

External Factors

The external factors in the planning framework are environmental, social and legal considerations. To a considerable extent, these exist as constraints on the development of an advertising plan and decision making. In developing specific advertisement, there are certain legal constraints that must be considered. Deceptive advertising is forbidden by law. What is deceptive is often difficult, because different people can have different perceptions of the same advertisements. 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 consideration for people involved in the advertising effort is broad social and economic issues as stated below.

➢ Does advertising raise prices or inhibit competition?
➢ Is the use of sex or fear appeals appropriate? Women and minority groups are exploited in advertising by casting them in highly stereotyped roles.
➢ Is it more irritating than entertaining?
➢ Is an intrusion into an already excessively polluted environment?
➢ Advertising directed at children.

SUMMARY

Advertising management is mainly concerned with planning and decision making. The advertising manager is involved in the development, implementation, and overall management of an advertising plan. The development of an advertising plan essentially requires the generation and specification of alternatives. Decision making involves choosing from among the alternatives. The alternatives can be various levels of expenditure, different kinds of objectives or strategy possibilities, and kinds of options with copy creation and media choices. Advertising planning and decision making depends on internal and external factors. Internal factors are situation analysis, the marketing program, and the advertising plan etc.

MEDIA DECISION

INTRODUCTION

The media planning process is not an easy one. There many options which include mass media such as television, newspaper, radio, and magazines as well as out of home media such as outdoor advertising, transit advertising, and electronic billboards. A variety of support media such as direct marketing, interactive media, promotional products advertising, and in-store point-of-purchase options must also be considered. The importance of media planning as a function has grown immensely with the coming of cable and satellite channels and the emergence of new media such as the Internet and mobile phones.

Some basic Terms and Concepts

Media planning is the series of decisions involved in delivering the promotional message to the prospective purchaser and/or users of the product or brand. Media planning is a process, which means a number of decisions are made, each of which may be altered or abandoned as the plan develops.

Medium is the general category of available delivery systems, which includes broadcast media (like TV and radio), print media (like newspapers and magazines), direct mail, outdoor advertising and other support media.

Media Vehicle is the specific carrier within a medium category. For example, Times of India and Indian Express is print vehicle.

Reach is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time.

Coverage refers to the potential audience that might receive the message through a vehicle.

Media Scenario in India

The Indian media scene is interesting, intriguing, and, at the same time,, mind boggling.

India has had a long tradition of oral media which continues to be used by companies, especially to reach out to the rural area. Mass media in India not more than a hundred years old, but its development in technology can be compared with the best in the world. The reach of mass media however, has not grown in proportion. The reason for this is due to low level

literacy and wide spread poverty. For more than four decades after independence, there was only government-controlled electronics media in India. Today, there are about two hundred channels are there to choose. The entry of FM in the radio sector, media planning has become an intricate, and, at the same time interesting area of study. The emergence of independent media buying agencies has further complicated buying, as the agency that plans a campaign may not necessarily be planning or buying the media. All these developments have put media planning at the centre stage of the advertising business and created huge opportunities for professionals.

Types of Media

The media class refers to the general category of message delivery systems available to carry advertising message to a target audience. For example, print media, broadcast media, and outdoor media etc. are media class. Within these categories are media subclasses (medium) such as newspapers, magazines, Television, radio, internet, mobile and so on. The media vehicle is the specific message carrier within a medium, such as Times of India, India Today, Filmfare, Femina, Star Sports etc are the examples of media vehicle in print and broad cast media. Media schedule specifies media scheduling and the timing decision.

The Media Plan

Media planning is the series of decisions involved in delivering the promotional message to the prospective purchaser and/or users of the product or brand. Media planning is a process, which means a number of decisions are made, each of which may be altered or abandoned as the plan develops.

The media plan is the guide for media selection. It requires development of specific media objectives and specific media strategies designed to attain these objectives. Once the decisions have been made and the objectives and strategies formulated, this information is organized into the media plan. There are many media to choose from. However,

As per (Scissors and Bumba 1995) a good media plan needs to address the following issues:

➢ How many audiences is the media plan proposing to reach?
➢ What are the best media to place the advertisements in?
➢ How many times should the advertisement appear?
➢ What would the idea media mix be?
➢ Which geographical regions should the advertisement appears in?
➢ Which media should be selected to avoid places which do not have the product advertised?

➤ How should be budget appropriation for various media thus chosen is made?

Developing the Media Plan

Developing media planning involves a series of stages as follows:

1. Market analysis and target market identification
3. Establishment of media objectives
4. Media strategy development and implementation
5. Evaluation and follow up

Market analysis	Establishment of media objectives	Media strategy development and implementation	Evaluation and follow-up

(**Developing the media plan**)
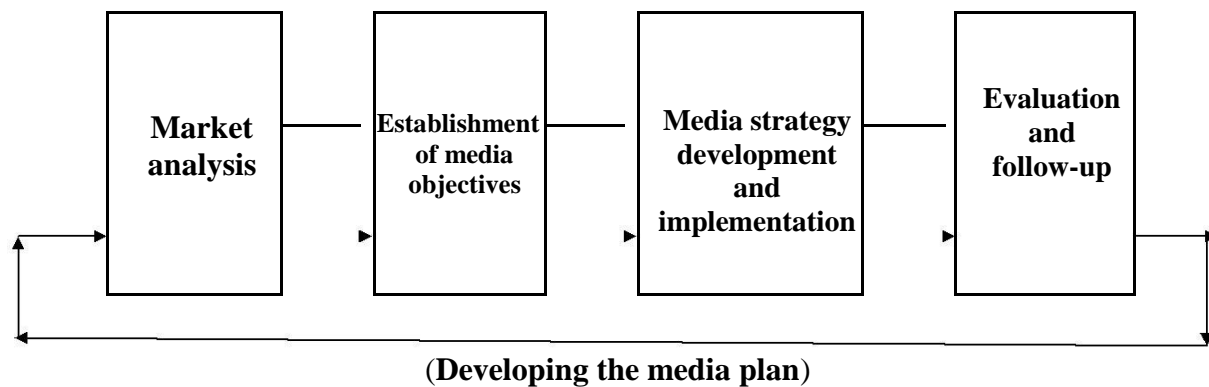
Market Analysis and Target Market Identification

The situation analysis stage of the overall promotional planning process involves a complete review of internal and external factors, competitive strategies, etc.

In the development of a media strategy, a market analysis is again performed, although it is already performed during strategic marketing planning, but this time the focus is on the media and delivering the message. The key questions at this stage are those: to who are the target market? What factors may influence the media plan? Where and when should we focus our efforts?

Who is the Target Market?

A number of target markets might be derived during situation analysis, to decide which specific groups to go after; the media planner may work with the client, account representative, marketing department, and creative directors. A variety of factors can assist media planners in this decision. Some will require primary research, whereas others will be available from secondary sources.

What Factors may Influence the Media Plan?

Media strategies are influenced by both internal and external factors operating at any given time. Internal factors may involve the size of the media budget, managerial and

administrative capabilities, or the organization of the agency.

External factors may include the changes in economy, changes in technology, competitive factors etc.

Where to Promote

The question where to promote is related to geographical considerations. Organizations often find that sales are stronger in one area of the country or the world than another and may allocate advertising expenditures according to the market potential of an area.

1. **Establishment of Media Objectives**

Just as the situation analysis leads to establishment of marketing and communication objectives are not ends in themselves. Rather, they are designed to lead to the attainment of communications and marketing objectives. Media objectives are the goals for the media program and should be limited to those that can be accomplished through media strategies. An example of media objective is this: Create awareness in the target market through the following:

➢ Use broadcast media to provide coverage of 80 percent of the target market over a six-month period.

➢ Reach 60 percent of the target audience at least three times over the same six-month period.

➢ Concentrate heaviest advertising in winter and spring, with lighter emphasis in summer and fall.

2. **Developing and Implementing Media Strategy**

After it is being determined what is to be accomplished, media planners consider how to achieve these objectives. That is, they develop and implement media strategies, which evolve directly from the actions required to meet objectives.

The Media Mix

A wide variety of media and media vehicles are available to advertisers. It is possible that only one medium and/or vehicle might be employed; it is much more likely that a number of alternatives will be used. The objectives sought, the characteristics of the product or service, the size of the budget, and individual preferences are just some of the factors that determine what combination of media will be used.

Each medium offers its own distinct advantages. By careful developing a suitable blend of media, the advertiser can introduce versatility in media strategy to increase coverage,

reach and frequency levels. To effectively cover the target market, the media planner determines the segments that should get the maximum media emphasis. This can be achieved by matching of media a media vehicles most suitable to the target.

Target Market Coverage

The media planner determines which target markets should receive the most media emphasis. Developing media strategies involves matching the most appropriate media to this market by asking, "Through which media vehicles can I best get my message to prospective buyers?" The issue here is to get coverage of the market. The optimal goal is full market coverage,

The goal of the media planner is to extend media coverage to as many of the members of the target audience as possible while minimizing the amount of waste coverage. The situation usually involves trade-offs.

Sometimes one has to live with less coverage than desired.: other times, the most effective media expose people not sought. In this instance, waste coverage is justified because the media employed are likely to be the most effective means of delivery available and the cost of the waste coverage is exceeded by the vqalue gained from their use.

Geographic Coverage

Geographic coverage is an important consideration for the media planning process. The demand for certain types of products depends on the geographic locations of market.

For example, heavy woolen are unlikely to have any significant demand in South India, or there would be hardly any demand of rain coats in desert areas receiving, little rain. The market would have little or no inclination to advertise such products in these geographic locations.

Scheduling

It is neither possible nor necessary for the companies to keep their advertising in front of consumers at all times as a constant reminder of the product or brand. Media schedule is the calendar of advertising plan. Scheduling is connected with timing the insertion of advertisements in the selected media. Decision in this area are essentially based on certain assumptions regarding how the target audience will respond to the presence or absence of the advertising messages with respect to the set of advertising objectives, such as product recall or attitudes. There are three approaches to scheduling:

   1. Continuity,

   2. Fighting and

3. Pulsing.

Continuity refers to a continuous pattern of advertising, which can mean every day, every week, or every month. The distinction is that a regular pattern is developed without gaps or during non advertising period.

Fighting employ a less regular schedule of advertising message. There are inter-mitten periods of advertising and at some times periods there are heavier promotional expenditures, and at others there may be no advertising. Many banks, for example, spend no money on advertising in the summer but maintain advertising throughout the rest of the year.

Pulsing is a combination of continuity and fighting. The continuity is maintained as a base throughout, but during certain periods the level of advertising is stepped up. For example, during the period just before the last date of tax return submission, advertising for car increasers to motivate customers to buy and avail of depreciation benefit.

Media Reach and Frequency

Reach is defined as the number of individuals from the target audience who are exposed to the medium or vehicle. Reach is normally expressed in percentage (%) terms.

For example if the target audience of a particular brand is 100. If a publication through exposure of an advertisement is able to reach 70 out of those target audience, then the reach of that publication is defined as being 70%. The same way is applicable for other media vehicle.

Frequency

In order to make advertising effective it is important for the audience to be exposed to the advertisement more than once. The number of times the advertisement appears in a given publication or over a particular television programme is known as the frequency of exposure of the advertisement. It is assumed that if an advertisement is released 10 times in a publication, the target audience reached by that publication would have an opportunity to see that advertisement 10 times.

When reach and frequency multiplied, we get gross exposure to a campaign. It stands to reason that for a finite amount of advertising expenditure over the mass media, reach and frequency have an inverse relationship with each other. In other words, if we try to maximize reach, frequency gets compromised. On the other hand if we maximize frequency, reach will get compromised.

$$\text{Frequency} = \frac{\text{Total exposure}}{\text{Reach}}$$

Effects or Reach and Frequency

Effects of Reach and Frequency

1. One exposure of an ad to a target group within a purchase cycle has little or no effect in most circumstances.

2. Since one exposure is usually ineffective, the central goal of productive media planning should be to enhance frequency rather than reach.

3. The evidence suggests strongly that an exposure frequency of two within a purchase cycle is an effective level.

4. Beyond these exposures within a brand purchase cycle or over a period of tour or even eight weeks, increasing frequency continue to build advertising effectiveness at a decreasing rate but with no evidence of decline.

5. Although there are general principles with respect to frequency of exposure and its relationship to advertising effectiveness, differential effects by brand are equally important.

6. Nothing we have seen suggests that frequency response principles or generalizations vary by medium.

7. The data strongly suggests that wear out is not a function of too much frequency; it is more of a creative or copy problem.

Important Factors in Determining Frequency Levels

MARKETING FACTORS

1. *Brand history:* New brands generally require higher frequency levels than established brands.

2. *Brand share:* An inverse relationship exists between brand share and frequency. The higher the brand share, the lower the level of frequency required.

3. *Brand loyalty:* An inverse relationship exists between loyalty and frequency. The higher the loyalty, the lower the frequency required.

4. *Purchase cycle:* Shorter purchase cycles require higher frequency levels to maintain top-of-mind awareness.

5. *Usage cycle:* Products used daily or more frequently need to be replace quickly, so a higher level of frequency is desired.

6. *Competitive share of voice:* High frequency levels are required when a lot of competitive advertising exists and when the goal is to learn and to retain messages has a direct effect on frequency.

MESSAGE OR CREATIVE FACTORS

1. *Message complexity:* The simple the message, the less the frequency required.

2. *Message uniqueness:* The more unique the message, the lower the frequency level required.

3. *New versus continuing campaigns:* New campaigns require higher levels of frequency than to register the message, compared to continuing campaigns.

4. *Image versus product sell:* Creating an image requires higher levels of frequency than does a specific product sell.

5. *Message variation:* A single message requires less frequency; a variety of messages require more.

6. *Wear out:* Higher frequency may lead to wear out. This effect must be tracked and used to evaluate frequency levels.

7. *Advertising units:* Large units of advertising require less frequency than smaller ones to get the message across.

MEDIA FACTORS

1. *Clutter:* The more the advertising appearing in the media used, the more frequency is needed to break through the clutter

2. *Editorial environment:* The more consistent the ad is with the editorial environment, the less frequency is needed.

3. *Attentiveness:* The higher the level of attention achieved by the media vehicle, the less frequency is required. Low attention getting media require more repetitions

4. *Scheduling:* Continuity scheduling requires less frequency than does fighting or pulsing.

5. *Number of media used:* The fewer the media used, the lower the level of frequency required.

6. *Repeat exposures:* Media that allow for more repeat exposures requires less frequency.

Audience Measurement Unit

Readership

For print medium readership is the unit of audience measurement. This is done through readership survey. The Indian Readership Survey is the largest continuous readership research study done in the world, the model of which is accepted internationally. This survey measures the readership of newspapers, and magazines. It also provides an in-depth understanding of media behavior as it covers expanded media measures such as time spent using different media such as television viewing, radio listening, cinema attendance and internet usage.

Viewership

This is a unit of measurement for television. It is measured with the help of people meter which is a set top device presented to the panel household by the media research agency. Television Audience Measurement (TAM) is popularly known in India claims to be the best research agency measuring consumer behavior in television viewing. The people meter which is connected to the television set consists of sensors and detector, which picks up who is watching television, at what time of the day and on which date the television is being viewed, what channel is being viewed and what is the status of television set, whether it is on or off mode etc.

Listenership

This is a unit of measurement for radio. All India is one of the most popular channels for the rural India. However, now a day's FM channels are also popularly being used by the urban India. Radio Audience Measurement (RAM) is a specialized measurement service focused on the FM radio industry.

Hit and click / Page view

This is a unit of measurement for the internet. Hits are the number of people who visit the site. Page views are the number of pages within the site that the visitor who has seen the site. The internet is the medium that can actually measure the number of audience who have seen the advertisement, through the click through.

Passers By

This is unit of measurement of outdoor. It represents the number of people who pass by a given outdoor site during a given time frame. It is assumed that those who pass by a site would have had an opportunity to see the advertisement displayed on the site. The effectiveness of the site, however, is a function of several variables.

Visit to Cinema

This is a unit of measurement of cinema audiences. This data can be collected in the form of secondary data based on the number of cinema hall available and their seating capacities.

Media Research

There are a number of research organizations produce regular independent media studies. They are independent in the sense that they have tripartite sponsorship representing the three sides of advertising through bodies serving advertisers, advertising agencies and the relevant media. Some surveys are conducted continuously by press and television or periodically with radio or occasionally with outdoor. In addition to that individual media owners conduct their survey.

'Readership' and 'Circulation'

These are the two terms which is often misunderstood and wrongly used to mean same thing. These two are entirely different data for press media. Readership is an estimate of the number of people who read newspapers and magazines, and the figures result from surveying is a sample for the public who are reading. Whereas, circulation is the average audited net sale, or the number of copies actually sold at the full cover price.

Media Cost Efficiency

One of the important decisions in the development of media strategy is cost estimating. the value of any strategy can be determined by how well it delivers the message to the audience with the lowest cost and the least waste. There are a number of factors such as reach, frequency, and availability that effects while determines media cost. The marketer tries to arrive at the optimal delivery by balancing cost with each of these factors.

Advertising and promotional cost can be categorized in two ways.

1. *Absolute cost* of the medium or vehicle is the actual total cost required to place the message

2. *Relative cost* refers to the relationship between the price paid for advertising time or space and the size of the audience delivered.

Determining Relative Cost of Media

To evaluate alternatives, advertisers must compare the relative costs of media as well as vehicles within these media.

Unfortunately, the broadcast, print and outdoor media do not always provide the same

breakdowns, nor necessarily do vehicles within the print media. Following are the cost based used:

1. *Cost per thousand (CPM):* Magazine industries provides cost break down on the basis of cost per thousand people reached. For computation the formula is

$$\text{CPM} = \frac{\textbf{Cost and space (absolute cost)}}{\textbf{Circulation}} \times 100$$

2. *Cost per rating point (CRP):* The broadcast media provide a different comparative cost figure, referred to as cost per ratings point or cost per point (CPP), based on the following formula:

$$\text{CRP} = \frac{\textbf{Cost of commercial time}}{\textbf{Program rating}}$$

3. *Daily inch rate:* For newspapers, cost effectiveness is based on the daily inch rate, which is the cost per column inch of the paper. Like magazines, newspapers cost-per-thousand formula is used to determine relative cost.

4. *Evaluation and Follow up:* Evaluation is essential to assess the performance of any activity. Two factors are important for evaluating media plan.

    1. How successful were the strategic in achieving media objectives?
    2. Was the media plan successful in accomplishing advertising policy?

Successful strategies help to build confidence and serve as reference in developing media strategy in future, and failure is thoroughly analyzed to learn about flaws. It has been pointed out that there are certain problems with measurements that limit the degree to which one can assess the relative effectiveness of different strategies.

Type of Media Outlets

While just a few years ago marketers needed to be aware of only a few media outlets, today's marketers must be well-versed in a wide range of media options. The reason for the growing number of media outlets lies with advances in communication technology, in particular, the Internet. As we discussed in the Advertising Trends section in Part 13, the number of media outlets will continue to grow as new technologies emerge.

Next we provide an overview of 10 leading **MEDIA OUTLETS**:

- Television Advertising.
- Cable Network

- Radio Advertising

- Print Publications Advertising

- Internet Advertising

- Direct Mail Advertising

- Signage
- Product Placement

- Mobile Devices

- Sponsorships Advertising

- Other Advertising

Television Advertising

Television advertising offers the benefit of reaching large numbers in a single exposure. Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets.

Television networks are attempting to improve their targeting efforts. In particular, networks operating in the pay-to-access arena, such as those with channels on cable and satellite television, are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences. However, television remains an option that is best for products that targeted to a broad market.

The geographic scope of television advertising ranges from advertising within a localized geographic area using fee-based services, such as cable and fiber optic services, to national coverage using broadcast programming.

Television advertising, once viewed as the pillar of advertising media outlets, is facing numerous challenges from alternative media (e.g., Internet) and the invasion of technology devices, such as digital video recorders (see more in the Advertising Trends section in Part 13: Advertising), that have empowered customers to be more selective on the advertisements they view. Additionally, television lacks effective response tracking which has led many marketers to investigate other media that offer stronger tracking options.

Cable Network

Local cable network are being used frequently by local advertisers, such as retail outlets, coaching classes etc, because of the geographic flexibility it becomes very cost effective. Advertisement through local cable can act as a frequency booster by virtue of its low cost. However, local cable network is unorganized and therefore it is uncertain whether

ad will appear as per schedule.

Radio Advertising

Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station, however, at least three options exist that offer national and potentially international coverage. First, in many countries there are radio networks that use many geographically distinct stations to broadcast simultaneously. In the United States such networks as Disney (children's programming) and ESPN (sports programming) broadcast nationally either through a group of company-owned stations or through a syndication arrangement (i.e., business agreement) with partner stations. Second, within the last few years the emergence of radio programming delivered via satellite has become an option for national advertising. Finally, the potential for national and international advertising may become more attractive as radio stations allow their signals to be broadcast over the Internet.

In many ways radio suffers the same problems as television, namely, a mass medium that is not highly targeted and offers little opportunity to track responses. But unlike television, radio presents the additional disadvantage of limiting advertisers to audio-only advertising. For some products advertising without visual support is not effective.

Print Publication Advertising

Print publications such as magazines, newspapers and Special Issue publications offer advertising opportunities at all geographic levels. Magazines, especially those that target specific niche or specialized interest areas, are more narrowly targeted compared to broadcast media.

Additionally, magazines offer the option of allowing marketers to present their message using high quality imagery (e.g., full color) and can also offer touch and scent experiences (e.g., perfume). Newspapers have also incorporated color advertisements, though their main advantage rests with their ability to target local markets. Special Issue publications can offer very selective targeting since these often focus on an extremely narrow topic (e.g., auto buying guide, tour guides, college and university ratings, etc.).

Internet Advertising

The fastest growing media outlet for advertising is the Internet. Compared to spending in other media, the rate of spending for Internet advertising is experiencing tremendous growth. However, total spending for Internet advertising remains relatively small compared to other media. Yet, while Internet advertising is still a small player, its influence continues to

expand and each year more major marketers shift a larger portion of their promotional budget to this medium. Two key reasons for this shift rest with the Internet's ability to: 1) narrowly target an advertising message and, 2) track user response to the advertiser's message.

The Internet offers many advertising options with messages delivered through websites or by email. Website Advertising - Advertising tied to a user's visit to a website accounts for the largest spending on Internet advertising. For marketers, website advertising offers many options in terms of:

1. *Creative Types* – Internet advertising allows for a large variety of creative types including text-only, image-only, multimedia (e.g., video) and advanced interactive (e.g., advertisement in the form of online games).

2. *Size* – In addition to a large number of creative types, Internet advertisements can be delivered in a number of different sizes (measured in screen pixels) ranging from full screen to small square ads that are only a few pixels in size. The most popular Internet ad sizes include banner ads (468 x 60 pixels), leader board (728 x 90 pixels) and skyscraper (160 x 600 pixels).

3. *Placement* – The delivery of an Internet advertisement can occur in many ways including fixed placement in a certain website location (e.g., top of page), processed placement where the ad is delivered based on user characteristics (e.g., entry of words in a search box, recognition of user via Internet tracking cookies), or on a separate webpage where the user may not see the ad until they leave a site or close their browser (e.g., pop-under).

4. *Delivery* – When it comes to placing advertisements on websites marketers can, in some cases, negotiate with websites directly to place an ad on the site or marketers can place ads via a third-party advertising network, which has agreements to place ads on a large number of partner websites.

5. *Email Advertising* – Using email to deliver an advertisement affords marketers the advantage of low distribution cost and potentially high reach. In situations where the marketer possesses a highly targeted list, response rates to email advertisements may be quite high. This is especially true if those on the list have agreed to receive email, a process known as "opt-in" marketing. Email advertisement can take the form of a regular email message or be presented within the context of more detailed content, such as an electronic newsletter. Delivery to a user's email address can be viewed as either plain text or can look more like a website using web coding (i.e., HTML).

However, as most people are aware, there is significant downside to email advertising due to highly publicized issues related to abuse (i.e., spam).

Direct Mail

This method of advertising uses postal and other delivery services to ship advertising materials, including postcards, letters, brochures, catalogs and flyers, to a physical address of targeted customers. Direct mail is most effective when it is designed in a way that makes it appear to be special to the customer. For instance, a marketer using direct mail can personalize mailings by including a message recipient's name on the address label or by inserting their name within the content of marketer's message.

Direct mail can be a very cost-effective method of advertising, especially if mailings contain printed material. This is due to cost advantages obtained by printing in high volume since the majority of printing costs are realized when a printing machine is initially setup to run a print job and not the because of the quantity of material printed. Consequently, the total cost of printing 50,000 postcards is only slightly higher than printing 20,000 postcards but when the total cost is divided by the number of cards printed the cost per-card drops dramatically as more pieces are printed. Obviously there are other costs involved in direct mail, primarily postage expense.

While direct mail can be seen as offering the benefit of a low cost-per-contact, the actual cost-per-impression can be quite high as large numbers of customers may discard the mailing before reading. This has led many to refer to direct mail as "junk mail" and due to the name some marketers view the approach as ineffective. However, direct mail, when well-targeted, can be an extremely effective promotional tool.

Outdoor Media

The out medium is now becoming an interesting medium. Outdoor is an effective medium to cover the mobile population. The use of signs to communicate a marketer's message places advertising in geographically identified areas in order to capture customer attention. The most obvious method of using signs is through billboards, which are generally located in high traffic areas. Outdoor billboards come in many sizes, though the most well-known are large structures located near transportation points intending to attract the interest of people traveling on roads or public transportation. Indoor billboards are often smaller than outdoor billboards and are designed to attract the attention of foot traffic (i.e., those moving past the sign). For example, smaller signage in airports, train terminals and large commercial office space fit this

category.

Signage and Billboards

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While billboards are the most obvious example of signage advertising, there are many other forms of signage advertising include:

- Sky writing where airplanes use special chemicals to form words
- Plane banners where large signs are pulled behind an airplane
- Mobile billboards where signs are placed on vehicles, such as buses and cars, or even carried by people
- Plastic bags used to protect newspapers delivered to homes
- Advertisements attached to grocery carts

Product Placement Advertising

Product placement is an advertising approach that intentionally inserts products into entertainment programs such as movies, TV programs and video games. Placement can take several forms including:

- Visual imagery in which the product appears within the entertainment program
- Actual product use by an actor in the program
- Words spoken by an actor that include the product name

Product placement is gaining acceptance among a growing number of marketers for two main reasons. First, in most cases the placement is subtle so as not to divert significant attention from the main content of the program or media outlet. This approach may lead the audience to believe the product was selected for inclusion by program producers and not by the marketer. This may heighten the credibility of the product in the minds of the audience since their perception, whether accurate or not, is that product was selected by an unbiased third-party. Second, as we discuss in Part 13: Advertising, entertainment programming, such

as television, is converging with other media, particularly the Internet. In the future a viewer of a television program may be able to easily request information for products that appear in a program by simply pointing to the product on the screen. With the information they may get the option to purchase the product. As this technology emerges it is expected that product placement opportunities will become a powerful promotional option for many marketers.

Mobile Device Advertising

Handheld devices, such as cell phones, personal digital assistants (PDAs) and other wireless devices, make up the growing mobile device market. Such devices allow customers to stay informed, gather information and communicate with others without being tied to a physical location. While the mobile device market is only beginning to become a viable advertising medium, it may soon offer significant opportunity for marketers to reach customers at anytime and anyplace.

Also, with geographic positioning features included in newer mobile devices, the medium has the potential to provide marketers with the ability to target customers based on their geographic location. Currently, the most popular advertising delivery method to mobile devices is through plain text messaging, however, over the next few years multimedia advertisements are expected to become the dominant message format.

Sponsorships

A subtle method of advertising is an approach in which marketers pay, or offer resources and services, for the purpose of being seen as a supporter of an organization's event, program or product offering (e.g., section of a website). Sponsorships are intended not to be viewed a blatant advertisement and in this way may be appealing for marketers looking to establish credibility with a particular target market. However, many sponsorship options lack the ability to tie spending directly to customer response. Additionally, the visibility of the sponsorship may be limited to relatively small mentions especially if the marketer is sharing sponsorship with many other organizations.

Others

While the nine media outlets discussed above represent the overwhelming majority of advertising methods, there are several more including:

- Advertising using telephone recordings (e.g., political candidate's messages)
- Advertising via fax machine (though there may be certain legal issues with this method)
- Advertising through inserted material in product packaging (e.g., inside credit card

bill)
- Advertising imprinted on retail receipts (e.g., grocery store, cash machine

Media Characteristics

Media	Advantages	Disadvantages
Television	- Mass coverage - High reach - Impact of sight, sound, and - motion - High prestige - Low cost per exposure - Attention getting - Favourable image	- Low selectivity - Short message life - High absolute cost - High production cost - Clutter
Radio	- Low coverage - Low cost - High Frequency - Flexible - Low production cost - Well-segmented audience	- Audio only - Clutter - Low attention getting - Fleeting message
Cinema	- Impact of big screen with sound, movement and colour - Attracts young crowd - Theatre viewing a socializing event - Selective local advertising coverage possible which can gain immediate impact	- Television has eroded the cinema audience bas - Slow buildup of audience - Attendance is low and infrequent - Commercials shown either in the beginning or at the interval, when high attendance is not ensured
Magazines	- Segmentation potential - Quality reproduction - High information content - Longevity - Multiple readers	- Long lead time for ad placement - Visual only - Lack of flexibility

Newspapers	• High coverage • Low cost • Sleek time for placing ads • Advertisements can be placed in interest sections • Timely • Reads control exposure • Can be used for coupons	• Short life • Clutter • Low attention-getting capabilities • Poor production quality • Selective reader exposure
Outdoor	• Location specific • High repetition • Easily noticed	• Short exposure time requires short ad • Poor image • Local restrictions
Direct mail	• High selectivity • Reade controls exposure • High information content • Opportunity for repeat exposures	• High cost/contact • Poor image (junk mail) • Clutter
Internet and Interactive Media	• User selects product information • User attention and involvement • Interactive relationship • Direct selling potential • Flexible message platform	• Limited creative capabilities • Web snarl (crowded access) • Technology limitations • Few valid measurement techniques • Limited reach
Mobile	• A communication revolution • Reach not dependent on location • Reach the right target audience • Permission marketing possible • Emotional connotations • An all pervasive medium	• Nuisance value intrusion in privacy • A possible health hazard • Literacy barrier

SUMMARY

The importance of media planning as a function has grown immensely with the coming of cable and satellite channels and the emergence of new media such as the Internet and mobile phones.

