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Advertising and Sales Promotion

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Unit - 1 : Marketing Communication

Structure of Unit

1.0 Objectives

After completing this unit, you would be able to:

- Examine the concept of exchange in the marketing context;
- Assess the role of promotion in the context of the marketing mix;
- Consider the range and potential impact of marketing communications;
- Identify the key characteristics of each major tool in the communications mix;
- Examine the effectiveness of each communication tool;
- Establish a need for marketing communications;
- Compare marketing communications in the consumer and business markets.

1.1 Introduction

Organizations engage with a variety of audiences in order to pursue their marketing and business objectives. Effective communication is critically important to organizations, which is why they use a variety of promotional tools. Advertising, sales promotion, public relations, direct marketing, personal selling and added-value approaches such as sponsorship are the most used.

Marketing communications provides the means by which brands and organizations are presented to their audiences. **The goal is to stimulate a dialogue that will, ideally, lead to a succession of purchases and complete engagement.** This interaction represents an exchange between each organization and each customer; according to the quality and satisfaction of the exchange process, it will or will not be repeated. It follows, therefore, that communication is a very important and integral part of the exchange process, and it is the skill and judgment of management that determine, in most cases, success or failure.

1.2 What is Marketing Communication

The origin of many definitions rests with a promotional outlook, where the purpose was to use communications to persuade people to buy products and services. The focus was on products and on one-way communications, and there was a short-term perspective. The expression 'marketing communications' emerged as a wider range of tools and media evolved, and as the scope of the tasks that these communications activities were expected to accomplish expanded. In addition to awareness and persuasion, new goals such as developing

understanding and preference, reminding and reassuring customers were recognized as important aspects of the communications effort. Direct marketing activities heralded a new approach as one-to-one, two-way communications began to shift the focus from mass to personal communications effort.

Marketing communications are the management process through which an organization engages with its various audiences. By understanding an audience's communications environment, organisations seek to develop and present messages for their identified stakeholder groups, before evaluating and acting upon the responses. By conveying messages that are of significant value, they encourage audiences to offer attitudinal and behavioral responses.

This definition has three main themes:-

The first concerns the word **engages**. By recognizing the different transactional and relationship needs of the target audience, **marketing Communications can be used to engage with a variety of audiences in such a way that one-way, two-way and dialogic communications that meet the needs of the audience are used.** But do not think that *all* audiences want a relationship with your organization; for some, one-way communication is just fine. However, messages should encourage individual members of target audiences to respond to the focus organization (or product/brand). This response can be immediate through, for example, purchase behavior or the use of customer care lines, or it can be deferred as information is assimilated and considered for future use. Even if the information is discarded at a later date, the communication will have prompted attention and consideration of the message.

The second theme concerns the **audiences** for marketing communications. Traditionally, marketing communications have been used to convey product-related information to customer-based audiences. Today, a range of stakeholders have connections and relation-ships of varying dimensions and marketing communications need to incorporate this breadth and variety. Stakeholder audiences, including customers, are all interested in a range of corporate issues: sometimes these are product related, and sometimes they are related to the policies, procedures and values of the organization itself. Marketing communications should be an audience-centered activity, and in that sense it is important that messages be based on a firm understanding of both the needs and the environment of the audience. To be successful, **marketing communications should be grounded in the behavior and information-processing needs and style of the target audience.** This is referred to as understanding the context in which the communications event is to occur, from this base it is easier to present and position brands so that they are perceived to be different and of value to the target audience.

The third theme from the definition concerns the **cognitive response**. This refers to the outcomes of the communication process, and is a measure of whether a communication event has been successful. The audience should be regarded as active problem-solvers who use marketing communications to help them in their lives, in purchasing products and services, and in managing organization-related activities. For example, brands are developed partly to help consumers and partly to assist the marketing effort of the host organization. A brand can inform consumers quickly that, among other things, 'this brand means *x* quality', and through experience of similar brand purchases consumers are assured that their

risk is minimized. If the problem facing a consumer is 'which new soup to select for dinner', by choosing one from a familiar family brand the consumer is able to solve it with minimal risk and great speed.

Marketing communications, therefore, can be considered from a number of perspectives. It is a complex activity, and is used by organizations with varying degrees of sophistication and success.

1.2.1 The Role of Communication in Exchange Transactions

Communication plays an important role in the exchange networks. At a basic level, communication can assume one of four main roles:

1. It can **inform** and make potential customers aware of an organization's offering.

2. Communication may attempt to **persuade** current and potential customers of the desirability of entering into an exchange relationship.

3. Communication can also be used to **reinforce** experiences. This may take the form of **reminding** people of a need they might have, or of reminding them of the benefits of past transactions with a view to convincing them that they should enter into a similar exchange. In addition, it is possible to provide **reassurance** or comfort either immediately prior to an exchange or, more commonly, post-purchase. This is important, as it helps to retain current customers and improve profitability. This approach to business is much more cost-effective than constantly striving to lure new customers.

4. **Marketing communications can act as a *differentiator*, particularly in markets where there is little to separate competing products and brands.** Mineral water products, such as Bisleri, Kinley and Aquafina are largely similar: it is the communications surrounding the products that have created various brand images, enabling consumers to make purchasing decisions. In these cases the images created by marketing communications disassociate one brand from another and position them so that consumers' purchasing confidence and positive attitudes are developed. Therefore communication can inform, persuade, reinforce and build images to delineate a product or service.

At a higher level, the communication process not only supports the transaction, by informing, persuading, reinforcing or differentiating, but also offers a means of exchange itself, for example communication for entertainment, for potential solutions and concepts for education and self-esteem. Communications involve intangible benefits, such as the psychological satisfactions associated with, for example, the entertainment value of television advertisements. Communications can also be seen as a means of perpetuating and transferring values and culture to different parts of society or networks.

1.2.2 Marketing Communications and the Process of Exchange

The exchange process is developed and managed by researching consumer/ stakeholder needs, identifying, selecting and targeting particular groups of consumers/ stakeholders who share similar discriminatory characteristics, including needs and wants, and developing an offering that satisfies the identified needs at an acceptable price, and is made available through particular sets of distribution channels. The next task is to make the target audience aware of the existence of the offering. Where competition or other impediments to positive

consumer action exist, such as lack of motivation or conviction, a promotional programme is developed and used to communicate with the targeted group.

Collectively, these activities constitute the marketing mix–the 4Ps, as Jerome McCarthy (1960) originally referred to them – and the basic task of marketing is to combine these 4Ps into a marketing programme to facilitate the exchange process. The use of the 4Ps approach has been criticized as limiting the scope of the marketing manager. McCarthy's assumption was that the tools of the marketing mix allow adaptation to the uncontrollable external environment. It is now seen that the external environment can be influenced and managed strategically, and the rise and influence of the service sector is not easily accommodated within the original 4Ps. To accommodate these factors, additional Ps, such as Processes, Political Power and People, have been suggested. A marketing mix of more Ps has even been proposed by some, but the essence of the mix remains the same, and this approach has raised concerns and doubts about its usefulness in a marketing environment that is very different from that in which the 4Ps were conceived.

Promotion is therefore, one of the elements of the marketing mix, and is responsible for the communication of the marketing offer to the target market. Certainly there is implicit and important communication through the other elements of the marketing mix (through a high price, for example, symbolic of high quality), but it is the task of a planned and integrated set of communication activities to communicate effectively with each of an organization's stakeholder groups. Marketing communications are sometimes perceived as dealing only with communications that are external to the organization, but good communications with internal stakeholders, such as employees, are also vital if successful favorable images, perceptions and attitudes are to be established, in the long term. This text considers the increasing importance of suitable internal communications and their vital role in helping to form a strong and consistent corporate identity.

New forms of promotion have been developed in response to changing market and environmental conditions. For example, public relations is now seen by some to have both a marketing and a corporate dimension Direct marketing is now recognized as an important way of developing closer relationships with buyers, both consumer and organizational while new and innovative forms of communication through sponsorship floor advertising, video screens on supermarket trolleys and check-out coupon dispensers, and the Internet and associated technologies mean that effective communication requires the selection and integration of an increasing variety of communication tools.

1.2.3 The Role of Marketing Communication

From the above it is possible to deduce that marketing communications are about the promotion of both the organization and its offerings. Marketing communications recognize the increasing role that the organization plays in the marketing process, and the impact that organizational factors can have on the minds of audiences. As the structure, composition and sheer number of offerings in some markets proliferate, so differences between products diminish, to the extent that it has become much more difficult to differentiate between products. This results in a decrease in the number of available and viable positioning opportunities. One way to resolve this problem is to use the parent organization

as an umbrella, to provide greater support and leadership in the promotion of any offerings – hence the earlier reference to the emerging strength of corporate marketing.

A view that is becoming increasingly popular is that corporate strategy should be supported by the organization's key stakeholders if the strategy is to be successful. Strategy must be communicated in such a way that the messages are consistent through time, and are targeted accurately at appropriate stakeholder audiences. Each organization must constantly guard against the transmission of confusing messages, whether this be through the way in which the telephone is answered, the navigability of a website, the impact of sales literature, or the way salespersons approach prospective clients.

Many organizations recognize the usefulness and importance of good public relations. This is because of the high credibility attached to the messages received and the relatively low operational costs. As a result, the use of corporate advertising has grown.

Finally, marketing communications recognize the development of channel or trade marketing. Many organizations have moved away from the traditional control of a brand manager to a system that focuses upon the needs of distributors and intermediaries in the channel. The organizations in the channel work together to satisfy their individual and collective objectives. The degree of conflict and cooperation in the channel network depends upon a number of factors, but some of the most important are the form and quality of the communications between member organizations. This means that marketing communications must address the specific communication needs of members of the distribution network and of those other stakeholders who impact on or who influence the performance of the network. Indeed, marketing communications recognize the need to contribute to the communications in the channel network, to support and sustain the web of relationships.

For example, many organizations in the airline industry have shifted their attention to the needs of the travel trade, customers and competitors. United Airlines, British Airways, KLM, Qantas and other airlines have changed their approach, attitude and investment priorities so that channel partnerships and alliances are of particular priority. Now there is a clear emphasis on working with their partners and their competitors (e.g. British Airways and KLM), and this entails agreement, collaboration and joint promotional activity in order that all participants achieve their objectives.

1.3 Marketing Communications Mix

The marketing communications mix consists of a set of tools (disciplines) that can be used in various combinations and different degrees of intensity in order to communicate with a target audience. In addition to these tools or methods of communication, there are the media, or the means by which marketing communications messages are conveyed. Tools and media should not be confused, as they have different characteristics and seek to achieve different goals.

However, there have been some major changes in the environment and in the way organizations communicate with their target audiences. New technology has given rise to a raft of different media, while people have developed a variety of ways to spend their leisure time. This is referred to as **media and audience fragmentation**, and organizations have developed fresh combinations of the promotional mix in order to reach their audiences effectively. For example, there has been a dramatic rise in the use of direct-response media as direct marketing becomes adopted as part of the marketing plan for many products. The Internet and digital technologies have made possible new interactive forms of communication, where the receivers have greater responsibility for their part in the communication process. An increasing number of organizations are using public relations to communicate both messages about themselves and also messages about their brands.

What has happened therefore is that the promotional mix has developed such that the original emphasis on heavyweight mass communication (above-the-line) campaigns has given way to more direct and highly targeted promotional activities using direct marketing and the other tools of the mix. Using the jargon, through-the-line and below-the-line communications are used much more these days brings these elements together.

The shift is from an **intervention**-based approach to marketing communications (one based on seeking the attention of a customer who might not necessarily be interested) towards **permission**-based communications (where the focus is upon communications with members of an audience who have already expressed an interest in a particular offering). In other words, with permission communications the seedlings for a relationship are established by the audience, not by the brand owner. This has a particular impact on direct marketing, online communications and – to some extent – personal selling.

1.3.1 Advertising

Advertising is a non-personal form of mass communication that offers a high degree of control to those responsible for the design and delivery of advertising messages. However, advertising's ability to persuade the target audience to think or behave in a particular way is suspect. Furthermore, the effect on sales is extremely hard to measure. Advertising also suffers from low credibility, in that audiences are less likely to believe messages delivered through advertising than they are messages received through some other tools.

The flexibility of this tool is good because it can be used to communicate with a national audience or a particular specialized segment. Although the costs can be extremely large, a vast number of people can be reached with a message, so the cost per contact can be the lowest of all the tools in the mix.

1.3.2 Sales Promotion

Sales promotion comprises various marketing techniques that are often used tactically to provide added value to an offering, with the aim of accelerating sales and gathering market-ing information. Like advertising, sales promotion is a non-personal form of communication, but it has a greater capability to be targeted at smaller audiences. It is controllable, and although it has to be paid for, the associated costs can be much lower than those of advertising. As a generalization,

the credibility of sales promotion is not very high, as the sponsor is – or should be – easily identifiable. However, the ability to add value and to bring forward future sales is strong and complements a macroeconomic need that focuses on short-term financial performance.

1.3.3 Personal Selling

Personal selling is traditionally perceived as an interpersonal communication tool that involves face-to-face activities undertaken by individuals, often representing an organization, in order to inform, persuade or remind an individual or group to take appropriate action, as required by the sponsor's representative. A salesperson engages in communication on a one-to-one basis where instantaneous feedback is possible. The costs associated with interpersonal communication are normally very large.

This tool differs from the previous two in that, although it still lacks relative credibility and control, the degree of control is potentially lower. This is because the salesperson is free at the point of contact to deliver a message other than that intended. Indeed, many different messages can be delivered by a single salesperson. Some of these messages may enhance the prospect of the salesperson's objectives being reached (making the sale); some may retard the process and so incur more time and hence costs. Whichever way it is viewed, control is lower than with advertising.

1.3.4 Public Relations

Public relations is 'the art and social science of analysing trends, predicting their consequences, counseling organizations' leadership, and implementing planned programmes of action which will serve both the organization's and the public interest. This definition suggests that public relations should be a part of the wider perspective of corporate strategy. The increasing use of public relations and publicity in particular, reflects the high credibility attached to this form of communication. Publicity involves the dissemination of messages through third-party media such as magazines, newspapers or news programmes. There is no charge for the media space or time, but there are costs incurred in the production of the material. (There is no such thing as a free lunch or free promotion.) There is a wide range of other tools used by public relations, such as event management, sponsorship and lobbying. It is difficult to control a message once it is placed in the channels, but the endorsement offered by a third party can be very influential and have a far greater impact on the target audience than any of the other tools in the promotional mix.

1.3.5 Direct Marketing

The growing utilization of direct marketing by organizations over recent years has been significant. It signals a shift in focus from mass to personalized communications. In particular, the use of direct mail, telemarketing and the fast-developing area of interactive communications represents through-the-line communications. By removing the face-to-face aspect of personal selling and replacing it with an email communication, a telephone conversation or a direct mail letter, many facets of the traditional salespersons' tasks can be removed, freeing them to concentrate on their key skill areas.

Direct marketing seeks to target individual customers with the intention of delivering personalised messages and building a relationship with them based

upon their responses to the direct communications. In contrast to conventional approaches, direct marketing attempts to build a one-to-one relationship – a partnership with each customer – by communicating with the customers on a direct and personal basis. If an organization chooses to use direct marketing then it has to incorporate the approach within a marketing plan. This is because distribution is different, and changes in the competitive environment may mean that prices need to change. For example, charges for packing and delivery need to be incorporated. The product may also need to be altered or adapted to the market. For example, some electrical products are marketed through different countries on home shopping channels and websites. The electrical requirements of each country or region need to be incorporated within the product specification of each country's offering. In addition to these changes, the promotion component is also different, simply because communication is required directly with each targeted individual. To do this, direct-response media must be used.

In many cases direct-response media such as direct mail, magazine inserts, and television and print advertisements that use telephone numbers to encourage a direct response are a derivative of advertising. However, direct response can also be incorporated within personal selling through telemarketing and sales promotions with competitions to build market knowledge and develop the database that is the key to the direct marketing approach.

This text regards direct marketing as the management process associated with building mutually satisfying customer relationships through a personal and intermediary-free dialogue. Direct-response media are the primary communication tools when direct marketing is an integral part of the marketing plan.

The Internet is a distribution channel and communication medium that enables consumers and organizations to communicate in radically different ways. It allows for interactivity, and is possibly the best medium to enable dialogue. Communication is two-way, interactive and very fast, allowing businesses and individuals to find information and enter exchange transactions in such a way that some traditional communication practices and shopping patterns are being reconfigured.

The communication mix is changing: no longer can the traditional grouping of promotional tools be assumed to be the most effective forms of communication. This brief outline of the elements of the promotions mix signals some key characteristics: the extent to which each element is controllable; whether it is paid for by the sponsor; and whether communication is by mass medium or undertaken personally. One additional characteristic concerns the receiver's perception of the credibility of the source of the message. If the credibility factor is high, then there is a greater likelihood that messages from that source will be accepted by the receivers.

The 4Cs framework represents the key characteristics and shows the relative effectiveness of the tools of promotion across various different characteristics. The three primary groupings are: the ability of each to communicate; the costs involved; and the control that each tool can maintain.

1.4 Effectiveness of the Promotional Tools

Each element of the promotions mix has different capacities to communicate and to achieve different objectives. The effectiveness of each tool can be tracked against the purchase decision process. Here consumers can be assumed to move from a state of unawareness through product comprehension to purchase. Advertising is better for creating awareness; personal selling is more effective at promoting action and purchase behavior.

Readers are encouraged to see the elements of the mix as a set of complementary ingredients, each drawing on the potential of the others. The tools are, to a limited extent, partially interchangeable, and in different circumstances different tools are used to meet different objectives. For example, network marketing organizations, such as Oriflame, Tupperware and Amway, use personal selling to complete the majority of activities in the purchase decision sequence. The high cost of this approach is counterbalanced by the effectiveness of the communications. However, this aspect of interchangeability serves only to complicate matters. If management's task was simply to identify problems and then select the correct precision tool to solve the problem, then the issue of the selection of the 'best' promotions mix would evaporate.

Table 1.1 The 4Cs Framework

	Advertising	Sales promotion	Public relations	Personal selling	Direct marketing
Communications					
Ability to deliver a personal message	Low	Low	Low	High	High
Ability to reach a large audience	High	Medium	Medium	Low	Medium
Level of interaction	Low	Low	Low	High	High
Credibility					
Given by the target audience	Low	Medium	High	Medium	Medium
Costs					
Absolute costs	High	Medium	Low	High	Medium
Cost per contact	Low	Medium	Low	High	High
Wastage	High	Medium	High	Low	Low
Size of investment	High	Medium	Low	High	Medium

Control					
Ability to target particular audiences	Medium	High	Low	Medium	High
Management's ability to adjust the deployment of the tool as circumstances change	Medium	High	Low	Medium	High

These five elements of the promotional mix are supplemented by one of the most effective forms of marketing communication, **word-of-mouth** recommendation. As we shall see later, word-of-mouth recommendation is one of the most powerful marketing communication tools, and the more effectively an organization can develop a programme to harness and accelerate the use of personal recommendation, the more likely it is that the marketing programme will be successful.

1.4.1 Selection Criteria

The key criteria governing an organisation's selection and use of each tool are:

1. the degree of control required over the delivery of the message;
2. the financial resources available to pay a third party to transmit messages;
3. the level of credibility that each tool bestows on the organisation;
4. the size and geographic dispersion of the target audiences.

1.4.2 Management of the Promotional Tools

Traditionally, each of the promotional tools has been regarded as the domain of particular groups within organizations:

1. Personal selling is the domain of the sales director, and traditionally uses an internally based and controlled sales force.
2. Public relations is the domain of the chairperson, and is often administered by a specialist PR agency.
3. Advertising and sales promotion are the domain of the marketing director or brand manager. Responsibility for the design and transmission of messages for mass communication is often devolved to an external advertising agency.