Media planning is the series of decisions involved in delivering the promotional message to the prospective purchaser and/or users of the product or brand. Media planning is a process, which means a number of decisions are made, each of which may be altered or abandoned as the plan develops. The media plan is the guide for media selection. It requires development of specific media objectives and specific media strategies designed to attain these objectives. Once the decision has been made and the objectives and strategies formulated, this information is organized into the media plan.

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INTERNET AS ADVERTISING MEDIUM

INTRODUCTION

In the recent year advertisement has become so powerful that its existence simply cannot be ignored. An organization may be advertising through all traditional media, but if it does not have an internet presence, viz. a web site or an e-mail; to get in touch with, its image receives a setback. Hence, internet is not an option. Also, the convergence of various media has led to the spread of internet. People may read your ad in the news paper, log on to your web site to find more information, visit consumer reviews on your site to know the opinions of the people about the product. People may also visit third party site to compare various brands and to place an order through the contact details provided in the web site. Internet further facilitate through multimedia content that includes not only text, and graphics, but also audio, video and various interactive features. This allows for high impact advertising. Advertising through internet is the need of the days. Companies and organizations working to promote their products and services must consider this medium as they would advertise through television, magazines, outdoor, and so on.

Importance of Internet Advertising

With the technological advancement, the internet has positioned itself as one of the very important media that can be used for almost all advertising purpose across all possible market segments. The growing popularity of the internet triggered an avalanche of interest using this new tool of marketing. As the internet gained popularity, marketers began to explore if this medium was lucrative to advertise on and found that it gave them more than what the other media could offer. The internet provided their customers with interactivity—consumers could now interact with their product and build their own experience with it. The marketers believed that this form of brand conditioning would enhance the consumer's brand experience. The rate of technological change in the marketing environment is an important factor that influences the marketing success. he growth of the internet as a provider of standard global access to system and network all over the world is an area of huge interest currently and will very soon become a major consideration for the marketing departments of most Indian organizations marketing to consumers and business.

Objectives of Internet Advertising

Internet advertising can be used to achieve the following objectives

1. *To build brand:* Many fortune 500 companies, from Kodak to IBM, use the internet to tell the world about their products, support their deal channels and educate the public about their companies or products.

2. *To drive traffic to the website:* Online advertising offer a proven way to steer interested buyers to the website, where one can know more about the product and services

3. *Develop qualified leads:* While at the website, the best copywriting and photographs can convince the prospects and provide good business. How best one follows each qualified prospect determines the business.

4. *Conduct sales:* As the prospects become warm, one can close sales either online or direct the buyers to their dealer channel, if that is the seller's sells strategy.

Terminology used in Internet

Browsers

Small businesses seeking to establish a presence on the World Wide Web need to understand the importance of browsers, such as Netscape and Microsoft's Internet Explorer, to the Web and to Web advertising. These browsers are tools needed to read the HTML (hypertext mark-up language) documents that make up the World Wide Web. These documents are fairly easy to create, and many word processing programs and Web browsers can assist an advertiser in creating one. Since the Web could not exist without these browsers, advertisers needs to understand how they function and how to use them to their advantage.

Browsers locate information through search engines, such as Info seek and Yahoo. Most search engines locate sites that contain a specific set of words, as specified by the logic chosen for the search (i.e. *small business* and *media*). Browsers also need "plug-in" to run certain sound and visual effects, so small business owners need to weigh the benefits of such features before adding such extra expenses to ads. After all, many potential customers that find their way to your homepage may not have the necessary "plug-in" to experience those effects.

Search Engines

Search engines generate the largest percentage of new traffic to Web pages, followed by links from other sites, printed media, and word of mouth. For this reason, small businesses hoping to establish a presence on the Internet should make sure their Web sites are listed with

a number of search engines. Advertising on some of the larger search engines, like Yahoo or AltaVista, tends to be expensive but also gives advertisers more options. For example, small businesses can buy space for a banner advertisement within a certain search category or even a specific search term. This way, if an Internet user searches for information on "canoeing," the banner advertisement for a canoe livery or riverside campground could appear on the screen with the search results.

Homepages

In a 1997 *Forbes* article, writer William Davidow pointed out that advertising on the Internet "will be intimately tied to the sales process. Consumers will search out advertising sites when they want to gather information about products and services. They will purchase directly over the network." He and other industry observers note that homepages already function in a fashion similar to an advertisement in the yellow pages. A homepage, then, needs to provide potential consumers with the necessary information (phone numbers, addresses, and product information) for customers to follow through on desired purchases— or at least provide them with enough data to pique their interest and enable them to make a purchase or get additional information via more traditional (i.e., non-electronic) means. Of course, many people using the Internet are comfortable making purchases over the Web itself, so business homepages should also be equipped with the ability to take product orders directly.

When developing a homepage, a business needs to consider several relevant aspects of electronic text and presentation. First and foremost, a homepage should be easy to navigate both visually and physically. Key to creating an inviting homepage, other than subjective aesthetic concerns, is "hyperlinks," which allow the reader to move vertically through the text. Many experts claim that each level of a homepage should contain text on one topic, which should be clearly indicated by the headings or graphics there. A visually cluttered homepage will be ignored by Web users, who are notorious for quickly moving on to other sites when confronted with confusing or uninteresting homepages.

Types of Internet Advertising

Internet advertising is of variety of forms. As the internet matures, the number of forms continues to expand. Most of the internet advertising of today can be classified as websites, banners, buttons, sponsorships; interstitials search engine marketing, classified ads. The details of each are explained below;

Websites

Some companies view their whole website as an advertising and in some way it is. But in truth the website is more than an advertising. It's an alternative "storefront," a location where customers, prospects, and other stake holders can come to find out more about the company, its product and services. Some companies use their website like an extended brochure to promote their goods and services; others act as information and entertainment publishers and try to create a cool place that people will visit often; still others treat their website as an online catalog store, conducting business right on the Net. Thus, except when used like a brochure, the website is really more than an advertising.

Banners and Buttons

The most common form of advertising on the web is banner ads. Banner ads may be use for creating awareness or recognition or for direct-marketing objectives. Banner advertisements are graphic advertisements that appear on a web site and are intended to build brand awareness or generate traffic for the advertiser's web site. Banner ads were once the leading form of advertising online. Often banners are part of a "link exchange," or cooperative advertising arrangement, in which two businesses with complementary products and services advertise each other on their respective sites in order to reach a large segment of a given market. However, some Web advertising agencies claim that few people access web pages through banners; these agencies are now trying new motion and graphic technologies to make the banners more inviting. Some experts suggest that businesses consider advertising banners as just one part of an online marketing mix.

Similar to banners are buttons, small version of the banner that often look like an icon and usually provide a link to an advertiser's landing page, a marketing tool that leads people into the purchasing or relationship-building process. Because buttons take up less space than banners, so they cost less.

Interstitials

The interstitial is a catchall term for a variety of ads that play between pages on a website, popping on the screen while the computer downloads a website that the user has clicked on. All of their various formats tend to perform well in terms of click-through rates and brand recall—which is what the advertisers care about.

Pop-ups

Pop-ups ads that "pop up" by opening a new browser window when a specific content page is requested. Pop-up ad windows usually open in a scaled-down size and have only

maximized, minimize, and close buttons. Pop-ups disturb a user's browsing experience, have to be clicked individually to close the window, and at times overload a browser's capacity. Hence, they should only be used in exceptional cases. Po-undress are a slightly less irritating format since the new advertising window pops under the content window. Some web pages trigger pop-under when the user leaves that page. Modern day browsers and software allow users to block all poop-up advertising. A special type of pop-up advertisement is the hover ad, a combination of pop-up and banner ads that does not scroll with the web page, but hovers over the page, either obscuring it completely or by being translucent

Sponsorship

This is a form of advertising in the internet advertising which is growing in popularity. Corporations sponsors entire sections of a publisher's web page or sponsor single events for a limited period of time, usually calculated in months. In exchange for sponsorship support, companies are given extensive recognition on the site. Sometimes an added-value package is created by integrating the sponsor's brand with the publisher's content, as a sort of advertorial, or with banners and buttons on the page.

Search Engine Marketing

When an internet user types a word or phrase into a search engine, two kinds of results are displayed—those that have been paid for by advertisers, and those that are natural. Pay per click (PPC) is a search engine marketing technique that requires the advertisers to pay a fee every time someone clicks on its website from an ad that has been placed in a search engine's result. The more an advertiser agrees to pay per click for a specific keyword and the more effective the ad, the higher a site will rank in the paid search results. Natural search engine optimization, also known as organic search engine optimization is a specialized technique that involves analyzing a website's underlying code, architecture, and visible content and making enhancements so that a website is returned prominently in the natural search results of spider-based search engines such as Google.

Classified Ads

Another growing area of internet advertisers, and an excellent opportunity for local advertisers, is the plethora of classified and websites, like CraigsList.org. Many of these offer free classified advertising opportunities because they are typically supported by banners of other advertisers. In style, the classifieds are very similar to what we are familiar with from newspapers, and so on.

E-mail Advertising

Sending advertisements by e-mail is another method of using the Internet as an advertising vehicle. The use of mass direct e-mail, in which businesses send unsolicited mail messages to a list of e-mail accounts, has fallen out of favor and in many cases breaks new laws designed to crack down on spamming.

An online newsletter sent out by e-mail is a more sophisticated way in which to reach actual and potential customers. An increasing numbers of businesses have supplemented their general customer satisfaction surveys with queries concerning customers' feelings about being put on a direct mailing list.

Online surveys are also a way to build up an e-mail address mailing list that can be used to send out company information relatively inexpensively. When this is well done, the newsletter or promotional piece will include hypertext links to the company's web page and will encourage the reader to pass the newsletter on to other interested parties.

In addition to the online advertising methods listed here, there are many others. Companies use referral services through which link exchanges are managed. Some companies sponsor web sites for other groups in exchange for links to their own web site. Some publication sites sell classified advertisement space, much as it is done on more traditional print advertising. The list of options is lengthy and the field of online advertising is still quite dynamic.

Promotion in Internet

Sales Promotion in Internet

Companies have found the internet to be a very effective medium for disseminating sales promotions. Many of the companies using sales promotion with their websites. For example Neilson Media Research has offered participants as a chance to win $50,000 in cash, a new car, or a trip around the world of participating in a panel to provide them with insight about the future of the internet.

Personal Selling on the Internet

Many of the companies using internet to improve their one-on-one relationships with customers. By providing more information in a more timely and efficient manner, a company enables customers to learn more about what it has to offer. This increases the opportunity for cross-selling and customer retention.

Public Relations on the Internet

The internet is useful medium for conducting public relations activities. Many sites devote a portion of their content to public relations activities, including the provision of

information about the company, its philanthropic activities, annual reports, and more. Companies, non-profit organizations, and political parties have become quite adept at using that internet for public relations purposes.

Direct Marketing on the Internet

For direct marketing there are many tools like direct mail, infomercials, and the like, have been adopted to the internet. At the same time e-commerce selling directly to the consumer via the internet has been very popular in the industry.

Advantages & Limitations of Internet Advertising

Advantages	Limitations
The internet is a truly interactive medium that allows customers to directly interact with an advertiser and establish a relationship	The internet is plagued by a lack of knowledge of advertising effectiveness, market research and standard methods of measurements for both ad exposures and pricing
The internet is the only true global medium, providing information and commence that is immediately accessible from around the world	Targeting costs can be very high compared to any other medium because of precise selectivity criteria. The more precise the targeting, the higher the costs.
Except personal selling, no other customer contact method can generate an immediate response as the internet. Products and information are available to customers on demand. This provides instant feed-back to marketers.	Slowness of downloads and connectivity problem discourage users, infrastructure improvement, costs and access make it costly alternative medium.
The internet provides high selective targeting by purchasing keywords and reach potential customers when they are ready to purchase.	The cost of personal computer is still high for low income group and the technology discourages a large number of people in developing countries.
The internet users mostly have higher incomes more buying power, which is a favourable factor for all the advertisers, particularly of high-priced products.	Doubtful security and privacy concerns discourage online purchases. So far internet has not proved safe for financial transactions and this limits its viability.
Commercial web sites provide detailed in depth information about products and services to customers.	Although internet advertisers can easily reach the international market. Internet is not really as pervasive inmost developing and under-developed countries as in United states or other developed countries.
The internet reaches business-to-business users while they are still at work. Consumer advertising can also reach these internet users.	Many countries have outdated telephone lines, and high cost local telephone lines, and high cost local telephone services, or the infrastructure is inadequate

SUMMARY

With the technological advancement, the internet has positioned itself as one of the very important media that can be used for almost all advertising purpose across all possible market segments. The growing popularity of the internet triggered an avalanche of interest using this new tool of marketing. Advertising through internet is the need of the days. Companies and organizations working to promote their products and services must consider this medium as they would advertise through television, magazines, outdoor, and so on.

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PERMISSION MARKETING

INTRODUCTION

Permission marketing (PM) allows marketers to obtain consent or "permission" from customers or prospects before sending them marketing messages. It is more effective than other forms of marketing because consumers control what kinds of messages they will receive, about which products and services they are interested in, and under what conditions. The most effective media for PM is through the Internet because "Internet users, in particular, place more value on information (control) and are more likely to respond negatively to messages aimed only at selling." (Kotler, p.663). What is unique about this form of marketing is that it holds distinct advantages for both consumers and marketers.

Steps in Permission Marketing

To practice PM, Godin recommends a five-step process:

Step 1: Get recipients to raise their hands – Obtaining initial contact permission from a potential customer by interrupting him or her through an email message, banner ad, etc. This requires the marketer to provide an incentive such as freebies (free content, sweepstakes or games).

Step 2: Teach your prospect over time – After receiving permission from the customer, educate the customer about the value of your products and services.

Step 3: Reinforce the incentive – This step is critical because you may have to ask for permission again with yet another incentive if the customer seems to have lost interest.

Step 4: Increase the level of permission – To heighten the level of permission, the marketer provides more incentives to motivate the customer. The permission marketer then becomes someone who is trustworthy of providing a service or product.

Step 5: Leverage permission into profits – The customer commits to the solution the marketer is offering.

PM works only if it is managed with care at every step. Most consumers are unwilling to give permission because of privacy issues, but when they do, they expect to be served with trust and respect for their privacy. Permission is a state of mind and thus can be interpreted differently by consumers and marketers.

Marketers fail to believe that permission does expire. On the other hand when

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consumers lose interest in products and services, they view the granted permission to be obsolete and interpret future emails to be unsolicited. Therefore, in order to "translate permission into long-term sales, marketers must nurture that permission by renewing and rewarding the permission." (Usborne, 7/26/99)

In order to retain customers, marketers must adopt certain guidelines to manage relationships with their customers:

- When changing the rules, inform the customers and renew their permission. "If a customer gives you permission to do 'A' and you then add in 'B,'" you have just changed the rules and the permission you obtained earlier expires according to Nick Usborne in the May 1, 2000 clickz.com article *Permission is Dead – Long Live Permission.*

- Reinforce your relationship with customers by reminding them how they were included on your list. A simple statement in the introduction to your email can serve this purpose. (Gallogly, 6/24/02)

- Clearly communicate to customers what they can do to be removed from your list and include a way for customers to reach you outside of email. Providing a link to your privacy policy also gives customers a sense of dealing with a legitimate source. Giving customers options allow them to have confidence that you will honor their requests. (Gallogly, 6/24/02)

Trust and Privacy in Permission Marketing

"The idea of building trust and relationships with customers has been around for thousands of years. The only bump in the road has been the mass marketing frenzy of the last century. Even during the last quarter of that century, direct marketers practiced permission marketing through direct mail. Only then did permission marketing fine-tune the art of turning cold prospects into warm prospects, warm prospects into customers, and customers into advocates."

Building trust in an online atmosphere can be more difficult as there is nothing tangible for a customer to use to draw conclusions about a company's perceived level of trust. A recent survey conducted about the Web found that only 29 percent of users trust the accuracy of information on sites selling products and services and only 33 percent trust sites giving advice about those items. Yet, that same study also found that 80 percent of users say it's very important to be able to trust information found on a website. (Paul Soltoff, 9/2/02)

Indeed, building trust is one of the most important issues for a successful permission marketing campaign. Trust is needed primarily to make the first contact with the customer

and then to maintain a good relationship with the customer over time. Trust with consumers in PM is built through frequency of communication and is something companies must earn again and again in order to maintain loyal with customer base. Companies practicing PM have to turn attention into permission, permission into learning and learning into trust.

In addition, companies need to be careful not to make mistakes, since earning trust can take several weeks or months, losing it on the other hand can take a matter of seconds. For example, one of the common mistakes of permission marketers is giving other businesses access to their PM customer database. Although this seems like an obvious marketing "no-no" many businesses fail to see that trust is broken by such practices.

Privacy is an issue closely associated with the concept of trust in PM. Major privacy issues for customers are - the way the company will track his or her information, the usage of cookies, sharing, selling or renting the customer's personal information, the opportunity to opt-out and the obligation of the company to make notification of any privacy policy changes. Customers can find answers to most questions about the above-listed issues in a company's privacy policy which is generally presented before a customer gives his or her consent to engage in a PM campaign.

Companies that use PM need to take under consideration which and how many details will be collected from customers regarding his or her personal information. This sensitive issue can cause the consumer to be wary in engaging in the PM process or perhaps even withdraw from the process once engaged. Consequently, companies can improve the odds a customer will opt-in if they have a pared down registration process that avoids too many required personal details in order to be added to the list. Companies might consider requiring only a consumer's email address and allow him or her to provide all other personal information as an option. In doing this, the user will feel more at ease as he or she can still remain somewhat anonymous.

Ethical Concern Internet Marketing

There is a rapid growth of internet using as a marketing communication tool. This has made necessary to regulate this new medium, although the regulation is in its nascent stage and there is no international jurisdiction for any of the laws. One of the main problems resulting from internet marketing is violation of an individual's privacy, as a direct marketing. In India, a citizen's right to privacy was recognized by the Supreme Court of India in the year 1991 as a part of right to life. In 2000, the Government passed the Information Technology Act intended to provide a comprehensive regulatory framework for e-commerce.

In addition to addressing the issue of privacy in India, the Information Technology Act, 2000 also states penalties for publishers or transmitters of obscene or lascivious information if it is deemed to corrupt its consumers. This regulation is particularly useful in light of the fact that even minors are at the receiving end of internet marketing.

The Federal trade Commission Act allows the FTC to act in the interest of all consumers to prevent deceptive and unfair acts or practices. In interpreting Section 5 of the act, the Commission has determined that a representation, omission or practice is deceptive if it is likely to:

- Mislead consumers and
- Affect consumer's behavior or decisions about the product or service.

In addition, an act or practice is unfair if the injury it causes, or is likely to cause, is;

- Substantial,
- Not outweighed by other benefit and
- Not reasonably avoidable.

The FTC Acts prohibits unfair or deceptive advertising in any medium. That is, advertising must tell the truth and not mislead consumers. A claim can be misleading if relevant information is left out or if the claim implies something that is not true.

Advertising agencies or website designers are responsible for reviewing the information used to substantiate claims. They may not simply rely on an advertiser's assurance that the claims are substantiated. In determining whether an ad agency should be held liable, the FTC looks at the extent of the agency's participation in the preparation of the challenged ad, and whether the agency knew or should have known that the ad included false or deceptive claims.

SUMMARY

Permission marketing (PM) allows marketers to obtain consent or "permission" from customers or prospects before sending them marketing messages. It is more effective than other forms of marketing. The most effective media for PM is through the Internet. One of the main problems resulting from internet marketing is violation of an individual's privacy, as a direct marketing. In 2000, the Government passed the Information Technology Act intended to provide a comprehensive regulatory framework for e-commerce. In addition to addressing the issue of privacy in India, the Information Technology Act, 2000 also states penalties for publishers or transmitters of obscene or lascivious information if it is deemed to corrupt its

consumers.

Self Assessment Questions

1. What is media planning

2. What are the different stages in media planning?

3. What is media mix? Explain its components.

4. What are the methods of determining relative cost of media?

5. Write down advantages and disadvantages of different media.

6. Write short notes on the following:

   (a) Scheduling

   (b) Reach and frequency

   (c) Readership

   (d) Viewership

7. What is internet advertising?

8. What are the methods of internet advertising?

9. Write down the advantages and limitations of interned advertising

10. What is permission marketing?

11. What are the steps in permission marketing?

12. Write about the privacy in permission marketing.

13. Write short notes on the following:

   (a) Search engine

   (b) Homepage

   (c) E-mail advertising

   (d) Pop-up

MEASURING ADVERTISING EFFECTIVENESS

INTRODUCTION

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in to advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising.

As soon as the advertising campaign is over, a need generally arises to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer' behaviour in favour of the company's product which will naturally, affect the future sale of the product.

In order to measure the effectiveness of advertising copy, two types of tests- pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of the following ways –

   (a) By giving different addresses to different media,

   (b) Different newspapers may be selected for advertisements of different departments,

   (c) Coupon blank etc. May be provided with the advertisement or

   (d) Enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising.

Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media. This chapter deals with these three problems.

Effectiveness of Advertising

Effectiveness of advertising is an issue that has been debated over the years. Despite,

this extent of fundamental research in this area continues to be extremely low. Most effectiveness studies deal with specific advertisements and campaigns. Considerably money is spent on pre-testing an advertisement copy. But to measure the advertising effectiveness we must be able to evaluate all the aspects of communication elements. There are the sources, Message, Media and Budget.

1. *Source :* It has to be seen whether the source is effective and how the target market will respond to it. Like Kapil Dev, Sachin Tendulkar, Shahrukh Khan, Amitabh Bachhan, Kareena Kapoor, Aishwarya Rai are very effective. They are attractive, genuine sports persons or actors and have the credibility. Sometimes, the source loses its credibility or becomes old and has to be changed.

2. *Message :* How the message is communicated and what type of message it is also effects the advertisement. The message should be memorable and should be able to deliver the advertising objectives. The delivery of the message and its setting or its situation also matters a lot. The message must have proper headlines, illustrations, text and layout. The advertisement must be ethical, the message should be credible.

3. *Media Strategy :* It is very important to decide the proper Media Mix i.e., (Print Media, Broadcast Media), Newspaper or Magazines, Radio, Television that could generate the most effective results. Media Vehicle has also to be decided, that is which newspaper or magazines, which channel of Television or which programme on radio is to be used. This is decided by keeping the target audience in mind. The location of the advertisement in a particular media is also important. In a media we can choose the front page or the back page or the inside page or may ordinary page placed strategically. In Television some programme are more effective and popular. Some audience prefers old programmes and some, like to ones.

Importance of Measuring the Effectiveness of Advertising

(1) It acts as a Safety Measure

Testing effectiveness of advertising helps in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and result oriented. Thus waste of money in faulty advertising can be avoided.

(2) Provides Feedback for Remedial Measures

Testing effectiveness of advertising provides useful information to the advertisers to

take remedial steps against ineffective advertisements.

(3) Avoids Possible Failure

Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectives helps in estimating the results in order to avoid complete loss.

(4) To justify the Investment in Advertising

The expenditure on advertisement is considered to be an investment. The investment in advertising is a marketing investment and its objectives should be spelt out clearly indicating the results expected from the campaign. The rate and size of return should be determined in advance. If the expected rate of return is achieved in terms of additional profits, the advertisement can be considered as effective one.

(5) To know the Communication Effect

The effectiveness of the advertisement can be measured in terms of their communication effects on the target consumers or audience. The main purpose of advertising is to communicate to the general public, existing and prospective consumers, various information about the product and the company. It is therefore desirable to seek post measurements of advertising in order to determine whether advertisement have been seen or heard or in other words. whether they have communicated the theme, message or appeal of the advertising.

(6) Compare Two Markets

Under this procedure, advertising is published in test markets and results are contrasted with other. Markets – so called control markets – which have had the regular advertising programme. The measurements made to determine results may be measurements of change in sales, change in consumer attitudes, changes in dealer display and so on depending upon the objectives sought by the advertiser.

Testing of Advertisement

Testing of an advertisement can be done in three methods:

1. Pre Testing
2. Concurrent Testing
3. Post Testing

Pre testing also known as evaluation research is done before the advertisement is released. Pre testing is essential to see how effective the advertisement will be. Since a lot of

money is spent on making the advertisement copy etc.. it is essential to gauge what impact will it have on the audience. Pre testing may be done at a number of points. Right from idea generation to till its implication. Pre test should be used as a guide. In Pre testing of advertisement respondents are asked a number of questions in different settings. These settings can be in laboratory, field etc. Questions asked can be framed to elicit information from the respondent to make out and differentiate strong advertisement from weak ones.

Methods of Pre Testing of the Advertisement

Focus Groups

Focus groups are used to evaluate one or more ad concepts through in depth discussions on a topic. For instance, groups may be asked, "which of these ads do you like least and why?" Focus groups are one of the most used research techniques because of their qualitative nature and ability to discover important issues through exhaustive group discussions.

Individual Interviews

Test audience may be individually either by taking prior appointments or by intercepting them at public locations such as shopping malls, cinema halls, etc. and opinions may be taken regarding alternative ad concepts, rough art, copy etc. People may be asked if they think a particular ad would get attention, if they find it interesting, if they would read the copy, if they would believe its claims, if it would lead them to purchase the product etc.

Anteroom Trailer

Yet another method of testing opinions is the anteroom trailer or a mobile van, wherein a mobile laboratory is set up inside a van parked near popular public places like malls,, cinema halls etc.. Random passersby are chosen as interviewees and offered some incentive for participating. Prerecorded test commercials are shown interspersed with some programmes, and interviews are conducted and opinions taken after the viewing.

Consumer Juries

Consumer or target market representatives are appointed as juries to evaluate the performance of a selection of ads on various criteria. Juries are presented with various rough or finished versions of advertisements, and asked to rate or rank them. Consumer may be asked to either rank the ads from one to other based on the order of their preference, or compare all the ads in the test, two at a time, and mark the preferred one. The ad that wins the most times is declared the winner.

Ethnography

Ethnography is an observation research technique in which data is collected by observing consumer behavior. Data can be collected in a number of ways- by having human researchers observe consumers in stores, work places, homes etc. by giving consumers a video camera to record their interactions with the target product; by having consumers record their behavior in diary etc. although difficult to measure and validate, ethnography can yield deep insights in to consumer behaviour and attitudes generated through communication.

Programme Analysis

A technique specially advised for the pretesting finished broadcast material by Paul F. Lazarsfeld and Frank Stanton is the programme analysis. It uses a simple device called the Stanton-Lazersfeld programme analyzer that can monitor audience's likes and dislike throughout a broadcast programme or commercial. The test audience is seated in chairs equipped with left and right hand push buttons. They view or hear the programmes or commercials and press the right-hand button when they like something and left –hand button when they dislike something. If neither button is pressed, evaluators assume that the subjects are different.

On-Air Testing

This is a method of field-testing broadcast commercials by airing them in one or more test market either in place of the new commercial or at a new time period. Most commercials tested are in the finished form, although testing of semi-finished ads may also happen. Viewers who saw the test commercial are interviewed to determine their recall levels, brand attitudes, brand knowledge etc. On-air test are mostly used for testing recall levels of various sales points of a commercial.

Theatre Test

This laboratory method of pretesting broadcast commercial is popularly used in many western countries. This method tests the commercial in a movie hall in front of an audience of about 500 people. Some commercials, including the one being tested, are interested in the entertainment program shown to the audience.

The entertainment program is preceded by a lottery, in which people are asked to allocate a sum of money among different brands and after the program there is another similar lottery. The measurement of the effectiveness of the tested commercial is determined by comparing the audience's preference for the brand after the programme with their preference before the programme.

Portfolio Test

This method is commonly used for pretesting finished print ads in a laboratory setting. Here consumers are exposed to 'test ads' in a folder, which also contains a number of 'control ads.' After a brief time lapse, advertising performance is primarily evaluated using the criteria of recall the percentage of participants who can recall brand and/ or product, pictorial or copy aspects of the ad, sales points, etc. It may also involve rating the ads or products advertised. Portfolio tests are easy to administer and analyze.

Dummy Advertising Vehicles

In an improvement to portfolio tests, a cross section of consumers is given a dummy or test publication, containing a portfolio of about 15-20 ads along with regular editorial material, to be read at home. Participants might be intercepted at public places in test area and often screened before giving the test publication. Alternatively, publications may be distributed in same homes. The test ads are inserted in such a manner that the readers cannot distinguish them from the regular pages Participants are instructed to read the publications in a normal manner. They are often interviewed on phone to next day to determine recall of the ads and sales points, overall ad impressions, etc.

Readability Test

These are formulaic procedures for evaluating the readability of text, which are used instead of conducting an actual survey of human readers. They measure the ease of reading copy in a print ad including comprehensions, retention, reading speed, and reading persistence.

Physiological Measures

These evaluate the performance of ads by measuring people's physical reactions to ads in a laboratory setting. They measure participant's involuntary physiological responses for both print and broadcast ads. Following are some of the popular physiological measures:

1) *Eye tracking:*

Eye tracking is used to measure eye position as well as eye movements to evaluate aspects like which elements of an add attract more attention, how long eye linger on them, and in which sequence or path various elements are viewed. There are various methods for measuring eye movements. A popular technique uses video images from which the eye position is extracted. Another modern method uses a sensor to beam infra red light in the subject's eyes. The sensor then detects the light reflected by the concern and measures the angle between the corneal reflection and the centre of the eye's pupil to

arrive at the exact spot in the ad where the eye is focused.