Many organizations have evolved without marketing being recognized as a key function, let alone as a core philosophy. There are a number of reasons why this might be so. First, the organization may have developed with a public relations orientation in an environment without competition, where the main purpose of the organization was to disperse resources according to the needs of their clients. Second, perhaps a selling perspective ('our job is to sell it') dominated. There would invariably be no marketing director on the board, just a sales director representing the needs of the market.

It is not surprising that these various organizational approaches have led to the transmission of a large number of different messages. Each function operates with good intent, but stakeholders receive a range of diverse and often conflicting messages.

The main task facing the management team responsible for marketing communications is to decide the following:

1. who should receive the messages;
2. what the messages should say;
3. what image of the organization/brand receivers are to form and retain;
4. how much is to be spent on establishing this new image;
5. how the messages are to be delivered;
6. what actions the receivers should take;
7. how to control the whole process once implemented;
8. how to determine what has been achieved.

1.5 Communication Differences

Having identified the need to communicate with several different audiences, it seems appropriate to conclude this opening module by examining the differences between communications used by and targeted at two very different and specific audiences. These are organizations (commonly referred to as business-to-business) and those aimed at consumer markets. Some writers (Brougaletta, 1985; Gilliland and Johnston, 1997) have documented a variety of differences between consumer and business-to-business markets. The following is intended to set out some of the more salient differences:

1. **Message reception.** The contextual conditions in which messages are received and ascribed meanings are very different. In the organizational setting the context is much more formal, and as the funding for the purchase is to be derived from company sources (rather than personal sources for consumer market purchases) there may be a lower orientation to price as a significant variable in the purchase decision. The purchase is intended to be used by others for company usage, whereas products bought in a con-sumer context are normally intended for personal consumption.

2. **Number of decision-makers.** In consumer markets a single person very often makes the decision. In organizational markets decisions are made by many people within the buying centre. This means that the interactions of the individuals need to be considered. In addition, a variety of different individuals need to be reached and influenced, and this may involve the use of different media and message strategies.

3. **The balance of the communications mix.** The role of advertising and sales promotions in business-to-business communications is primarily to support the personal selling effort. This contrasts with the mix that predominates in consumer markets. Personal selling has a relatively minor role, and is significant at the point of purchase only in product categories where involvement is high (cars, white goods and financial services),

reflecting high levels of perceived risk. However, the increasing use of direct marketing in consumer markets suggests that personal communications are becoming more prevalent and in some ways increasingly similar to the overall direction of business-to-business communications.

4. **The constituents of the marketing communications mix.** Business-to-business markets have traditionally been quite specific in terms of the promotional tools and media used to target audiences. Although the use of advertising literature is very important, there has been a tendency to use a greater proportion of below-the-line activities. This contrasts with consumer markets, where a greater proportion of funds has been allocated to above-the-line activities. It is interesting that communications in the consumer market are moving towards a more integrated format, more similar in form to the business-to-business model than was previously considered appropriate.

5. **Message content.** Generally, there is high-involvement in many business-to- business purchase decisions, so communications tend to be much more rational and information based than in consumer markets. However, there are signs that businesses are making increased use of imagery and emotions in the messages.

6. **Length of purchase decision time.** The length of time taken to reach a decision is much greater in the organization market. This means that the intensity of any media plan can be dissipated more easily in the organizational market.

7. **Negative communications.** The number of people affected by a dissatisfied consumer, and hence negative marketing communication messages, is limited. The implications of a poor purchase decision in an organizational environment may be far reaching, including those associated with the use of the product, the career of participants close to the locus of the decision, and – depending upon the size and spread – perhaps the whole organization.

8. **Target marketing and research.** The use of target marketing processes in the consumer market has been more advanced and sophisticated than in the organizational market. This impacts on the quality of the marketing communications used to reach the target audience. However, there is much evidence that the business-to-business market organisations are becoming more aware and sophisticated in their approach to segmentation techniques and processes.

9. **Budget allocation.** The sales department receives the bulk of the marketing budget in the organization market, and little is spent on research in comparison with the consumer market.

10. **Measurement and evaluation.** The consumer market employs a variety of techniques to evaluate the effectiveness of communications. In the organization market, sales volume, value, number of enquiries and market share are the predominant measures of effectiveness.

1.6 Summary

The concept of exchange transactions is seen by many commentators as underpinning the marketing concept. Of the different types of exchange, market and relational are the two that can be observed most often in industrial societies. Marketing communications have various roles to play in the context of both these types of exchange, but – as will be seen later in this text – there is a strong movement away from the reliance on market exchanges to the longer-term perspective that relational exchanges enjoy, and to the development of partnerships. This approach is referred to as 'relationship marketing', and it is here that changes in the use and deployment of marketing communications can be best observed. Marketing communications is an audience-centered activity and uses five traditional elements of the promotional mix: advertising, sales promotion, public relations, direct marketing, and personal selling. Each has its strengths and weaknesses, and these tools are now beginning to be used in different ways to develop relationships with customers, whether they be consumers or organizational buyers. An example of these changes is the use of the Internet, a communication medium that has grown rapidly since the mid-1990s and is threatening to reconfigure the way both marketing and marketing communications are practiced.

Marketing communications have an important role to play in communicating and promoting products and services not only to consumers but also to the business-to-business sector and to other organizations representing differing stakeholders. The development of partnerships between brands and consumers, and between organizations within distribution channels or networks, is an important perspective of marketing communications. Communications in this context will be an important part of this text. Finally, marketing communications can be seen as a series of episodes that occur within a particular set of circumstances or contexts. Marketing managers need to be able to identify principal characteristics of the context they are faced with and contribute to the context with a suitable promotional programme.

1.7 Self Assessment Questions

1. Briefly compare and contrast the different types of exchange transactions.
2. How does communication assist the exchange process? Explain.
3. Name the five main elements of the marketing communications mix.
4. Write a brief description of each element of the marketing communications mix.
5. How do each of the elements compare across the following criteria: control, communication effectiveness and cost?
6. How does direct marketing differ from the other elements of the mix? Discuss.
7. Explain contexts and episodes. Describe the main tasks facing the management team responsible for marketing communications.
8. Explain how marketing communications supports the marketing and business strategies of the organization.

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Unit – 2 : Planning Marketing Communication

Structure of Unit

2.0 Objectives

After completing this unit, you should be able to:

- understand the importance, meaning, and complexities of planning marketing communication;
- identify the key elements of planning marketing communication;
- understand and explain the key inputs to this planning process;
- assess how marketing communications strategies can be developed for different target audiences;
- consider planning in relation to the overall marketing communication system and communication programme requirements for marketing performance
- develop integrated marketing communications plans.

2.1 Introduction

This Unit will look at the development of marketing communication plans. In some ways, then this unit represents the life blood of the course. In addition to introducing the remaining key areas in, and inputs to, the development of marketing communication plans.

2.2 Marketing Communication Plan

It is often seen that the organizations lack in the marketing communications plans. The organizations often deal with each promotional tool individually and may have inadvertently added to the notion that each element can be planned and managed separately. However, it is increasingly recognised that not only must the individual tools of marketing communications used by an organisation be integrated with each other, but the overall mix must also be integrated with marketing, corporate strategies, Vision, Mission & Core Values of the Organisation. Marketing communication planning has to deal with three aspects of the communication required for responsive and responsible marketing relationships. First, there must be an effective and efficient communication system comprising policies, resources, and performance criteria. Second, there

must be specific, measurable, achievable, relevant and timely communication objectives set. Third, the execution of planned strategies must be controlled.

There are a number of issues concerning the development of marketing communications. The most important of these issues include:

- What is meant by **integration** in the context of marketing communications plans?
- Why is it important to develop an integrated approach to marketing communications?
- Why has the recognition of this importance grown in recent years?
- What are the advantages of an integrated approach?
- What are the problems and difficulties in achieving an integrated approach?
- What is involved in achieving an integrated approach to marketing communications?
- How can an integrated approach be achieved?

2.2.1 What does an integrated approach mean?

Essentially, an integrated approach to marketing communications means that every facet of an organisation's communications with all its audiences, both internal and external, is synchronised and co-ordinated to present a logical and integrated set of themes and messages. This statement simply means that everything an organisation does or 'says' to all its target audiences whether customers, intermediaries, or stakeholders, and whether involving sales promotion, advertising, personal selling, packaging, sponsorship, direct marketing or indeed any aspect of how an organisation communicates, must be planned and co-ordinated. Thus, making it a complex.

2.2.2 The 10 Ps of marketing communication planning:

1. **Product cues** Packaging (shape & colour, styling), presentation, brand image, guarantee
2. **Price cues** List price, credit, discounts, and other financial factors
3. **Place cues** Quality, location and number of retail outlets; direct-response media, delivery times, distribution
4. **Paid-for advertising** Newspapers, magazines, TV, radio, outdoor – all 'above the line' – permanent media
5. **Promotion** Direct mail, exhibitions, competitions, financial offers, samples, literature, stationery – all 'below the line'
6. **Personal selling** Field sales force, service depots and engineers, merchandisers **and service** enquiry and complaints hotlines
7. **Publicity** Press relations and activities leading to editorial coverage – news and features/stories
8. **Third-party** What other people outside the organization say about the **messages** company and/or its products – word of mouth, opinion formers
9. **People as message** All the verbal and non-verbal signals from employees (manner, **sources** dress, language) – intended or not
10. **Passive message** Those which were never intended to send messages to **sources** customers, but nonetheless do so!

2.3 The Planning Process

The most basic planning mechanism is an annual plan that describes the objectives that the provider intends to accomplish in the coming year and the budget required to realize these objectives. The annual marketing plan is the mechanism by which the objectives, activities, and budgets for the product development, advertising, sales promotion, and sales and distribution programmes are **integrated**.

The plan serves three basic purposes:

1. Like the various programme plans, annual plans serve as a communication device. They indicate clearly to the personnel involved in marketing what the planned objectives and programmes are, and thus should provide guidance on what activities to pursue.
2. In an organization with a range of products, markets, or other divisions, annual plans serve as important inputs to the resource allocation process. Top management usually will review each annual plan within an organization, assess the corporate resources available, and approve or modify budgets based on an assessment of each unit's needs and contributions.
3. Finally, once approved, the annual plan serves as a mechanism for control. The annual plan establishes standards of performance against which the organization's units' progress can be evaluated. Periodic checks of the gap between actual and planned performance can be useful in making timely modifications to the plan. The overall achievement of the unit is assessed largely on annual performance relative to the plan.

Depending on the diversity of the provider's products and markets and the organization of the corporation, it may be necessary to write a number of plans of varying scope and level:

- business level annual marketing plan
- annual product or department plan
- annual sales plan

We can identify five purposes of the operational marketing plan:

1. to explain the marketing situation now and that expected in the plan period
2. to specify the results expected so that the corporation can anticipate what their situation will be at the end of the plan period
3. to identify the resources needed to carry out the planned actions
4. to describe the actions that are to take place so that responsibility for implementation can be assigned
5. to permit monitoring of the ensuing actions and results.

Planning in marketing communication, as in public relations, and especially in advertising, is synonymous with research-based strategy-making. In marketing, the value-creating system should be driven by managers' understanding of the product–market–media relationships. Knowledge and information are essential inputs to strategy-making and action-taking.

Marketing planners have some key questions to answer:

- Who are the people we want as our customers?
- What do they need?
- How can we make it, and profit by this activity?
- How do we tell them?
- How do we deliver it?
- How do we keep ourselves, and them, up to date?

Figure 2.1 : **Planning for marketing communication**

Figure above shows the basic dynamic process of marketing communication planning.

2.3.1 Internal Marketing

The effective implementation of marketing plans is often hampered by insufficient and/or inappropriate interaction among those responsible for formulating plans and those competent and responsible for implementing them. When customers and marketing relationships are placed at the centre of corporate decision-making in order to accomplish corporate and marketing objectives, resentment and hostility can arise from functional managers who see marketing as usurping their authority and power. This can be avoided or abated by interaction that leads to cooperation.

All too often, plans are formulated without participation of the people within the marketing system who can most affect its performance. Commitment to the accomplishment of marketing objectives requires motivation, leadership, and conflict resolution within the value-creation system. Traditional notions of departmental division of responsibility and work can be unhelpful in this respect. Customers simply do not see their interactions in this fashion. Such

specializations are convenient for the managers who organize provider resources, but may fragment contact points with customers, thus causing frustration for customers and the value providers themselves.

Successful planning requires a plan for planning, and managers must communicate widely on why a planning system is necessary. They must also recruit top management support and participation, and train line managers in the use of the planning system. The system should be tested on a limited basis to demonstrate its effectiveness and to identify opportunities for enhancement, and ensure that sufficient, timely data are available.

Reasons for poor implementation include:

- isolated planning excludes key contributors to implementation or judgement
- long-term and short-term objectives are in conflict
- resistance to change among key contributors
- inadequate resources are provided
- corporate capability is not taken into account
- changes in the trading environment are not detected in a timely fashion
- lack of commitment

These shortcomings can be addressed by ensuring that the management system is marketing oriented, responsive and flexible i.e. decisions and choices are driven by stakeholder needs and not simply habitual or comfortable, and fully committed to performance monitoring and evaluation. Further, the planning and implementation of a marketing communication system should not be seen as separate i.e. implementers should also participate in planning; they should be appreciative of the operation and performance of the marketing system.

2.3.2 Corporate Memory as a Planning Aid

Participative planning through internal marketing allows all to learn by doing. A 'corporate memory' should be created to record successes, mistakes, and omissions, in the evaluation of the effectiveness of plans, of the marketing communication system as a whole, and of the planning process. The corporation can then use this knowledge base to modify and improve procedure and knowledge as required.

The concept of a system of planned, measured communication efforts is akin to the creation of a 'corporate intelligence'. Kelley (1968) proposed the introduction of a marketing intelligence system, with major benefits, which include:

- help in expanding time horizons in decision-making and planning;
- recognizes and responds to increasing complexity in decision-making as known and unknown factors and their interdependent relationships multiply;
- handles the proliferation of data in the information age;
- protects management from specialists' distortions, filtering, etc.;
- offsets the tendency for top management to become divorced from reality;
- opens up new and better sources of information;
- allows creative intelligence functions;
- provides responsibility for communication and aids the corporation in its communication.

Suitability of the marketing communication plan, as it is implemented in a campaign or communication system, can be determined by examining the following factors:

- customer and market data – response
- marketing goals – relevance
- product data – market performance
- tactics – efficiency and effectiveness
- measurement – sensitivity and relevance of data
- communications objectives – contribution of communication outcomes to marketing and wider business goals

The performance of a communication system can be determined through a communication audit. This is a systematic review of the systems for communicating, and their performance. We should also beware of the inherent delays in any knowledge system that can affect the integrity and coherence of a marketing planning system as shown in the figure below.

Figure 2.2: Feedback is not often incorporated in real time

2.3.3 Integration of Communication Activities

Managers need to appreciate and take account of the core competencies – strengths and weaknesses of the corporation's value-creation system (generation, production, and representation), as well as how the marketing communication activities affect corporate competencies, and the strengths and limitations of the various marketing and marketing communication activities. Integration is itself a core competence.

Integration may be created at system or programme level, i.e. integrated marketing system or integrated media deployment. Technologies are now available that allow an intelligence system to be used in decision-making. Information from a wide range of customer contact points can be shared throughout the value-creation system to support learning and decision-making (i.e. appreciation) in the generation, production, and representation of the various forms of knowledge valued by a range of internal and external customers and other stakeholders. Marketing management is today even more about creating an environment within which the voice of the customer is appreciated (i.e. heard, interpreted, valued, and acted upon). This becomes the focus of integration. Teams of specialists from the value-creating chain work together to deliver value to groupings of similar customers (market segments).

2.3.4 Effective Strategy

Long-range plans may require redesigning the organisation. To be effective, marketing communication strategy must have certain characteristics:

- Consistency - No inconsistent objectives
- Consonance - A genuinely adaptive response to the trading and wider social environment
- Advantage - Providing for the maintenance of competitive advantage
- Feasibility - Must not create unsolvable problems or overtax available resources

Many marketing plans fail because the planner does not realise that the organisation is not capable of implementing the plan. Short-range plans will require adaptation to the existing organization.

2.3.5 Roles of stakeholders in the marketing system

Role	Significance to planners (managers)
As market	People are potential customers (even those who have bought previously may not do so again) for both the medium and the message (e.g. the advertised product, or information), empowered by choice
As dialogue partners	A more dynamic, interaction process among active, contributive people, that aims for understanding, negotiation, and problem-solving, rather than informing
As clients	People are beneficiaries of communicating, with their interests given precedence over those of the planner, and influencers of the communication system operation and content
As communicators	People are active in finding ways to have their voice heard and as mediators

Marketing managers also need to consider the role of the people with whom they are communicating. The four roles are mentioned above.

We would recognize that all of these roles are stakeholder roles in which either party may initiate the interaction. In the sense that communication is an exchange in interaction, all people are communicators when they interact with the marketing system. This is a subtle, but significant bias in our thinking. Marketing management can gain by taking this wider perspective that recognizes consumers and buyers as real people in all of these social system roles.

A common problem in planned communication is that the choice of medium is made too early in the process. This is beginning the communication planning process at the wrong end. It is essential in ensuring that effective and efficient communication is also responsive and responsible that the strategic role of communication activities (means/mode) is examined and judged prior to the tactical selection of media.

The analysis should focus on the impact of communicating in particular modes, using particular means (methods and tools), and in particular styles, at the points of interaction. In measuring results of communication activities, the total communication system has to be considered, i.e. the linear hierarchy of communication effects – awareness, attitude change, and behavioral change – does not always occur.

The measurement of performance requires examination of both efficiency and effectiveness. Efficiency measures examine the cost of communication efforts (in financial and other terms), while effectiveness measures examine the extent to which intended effects are accomplished.

In practice, evaluation is not as common as the logic would suggest it should be. Reasons for the absence of the evaluation element of the communication management system are:

- evaluation is too demanding of limited resources
- the planner/manager dare not find out the truth about the effectiveness of the system and his/her plan
- communication campaigns are treated as ends in themselves such that the aim is accomplished only when the campaign is completed

Actually, marketing managers can afford to be somewhat more confident of their professional value than can public relations managers. The latter are even less likely to invest in a full management system incorporating evaluation. But watch out, this should certainly not be taken as an excuse or justification for failing to manage. Evaluation is demanding and burdens the manager, but benefits both the system and the programme.

2.4 Evaluating Marketing Communication Activity

The evaluation aspect of the marketing management process involves making carefully judged objectives and media selections and measuring performance results against predetermined goals. Evaluation enables managers to determine the effectiveness of their implementation and to plan corrective action where necessary. We can imagine evaluation operating at four levels in the marketing system, as mentioned below:

1. **Communication audit -** Concerned with the overall performance of the corporate systems for communicating.
2. **Marketing research -** Attention to the performance of the overall marketing system.
3. **Media research -** Supports the selection of modes for communication and media for communicating.
4. **Promotion (advertising) research -** Examines the effects of messages and content.

Summative evaluation is research carried out after execution to explain whether or not the objectives of the system or campaign have been met and allows a proper decision about continuation. Formative evaluation is much more valuable as a planning tool. This effort produces knowledge that is fed back into the process to assist managers in making improvement decisions. The professional

communication manager will assess all effects of their activities – both functional and dysfunctional.

A marketing audit is a key element in a total marketing evaluation programme. Most companies are victims of at least some misdirected marketing effort. The 80–20 principle suggests that a large proportion of total orders, customers, sales territories, or products accounts for only a small share of total sales or profit. Conversely, a small proportion produces a large share of sales or profit. Thus marketing efforts tend to be proportional to the number of territories, customers, or products, rather than to their actual sales volume or profit. The iceberg principle suggests that only a small part of the detail of figures for sales, costs, and other performance measures are readily visible to managers. Total sales or cost figures are too general to be of use in evaluation, and may actually be misleading. Thus managers are required to make decisions based on inadequate information about costs and paybacks.

The evaluation process has 3 steps:

1. find out what has happened
2. find out why it happened
3. decide what to do about it

Tools for identifying misdirected marketing efforts are:

- sales volume analysis
- market-share analysis
- market cost analysis

These can be studied by product lines and market segments (sales territories or customer groups). General marketing performance measures to be monitored for control purposes are:

- unit sales
- sales value (Rs.)
- sales in specific market segments
- marketing costs
- production costs
- market share
- customer ratings of product quality
- customer ratings of service provided

2.4.1 Advertising Effectiveness

Most discussion of evaluation is centered on advertising because it is the most tangible of marketing communication activities in our general experience. Examination of advertising evaluation will provide us with a basis for considering the wider need for judging the most appropriate mode of communication and the effectiveness and efficiency of subsequent activities. Although it has long been believed that the aim of advertising effort is to increase sales, sustained growth is apparently rare. The scope for strongly persuasive advertising, in reality, to persuade people to make a purchase seems very limited or even nil due to competition.

Evaluation may be carried out formally or on an ad hoc basis as part of the management process. The control of resource use is essential if planned communication is to have a desirable impact among a diverse group of stakeholders. Review and evaluation also provides an opportunity for learning,

problem-solving, development, and refinement. Managers primarily evaluate communication activities and programmes to check that communication objectives have been met and that communication strategies deployed have had the desired effect(s) – see Figure below. Secondarily, evaluation ensures a check on the efficiency with which resources have been used.
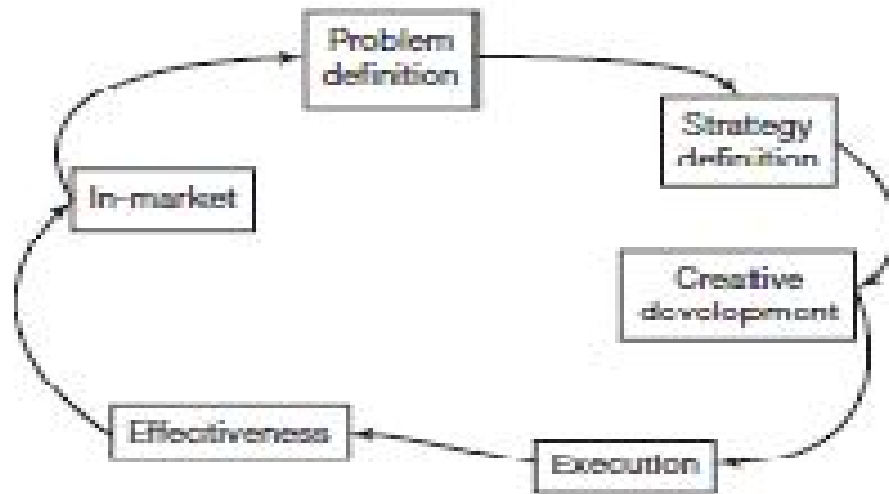
Figure 2.3 : The Promotion Research Process

Media selection decisions will include the extent of reach among the target social group and the cost of accomplishing this. Pre-testing aims to predict the likely effectiveness of an advertisement. Panels are brought together to examine product concepts and communication proposals for meanings and weaknesses (especially copy testing), while motivation research tries to identify unconscious associations of ideas and words in the advertisement.

Once an advertisement has been run, evaluation can be conducted in the environment in which it is intended to accomplish results. The number of enquiries directly generated can be gauged from response cards, returned coupons, and telephone calls, as well as from the number of orders placed. Recall and comprehension tests examine the impression on consumer memory by interviewing several hundred people, often on the day after the advertisement ran. Although the validity of these tests is relatively low, they are reliable, and are commonly used to benchmark performance against other products and advertisements. However, they tend to be poor predictors of sales. Recognition of advertising is the most commonly tested, since it is more reliable and valid, as well as cheaper.

Sales tests are poor indicators since sales can only come from past actions and are only partly the result of these. Only direct-response sales and enquiries can show the result of advertising, and only then if properly monitored. Financial analysis is essential for those products for which advertising expenditure is a major resource. Variance analysis, for example, shows deviation from planned expenditure. Tracking studies (consumer panels) use regular interviews among consumers to gauge impact on their attitude to a brand during a campaign, thus allowing adjustments to be made quickly if necessary. Questions are asked about awareness, brand image, products attributes, and consumer preferences.

Stock held by retailers can also be monitored during a period of planned advertising. As mentioned earlier, the likeability of an advertisement has been shown to be a particularly good predictor of sales, but this is not as simple as it sounds. To be well liked, the advertisement has to be for a product that has personally significant value (i.e. it has to be thought by the person to be relevant, believable, credible, useful, interesting, and so on).

EVALUATING THE INTERNET

With the advent of Internet advertising, many marketers are wondering if advertisement impression remains the most appropriate measure of effectiveness. Some, like the interactive team at P & G, are rethinking what constitutes 'effective', and then how to pay for it. Options include: cost-per-thousand impressions, sponsorships, performance-based payment, and hybrids of these. Because the Internet is essentially an interactive addressable medium, advertising impressions are no longer the sole means of measuring performance. Click-throughs, customer leads generated and sales made are more tangible indicators of performance.

Of course, it is the consumer/buyer who has the real power to determine what 'successful' advertising is. Effective advertisements are those that are liked, that is, they are judged to be meaningful, pertinent, believable, and worthwhile – not merely entertaining. Brand advertising mobilizes the symbolic, rather than the literal. Increasingly brand properties are linked with lifestyle – motivations, needs, attitudes.

Measures of the impact of advertising include: brand name recognition, brand recall, attitude to provider. Attempts are also being made to apply psychological testing to gauge net positive cognitive responses. A range of techniques are used to study the effects of advertising. Some of the techniques are summarized below:

1. **Focus group and interview - A** quick, relatively cheap way to assess response and meanings, but lacks validity and reliability.
2. **Case study -** An illustrative, but not representative, way to understand campaign development and its effects.
3. **Experiment -** Allow inference of causal relationships by controlling extraneous influences, but laboratory findings may not apply in normal conditions.
4. **Survey -** Particularly valuable when data about consumer/buyer characteristics are generated, allowing demographic, usage and viewing pattern analysis to be added.
5. **Consumer data panel -** Diaries and bar code scanning can reveal purchase patterns that can be related to advertising schedules.
6. **Econometric analysis** - Various mathematical techniques can be applied to survey and panel data
7. **Data fusion -** Combines data from two sources using common elements, for example television viewing from one panel and purchases from another

Each marketing communication activity (subsystem) can be assigned a customer response index, based on historic data on impact and predictions of future cost-effectiveness. This would provide a dynamic decision-support tool for prioritizing the allocation of effort to specific communication objectives.

2.5 Controlling Communication Efforts

The control responsibility of the management system commissions evaluation research and takes the findings into the decision-making process. The basic process for controlling the communication system is common with that for all management functions. Specific and appropriate performance standards have to be set and responsibility assigned for accomplishing the level of performance determined. Actual performance has to be evaluated and compared with the standards and corrective action taken if deemed necessary. Of course, this is the appreciative system we have also applied to the marketing system as a whole. This basic process is shown in the figure below.

Plan

Take corrective action

Set specific performance standards

Evaluate performance against standards

Assign responsibility
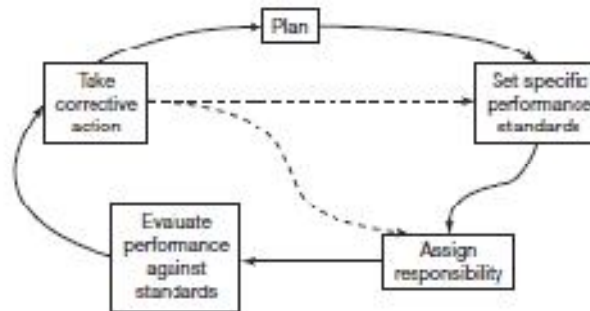
Figure 2.4: The Process of Control

The marketing plan is a tool for coordination but also a control device. This is designed to ensure that the organization of activities takes account of changes in: competitor actions; buyers' willingness and ability to buy; and other environment factors such as developments in communication systems, media, and evaluation techniques. It must also provide data to help to answer the question: how productive are the marketing communication programmes in accomplishing marketing objectives?

Post-action control occurs at the end of the planning period when the degree of success achieved is reviewed and the causes of any gaps between planned and actual performance are isolated. The new knowledge is used to develop future plans.

Steering control applies where performance deviations can be identified early, and managers can take corrective action; the plan can be adjusted to meet the original or modified objectives.

The corrective-action approach requires the manager to:

- select the performance measures to be monitored
- compare actual and planned performance at appropriate time intervals
- specify the acceptable degree of deviation
- identify implications of the deviations
- modify the plan to steer it towards the objectives

Both internal performance monitoring and trading environment monitoring should be attempted, and this requires:

- a plan for planning
- a planning system
- and a marketing intelligence system

2.5.1 The Allocation of Funds

Once marketing objectives have been set, a corresponding set of communication objectives can be decided. Only then can an overall budget be decided and an appropriate allocation among advertising, personal selling, publicity, sales promotion, exhibitions, and so on.

But how do you decide which of the various communication activities to spend your limited budget on and how much to spend? The budget decision needs some kind of judgement about the likely impact of the numerous options. This will be a complex of the nature of the product–market relationship, the stage of the life cycle, the financial resources available, and the cost of services available to the provider. Several approaches to budget allocation are outlined below:

- **Percentage of sales** A fixed portion of sales income is allocated (ignores objectives and strategy).
- **Share of market** Implies that offerings are not differentiated.
- **Investment (pay-out planning)** Takes the view that impact can be reasonably estimated on volume.
- **Competitive parity** No account of effect is taken in simply trying to match competing activity.
- **Maximum affordable** Ignores impact and assumes that greater benefit is gained from higher spending.
- **Zero-based planning (objective and task)** Based on prioritized SWOT analysis, to identify those activities that are the most cost-effective ways to capitalize on critical strengths and opportunities, while addressing significant weaknesses and threats.

2.6 Summary

Funds are required for the purchase of media (print space, brochures, postage, website maintenance, etc.), but also for marketing communication system management, evaluation research, training and development of staff, and so on.

2.7 Self Assessment Questions

1. Explain in brief about managing a marketing communication planning system.
2. How can the communication plan contribute to integration of communication policies, decisions, and activities?
3. 'Marketing communication planning is itself a form of marketing communication.' Explain.
4. How does planning motivate?
5. Plans often fade away in desk drawers and are not used to make decisions that have strategic consequences for marketing. Why might this happen, and what can be done to overcome this management weakness?
6. Discuss the strategic importance of research in designing the marketing communication system.
7. What is the concept of the appreciative system. Use this to explain the planning process in marketing communication management.
8. Evaluation is the control function of marketing communication management. How is this so?

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Unit -3 : Advertising

Structure of Unit:

3.1 Objectives

After completing this unit, you would be able to:

- learn the meaning of advertising
- know the history of advertisement
- understand the scope of advertisement
- understand the importance of advertising
- learn the concept of advertisement and marketing mix
- understand the different type of advertising

3.2 Introduction

An advertisement is anything that draws attention towards company's product, services and ideas. In advertising, advertiser persuades consumer to purchase their products, goods, services or ideas usually by an identified sponsor, and executed through a suitable media. Advertisement can be telecasted on electronic media like television, radio, as well as print media, newspapers, and magazines and as billboards in streets and cities, by which they try to get customer to buy their products, by showing them the good rather than bad of their products. Advertisers have a capacity to influence consumer choices and preferences towards certain product and services. Most of the consumers agree that they are influenced by advertisement while purchasing. Even they agree that advertisement has great impact on their buying behavior. Advertisers use different techniques to capture customer's attention. For example, to make the chocolate look more delicious they present it an in attractive form. Advertising can attract new customers; create awareness and more sales for the business. It can be expensive but can help make a business make more money.

Advertising is a communication between advertiser and consumer for marketing of product, goods and services and used to promote, convince, influence or motivate a customer (viewers, readers or listeners; sometimes a specific group) to continue or take some new action. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering. Advertisement is a declarations or influential messages in form of time or space purchased in any of

the mass media like electronic or print by business firms, nonprofit organizations, government agencies, and individuals who seek to inform and/ or persuade members of a particular target market or audience about their products, services, organizations, or ideas.

3.3 History of Advertising

In **18th Century** advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books and newspapers, which became increasingly affordable with advancement in the printing techniques. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present in many parts of Asia, Africa, and South America till today. The tradition of wall painting can be traced way back to Indian rock art paintings in 4000 BC. History tells us that Out-of-home advertising and billboards are the oldest forms of advertising.

In **19th Century** by 1900 the advertising agency had become the focal point of creative planning, and advertising was firmly established as a profession. Around the same time, in France, Charles-Louis Havas extended the services of his news agency.

In **20th Century** advertising increased dramatically in the United States as industrialization expanded the supply of manufactured products. In order to make profit from this higher rate of production, industry needed to cash on these advertisements.

Advertising was also used as a vehicle for cultural assimilation, encouraging workers to exchange their traditional habits and community structure in favor of a shared "modern" lifestyle. An important tool for influencing immigrant workers was the American Association of Foreign Language Newspapers (AAFLN).Today the advertiser has a vast array of choices. The Internet alone provides many of these, with the advent of branded viral videos, banners, advertorials, sponsored websites, branded chat rooms and so much more.

History of Indian advertising

Pre Independence	Press advertisements – largely imported goods which had reached Indian shores
1930's	• The talkies and radio emerge as media • Colour movies
1940's	• 2nd World War • Famine • Fight for Independence
1950's	• Watershed years for Indian advertising • Industrial revolution in the Nehruvian era • 1st survey of the rural market • Burmah Shell vans used for advertising • Cinema advertising began • Kolkata gets the privilege of India's first ad club • Leading ad agency - Press Syndicate • National created the *Murphy* baby

1960's	• India's first Advertising Convention (1960) • Advertising to be Indian in thought and content • Shift to marketing orientation • Professionalization within agencies • 1st Asian Advertising Congress at New Delhi • Research data generated MRI (Market Rating Indices) • NRS I and II • Creativity was emphasized • Social marketing
1970's	• Media boom • Special magazines • 2nd Asian Advertising Congress at New Delhi • Lifestyle studies, positioning • Rural marketing
1980's	• Indianisation of western advertising • Public sector advertising • Expansion and diversification of agencies • Aug 15th 1982 – Colour TV introduced • Radio commercials introduced • NRS III by IMRB • Colour Printing more popular • Formation of Indian chapter of International Advertising Association • Formation of ASCI • Adoption of a new code • Concept of sponsored programmes on TV
1990's	• NRS IV (2 surveys – ORG and IMRB-MARG) • Niche magazines • Emphasis on Direct marketing • Satellite TV • CNN – 1st channel to be beamed to India • Star bouquet • Zee bouquet • DD Metro to counter satellite channels • DD Audience surveys • Movie channels and pay channels • FM Radio • Emphasis on Brand Equity • Internationalisation of Advertising • NRS V • IRS survey • Consumer Tracking and Satisfaction studies
2000	• NRS VI • CAS • Internationalization of domestic agencies • Net Advertising • The role of the advertising agency – changing to that of a marketing consultant

Present Scenario	• Indian ad industry to grow 9pc
	• Indian ad market to grow by 7.8 per cent in 2013
	• Digital media will grow by 31 per cent, faster than any other category, with mobile and video outgrowing traditional display.
	• Television will grow by 6.6 per cent.
	• Radio and out of home advertising will grow by 8 per cent in 2013.

Activity A
1. Comment on the history of advertising in the world vis-à-vis India.

3.4 Definitions of Advertising

One of the definitions of advertising is: "Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through various media."

Let us understand the definition in detail:

3.4.1 Advertising is a non- personal:

During advertisement seller and buyers are not at one place. They cannot see their faces. This means advertising is not extremely labor-intensive i.e. it is not dealing with one customer at a particular time. The sales message and its presentation do not have to be created on the spot with the customer. It can be created in as many ways as the writer can conceive, be rewritten, tested, modified, injected with every trick and appeal known to influence consumers. Advertising is non-personal, but effective.

3.4.2 Advertising is a communication:

Communication means exchange of messages between two or more person. In communication, one person can pass information, ideas or feelings to another. Thus, communication uses all of the senses: smell, touch, taste, sound and sight. Of the five, only two are really useful in advertising -- sound and sight. In advertising, advertiser communicate promotional message of their product and services to mass customers and customer receives these messages through their sensory organs.

Sound and voice -Sound and voice are extremely useful for advertisement. They can be used as dialogs or background music in a variety of media, from radio and television to the new technology of binding micro-sound chips in magazines to present 20-second sales messages to influence consumers.

Sight and vision-Sight and vision are possibly the most useful of the communication channels available to the advertiser. Sight and vision is important and effective to see both words and figures at the same time. Thus sight and vision can quickly and concisely show a customer what the advertiser wants to say, about the product and how buying the product can benefit them. There is an additional factor in sight that makes it excellent for advertising. The old cliché, "A picture is worth a thousand words," is correct.

Smell-Smell is an extremely strong form of communication. However, in advertising, it is useful to communicate. A smell can immediately evoke memories. Remember times when you've smelled something and what memories

came to your mind. The smell could be of perfume or of any delicious food that reminds you of any person and restaurant.

Touch-Touch has a limitation that makes it of little use to advertising -- the customer has to come in actual contact with the item to be touched. Thus, the item must actually exist and be put in a medium that can carry it. This puts touch more in the realm of personal selling than advertising.

Taste-Taste is probably the least useful communication channel available to advertising. Like touch, taste requires the potential customer to come in actual physical contact with the product. However, taste is even more limited than touch.

Advertisers can use any one or all of the five forms of human communication to convey any message to potential customers. However, not all five are equal. Smell, touch and taste are of little use, but sound and sight are of great value and effectiveness.

3.4.3   Advertisement is information:

Advertisement is information in form of knowledge, facts or news about the product or service. Advertisement provides detain attributes related to product or services to convene customers. Thus, for advertising, information must of some significance.

"Sometimes the consumer is provided with information he don't want but only with the information the seller wants him to have. Sellers, for instance, are not inclined to advertise negative aspects their products even though those aspects may be of primary concern to the consumer, particularly if they involve considerations of health or safety."

3.4.4   Advertisement is paid:

Advertisement is paid by advertiser to publish or to telecast in print or electronic media respectively. There are some costs of creation and time or space in the media if an advertisement is created and placed in the media. Cost of advertisement depends upon the time used for advertisement in electronic media and space used in print media.

3.4.5   Advertisement is persuasive:

The important role of the advertisement is to persuade the potential consumers to purchase the product or services in preference to product and services of other companies. The advertisers differentiate the characteristics of product and services from competitors and persuade the customer on that basis.

3.4.6   An advertisement is of Products, Services or Ideas:

Advertiser wants to sell products (like refrigerator, car etc.), services (like tourism, banking etc.) or ideas (movie producers, counselor etc.) to potential consumers.