2) *Pupil dilation:*

Advertisers also rely on abrupt changes in pupil diameter, which indicates current levels of mental effort put forth by the user.. It is assumed that with increased interests and action, people becomes dilated, and when interest level is low, it contracts to conserve energy. This study of the relation between a viewer's interest level in an ad and his pupil dilation is known as *pupil metrics.*

3) *Galvanic skin response:*

This is a physiological testing technique in which the electrical conductivity or resistance of the skin is measured to check the level of arousal caused by an advertisement. It is performed with a **psycho galvanometer** that measures changes in the activity of the sweat glands via electrodes attached to the subject's palm and fore arm. Response to an ad can activate sweat glands, resulting in lower electrical resistance. This is recorded in a psycho galvanometer. It thus senses the small amount of sweating that accompanies emotional arousal and records points in an ad when the respondent's interests and emotions were stimulated.

4) *Brain waves:*

Electroencephalography is the neurophysiologic measurement of the electrical activity of the brain performed by recording electrical frequencies in the brain. Recordings are taken from several locations on the skull by placing electrodes on the scalp or in the cerebral cortex. These are sometimes called brain waves. By measuring the electrical activity in various parts of the brain, researchers can tell whether the subject is inactive or paying attention to a stimulus.

Concurrent Testing Methods

Concurrent testing takes place while an ad campaign is running. some of the techniques are similar to those used in pretesting.

Coincidental Survey

This methodology is a system of audience measurement primarily for the broadcast media. C. E. Hooper popularized this system wherein random calls are made to people to ask three basic questions:

✓ Are you listening to the radio/watching television?

✓ What programme?

✓ On what station/channel?

Advertisers can determine whether the target audience is consuming the message and to what extent the message is comprehended. Often the data collected for television from people is compared with *people mete*r data to get consistent results.

Attitude Tests

Surveys are popularly used to measure consumer attitudes towards the ad and/or the advertised brand. Attitude tests can be done concurrently or as a posttest. Researchers ask various questions to individuals regarding the message, tone, comprehension, spokesperson, wording, etc. of an ad and the results are used to indicate positive or negative attitudes. Tools like direct questions, rating scales, semantic differential, checklists and partially structured interviews are used to measure attitudes.

Tracking Studies

Tracking studies track or measure the effects of an ad campaign continuously over a specified period of time. Tracking measures a campaign's performance based on measures such as brand and advertising recall, awareness and interest; purchase intentions; product trial and usage; purchase frequency; target market characteristics; media habits; attitudes about the advertised brand versus competition; etc. Following methods are also popularly used in tracking

1) *Wave analysis:* Wave analysis measures the impact of advertising over time through multiple measures and a series of interviews, which give a wave like pattern of communication performance when plotted in a graph.

2) *Consumer diaries:* In consumer diary method a panel of consumers is asked to maintain a diary in which they record their media usage, purchase patterns, brand usage, brand switches, exposure to competitive promotions etc. while the campaign is in progress. The technique provides information regarding important parameters as directly reported by the panel members and can help in making changes in the campaign to improve its performance.

3) *Pantry checks:* This method primarily used during new product introductions, a researcher visits homes of consumers and inquires regarding the products used or purchased. Alternatively, he may do a physical count of the inventory of various brands stocked by the consumer. Sometimes consumers are also requested to retain empty packs,

which the researcher tallies.

4) *Single-source tracking:* This method refers to the collection of data ranging from communication exposure to product purchase regarding a single family or group of consumers. Through single-source tracking, data can be collected regarding media habits, purchase behavior etc. by monitoring exposure to promotion efforts and audience's decision-making and purchase behavior can be tracked through entire communication-to-purchase cycle using sophisticated research method and devices.

Post Testing Method

Post testing method is the most common of all testing because it is only after an advertisement has run for a period of time, it is tested to measure its effectiveness. The following are some methods:

Recall Test

In this test, the respondents are asked to recall the advertisements they have seen and the brand is concealed and asked whether they had seen the advertisement through reading, listening or viewing. recall tests can be conducted for both print ads and broadcast commercials.

In recall tests of print ads, participants are asked to read test publication in their homes. They next day they are screened to determine if they have read the publication or not. Qualifying participants are questioned regarding ad elements, sales points, purchase interest and intention, etc. For testing recall of broadcast commercials a day after the commercials are aired, participants are screened to qualify those who have seen the commercials.

Recognition Test

This is conducted to see whether the advertisement is recognized or not. This Test can be conducted by mail surveys. The advertisement can be broken into headlines, layouts, body, copy, logo etc. and it is seen how these elements are are remembered by the respondents. The recognition test can be conducted in a number of ways. The magazines are placed in the home of the respondents and they are requested to read that magazine on that day. Next day they are asked questions about the advertisements appearing in that magazine to assess the recall of advertisements.

Inquiry Tests

These are behavioural post-test to check how much an ad campaign has succeeded in developing purchase intentions. Their objective is to generate the maximum number of

inquiries in response to an advertising campaign. People are encouraged to inquire about the product through business reply cards, toll-free numbers, e-mails and websites, etc. In return, they may sometimes be offered incentives like product samples, information booklets, free trials, small gifts, etc.

Sales Tests

These are also behavioral post-tests to check how much an ad campaign has succeeded in generating actual sales. Under this method advertising campaign is run in the markets selected for testing purpose. The impact of the campaign is evaluated by actual sales in the selected markets.

The market with high sale is considered the best market for effective sales campaign. In other markets suitable changes are made in the advertising campaign Experimental sales tests can also be done, wherein different version of ad can be run in different test markets to check which one generates maximum sales.

Comprehensive Measures

Advertisers are often interested in understanding the performance of advertising on all the above-mentioned parameters and various media jointly because only a comprehensive analysis can tell how effective a campaign has been. For instance, an ad performing well on recognition may perform poorly on attitude and purchase intention. Comprehensive tests can spot out such anomalies so that performance can be improved through the entire process from product awareness to product purchase.

Attitude Test

The attitude of potential customers can be measured on the attitude scale. The scale measure the customer's attitude on a continuum from vary favourable and unfavourable at the other. These scales can be five point Likert scale or a seven point scale.

The effectiveness of the advertisement can be measured by comparing the present sales with the post sales. Therefore, it becomes obvious that the exact measurement of effectiveness can be measured in a number of ways but it cannot be very accurate as many factors are to be considered and evaluated. These could be;

   (i) The cost per thousand target buyers incurred on media category and media vehicle.

   (ii) Percentage of audience who red, saw, and noted the advertisement.

   (iii) Consumer's opinion on the advertisement contents and effectiveness.

   (iv) Change in attitude after seeing the advertisement.

   (v) No enquiries received for the advertisement.

Advertisement efficiency can be improved by better message, better positioning, better use of media, clear objectives, pre-testing of advertisement etc.

Control on Advertising by Practitioners; Media and Market

Advertising puts across messages and their presentation may be against the accepted values of society. Moral and ethical values have been discarded by several advertisers. These unsocial, immoral and unethical values are controlled by government and by consumers.

With the growing criticisms of advertising, advertisers have been considering the idea of self-regulation. Self- regulation would result in true and accurate messages. Many advertisers were skeptical of the success of self-regulation. Yet many advertisers have declared that they should exercise control over, and restraint on, their activities. Therefore, they opted for self-regulation in 1970 in USA. Consequently, the Council of Better Business Bureaus and National Advertising Review Board were established.

The first self-regulatory organization was established by the Advertising Club of Cleveland. It was known as Better Business Bureau. The Better Business Bureau (BBB) operated at local levels. In 1976, there were about 240 Better Business Bureaus throughout the USA. They were fighting immoral and unethical advertising to raise its standards. Advertising agencies, advertising media and other agencies were determined to stamp out deceptive advertising. Each Better Business Bureau was assigned the job of spearheading a movement for improvements in advertising in its locality.

The BBB persuades advertisers to discard questionable modes and practices of advertising. It maintains a register of consumer complaints. The Better Business Bureaus are interested in people operating advertising agencies. These Better Business Bureaus were reorganized under the Council of Better Business Bureaus (CBBB) in 1970. The CBBB achieved prominence for national advertising regulation. This council performs nation-wide activities. It consists of eight members drawn from leading advertising agencies. The local Better Business Bureau has three divisions,-merchandise division, financial division and solicitation division. They see to it that no false or misleading copy, layout, etc. is employed in advertising.

The CBBB has a wing known as National Advertising Division (NAD) composed of knowledgeable individuals from the local bureaus. The NAD evaluates the reports of the CBBB. The reports of CBBB are prepared in the light of the recommendations of the local people. The NAD asks the advertiser to submit the logic and rationale of his challenged advertisements. After evaluating the reports of the CBBB and the claims of the advertiser, the

NAD may dismiss the complaint on the ground that the advertiser's claims are correct and substantial. The complaints may be accepted by the NAD, and it may direct the advertiser to modify the challenged advertising. If the advertiser does not comply with the direction of the CBBB, its point of view and the complaints of the public are forwarded to the National Advertising Review Board. If the advertiser does not accept the verdict of the NARB, his case is forwarded to the Federation of Trade Commissions or to the Federal Communication Commission.

The National Advertising Review Board started its functions in 1971 in the USA. It has 50 member-forty representing advertising agencies and ten representing the public Complaints about any advertisement are made to this Board through the National Advertising Division (NAD) which receives complains from the public, the industry, business and other sources.

The NAD suggests appropriate changes in the advertisement. If the advertiser does not change the message and continues to advertise, the complaint is forwarded to the National Advertising Review Board.

The NARB appoints a five-member panel composed of three representatives of advertisers, one agency person and one public representative to review the complains forwarded by the NAD and the stand taken by the advertiser. If the panel upholds the decision of the NAD, it calls upon the advertiser to modify or withdraw the advertisement. The NARB publishes the complaints if the advertiser does not accept the suggestion of the NARB. As a final step, the case is referred to a government authority for appropriate action against the defaulting advertiser.

The local Better Business Bureaus, too, have been approaching the NARB for the settlement of the complaints filed by the public, The NARB has special cells to hear the complains of children, women, minorities and other sections of society. The NARB bas reported many cases to the Federal Trade Commission (FTC) for final settlement. The FTC can call for suitable correction of misleading or incorrect advertisements.

Self-Regulation by Media

The media people can reject any advertisement if they consider that it is misleading and incorrect. The objectionable advertisements are not published or viewed or advertised by the media. Television in India and France is quite selective in accepting a particular message or mode of advertising. Television and radio are more concerned about the content of advertisements than the print media. Television does not accept bait advertising,

advertisement bearing on sexual themes and representations of certain professions. The time allotted to advertisers is restricted by television and radio. Many newspapers do not accept objectionable advertisements. They are famous for refusing to publish such advertisements. Sex selling, patent medicines with high alcohol content, etc., are frowned upon; advertisements bearing on these are not accepted by newspapers. Many magazines also impose restrictions on advertisement content.

Controls by Consumers

Consumers have started exercising control over misleading advertisements since the latter part of the nineteenth century. They exert control in different forms: direct and indirect, formal and informal, short as well as long-range. They have devastating power to accept or boycott the product, which they do through consumer groups, through businessmen and through a law-enforcing authority. We have discussed the control by businessmen.

Controls by Government

Control by the government is felt to be necessary to check deceptive, misleading, highly competitive and immoral advertising. The government is after all responsible to see to it that there is no undesirable advertising. It has the power to control it. It should exercise this power to protect the interests of consumers, small businesses and other sections of society and to ensure that there is no deceptive and misleading advertising. The content of advertisements has to be regulated by the Government. In India, regulations concerning advertising are limited. Only the public laws and Sale of Goods Act are employed to control advertising. The Penal Code and the Criminal Procedure Code have been used against deceivers and lawbreakers.

The Consumers' Protection Act and other relevant laws have been enacted to control objectionable advertising. Advertising has become an integral part of life and has lasting effects on society. It has to demonstrate greater social responsibility. Its manipulative and undesirable activities have to be controlled. Truthful advertising leads to consumer satisfaction. It is true that very few advertisers resort to deceptive advertising. They compete with others on the basis of dishonest presentation.

Therefore, the government has enacted several laws. The USA has been very active in this field. The Indian Government too has enacted some laws to protect the interests of consumers, honest advertisers, producers and traders. In the USA such legislation has been enacted by the federal government, state governments, and municipalities.

Growth of Consumerism

The term "consumerism" refers to the resistance of consumers to misleading advertising, sales techniques and products. The development of consumer power took place in the USA between 1889 and 1925 when consumers developed their strength and realized the need for resisting misleading and unrealistic advertising. Women's organizations developed to resist "black" sales. In India, consumer power developed during the Swadeshi Andolan in 1922, which continued till 1950.

Consumerism has a direct as well as indirect impact on advertising. If advertisers get the feedback that their presentation and announcements have been resisted by people, they would avoid misleading advertising. If they do not, their image would be tarnished.

Advertisers have to evaluate the end results of their advertisements. Pre-assessment and evaluation will avoid unnecessary expenses on advertising. Therefore, advertisers should not feel that consumers are adversaries. They are, in fact, true guides for the success of advertising. Consumerism gives a boost to government control. The advertising research will not be required if consumer organizations provided adequate information and feedback on advertising. Therefore, consumers now receive the cooperation and assistance of many sound advertising agencies. Advertisers look upon their reactions as clues to the need for further development.

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ADVERTISING IN INTERNATIONAL MARKET PLACE

INTRODUCTION

One of the major developments in the business world during the decade of the 90s was the globalization of markets. The emergence of a largely borderless world has created a new reality for all types of companies. Today, world trade is driven by global competition among global companies for global consumers. With the development of faster communication, transportation, and financial transactions, time and distance are no longer barrier to global marketing. products and services developed in one country quickly find their way to other countries where they arer finding enthusiastic acceptance. Consumers around the world wear Nike shoes and Calvin Klein jeans, eat at McDonald's, shave with Gillette razors, use Apple i-pods, Dell computers, drink Coca-Cola and Pepsi soft drinks, talk on cellular phone made by Nokia and Motorola and drive cars made by global automakers such a Ford, Honda and Nissan.

Companies are focusing international markets for a number of reasons:

(i) Many companies in the U.S. and western Europe recognize that their domestic markets offer them limited opportunities for expansion because So slow population growth, saturated markets, intense competition, and/or an unfavourable marketing environment.

(ii) Many companies must focus on foreign market to survive. Most European nations are relatively small in size and without foreign markets would not have the economies. Companies are also pursuing international markets because of the opportunities they offer for growth and profits.

(iii) Many U.S. based companies have formed joint ventures or strategic alliances with foreign companies to market their products internationally.

The Role of International Advertising

Advertising is an important part of the marketing programme of firms competing in the global market place. An estimated $236 billion was spent on advertising in the United States in 2002, with much of this money being spent by multinational companies' headquarters outside this country. Advertising expenditure outside the United States have increased by 60 percent since 1990, reaching an estimated 214 million in 2002, as global

marketers based in the United States, as well as European and Asian countries, increase their worldwide advertising.

The Global Perspective

A company that has domestic operations and established regional operations in Europe, Latin America, North America, the Pacific, or elsewhere, has to ultimately decide whether it should establish a world corporate headquarters to ensure the company a truly global perspective. It means the company must internationalize the management group. Example: Unilever and Shell (both of which have twin world headquarters in the United Kingdom and the Netherlands), Arthur Andersen, IBM, Nestle and Inter public have changed to a global management structure.

Every product category can be divided into local (or national), regional (trading bloc), and international brands. International brands are those that are marketed in two or more of the four major regional market blocs: North America, Latin America, Europe, and Asia-Pacific. Although the Eastern European bloc will exist as a trading region for years, several of the westernmost countries in this group have been subsumed into the European Union, and Russia and the Asian republics of the former Soviet Union ma1 coalesce into a smaller fifth bloc. The sixth bloc-Africa, the Middle East, and Southern Asia-is so much smaller economically than the others that it is often attached to Europe or Asia-Pacific.

Global Brands

A global brand is one that has the same name, design, and creative strategy everywhere in the world and is marketed in most of the major regional market blocs. Example: Coca-Cola, McDonald's, Henkel, Rolex, Nissan, Toyota, Gillette, and Avis.

Advantages of Global Marketing & Advertising

A global marketing strategy and advertising program offer certain advantages to a company, including the following:

(i) Economies of sales in production and distribution.

(ii) Lower marketing and advertising costs as a result of reductions in planning and control

(iii) Lower advertising production cost

(iv) Abilities to exploit good ideas on a worldwide basis and introduce products quickly into various world markets.

(v) A consistent international brand and/or company image

(vi) Simplification of coordination and control of marketing and promotional programs.

Problems with Global Advertising

Opponents of the standardized global approach argue that very few products lend themselves to global advertising. Difference in culture, market, and economic development; consumer needs and usage pattern; media availabilities; and legal restrictions make it extremely difficult to develop an effective universal approach to marketing and advertising.

Advertising may be particularly difficult to standardize because of cultural differences in circumstances, language, traditions, values, beliefs, and lifestyle and so on. Moreover, some experts argue that cultures around the world are becoming more diverse, not less so. Thus, advertising's job of informing and persuading consumers and moving them toward using a particular brand can be done only within a given culture.

Consumer usage pattern and perceptions of a product may vary from one country to another, so advertisers must adjust their marketing and advertising approaches to different problems they may face in different markets.

When is Globalization Appropriate?

While globalization of advertising is viewed by many in the advertising industry as a difficult task, some progress has been made in learning what products and services are best suited to worldwide appeals:

1. Brands or messages that can be adapted for a visual appeal, avoiding the problems of trying to translate words into dozens of languages.

2. Brands that are promoted with image campaigns that play to universal appeals such as sex or health.

3. High-tech products and new products coming to the world for the first time, not steeped in the cultural heritage of the country

4. Products with nationalistic flavor in the country has a reputation in the field.

5. Products that appeal to a market segment with universally similar tastes, interests, needs, and values.

Approaches to Global Advertising

Globalization (Standardization)

This school of thought contends that differences between countries are more a matter of degree than direction, so advertisers must instead focus on the similarities of consumers around the world.

Localization (Adaptation)

This school of thought argues that advertisers must consider differences among

countries, including culture, stage of economic an: industrial development, stage of life cycle, media availability, research availability, and legal restrictions.

Contingency (Moderate)

This school of thought reasons that neither complete standardization nor compete adaptation is necessary and that a combination of the two approaches can guide advertising in multiple countries after a careful evaluation of factors that can affect the effectiveness of such advertising. Note that most companies use the middle-of-the-road approach or lean toward localization. Starbucks uses this approach. Tea is offered in stores in the far-east, stronger coffees in Europe, and gourmet coffees in the United States. Furthermore individual elements often are standardized (product name, logo, and packaging).

No single approach is always the right one. In actuality no business has a completely global campaign. The reality of global advertising suggests that the contingency approach is best. Marketers are restricted by language, regulations, and a lack of completely global media. The challenge in advertising is the careful and sophisticated use of Kotler's "variations" nationally or regionally under a basic Levitt-style global plan to maintain efficiency.

The Global Advertising Plan

The strategic advertising plan usually is prepared in conjunction with the budget. Basically, the plan outlines the marketing strategy, whereas the budget allocates the funds. Two major approaches to advertising in foreign cultures differ in their orientation: one is market oriented and the other is culture oriented.

The Market Analysis Model

This model is based on data and observation from several countries. It recognizes the existence of local, regional, and international brands in almost every product category. The two major variables are the share of market of brands within a category and the size of the category.

For example, the brand's percentage share of the category market might vary substantially in four countries:

	Country A	Country B	Country C	Country D
Global Brand	25	30	50	20
Regional Brand	60	30	10	55
Local Brand	15	40	40	25

According to this example, Country C looks very valuable for the global brand. Considering the size of the market changes the picture, however. Assume that the size of the category market in the four countries is as follows:

	Country A	Country B	Country C	Country D
Global Brand	2,00,000	1,00,000	50,000	3,00,000
Regional Brand	25,000	30,000	50,000	20,000
Local Brand	50,000	30,000	25,000	60,000

According to this market analysis, Country C actually is much less important. Half of this smaller market is already in global brands. Country D not only is a larger global brand market but also is a much larger total market. A marketing manager must look not only as share but also at market size, growth rates, and growth opportunities. For instance, cola-flavored soft drinks are not nearly as dominant in Germany as they are in the United States. To generate sales in Germany, then, a soft-drink company would have to develop orange and lemon-lime entries. McDonald's serves beer in Germany, wine in in France, a local fruit-flavored shake in Singapore and Malaysia, and even a Portuguese sausage in Hawaii, in addition to the traditional Big Macs, fish sandwiches, and French fries to cater to local tastes.

The Culture-Oriented Model

The second model of international advertising emphasizes the cultural differences among peoples and nations. This school of thought recognizes that people worldwide share certain needs, but it also stresses the fact that these needs are met differently from culture to culture. Although the same emotions are basic to all humanity, the degree to which these emotions are expressed publicly varies. The camaraderie typical in an Australian business office would be unthinkable in Japan. The informal, first-name relationships common in North America are frowned on in Germany, where co-workers often do not use first names. Like-wise, the ways in which we categorize information and the values we attach to people, places, and things depend on the setting in which we were raised. How do cultural differences relate to advertising? According to the high-context/low-context theory, although the function of advertising is the same throughout the world, the expression of its message varies in different cultural settings. The major distinction is between high-context cultures, in which the meaning of a message can be understood only within a specific context, and low-context cultures, in which the message can be understood as an independent entity. It is observed that Japanese has the highest-context culture. This model helps explain the difficulties of

advertising in other languages.

The differences between Japanese and English are instructive. English is a low-context language. English words have very clearly defined meanings that are not highly dependent on the words surrounding them. In Japanese, however, a word can have multiple meanings. Listeners or readers will not understand the exact meaning of a word unless they clearly understand the preceding or following sentences, that is, the context in which the word is used. Advertising messages constructed by writers from high-context cultures might be difficult to understand in low-context cultures because they may offer too much detail to make the point clearly. In contrast, messages authored by writers from low-context cultures may be difficult to understand in high-context cultures because they omit essential con-textual detail. In discussing the Japanese way of advertising, Takashi Michioka, president of DYR, joint-venture agency of Yoirng & Rubicam and Dentsu, put it this way: In Japan, differentiation among products, does not consist of explaining with words the points of difference among competing products as in America. Differentiation is achieved by bringing out the people appearing in the commercial-the way they talk, the music, the scenery-rather than emphasizing the unique features and dissimilarities of the product itself.

Agencies have to develop techniques to advertise brands that are marketed around the world. Some agencies exercise tight control, whereas others allow more local autonomy. All of these techniques fall into three groups: tight central international control, centralized resources with moderate control, and matching the client. Henkel, a large German manufacturer of household and cleaning products, provides -: example of how centralized management with similar products works. Henkel's international strategy was designed to accomplish three goals: eliminate duplication of effort among its national companies, provide central direction for new products, and achieve efficiency in advertising production and impact. It included these steps:

1. Identifying how a product fulfills a need or functions beneficially.
2. Determining the common need or product benefit for consumers in Europe or larger area.
3. Assigning that specific need or benefit to one product with one brand name.
4. Assigning that brand to one brand manager and one advertising agency to develop and market.
5. Disallowing the use of that one brand's benefit, name, or creative campaign for any other brand in the company.

The organizational structure for managing international advertising depends heavily on the globalization-versus-localization marketing and advertising strategy. For highly globalized advertising efforts, there may be one advertising plan for each product regardless of the number of markets entered. For a product using localized advertising, there probably will be a separate advertising plan for each foreign market. For globalized advertising plans, the business is more likely to centralize the development and control of the advertising. Quaker adopted standardized advertising for Gatorade and its other international products. As a first step in implementing its pan-European approach, Quaker centralized advertising management for all of Europe. If the marketing effort, including the advertising, is more localized, then the company is likely to centralized advertising management in each individual foreign market. Colgate Palmolive Company decided to take a country-by-country approach in its advertising.

Approaches to the International Advertising Campaign

'All business is local." This proverb should be modified to read 'Almost all transactions are local." Although advertising campaigns can be created for worldwide exposure, the advertising is intended to persuade a reader or listeners to do something buy, phone, and order. Even this will change as multi-national direct-mail campaigns become possible in a unified common market. Some advertisers develop tightly controlled global campaigns with minimum adaptation for local markets. Others develop local campaigns in every major market.

Centrally Controlled Campaigns

International advertising campaigns have two basic starting points: (l) success in one country and (2) a centrally conceived strategy, a need, a new product, or a directive

A National Success Story

A successful advertising campaign, conceived for national application, is modified for use in other countries. Wrigley, Marlboro, IBM, Waterman Pen, Seiko Watches, Philips Shavers. Procter & Gamble, Ford, Hasbro and many other companies have taken successful campaigns from one country and transplanted them around the world.

Centrally Conceived Campaign

A centrally conceived campaign was pioneered by Coca-Cola and is now used increasingly in global strategies. Although the concept is simple, the application is difficult. A work team, task force or action group assembles from around the world to present, debate, modify if necessary, and agree on a basic strategy as the foundation for the campaign.

The one word theme replaced one of the most successful ad slogans in aviation history, "Fly the Friendly Skies of united."' Some circumstances require that a central strategy be imposed even if a few countries object. Cost is a huge factor. A centralized campaign could include television, radio, newspaper, magazine, Web, outdoor advertising, and collateral extensions (brochures, mailings, handouts, take-one folders, or whatever is appropriate).

Positioning the Global Product

Research must be conducted to identify the problems and opportunities facing the product in each of the international markets to be entered. The normal approach of conducting consumer and market analysis works well for international analysis. Emphasis should be placed on identifying local market differences to which the advertising programs must adjust. The analysis portion of the advertising plan develops the information needed for positioning the product in the foreign markets. Particularly important is a good understanding of consumer buying motives in each market. This is almost impossible to develop without locally based consumer research. If analysis reveals that consumer buying behavior and the competitive environment are the same across international markets, it may be possible to use a standardized positioning in all international markets. In exploring the international marketing opportunity for Gatorade, Quaker discovered that the active, outdoor lifestyle that created demand for sports beverages was an international, not domestic phenomenon. Starbucks' consumer research suggested that perceptions of a store such as Starbucks varied from market to market. In Japan, Starbucks was positioned as a daytime meeting place for business people and an evening place for socializing. The position of Hawaiian gores was as a place to relax, any time of the day or night.

Selecting Media for International Campaigns

Advertising practitioners can debate global theories of advertising, but one fact is inescapable: Global media do not currently exist. Television can transmit the Olympics around the globe, but no one network controls this global transmission. An advertiser seeking global exposure must deal with different networks in different countries.

Media Choices

Once the company has approved the basic global media strategy and plan the central media planner will look for regional or multinational media. If magazines are part of the plan the media buyer may purchase advertising space in Time, Newsweek' The Economist' Reader's Digest, and other magazines with international editions. The International Herald

Tribune and the wall street Journal newspapers are published simultaneously in a number of major cities using satellite technology. Magazines published by international airlines for their passengers are another option Multinational satellites, such as British Satellite Broadcasting in Europe and Star in Hong Kong, also provide opportunities to place the same message before a target audience at the same time across national boundaries if the audience is targeted for a consumer product, local planning and purchase are required. This is accomplished through an international advertising agency (or international consortium of agencies) or through an international media-buying service If these two methods are not used, the media executive must execute the plan through a multitude of local, national, or regional media-buying services or advertising agencies. International media-buying services usually work effectively for smaller international companies that do not have well-developed agency relationships in each country in which they operate. Regional media-buying services, such as Carat of France, are gaining great strength in Europe.

The Global Creative Effect

Global campaigns, like domestic campaigns, require ad work that addresses the advertising objectives and reflects the product's positioning. The opportunity for standardizing the campaign exists only if the objectives and strategic position are essentially the same. The creative process requires three steps: to determine copy content, to execute the content through a central idea, and to produce the advertising. Standardizing the copy content by translating the appeal into the language of the foreign market is fraught with possible communication blunders. It is rare to find a copywriter who is fluent in both the domestic and foreign language and familiar with the culture of the foreign market. It is best if the central creative idea is universal across markets, or at least can be converted easily from market to market. Adaptation is especially important if the advertiser wants its products identified with the local market rather than as a foreign import. Advertisements may be produced centrally, in each local market, or a combination of both. With a standardized campaign, production usually is centralized and all advertisements produced simultaneously to reap production cost savings.

Special International Considerations

International advertising, despite its glamorous image, is tough work because it poses formidable challenges. We have already discussed the problems that language creates. Other concerns relate to laws, customs, time, inertia, resistance, rejection, and politics.

Laws and Regulations

International advertisers do not fear actual laws; they fear not knowing those laws. For example, a marketer cannot advertise on television to children under l2 in Sweden or Germany cannot advertise a restaurant chain in France, and cannot advertise at all on Sunday in Austria. In Malaysia jeans are considered to be Western and decadent, and are prohibited. A commercial can be aired in Australia only if it is shot with an Australian crew. A contest or promotion might be successful in one country and illegal in another.

Customs and Culture

Customs can be even stronger than laws. When advertising to children age 12 and over was approved in Germany, local custom was so strong that companies risked customer revolt by continuing to advertise. In many countries, naming a competitor is considered bad form Customs are often more subtle and, as a result, are easier to violate than laws. Quoting an obscure writer or poet would be risky in the United States, whose citizens would not respond to the unknown author. In Japan the audience would respect the advertiser for using the name or become embarrassed at not knowing a name they were expected to recognize. A campaign that made such a reference might irritate U.S. audiences and engage Japanese consumers. Companies that are starting to do business in the Middle East have to learn new selling methods because the region is so devoutly religious. For example, there are major restrictions on how women are presented in advertising. Many Asian cultures emphasize relationships and context. To be effective, the advertising message must recognize this cultural difference. Many oppose the move to a global perspective because of concerns about the homogenizing of cultural differences. Marketing or cultural imperialism is a term used to describe what happens when Western culture is imposed on others, particularly cultures such as the Middle Eastern, Asian, and African cultures that are considerably different. Countries in Southeast Asia have advertising codes. Singapore has an ad code deter-mined to prevent Western-influenced advertising from impairing Asian family values. Malaysia requires that all ads be produced in the country, which cuts back dramatically on the number of foreign ads seen by its public.