3.4.7   Advertisement through identified sponsors:

An identified sponsor means person/company who is placing out the advertisement to communicate with the customers where ever they are. There are two reasons for this: first, it's a legal requirement, and second, it makes good sense. Legally, a sponsor must identify itself as the sponsor of advertisement. This avoids the customer from disingenuous and misleading advertisement or its messages. For example, many advertisements published in newspapers looks like

news articles: same typeface, appearance, use of columns, etc. If the advertisement is not identified with the sponsor the customer could perceive it as news about a product, rather than an attempt to persuade the consumer to purchase it. For instance, a news article is printed in paper which discusses a weight-loss plan. In journalistic style it talks about the safety, efficacy, and reasonable price of the product. A reasonable person might perceive the "article" as having been written by a reporter who had investigated weight-loss programs and decided to objectively discuss his finding with readers. Such a perception is misleading, and illegal. Since it is an advertisement, the word "advertisement" must appear somewhere on it to ensure the readers does not think it is an objective reporting of news. Second, it makes good sense for a sponsor to identify themselves in the advertisement. If the sponsor doesn't do it, it is possible for the audience to believe the advertisement is for a competitor's product, thus wasting all the time, creativity and money that went into making and placing the advertisement.

3.4.8   Advertisement through various media:

Media include newspapers, magazines, radio, television, billboards, transit cards, sandwich boards, skywriting, and posters. It includes anything that aids communicating an idea in a non-personal way from one person or group to another person or group.

3.4.9   Some other definition of advertising

As per Oxford English Dictionary "a notice or announcement in a public medium promoting a product, service, or event or publicizing a job vacancy".

As per Small Business Encyclopedia, "To call the public's attention to your business, usually for the purpose of selling products or services, through the use of various forms of media, such as print or broadcast notices".

As per the Advertising Association of the UK, "Advertising is a means of communication with the users of a product or service. Advertisements are messages paid for by those who send them and are intended to inform or influence people who receive them".

As per American Marketing Association, "Any announcement or persuasive message placed in the mass media in paid or donated time or space by an identified individual, company, or organization".

According to Webster, "Advertising is to give public notice or to announce publicity".

According to Gardner, "Advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production".

Activity B
1. Define advertising and explain the definition with an example from the industry of your choice.
2. Advertising is non-personal. Take an example of your choice and explain.

3.5 Characteristics of Advertising

1. An effective advertisement motivates readers and viewers and leaves an ever lasting impression in their mind and facilitates them to purchase their product, services and ideas.
2. An advertisement catches the attention of the readers and viewers and appeals to them to know everything about the products, services and ideas. Sentences full of humor, surprising exclamations and rhetoric are introduced to hypnotize the viewers and readers.
3. There should be no ambiguity in message of advertisement. Message should be clear, visible, easy and simple to understand.
4. Advertisers should give complete and detail information about the information, contents usability, quality, and durability of product, services, and idea and advertiser should place their name, address and telephone number etc. The readers and viewers should find it convenient to purchase the product.
5. Advertising is an important element of promotion mix. Advertising has been established as a great tool to promote products and services. Large manufacturers, producers and retailers spend crores of rupees on advertising.
6. Advertising is an art because it represents a field of creativity.
7. Advertising is a science because it has a body of systematic knowledge.
8. Advertising is treated as a profession with its professional bodies and code of conduct for members.

3.6 Importance of Advertising

Advertising plays a very vital role in today's competitive world. Advertising is important for society, seller and companies producing the products, and even important for consumer or customer too. Let's have a look on how and where is advertising important in the following paragraphs:-

3.6.1 Advertising is important for the customers

Advertisement creates awareness among the consumers about the product and services available in market. In today's marketing, customer satisfaction is on top priority and for which advertisement is one of the important modes. Customers purchase the product and services only after reading and seeing the attributes of product in print and electronic media. If the product is not advertised, no customer will come to know what products are available in market and will not buy the product even if the product is of their requirement. Consumer can purchase the best products and services for themselves, for their children, and their family members by doing comparative study of range of substitute product available in market. So, consumers buy what they desire after spending their valuable money. By the effective advertisement consumer can makes shopping comfortable by reducing the time and effort. They can make better choice among different varieties. Advertising is generally done through brand names. Producers try to create special features in their products to successfully communicate product differentiation. Consequently, consumers get better quality and variety of goods. Advertising bridges the gap between customer and producer so that each one can fully appreciate the needs of the other. Such understanding helps in better matching of products and services with human needs. Through advertising,

consumers can better appreciate the utility of products and derive higher satisfaction from their consumption.

3.6.2 Advertising is important for the seller and companies producing the products

Advertisements are beneficial for seller and companies too. The major purpose of advertisement is to communicate the outer world that seller or producers have something exciting to offer. Advertising attracts target customer to assess how product or service compete to competitors. Advertising helps producers or the companies to know their competitors and plan accordingly to meet up the level of competition.

Companies can communicate their newly launched products to the market through advertisement so that the consumers try and purchase the product. A repeatation advertisement helps companies and sellers to create goodwill and brand loyalty. By effective and efficient advertisement demand for the product keeps on expanding.

3.6.3 Advertising is important for the society

Advertisements are also important for the society. Advertisement generates direct and indirect employment through various sources like newspaper, magazine, electronic media, and web-designing etc. Advertising provides direct employment to a large number of people engaged in designing of advertisement, writing scripts, and casting and producing advertisements. Due to increase in demand of product and services through advertisement there is rise in number of companies entering in the market by which employment increases indirectly. By promoting exports advertising helps the country in earning valuable foreign exchange. People can get knowledge about new product and their use. It also provides information for developing better ways of life.

Advertising generate an important source of revenue to newspapers, magazines, radio and television. As a result public gets news at lower rates and the circulation of newspapers and magazines increases. Press is the guardian of public opinion and by allowing it to remain independent, advertising promotes liberty and democracy in the country. By subsidizing the press, advertising serves as a bright symbol of freedom of choice.

Advertising helps educating people. There are some social issues also which advertising deals with like child labour, liquor consumption, female feticide, anti-smoking campaign, family planning education, etc. thus, advertising plays a very important role to create awareness in society.

3.7 Scope of Advertisement

1. Advertisement is designed to satisfy informative needs of consumer in the form of public announcements.
2. Advertisement communicates with the present potential customer.
3. Advertisement build brand image of product in the minds of the consumer.
4. Advisement persuades the buyer to purchase the product.
5. It also creates brand loyalty among consumers by repetitive purchase.

6. Advertising performs informative, communicating, and persuading function.
7. Advertisement increases the importance of middlemen and salesmen.
8. Earlier very few media sources were available to advertisers for communicating with target audience, but now a days there is phenomenal growth in media means like news papers, T.V., internet mobiles etc.
9. With the growth in the industries, Mechanization, transportation, mean of communication, business firms go in for production at a large scale. The mass production done by these big companies cannot be marked without advertisement. So now advertising has become a more significant activity.
10. Advertising create popularity of the brand among the consumers.
11. Advertisement increases the level of competition among the companies.
12. It increases the interest of customers to read newspapers and magazines.
13. Similarly with the growth in electronics, use of a computer has increased. This has led to the growth of audio-visual advertising and the scope of advertising.

Activity C

1. 'Advertising is beneficial for consumer as well as producer both'. Explain
2. Some feel advertising manipulates the mind, while others are of the view that advertising seeks to persuade. Which interpretation is closer to your understanding of advertising and why?

3.8 Role of Advertising in Marketing Mix

Marketing mix comprises of four important elements of marketing, i.e. 4Ps-Product, Price, Promotion and Place. Besides from the traditional 4 Ps, there are some variables, i.e. People, Physical evidence, and Process which effects advertising. Advertising is an element of promotion. However, advertising not only aids in promoting the product, but also affects the other variables of marketing mix. This can be explained as follows:

Advertising and Product: A set of physical elements, such as quality, shape, size, colour and other features is known as a product. Advertisement plays an important role to communicate these attributes of products to potential customers. Sometimes product may be more technically advance and of superior quality which requires careful handling that should be communicated to customers, which is only possible through advertisement. Buyers must be informed and educated on the various aspects of the product.

Advertising and Price: The price is the exchange value of the product. A marketer may offer a very high quality product with complimentary features as compared to other marketers. In such a case, price will be definitely high. In such case buyers may not be willing to pay a high price. Here, advertising can convince buyers regarding the superiority of the brand and their money's worth. This can be done by associating the product with prestigious people, situations, or events. Alternatively, when a firm offers a low price product the task of advertising is to use the price advantage by an effective advertisement. Convincing the consumers is not just enough but it is desirable to persuade them to by the product and it is possible only through advertisement. Thus, advertising plays the role of conviction and persuasion.

Advertising and Place: Place refers to physical distribution and the stores where the goods are available. Manufacturing of product at affordable price is not enough unless the consumers does not get it's at a right time and at a right place. Now, it is a responsibility of marketer to see that the goods are available at the convenient place and that too at the right time when the buyers need it. To facilitate effective distribution and expansion of market, advertising is of great significance. Thus advertising do help in effective distribution and market expansion.

Advertising and Promotion: Promotion consists of advertising, publicity, personal selling and sales promotion technique. In this competitive world, every marketer needs effective promotion to survive and succeed. Advertising can play a significant role to put forward the claim of seller, and to counter the claims of competitor. Through effective advertising, sellers can face competition and also help to develop brand image and brand loyalty.

Activity D

1. 'Advertising plays an important role in marketing mix'. Do you agree with the statement? Justify your answer.
2. Visit the Maruti Suzuki website to study the company's public interface to continue interest in the brand. Compare it with Ford's strategy and put forward your arguments.

3.9   Types of Advertising

3.9.1   Product Advertising:

When company is selling any specific product non- personally is known as product advertising. It means that advertising for particular products, rather than a brand or a company. The stage of the Product Life Cycle (PLC) often determines the type of advertising that is used by advertisers for a particular product. Product advertising is the art of building and maintaining product awareness with potential buyers. A good advertising program educates potential customers on why they need the product, how it is used and the benefits derived from its use. A successful program also tells the consumer how the product is better than similar offerings by competitors. For Example: A regular television commercial promoting a Hero-Maestro (Ranbir Kapoor). The primary purpose of the advertisement is to promote a Hero-Maestro, not the entire Hero Motors line of a company.

3.9.2   False or Misleading Advertising:

False or Misleading advertising are deceptive advertising. This means advertising that betrays or is likely to mislead consumers. Misleading advertising may influence consumers' preferences regarding what they want to purchase. Any advertising or promotion that misrepresents the nature, characteristics, qualities or geographic origin of goods, services or commercial activities come under false advertising. In Misleading advertising, claim made about the characteristics of goods and services contain a false statement of fact. There are various ways by which company mislead consumer viz. hidden cost and surcharges, misuse of the word "free" and "discount", manipulation of measurement units and standards, manipulation of terms and slogans, incomplete comparison, false coloring, guarantee without a remedy specified. For example: anti wrinkle cream

advertisement promises decades of age reversal is example of misleading and offensive false advertising. Due to false advertising Natalie Portman's Dior Mascara advertisement is banned.

3.9.3   Consumer Advertising:

Consumer advertising is advertising that is directed and intended for domestic markets such as individuals and families. This is in contrast to industrial advertising, which is specifically directed and marketed toward businesses. The goal of consumer advertising is to introduce, or sometimes re-introduce, products and services to families and private individuals for daily use and consumption. These can be automobiles for family use, household appliances, home electronic devices, clothes, books, movies, and just about anything else commonly found in an individual or family household.

3.9.4   Industrial advertising or business to sbusiness advertising:

In industrial advertising company attracts the attention of another business enterprise and convinces that enterprise to purchase the goods and services offered by them. This type of advertising will use all the forms of generating publicity, including the placing of print advertisement in appropriate periodicals, direct mail campaigns, and various other means that are likely to produce the desired sales. Industrial advertising is common within just about every profession or industry type, and helps to meet the demand for a wide range of items that are necessary to conduct business within that industry.

3.9.5   Trade Advertising:

Trade advertising is an advertising undertaken by the manufacturer and directed towards the wholesaler or retailer. Consumer-product advertising intended not for the consumer but for the various entities that influence consumer availability, such as distributors, wholesalers, retailers, and brokers.

3.9.6   Retail Advertising:

Retail advertising is an advertising that is aimed at creating awareness of different retail products which directly targets the consumers. Its main aim is to help the retailer effectively reach their existing customer and also attract new ones. It offers goods and services for direct sale at an address or within a radius of 80 kilometers (50 miles) of the town in which the main edition of the publication is produced. Retail Advertising lies between trade and consumer advertising. The best examples are department stores and supermarkets. These retail stores advertise their retail product by offering various promotional schemes such as discount, buy one get one free etc. Retail stores like Reliance-Mart, Wal-Mart etc. adopts retail advertising.

3.9.7   Cooperative Advertising:

Cooperative advertising is the sharing of costs for locally placed advertising between a retailer or wholesaler and a manufacturer. There is an agreement between a manufacturer and a member of distribution chain (distributor, wholesaler, or retailer) under which the manufacturer shares a certain percentage of the member's advertising and promotion costs, or contributes a fixed sum to his advertising schemes. For example Maruti Suzuki advertize their product in association with local dealer to promote their products in local market.

3.9.8 Local Advertising:

Local advertising refers strictly to the advertisement of local shops and services that are not available nationwide or over large regional areas. Small businesses that would engage solely in local advertising would be small groceries and specialty stores, or small service providers which are not linked to any national chain, such as a local dry cleaner, local general store, local beauty parlor etc.

3.9.9 Financial Advertising:

Advertisements given by finance companies, banks, or insurance companies are known as financial advertising. In financial advertising typical financial products are publicly offered such as mutual fund, shares or limited partnership shares. For example, advertisement of SBI in which SBI offers five-year tax savings FD which means it comes with a lock-in period of five years. You can invest a maximum of Rs 1 lakh in a financial year and you get a tax deduction of up to Rs 1 lakh, under Section 80C of the Indian Income Tax Act.

3.9.10 Public Service Advertising:

A public service announcement (PSA) or public service advertisements are messages published or telecasted in the public interest disseminated by the media without any charge, with the objective of raising awareness, changing public attitudes and behavior towards a social issue like medical health programs, child education, save girl child, AIDS precautions program, cast your vote campaign etc. Public service advertising is designed to inform the public on issues that are frequently considered to be in the best interests of the community at large. Typically, it reflects a political viewpoint, philosophical theory, religious concept or humanitarian notion. For example "Whether you can read Hindi or don't even recognize the type as your own, the image requires no translation: a fresh-faced, long-lashed baby is smoking, or at least is suggesting the motion of it. Purple Focus Pvt. Ltd. in Indore, India created a powerful public service ad released on the occasion of the WHO's World No Tobacco Day with an aim to educate people about the harmful effects of smoking on family members, especially children. "It is an insight that an average smoker realizes in his heart that smoking is not good for the health of his loved ones, but is too caught up by the habit to quit," Purple Focus says. "Considering this fact, we decided to create an in-the-face type of advertisement where we used a cute infant, delivering a shocking statement that he smokes with his father every day." The minimalist, stark treatment underscores the seriousness of the message while emotionally and emphatically appealing to the heart of a smoker who shares his or her home with small children who are impressionable in more ways than one."

3.9.11 Political Advertising:

Political advertising is advertising that attempts to influence or comment upon a matter which is currently the subject of extensive political debate. Political advertising includes advertising or marketing communications about a political party, representative or candidate, advertising about political issues or issues of public interest, and advertising in relation to government policies (whether published/broadcast by the government or someone else). Advertising by Government, political parties, lobby groups and other interest groups may fall into this category.

In addition to television commercials, Reagan, former USA Presidents also used print advertisements in his campaign. The first print advertisement that features a still photograph of Reagan. In it, he's looking almost directly at the viewer. His eyes are actually focused slightly above the camera, which makes him appear as if he's looking "forward" into the future.

3.9.12 Surrogate Advertising:

Surrogate means anything which may used to describe any other thing. Surrogate advertising, uses the advertisement of a brand or product, to communicate a message which is associated to another brand or product. 'Surrogate advertising' is a form of advertising which is used to promote banned products like cigarettes and alcohol, or that product which company cannot promote directly. This type of advertising uses a product of a fairly close category ex- club soda, or mineral water in case of alcohol, or products of a completely different category ex- music CD's, playing cards etc. to hammer the brand name into the heads of consumers. The banned product (alcohol or cigarettes) may not be projected directly to consumers but rather masked under another product under the same brand name, so that whenever there is mention of that brand, people start associating it with its main product(the alcohol or cigarette). In India there are many companies doing surrogate advertising, from Bacardi Blast music CD's, Bagpiper Club Soda to Officers Choice playing cards. The masking product i.e. the music CD's, or mineral water might not even be marketed in real, it is just a strategy used to generate top of the mind recall."Wills" a cigarette brand of ITC, sponsored the Indian Cricket Team/Matches, Tennis Tournaments were sponsored by "Gold Flake", another cigarette brand, "Manikchand", manufacturers of ghutka, sponsored the Filmfare Awards for a considerable number of years.

Activity E

1. Do you think surrogate advertising is ethical? Give reason
2. Comment on a recent advertisement you liked.

3.10 Summary

Advertising is a form of marketing communications which encourages or persuade a consumer (viewers, readers or listeners; sometimes a specific group) to take or continue to take some action. Advertisement promotes the product and creates awareness in the mind of the consumer. Most commonly, the desired result is to drive consumer behavior with respect to a commercial offering, although political and ideological advertising is also common. Advertising consists of all the activities involved in presenting the audience a non-personal, sponsor-identified, paid message about a product or organization. Advertising has become essential to promote sales, to introduce new product, to create good public image, for large scale of production, for educating people etc. Advertising is the integral part of every day's life. It is difficult for the modern society to survive without advertising. Advertising is useful to society as it encourages people to purchase goods and services, it bridges the gap among people by communicating varied culture through advertising message, it contributes to bring about all round development of the economy by increasing demand, it provides opportunities to people to improve their income.

3.11   Self Assessment Questions

1. What do you mean by advertising? Explain the different types of advertising with suitable example.
2. Explain the history of Indian advertising.
3. What is the role of advertising in marketing mix? Explain with suitable examples.
4. Choose any political advertisement from recent past and comment on its effectiveness.
5. What is the difference between product advertising and consumer advertising with suitable examples?

3.12   Reference Books

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Unit - 4 : Advertising Planning

Structure of Unit:

4.0   Objectives
4.1   Introduction
4.2   Planning an Advertising Campaign
4.3   Process of Advertising Planning
4.4   Summary
4.5   Self Assessment Questions
4.6   References

4.0 Objectives

After going through this unit you will be able to understand :
- Meaning of advertising planning
- Process of advertising planning
- Different steps involved in advertising planning
- Process of setting advertising objectives
- Meaning of Brand Positioning
- Different Media Decisions
- Methods of setting Advertising Budget

4.1 Introduction

Once the marketing plan of the company is developed next the advertising plan is prepared which clearly defines the role of advertising in it. Advertising plan and campaign plan are similar in outline and structure except on the ground that campaign plan focuses on solving a specific marketing communication problem while, an advertising plan relates to planning of the advertising campaign. An advertising campaign is a set of interrelated and coordinated marketing communication activities that is centered on a single theme or idea that appears in different media across a specified time period. Advertising campaign plans are generally done on annual basis. Advertising planning is a multi-layered function, involving tasks like identifying advertising objectives, target audience, theme selection, message strategy, media choice and frequency and budgets. Every advertising plan should reflect planning, decision and commitment concerning each of these tasks. Thus, an advertising plan matches the right message to the right audience through the right medium.