Time

Everything takes longer internationally—count on it. The New York business day overlaps for only 3 hours with the business day in London, for 2 hours with most of Europe, and for I hour with Greece. Normal New York business hours do not overlap at all with those in Japan, Hong Kong, the Middle East, or Australia. Overnight parcel service is dependable to

most of Europe, and other regions, if the planes are able to take off and land. For these reasons e-mail that permits electronic file transfer and telecopy transmission are popular modes for international communication. E-mail and fax numbers have become as universal as telephone numbers on stationery and business cards in international companies.

Time is an enemy in other ways. France and Spain virtually close down in August for vacation. National holidays are also a problem. U.S. Corporation's average l4 to l5 paid legal holidays a year. The number is more than 20 in Europe, with more than 30 in ltaly.

Inertia, Resistance, Rejection, and Politics

Inertia, resistance, rejection and politics are sometimes lumped together as "not invented here" situations. Advertising is a medium for change, and change may frighten people. Every new campaign is a change. A highly successful campaign from one country might or might not be successful in another country. (Experience suggests that the success rate in moving a winning campaign to another country is about 60 percent.) Creative directors often resist advertising that arrives from a distant headquarters rather than advertising created within the local agency. This resistance is partially the result of a very real problem in local offices of international agencies: an inability to develop a good creative team or a strong creative reputation when most of the advertising emanating from the office originates elsewhere.

Government approval of television commercials can also be difficult to secure in some countries. Standards may seem to be applied more strictly to international than to national products. Flat rejection or rejection by delay or lack of support must be anticipated with every global strategy and global campaign. The best solution is to test two ads that are both based on the global pattern advertising: a locally produced version of the advertising and an original ad. As mentioned, the global strategy usually works 60 percent of the time. If the locally produced advertising of the global strategy wins, the victory must be decisive or the costs of the variation may not be affordable. Global companies must remain flexible enough to adopt the strategy that emerges as the winner.

At times the resistance and rejection are political. These may be the result of office politics or an extension of international politics. Trying to sell a U.S. campaign in a foreign country can be difficult if relations between the two nations are strained. To overcome local resistance and build consensus companies should have frequent regional and world conferences, maintain a constant flow of communication, transfer executives, and keep their executives well informed through travel, videotapes, e-mail, teleconferences and consultation.

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ADVERTISING AND PRINCIPLES OF INTEGRATED MARKETING COMMUNICATION AND IMAGE BUILDING

INTRODUCTION

For many years, the promotional function in most companies was dominated by mass media advertising. Companies relied primarily on their advertising agencies for guidance in nearly all areas of marketing communication. Most marketers did use additional promotional and marketing communicational tools, but sales promotion and direct marketing agencies as well as package design firms were generally viewed as auxiliary services and often used on a per-project basis. Public relations agencies were used to manage the organisation's publicity, image, and affairs with relevant publics on an ongoing basis but were not viewed as integral participants in the marketing communication process.

Many marketers built strong barriers around the various marketing and promotional functions and planned and managed them as separate practices, with different budgets, different views of the market, and different goals and objectives. These companies failed to recognize that the wide range of marketing and promotional tools must be coordinated to communicate effectively and present a consistent image to target markets.

What is Integrated Marketing Communication?

Integrated marketing communication (IMC) is the practice of unifying all marketing communication tools and corporate and brand messages to communicate in a consistent way to and with stakeholder audiences (that is, those who have a stake or interest in the corporation). An IMC campaign plan is even more complex than a traditional advertising plan because it considers more message sources, more communication tools, and more audiences. IMC programs are designed to coordinate all the various communication messages and sources.

We can group these messages as planned (or controlled) messages by the company and unplanned (or uncontrolled) messages. In addition, unconsidered messages-those delivered by other aspects of the marketing mix (price, product, and distribution) and other contact points (such as the appearance of the parking lot outside the store)-communicate

important information to stakeholders that can negate the advertising.

DEFINITION

As defined by the American Association of Advertising Agencies, integrated marketing communications " a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines – general advertising, direct response sales promotion, and public relations — and combines these disciplines to provide clarity, consistency, and maximum communications impact."

Benefits of IMC

Although Integrated Marketing Communications requires a lot of effort it delivers many benefits.

(i) It can create competitive advantage, boost sales and profits, while saving money, time and stress.

(ii) IMC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.

(iii) IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the 'noise' of over five hundred commercial messages which bombard customers each and every day.

(iv) At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase

(v) Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process... and this reduces their 'misery of choice' in a complex and busy world.

(vi) IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons.

(vii) Consistent images and relevant, useful, messages help nurture long term relationships

with customers. Here, customer databases can identify precisely which customers need what information when... and throughout their whole buying life.

(viii) Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together - for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels - one of the many benefits of IMC.

The Tools of IMC

The tools used in an IMC campaign include traditional marketing communication tools such as advertising, sales promotion, public relations, direct marketing, personal selling, internet and interactive marketing. However, the IMC approach recognizes that other areas of the marketing mix too. The price of the product signals a level of quality. The cleanliness of the store and helpfulness of the customer service department send powerful messages. The product's reliability also communicates. IMC planners should consider all message sources and marketing communications that reach stakeholder audiences.

Stakeholder Audience

In addition to managing the total communication program, IMC campaigns also address a wide variety or stakeholder, all of whom have a different stake or interest in a company and its brand messages. The different stakeholder audiences are as follows:

Corporate Level
- ✓ Employees
- ✓ Investors
- ✓ Financial Community
- ✓ Government Regulators

Marketing Level
- ✓ Consumers
- ✓ Target markets
- ✓ Retailers
- ✓ Distributors
- ✓ Competition
- ✓ Suppliers
- ✓ Vendors

Marketing Communication Level

- ✓ Consumers
- ✓ Target audiences
- ✓ Trade audiences
- ✓ Local community
- ✓ Media
- ✓ Interest groups
- ✓ Activist groups
- ✓ General Public

Why is IMC concerned with all these audiences? The support (or lack of it) that each stakeholder group gives to the company can affect that company's brands positively or negatively. Maintaining consistent communications from all message sources to stakeholders is particularly difficult. It works only if a company or brand has a focused business philosophy or mission, clearly understood core values, and a strong corporate culture. Even though different areas of the company may be sending messages, the person the receiving end is an individual who has to make sense of all the messages, impressions and experiences. As IMC experts Don Schultz, Starley Tannenbaum, and Robert Lauterborn explain, IMC realigns marketing communication "to look at it the way the consumer sees it as a flow of information from indistinguishable sources. If the messages don't reflect some central core values and deliver a consistent image, they may conflict and ate confusion.

Coordination

Coordinating all these messages is an organizational problem best solved through cross- functional management which means using teams of people who are from different parts of the company, outside agencies, or both. These teams manage the planning process and monitor the way the plan is implemented. Cross-functional management may even mean getting different agencies together that are producing the marketing communication.

The Structure of a Campaign Plan

A campaign, whether advertising or IMC, is a complex set of interlocking, coordinated activities. A campaign results from a comprehensive plan for a series of different but related marketing communication efforts that appear in different media and marketing communication areas across a specified time period. The campaign is designed strategically to meet a set of objectives and to solve some critical problem. It is short-term plans that usually run for a year or less. Many advertisements are single-shot ads. In other words, they are free-

standing ad unrelated to ads that preceded or followed them. Companies that create one ad at a time and constantly change the core message are not involved in a campaign process. However, a great deal of national advertising is developed as part of a campaign with an umbrella theme that extends across time, different stakeholder audiences, and different advertising vehicles or marketing communication opportunities. A campaign may focus or one specific product attribute or one audience, or it may cover a variety of attributes and reach all the audiences. A campaign plan summarizes the marketplace situation, the underlying campaign strategy, the main creative strategies and tactics, media, and the other marketing communication.

The following table gives a bird's eye view of various elements involved in IMC campaign.

I. **Situation Analysis**
   - ✓ Product and company research
   - ✓ Consumer and stakeholder research
   - ✓ Market analysis
   - ✓ Competitive situation
   - ✓ Industry analysis
   - ✓ Marketplace analysis

II. **SWOT Analysis**
   - ✓ Internal factors: strengths and weaknesses
   - ✓ External factors: opportunities and threats
   - ✓ Problem identification

III. **Campaign Strategy**
   - ✓ Objectives
   - ✓ Targeting
   - ✓ Positioning
   - ✓ Scheduling strategy

IV. **Communication Strategy**
   - ✓ Message development research
   - ✓ The creative theme
   - ✓ Creative tactics and executions

V. **Media plan**

VI. **Other Marketing communication activities**

VII.   The appropriation and budget

Situation Analysis

The first step in campaign plans is a situation analysis that summarizes all the relevant information available about the product, the company, the competitive environment, the industry, and the consumers. Sometimes called a business review, this information is obtained using primary and secondary research techniques. The six most important research areas are

1) Product and company research,
2) Consumer and stakeholder research
3) Market analysis,
4) Competitive analysis,
5) Industry analysis, and
6) Market place analysis.

SWOT Analysis

Situation analysis evaluates the significance of the research. During the situation analysis planners compile all the information they can about the brand and its competitive situation, marketplace factors such as the health of the category, and the behavior of consumers toward this brand and some recast this information in terms of internal factors (strengths and weaknesses) and external factors (opportunities and threats). Once the information is gathered and sorted into SWOT categories, the analysis begins. In this stage, the key areas on which the campaign strategy has to be built are identified. Problem Identification focuses on a set of serious communication problems that this campaign must address. These problems differ from year to year and situation to situation. For example in one year's marketing plan, a brand may be launching a line extension, which means the advertising will address the problem of launching a new product under a familiar brand name. The next year the marketing plan may focus on increasing distribution, so the advertising probably address opening up new territories where the brand is unknown. Each type of problem calls for a different advertising and marketing communication strategy. Different audiences are reached with different messages; different marketing communication tools may be used: and different communication objectives are set.

Campaign Strategy

After the situation analysis and the SWOT analysis, most advertising campaign plan focus on the key strategic decisions that will guide the campaign. The strategy section of a

campaign plan identifies the objectives that will solve the key problems identified at the end of the SWOT analysis. It will also specify the target stakeholder audiences and how the strategy will handle competitive advantage and the product's position. Other strategic decisions revolve around the scheduling and timing of the different phases of the campaign act.

Objectives

As objectives provide the goal, they can then be used at the end of the process to measure the campaign's results. These objectives are established based on an understanding the hierarchy of effects and the various ways advertising can affect its audience.

Targeting

Potential target markets are pinpointed and segmented into groups identified by certain demographic or psychographic characteristics, such as environmentalists, bike riders, or mall teens. These target audiences (that is, groups of people to whom a marketing communication message is directed) shift with each campaign, its situation, key problems, and objectives. For example, if you are launching a line extension, you will probably target current users of the brand. However, if you are opening up new territory there aren't current users, so you will have to target competitors' users. For both audiences, however, the objective may remain the same, which is to convince the target audiences to try a new product.

Positioning

Although objectives and targeting differ from campaign to campaign, the product's positioning remains the same. Does the position mean the same thing to familiar brand users considering a new line extension? What would it mean to entirely new users in a new market territory who are un-familiar with the brand? They may not respond to the position in the same way, which means that the way the position is presented in the message strategy may need to be adjusted to the target audience's needs, interests, and level of knowledge.

Scheduling

Timing and scheduling are an important part of the media plan and are also tied into the over-all campaign strategy. Many campaigns have phases, such as the launch, the continuing campaign, and the close. In some cases, particularly with campaigns that continue for a number of years, such as the classic "Milk Mustache" campaign, the campaign may be launched with one strategy that evolves into another strategy as the campaign matures.

Media Plan

The media plan and the creative plan are equally important and are developed simultaneously. The overall appropriation, or available money for the campaign, determines the media. Initial decisions about which media to use usually reflect the availability of a budget big enough to use television, which is the most costly of all media. The media mix is created by selecting the best combination of media vehicle traditional media, and marketing communication tools to reach the targeted stakeholder audiences. If a product has awareness problem, widespread mass media will probably used to increase the general level of awareness. If the problem is one of trial, Sales promotion may be the most important tool. However, if the product only appeals to a small target such as martial arts clothes for aikido devotees, direct mail (assuming, of course, that '' –can find a list or build one) and the Internet may be more effective ways to reach that target. In fact, although there may be a lead tool, such as advertising, often a mix of supporting media is used to reach different stakeholder groups. Media planners allocate media dollars to accomplish reach and frequency objectives. In a high-reach campaign, money is spent to get the message to as many people as possible. In a high-frequency campaign, the money is spent on fewer media reaching fewer people, but repetition of the message is increased. The media plan includes media objectives (reach and frequency), media strategies (targeting, continuity, and timing), media selection (the specific vehicles), geographic strategies, schedules, and the media budget. Usually a pie chart is used to show how the budget is allocated to the various media activities.

Other Marketing Communication Activities

The decision about which tools to use is based on an analysis of the strengths and weaknesses of the various marketing communication tools. The tools are then matched to the problem identified in the situation analysis. In other words, which area can best reach a mass audience (advertising), involve an audience (events), or build credibility and believability (public relations)? This is a process called zero-based planning. Subsections of the plan are devoted to these other important marketing communication areas. A competitive sales campaign targeted business owners and managers during competitors' sales canvassing periods.

The Appropriation and Budget

The amount of money available from the client, or advertiser, governs all strategic decisions. Some sense of the amount of money that has been appropriated for the campaign is used at the beginning of the planning to determine the general scope and scale of the campaign effort. Then, after the plan has been developed, a budget is developed that costs out

the various recommendations. If this budget is much higher than the appropriation, either costs have to be shaved or the appropriation has to increase. The budget size for advertising and marketing communication programs has a tremendous range. If you are working on a campaign for a major marketer, you may have plenty of money {or the most expensive form of television advertising. Most campaigns are somewhere in between and their planners rarely have as much money as they feel they need to do the job right. Once the appropriation is set, the money can be allocated among the various advertising and marketing communication activities.

Evaluating the Campaign Plan

The final step in campaign plan is to prepare a proposal stating how the campaign will be evaluated. The key part of an evaluation plan is to measure a company or brand's effectiveness against its stated objectives. If not done formally through a research project, some sort of evaluation is always done informally to determine whether the effort was successful. This information is concerned with questions of effectiveness: Is the campaign working? What were the results? It is also concerned with questions of taste and judgment. Is the campaign fair and accurate? Is it building the brand or corporate reputation?

SUMMARY

Integrated marketing communication (IMC) is the practice of unifying all marketing communication tools and corporate and brand messages to communicate in a consistent way to and with stakeholder audiences (that is, those who have a stake or interest in the corporation). An IMC campaign plan is even more complex than a traditional advertising plan because it considers more message sources, more communication tools, and more audiences. IMC programs are designed to coordinate all the various communication messages and sources.

Self Assessment Questions

1. What is advertising testing?
2. What are the different methods available for the testing of advertising effectiveness
3. What is IMC? What is the importance of it?
4. What are the different tools of IMC? Explain in detail.

SALES PROMOTION

INTRODUCTION

Sales promotion offers a direct inducement to act by providing extra worth over and above what is built into the product at its normal price. These temporary inducements are offered usually at a time and place where the buying decision is made. Not only are sales promotions very common in the current competitive market conditions, they are increasing at a fast pace. These promotions are direct inducements.

In spite of the directness, sales promotions are fairly complicated and a rich tool of marketing with innumerable creative possibilities limited only by the imagination of promotion planners. Sales promotion is often referred to by the names of 'extra purchase value' and 'below-the-line selling'.

Today we find companies in almost all sectors offering some sort of a promotion scheme. These sectors range from automobiles to beverages, from financial services to foods, from household durables to services, from household products to business products, from personal care to textiles and apparel.

Sales Promotion – Meaning

The most important tool used in promotion is sales promotion. Most consumers relate ideas of marketing to the use of sales promotion techniques. The other main forms are advertising, and personal selling. The following section deals with sales promotion in detail.

Advertising takes the buyer towards the product, while sales promotion takes the product towards buyer.

The word 'promotion' is derived from the Latin word "Promovere". This means to move forward or to push forward an idea. Sales promotion is the important element of promotion mix. The general purpose of Sales promotion is to boost product selling.

Definition of Sales Promotion

The following are some of the important definitions of sales promotion.

"Those activities that supplement both personal selling and advertising coordinate them and help to make them more effective". — ***American Marketing Association***

Sales promotion means any steps that are taken for the purpose of obtaining or increasing sales. — ***A.H.R. Delens***

"Sales promotion is short-term incentives to encourage purchase or sale of a product or service."
According to Philip Kotler

"Sales promotion consists of a diverse collection of incentive tools, mostly short-term, designed to stimulate quicker and/or greater purchase of particular product/services by consumers or the trade"
Sales promotion defined by Kazmi and Batra as

"Sales promotion includes incentive offers and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioral responses of the firm's customers."

The above definitions reveal that sales promotion is a marketing device to stimulate demand for a product.

OBJECTIVES OF SALES PROMOTION

Sales promotion secures the following objectives:

1. Bridge between advertising and personal selling
Sales promotion consists of those activities other than personal selling, advertising and publicity. It serves as a bridge between personal selling and advertising.

2. Introduction of new products
Sales promotional devices help introduce new products in the market. They induce buyers to purchase a new product. Free samples are distributed or money or merchandise allowance is offered to the dealers to stock and sell the new product.

3. Attracting new customers

Sales promotion aims at wooing new customers. Sales promotional devices at consumers' level include Coupons, product samples; giving demonstration about the product, organizing contests, refund offers, offering free trials etc. These stimulate customers to make purchase promptly on the spot.

4. Inducing present customers to buy

Sales promotion induces present customers to buy more of the product. Sales promotion methods work faster than advertisement. Moreover, sales promotion materials make the salesman's effort more productive. It enables the consumer to know more about the product, its ingredients and uses.

5. Increasing sales during off season

Some products are seasonal in nature. After the season is over, they are not demanded any more. Sales promotion is used to retain customer's interest in the product during off-season. Short term incentives offered to the buyers stimulate sales.

6. Encouraging business buyers

Wholesalers and retailers purchase goods for resale. Promotional activities are undertaken to attract retailers and wholesalers to stock the products more. Display and advertising allowances are granted to dealers to compensate them for the space given for the display of manufactured products. Premiums are offered for purchasing above a particular level.

7. Improving the public image of the firm

Huge amounts are now being spent on determining appeals for arresting the attention of the prospects towards the product. Consumer's dissatisfaction about a particular brand can be removed by aggressive sales promotion programmes. Sales promotional devices make products popular among customers. Ultimately, they enhance the public image of the firm.

Concept of Sales Promotion

Promotion is a key part of marketing programme and is concerned with efficiently and effectively communicating the decisions of marketing strategy to target audiences. It is the marketing function concerned with persuasive communication of the marketing programme to target audience with the intent to facilitate exchange between the marketer and the customer, which may satisfy the objectives for both the customer and organization. Promotion is

targeted to the target audiences. It is also goal oriented and the objective may be to create brand awareness, to educate the consumers, to create a positive image, to build preference. The ultimate goal is to sell the product or service to consumers who have a need of it.

Sales promotion is one of the important components of promotion mix. The components of promotion mix are as follows:

1. Advertising
2. Personal selling
3. Sales promotion
4. Publicity
5. Direct Marketing

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.

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                        ┌─────────────────┐
                        │  Promotion Mix  │
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       ▼          ▼             ▼              ▼              ▼
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 │Advertising│ │Personal      │ │Sales     │ │Publicity  │ │Direct    │
 │           │ │Selling       │ │Promotion │ │           │ │Marketing │
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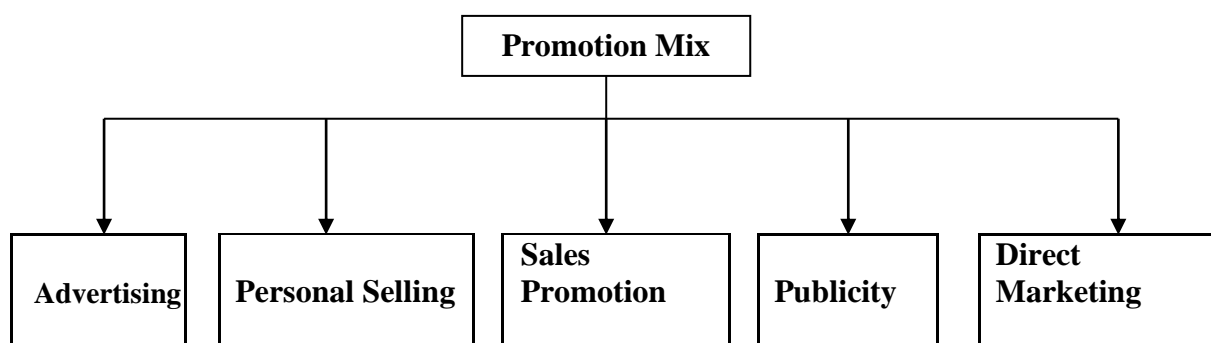
In a time when customers are exposed daily to a nearly infinite amount of promotional messages, many marketers are discovering that advertising alone is not enough to move members of a target market to take action, such as getting them to try a new product. Instead, marketers have learned that to meet promotional method in conjunction with advertising.

Other marketers have found that certain characteristics of their target market (e.g., small but geographically dispersed) or characteristics of their [product (e.g., highly complex) make advertising a less attractive option. For these marketers better results may be obtained using other promotional approaches and may lead to directing all their promotional spending to non-advertising promotions.

Finally, the high cost of advertising may drive many to seek alternative, lower cost promotional techniques to meet their promotion goals.

Difference between Advertising and Sales Promotion

Advertising	Sales Promotion
Advertising is a message which promotes ideas, good or services communicated through one or more media by an identified sponsor while sales promotion consists of short –terms incentives provided by the identified sponsors to consumers and traders to persuade them to purchase and stock his products. The major differences between Advertising and Sales Promotion are: ✓ A reason is offered to buy. ✓ Theme is to build up brand loyalty ✓ Aim is to attract the ultimate Consumers. ✓ Effective in the long run. ✓ Heavy advertising makes the brand image of the product and accords it the perception of higher quality ✓ (vii) Advertising includes messages delivered through various types of Media.	An incentive is offered to buy Theme is to break down the loyalty to a competing brand. Aim is to attract not only consumers but retailers, wholesalers and Sales force also Effective in the short run. Heavy Sales promotion leads to the product being perceived as having a brand image of cheaper and lower quality product. Various types of incentives are offered for ✓ Consumer promotion ✓ Trade Promotion ✓ Sales force Promotion

Comparison of Sales Promotion with Others

	Advertising	Sales promotion	Personal selling	Publicity
Timeframe	Long-term	Short-term	Short/long-term	Long-term
Primary appeal	Emotional	Rational	Rational	Emotional
Primary objective	Image/brand building	Sale	Sale/relationship	Good will
Contribution profit	Moderate	High	High	Low

Types of Sale Promotion

Promotion may be broadly classified either immediate or delayed. Those that offer an

immediate reward tend to be more effective because of their immediacy, which is consistent with the short-term tactical nature of promotions. Immediate reward promotions include such things as price reduction, bonus packs, and coupons. Delayed promotion techniques delay the reward, usually until after the target audience takes some action. Delayed reward promotions include such things as sweepstakes, rebate offers, and frequent flyer programmes.

Promotions are usually thought of as aimed at consumers, but in fact much more money is invested in promotion to the trade than to the consumers. There are three fundamental types of promotion: consumer promotion, retail promotion and trade promotion. They are used to get consumers to try or to repurchase the brand and to get the retail trade to carry and to "push" the brand. Finally retailers use promotions to clear their inventory of slow moving, out of season, or shelf-unstable products. Retailers thus run their own promotions aimed at consumers, such as price off, displays, frequent shoppers programme and so on.

Consumer Oriented Promotions

Consumer will not make a distinction between trade promotions delivered at retail outlets, retail promotions, and consumer promotions. If they see a special display in the store or have a coupon or see a price special, they are not concened with whether it was the brand or the retailer that was responsible. But, from the brand's perspective, there is a world of difference. Consumer promotions are initiated by the brand, not the retailer, and the brand controls the content.

As it happens, consumers tend to have a pretty good idea about how often brands are promoted. This is important to the brand, because it will affect consumer buying strategy for the brand in the light of the perception of the brand's availability on promotion. so, even if you don't have control over retail promotions that includes your brand, it is essential that you have knowledge in your promotion strategy. There are six fundamental consumer can be considered: coupons, refund and rebates, sampling, loyalty sweepstakes and premiums. Six basic consumer promotions.

Coupons - Are low cost, and the most common form of promotion

Refund and rebates - Offers large price discounts, usually with more expensive products

Sampling - Provides an opportunity to try or use brand at little or no cost

Loyalty - Encourages repeat purchase

Sweepstakes - Helps create excitement and reinforce brand image at a relatively low cost

> *Premiums -* Helps facilitate purchase by offering reward or bonus

There are six fundamental consumer can be considered: coupons, refund and rebates, sampling, loyalty sweepstakes and premiums.

Six basic consumer promotions:

Coupons

A coupon is a price reduction offer to a consumer. This could be a percentage off on the retail price of the merchandise or an offer for the future. Coupons can be of various kinds, each with a specific objective. Instant redemption coupons can be redeemed with a purchase to reap the benefit instantly. Some coupons are offered after a purchase has taken place for a repeat purchase. Such a coupon can be given at the time of delivery or could be in the package.

Refunds and Rebates

This scheme offers 100% refund in case of dissatisfaction after a purchase. Rebates can be a one-time purchase or could be a coupon issued for the next purchase. This ensures that the shopper returns for the second purchase to avail of the rebate. Fast food giants use this scheme often.

Sampling

Giving people free samples or trial pack is another promotional technique and is an excellent way to get consumers to try a product. This form of consumer promotion is found to be especially useful when one is introducing a product for the first time. It is commonly used in the case of fast moving consumer goods such as detergent, soft drinks, confectionaries etc. In this case a small quantity of the product is given as a sample. These samples are distributed either at the residence of the consumer or even at the retail outlet. Today some of the companies are attaching the samples to the popular magazines targeted on the group or with some of the products of the company's product range.

Loyalty Programmes

Loyalty programmes are initiated by companies to express their bond with loyal

customers. Loyalty points are added by airlines, credit card companies. Indian Airlines have loyalty programme 'frequent flier' offer for those flier who continuously purchase Indian Airlines tickets.

Contests and Sweepstakes

These schemes offer a chance for participants to get something for nothing, based on some sort of skill or ability. These are run to create an excitement amongst the target segment. Sweepstakes require that participants submit their names which are included in a draw or other chance selection. Contests are normally advertised extensively and test more often than not the knowledge of the consumer on the product or some other skill. For example, contest may involve completion of sentence which might say" I like this product because……." or it could involve developing a slogan.

Premiums

These are prizes, gifts, and special offers that the consumers are offered at the time of purchase. Getting an fairness cream along with face wash could work as an attractive premium for women, or a hair conditioner with shampoo.

Premium can be of varying kinds, including in-mail premiums. In case, the prospect is required to send proof of the purchase to receive the gift. Sometimes the agent may even bring the entry form. Many magazines have subscription schemes that offer various premiums such as pen sets, sun glasses, planners, etc.

Retail Promotion

Price Off

This kind of promotion offers a consumer a certain percentage discount that is generally reflected on the price tag. The old price is crossed out and the discounted price stamped in to assure the customer of the value transfer on purchase. A price off is simple and attractive phenomenon and attracts prospective buyers. Price-ofs are generally announced

with end-of-season sales, specially at places that experience strong variation between winters and summers for instance. It makes sense for marketers to dispose of merchandise in the same season rather than store them for the next year, which costs money; besides' fashion may change by then.

Displays and Point-of-Purchase Material:

Point of purchase (POP) displays is an important promotional tool because they can help a manufacturer obtain more effective in store merchandising of products. Point-of-purchase displays are very important to marketers since many consumers make their purchase decisions in the store. In fact, some studies estimate that nearly two-thirds of consumer's buying decisions are made in retail store. Thus it is very important for marketers to get the attention of consumers, as well as to communicate a sales or promotional, messages through POP displays.

Many companies run display contest in order to get good exposure for their products, particularly during the seasonal period, Dealers are expected to buy a a minimum quantity of stock during the display period and display them prominently in the show windows of the shop and in other prominent places. Company representatives then visit their shops and judge these display and award prizes to them.

Point-of-sale material: Trades are given attractive point-of-sale material for displaying the company's product. For example coca cola gives attractive cold storage refrigerator for its product; Cadbury's give attractive dispensers, etc.

Cooperative Advertising

The final form of trade-oriented promotion we examine is cooperative advertising, which involves the sharing of cost of local advertising by the dealer and the company. The dealer then has the name of the outlet printed below the advertisement and gets mileage in terms of consumer enquiries.

The most common form of cooperative advertising is the trade-oriented form, vertical advertising, in which a manufacturer pays for a portion of the advertising a retailer runs to promote the manufacturer's product and its availability in the retailer's place of business. Manufacturers generally share the cost of advertising run by the retailer on a percentage basis (usually 50/50) up to a certain limit.

Trade Oriented Promotions

Trader promotion takes up a significant proportion of most marketing communication budgets. Whether the promotion directly affects pricing or indirectly affects volume through

merchandising material, the trade views trade promotions from the manufacturer as a way to move more money to its bottom line. Trade promotions are those that a company runs to elicit better and quicker response from the trade. These can be done when introducing a new product. To ensure enhanced stocking proceeding a good season, or to block a competition. Trade promotions are normally part of a push strategy, the assumption here being that if the trader has excess stock bought during a trade scheme he will be motivated to push the product in order to recover his investment as soon as possible.