4.2 Planning an Advertising Campaign

An advertising campaign is developed primarily on two major criteria:

- Identification of target market

- Buyer motives

Advertising decisions related to message, theme, appeal, media and frequency are primarily based on the potential buyer's characteristics like demographic factors (income, education), lifestyle, motives, personality etc. Hence, it is important to

identify the target consumer first and then understand the characteristics of the target consumers before any decision is made on various issues related to advertising campaign.
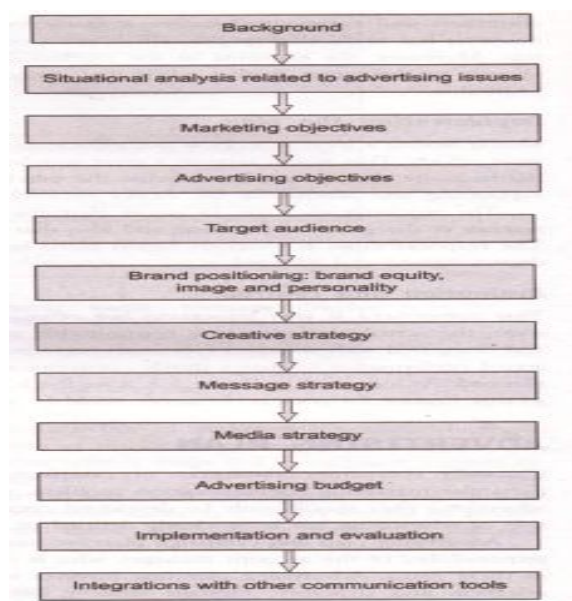
Advertising planning involves five major decisions that should be taken for creating an effective advertising campaign. A typical advertising plan can be summed up in form of 5Ms that are as follows:

- Deciding advertising objectives (Mission)
- Choosing the appropriate message (Message)
- Deciding the advertising expenditure (Money)
- Media to be used? (Media)
- Deciding method to evaluate the results (Measurement)

4.3 Process of Advertising Planning

Fig. 4.1 Process of Advertising Planning

Process of Advertising Planning involves following steps:

4.3.1 Background for Advertising Planning

In order to develop the most appropriate advertising plan the marketing manager must have complete information of the background situation - the problems to be solved through advertising, resources, competitive environment and market scenario etc.

4.3.2 Situation Analysis

It is basically a SWOT analysis at advertising level. It analyses the details of both the internal and external environment of the firm. External environment trends include - trends in the marketplace, consumer behaviour, competitors' strategy. Internal environment analysis includes identifying the strengths and weaknesses of the company, the product, and the brand.

4.3.3 Setting Marketing Objectives

Marketing objectives are the end results the marketing function wishes to achieve. They are formulated depending on the corporate objectives and deeper insight into situational analysis. These Marketing objectives should be aligned with the corporate objectives. Some of the typical marketing objectives could be: to become market leader, to offer most cost effective product, to grab the market share of the competitor, increasing the sales growth rate etc.

4.3.4 Setting Advertising Objectives

Advertising objectives guide the advertising campaign. Hence, the advertiser should be clear about the expected outcome of the advertising campaign and they should be set in such a way that they help in achieving the marketing objectives else huge sum of money spent on advertising will go in vain. Basically, the objectives of advertising are to influence the perception learning, motivation and purchase behaviour of the consumer.

Based on this, advertising objectives can be divided into the following three categories:

1. Sales Objectives

The most common advertising objectives in terms of sales are:
- To increase the percentage of sales.
- To increase the market share.

These objectives may act as criteria for advertising decision-making and standards with which results can be compared. Thy also provide measures to evaluate the results of a campaign.

However, these two objectives may not be always operational for two reasons:
- Advertising is one of among many factors (See Fig. 4.2) that influence the sales and it is difficult to identity its contribution in influencing the sales.
- The influence of advertising continues over a long time and its impact may be evident in the market after the evaluation of advertising has been undertaken.
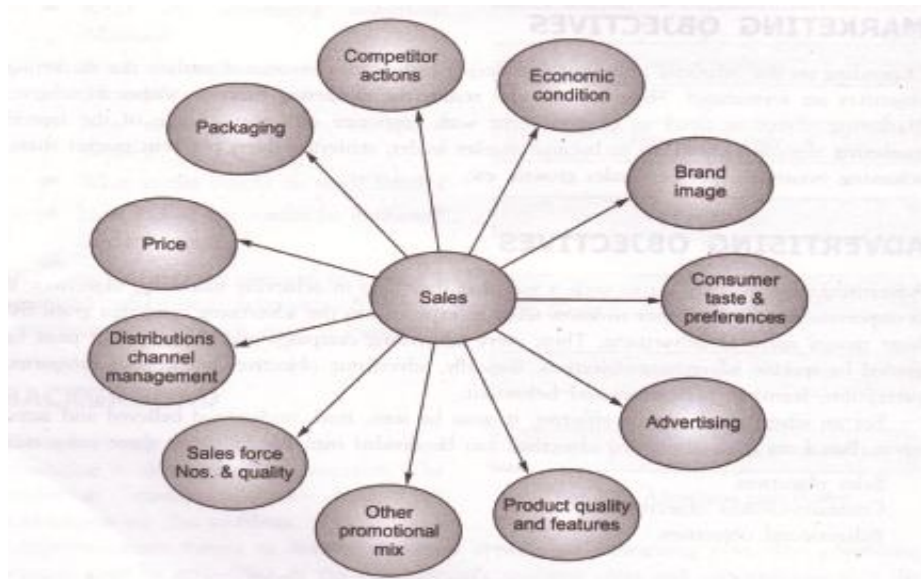
Fig. 4.2 Factors influencing sales.

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The above reason clears that if the objective of expected sales is not achieved then it should not be concluded the advertising has failed. For example, Sony TV came up with an advertising campaign in Rajasthan to increase its market share by little percentage point, but not many sets could be sold. This does not mean the campaign failed. The reasons were - the price was much higher for people to pay for a television, dealers in Rajasthan were not interested in pushing sales as it offered them poor returns, moreover it did not offer any follow up service to the dealers due to inadequate sales force while other brands like LG and Samsung came up with better strategy for dealers and offered sales promotiomal schemes for both dealers and customers.

2. Communications Objectives

Advertising is most effective when the marketing department intends to achieve either the basic communication objectives like awareness, knowledge or comprehension or higher-level objectives such as liking and preference.
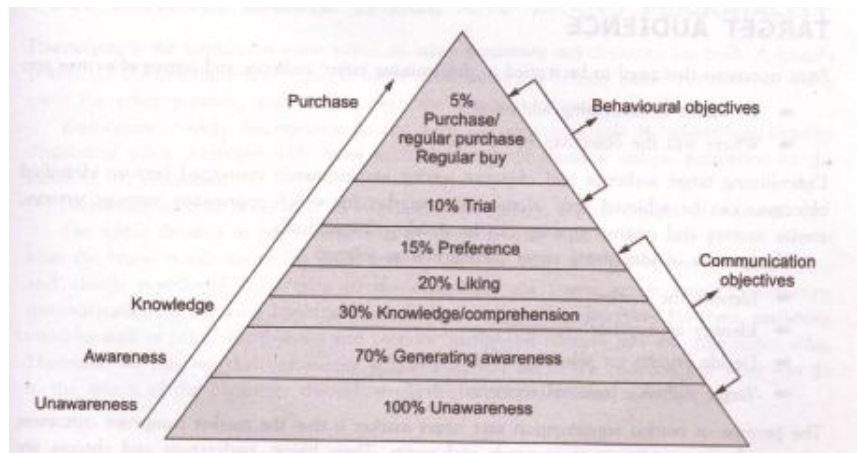
Fig. 4.3 Communication Response Pyramid

The advertising manager should measure the existing level of consumer awareness, knowledge, liking or preference for his brand. If the awareness and knowledge about the brand or its features is low among the consumers, informative advertising may help in increasing them. If the liking and preference for the brand is low, then it may be increased identifying the right message and media strategy.

3. Behavioural Objectives

In order to generate sales it is necessary to influence the behaviour of the consumers and induce them for action. Advertising plays a vital role in influencing consumers to act or show a specific behaviour. The behaviour may be - trial of the brand or purchase of the brand. The two specific behavioural objectives could be:

(i) Increasing the brand usage rate among users or existing consumers

(ii) Encouraging non-users for trial consumption and/ or purchasing the brand.

4.3.5 Identifying Target Audience

The group of people who are expected to be exposed to advertising are called target audience. Basic considerations in determining target audience are:

- To whom is advertising addressed?
- From whom the objectives will be achieved?

Setting objectives and determining target audience are both interconnected activities because advertising objectives can be achieved only in the target market by designing appropriate message strategy, media strategy and creative strategy accordingly.

The process of identifying target audience is as follows:

- Product market identification
- Potential segment identification
- Criteria for selecting relevant segment
- Selecting most appropriate segment as target audience

A marketer needs to identify characteristics of the market suitable for the product. The market is then divided into different segments on basis of demographical, geographical factors etc. Relevant criteria to determine the most attractive and profitable segments amongst them are set. Each of the segment is then evaluated against identified criteria such as profitability, size, accessibility, sales potentiality, future returns, etc. The segment that stands against those criteria will form the part of target audience.

4.3.6 Brand Positioning

Positioning is a marketing technique intended to present product or service in the best possible light to the target audiences. Positioning is the foundation upon which all other marketing mix decisions are built. Positioning when combined with other marketing tools produces a unique perception in the mind of the consumer and highlights certain aspect of a brand.

Al Ries and Jack Trout, in their book *Positioning: The Battle for Your Mind*, introduce the subject by saying: "Positioning is not what you do to a product. Positioning is what you do to the mind of the prospect."

A brand's position is the first thing that comes to mind when we hear a brand's name. For example, Sony owns innovation position, while STAR Sports owns the sports information position.

4.3.6.1 Positioning Strategies

A brand positioning should be done in a way that it is most effective in attracting the desired target segment. Advertising plays vital role in implementing positioning strategies that may be on the basis of - attribute, competitor, specific application, the type of consumers involved or the characteristics/features of the brand.

Seven approaches to positioning strategy are:

1. Product attribute or customer benefit approach

It is the most common positioning strategy. It involves placing the brand above competitor, based on specific brand attribute or customer benefit. For example electrical appluiances emphasise technical features such as 5-Star rating, power

saving, eco friendly technology etc. Marketers identify positioning in respect of product characteristics that have been ignored by the competitors.

2. Price-quality approach

In this type of positioning brands deliberately attempt to project their excellence in terms of service, features, quality or performance. For example Expert Bar was positioned as wash bar that cleans utensils in flash of time.

In price quality duo the firm generally focuses the brand as offering ultimate value for money. For example, Mc value Lunch for Rs.55

3. The product user approach

In this approach the target segment for which the product is meant is identified. Many brands use a model or a celebrity as brand ambassador to position their product. The expectation is that a model or a celebrity influences the product's image by reflecting the characteristics communicated in the advertisement as a product user. In Dollar Big Boss advertisement the user is identified as a person with macho personality.

4. Use and application approach

In this type of positioning the product is associated with a use or application. AT&T associated long-distance calling with communicating with loved ones in its "Reach out and touch someone" campaign. Similarly, Vivel soap positions itself that it makes skin butter soft. Fevistik positions on application positioning.

5. Product Category Approach

In this approach the brand is associated with a particular product category. This is a very bold positioning strategy and is generally used when a particular product category is too crowded. By this positioning, the customers are encouraged to perceive the brand in different context.

For example, the Dove soap from HUL is positioned as a cleansing cream product for young women with dry skin, thereby, finding a different position from other toilet soaps. Fig. given below shows that Lifebuoy Colour Changing Handwash has been positioned as separate product category.

6. Cultural Symbol Approach

Positioning strategy is based on deeply entrenched cultural symbols. The use of such cultural symbols can help differentiate the brand among other brands. A brand manager should position the brand on the plank that is highly meaningful to the consumers and is not being used by competitors. The positioning of Marlboro cigarettes is a classical example of using cultural symbol. The Marlboro cigarettes campaign used the American cowboy as its main focus to differentiate the brand from competitors.

7. Competitor approach

Competitive positioning strategy is very common in advertising. Although direct comparative advertising is offensive in India. But a lot of disguised comparative advertising using competitive approach is done by personal care products, automobile, electronics and airline industry to win customers. The Cola war between Coke and Pepsi is based on this approach. Competitor approach is generally followed for brands in neck to neck competition with each other.

Although the choosing an appropriate positioning strategy is a difficult and complex task. However, it may be made easy by collecting sufficient information related to competitor, market trends, customers etc. through research. The process of deciding the positioning strategy has been given in the figure below:
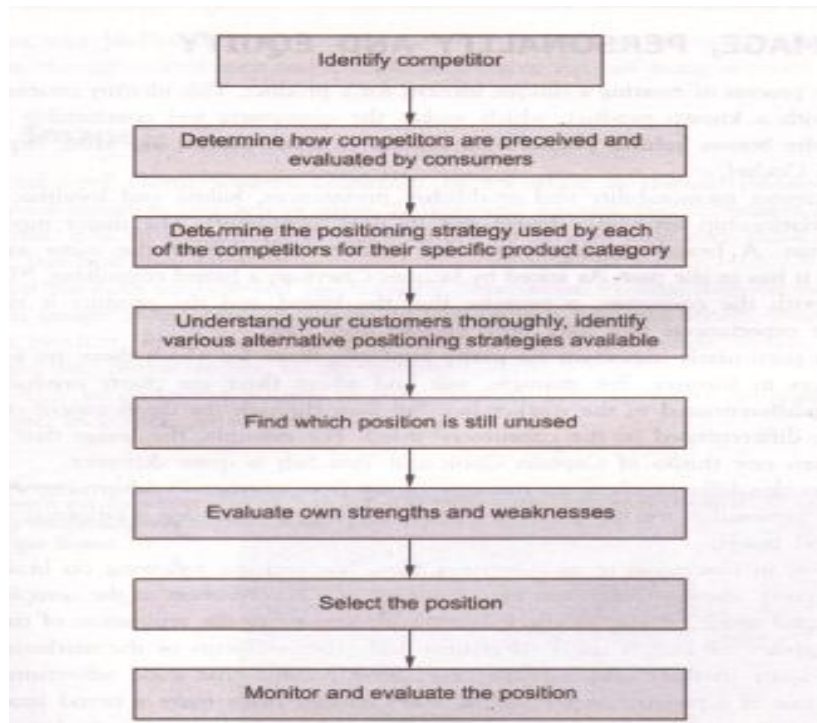

Fig. 4.4 Steps in Positioning Strategy.

Some guidelines for getting a right positioning for the brand are as follows:

- Proper economic analysis should be undertaken.
- Positioning should correspond with target audience.
- Successful advertising theme should not be change for the sake of change.
- Positioning should be congruent with the product.
- Associations or symbols should be used.

4.3.7 Brand Image, Brand Personality and Brand Equity

Brand Image

A brand has both physical and psychological dimensions. Physical dimensions are attributes, ingredients, design of the product, packaging, logo, the letters, shape, colours etc. whereas psychological aspect include the beliefs, values, emotions and personalities that relate to the product. These dimensions can be used to transform product to a brand and lock them into memory of consumer as brand image. Thus brand image is an image in customer's mind that reflects what they think and feel about a product and how they value it. Tools such as distinctive names, slogans, graphics and characters are used to create brand image.

David Ogilvy, in 'Confessions of an Advertising Man', has said "We hold that every advertisement must be considered as a contribution to the complex symbol

which is the brand image, as part of the long-term investment in the reputation of the brand."

Companies have realised that good advertising alone cannot simply make a sale of a product or service. Therefore the companies include other elements of the marketing mix in advertising to build up this equity in their brands.

(We will study more about Brand Image and Brand Equity in forthcoming chapters)

Brand Personality

Marketers visualise a brand in human terms, i.e. the brand is viewed on the dimensions of human personality. Advertising can help create these associations between users and product through brand personality. Advertising element used for brand personality could be an endorser either imagery or a celebrity or other executioner elements. For example, in advertisement given below celebrity and a commoner has been used to portray that the personality profile of Pepsi is: Youthful, cool, extrovert and anti- establishment.

The researches indicate that when a consumer buys or uses a particular brand, he/she resembles his/her own self, with the user personality of a brand. Hence, Brand personality associations in advertising are important from the marketer's point of view as it helps the marketer to differentiate its own brand user personality from that of competitors, which often enables him to gain market share or charge premium pricing. Moreover, it restricts the competitors from copying as they can match a brand's features and price, but they can't copy a brand's personality.

Implementing a brand personality strategy

Implementation of a brand personality strategy through advertising is done in three stages:

- Researching the brand personality associations of competitors and other product categories.
- Deciding upon the brand personality that best suites the target audience.
- Developing advertisements that portrays the brand personality.

Brand Equity

Brands vary in their power and value that they enjoy in the market due to difference in their brand equity. Some brands are hardly known to consumers while others have a very high level of recognition. The main objective of an advertisement is also to increase brand equity by increasing awareness, familiarity, favourable meanings and associations with the brand. According to David Aaker, brands have equity i.e.- a reputation for quality, own patents, good access to distribution network and associations, etc.

A schematic representation of brand equity is given in figure below. It shows that Brand equity provides value to firm by enhancing brand loyalty, high margins, trade leverage and providing competitive advantage. It not only develops equity with the consumers (through high awareness and strong associations), but also with the distribution trade.
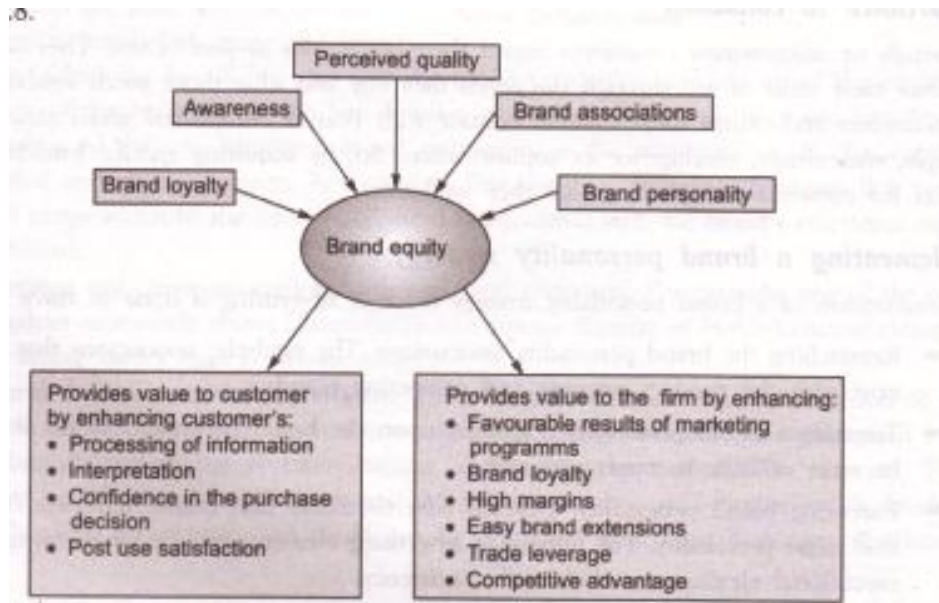
Fig. 4.5 Brand equity: An Overview.

4.3.8 Creative Strategy

Creative strategy is a blend of the elements of creative mix, the target audience, the product and its positioning, the communication media and advertising mix. Product positioning can be effectively communicated through advertising and creative strategy with the help of appropriate media.

Creative strategy determines what the advertising messages will project or communicate and creative tactics determine how the message strategy will be executed. Thus creative strategy is the central theme of the advertising campaign and can be transformed into attention getting, distinctive and memorable messages. Some of the well-known examples of creative theme are:

Brand	Theme
Philips	Let's make things better
Thumbs Up	Taste the thunder
Adidas	Impossible is nothing
ICICI Bank	Khayal apka
BMW	Ultimate driving machine

A good creative strategy and execution is central to determining the success of a product or service or reversing the fortunes of a struggling brand. Hence campaign strategy should include a campaign theme that should be a strong idea and may serve as the central message of campaign strategy and may be communicated in the advertising and other promotional activities.

4.3.9 Message Strategy

"Message is the thought, idea, attitude, image or any other information that the advertiser wishes to convey to targeted audience". The message is often considered as the most vital component in the communication process as this is the principal component of the advertisement that helps in achieving the advertising objectives.