Trade promotion is designed to improve relations with the trade in order to gain and hold new distribution, to build inventory with the trade, or to obtain trade cooperation and merchandising support. There are three basic categories of trade promotion that can be considered are: allowances promotions, display material promotions, and trade premiums and incentives. *Allowance promotions* provide the trade with a monetary allowance of some kind in return for buying or promoting a specific quantity of a brand, or for meeting specific purchase or performance requirements.

1) *Display material promotions* are when the manufacturer actually provides special display material to be used in featuring the brand, often in conjunction with a trade allowance.

2) *Trade incentives* are special gifts or opportunities to earn or win valuable trips or prizes in return for purchasing specified quantities of the brand or meeting specific sales quotas.

Allowance Promotion

The type of allowance offered to the trade can take many forms: everything from reduced prices across the board, to reduce prices according to purchase volume, to free goods.

On-Consignment Sales

This tool is normally used by companies that are new entrants and are not known in the market place. Such companies encourage the trade to stock their product on an "on-consignment" basis and pay only when the products move off the shelves. This is a rather risky process and companies would do this only on a selective product and only with such traders who have excellent credential in the market place.

Dealer Contests

This is normally linked to the amount of merchandise the dealer purchases. Participating dealer are ranked across the region by the volume of sales in a particular time frame and get substantial gifts which may include car, refrigerator, TV sets or even a trip abroad for them and their family.

Dealer Gifts

Some companies regularly give gifts to their dealers to maintain good relations with them. These could be wall clocks, calendars, diaries even some items for personal use at home.

Shop Board Painting

Some companies such as the Samsung provide attractive signage for shops which could either be printed or made of acrylic material.

Dealer Discount

Many companies run trade scheme, which can be in the form of discount on bulk purchases or free goods such as "buy ten get one free."

Trade fair participation: Sometimes companies fund partly or fully the participation of their exclusive dealers to trade meets such as the Inside Outside Fair, in India International Trade Fair, etc. They also provide promotional materials for display.

Dealer Meets

Some companies organize regular dealers meet at exotic locations within or outside the country. The expense for such dealers meet is normally paid for by the companies. These dealer meets recognize star performers through awards and also set target for the coming year.

Display Material Promotion

Display material can be in the form of either a display allowance or actual merchandising material. Perhaps the primary use of display promotions is to help reinforce consumer promotions, although they also play an important role in the introduction of new products and line extensions. Given that many purchase decisions are made at the point of purchase, especially with FMCG brands, display promotion can be an important part of an integrated marketing communication programme. Good display material leads to better attention, especially important for brands driven by recognition awareness. Here you can appreciate the need of for a fully integrated programme. The display material must be consistent with consumer promotion and advertising, with the same 'look and feel', in order to heighten recognition at the point of purchase.

Good in-store merchandising material can also be a good way to effect cross-merchandising, where two different brands are being promoted together. The use of display promotion has the advantage of generally being implemented quickly when needed, and the ability to support consumer promotion and advertising at the point of purchase. The disadvantage, as with all trade promotions, but especially here, it is the need for trade cooperation. Unlike trade allowances or trade premium and incentives. If it does not receive

wide spread trade support, it will not be effective.

Trade Incentives

Various Marketing Objectives and Suitable Consumer Promotions

Promotions	Induce product trial	Retain/load consumers	Build brand equity
Immediate value	✓ product sampling ✓ Coupons ✓ In-store rebates	✓ Price-off deals ✓ Bonus packs ✓ In-pack, on-pack ✓ premiums ✓ Loyalty ✓ programmes	✓ Events ✓ In-pack or ✓ on-pack ✓ premiums
Delayed value	✓ Mail or media ✓ distributed coupons ✓ Mail-in rebates ✓ Free in-mail premiums ✓ Internet delivered ✓ coupons	✓ In-pack or on- ✓ pack coupons ✓ Mail –in rebates ✓ Loyalty ✓ programmes	✓ Self liquidating ✓ premiums ✓ Free in-mail ✓ Contests and ✓ sweepstakes

Through the offer of additional benefits:

The three key ELEMENTS of this definition are that sales promotions are:

Non-standard: Promotions are usually temporary, and may be limited to certain customer groups (such as airline frequent flier schemes) or specific to a particular distribution channel (as in 'tailor-made' promotions involving a producer and a single retailer).

Response orientated: Promotions seek a direct response from customers, or those who deal with customers on the producer's behalf. The direct response sought is not necessarily a sale. Promotions may encourage Consumers to send for a brochure, visit a dealer or consume a sample. The ultimate aim is always sales, but this is true of marketing generally.

Benefit orientated: Promotions offer their targets additional benefits, beyond the 'standard' marketing mix.

Why the increase in Sales Promotion?

- Growing retailer power
- Declining brand loyalty

- Increased promotional sensitivity
- Brand proliferation
- Fragmentation of consumer market
- Short-term focus
- Increased managerial accountability
- Competition
- Clutter

ADVANTAGES OF SALES PROMOTION

Mainly there are 4 advantages of sales promotion they are:

- Price discrimination.
- Effect on consumer behaviour.
- Effect on trade behaviour.
- Regional Difference.

DISADVANTAGES OF SALES PROMOTION

Mainly there are 4 disadvantages of sales promotion they are:

- Increased price sensitivity.
- Quality image may become tarnished.
- Merchandising support from dealers is doubtful.
- Short-term orientation.

MARKETING COMMUNICATION

Definition:

The Marketing Communication refers to the means adopted by the companies to convey messages about the products and the brands they sell, either directly or indirectly to the customers with the intention to persuade them to purchase.

In other words, the different medium that company adopts to exchange the information about their goods and services to the customers is termed as Marketing Communication.The marketer uses the tools of marketing communication to create the brand awareness among the potential customers, which means some image of the brand gets created in their minds that

help them to make the purchase decision.

Marketing communication includes Advertising, Sales Promotion, Events and Experiences (sponsorship), Public Relations and Publicity, Direct Marketing, Interactive Marketing, Word-of-Mouth Marketing, Personal Selling. These tools of communication are collectively called as **Marketing Communication Mix**.

Elements of Marketing Communication Mix

The elements of the marketing communications mix

1. **Advertising:** It is an indirect, paid method used by the firms to inform the customers about their goods and services via television, radio, print media, online websites etc. Advertising is one of the most widely used methods of communication mix wherein the complete information about the firm's product and services can be communicated easily with the huge target audience coverage.

2. **Sales Promotion:** The sales promotion includes the several short-term incentives to persuade the customers to initiate the purchase of the goods and services. This promotion technique not only helps in retaining the existing customers but also attract the new ones with the additional benefits. Rebates, discounts, paybacks, Buy- one –get- one free scheme, coupons, etc. are some of the sales promotion tools.

3. **Events and Experiences:** Several companies sponsor the events such as sports, entertainment, non-profit or community events with the intention to reinforce their brand in the minds of the customers and create a long term association with them. The name of the

firm sponsoring the event can be seen on the playground boundaries, player's jerseys, trophies, awards in the entertainment shows, hoardings on stage, etc.

4. **Public Relations and Publicity:** The companies perform several social activities with a view to creating their positive brand image in the market. The activities that companies are undertaking such as, constructing the public conveniences, donating some portion of their purchase to the child education, organizing the blood donation camps, planting trees, etc. are some of the common moves of enhancing the Public Relations.

5. **Direct Marketing:** With the intent of technology, the companies make use of emails, fax, and mobile phones, to communicate directly with the prospective customers without involving any third party in between.

6. **Interactive Marketing:** Interactive Marketing has recently gained popularity as a marketing communication tool, wherein the customers can interact with the firms online and can get their queries resolved online. Amazon is one of the best examples of interactive marketing wherein the customers make their choice and can see what they have chosen or ordered in the recent past. Also, several websites offer the platform to the customers wherein they ask questions and get the answers online such as **answer.com.**

7. **Word-of- Mouth Marketing**: It is one of the most widely practiced methods of communication tool wherein customer share their experiences with their peers and friends about the goods and services they bought recently. This method is very crucial for the firms because the image of the brand depends on what customer feels about the brand and what message he conveys to others.

8. **Personal Selling**: This is the traditional method of marketing communication wherein the salesmen approach the prospective customers directly and inform them about the goods and services they are dealing in. It is considered as one of the most reliable modes of communication because it is done directly either orally, i.e., face to face or in writing via emails or text messages.

Thus, marketing Communication mix refers to the different tools that a firm can adopt to inform, persuade, and remind the customer about the product and services it sells.

Sales Force Promotion

Sales force promotion normally undertaken to stimulate the sales force to better performance. This is also part of a push strategy because it results in better stocking at the

trade level. In some product categories it can also be part of pull strategy. For Example; In the case of pharmaceutical business the trade stocking happens when prescriptions flow from a doctor.

The consumer, in this case the patient, does not have any say in the product that the consumers, except perhaps in the case of an over-the-counter product. The sales force has to do a good selling job at the doctor level and good stocking job at the trade level. So he not only has to pull the product at the doctor level but also push the product at the trade level. Any sales force promotion scheme developed for such a field force has to recognize this fact.

There are several ways for motivating the field force. Some of the important tools are:

Incentive Scheme

Most sales force of today is incentivized in terms of their sales performance. Performance bonuses are awarded for sales over the target. These are normally worked out as a percentage increase over-and-above the budgeted sales.

Star Awards

Many companies recognize their start performers and reward them handsomely. These could be a trip abroad for family or substantial cash rewards. Some companies have functions where even the spouses of the star are invited for a company paid holiday.

Sales Meet

Many companies organize sales meets in attractive places like Goa, Kashmir, kodaikenal, etc. for their sales force. these are normally no holds barred meets where the field force is able to let their hair down along with their senior managers.

This acts as a tremendous motivational pill for these young salesmen. At these meets the targets for the subsequent period are also set.

Local ad Budgets

Some companies delegate advertising budgets to their sales staff. they have authority to negotiate directly with their trade and local ad agencies and release ads for their territory. They also get budgets for local trad4e fairs, sampling, merchandising etc.

Promotional Aids

Most companies provide their field staff with promotional aids. Pharmaceutical companies provide their representatives with attractive leather bags and ties, FMCG companies provide them with T-shirts, caps etc.

Advantages and Drawback of Sales Promotion

Advantages

Sales promotion has a significant effect on the behavior of consumers and resellers. Such promotion can bring in more profits for the manufacturer because they permit price discrimination.

1. *Price discrimination:* Producers can introduce price discrimination through sales promotion. They can charge different prices to different consumer and trade segments varying in their price sensitivity. Coupons, special sales events, clearance sales and discount are examples of it.

2. *Effect on consumer behavior:* As sales promotions are mostly announced for a short period, customers may feel a sense of urgency and stop comparing the alternatives. They are persuaded to act now rather than later. For many customers, who feel time-pressured, buying on deal is a simple decision rule and many consumers may also consider buying on deal as smart move. In our over communicated society and because of selective attention, it is not uncommon to ignore many advertisements. Sales promotional deals, such as discounts, rebates, coupons, or premiums etc. also increase the attention –getting power of advertisement using promotions, marketers can reach the deal prone customers and encourage brand switching. Consumers, who buy on promotional deals, consider themselves as intelligent and smart shoppers.

3. *Effect on Trade Behaviour:* Short-term promotions present an opportunity and encourage dealers to forward-buy. This forward buying ensures that retailers won't go out of stocks. As dealers have more than normal stocks, they think it advisable to advertise in local media, arrange display and offer attractive promotional deals to consumers. These actions help in increasing the store traffic. The aim is to speed-up the consumer purchasing from their outlet. Point of Purchase (POP) display attract customers, serve as reminders and lead to impulses or unplanned purchases. More customers get exposed faster to new product introductions and retailers perceive less risk in stocking the new products. Some customers buy new brands and if satisfied, may become loyal users and repeat purchaser.

Drawbacks / Disadvantages

There are certain limitations of sales promotion and they may also produce negative effects.

While sales promotion is a powerful and effective method to produce immediate, short-term positive results, it is not cure for a bad product, or bad advertising. In fact, a

promotion may speed-up the killing of a bad product. A consumer may be motivated to try a new product because of the incentive, but after this the product itself must take over.

1. *Decrease in brand loyalty:* The major objective of many sales promotions is to encourage brand switching. This is especially true in case of low-involvement category products, or where there is little or no significance differentiation among brands and the unit value is low. Sales promotion announced by marketers thus counter the brand-image building efforts of competitor's brands, for which they develop expensive advertising campaigns. There is agreement among most managers that sales promotion expenditure have decreasing effect on brand-image and this lead to decreasing brand loyalty

2. *Increased price sensitivity:* Frequently promoted brands in a product category, especially on the basis of price, make consumers and traders more price sensitive, not only for the promoted brand but for the brands as well in the same product category. Consumers wait for the promotional deals to be announced and then purchase the product. This is true even for the brands where brand loyalty exists.

3. *Quality image may become tarnished:* If the promotions in a product category have been rare, or the product happens to be of high-involvement category, the promotions could have a negative effect about its quality image. Consumers may start suspecting that perhaps the product has not being selling well, the quality of the product is low compared to the price, or the product is likely to be discontinued because it has become out dated.

4. *Merchandising support from dealers is doubtful:* One of the trade promotion tools is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefit to consumers. This is generally the condition attached with such promotional allowances. In many cases the dealers do not cooperate in providing the merchandising support, nor do they pass on any benefit to consumers and in this practice India is no exception.

5. *Short-term orientation:* Sales promotions are generally for a short duration. This gives a boost to sales for a short period. This short-term orientation may sometimes have negative effect on long-term future of the organization. Heavy use of sales promotion, in certain product categories, may be responsible for causing brand-quality-image dilution.

IMPORTANCE OF SALES PROMOTION

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

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

1. Spreads information:

The first function sales promotion is to spread the important information about the availability, characteristics and uses of a particular product. Spreading the information about the product helps to do the marketing activities easily. It is important to provide the information about the product in the market.

2. Stimulates demand:

Sales promotion helps in stimulating the demand for the product in the market. Sales promotion activities are designed to create interest in new products and to persuade people to buy them.

3. Customer satisfaction:

Sales promotion helps in satisfying the consumers. In the promotion of selling activities, the new product is available in the market. The consumer has the desire to have a new product. If they consume the new product, they will get satisfied in it. The new product in the market provides satisfaction to the customer.

4. Stabilization of sales volume:

Sales promotion helps to stabilize the sales volume. It is an important purpose of sales promotion to help in establishing sales volume by reassuring the customers about the quality

and price of the product. It is possible that a customer using a particular brand may buy another because another brand is promoted in an effective manner.

5. Performance appraisal or marketing control:

Sales promotion helps in the marketing control too. It is important to have market control about the performance of the situation of the market. Performance in the market helps to raise the condition of the market which is approved by the customer.

METHODS OF SALES PROMOTION

The method of sales promotion can be clearly shown with the help of the following diagram:

Methods of Consumer promotions

Consumer promotions are the consumer incentive plans to induce them to buy more. A consumer premium plan can be best described as an article of merchandise offered to the consumer as an incentive to buy more and more regularly over a short span. Premiums are intended to generate immediate purchase decisions. The method of consumer promotion can be shown briefly below:

Sales promotion				
Consumer			Trade	
New Products	Old Products	Aid in Advertising	Help to manage	Sales help
-Free training -Fairs -Coupons -Display -Demo	-Premium -Contests -Free gifts -Price Reduction	-Confidential letters -Fashion shows -Spare parts -Demo	Information	Sales contest Competition Sales planning

1. Samples:

Distribution of sample is one of the methods for promotion. Many marketers offer free samples of their product to the selected people in order to popularize their products. The

sample may be delivered door to door, offered in retail stores or fairs. The sample is helpful for introducing new products such as soaps, drugs, cosmetic, perfumes, tea, etc. Since the distribution of sample is very costly but it is one of the best methods for the consumer promotion.

2. Discount or price off:

The discount system is also another method of consumer promotion. Consumers are basically attracted towards the discount. In order to increase sale, many producers introduce price off offer to the consumers. Under this, the product is offered at a price lower than the normal price. For example, during off season, ceiling fans and refrigerators may be offered 30% to 40% off price.

3. Coupons:

Coupon is also another method of consumer promotion. Coupon is a certificate that entitles its holder to a specified saving on the purchase of a specified product. It may be issued by the manufacturers either directly by mail or through the dealers. The holders of coupons can go to the retailers and get the product or service at a cheaper price. But many retailers do not use this method because it involves financial and accounting problems for them.

4. Quantity deals:

Quantity deals are also the method for consumer promotion. Sometimes, salespersons device special package. They give an extra quantity of the product to the buyer at the same price. These deals come in the form of 'buy three get one free' offer for beauty soaps like Dettol and lux'

5. Public relation:

Public relation is also the method for consumer promotion. The activities of public relationship strive for creating a good image of the enterprise in the eyes of the customers and the society. These activities are aimed at immediate demand creation. Space donated by the business houses in the published media in spreading some noble ideas is also an activity in public relation.

6. Quiz contests:

It is also another method for consumer promotion. This type of activity is used for the consumer knowledge and attraction. There may be customers' contest, salesmen contest, and dealers contest. Contests for salesmen and dealers are intended for inducing them to devote greater efforts for obtaining new sales ideas in the task of sales promotion. Contest for consumers is held on the subject of writing a slogan on the product.

7. Trade fairs and exhibitions trade:

Fairs and exhibitions provide an important method of sales promotion to the businessmen. Businessmen can demonstrate their products explaining their special features and usefulness. They can also distribute free literature to introduce their firm and products to the public. This device of sales promotion has become very popular in Nepal and other developing nations as well.

8. Display of products:

Display of goods is also a good method for the promotion of consumers. Goods can be displayed in artistically laid out windows at the shop fronts or at important busy centers like railways stations and bus stops. Large showrooms are organized by big manufacturers and wholesalers in the main markets to advertise their products and attend to the queries of the potential customers.

Methods of Trade Promotion

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

The method of trade promotion can be briefly shown below:

1. Dealer premiums:

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

2. Advertising material:

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

3. Store demonstration:

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

4. Special displays:

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

5. Special discounts:

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

6. Push money:

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

PROMOTIONAL STRATEGY

Definition: Promotional Strategy

Promotion for any product or service is essential for any company. It is because only through promotion people would come to know about the product. Only after knowing about the product they consider purchasing. All the promotional strategies can be classified under two categories – Push and Pull.

Push strategy

In push strategy promotional activities are done for the distributors, wholesalers and retailers to push the product to the consumers. Trade fairs, wholesaler discounts, bonus and all the activities which benefit the distributors are all examples of push strategies. Hence the demand is pushed or created in the distribution channel. These activities are not visible to consumers and hence it is mostly unknown to the customers.

So when one goes to a mobile store to buy a new phone and the shopkeeper urges and shows only Samsung phones, it is push marketing and the shopkeeper is getting more margin on selling Samsung phone than any other brand.

Pull Strategy

In pull strategy promotional activities are done for the consumers. Advertisements, digital campaigns, discounts in stores etc are some examples of pull strategy. Hence demand is created in the consumers which in turn go to the retail stores or e-commerce websites to buy these products. These activities are visible to all the customers.

When a customer goes with a specific brand and product in his mind to the market, it is the pull strategy that has worked for the company.

SALES FORCE MANAGEMENT

INTRODUCTION:

Sales Force Management is a sub-system of marketing management. It is Sales Management that translates the marketing plan into marketing performance. That is why sales force management is sometimes described as the muscle behind the marketing management. Actually sales force management does much more than serving as the muscle behind marketing management. Sales managers in modern organization are required to be customer-oriented and profit-directed and perform several tasks besides setting and achieving personal selling goals of the firm. In this article let us understand briefly the sales force management, tasks involved in the sales force management.

Sales Management is generally acknowledged to be the backbone of marketing. **Brech** defines it as "the overall management of sales and it refers to only a specialized application of the process of management as a 'whole**." According to the American Marketing Association** "the planning, direction and control of the personal selling activities of a business unit include recruiting, selecting, training, assigning, rating, supervising, paying and motivating; as these tasks apply to the personal sales force." The ultimate objective of the sales management is to influence the consumer of the target market to get sales orders. Personal selling is the most frequently used promotional technique in business markets and management of the sales force is an important quality component of any selling effort. A sales force serves as a company's personal link to customers.

The company's sales force is one of its most important assets and it is the major component of the firm's promotion mix. Sales force plays a deciding role in deciding the company's fate because the firm's revenues are derived from sales. Very frequently its effectiveness to the large extent determines to extent to which overall marketing objectives will be achieved this is especially true for firms in which the sales forces is a major element or various kinds of services (for example, insurance) or those that sell directly to the consumers.

Meaning:

Sales Force Management originally referred exclusively to the direction of the Sales Force.

Sales force management meant of all marketing activities including advertising, sales promotion, marketing research, physical distribution, pricing and product merchandising.

Elements of Sales Force Management

1. **Lead Generation:** The Sales Representatives generate the sales lead and then track the potential user by gathering the data and customer related info like phone numbers, tastes, and buying patterns.

2. **Sales Forecasting**: Predicting the company future sales based upon the previous sales for a particular period of time; is sales forecasting process. The Sales Forecasting is done for the next tax year or the fiscal year (or for a period of a time in the near future). This enables the company to take important business decisions regarding production, distribution, advertising budgets.

3. **Order Management:** The sales Force Manages and streamlines the product orders efficiently. A well-executed **Order Management System** or OMS results in Sales Boost, Improved Customer retention and Better Consumer Relations. Order Management System is quite a hefty term for a simple concept; delivering Goods and products without or minimum delay is order management.

4. **Product Knowledge:** The basic element for closing a deal or making a successful sale is having the complete knowledge of the product. To win the customer trust is of outmost important for the Sales representative. In order to convince the buyer to spend the money on the product the Sale team must have the complete know how of the Product and its benefits.

Objectives of Sales Force

Companies must define the specific objectives they expect their sales force to achieve. The old idea was that the sales force should "sell, sell, and sell". Later, the idea arose that sales representatives should know how to diagnose a customer's problem and propose a solution. Salespeople do not try to sell a specific product initially. Rather, they show a customer-prospect how their company can help the customer improve its profitability. The sales force of a firm plays a very crucial role and they cover some of the objectives.

- To keep and maintain continuous contact and business relationship with both existing and potential customers.

- To understand and collect regularly information about customer needs and wants and send reports to the departmental head.

- To book orders and help supply or deliver goods and services to all members of distribution channel without any bias and maintain regular relation and motivate them.

- To meet their sales targets and maintain or follow sales policy, credit policy and pricing strategy.

- To keep tracking customer satisfaction and take action as deemed fit.

- To keep tracking a competitive position, particularly competitor's new products, promotional activity and pricing strategy.

- To prepare and send comprehensive and useful reports regularly.

- To co-ordinate sales programme with the superior office and other branches and territories for the benefit of the organization.

Sales managers today must develop an **integrative management style using adaptive, problem-solving, extensive information, in many cases in an ever-changing marketplace**. The overwhelming majority of business environment workers are service providers such as **insurance companies, investment bankers, consultants, and information technology specialists**.

Sales managers in the current business environment must have the ability to add value, which certainly means functional expertise in sales and marketing along with knowledge of the industry. However, managers must also have **the skills to lead, communicate, use changing technologies, build teams, motivate salespeople**, **form strategic alliances with customers, and build teams within the sales force.** Sales managers need access to a flow of reliable information to initiate sound decision-making that turns of a dime. As a necessary pre-condition to high levels of sales force performance, empowerment, and control of their own work process, sales managers should also have a system of sharing information with the sales force.

These are times of drastic corporate downsizing in which sales organizations are expected to do more with less. Sales managers must also be more knowledgeable and possess a myriad of demanding new business skills. Many internal and external changers among organizations have

dictated the need to conduct business differentially. Sales managers perform the sales force management function. They execute the entire human resource management function in an organization. They recruit, select, train, motivate, compensate and control the sales staff for achieving the desired goal of the organization.

Many efforts are under way to make Indian companies more competitive. Typically, the focus is on internal processes and operational efficiency up to the facto gate, but no further. Unaddressed challenges lie in "factor forward" process, often including competitive sales force management. The quality and low cost services are not enough - an efficient and effective sales force approach focused on customer value is an effective competitive weapon.

This acquires urgency because of the fact that new competitors typically poach the best members of incumbents' sales force at a time when the experience and dedication of star performers are most needed. Many companies are currently taking the necessary steps towards successful sales force management and are achieving growth even in today's economic environment. Others have fallen further behind - whether they will be able to participate in the next economic recovery is doubtful.

Definition of Sales Force Management

Sales force management is defined as "the planning, direction and control of the personal selling activities of a business unit, including recruiting, selecting, training, equipping, assigning routing, supervising, paying and motivating as these tasks apply to the personal sales force

Objectives of Sales Force Management

The basic objective of sales force management is to determine how well individual sales person have performed. However, the results of salesperson performance evaluations can be used for many **sales management purposes**:

1. To determine the specific training and counseling needs of individual salespeople and the overall sales force,
2. To provide information for effective human resource planning,
3. To identify criteria that can be used to recruit and select salespeople in the future,
4. To advise salespeople of work expectations,
5. To motivate salespeople,

6. To help salespeople in setting career goals, and

7. To improve salesperson performance.

8. To ensure that compensation and other reward disbursements are consisted with actual salesperson performance,

9. To identify salespeople who might be promoted,

10. To identify salespeople whose employment should be terminated and to supply evidence to support the need for termination

Decisions of Sales Force Management

Competitive survival in the market depends on an aggressive, well-trained professional sales force. Today's market place demands salespeople who are keenly sensitive to customers' needs and equipped with the technical knowledge and necessary communication skills to operate efficiently and effectively to the mutual advantage of both sellers and buyers. The function of sales management, then, is to ensure that the sales force is managed so that it is responsive to market conditions and requirements in a way that generates maximum profits to the firm.

Long term success of the firm in generating sales volume hinges upon the development of sales force. Sales force is an invaluable human resource of the firm. They have practically unlimited potential for growth and development. The effective management of sales force is a major task of sales, management. Management of sales force requires some decisions to be taken by the sales executives.

THESE DECISIONS ARE CONCERNED WITH THE FOLLOWING AREAS:

1. Establishing sales force objectives

2. Determining sales force size

3. Recruiting and selecting sales force

4. Training sales force

5. Compensating sales force

6. Supervision and direction

7. Motivation of sales force

8. Controlling and evaluating sales force

1. Establishing Sales force Objectives

Sales objectives have to be fixed by the sales manager in respect of total sales forces and for each salesman, in terms of volume market share or profit for the firm. If the objectives are once decided, then the size of sale force has to be determined.

In order to achieve aggregate sales objectives, individual sales people need to have their own sales targets, but increasingly profit targets are being used, reflecting the need to guard against sales being bought cheaply by excessive discounting. To gain commitment to targets, individual sales persons should be consulted. Sales managers can also set input objectives such as time spent developing new accounts or time spent introducing new products.

Besides these, sales objectives are also expressed for individual members of the field sales force in terms of number of calls per day, average number of orders per day, average order size, order-call ratio, new business per day, etc. The extra and non-selling objectives may be expressed in terms of number of visits per day, number of order generation per day / week, number of retailer's salesmen to be trained per day, number of installations / servicing per day, etc.

2. Determining Sales force size

The size of sales force refers to the number of salesmen required to accomplish given selling objectives. The need for determining the size of the sales force arises because every salesman on the company rolls not only generates volume and profits but also costs money and managerial effort and attention in his supervision. However, the size of the sales force may be large or small in a company depending on the constellation of size determinants obtaining at the time of decision making. Some of the determinants of the sales force size include the number of present and prospective customers, market potential, market-share desired, quality of salesmen available, and frequency of sales calls needed.

The size of the sales force, therefore, would be relatively larger when, for example, the number of customers composing the market is large, have sufficient sales potential require enough demonstration, and involve repeat selling calls. However, what is crucial from the managerial standpoint is the determination of the right size of the sales force which can accomplish the given selling objectives. Often it is found that the size is either too small or too large. The former is indicated by rising sales but poor customer servicing while the latter is indicated by

declining sales and less than fully occupied salesmen. Therefore, what is crucial is the determination of the optimum size of the sales force. In this exercise, the past company experience, industry practice, and managerial judgment undoubtedly play a significant role. Nevertheless, there are models available to aid and assist marketing executives in determining the right size of the company's sales force.

To establish sales force size, the following method may be adopted which consists of five steps:

1. Customers are grouped into size classes according to annual sales volume.
2. Desirable call frequencies (number of calls on an account per year) are established for each class.
3. A number of accounts in each size class is multiplied by the corresponding call frequency to arrive at the total work load for the country, in sales calls per year.
4. The average number of calls a sales representative can make per year is determined.
5. The number of sales representatives needed is determined by dividing the total annual calls required by the average annual calls made by a sales representative.

3. Recruitment and Selection

After having determined the size of the sales force, the company has to recruit and select the right kind of persons to serve as salesmen. Basically, the recruitment and selection are the jobs of the personnel department of the company, but the marketing department may be called upon to either organize to wholly or actively assist the personnel department in this task. All this, however, depends on the size and structure of the company organization, level of functional specialization, and the managerial philosophy. Nonetheless, in every situation, the concern, interest and participation of the marketing people is active in respect of recruitment and selection of salesmen.

Meaning of Recruitment and Selection

- **Recruitment** is an act of inducing qualified and appropriate people to get interested in and apply for a salesman's position with the company. It involves the identification, location, and stimulation of job aspirants. Since it is an ongoing process, usually companies maintain and continuously update the prospect files and develop contact with educational and training

institutions and employment exchanges so as to get appropriate leads for locating candidates. In brief, recruitment means making people to aspire for a job with the company.

- **Selection** is a consequence of recruitment activities and implies choosing the desired number of applicants for employment with the company from amongst those who have applied. It involves the process of matching educational, aptitude and personality attributes of the applicants with the man-specifications laid down by the company.

Importance of Recruitment and Selection:

Both recruitment and selection are very important aspects of sales force management because on the effectiveness of these hinges the objective attainment and the success of the selling programme.

Inducing a reasonably large number of persons with appropriate attributes enlarges the sample out of which choice of effective salesmen is easy. When applicants undergo the process of selection a company gets those persons whose match with the man-specifications is the closest.

Thus, company gets the most appropriate salesmen from amongst the applicants. Whenever recruitment and selection are not proper both the company and salesmen suffer. The company suffers in terms of unrewarding sales calls, poor volume generation, low profit margins, higher salesmen turnover and the like. The total and cumulative impact of a poorly selected salesman is always reflected in declining sales and profit curves.

Likewise, salesmen also suffer in terms of loss of job interest, dissatisfaction, poor compensation and low morale. "There are several hidden costs of poor selection costs that cannot be expressed in terms of money, customer relations deteriorate, for excessive turnover (of salesmen) prevents establishment of close customer-sales person relationships-and eventually customers grow weary of seeing too many new faces". Recruitment and selection should, therefore, receive adequate management attention.

Job and Man-Specifications

However, before marketing management can proceed with the selection process, it is important to develop job description and man-specification so as to make this process objective and

relevant to company needs. **Job description** is a statement defining the nature and content of the job and specifies the duties and responsibilities of the incumbent for the job.

It provides an accurate and realistic picture of:

- The specific job duties and tasks to be performed,
- The nature and extent of responsibility and accountability,
- The organizational relationship with peers, supervisors and other management personnel,
- The conditions under which job is typically performed, and
- The type of customer and sales contact involved.

Job description on the one hand specifies the concept of the job the incumbent will be expected to do and on the other hand helps management in preparing compatible man-specification.

Man-specification is a statement specifying the kind of person required for the job described.

It lies down:

- The educational qualifications,
- Mental and physical strengths, and
- Personal attributes of the persons being looked for by the company.

Since a large number of attributes may be involved it is extremely necessary to carefully identify and choose them. Besides, "in preparing man-specifications, precision, both in determining the necessary qualifications and in describing them, is a cardinal virtue".

Attributes of a Good Salesman

Many marketing managers and industrial psychologists have suggested a number of attributes a company should look for in an effective salesman. For example, Howard has suggested a list of 11 principal attributes, whereas Greenberg has come out with 10 such attributes. However, McCurry has identified five such attributes which broadly cover everything in an ideal salesman.

These are:

- "A high level of energy,

- Abounding self-confidence,
- A chromic hunger for money,
- Well-established habit of industry, and
- A state of mind which regards each objections, resistance or obstacle as a challenge".

In an even shorter list, Mayer and Greenberg contend that to be successful a salesman must possess at least two basic personality attributes:

1. **Empathy:** the ability to identify with another person's wants, problems, situation and so on; and
2. **Ego-drive:** the desire to compete, to persuade, to convince, and to win in face to face sales situations.

Selection process:

Having developed the job description and man-specification and invited person to apply for a salesman's position in the company, the back-drop is ready to initiate the selection process.

It comprises screening of application blanks, checking-up applicants' antecedents with the references suggested, interviewing and testing. This process enables management to thoroughly screen and evaluate candidates against the job description and man-specification and helps to develop a panel of acceptable candidates from amongst whom the desired number may be employed. Amongst the different components of the selection process, the following deserve brief description.

a) Application Blanks:

- Although persons may be motivated and invited to talk and negotiate the job at the personal level, it is usual these days to ask them to apply formally on company's application forms, called application blanks.
- These are filled in by the job aspirants as an indication of their willingness to be considered for employment with the company.
- An application blank contains a number of questions relating to personal history, educational background, experience, reasons for leaving the current job, if any expectations, references, etc.

b) Tests:

In order to develop an in-depth understanding of the candidates, the company may administer him/her a number of psychological and other tests. The psychological tests attempt to identify and quantify more accurately the various personality traits and attributes that are not usually measured by the screening of application blanks or even interviews.

Three types of psychological tests are used in the selection system of sales personnel:

- Tests of ability,
- Tests of habitual characteristics, and
- Tests of achievement.

(1) Tests of ability attempt to measure how well a person can perform a particular task with maximum motivations. These are tests of best performance and include tests of mental ability (intelligence tests) and tests of special abilities, or aptitude tests.

(2) Tests of habitual characteristics attempt to gauge how prospective employees would act in their daily work normally, i.e., not when they are on their best behaviour. These are tests of typical performance and they include attitude, personality, and interest tests.

(3) Achievement tests are designed to measure "how much individuals have learnt from their training or education". Besides, a company may also administer physical / medical tests to ascertain the physical fitness of the candidate for a hard and strenuous selling job.

c) Interviews:

Interviews may precede or follow the administration of tests depending on the convenience of the company. Interviewing involves personal interaction between the candidate and interviewees in a formal / patterned or informal setting and is aimed at discovering the 'salesman' in the candidate.

In companies, "virtually no salesman is ever hired without a personal interview, and there are no satisfactory substitutes". In these interviews a candidate is asked a number of questions originating out of application blanks so as to verify and interpret the facts contained therein as also to gather supplementary relevant information. Interviews also provide an opportunity to a candidate to ask questions about the job and reveal his expectations.

d) Selection:

After having screened the application blanks, administered the various tests, and interviewed the candidates, the results of these different components of the process are compiled (duly weighted) and the final score is arrived at so as to prepare a panel of candidates eligible / acceptable for employment. Having prepared a panel, they are offered the position and if need be, the terms may be negotiated.

However, while selecting and appointing a salesman it should always be understood that if one has to be appointed he should be rigorously screened; having appointed once he should be retained - retained, he should be trained and retrained, adequately compensated, and effectively motivated.

4. Training sales force

Sales training is the effort an employer puts forth to provide salespeople job-related culture, skills, knowledge, and attitudes that should result in improved performance in the selling environments. Training can be defined as the development, of skills and faculties, to do a particular job in the given way through systematic teaching and guidance. It involves showing, doing and checking the way it is being done.

Definition of Training sales force:

According to Edwin B. Flippo, 'Training is the act of increasing knowledge and skill of an employee for doing a particular job".

According to National Society of Sales Training Executives (USA), "Sales training is the intentional and sound application of ordinary human sense to the problem of helping the sales personnel to make the most of its talents".

Training substitutes or supplements experience of sales personnel.

- It helps to achieve improved job performance.
- It helps the new sales personnel to perform their jobs satisfactorily and it increases to performance of existing sales personnel.
- **Sales training methods** accelerate the process of learning.

- **Training is the act of increasing the knowledge and skills** of an employee for doing a particular job.
- **Training involves the development of skills** which are usually necessary to perform a specific job.
- **The purpose of training** is to bring a positive change in the knowledge, skill, attitude of sales force, and to improve the performance of work.
- **Training gives knowledge** about sales techniques, nature of work, market conditions, competitors, market strategies, general information about the company, technical features of the product, etc.

Many companies and the new sales force into the field almost immediately, supplied with samples, order books and a description of the territory. Much of their selling is ineffective. Today's customers expect salespeople to have deep product knowledge, to add ideas to improve the customers' operations, and to be efficient and reliable. These demands have required companies to make a much higher investment in sales training. Today new sales force may spend a few weeks to several months to the training.

Training period:

The median training period is 28 weeks in industrial product companies, in service companies and 4 in consumer product companies. Training time varies with the complexity of the selling task and the type of person recruited into the sales organization12.

5. Sales Force Motivation

Motivation is intrinsic, but it is the task of the sales manager to motivate his sales team. This involves creating a climate in which everyone gives his or her best performance.

Motivation meaning:

Motivation is the act of stimulating someone or oneself to get a desired course of action, to push the right button to get a desired action - a compliment, a pay rise, a smile, a promise of promotion, praise, public recognition of merits and so on. Motivation ignites the will to work. It moves the people to take a desire action.

Some sales representatives will put forth their best efforts without any special coaching from management. To them selling is the most fascinating job in the world, they are ambitious and self starters. However, the majority required **encouragement and special incentives**. This is especially true of field selling; representatives usually work alone, their hours are irregular and they are often away from home. They confront aggressive, competing sales representatives; they have an inferior status related to the buyer; they often do not have the authority to do what is necessary to win an account; and sometimes they lose large orders they have worked hard to obtain.

The problem of motivating sales representatives have been studied by Churchill, Ford, and Walker.

Their basic model says that higher the sales person's motivation, the greater the effort.

- Greater the effort will lead to greater performance;
- Greater performance will lead to greater rewards;
- Greater rewards will lead to greater satisfaction and
- Greater satisfaction will reinforce the motivation.

Sales people, especially outside sales forces, require a high degree of motivation. Management faces the challenge in motivating these people. People differ in what motivates them and the motivations change over a person's life. A young sales person is more likely to be motivated by money, whereas an older sales person may be more interested in recognition.

Sales executives can draw from a wide assortment of **specific motivation tools.**

- **Financial incentives** - compensation plans, expense accounts, fringe benefits - serve as basic motivators, but they do not always push people to exceptional performance.
- **Non-financial rewards** - job enrichment, praise from the management, recognition and honour awards - may stimulate some people.
- Sales meetings and sales contests are often used alternatives. Many firms provide cruises, resort trips and other travel incentives as reward to top performing sales people.

6. Compensating sales force

Compensating salesmen for their services is also an **important managerial task**. Through: -

- A compensation plan management of a company co-relates efforts,
- Results and rewards to salesmen,
- Controls them and builds,
- Develops and stabilizes the sales force so as to ensure satisfied consumers.

However, a **compensation plan to be effective should be**

- Simple,
- Fair,
- Flexible economical and should ensure a living wage and attainment of the sales objectives.

In order **to develop an appropriate compensation plan, management has**

- To formulate the job description,
- Evaluate the job,
- Determine the industry structure and compensation level and components,
- Identify special company needs,
- Decide methods of compensation and then test and install the plan.

The level of compensation in a company depends on the **quality of their salesmen**,

- Level of advertising,
- Intensity of training,
- Bargaining strength, and
- Company's financial strength.

In a company **compensation may be composed of**

- Fixed salary,
- Variable commission or bonus,
- Reimbursement of expenses, and
- Other fringe benefits.

It may be **paid in the form of**

- A straight salary straight commission or
- A combination of salary and
- Commission
- Besides, salesmen may also be **rewarded** by provision of different **incentives** such as **bonus** and **profit sharing.**

The **compensation plan** refers to:

- **The monetary, as well as**
- **Non-monetary expenses** incurred by the sales organization, for paying the services rendered by the sales force.

The compensation, thus, refers to the **total payments**:

- **The Contractual**, for example, salary and wages and
- **Non-contractual**, for example, welfare expenses incurred by the organization

The sales manager has to plan the levels of these payments for each position manned in his department in consultation with the personnel department of the organization.

The compensation and reward system is the single most important motivating factor for sales personnel in any industry or organization, ail over the world. It is the key to direct the behavior of sales personnel in alignment with organizational objectives. Therefore, a Sales Manager needs to be very prudent while establishing compensation plans. A compensation plan must explain clearly what activities a salesperson is expected to carry-out, how performance will be measured, and how they can increase their compensation. Many organizations spend a lot of time re-formulating strategies to take advantage of emerging opportunities in the changing business environment. However, they seldom re-orient their compensation plans to suit the changing needs of sales personnel. These plans also do not reflect the changes that have taken place as organizations, evolve in tune with changes in the business environment.

A well **formulated compensation** plan not only helps the sales force to direct selling activities and achieve sales objectives, but also influences effective implementation of the organizations marketing plan.

Amount of reward for the services rendered by a salesman has a great bearing on his efficiency. Payment of fair remuneration leads to high morale and increased productivity. The underline percept of the compensating system is attracting, motivating, and keeping salesmen as essential elements in creating and maintaining an effective increasingly capable sales force.

The compensation plan is based on the objectives set by the marketing programme and the personal selling objectives. It should provide stability of earnings as well as incentives for salesmen to increase sales volume, profit and the like. It should be simple, easy to understand and inexpensive to administer. It should be fair to both the company and its sales force and competitive with compensation plans in the industry area. Apart from reimbursement of expenses and fringe benefits, there are five ways of paying compensation:

1. Salary plus commission plan
2. Commission plus approved expenses plan
3. Salary plus group commission plan
4. Bonus and
5. Prize contests and performance incentives. Many companies use combination of the salary and commission and bonus plan.

7. Supervision and direction

The sales manager leads from the front, from the back, from both sides, and encourages people within the sales team to stick to the basic plan of helping customers to decide about informed buying choices.

Sales manager is responsible towards salesmen of the organization. Sales manager acts as a link between salesmen and the top management. He is responsible for utilizing frill energies of salesmen and at the same time he is to watch the interest of salesmen and develop team spirit among them. Among all the ideas and writings about leadership, three words stand **out-people, influence, and goals**. Leadership occurs among people, involves the **use of influence**, and is **used to attain goals**. Influence means that the relationship among people is not passive.

Moreover, influence is designed to achieve some end or goal. Thus, the formal definition of leadership is the ability to influence other people, toward the attainment of objectives.

Leadership is absolutely necessary to a sales manager's effectiveness. Sales Managers not only supervise but also lead. That brings to a point to "understand the difference between sales force leadership and supervision. Leadership is the ability to influence other people towards the achievement of specific goals and objectives. Research indicates that leadership ability can be achievement of specific goals and objectives. Research indicates that leadership ability can be learned. Leadership is a people oriented actions, which are different than administrative or problem-solving activities. Sales leadership requires that sales managers equip and empower the salespeople. They should understand each salesperson's needs and at the same time develop teamwork.

Supervision is **directing** of the day-to-day activities of the salespeople. Supervision is a part of leadership. Leadership requires more foresight and intuition than supervision, because supervision deals more with maintenance and improvement of the existing state, whereas leadership in most cases requires review of objectives and operations of the sales force.

Supervision at once both the *direction and control of salesmen and continual development* of their abilities. **Direction and control** exercised by the sales manager are acceptable to the sales force when they perceive that this will help them to accomplish their own personal objective also. Supervision must be tailored to needs of the individual sales person just as selling process must be tailored to individual customers.

1. **The skilled supervision** has to formulate the best mix or combination of authority, knowledge and persuasion in accordance with the needs of the situation.
2. **Authority** is expressed through orders and directions with necessary sanctions for disobedience.
3. **Persuasion** is demonstrated through giving explanations for policy and reasons or the needs for action.
4. **Knowledge** is executed in guiding and counseling the salesmen in their activities and work with certain customers.

Supervision, direction and control involve:

- Observing, monitoring and reporting the performance of the sales force,

- Counseling and coaching sales people to remove the defects and weaknesses in their performance
- Giving them adequate information regarding company plans and policies and changes in those policies,
- Receiving feedback and solving their business and personal problems,
- Motivating sales people through appropriate non-financial incentives in order to satisfy egoistic demands of sales people.

8. Controlling and evaluating sales force

Finally, the sales manager has to ensure that goals are achieved. This involves performance review and thus a productivity analysis of the sales person.

- In the performance review **the sales manager has to review whether the targets**, **in terms of sales, market coverage; new customer development and profit** have been achieved.
- This is done through **sales invoices, sales reports, and interviews with customers and a structured performance appraisal format**.
  The sales manager has to be careful in rechecking with customers about the quality of service provided by the sales person and their satisfaction with him. It is better to discuss customer **feedback in aggregate, or as feedback from the territory as a hole**. The sales manager must then advice and helps the sales person to overcome any negative feedback.

The **success or failure of an organization** depends on how efficiently the sales performance is managed. Therefore, improving performance appraisals should be among the highest priorities of contemporary sales executives and managers. **Performance evaluation** is defined as the degree to which employee behavior and the result of this behavior induce organizational goals, relative to an explicit standard of success.

Salesperson evaluation is complex, as the selling process takes place outside the view of the sales manager. **Sales force evaluation** is difficult. As the sales manager may not be present during the performance of the sales activities, the company has to identify certain parameters on the basis of which a salesperson's performance can be tracked. The evaluation process should involve behavioral criteria in addition to sales criteria.

Sales territory and management of sales quota

Sales territory

Is defined as a group present and potential customer assigned to an individual salesperson, a group of salesperson, a branch, a dealer, a distributor or a marketing organization at a given period of time.

Territories are defined on the basis of geographical boundaries in many organizations. In broader term, it is a geographical area that identifies and serves a category and a certain number of customers.

However in some instances, companies do not follow geographic designs for sales territories. Eg - a small firm catering to a niche market. There are some situations where companies to build sales territories on the basis of the urgency and frequency of customer requirements rather than geographical coverage. The problem with such a method is that the same customer may get calls from multiple salespeople from the same organization.

An alternative method is to make a single salesperson accountable for one set of clients only and if required call technical specialists for assistance. Also in situations where personal relationships and acquaintances have a bearing on sales, organizations do not prefer territorial designs.

Advantages of Sales territory

1. Ensures better market coverage, effective utilization of sales force and efficient distribution of workload among salespeople.
2. Convenient way to evaluate the performance of salespeople.
3. A territorial design brings more clarity and focus to the sales targets to be achieved.
4. The sales force can build higher sales through up selling and cross selling to the same set of customers.
5. Customer service improves over a period of time.
6. Helps understand customer's current and latent need.
7. Helps salespeople to generate a better valve from the customers.
8. An effective territorial design helps to integrate the selling efforts with other marketing and promotional functional functions in the territory.

Disadvantages of Sales territory

1. May not prove good in regions where personal relationship is required rather than professional approach.
2. Organizations with vast geographic area and large customer distribution, with a lower density in any specific block, firms using telemarketing and internet marketing as tools, do not plan territories on the basis of geographic division.
3. Small firms, particularly firms with single salesperson do not establish sales territory.
4. Highly sophisticated and technically complex products are sold through sales teams' systematic effort.
5. Organizations sell products like insurance, fixed deposits and other investment products through personal acquaintances of sales people.

Functions of Sales territory:

An outstanding salesperson will be an outstanding sales executive?

A sales executive's job demands administrative skills much beyond those required of salespeople. But personal selling experience and outstanding personal selling performance are two different things.

Basically the sales executive has two sets of functions: operating and planning. The operating functions include sales force management, handling relationships with personnel in other company departments, communicating or co-coordinating with other marketing executives and reporting to some superior executive.

The sales executive planning function: includes those connected with the sales programme, the sales organization and its control. The sales executive is responsible for setting personal selling goals, for developing sales programme designed to achieve these goals, for formulating sales policies and personal selling strategies, and putting together plans for their implementation.

The relative emphasis that a sales executive gives to the **operating and planning functions varies with**

- Type of products
- Size of company
- The type of supervisory organization.

Qualities:

1) Ability to define the position's exact functions and duties in relation to the goals the company should expect to attain:

- The sales executives calculate what is entailed in their responsibilities.
- They draw up their own descriptions.

2) Ability to select and train capable subordinates and willingness to delegate sufficient authority to enable them to carry out assigned tasks with minimum supervision:

- Effective executives select higher caliber subordinates and provide them with authority to make decisions.
- The more capable subordinates, the wider policy limits can be.

3) Ability to utilize time efficiently:

- They time of sales executive is very valuable.
- They allocate time to tasks which yield the greatest returns. Even the use of off-duty hours is very important.
- Successful sales executive balance their time with their activities.

4) Ability to allocate sufficient time for thinking and planning:

- Able administrators make their contribution through thinking and planning.
- They recognize that reviewing past performances is a prerequisite to planning.

5) Ability to exercise skilled leadership:

- Competent sales executives develop and improve their skills in dealing with people.
- To a large extent, they depend more on the motivational factors.
- Skilled leadership is important in dealing with subordinates and with everyone else.

Sales Quotas

Definition of Sales Quotas:

Sales Quotas are the targets that that the sales people try to achieve within a specific period of time, which contributes towards achieving the organizational goals regarding sales forecasts.

According to Philip Kotler 'A sales quota is the sales goal set for a product line, company division or sales representative. It is primarily a managerial device for defining and

stimulating sales effort.'

Meaning of Sales Quotas:

Quotas are routinely assigned to the sales unit. Sales quotas are the sum of total sales of a future period and duties to achieve the component of total sales by each salesperson are handed down to them at the beginning of the period.

Quotas are based on sales.

A sales forecast is an estimate of what a firm can sell. Sales quotas may be set equal to, above or below the sales forecast. Sales potential is the maximum share of the market demand that a firm can obtain.

Importance of Sales Quota:

1) There is no a specific formula or method for setting sales quota; however a scientific method can be followed for effective quota setting.

2) There should be objectivity in approach while fixing quotas and it should be based on facts and figures drawn from the market.

3) There should be an equal level playing field.

4) The set sales quota should be achievable by an average salesperson with minimum effort.

5) A flexible quota often helps the salespeople to adjust their efforts and returns to the market behaviour.

6) There should be a level of definiteness in the quota set for the salesperson based on – either geographic territory, or on money value or on the basis of units of product(s).

7) A participatory quota setting procedure serves as a tool of motivation and realization of organizational sales goals.

THREE KINDS OF OBJECTIVES CAN BE TOWARDS THE QUOTA.
- **Regular and recurring**
- **Problem solving**
- **Creative**

1) Regular and recurring

These objectives are related to the sales volume, target market share, expenses, frequency and quantity of calls, prospects and lead generation, growth in order size, market coverage, and reporting procedures. Achieving these goals is a satisfactory performance evaluation of the

concern.

2) Problem solving

Are individual salespersons goal that involve deviations from the standard and routine objectives, where things have gone wrong and bringing a blockage in the smooth functioning of the organization system. These objectives need specific unique commitments from the salesperson.

3) Creative

Creative objectives are actions the sales person states and commits which are new, challenging, creative, innovative, intelligent and original in the territory or in another area of responsibility. These goals mean managing breakthrough and quantum leaps to new levels of performance. The manager needs to talk to sell the objective and commitment to his sales staff as they meet customers to sell products and services.

Procedures for setting sales quota:

There are essentially three steps to be followed for quota setting:

1) Scheduled planning
2) Conferencing with each sales person
3) Arriving at a summarized written quota statement

1) Scheduled planning

It involves planning for goal setting meetings with individual salespeople and particularly with new recruits. These schedules are necessary to explain systems and reasons, benefits and incentives for each salesperson and goals for the organization. The salespeople should be allowed to ask questions and get clarification for their doubts.

2) Conferencing with each sales person

Here the sales manager allows the salesperson to discuss. The discussion revolves around four key areas – territory, account, call management and self management. The purpose is to create a win-win situation for both the organization and the employee.

3) Arriving at a summarized written quota statement.

The next task is to prepare written summary of the goals agreed upon. The written goals become a document of understanding for all purposes. It provides clear cut goals and responsibilities for the year ahead.

Types of sales quota:

Quota types include:

1) Sales volume quota
2) Sales budget quota
3) Sales activity quota
4) Combination quota

1) The sales volume quota:

- ➢ It is the most commonly used method as it provides an important standard of appraising the performance of individual salespeople, intermediaries and the branch.
- ➢ Sales volume quotas communicate the organizations expectations in terms of what amount of sales for/in what period.
- ➢ This kind of quota can be set for geographical territories, different product lines, different marketing intermediaries, or more than one of these combinations.
- ➢ The annual quota is set for the year and then broken down into specific time periods. In many cases, these specific time periods may vary depending upon the seasonality of the business, consumer attitude towards buying and the geographic location of the customer.
- ➢ Organizations make sales forecasts on the basis of the sales divisions, regions, branches, districts and individual sales territories.

The sales volume quota is of three kinds:

- Monetary sales volume quota,
- Unit sales volume quota,
- Points sales volume quota

Monetary sales volume quota

The sales volume is set in monetary terms and not in terms of units of the product. The monetary quota is set for each sales unit separately.

Unit sales volume quota

Here quota is set in terms of volume.

- It is used in two situations;
- When the prices of the products are expected to fluctuate considerably during the

quota period, and when the companies with a narrow product line sell at a price that fluctuates little during the quota period.

- It helps the company to achieve the sales in terms of volume.

Point's sales volume quota

Some organizations use sales volume quota expressed in 'points' into which money or unit sales or both can be converted as desired by the sales manager. A multi-product firm may fix a point volume quota where sale of one unit will bring a certain point. **For example**: if a salesperson is given a quota of 1000 points.

2) Sales budget quotas

➢ These kinds of quotas are set for various units of the organization in order to control the expenses (expenses quota), gross margins and net profits (profit quota).

➢ The objective not only to make desired sales volume but also make profits.

➢ **Expenses quota** ensures that the salespeople limit their expenses in alignment with the volume and control the cost to acquire customers.

➢ Many companies set upper limits on items of expenses like lodging, meals and entertainment and expect the salespeople to manage within the budget.

➢ **Profit quota** can be set on Gross margins and Net profits. Organizations emphasize net profits more than sales volume.

➢ The rationale behind this type of quota is that the sales personnel operate more efficiently to reduce the expenses and increase the sales resulting in increased margins and profits.

The manufacturing department provides the sales manager with information regarding the cost of goods sold, which includes the cost of manufacturing the product. By subtracting the cost of goods sold and the direct selling expenses from the sales volume, one can determine the net profit quota. Here the sales person does not decide the price and has no control over the manufacturing cost.

The sales person is not always involved in sales realization; for example a retail salesperson has a job of providing information only. In addition to direct sales activity, the salesperson is expected to do some no selling activity and the quota can be set as a mix of these activities. Eg: Insurance selling, Medical Reps.

3) Activity quota

Activity quota can be set on total sales calls, particular classes or set of customers, calls on prospects, number of new accounts, product demonstration, etc. Activities quota set objectives for job related studies.

4) Combination quota

The most common combination is the sales volume and activity quota. It is used to control the sales force performance on the basis of selling and no selling activities.

Methods of setting sales of quotas

Fixing sales quota in organizations is a challenging task today due to the sheer size of the sales organizations, complex sales force structure and varied competition conditions in different territories. For fixing quotas, the following methods can be followed,

Based on sales forecasts and potentials

- ✓ Organizations forecast the total sales or volumes for the entire market, which is then divided into territories and then brought down to the individual salesperson level.
- ✓ Estimated future sales per territory are then divided by the number of salespersons or by the branches to determine the sales quota for each.

Based on forecast

- ✓ It is not always possible to obtain the forecasted figures for individual sales territories as companies lack information, data, money and people to determine the sales potential for individual sales territories.
- ✓ Small companies set quota in relation to their sales forecast or total market estimates.

Based on past sales or experience

- ✓ Here the companies collect the sales data of previous years, average them out for each geographical territory and then add an arbitrary percentage for next year's quota.
- ✓ This average method is followed due to the ease in using trends and projecting them in future.
- ✓ This method gives a rare view perspective, as it does not take into consideration the sales potential.

Based on executive judgment

- ✓ This method is used when there is no or little information available in the market.
- ✓ It may also be impractical to find out the potential of new product in an existing territory or an existing product in a new territory.

Based on salespeople judgment

- ✓ Many companies ask their own salespeople to set the quota for themselves.
- ✓ This is mostly applicable in situations where the company is expanding the territory or starting up its own sales force.
- ✓ These inputs from the salespeople allow the company to fix their production and manufacturing schedules.

Based on compensation

- ✓ Salespeople are promoted on the basis of their achieving quota.
- ✓ Salesperson get extra compensation by reaching sales volume quotas for total unit or rupee sales, sales of existing products and new products… also to a new or an existing customer.
- ✓ Quotas related to compensation are determined by any of the previously explained quota setting methods.

SALES PROMOTION STRATEGIES AND PRACTICES

INTRODUCTION

The sales promotion strategy is an important element in overall marketing strategy. Sales promotion strategy involves identification of objectives, effective communication for attracting attention, allocation of budget, determining the correct promotional mix, introduction of strategic approach and finally evaluation. We shall study about each one of them briefly here.

OBJECTIVES

The marketer should determine his sales promotion objectives. He should determine what is to be accomplished and what kind of buyer responses are desired. Sales promotion tasks should be objectives oriented. These tasks are informing, persuading and reminding the customers about the products. The sales manager should inform consumers about his product and should highlight its special features. He has not only to inform the customers but persuade them to buy it.

Sales Promotion a Communication Tool

Sales promotion should attract the attention of the target audience. If the prices, discounts, off season facilities etc, are not adequately and effectively communicated, the effort of sales promotion would be wasted. A point to be noted here is that the audience evaluates not only the message but also the source of the message in terms of its credibility. The purpose of communication is to persuade potential customers to purchase the product. The sales manager determines the message to be aimed at the target market to gain product acceptance. The overall marketing objectives define the role of communication in sales promotion. Identifying the target audience is the main task of a sales promotion communication. The audiences response to the message source helps determine the effectiveness of the message.

Medium of Reach

Sales promotion may adopt different methods for approaching people. Strategic variables are taken into account while deciding a particular method of sales promotion. Consumer promotion has been considered a very effective mode of sales promotion; potential consumers are offered samples, coupons, etc; to promote sales. The point of purchase display

is a silent strategy to trigger off buying decisions. Retailers rely on in-store displays to familiarize customers with their product. A showroom display makes it easy for prospective buyers to familiarize themselves with the different features of the product. Trade promotion through buying allowance, free goods, merchandise allowances, push money etc; help to enhance sales by retailers and traders. Packaging is another important form of promotion, particularly for consumer goods. It may carry selling messages and information about the product. A good package design attracts the shopper's attention away from other products. It is a proper of blend of colour, design and shape.

The following chart shows major sales promotion devices, grouped by Target Audience.

Business users or Households	Middlemen and their Sales Forces
✓ Coupons ✓ Cash rebates ✓ Premiums (Gifts) ✓ Free samples ✓ Contests ✓ Point of purchase displays ✓ Product demonstrations ✓ Trade shows and exhibitions ✓ Advertising specialties	✓ Free goods ✓ Advertising allowances ✓ Contests for sales people ✓ Product demonstrations ✓ Trade shows ✓ Exhibitions ✓ Advertising specialties ✓ Point-of-purchase displays ✓ Training sales forces

Methods of Budget Allocation

One of the most difficult marketing decisions facing companies is how much to spend on promotion. It is not surprising that industries and companies vary considerably in how much they spend on promotion. It is important to determine sales promotion budgets before resorting to sales promotion activities. The resources and sales potentials are estimated before the formulation of budgets. Sales promotion budgets should be adequate so that they achieve the promotion objective.