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Advertisers should go through the following three steps for developing a message strategy:

- Generation of message generation corresponding to product positioning strategy.
- Message evaluation and selection on factors like desirability (interesting), exclusiveness (distinctive) and believability.
- Message execution using appropriate creative strategy.

4.3.10 Media Strategy

Media strategy includes media planning decisions and media buying functions. Media planning is the process of determining how to use time and space of the media to achieve advertising objectives. It is the series of decisions involved in delivering the promotional message to the prospective buyers of the brand like :

1. Media mix decisions - the combination of decisions related media to be used for
   delivering message to the target audience such as :
   - Media Class Decisions – decisions related to choosing type of medium such as TV, radio, newspapers, magazines, direct mail, ete.
   - Media Vehicle Decisions - a single TV programme, magazine or radio station. It is the specific carrier within a medium category. Times of India or Business Today in print media, Daily Soap on 'Colors' channel, 95 FM Tadka Channel are the examples of media vehicle.

2. Media Scheduling decisions include the selection of specific issues (print) or time slots (electronic)on a particular media. The media schedule also specifies the number of planned insertions in each media vehicle. Media decisions can be read extensively in the later chapters of the book.

4.3.11 Advertising Appropriation and Budgeting

The budget is the lifeline that brings the media plan and other advertising related activities alive. Different factors such as media mix decisions, target audience, reach, frequency, scheduling and timings, stage of product life cycle, market share and consumer base, competition, clutter and product substitutability should be considered to determine the total advertising expenditure to be made. Advertising appropriation process include different decisions that are as follows:

- **Responsibility of Preparing the Budget**

Broadly, two approaches prevail in organisations to decide advertising budget:

1. Top-down approach: The management decides how much budget should be allocated for the promotion of the brand. It is based on the affordability and management's perception of the brand and market situation. This approach often ignores market reality.
2. Bottom-up approach: The managers at the lower level decide how much budget is required to accomplish their respective objectives. It is an activity-based and object-oriented budget approach.

- **Inclusions in the Advertising Budget**

Costs towards media buying, artwork, and production, are basic components of advertising expenditure. This would also include commissions accruing to the advertising agency from media and suppliers. Advertising manager may include other applicable factors

- **Factors that Determine the Budget**

Factors such as the product mix of the company, importance of the product to the company that is to be advertised, marketing mix, extent of other promotional efforts, competitors' expenditure, goals of advertisement campaigns, affordability of products, determines the advertising budget.

- **Common Methods of Setting Advertising Budgets**

Advertising manager may select appropriate method considering the above factors There are generally four methods that the advertisers use in determining the advertising budget..

Affordable Rate – Advertising appropriation is based on approach, what firm can afford. It follows residual approach for advertising. This method completely ignores the expenditure on advertising as investment.

Percentage of Sales Method – Advertising budget estimated as a percentage of sales. Sales, upon which percentage figures may be based, are either the past year's sales, or anticipated sales for the next year or a combination of both. The advantage of this method is that it is related to incoming revenue and, thus, suggests that money would be available for advertising expenditure. Drawback of this method is that if there is a decline in sales, the advertising budget would not available whereas adspend may need a hike in such circumstances. It ignores the market opportunities and objectives of advertising.

Competitive Parity Method – In this method firm set their advertising budget to achieve share of voice parity with their competitors. Argument in favour of this method is that competitors' expenditures represent the collective wisdom of the industry. Limitation of this method is that this method ignores firm's own capability. Company's reputation, resources, opportunities differ so much that following the competitor may result in firm's failure.

The Objective and Task Method - It is the simplest of all the methods. The task method, makes an advertising appropriation based on the specific advertisement task in hand It involves three steps, viz. defining objectives, determining strategy, and estimating the cost. But it suffers from the overriding shortcoming of not being related to the outcome.

4.3.12 Implementation and Evaluation

It specifies in detail the different activities to be undertaken, people who will undertake them, For successful execution of the plan, the advertising manager has to authorise individuals responsible for execution, for expenditure in order to bring the plan into action.

The advertising manager has to primarily find answers to the following questions:

What is to be done?

- ➢ Who will do it?
- ➢ When will it be done?
- ➢ How will it be done?

As the plan goes into action, different activities related to advertising start taking place and advertising outcomes begin to come. The advertising manager should now evaluate the results. Evaluations of the advertising plan are based on how well the advertising plan meets its objectives. It the outcomes do not match with the expected results then corrections may be introduced to achieve desired objectives.

4.3.13 Integrating Advertising with other Marketing Communication Tools

Marketers use different promotions and marketing communication tools but in an isolated and fragmented way. Generally, different marketing communications tools are handled separately and independently with different budgets, different views of the market and different objectives. As a result of which each element of promotional mix communicate different image of the brand. It could not present a common communication and a consistent image. Therefore, the returns on the promotional expenditure are low.

Howsoever creative advertising be it cannot achieve desired results unless it achieves synergy between various promotional tools. Therefore a systematic approach should be adopted to synergise different promotional tools such as sales promotion, publicity, personal selling, direct marketing, public relations and advertising so that better results could be obtained.

4.4 Summary

 In order to create maximum impact or achieve desired results, the advertising plan should be in synch with the marketing plan, and the marketing plan should be in synch with the corporate plan. The effectiveness of advertising depends on the effectiveness of advertising plan. An advertising plan includes numerous tasks such as objectives determination, target audience selection, choosing a theme, creating a right message, media choice, arriving at correct frequency and budget formulation. Therefore, it is a plan to say the right things (message) to right people (target audience) through the right medium.

4.5 Self Assessment Questions

1   What are the key factors that must be kept in mind while developing an advertising plan? Briefly describe various components of advertising planning.

2.   What is the basis of determining advertising objectives? List out possible advertising objectives for Tata Motors, which may increase its sales by 20 per cent for the current year.

3.   What is the role of positioning in advertising of a brand? Describe various positioning approaches.

4.   Differentiate between brand equity, image and personality through appropriate illustrations.

5.   Discuss this statement in the light of intense competitive market situations.

6.   Discuss message strategy and its relevance to the creative strategy.

4.6 Reference Books

- Jethwaney, jain, Advertising Management, Oxford University Press, 1st Edition
- Kotler Philip, Marketing Management, PHI, 9th Edition
- Sharma, Singh, Advertising – Planning and Implementation, PHI, 3rd Edition
- Aaker, Myers & Batra, Advertising Management, PHI
- Larry Percy, Strategic Advertising Management, Oxford University Press
- Setia Chunawala, Advertising.

Unit 5 : Advertising Objectives and Budgeting

Structure of Unit:

5.0   Objectives

After completing this unit, you would be able to:
- Understand the meaning of advertizing objectives
- Know the importance of advertising objectives
- Understand the different models of advertizing objectives
- Learn the meaning of advertising budget
- Learn advertizing methods
- Understand establishing and allocating promotional budgets
- Know factors affecting allocation of advertising budget

5.1   Introduction

Advertising is a process of influencing the mind of customer to purchase the goods or service advertised. Some thinkers say, "Advertisement is a printed Salesmanship by which the goods or services are made aware among the potential consumer." It is a cost-effective method of ascertaining contact with customers. It significantly facilitates to change social and cultural attitudes of consumer in order to sell products. So, it is a powerful art of persuading customers to ask for particular goods. In fact, 'advertising is to marketing what blood is to body'.

5.2   Advertising Objectives

To provide information
Advertising provides detail information about particular product or service to prospective buyers.

To remind the public
Advertisement tells again the customer about the existence of products or services in the market. It is a continuous process of persuading the prospective customers which results in purchase of goods or services.

To change social and cultural attitude
It creates positive attitude among audience by changing their social and cultural attitude by advertising those products that are never sold before in particular market.

To motivate the consumer
It aims to motivate the consumer to purchase advertised products by convincing the features of the product and services.

To convince customers for direct purchase
Mail order business may be made popular advertising. Under this arrangement, the buyers get goods through the post mail or through internet. No personal contact is made between the buyers and sellers. So, it convinces customers for direct purchase.

To encourage salesman
Salesman generally finds ready buyers at his business centre which are already convinced by advertising. So, it assists salesman greatly and he does not face any problem in realizing the goods.

5.3   Models Assisting Objective Setting

Here we are discussing various models which facilitate objective settings.

5.3.1 AIDA

AIDA is an acronym used in marketing and advertising that describes a common list of events that may occur when a consumer engages with an advertisement.

AIDA proposes the attitude of consumer while seeing or reading an advertisement. The term and approach are attributed to American advertising and sales pioneer, E. St. Elmo Lewis. In marketing, capturing the attention of potential customer or client is imperative in gaining interest in the product. Once the interest of the customer is established in product or service then a business unit must attract these potential customer or client who has desire for the product or service and put enough efforts to take action, generally by purchasing the product. There's a particular way consumers react to a marketing message. Marketers can gain the attention of consumers by product samples, large visual signs and other sensory techniques. Once the marketer has the attention of the consumer, they must craft their interest through product demonstrations, information and ads. Companies must then build desire by focusing on creating a want for their specific brand, and lastly, consumer action through promotions, discounts and calling out of features or benefits. The AIDA model of advertising which stands for Attention, Interest, Desire, Action is perhaps the simplest formula you'll ever find anywhere, yet also the most powerful.

A	ATTENTION	Attract the attention of the customer and create **A**wareness
I	INTEREST	Create customer **I**nterest
D	DESIRE	Generate **D**esires and needs
A	ACTION	Motivate customers to take **A**ction and/or purchasing

Attention: Firstly, advertisement catches the viewer's attention. An advertisement gets the consumers' attention, and tries everything to do so. Whether the advertisement is weird, offensive, humorous, or passionate, advertisers hope consumer attention is rendered, products are popular, and rupees are spent.

By making advertising related- Advertisement should be such that it relates with the audience. Product or services must fulfill a need or desire in their lives. The advertisement should generate an allied subject and products and services should serve as the solution.

By making advertisements pleasurable-Our attention gravitates towards images and things we find pleasurable. Many advertisements prefer to take beautiful models to attract the audience. The models associated with the goods and a service creates a satisfying feeling in the minds of viewers and readers. The viewer makes a conscious or subconscious connection of his emotions with products and services. Beautiful landscapes, cute babies, glamorous ladies, soft music, sex appeal etc. can persuade the same purpose.

Making advertisements surprising-Strangeness is closely associated to the concept of novelty. 'Strange' is also 'new' to most. In advertising, advertiser attempts to arrange novel and exciting images to demand attention. The element of surprise captures consumer attention, and keeps their attention long lasting. Unexpected occurrences work well, but unfortunately, will work only once. Also, new eventually becomes old. The tactic is worthy of accolades, but the amount of effort may be too much considering the tenacity of the surprise and novelty.
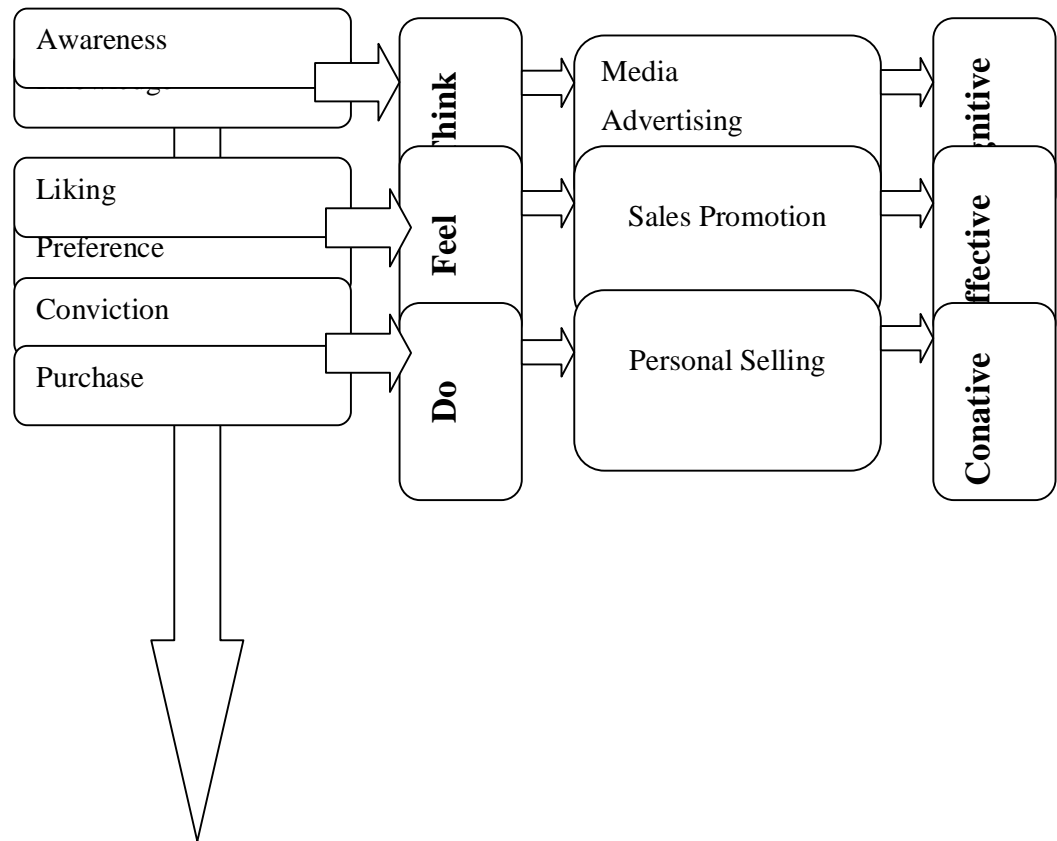
Interest: To create interest in product or service, advertiser must demonstrate its advantages and benefits. Advertisement communicates that how attribute can be useful for customer. Once advertisement gained the customers attention about product or service it create interest in the mind of consumer.

Desire: If advertiser has identified an area (or several areas) of interest in product or service, of the buyer, they will now arouse the desire to have those product or service. In our daily lives we are exposed to thousands of advertising messages every day, each promising us a better life, an easier time or a faster way. Good advertisers don't sell products, they create desire, and it is much easier to get someone to buy your product or service if they're convinced they already want it! In professional terms, desire is defined as creating a gap between a person's perceived state and their desired state. When we perceive a "gap" we will try to close it, some gaps are short (i.e. I am thirsty) and some gaps are long (i.e. I want to travel by air).

Action: The final stage is the purchase action. If a company has been successful with its AIDA strategy then customers will purchase its products. The task at this stage is to help the purchase action by making it as simple as possible. For example by offering a range of payment options and avenues e.g. Credit card, cheque, and through the internet.

5.3.2   Hierarchy of Effects Model

Robert J Lavidge and Gary A Steiner in 1961 developed the Hierarchy of Effects Model. This marketing communication model, suggests that there are six steps of buying a product which starts from viewing a product advertisement to product purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product.

Awareness

Liking

Preference

Conviction

Purchase

Think

Feel

Do

Media Advertising

Sales Promotion

Personal Selling

Cognitive

Affective

Conative

The six steps are as follows:

Awareness: The customer becomes aware of the product or services through advertising. This is a first and most important step. There is no assurance that the customer is aware of the product or brand after they view or read the advertisements. Customers see or read many advertisements every day but will only remember very few.

Knowledge: The target audience might have product awareness but do not know much about it. Therefore, this stage involves creating knowledge about the brand. This is where comprehension of the brand name and what it stands for become important. What are the brand's specific appeals, its benefits? In what way is it different from competitor's brands? Who is the target market? These are the types of questions that must be answered if consumers are to achieve the step of brand knowledge.

Liking: In this step it is ensured that the customer likes product. As an advertiser what features you can promote to encourage the customer to like your product and buy it? Target consumers may like more than one product brand and could end up buying any one of them. At this stage advertisers attempts that the consumer disconnects from rival products and focus on their product only. Advertisers would like to highlight their brand's benefits and unique selling points so that the consumer can differentiate it from competitor brands.

Conviction: This stage is about creating the customer's desire to purchase the product. Advertisers may encourage conviction by allowing consumers to use samples of the product. An audience might prefer a particular brand but may not develop a conviction about buying it. The communicator's job is to build conviction among the target audience. Examples: Inviting consumers to take a test

drive of a car or offering consumers a free sample of a food product. This assures consumers that their purchase will be safe.

Purchase: Having proceeded through the above stages, the advertiser wants the customer to purchase their product. This stage needs to be simple and easy, otherwise the customer will get fed up and walk away without a purchase. For example a variety of payment options encourages purchase whilst a complicated and slow website discourages purchases.

Lavidge and Steiner suggested that the six steps can be split into three stages of consumer behaviour: cognitive, affective and conative. The role of the advertiser is to promote the three behaviours.

- Cognitive (thinking) so that the consumer becomes product aware and gathers product knowledge
- Affective (feeling) so that the consumer likes the product brand and has conviction in it
- Conative (behaviour) so that the consumer buys the product brand

This model is known as a "hierarchy" because the number of consumers moving from one stage to the next reduces, as you move through the model. There may be a lot of consumers that see the product advert but not everyone will make a purchase. It takes a lot of work to take a consumer from awareness to the final stage of purchase, so businesses need to ensure that they use their utmost strength to move customers from conviction to the final stage of purchase.

5.3.3   ATR Framework

The Awareness-Trial-Repurchase (ATR) framework conceptualizes the systematic steps in the purchase process, including the early psychological effects (thinking, feeling, deciding) that precede and may lead to purchase, and the physical aspect of the process i.e. actually purchasing the product.
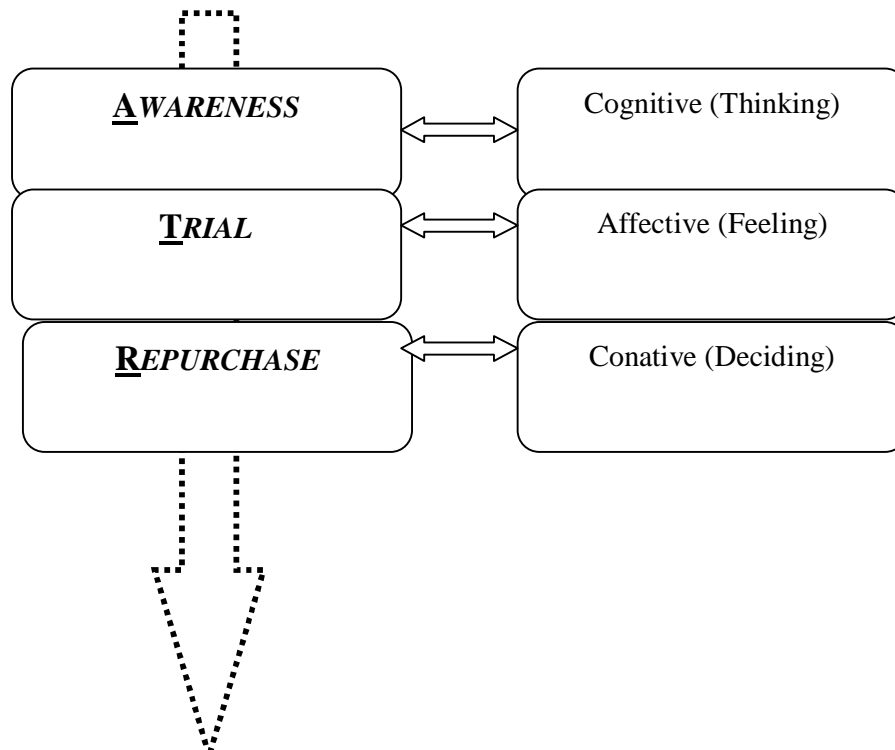
The ATR model has three consecutively connected steps. They are as follow:

Awareness: Potential customers become aware of a product or services. He/she is aware about the general and specific features of product and services and its benefits to them.

Trial: If the customer perceives that the brand's attributes and features matches with their requirements and deliver a competitively superior value, then the customer may be motivated to try the product (i.e. purchase intent is established). Intended trial may not materialize if the brand is not available in retail shops or due to poor distribution channel, or if the customer, on reality grounds, realizes that his perceptions are inaccurate (e.g. actual price is much higher than the perceived price, or actual features and benefits miss expectations).

Repurchase: When a customer purchases the product, he is able to validate the product's performance in use and determine whether his perceptions were correct and the product delivers the expected value. If so, the customer may be inclined to buy the product again (i.e. repurchase).

If the product lacks the customer's expectations, he is unlikely to repurchase it unless the product is still very desperately required and competitive brands are even worse. Sometimes, a customer may suffer post-purchase cognitive dissonance for costly and valuable products and concludes that he has made a wrong decision by purchasing the product, even though the product satisfy his needs or requirements, he may return it or not buy it again. Many companies regularly call their customers a after a big purchase to reassure that they have made a wise purchase decision and relieve them from any post-purchase anxieties.

Different components of the marketing mix are operative at each stage of the frame work viz., advertising, word-of-mouth (now popularly referred to as "buzz"), and in-store merchandising are critical to building front-end awareness; perceived value (product and price) and distribution (where the product is available) drive the trial stage; actual value (again, product and price) that is validated in use, drives repurchase.

5.3.4 Communication Effect Pyramid

It is very important to understand the feelings of consumer and to communicate appropriate message to the potential customer through advertising campaign. The advertisement which contains sufficient information about the product and target right audience is always better than the highly attractive advertisement targeting non- potential audience. Communication effect pyramid exhibits that advertising creates its most powerful impact when it is used to solve narrowly defined communication objectives. This pyramid indicates what percentage of people read or view message and what percent of people act on the message.

Setting objectives using communications effect pyramid is given below:

> **Objective 1**: Out of total advertising create awareness among 90% of target audience. Always use straight forward message and repetitive advertising in print and electronic media.
> **Objective 2:** Create brand interest among 70% of target audience. Advertisement should be informative about brand attributes, quality and features.
> **Objective 3:** About 40% audiences start liking the product and generate positive feelings for brand.

Objective 4: Among 25% of target audience this positive feeling for the product converts into their preference. This built a favorable attitude for the product.

Objective 5: Due to this favorable attitude 20% of potential customer take a trail of the product in form of free samples, small pack or in any other form.

Objective 6: Finally, out of these potential audiences only 5% convert into purchaser and prefer to use the product on regular basis.

90% **A**wareness
70% **K**nowledge
40% **L**iking
25% **P**reference
20% **T**rial
5% **U**se
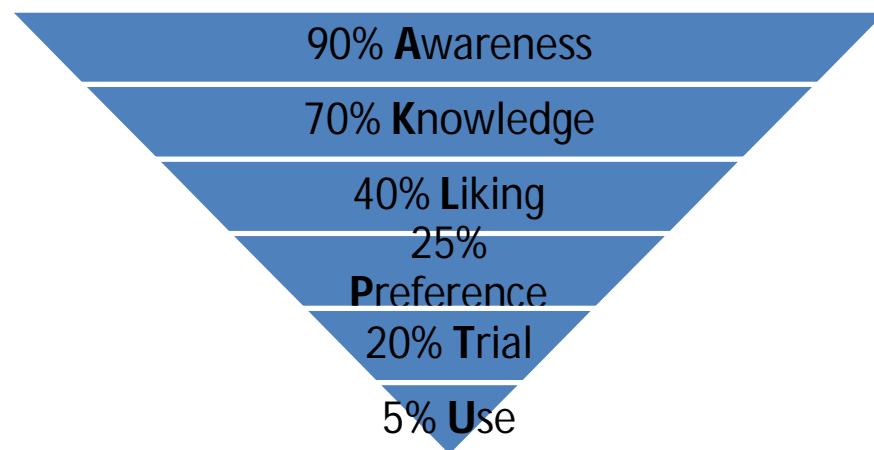
COMMUNICATION EFFECT PYRAMID

5.3.5 DAGMAR Approach

Russel H. Colley in year 1961 proposed an advertising model Defining Advertising Goals for Measured Advertising Results i.e DAGMAR. The approach involves setting specific, measurable objectives for a campaign to determine if specific objectives were met. Specifically, DAGMAR seeks to communicate a specific message through four steps:

Awareness – Create awareness in the mind of the consumer that X product is existing in the market.

Comprehension – It provide systematic knowledge and information about the features of the product or services.

Conviction – On the basis of these features it endeavor to convince potential customer to purchase the product or services.

Action – Once the consumer is convinced by the message in the advertisement it converts the potential customer into actual customer and make the purchase

This is also known as ACCA. Colley proposed that the real goal of advertising was to communicate, not to sell specifically. By determining if the consumer had sufficient knowledge of a product and its benefits by creating clear, specific objectives that are discussed within an advertisement, advertisers would be able to tell if their selling points made a difference in the consumer's decision-making process.
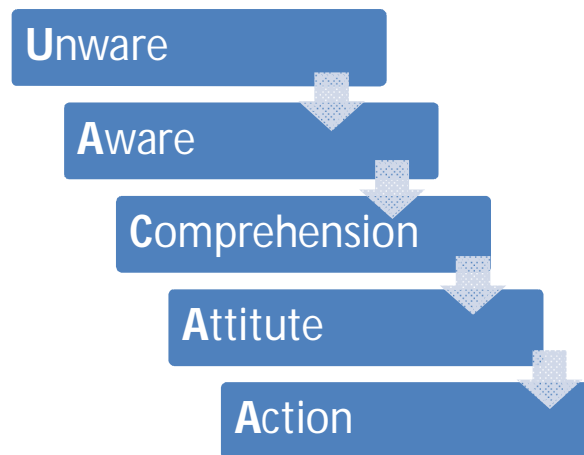
DAGMAR Approach

5.3.6 The FCB Model

Richard Vaughn in 1980 researched on how the advertising works and how communications objectives are established. He established the Foote, Cone, Belding (FCB) strategy matrix, and he suggested that advertising works differently depending on the product involved. Vaughn's work allows advertisers to select the communication method based on the type of product they are advertising, and the attitudes that consumers are likely to have towards the product. Vaughn suggests:

He was of the opinion that all advertising does not work in the similar pattern. Sometimes, communication of key information and salient emotion are needed to communicate to increase a sale; at other times, consumers will need only important information about the product; even some time consumer purchase that product whose advertisement doesn't contain any information and emotion or little information. The purpose of strategy planning is to identify specific product's information, emotion or action leverage that can build the appropriate advertising model and then execute it.

These differences are summarized in the popular FCB Matrix reproduced below:

	Thinking ⟶	Feeling
High involvement	1. Informative Learn-Feel -Do	2. Affective Feel- Learn -Do
Low Involvement	3. Habit Forming Do- Learn-Feel	4. Self-satisfaction Do-feel -Learn

The matrix divides advertising strategy into two dimensions based on thinking versus feeling on Y axis, and low involvement versus high involvement on X axis. The model contains different descriptions of the learn-feel-do series and suggests different advertising strategies for each of the four quadrants. In some buying decisions where thinking is more involved and others where feeling

dominates; there are some circumstances that engage more involvement and some that require less."

This grid explains four primary advertising strategies – "informative", "affective", "habitual" and "satisfaction" – with their most appropriate traditional and variant hierarchy-of-effects models. Vaughn in 1986 identified 250 product categories for recently purchased products on the basis of involvement and the think – feel dimensionality.

The grid proposed a different advertising strategy based on the level of thinking / feeling and involvement connected with each of the four quadrants. The strategy for each quadrant is discussed separately below.

Quadrant 1 – High involvement / Thinking (Informative): This quadrant implies that a large amount of information is necessary because of the importance of the product. Many major purchases qualify in this quadrant (cars, homes, electronic equipment), and these are likely to include almost any product which needs to convey what it is, its function, price and availability. The basic strategy model is to adopt the Learn – Feel – Do sequence where information is designed to build attitudinal acceptance and subsequent purchase. Vaughn (1980) suggests, "Consumers may be thought of as thinkers. Creatively, specific information and demonstration are possibilities. Advertising copy should be reflective, media involved may be necessary to get through with key points of consumer interest".

Quadrant 2 – High involvement / Feeling (Affective): This product decision has high involvement but requires less specific information, and therefore attitude or feeling towards the product is more important. This is a psychological model, because the importance of the product is connected with the consumers' self esteem. Perfume, expensive watches, and sports cars are examples that might fall into this quadrant. The advertising strategy requires emotional involvement on the part of the consumers so that they become connected with the product being advertised and subsequently become "feelers". Therefore, the proposed model is Feel – Learn – Do. Vaughn (1980) suggests "Creativity and execution impact is a possible goal; while media considerations suggest that dramatic print exposure or "image" broadcast specials will be helpful.

Quadrant 3 – Low involvement / Thinking (Doer): Products in this category (including many common household items such as razors, insect repellant, and household cleaners) involve little thought and a tendency to form buying habits for convenience. The hierarchy model is a Do – Learn – Feel pattern suggesting that simply inducing trial (through coupons or samples) can often generate subsequent purchases more efficiently than "undifferenting copy points", leading in turn to increased brand loyalty. According to Vaughn (1980), the most effective creative strategy is to stimulate a reminder for the product.

Quadrant 4 – Low involvement / Feeling (Self-satisfaction): This product decision is emotional but requires little involvement, and is reserved for those products that satisfy personal taste (for example, cigarettes, candy, beer or snack food). This is a Do – Feel – Learn model where imagery and quick satisfaction are involved, and the consumer is considered a reactor whose interest will be hard to hold. Vaughn (1980) argues that the creative objective is to get attention with some sort of consistency, and suitable methods may include billboards, point-of-sale or newspaper advertising. This paper will now focus on a several advertisements and analyze them from the perspective of the two advertising models discussed.

5.3.7 Rossiter-Percy Grid

The concept of specific emotional sequences in advertising is proposed by Rossiter and Percy in 1987 and they associate this concept with positive and negative motivation in advertising. They suggested that to motivate a consumer, advertiser should design the advertisement in such a manner that consumer get emotionally influenced by them. They further explain that there are two types of emotional motivation. One is positive emotional motivation and other is negative emotional motivation. In negative motivation, there is an element of fear that if the customer does not use a particular product he might be deficient of something. For example, if not using fairness of particular brand it will result in dark spots or pimples on face. On other hand there is a positive motivation behind the advertisement. For example, if you use the perfume of particular brand then you can attract girls or boys at college.
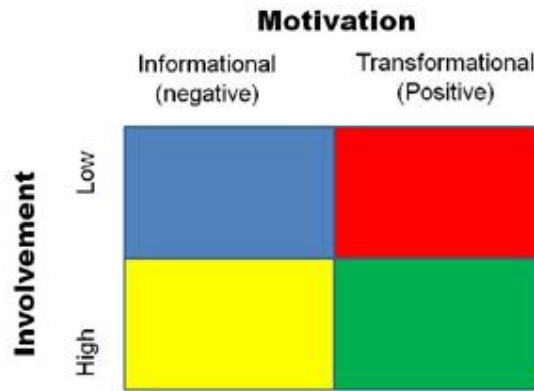
Low Involvement/Informational Advertising:
The emotional portrayal of the motivation is low involvement/informational advertising which follow a simple problem-solution format. The problem is presented first, and then the brand is offered as the 'solution.' This follows from the emotional sequence generally associated with negatively originated motivations. This principle applies to both print and broadcast. Interestingly, low involvement/informational advertising does not need to be 'liked.' This type of advertising works by introducing a problem or disagreeable situation which must be associated with negative emotional states before they can be resolved and elicit more positive emotional responses.

Low Involvement/Transformational Advertising:
In the case of low involvement/transformational advertising, an authentic emotional portrayal is essential because in most cases it is this emotional response which becomes the key benefit for the brand. When dealing with positive motivations in advertising, one is attempting to draw the target audience emotionally into the role of using the brand. They must 'see' or 'feel' themselves experiencing the brand's benefit, satisfying the positive motivation that drives their behaviour in the category, and experiencing the appropriate emotional response. You quite literally feel the exhilaration of driving the car or sense the envy of others as they see how attractive you look (for example) as a result of the advertising. If this positive emotional response is better than what is experienced when exposed to the marketing communication for other brands, this will be reason enough for choosing the brand (given the low involvement nature of the decision).

Unlike when dealing with negative motivations, where there is an emphasis on both the initial negative emotional state followed by the positive emotional resolution, the emphasis here is on the positive emotional end-state of the sequence. Also, again unlike when dealing with negative motivations, it is important that the target audience like the advertising. This should be obvious given the fact that it is the positive emotional response that is created by the advertising which becomes the perceived benefit of the brand.

Motivation

	Informational (negative)	Transformational (Positive)
Low Involvement	(blue)	(red)
High Involvement	(yellow)	(green)

5.4   Advertising Budget

The advertising budget is a part of sales and marketing budget. Money spent on advertising can also be seen as an investment in developing the business.

While making the advertising budget following factors should be kept in mind. In order to keep the advertising budget in line with promotional and marketing goals, a business owner should start by answering several important questions:

Who is the target consumer? Who is interested in purchasing the product or service, and what are the specific demographics of the consumer (age, employment, sex, attitudes, etc.)? Often it is useful to compose a consumer profile to give the abstract idea of a "target consumer" a face and a personality that can then be used to shape the advertising message.

What media type will be most useful in reaching the target consumer? What is required to get the target consumer to purchase the product? Does the product lend itself to rational or emotional appeals? Which appeals are most likely to persuade the target consumer?

What is the relationship between advertising expenditures and the impact of advertising campaigns on product or service purchases? In other words, how much profit is likely to be earned for each rupee spent on advertising?

Answering these questions will help to define the market conditions that are anticipated and identify specific goals the company wishes to reach with an advertising campaign. Once this analysis of the market situation is complete, a business must decide how best to budget for the task and how best to allocate budgeted funds.

5.5   Budgeting Methods

There are various methods for advertising budget. The most used are following:

Percentage of Sales Method:
The most commonly used method by small businesses is percentage of sales method. This method is safer for a small business to use. In this method an advertiser takes a percentage of either past or anticipated sales and allocates that percentage of the overall budget to advertising. The limitation of this method is that using past sales for making the advertising budget is too old and traditional which is not suitable for this fast changing consumer market.

Objective and Task Method:

This method is useful for the big size business due to importance of objectives and task in business. The significance of this method is that it permits the advertiser to correlate advertising expenditures with overall marketing objectives. This correlation is important because it keeps spending focused on primary business goals.

Competitive Parity Method:

While keeping one's own objectives in mind, it is often useful for a business to compare its advertising spending with that of its competitors. The concept behind is that if a business is aware of how much its competitors are spending to advertise their products and services, the business may wish to budget a similar amount on its own advertising by way of staying competitive. Doing as one's competitor does is not, of course, always the wisest course.

Market Share Method:

The market share method bases its budgeting strategy on external market trends. With this method a business equates its market share with its advertising expenditures. Critics of this method contend that companies that use market share numbers to arrive at an advertising budget are ultimately predicating their advertising on an arbitrary guideline that does not adequately reflect future goals.

Unit Sales Method:

This method takes the cost of advertising of an individual item and multiplies it by the number of units the business wishes to sell. This method is only effective, of course, when the cost of advertising a single unit can be reasonably determined.

All Available Funds Method:

This method is aggressive and risky for developing advertising budget. In this method, advertiser allocates all available funds for advertising purpose. This can be risky method because generally business uses its available funds for adopting new technologies, expanding the work force and employee welfare etc. Despite of this the method is useful for company when they are introducing new product and trying to attract new consumer or increase consumer awareness of its existing product or service. However, a business using this approach needs to make sure that their advertising strategy is an effective one and funds that can be used in business expansion are not being wasted.

Affordable Method:

This is a simple and comfortable advertising strategy. In this method, advertising budgets are based on what they can afford. Of course, arriving at a conclusion about what a small business can afford in the realm of advertising is often a difficult task, one need to incorporate overall objectives and goals, competition, presence in the market, unit sales, sales trends, operating costs, and other factors.

5.6   Allocating Promotional Budgets

Once promotional objectives of the business are set, now it is important to allocate the promotional budgets to achieve the desired objectives. Advertising budget should be viewed as an investment and not as an expense. Some of the conceptions while developing the promotional budget are discussed below:

Marginal analysis: A business unit would continue to spend advertising /promotional money as long as the marginal revenues created by these expenditures exceeded the incremental advertising/promotional costs.

Sales Response model: This model explains the response pattern of the sales of a firm as a function of the advertising expenses. A number of sales response models have been proposed but there are basically two models that are widely accepted by the marketers

A. The Concave-Downward Response Curve

B. The S-Shaped Response Function
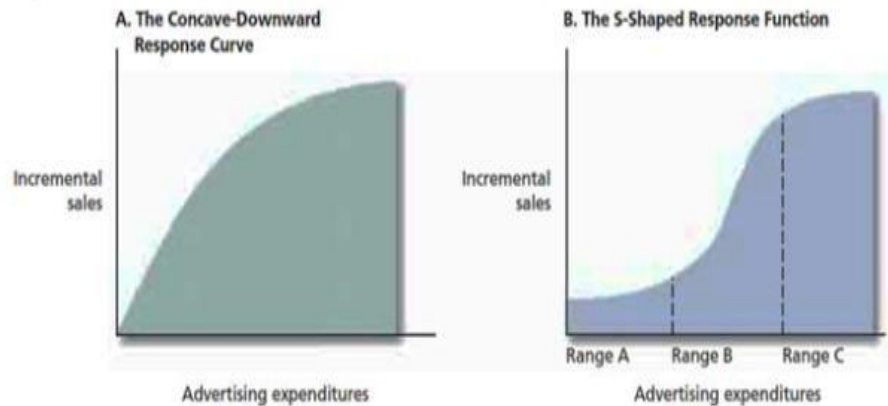
Apart from these there are a number of other factors that have to be considered while setting up the budget for a particular product, some of which may include stage in product life cycle, competition, differentiation, current market share etc. Setting of the budget can be prepared by two methods i.e. top down approach or built-up approach.