1. **Affordable Method**

Many companies set the promotion budget at what they think the company afford. This method of setting budgets completely ignores the role of promotion as an investment and the immediate impact of promotion on sales volume. It leads to an uncertain annual promotion budget, which makes long range market planning difficult.

2. **Percentage of Sales Method**

Many companies set their promotion expenditures at a specified percentage of sales or of the sales price. Automobile companies typically budget a fixed percentage for promo-tion based on the planned can price. A number of advantages are claimed for this method.

(i) The percentage-of-sales method means that promotion expenditures are likely to vary with what the company can afford – which satisfies the financial managers, who feel that expenses should bear a close relation to the movement of corporate sales over the business cycle.

(ii) This method encourages management to think in terms of the relationship between promotion cost, selling price and profit per unit.

The major drawback of this method is that it does not provide a logical basis for choosing the specific percentage except what has been done in the past or what competitors are doing. It also does not encourage building up the promotion budget by determining what each product and territory deserves.

3. Competitive – Parity Method

Some companies set their promotion budget to achieve share-of-wice parity with their competitors. Two arguments are advanced for this method. One is that the competitors" expenditures represent the collective wisdom of the industry. The other is that maintaining a competitive parity helps prevent promotion wars.

There are no grounds for believing that the competition knows better than the company itself what it should be spending on promotion. Company reputations, resources, opportunities, and objectives differ so much that their promotion budgets are hardly a guide. Furthermore, there is no evidence that budgets based on competitive parity discourage promotional wars from breaking out.

4. Objective-and-Task-Method

The objective-and-task method calls upon marketers to develop their promotion budgets by defining their specific objectives, determining the tasks that must be performed to achieve these objectives and estimating the costs of performing these tasks. This method has the advantage of requiring management to spell out its assumptions about the relationship between rupees spent, exposure levels, trial rates and regular usage.

Promotional Mix

Companies face the task of distributing the total promotion budget over the four promotion tools of advertising, sales promotion, publicity and sales force. Within the same

industry, companies can differ considerably in how they allocate their promotional budget. Companies are always searching for ways to gain efficiency by substituting one promotional tool for another as its economics become more favourable. Many companies have replaced some field sales activity with ads, direct mail and telemarketing. Other companies have increased their sales promotion expenditures in relation to advertising, to gain quicker sales. The trial and error method, past performance and corporate policies may influence the appropriate promotional mix. Many firms have increased their sales with the application of appropriate combinations of the promotion media; sales promotion and personal selling are supported with publicity. The promotion mix is a variable in the marketing strategy. It should be clearly decided how fare a particular element should be used in combination with other promotional methods.

Strategic Approach

The kind of promotional mix employed determines the promotional strategy. Generally speaking a particular combination, type or amount of sales promotion, personal selling, publicity and advertising are brought in to the promotional mix, which becomes the promotional strategy in the course of implementation. The marketing strategy as much guides the determination of the promotional strategy, which may be divided into sale promotion strategy, personal selling strategy, publicity strategy and advertising strategy. The strategies, sustaining promotional strategy, developmental promotional strategy or promotional appropriation.

(i) Push and Pull Strategies

The push and pull promotional strategies may be used to enhance sales. The push strategy concentrates on middlemen or retailers who push the sale of the product to the final consumers. This strategy covers cooperative advertising, attractive terms of sale, coupons and discount facilities.

The pull strategy is directed toward the final buyers. It persuades the buyers to go to the sellers to buy. Sales promotion, particularly customer promotion, is an important form of the pull strategy. Customer promotion, may call for the offer of samples, money-refund offers, prices-off, premiums and so on.

The push strategy asks the sellers or retailers to attract the layers. Trade promotion is thus the main form of the push strategy. Trade promotions refer to buying allowances, free goods, co-operative advertising, push money, sales contests and so on. The marketing manager has to adopt both these strategies to promote sales.

1. *Features of Pull Strategy*

Pull strategies depend upon mass communication. Products are literally pulled by buyers through the channels on the basis of mass promotional efforts. In a pull strategy, the product is pulled through the channel by creating end- user demand. Customers force retail shops to stock those mass- promoted products. In turn, retailers demand the highly advertised product from wholesalers. The firms having well- known brands can exercise control over channels through pull promotion strategies. Personal salesmanship plays a secondary role in pull promotion. Marketers rely on intensive distribution. Dealer margins are also lower in pull promotion.

2. *Features of Push Strategy*

Industrial marketing strategies are mostly the push type strategies relying primarily on personal selling. Also in the sale of medical products and in life insurance, marketers have to employ a lot of salesmen to call on physicians and prospects for life insurance.

In push type promotion, personal selling expenses are considerable and dealer margin is also higher. In this, after – sale service is also important and marketers rely on selective distribution. Push strategy can be successfully used when:

1. We have a high quality product with unique selling points.

2. Where we have a high priced product.

3. We can offer adequate incentives (financial) to middlemen and their salesmen.

Push – Pull Strategy

Most consumer goods manufacturers generally employ a push- pull (combination) strategy to sell their products. The ratio of pull to push may differ according to the requirements of market situation. Salesmen are used to push the goods through the marketing channel, while advertising and sales promotion will support personal selling to accelerate sales. Thus, all tools of promotion work together.

(ii) Sustaining Promotional Strategy

The main aim of this strategy is to stabilize the market share. Sales promotion becomes necessary to sustain a market share. At a laggard stage, the markets may shrink. Unless appropriate steps are taken, the marketer may find that the market may be slipping away for, to his product. But this strategy can be adopted only after employing the penetrating strategy. That is, the market share should not decline after a higher level of sale has been attained. The sustaining promotional strategy stabilizes the market share. Sales force promotion by way of bonus and other incentives many contain the market from slipping

away. Steps are taken to prevent the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced.

(iii) Developmental Promotional Strategy

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. New products or brands are popularized by offering trade discounts, cash rebates, premiums, money refunds, and so on. The new consumers are given effective after- sales service. Consumer franchise building is done with development strategy. The promotional mix for a brand not yet popular may require emphasis on both personal selling and sales promotion.

(iv) *Promotional Appropriation*

"Pull" promotions offered to consumers "Push" promotions offered to trade

"Pull" Promotions (Manufacturer to consumer)	"Push" Promotions	
	Offered to Trade	**Offered to Consumers**
Sampling Coupons Price-packs Rebates Continuity programmes Contests Sweepstakes Tie-in promotions Financing incentives Special events Premiums Bonus packs Exchanging offers	Discounts Display allowance Advertising allowance Free goods Contests Trade coupons Quality discounts	Price-cuts Free goods Premiums Displays Feature advertising Quantity discount Clearance sale.

Promotional objectives determine promotional appropriation. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriation on personal selling, sales promotion, advertising and publicity are determined under this strategic. approach. The marketing manager has to arrive at the optimum promotional mix of the given objectives. And this requires proper planning and programme evaluation. Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of market and its location, the nature of prospective buyers, their purchase frequency, distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

Evaluation of Sales Promotional Strategy

Sales promotional strategies should be evaluated twice. First at the stages of

implementation and secondly after the final performance because implementation control"
will suggest improvements during the application of the promotional strategy, while
„performance control" will be a guide for the future. Implementation control covers initial
planning, objectives, promotional packages, and printing of special premiums and packaging
materials, distribution to retailers, etc. Even though it has proved successful whenever tried,
very few firms adopt this strategy. Many manufacturers believe only in performance control.
Performance is evaluated in the light of planned objectives. Consumer surveys and consumer
experiments are used to evaluation techniques show how far the sales promotion techniques
have been effective in increasing sales through motivating consumers and sellers, and point
the way to improvement in sales promotion.

Sales Promotion and Product Life Cycle

The promotional tools vary in their cost effectiveness at different stages of the product
life cycle. In the introduction stage, advertising and publicity have high cost effeteness,
followed by sales promotional to induce trial and personal selling to gain distribution
coverage. In the growth stage, all the tools can be toned down because demand has its own
momentum through word-of-mouth. In the maternity stage, sales promotion, advertising and
personal selling all become more important in that order. In the decline stage, sales promotion
continues strong, advertising and publicity are reduced and sales people give the product only
minimal attention.

Cross Promotion

Under this sales promotion strategy, the manufacturer may use all the potential tools
such as advertisement, personal selling and sales promotion to hit the market simultaneously
so that the buyer will be induced to buy a product. For example when Deccan Chronicle, a
daily newspaper, was introduced in Chennai, the management had used all promotional
activities, such as display, holding, price off and media to influence the reader to buy the
paper. This promotional strategy in called cross promotion.

Surrogate Selling

Under this strategy, when the manufacturer is unable to sell his product in the market
he may handover the product to a well known organization to sell on behalf of the
manufacturer. This strategy is called surrogate selling.

For example, shampoo products are manufactured at Puducherry by a number of small
and medium manufactures. But they find it difficult in selling the product in the market.

What they have done was, handing over the finished product to Hindustan Lever,

Proctor and Gamble who have sufficient logistics in selling the product, there by relieving the burden of converting the product into cash. They have in fact act as a surrogate in selling their merchandise in the market.

Bait and Switch Advertising

Bait means something that is meant to tempt someone. Under this strategy, the marketing manager use AIDA formula to tempt someone to look the advertisement and influence him to buy a product. For example, Bharat Sanchar Nigam Limited has used 10 paise prominently in its advertisement to bring the attention of its users in mind which will influence them to go for using the BSNL service. This way of tempting the viewer to opt for BSNL is called Bait advertising.

Switch means a device that is pressed or turned to stop or start something working especially by electricity. Switch advertising means when an advertisement is released, it should ignite the minds of the buyer to notice the advertisement and take a decision to buy the product. For example during festival times manufacturer may offer some discount on cash price to the buyer on some selected products. So he has put this in the local newspaper-which would have ignited the minds of the buyers. Buyers will certainly be influenced to buy the product. This strategy is called switch advertising strategy.

SUMMARY

The sales promotion strategy is an important element in overall marketing strategy. Sales promotion strategy involves identification of objectives, effective communication for attracting attention, allocation of budget, determining the correct promotional mix, introduction of strategic approach and finally evaluation. Sales promotion should attract the attention of the target audience. If the prices, discounts, off season facilities etc, are not adequately and effectively communicated, the effort of sales promotion would be wasted.

PERSONAL SELLING

Meaning of Personal Selling:

Personal selling is an act of convincing the prospects to buy a given product or service. It is the most effective and costly promotional method. It is effective because there is face to face conversation between the buyer and seller and seller can change its promotional techniques according to the needs of situation. It is basically the science and art of understanding human desires and showing the ways through which these desires could be fulfilled.

Definition of Personal Selling:

According to American Marketing Association, "Personal selling is the oral presentation in a conversation with one or more prospective purchasers for the purpose of making sale; it is the ability to persuade the people to buy goods and services at a profit to the seller and benefit to the buyer".

In the word of *Professor William J. Stanton*, "Personal selling consists in individual; personal communication, in contrast to mass relatively impersonal communication of advertising; sales promotion and other promotional tools".

Personal selling is a different form of promotion, involving two way face-to-face communications between the salesmen and the prospect. The result of such interaction depends upon how deep each has gone into one another and reached the height of the common understanding. Basically the essence of personal selling is the interpretation of products and services benefits and features to the buyer and persuading the buyer to buy these products and services.

Features of Personal Selling:

The main features of personal selling are:

i. It is a face to face communication between buyer and seller.

ii. It is a two way communication.

iii. It is an oral communication.

iv. It persuades the customers instead of pressurizing him.

v. It provides immediate feedback.

vi. It develops a deep personal relationship apart from the selling relationship with the buyers and customers.

Personal Selling Process:

The process of personal selling includes prospecting and evaluating, preparing, approach and presentation, overcoming objections, closing the sale and a follow up service.

1. Prospecting and evaluating:

The effort to develop a list of potential customers is known as prospecting. Sales people can find potential buyers, names in company records, customer information requests from advertisements, telephone and trade association directories, current and previous customers, friends, and newspapers. Prospective buyers predetermined, by evaluating **(1) their potential interest in the sales person's products and (2) their purchase power.**

2. Preparing:

Before approaching the potential buyer, the sales person should know as much as possible about the person or company.

3. Approach and presentation:

During the approach, which constitutes the actual beginning of the communication process, the sales person explains to the potential customer the reason for the sales, possibly mentions how the potential buyer's name was obtained, and gives a preliminary explanation of what he or she is offering. The sales presentation is a detailed effort to bring the buyer's needs together with the product or service the sales person represents.

4. Overcoming objections:

The primary value of personal selling lies in the sales person's ability to receive and deal with potential customers' objections to purchasing the product. In a sales presentation many objections can be dealt with immediately. These may take more time, but still may be overcome.

5. Closing the sale:

Many sales people lose sales simply because they never asked the buyer to buy. At several times in a presentation the sales person may to gauge how near the buyer is to closing.

6. Follow up:

To maintain customer satisfaction, the sales person should follow up after a sale to be certain that the product is delivered properly and the customer is satisfied with the result.

Objectives of Personal Selling:

The major objectives of salesmanship are as follows:

(i) Attracting the Prospective Customers:

The first and foremost objective of a salesperson is to attract the attention of people who might be interested to buy the product he is selling.

(ii) Educating the Prospective Customers:

The salesman provides information about the features, price and uses of the product to the people. He handles their queries and removes their doubts about the product. He educates them as to how their needs could be satisfied by using the product.

(iii) Creating Desire to Buy:

The salesman creates a desire among the prospective customers to buy the product to satisfy specific needs.

(iv) Concluding Sales:

The ultimate objective of personal selling is to win the confidence of customers and make them buy the product. Creation of customers is the index of effectiveness of any salesperson.

(v) Getting Repeat Orders:

A good salesperson aims to create permanent customers by helping them satisfy their needs and providing them product support services, if required. He tries for repeat orders from the customers.

Role and Importance of Personal Selling:

Personal selling consists of individual and personal communication with the customers in contrast to the mass and impersonal communication through advertising. Because of this characteristic, personal selling has the advantage of being more flexible in operation.

A salesperson can tailor his sales presentation to fit the needs, motives, and behaviour of individual customers. He can observe the customer's reaction to a particular sales approach and then make necessary adjustment on the spot. Thus, personal selling involves a minimum of wasteful efforts. The salesperson can select and concentrate on the prospective customers.

Personal selling helps in sales promotion. It is very important to manufacturers and traders because it helps them to sell their products. It also helps them in knowing the tastes, habits, attitudes and reactions of the people.

The manufacturer can concentrate on producing those goods which are required by the customers. This will further promote the sales. Moreover, a good salesman is able to establish personal support with customers. This way, the business gains permanent customers.

Essential elements of Personal Selling

Personal selling consists of the following elements:

1. **Face-to-Face interaction:** Personal selling involves a salesmen having face-to-face interaction with the prospective buyers.
2. **Persuasion:** Personal selling requires persuasion on the part of the seller to the prospective customers to buy the product. So a salesman must have the ability to convince the customers so that an interest may be created in the mind of the customers to use that product.
3. **Flexibility:** The approach of personal selling is always flexible. Sometimes salesman may explain the features and benefits of the product, sometimes give demonstration of the use of product and also faces number of queries from the customers. Looking into the situation and interest of the customers, the approach of the salesman is decided instantly.
4. **Promotion of sales:** The ultimate objective of personal selling is to promote sales by convincing more and more customers to use the product.
5. **Supply of Information:** Personal selling provides various information to the customers regarding availability of the product, special features, uses and utility of the products. So it is an educative process.
6. **Mutual Benefit:** It is a two-way process. Both seller and buyer derive benefit from it. While customers feel satisfied with the goods, the seller enjoys the profits.

Functions of Personal Selling:

The important functions of a salesperson are as follows:

1. Personal selling is an important method of demonstrating the product to the prospective customers and giving them full information about the product. It is easier to persuade a person to buy a product through face-to-face explanation.

2. In most of the situations, there is a need of explaining the quality, uses and price of the product to the buyer to help him purchase the want satisfying product. Thus, salesmanship is also very important from the point of the buyers.

3. A good salesperson educates and guides the customers about the features and utility of the product.

4. If a product cannot fully satisfy the needs of the customers, the information is transmitted to the manufacturer who will take appropriate steps.

5. Salespersons can also handle the objections of the customers. Creative salesman are always ready to help the customers to arrive at correct decisions while buying certain products.

6. There is direct fact-to-face interaction between the seller and the buyer. The salesperson can receive feedback directly from the customer on a continuous basis. This would help him in modifying his presentation and taking other steps to sell satisfaction to the buyer.

Types of Sales Persons

1. Order Takers

Seek repeat sales, make certain that customers have sufficient product quantities where and when they need it. Do not require extensive sales effort. Arrange displays, restocks them, answer phone calls. Low compensation, little training required. High turnover of personnel. There are two types:

- *Inside Order Takers* receive orders by mail/phone, sales person in a retail store.

- *Field Order Takers* travel to customers. Use laptop computers to improve tracking of inventory and orders etc.

2. Order Getters

Sell to new customers and increase sales to present customers, sometimes called creative selling. Generate customer leads, provide information, persuading customers and closing sales. Required for high priced, complex and/or new products. High pressure requires expensive, time consuming training.

3. Support Personnel

Facilitate the selling function. Primarily business to business products

- o *Missionary Salespeople* Distribute information regarding new goods or services describes attributes and leaves materials, does not close sales. Assist producers' customers in selling to their own customers. IE call on retailers and persuade them to carry the product. Pharmaceuticals may go to doctor's offices and persuade them to carry their products.
- o *Trade Salespeople* May perform order taking function as well. Spend much time helping customers, especially retail stores, to promote the product. Restock the shelves, set up displays. Technical Salespersons Offer technical assistance to current customers. Usually trained engineers etc.
- o *Service Salespeople* interacts with customers after sale is complete.

Team selling...entire team of selling professionals in selling to and servicing major customers, especially when specialized knowledge is needed to satisfy different interests in customers' buying centers.

Requisites of Effective Personal Selling:

It is not possible to describe exactly the kind of person who will make a good salesperson. Sales skill has no clear correlation to any combination of appearance, education, technical expertise, or even persuasiveness. There have been successful salesmen who knew little about the technical qualities of the product.

On the other hand, there are many examples of technical champs who could not sell. However, in the modern era of severe competition in the market, it is not easy to become an effective salesman. A business enterprise can develop effective salesman to promote its sales.

In order to achieve effective personal selling, the following requirements must be fulfilled:

1. Personal Qualities:

An effective salesman must possess certain physical, mental, social and vocational qualities.

2. Training and Motivation:

In order to achieve effective personal selling, it is essential to train and motivate the sales persons. The training programme for the sales persons should be designed keeping in view the requirements of the business. The training programme should also aim at imparting knowledge of various selling programme should also aim at imparting knowledge of various selling techniques among the trainees.

3. Wide Knowledge:

A salesman should have wide knowledge about the following:

(a) Self:

The salesman must know himself in order to make use of his personality in selling the products. He should try to know his strong arid week points and remove his weak points through training and experience. He should continuously undertake his self- assessment to know what he requires in order to be an effective salesman.

(b) Employer:

The salesman is a representative of his employer. He should have a thorough knowledge of the origin and growth of the employer's business. He must know objects, policies and organizational structure of the employer's firm. This will enable the salesman to make use of the plus points of the firm selling the product.

(c) Product:

The salesman must have full knowledge about the product he sells. He must know what the product is and what are its special features and uses. He should also know the whole process of production so that he may be able to answer the customer's queries and objections

satisfactorily. Mostly, the customers are ignorant about the features, technical details, and benefits of the product and they expect the salesman to give them sufficient information about it.

(d) Competitors' Products:

The salesman must have complete knowledge about the competitive products because buyers often compare several products before purchasing one of them. The salesman should know the positive and negative features of the various substitutes so that he is in a position to prove the superiority of his product.

(e) Customers:

Before selling something, a salesman must have sufficient knowledge about the customers to whom he is going to sell. He must try to understand the nature of customers, their habits and their buying motives if he is to win permanent customers. There are a number of considerations which make the prospect to buy a particular product.

These considerations may be grouped under two categories of motives, namely (i) product motives and (ii) patronage motives. Product motives explain why customers buy certain products and patronage motives determine why customers buy from specific dealers. A salesman can understand the motives of the customers by his intelligence and experience.

He should deal with the customer according to his nature. He can mix with a customer who is extrovert and remain reserved with a customer who is introvert. He should also try to know whether a customer intends to purchase for personal use or for business use.

Advantages of Personal Selling:

1. The key advantage personal selling has over other promotional methods is that it is a two-way form of communication. In selling situations the message sender (e.g., salesperson) can adjust the message as they gain feedback from message receivers (e.g., customer).

So if a customer does not understand the initial message (e.g., doesn't fully understand how the product works) the salesperson can make adjustments to address questions or concerns.

Many non- personal forms of promotion, such as a radio advertisement, are inflexible, at least in the short-term, and cannot be easily adjusted to address audience questions.

2. The interactive nature of personal selling also makes it the most effective promotional method for building relationships with customers, particularly in the business-to-business market.

This is especially important for companies that either sell expensive products or sell lower cost but high volume products (i.e., buyer must purchase in large quantities) that rely heavily on customers making repeat purchases.

Because such purchases may take a considerable amount of time to complete and may involve the input of many people at the purchasing company (i.e., buying center), sales success often requires the marketer develop and maintain strong relationships with members of the purchasing company.

3. Finally, personal selling is the most practical promotional option for reaching customers who are not easily reached through other methods. The best example is in selling to the business market where, compared to the consumer market, advertising, public relations and sales promotions are often not well received.

Disadvantages of Personal Selling:

1. Possibly the biggest disadvantage of selling is the degree to which this promotional method is misunderstood. Most people have had some bad experiences with salespeople who they perceived were overly aggressive or even downright annoying.

While there are certainly many salespeople who fall into this category, the truth is salespeople are most successful when they focus their efforts on satisfying customers over the long term and not focusing own their own selfish interests.

2. A second disadvantage of personal selling is the high cost in maintaining this type of promotional effort.

Costs incurred in personal selling include:

(i) High Cost-Per-Action (CPA):

CPA can be an important measure of the success of promotion spending. Since personal selling involves person-to-person contact, the money spent to support a sales staff (i.e., sales force) can be steep. For instance, in some industries it costs well over (US) $300 each time a salesperson contacts a potential customer.

This cost is incurred whether a sale is made or not! These costs include compensation (e.g., salary, commission, and bonus), providing sales support materials, allowances for entertainment spending, office supplies, telecommunication and much more. With such high cost for maintaining a sales force, selling is often not a practical option for selling products that do not generate a large amount of revenue.

(ii) Training Costs:

Most forms of personal selling require the sales staff be extensively trained on product knowledge, industry information and selling skills. For companies that require their salespeople attend formal training programs, the cost of training can be quite high and include such expenses as travel, hotel, meals, and training equipment while also paying the trainees' salaries while they attend.

3. A third disadvantage is that personal selling is not for everyone. Job turnover in sales is often much higher than other marketing positions. For companies that assign salespeople to handle certain customer groups (e.g., geographic territory), turnover may leave a company without representation in a customer group for an extended period of time while the company recruits and trains a replacement.

Challenges in Personal Selling:

(i) At first personal selling is dyadic in nature. Dyadic simply means of or relating to two people. Thus, personal selling revolves around a marketing relationship developed between two people. Frequently, personal salespeople enlist the help of others in their organizations to sell to and service customers.

And just as frequently, personal salespeople find themselves making presentations to small groups of people or working with multiple individuals within customers' firms. However, ultimately a successful marketing relationship is built by two people one person selling and person buying. Successful salespeople identify that person early on and work to win their trust and confidence.

(ii) Secondly personal selling is a process, not a single activity. And done correctly, the process continues indefinitely. Salespeople, sales managers, and others inside the seller's organization frequently see the selling process as culminating or ending with a signed order.

However, in these days of so-called "relationship marketing" and "customer relationship management" successful organizations recognize that signed orders simply represent one point of positive feedback in an ongoing and continuous process.

(iii) Third, personal selling is highly interactive. In advertising, information flow occurs initially in a one-way direction. What feedback the advertiser receives arrives late well after an advertisement has aired.

Moreover, without costly research, the attitudinal effects of advertising may never be known. In personal selling, feedback is largely Personal Selling instantaneous and continuous.

The two-way flow of information that characterizes personal selling creates a communication channel rich with information, much of it nonverbal. Effective personal salespeople become adept at interpreting this information quickly and adapting their responses to it.

(iv) Personal selling is about problem solving. As the marketing concept is adopted by more and more firms, the emphasis of personal salespeople will be more on identifying customers with a true need for the firm's products and applying those products to solve customer problems. Less emphasis will be placed on simply making a sale.

The focus on problem solving in personal selling reflects a larger trend toward building relationships between customers and clients. Marketers know that to develop these relationships, they must be willing to forego short term gains, particularly when the salesperson realizes that at that moment a purchase might not be in the customer's best interests.

BRAND EQUITY

INTRODUCTION

A brand is a name, term, sign, symbol, or design, or a combination of them intended to identify the goods or services of one seller from among a group of sellers and to differentiate them from those of the competitors. Thus, a brand identifies the seller or manufacturer. Under trademark law the seller is granted exclusive rights to the use of the brand name in perpetuity.

This differs from other assets such as patents and copyrights that have expiration dates. If a company treats a brand only as a name, it misses the point of branding. The challenge in branding is to develop a deep set of meanings for the brand. Perhaps the most distinctive skill of professional marketers is their ability to create, maintain, protect, and enhance brands.

BRAND EQUITY

There is no universally accepted definition of brand equity. The term means different things for different companies and products. However, there are several common characteristics of the many definitions that are used today. From the following examples it is clear that brand equity is multi-dimensional.

There are several stakeholders concerned with brand equity, including the firm, the consumer, the channel, and some would even argue the financial markets. But ultimately, it is the consumer that is the most critical component in defining brand equity. Some researchers in the field of marketing have defined brand equity as follows:

Lance Leuthesser, et al (1995) writes that "… brand equity represents the value (to a consumer) of a product, above that which would result for an otherwise identical product without the brand's name. In other words, brand equity represents the degree to which a brand's name alone contributes value to the offering (again, from the perspective of the consumer)."

The Marketing Science Institute (1988) defines brand equity as, "The set of associations and behaviors on the part of the brand's customers, channel members, and parent corporations that permit the brand to earn greater volume or greater margins than it could

without the brand name and that gives the brand a strong, sustainable, and differentiated advantage over competitors."

Biel (1922) defines 'Brand equity can be thought of as the additional cash flow achieved by associating a brand with the underlying product or services'.

Keller (2004) defines brand equity from the customer's point of view as 'the differential effect the brand knowledge has on consumer response to the marketing of the brand'.

David Aker defines brand equity as 'a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and or to the firm's competitors'. In other words, brand equity provides value to a firm in the form of price premium, trade leverage, or competitive advantage.

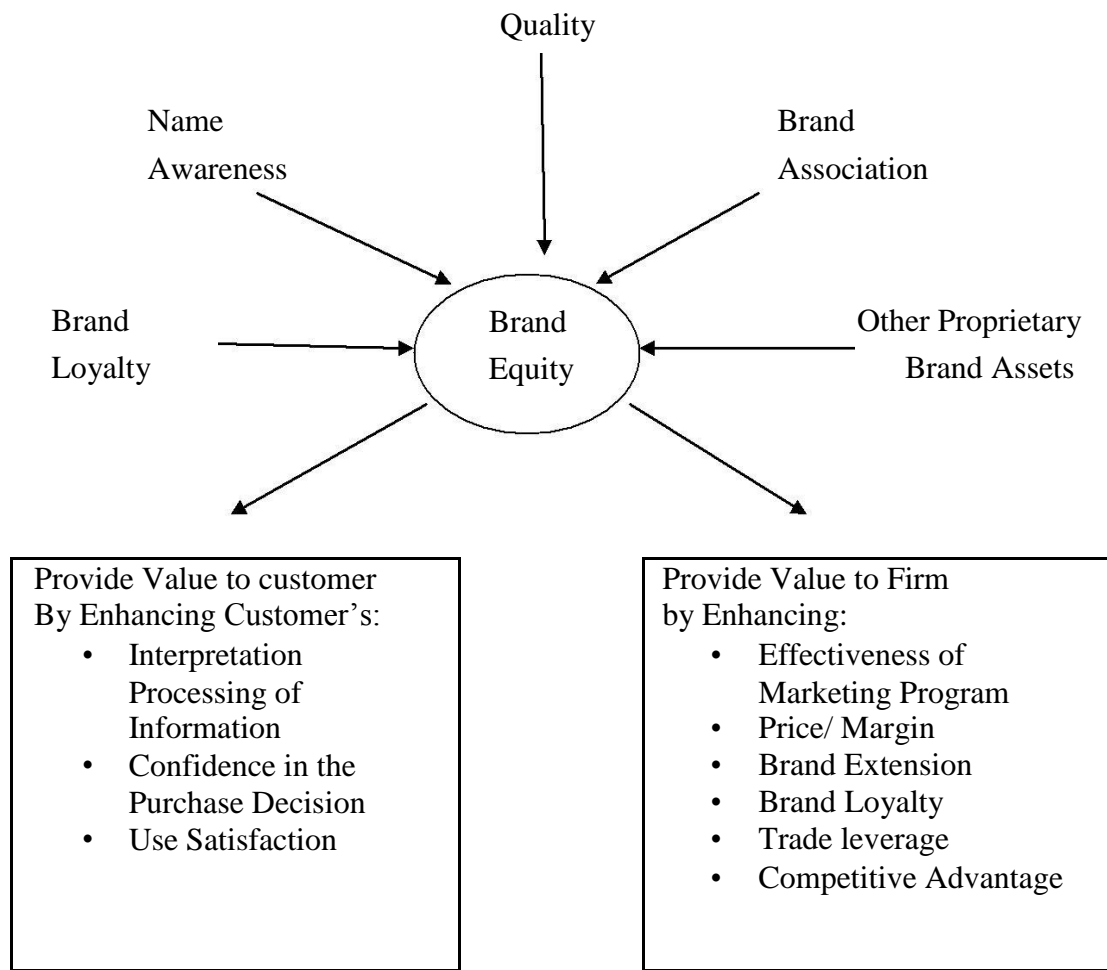**Brand Equity an Overview**

A brands' assets can be categorized in five groups, are as below:

1. Brand loyalty
2. Brand name awareness
3. Brand's perceived quality
4. Brand association in addition to the perceived quality
5. Other proprietary brand assets like patents, trademarks, channel relationships, and so on.

Strong brand equity enhances the brand's value which, in turn, affects share prices of its parent firm. This valuation is used for buying and selling of firms. Valuation of a brand is also important, as it represents investment of a firm's resources in creating and augmenting brand equity. In fact, lately, some firms are talking of including their brand's value in their balance sheets.

This is indeed futuristic, but it does represent a growing interest in a brand's valuation, particularly today, when we are moving towards a global market and global brands- an era that is going to be characterized by mergers, acquisitions, strategic alliances, and joint ventures.

Perceived

Quality

Name
Awareness

Brand
Association

Brand
Loyalty

Brand
Equity

Other Proprietary
Brand Assets

Provide Value to customer
By Enhancing Customer's:
- Interpretation Processing of Information
- Confidence in the Purchase Decision
- Use Satisfaction

Provide Value to Firm
by Enhancing:
- Effectiveness of Marketing Program
- Price/ Margin
- Brand Extension
- Brand Loyalty
- Trade leverage
- Competitive Advantage

Brand Equity: an overview
From David A. Aaker; Managing Brand Equity (New York: Free press, 1991)

Brand Loyalty

The starting point of understanding equity is the extent to which a brand enjoys customer loyalty. It is important to discriminate between habitual buying and brand loyalty. For example, a house wife who repeatedly buys brand X detergent powder may not necessarily be loyal to it. She might be buying either because competitor brands are not available, or she does not find parity between brand X and competition, or she may be buying just out of habit. Many a time such repeat purchases are mistaken for brand loyalty. The real issue in brand loyalty is where the customer is committed one and the real test is if he or she will take extra effort to get it. In other words, will the customer go to another shop and ask for it or will he or she leave with substitute being offered by the shopkeeper or vendor? If the customer is indifferent to the brand and buys for feature, price, or convenience, there is little equity in the brand.

Brand Awareness

Another factor contributing to brand equity is brand awareness. It is the ability of a potential buyer to recognize or recall that a brand is part of a product category. In other words, the customer should be able to identify a firm's product in the retail stores or be able to recall its brand whenever he or she thinks of the product class. Brand awareness has to be thought of as 'a continuous range from an uncertain feeling that a brand is recognized to a belief that it is the only one in the product classes'. At the top end of this continuum is the brand that exists uppermost in the customer's mind.

This is the most desired condition that any marketer seeks. The next level is of all the other brand that are recalled by the customer in an unaided form the customer is asked to recall as many brands, as he or she is able to whenever one thinks of a product. Brand recognition is the third and, perhaps, lowest level. here customers are aided in recalling or recognizing brands or associating brands with a product class. This is important in the point of purchase.

Perceived Quality

One of the desired associations, a firm seeks for its brand is customer's perception of high quality. For, if the brand is perceived to be of premium quality, the customer will be willing to pay a premium for it. The firm will have greater trade leverage and channel members would have greater interest in dealing in such brands. A high quality brand also provides an adequate reason for the customer to buy it. It is important to note that perceived quality is not necessarily the same as manufacturing quality or product based quality. Perceived quality is how customers evaluate different brands on quality and hence need not be as objective as the other two are. High perceived quality means higher return on investment.

Brand Association

Invariably all brands come to acquire a meaning in the mind of customers associating different dimensions of the product, including its use and use situations, to the brands. Brand association, therefore, is anything linked to the memory of a brand.

Thus a jingle like' Happy days are here again' has been associated in the customer's mind with Thums Up. Surf is linked with economy minded middle class house wife-'Lalitaji'-in the advertisements. It is important, to not only know the association that exists with a brand, but also know the strength of these associations. For example, the name Tata is associated with quality. It is important to know how strong this association is and for a family

name like this, which are the products with which this association is the strongest.

Based on these associations, customers form an image of the brand. This should generally support the positioning platform which the marketer has taken. A well positioned brand can help in creating an appropriate brand image.

Other Proprietary Assets

Other proprietary assets of a brand include its name, patent, channel relationship, and so on. it is important to note that a good and cordial relationships, with channel members can always enhance brand equity, because of the interest channel members will have in the firm's brands. Developing exclusive relationships, dealer councils, and rewarding higher performing dealers are some of the ways, by which these relationships can be strengthened.

Finally, a marketer has to consider the issue of extending the brand name to other products. In deciding for against it, the marketer should consider whether the new product will enhance the core brand's equity and whether the brand name aids the extension process.

The worst that could happen to the new product creating an association or image, that is harmful to the parent brand. A marketer needs to be careful to avoid such a crisis, when developing his new product decision.

Concepts and Criteria

One of the most popular and potentially important marketing concepts to arise in the 1980 was brand equity. Its emergence, however, has meant both good and bad news to marketer. The good news is that brand equity has elevated the importance of the brand in marketing strategy and provided focus for managerial interest and research activity. The bad news is that, confusingly, the concept has been defined a number of different ways for different purposes. No common view point has emerged about how to conceptualize and measure brand equity.

Fundamentally, branding is all about endowing products and services with the power of brand equity. Despite the many different views, most observers agree that brand equity consists of the marketing effects uniquely attributable to brand.

That is, brand equity explains why different customer result from the marketing of a branded product or service than if it were non branded.

Branding is all about creating differences. Most marketing observers also agree with the following basic principles of branding and brand equity

1) Differences in outcomes arise from the "added value" endowed to a product as a result of past marketing activity for the brand.

2) This value can be treated for a brand in many different ways.

3) Brand equity provides a common denominator for interpreting marketing strategies and assessing the value of the brand.

4) There are many different ways in which the value of brand can be manifested or exploited to benefit the firm.

Measuring Brand Equity

Brand equity is regarded as 'one of the key indicators of the state of health of brand' (Pappu, Quester, and Cooksey). The monitoring of this parameter elucidates the success of the brand in the market place and is believed to be a crucial step in the effective management of brand (Aaker 1992)

Measuring brand equity helps us in the following ways (Whitwell 2004)

1) If we know the value of the brand, it is easier to accurately set royalty rates and transfer prices.

2) The value of a brand can help in boosting the share price by generating positive public relations for the company.

3) It helps the management effectively measure the return on investment (ROI)

4) The brand valuation process helps throw light on a number of factors such as the performance of a brand relative to the competition; it is also helps identify the strength and weaknesses of the brand, and the various opportunities in the market, and the opinion of the customers. This objective opinion provides a useful insight in to the performance of a brand.

Methods to Measure Brand Equity

Brand equity consists of two components—brand strength and brand value—and to understand how customers evaluate brand equity, we need to have an understanding of both these components (Lassar, Mittal and Sharma 1995). We can measure brand equity in the following ways (Lassar et al. 1995; Sinha, Ashill, and Gazley 2008);

1. *Brand value of financial performance:* Brand value is the financial gain accrued as a result of leveraging the brand strength. The financial performance is calculated to see how profitable the company is. This includes sector and regional analysis and the profitability of all its business units. Sector analysis includes the sector of which the brand is a part of example, the retail sector, FMCG sector, etc., and regional analysis includes the performance of the product category in a particular region. Both these parameters provide

an understanding of the relative performance of the brand— that is the performance of the brand visa-vis the growth rate for the sectors and the regions.

2. ***Brand Strength or customer based measures:*** Brand strength is the brand association in the minds of customers. This analysis helps in understanding what the customer thinks about the brand in relation to the competitor brands. As the study of the strength of the brand is done from the point of view of consumers, it can also be termed as customer based measures.

Brand Value

Conceptually, brand equity is 'the financial value endowed by the brand on the product' (Farquhar 1989), and this financial value generated can be measured by financial measures, which help investors in determining the value of a company or a brand. This is of particular relevance at the time of mergers and amalgamations. The limitations of using financial measures is that through they are beneficial for accounting purposes, they hardly provide guidance in the evaluation and implementation of marketing strategies responsible for building brand equity (Sinha et al. 2008). Haigh (2000) has suggested the following methods of calculating this.

Cost-Based Valuation

The value of brand is calculated on 'the basis of what is actually cost to create or what it might theoretically cost to recreate' the brand. Thus, 'historical advertising and promotion expenditures, campaign creation costs, trademark registration costs, etc. ' (Tremblay 2008) are taken into account. This, however, does not correctly reflect the current value of the brand, as the cost of generating a brand does not truly reflect the income generating potential of the brand.

Market-Based Valuation

If information regarding 'market transactions involving comparable brands is unavailable, it is possible to estimate one brand's value by comparing with another brand, ' This method is rarely used, as such data is scarce and due to the fact that each brand is unique and it will be difficult to compare brands.

Royalty-Relief Method

This method is based on the assumption that if the company did not actually own the brand, but had to license it from a third party, then what royalty would it have to pay for using the brand name. This is estimated by calculating the sales likely to occur in the future and 'then applying an appropriate rate to arrive at the income attributable to the brand royalties in

the future years. The national brand loyalty is then discounted back to a net present value that is the bran value.' This method is widely used in India, as it is favoured by the fiscal and tax authorities and the courts, because the calculation is based on publicity available marketing and financial information (Economic Times 2007)

Economic-Use Method

This method 'takes into account the economic value of the brand to the current owner in its current use.' this is the most widely used method and just like the valuation of shares, it is cash-flow valuation'. This is measured by calculating the increase in gross profit due to selling a branded product versus selling an unbranded product.

Brand Strength

Customer based brand equity measures help in overcoming the limitation of the financial measures as they help managers evaluate marketing strategies. For example, promotional and positioning strategies can be evaluated by customer-based measures and this evaluation can help managers build sound long-term health of their brand (Sinha etal. 2008). The two models that have been widely used to measure brand equity are as follows:

1. Brand Asset Valuator
2. Aaker Model

Brand Asset Valuator Model

Young and Rubicam, an advertising agency, based on their research with more than 20,000 consumers in 40 countries, developed the Brand Asset Valuator (BAV) Model (Kotler and Keller 2005; Keller 2008).

The key pillars for measuring brand equity as per this model are:

(i) Differentiation is the 'degree to which the brand is different from other' brands. It highlights the distinctive feelings that consumers develop for a brand and translates these feelings into the customer's choice, preference, and ultimately loyalty.

(ii) Relevance refers to 'the breadth of the brand's appeal'. The more the brand appeals to the customer, the greater the household penetration.

(iii)Energy is the ability of the brand to meet the future needs of the consumers and its ability and the changing financial performance of the brand.

(iv)Esteem' measures how well the brand is regarded and respected, by the consumers.

(v) Knowledge 'measures how familiar and intimate people are with the brand'.

Aaker Model

Aaker (1996) came out with a set of measures to evaluate the performance of brands in a company's portfolio. It was found that financial measures, such as sales, profit, margins, etc. are short term and do not provide an accurate basis for investments into building brands. According to Aaker, brand measures should:

Effectively evaluate brand equity

All the measures of brand equity, such as awareness, associations, loyalty, and perceived quality should be evaluated. The measures should not focus on tactical strategies like advertising expenditure levels, but on the sustainable advantage that cannot be easily copied by the competitors.*Highlight constructs that prominently influence price levels, sales etc.* The constructs that truly drive the market and influence the price levels should be considered, as they drive the future sales of the brand, and hence the profit.

Reflect the changes in brand equity over time

The measures should be sensitive to market changes and if brand equity falls/increases/remains constant (due to tactical strategies), then the measure should reflect this.

Be applicable across and product categories and markets

Standard measures make it easier to evaluate brands across product categories and different sets do not have to be worked out each time. When the measures are constant across product categories, then they give a true reflection of the performance of the brands in the portfolio of the organization and make it easier to allocate resources across brands.

Building and using Brand Equity

In the minds of many consumers, just having the brand name such as Sony, or Hallmark adds value to a product. In particular, brands like these connote favourable attributes (such as quality or economy). What we're talking about is brand equity, which is the value a brand adds to a product.

Brands rated the best in India and for comparison purposes-in automobile industry / cars. In fact, only four brands – Tata, Hyundai, Maruthi and Ford – were on the high lists of brands. Also note that only two cars – Maruthi and Hyundai – were topping the list and both were given high marks by users in India.

Brands are considered very important assets for a company. Given the importance of brands, several methods have been developed to measure their value one is consumer evaluations. Another method, developed by the inter brand consulting firm, considers the

worth of a particular brand to be the present value of future profits that will be derived from products carrying that brand. In inter brand's latest ranking, all of the top – 10 brands are part of US Companies, with coca-cola, Microsoft and IBM at the top of the pack. The top-ranked brand from outside the US is Nokia of Finland.

If you are not convinced that a brand name by itself can have much value, consider some research results. In one study, the proportion of subjects choosing corn flakes cereal jumped from 47% when the brand was not known to 59% when the brand was identified as Kellogg's. In mid – 1990's when samples of computer buyers were asked how much more or less they would pay for particular brands rather than the average computer brand, there was a difference range of ` 40,000. Brands commanding a premium included IBM, Compaq, Hewlett – Packard and Dell. It's evident that Kellogg's, IBM, Compaq, and many other brands have substantial equity.

We tend to think of brand equity as a positive aspect of a product. Occasionally a brand will lack equity or even have negative equity. In such a situation, a brand adds nothing or even detracts from the perceived ability of a product to do what it is supposed to do.

For example, in the research about computers, consumers typically indicated they would need a discount to select the Packard brand. Not surprisingly, picker is now struggling to survive. In the services field, during the late 1990s, Tran world, airlines suffered from financial problems and uneven customer service. Therefore, in the minds of many air travelers, the TWA airlines brand had negative equity. Seeking to establish positive equity as the 1990 ended TWA promoted its improved performance with respect to on-time arrivals and frequent-traveler satisfaction, even running large advertisements in business periodicals.

Building a brand's equity consists of developing a favourable, memorable and consistent image – no easy task. Product quality and advertising play vital roles in this endeavor. However, it substantial brand equity can be achieved, the organisations that owns the brand can benefit in several ways:

(i) The brand itself can become an edge over competition what we call a differential advantage, influencing consumers to buy a particular product. Examples, Ford Ikon and Samsung.

(ii) Because it is expensive and time consuming to build, brand equity creates a barrier for companies that want to enter the market with a similar product.

(iii) The widespread recognition and favourable attitudes surrounding a brand with substantial brand equity can facilitate international expansion.

(iv) Brand equity can help a product survive changes in the operating environment, such as a business crisis or a shift in consumer tastes.

Brand equity is often used to expand a product mix, especially by extending a product line. The rationale for using an existing, strong brand name on a new item or line is that the brand's equity will convey a favorable impression of the product and increase the likelihood that consumers will at least try it.

If a brand has abundant equity that does not necessarily mean it should be applied to other products. Procter and gamble decided its hugely successful Pepsodent name could be used on different kinds of toothpaste but not on other product categories such as mouthwash. Strong equity does not guarantee success for new items or lines using the well regarded brands. For example, Levis tailored men's clothing and stop and shop of Chennai brand did not pass the test of continuing consumer acceptance.

Managing a Portfolio of Brands

Most companies have more than one brand; often they have more than one brand in a single product field. Each brand needs to be managed separately, but they also need to be managed together to avoid sub optimization.

The ideal situation is that each brand takes as many sales as possible away from competitors, but takes as few as possible from other brands. If each brand appeals to a completely separate segment from all others, there is no problem. Unfortunately, segments are rarely watertight and targeting is at best an inexact science.

Careful segmentation and positioning are the usual approach, and with constant refinement they can work well. Normally a firm with several brands in a product field will offer:

(i) A premium brand i.e. one that offers high quality and price;

(ii) One or more 'flanker brands' offering either a value proposition (i.e., lower price for slightly lower quality) or a different set of benefits; and

(iii) Possibly a 'fighting brand' to compete with the own label.

The main brand should occupy the centre of the defined market, in the segment containing the most consumers. Other brands can then be used either to increase total market share – by appealing to other segments – or as blockers to present competitors taking over those positions. If the central position is already occupied by a very strong competitor, it may not take sense to attack it head on, but to use flanking brands as the main assault.

A more recent name for arranging the portfolio is 'category management'. This means developing a strategy for the category as a whole rather than for individual brands separately and may include own label products packed for retailers. This has some appeal, and is often welcomed by the retailers themselves. This should make any company suspicious and indeed one of the dangers of category management is that, in the short term, it is usually easier to maintain or increase sales by meeting retailers' demands than by concentrating on owned brands.

There is a tendency for the own label or brands designed especially for the retailer, to be given greater prominence than the manufacturers brands. Unless this tendency is resisted, the brands will gradually decline. The retailer is also not being entirely altruistic in accepting the manufacturers' offer of help in category management; since it involves considerable data collection, analysis, planning and monitoring, it is useful to have someone on the supplier's pay roll do it rather than attempting it on one's own.

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LINKING ADVERTISING AND SALES PROMOTION

INTRODUCTION

There is no doubt that linking advertising and sales promotion together offers real advantage over using advertising or promotion alone. Nevertheless, while a brand's marketing communication profits from using advertising and promotion together, for most brands traditional advertising will almost always be more important. This stems primarily from advertising's brand attitude strength, and the fact that brand attitude should be the central communication effect for all brands marketing communication. This may seems surprising given the fact that traditional advertising receives only about one-third of all marketing communication spending. Unfortunately, too often brands get caught up in short term competitive marketing and rely too heavily upon promotion.

What makes using advertising and sales promotion together so strong in the interaction between the long-term effects of brand attitude on building brand equity, and the tactical advantages of promotion. Without a strong brand attitude, promotion effectiveness suffers. When advertising has been effective in generating a strong brand attitude, all the brands uses of promotion become that much more effective. There are two principal reasons for this:

(i) When a strong positive brand attitude is developed through advertising it means that when a brand does use promotion the target audience will see the promotion as a better value, and

(ii) The strong positive brand attitude also means that when a brand's competitors use promotion, the brand's target audience will be less likely to respond.

The logic here is straightforward. If consumers have a strong positive attitude towards a brand, they will be less likely to switch simply because of a competitor's promotion; and when a brand consumer like does offer a promotion of its own, they will be that much more pleased. Additionally, a promotion in that light will also tend to reinforce consumers' already holds positive attitude.

Advertising, Promotion and the Brand

By now it is clearly understood that the role of advertising and promotion in fast moving consumer good markets. Advertising has been seen as one of the primary tools of brand building. The high cost and difficulties of mass advertising are seen as one of the major challenges to fast moving consumer good brands.

Do all Brands Need Advertising?

The basic assumption is that brands need advertising but some strong brands apparently do not. Spencer used to spend almost nothing on advertising, yet it was an enormously powerful brand. The body focus seems to have built up a distinct brand personality without heavy advertising. The stores themselves are – in their way – advertising, and it is difficult to think of major brands other than retailers that have done without advertising.

It is extremely difficult to adjust brand reputations without controlled communications. It is noticeable that in early 1990s when Spencer was in serious trouble, it started to use advertising to help recover its reputation. There are niche brands that have built up a reputation by word of mouth, or by making sure that they were newsworthy. Sometimes they achieve this through public relations, at other times they achieve it just by being controversial and there are many ways in which a brand can try to become famous.

We can safely make three statements about brand communication:

(i) Every brand must have some means of communicating with its buyers. This may not be advertising, but it must be direct if it is to be controllable.

(ii) Many other methods of communication are available, and can be used to gear up and multiply the effects of advertising. Newsworthiness and fame can be achieved, but the message has to be one that is really new and interesting.

(iii) All the means of communication and the messages transmitted must be co-coordinated to make sense, confused consumers don't buy.

What can Advertising do?

Huge money is being spent on advertising, by so many bright people, that it is not surprising that theories abound as to what it does and how it does it. Sadly, most of these are based on myth and personal experience rather than hard, scientific evidence.

Large, sophisticated companies – the Hindustan lever, Procter and Gamble – have been working for decades on the problem. Any firm that really wishes to find out how

advertising works for them must commit itself to the same sort of long-term experimentation, data collection and model building that the organizations have. Readymade solutions are not likely to be of more than general help.

Advertising elasticity's – that is the measure of how sales changes in response to a change in *advertising spend* – is low. They are significant in 35 per cent of cases for established brands and 55 per cent of cases for new brands. The findings show that:

(i) In two-thirds of campaigns for existing brands and almost half those for new brands, the advertising does not significantly affect sales and

(ii) Short term advertising elasticity's can be measured but they are likely to be very small.

Advertising effects are weaker in unambiguous product fields and stronger where products are new and / or ambiguous.

Long term effects may last two or three years after the initial campaign, so where advertising does produce a sales effect, its profitability should be measured over that period. Even if advertising produces no sales increase, it may be contributing to the maintenance of brand share or building up brand equity.

There is a Price Paradise

The standard model of advertising and the brand suggests that a strong brand is less sensitive to price than a weaker one. When advertising increases sales, the average sensitivity to price also increases. In other words, a seemingly successful campaign has made buyers more sensitive to price, where as we would expect our brand buyers to be, if anything, less sensitive.

What can Promotion Do?

Like advertising, promotion can do more things than just affect sales. First it can induce consumers to try a product; because trial is hugely important in producing market share, anything that increases it is invaluable. A successful promotion that induces new tries to buy is therefore a vital weapon. It is then up to the performance of the product itself – and the subsequent actions of the rest of the marketing mix – to persuade that buyer to continue buying.

Promotion can also create excitement. In any crowded market place, you need to stand out. One way of doing this apart from advertising is having occasional creative promotions. Finally promotions can produce a trade push; if advertising produces consumer pull, the trade promotion ought to produce channel push i.e. pushing products

into the distribution chain and relying on the channel members to sell them on.

There is a potentially much more deadly long-term effect of too much promotion – the subconscious, message that constant promotion sends to consumers. Constant promotion may devalue the brand, sending almost the opposite message to the one you want to send.

Planning Advertising and Promotion

The advertising and promotion plan is only one part of the overall marketing plan and must fit within it. In order to start the advertising plan, we need some background – which is not a very formal restrictive planning, but for a process of thinking through what the advertising and promotion are trying to achieve.

From the brand plan we should expect to find the following elements.

   a) A situation analysis (where we are and why)
   b) Objectives (what the brand is aiming for in sales, share and other targets)
   c) Positioning (how the brand is positioned in the consumer's mind, and how we wish to change this);
   d) Strategy (how the brand is going to compete in this market)
   e) Advertising strategy (what role advertising has within the overall strategy) and
   f) Budget (what moneys are available to spend on advertising promotion).

Advertising objectives must include long-term brand building. They may of course also include shorter-term tasks such as announcing a new variation or promotion.

Promotions should be integrated into the overall marketing process. Irrelevant promotions may harm the brand. Good practice sees the objectives of promotions set at the beginning and in the context of the communications strategy, so that suitable, relevant promotions consistent with the brand's values can be planned. Promotions agencies are very good at coming up with ideas, as are advertising agencies, but the ideas must contribute to, and express, the brand's values.

Leveraging Brand Equity

Increasing brand awareness not only means that selling more products but also finding opportunity to sell more products by leveraging brand equity. Consider Coleman, the long-time maker of camping equipment. The company decided to expand into the home outdoor grill category. After considering a variety of new grill designs, it decided to go with a traditional design but differentiate the new product from other grills by colouring it in Coleman's "signature green." To outdoor enthusiasts, this colour is almost as well

known as the Coleman name. The use of the green immediately communicates that a product is "a Coleman." Because of the brand equity inherent in the new grill, it got immediate distribution in Sears and Home Depot, among other retailers, and captured a 5 percent share of the outdoor grill market in first year.

A variety of strategies allow marketers to take advantage of brand equity. Among them are adding new distribution channels, extending the product line sold under the brand name, co-branding with another brand, and licensing the brand to other manufacturers to use on their products.

Broadening Distribution

Tupperware, for years sold only at home parties, is now available at target stores. Getting mass merchandiser and grocery chain distribution is extremely difficult and expensive for most brands. But when a brand has developed strong customer loyalty, these types of stores are eager to carry them.

Brand Extension

Another way to leverage brand equity is brand extension, which is the application of an established brand name to new product offerings. Brand extension is generally most successful when it involves similar products. Within the last few years, for example, premium car manufacturer such as BMW, Lexus, and Mercedes- Benz

Co-Branding

Like multi-tier branding co-branding is a strategy that capitalizes on using two brand names (owned by separate companies) and provides customers value from both brands. Co-branding helps companies that sell commodity products, such as credit cards and air travel, to differentiate them. Co-branding involves a contractual relationship between two marketing partners, such as Visa and the United Airlines Mileage Plus program.

Brand Licensing

A strong brand can be licensed. In essence, brand licensing is renting the brand equity to another company, which benefits from the association. The beauty of brand licensing is that the company owning the brand can continue to use it while also collecting a fee for the brand's use by another company.

Ingredient Branding

Another way to add value to brand is through ingredient branding, using the brand name of a product component in the promotion of another company's product. The "Intel

Inside" message used by various computer hardware manufacturers is good example.

Leveraging Brand Values For Business and Non-Business Contexts

The reputation of the brand is a source of demand and lasting attractiveness, the image of superior quality and added value justifies a premium price. A dominant brand is an entry barrier to competitors because it acts as a reference in its category. The brand can enter other markets when it is well known, is a symbol of quality and offers a certain promise which is valued by the market. The Palmolive brand name has become symbolic of mildness and had been extended to a number of markets besides that of soap, for example shampoo, shaving cream and washing up liquid.

In determining the financial value of the brand, the expert must take into account the sources of any additional revenues, which are generated by the presence of a strong brand. Additional buyers may be attracted to a product which appears identical to another but which has a brand name with a strong reputation. If such is the company's strategy the brand may command a premium price in addition to providing an added margin due economies of scale and market domination. Brand extensions into new markets can result in royalties and important gearing effects. To calculate this value it is necessary to subtract the costs involved in brand management; the costs involved in quality control and investing in R & D, the cost of national, indeed international sales force, adverting costs, the cost of a legal registration and the cost of capital invested.

The financial value of the brand is the difference between the extra revenue generated by the brand and the associated costs for the next few years, which are discounted back to today. The number of years is determined by the business plan of the values. The discount rate used to weigh these future cash flows is determined by the confidence or the lack of it that the investor has in his forecasts. However, a significant fact is that the stronger the brand, the smaller the risk. Thus future net cash flows are considered more certain the stronger the brand.

The Following are the three generations of profit of the brand;

- ✓ The acceptable price premium
- ✓ The differential of alteration and loyalty and
- ✓ The differential of the margin

These gearing effects work on the original market for the brand but they can be offered subsequently in a variety of forms on other markets and for other product categories, either through direct brand extension or through licensing from which the

manufacturer benefits from royalties.

Once these generations are measured in rupees or any other currency they may serve as a base for evaluating the marginal profit which is attributable to brand management. Now-a-days a key element of brand equity is understanding and adapting to the logic of distributors and developing good relations with the channels.

The value of the brand and the legitimacy of a company implementing brand policy depend on the difference between the marginal revenues coming from the generators of profitability and the necessary marginal costs associated with brand management.

Brand Values for Non-Business Organizations

Most of the marketing examples are generally drawn from the business sector. Starting in 1990s, there has been a broadening of marketing to cover all organizations.

All organizations have marketing problems and need marketing skills. The non-profit and public sectors account for more than a quarter of the Indian economy and are in great need of management and marketing skills.

Many non-business organizations – college, hospitals, social service organizations, charities, museums, government agencies, and trusts – are experiencing difficult times. They are losing clients on the one hand and finding it more difficult to raise public and private funds on the other hand many are being forced to charge fees for formerly free services to earn extra income. In certain cases, commercial businesses are complaining about unfair competition from the non-profits.

All of this has increased the interest of non-profits in the area of marketing. Many non-business organizations are vying with each other to promote their brand value in the market. They use brand as a tool to mobilize finds from the public to fulfill their objectives. For example, in Chennai, banyan, a non-profit organization which looks after the socially, economically and mentally retard women, promotes its brand effectively in India and abroad so as to raise funds for its noble cause. Another organization is „vuthavum karangal" (helping hands) which is taking care of socially and economically deprived children in Chennai. It is also taking steps to promote its brand to get recognition from the corporate world so that it can get funds for its social cause.

There are several dangers in the aggressive promotion of brand value. In fact, aggressive promotion can create negative reactions especially the donor, who regards hard branding as offensive. Also, hard promotion may turn off as many clients as it turns on. Care must be the best word to

Self Assessment Questions

1. What is brand equity?

2. Write down the concept and criteria of brand equity.

3. What are the methods of measuring brand equity?

4. Write short note on:

    (a) Brand Loyalty

    (b) Brand association

    (c) Perceived quality

    (d) Brand awareness

6. Briefly explain the concept of sales promotion.

7. What are the different methods of sales promotion?

8. What are the objectives of sales promotion?

9. Explain in detail the stages involved in implementing a sales promotion strategy.

10. Write short notes on:

    i) Push strategy

    ii) Pull strategy

    iii) Sales promotion and product life cycle.

11. Does a sales promotion scheme induce buying? Substantiate your answer.

12. List out the various sales promotion tools available and briefly explain their features.

13. Write a note on:

    (i). Surrogate selling

    (ii). Bait and switch advertising

13. Define Brand equity. Explain the method of building, measuring and managing brand equity.

14. How advertising and sales promotion is linked to achieve brand standing?

15. Explain the role of brand value for business and non-business organizations.