Top-down Approach

Top management sets the spending limit

Advertising budget set to stay within allocation limits

Build-up Approach

Advertising objectives are set

Activities necessary to achieve objectives are planned

Costs of different advertising elements are budgeted

Total advertising budget is approved by top management
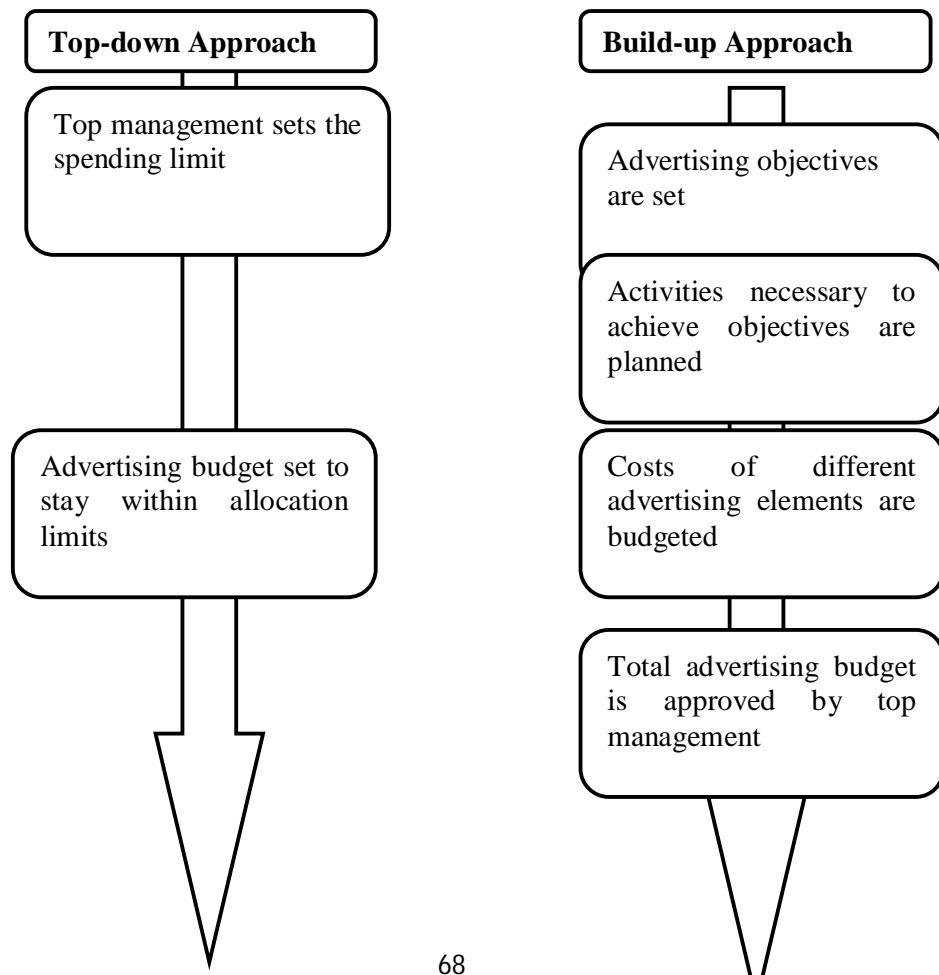
A. Top down approach:

Affordable method: In this method, top management first sanctions suitable funds to the research, manufacturing, production and employee welfare departments and remaining required fund is allocated to promotion schemes of business.

Arbitrary allocation: The budget is determined by management exclusively on the basis of what is feeling to be necessary and is dependent on the psychological profile of the manager as much as it is based on economic reasoning.

Percentage of sales method: The budget is allocated as a percentage of the sales money or as a product of the number of units sold and fixed amount of unit production cost.

Competitive parity: Managers establish budget amounts by matching the competition's percentage-of-sales expenditures. The argument is that setting budgets in this fashion takes advantage of the collective wisdom of the industry.

RoI – Advertising budgets are seen as an investment and are allocated with a view of getting something back in return.

B. Build up approach:

*Setting advertising objectives***:** In this approach, firstly advertiser has to set the objectives. It is a step by step approach with the following elements occurring in hierarchy – identifying objectives, determining tasks required, estimating expenditures, monitoring, and revaluating objectives.

Activities necessary to achieve objectives are planned: Secondly, plan all activities which assist in achieving the objectives. The basic idea is to project revenues the product will generate, as well as the costs it will incur, over two to three years.

Costs of different advertising elements are budgeted: Now after proper planning, next step is based on an expected rate of return. The payout plan will assist in determining how much advertising and promotions expenditure will be necessary when a desired return is expected.

Total advertising budget is approved by top management: Lastly, Top management approved advertising budget for the business.

After the organization has decided on the budget it has set up for promotional activities, the next thing to do is to allocate it among the different channels of promotion to get an effective result.

5.7   Factors Affecting Advertising Budget

Company is creating an advertising plan to inform, persuade or remind the customers about what your company offers. An essential part of this plan includes coming up with a budget for advertising expenditures. While each company's advertising budget may differ, there are several factors that can affect even the smallest advertising budget. Different factors that need to be taken into consideration while allocating budgets are listed below:

Competition: Competition plays an important role to influence the advertising budget of the company. If competitive company increases the advertising budget to capture the market then we have to increase the advertising budget to compete them.

Campaign objective: Advertiser has to think about their campaign policy and decide their advertising budget as per that.

Product life cycle: Before deciding the advertising budget company has to analyse that their product is in which stage of product life cycle. For different stages of product life cycle different advertising budget is decided. When products are launched, business owners often go into overdrive coming up with various ways to advertise and promote their new product or service to potential clients. This may cause an advertising budget to be higher than what it would be for a product that customers are already aware of and have purchased in the past.

Market size: Market size is also a very important factor which can influence the advertising budget of the business. To capture a small market, budget allotted should be less in comparison to big size budget.

Availability of fund: Advertising budget of the company is influenced by the funds available in the company. Advertising budget may vary due to increase or decrease of funds.

Types of product: If the product is of different nature and requires a different advertising campaign then for this special advertising budget is allotted to that product.

Media plan: If company wants to give their advertisement in electronic media then advertising budget increases. On the other hand, if company wish to give advertisement in print media then advertisement budget is less.

Time of year: Advertising pricing may change during different times of the year, such as a new season or during popular holidays. While some advertisers may offer discounts, others will increase their prices if they feel their readership or viewership is at peak during specific times or events. If you're trying to place an advertisement in a magazine's most popular issue of the year or a television commercial during a highly popular event, such as the awards or reality shows, you can expect a change in the amount you spend to promote your product or service.

Economies of scale in advertising: Big advertisements get better positioning in the newspapers, better rates, co-operation of middlemen and favorable publicity and these benefits are known as economies of scale.

Client/agency policy: Some predefined notions of the client/advertising agency also effect the distribution of the promotional budget between different channels.

5.8   Summary

Behind all effective advertising there lies a lot of careful thought and planning, and much of it goes into ensuring that the advertising objectives are the right ones. If these are wrong, everything else which follows is doomed to failure. Similarly advertizing budget is important for a business. An advertising budget is the money a company is keen to set aside to achieve its overall marketing objectives. When creating the advertising budget, a company must weigh the trade-offs between spending one additional advertising money with the amount of revenue that money will bring in as revenue.

5.9   Self Assessment Questions

1. What functions do advertising objectives serves?
2. "Advertising is best suited for achieving narrowly defined communication objectives." Discuss this statement.
3. What is DAGMAR approach? Why is it criticized?
4. What factors should be taken into consideration while determining the advertising budget?
5. Explain the implications of advertising budget based on concave-downward functions curve and S-shaped function curve.
6. Explain the various factors which influence the advertising budget with suitable examples.

5.10   Reference Books

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- S H H Kazmi and Satish K Batra(2012); 'Advertising and Sales Promotion', 3/e; Excel Books, New Delhi.
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Unit -6 : Advertising Agency

Structure of Unit

6.0 Objectives

After completing this unit, you would be able to:
1. Meaning of agency
2. The history of the agency business
3. Types of agency
4. Global advertising agencies
5. Agency and client relationships
6. Forms of agency compensation
7. Other advertising services

6.1 Introduction

Creating an integrated marketing communication programme is usually a complex and detailed process involving the efforts of many persons. As the environment is changing continuously to incorporate contemporary techniques to communicate with the target market, companies requires a separate advertising department. Various companies create their own advertising department but other firms adopt for various advertising agencies. Advertising Agency is just like a tailor. It creates the ads, plans how, when and where it should be delivered and hands it over to the client. Advertising agencies are mostly not dependent on any organizations. These agencies take all the efforts for selling the product of the clients. 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. There are special service groups which operate as consultants and who aid either the advertise, the agency or the media in the development of ads.

6.2 Advertising Agency

The advertising agency has morphed quite a bit since the setting up of the first advertising agency by Volney Palmer. Initially the advertising agency merely took the ads from the advertisers and released it across the media for a fee. As

time went on the agencies began to value and add in terms of providing additional creative services.

During a time when every business is being reinvented, agencies are grappling with a number of issues: media proliferation and fragmentation, compensation, client loyalty, short-term pressures on the bottom line, lean structures, use of talent, reorganization, and how to make integrated communication really work the way it was envisioned. And, yes, the new consumer is yet another issue.

The changes in corporations have pressured agencies to become stronger partners in reaching advertisers' marketing and sales goals. Agencies have undergone their own reengineering, adapting to the environment in which they operate and to the clients they serve. Not only have agencies changed their structures, but also many have gobbled up specialty firms such as health care, online, mail-order, interactive, and promotion companies and other units involved in integrated communication.

Definition of Advertising Agency

The American Association of Advertising Agencies has given the following definition to advertising agencies: Advertising agency is an independent business, composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods or services.

General Meaning of Advertising Agency

It is an independent organization that provides one or more specialized advertising and promotion related services to assist companies in developing, preparing and executing their advertising and other promotion programmes. Most large and medium-sized companies usually use an advertising agency.

6.3 Evolution of Advertising Agency

According to James Melvin Lee ―William Bradford publisher of the first colonial weekly in New York, made an arrangement with Richard Nichols, post master in 1727, whereby the later accepted advertisements for the New York Gazette at regular rates. Volney B Palmer (1840) is the first known person who worked on a commission basis to sell space in newspapers. During the 1850s, in Philadelphia, George P Rowell bought large blocks of space from publishers at quite low rates and, after deducting the agent's commission, paid them in cash. He published a directory of newspapers in 1869 with their rates for ad space and his own estimates of their circulation.

Charles Austin (early 1870s) began writing ads for anyone who wanted them. Two of his employees, Earnest Elmo Calkins and Ralph Holden, founded their own agency in the 1890s and brought together planning, copy and art to set a trend of combining all three into effective advertising. In 1875, Francis Ayer established N. W. Ayer & Son (one of the larger advertising agencies today). Ayer proposed to bill advertisers for what he actually paid the publishers (that is, the rate paid the publisher less the commission), adding a fixed charge in lieu of a commission. In exchange, advertisers would agree to place all their advertising through Ayer's agents. This innovation established the relationship of advertisers as clients of agencies rather than as customers who might give their business to various salespeople, never knowing whether they were paying the best price. In 1917, newspaper publishers set 15 per cent as the standard agency commission.

During the 1980s, there was a wave of acquisitions and mergers of ad agencies and support organizations to form super agencies. These large organizations were formed so that they could provide their clients integrated marketing services worldwide.

The major changes in the structure, functioning and the range of ervices provided by advertising agencies evolved mainly in the later part of the 20thcentury. Over 400 advertising agencies are accredited o the Indian and Eastern Newspapers Society (IENS), besides many unaccredited agencies.

Founded in 1917, the American Association of Advertising Agencies (sometimes known as AAAA or 4As), is the national trade association representing the advertising agency business in the United States. Its membership produces approximately 75 percent of the total advertising volume placed by agencies nationwide. Although virtually all of the large, multinational agencies are members of the AAAA, more than 60 percent of its membership bill less than $10 million per year. It is a management-oriented association that offers its members the broadest possible services, expertise, and information regarding the advertising agency business. The typical AAAA agency has been a member for more than 20 years.

Reasons or Need for the companies to go for Advertising Agency

Probably the main reason why companies use outside ad agencies is because they provide their clients with services of highly skilled specialists in their chosen fields. An advertising agency may have personnel that include writers, artists, media specialists, market research specialists and others with specific knowledge, skills and experience to help clients, marketing their products and services.

6.4 Agency Compensation

Methods used to compensate the agencies for their varied services are as under:

Media commissions:

The traditional 15 percent commission remains a form of agency income, especially for modestly budgeted accounts. Clients and agency may agree to a relationship in which the rate is fixed at less than 15 percent. This generally applies to large-budget accounts—the larger the budget, the lower the rate for the agency. With a sliding-scale commission agreement, the agency receives a fixed commission based on a certain expenditure. After that level of spending, the commission is reduced (there may be a 14 percent commission for the first $20 million spent by the client and a 7 percent commission on the next $15 million). Media payment is complicated by the independent media agency arrangements, but most of these negotiated contracts are similar to the foregoing. The combinations are endless.

Production commissions or markups:

As indicated earlier, agencies subcontract production work (all outside purchases such as type, photography, or illustrators) and charge the client the cost plus a commission

Fee arrangements:

At times, the 15 percent commission is not enough for agencies to make a fair profit. For example, it may cost an agency more to serve a small client than a large one. The agency and client may negotiate a fee arrangement. In some cases, it is a commission plus a fee. There are a number of options: A cost-based fee includes the agency's cost for servicing the account plus a markup; a cost-plus fee covers the agency cost and a fixed profit; a fixed fee is an agreed-upon payment based on the type of work being done (for example, copywriting at hourly fixed rates, artwork charges based on the salary of the involved personnel); and a sliding fee is based on a number of agreed upon parameters. Again, there are many possibilities based on agency and client needs.

Performance fees:

A predetermined performance goal may determine the compensation fee. For example, advertising-recall scores, unit sales, or market share may determine the level of compensation. If the agency meets the goals, compensation may be at the 15 percent level; if it exceeds them, a bonus could give the agency a 20 percent level. If it fails to meet the goals, compensation could be much less than 15 percent.

Commission:

The most traditional method for compensation or remuneration of advertising agencies for their services is through a Commission System'. The agency is paid a fixed commission (usually it is 15 %) from the media on any advertising space or time purchased for the advertiser. The rate for outside media is slightly higher (usually it is 16.66 %). This is a simple system to determine the amount of commission Draw backs or Criticism. The critics that this system encourages agencies to recommend higher media expenditures to increase their earnings. The clients say that in periods of media cost inflation, the agencies earn disproportionate amounts as commissions.

Negotiated Fee:

A number of agencies and their clients negotiate some type of fee system or cost plus arrangement for compensation. Some use an incentive based compensation system combining a fee and system. Agency executives sometimes feel that 15 percent commission is inadequate for the services rendered to the client. In an arrangement of fixed fee method', the agency charges a fixed monthly fee based on the work being done. This would apply to all the services provided and the agency passes on to the client any media commissions earned.

The fee system is used in TV advertising where once the commercial is created it may be used over a long period of time. Without an agreed fee system, the agency would receive 15 percent commission on media time, every time the commercial is run. Sometimes the agency is paid through a combination of fee and commission method. The media commissions received are by the agency are adjusted against the agreed fee. If the received commissions are less than the agreed upon figure, the client has to make up for the difference.

The agency should carefully assess the costs of serving the client for the specific project, or the specified time period, and what profit margins are desired. Such a fee arrangement should specify exactly what services the agency has to perform

for the client. This would help avoid the possibility of any unpleasant disagreements between the two. Under the cost plus system', the client agrees to pay a fee based on the cost of work the agency performs, plus some mutually agreed margin of profit for the agency. The agency is required to keep detailed records of the costs incurred in perform the desired services for the client.

Percentage Charges

When the agency purchases various services from outside providers, they do not allow the agency a commission and to cover up administrative costs and reasonable profit for the agency's efforts, a make -up of percentage charges for such services is added to the bill. These services may include market research, artwork, photography, printing and other services. The percentage charges range between 17.65 per cent and 20 percent.

6.5 Evaluation of Ad Agency

The process of agency evaluation involves regular assessment of two aspects of performance area financial and qualitative.

1. Financial –the financial assessment focuses on how the agency conducts its business vis-à-vis costs and expenses, the number of personnel hours charged to an account and what payments are made to media and other outside service suppliers.

2. Qualitative Assessment explores the agency's efforts devoted to planning, developing and implementing the client company's advertising campaign and an assessment of the achievements. Depending on the importance of advertising in a company's marketing programme, both informal and formal methods of assessment are used by different companies. Some companies develop a formal and systematic evaluation method that uses a ranking scale for creative and media services, such as poor/average/excellent on a scale of 1 to 10. Brand or promotion managers complete the advertising agency performance evaluation, usually once a year. These reports are reviewed with the agency at each annual meeting.

6.5.1 Reasons for Losing Clients

Some of the more common causes that account for agencies losing clients are
1.   The client's dissatisfaction with the agency's performance with regard to advertising quality or service.
2.   Poor communication between the client and the agency personnel hinders a good working relationship.
3.   Personality clashes between the client and agency personnel.
4.   Unrealistic client demands, which reduce the account's profitability for the agency.
5.   New managers in client's organization may want to use an agency with which they already have established ties.
6.   Often when agencies merge, there is a conflict of interest as two close competitors may on the merged agency's account list.
7.   A change in the client's marketing strategy

6.6 Types of Ad Agency

Full service Agencies
In the simplest terms, the full-service agency offers clients all the services necessary to handle the total advertising function—planning, creation, production, placement, and evaluation. Many have expanded this to include the management of all integrated marketing communications through a variety of disciplines—advertising, promotion, direct marketing, public relations, and so forth—with a tight strategic marketing focus so that the brand image is reinforced every time the consumer is exposed to a communication.

The large agencies, especially, need a new concept of the role and responsibilities to meet the demands of their large clients. A new mission will demand a different organization. Some agencies have undergone a restructuring or reengineering in recent years, more than once. Small agencies are loving it, because they can adjust more quickly than the large agencies and this becomes a selling point.

Most agencies believe that brand building is impossible without creative, persuasive advertising, which is with few exceptions the most potent component in the marketing communication mix. Despite the restructuring, most marketers will find familiar unit names in most agency restructuring: account management, creative, media, research or account planning, and administration. But many of these agencies have changed how they operationalize the work. It still isn't brain surgery, but it does require a managed process.

Today, there isn't a universal agency structure model, because agencies have clients with specific needs. One structure doesn't fit all. When a new account or a new product is assigned to a full-service agency, work on it will generally proceed along the following lines.

Specialty Agencies
Most advertising agencies are primarily general consumer agencies. However, some agencies primarily specialize in certain kinds of business.

Agency Size
Some agencies are run by one or two people, others by hundreds or thousands. There has always been an argument that large agencies offer more services and expensive star talent. The negative is that they generally charge more and aren't very flexible because of their size. Small agencies promote that small-to-medium clients can be serviced by the agency's senior management and creative. New services are continually springing up in competition with advertising agencies.

Each new service is designed to serve clients' needs a little differently. This competition has impacted agency structure and operations.

Independent Creative Services
Some advertisers seek top creative talent on a freelance, per-job basis. Many creative people do freelance work in their off hours. Some make it a full-time job and open their own creative shop or creative boutique. In general, the creative boutique has no media department, no researchers, and no account executives. Its purpose is strictly to develop creative ideas for its clients.

À La Carte Agency
There are agencies that offer for a fee just the part of their services that advertisers want. The à la carte arrangement is used mostly for creative services and for media planning and placement. Many agencies have spun off their media departments into independent divisions to seek clients interested only in media handling.

Handling only the media portion of an account typically brings commissions that range from 3 to 5 percent.

In-House Agency

When advertisers found that all the services an agency could offer could be purchased on a piecemeal basis, they began setting up their own internal agencies, referred to as in-house agencies. The in-house agency can employ a creative service to originate advertising for a fee or markup. It can buy the space or time itself or employ a media-buying service to buy time or space and place the advertisements.

As a rule, the in-house agency is an administrative center that gathers and directs varying outside services for its operation and has a minimum staff.

Rolodex Agency

An agency run by several advertising specialists, usually account and/or creative people, that has no basic staff is called a Rolodex agency. It hires specialists—in marketing, media planning, creative strategy, writing, and art direction, for example—who work on a project basis. The concept is similar to hiring freelance creative people to execute advertisements, except that the experts are hired as needed. The Rolodex agency claims to be able to give advertisers expertise that small full-service agencies cannot match.

6.7   Functions of Ad Agency

The full service agency is composed of various departments, each responsible for providing inputs needed for performing various functions to serve the client. Functions are as follows:

Account Services

Account services or account management is responsible for the relationship between the agency and the client. One or more account executives are assigned to serve as liaison, depending on the client's size and the advertising budget.

The account executive's job requires a high degree of diplomacy and tact as misunderstanding may lead to loss of account. The account executive is responsible for acquiring knowledge about the client's business, profit goals, marketing problems and advertising objectives. The ideal account executive has a strong marketing background and a deep understanding of all aspects of the advertising process. The biggest contribution of the account executive is keeping the agency ahead of its client's needs through follow-up and effective communication.

Marketing Services

The research department is maintained by the full service agency to gather and interpret published information (secondary data) or primary data (first hand information through research) which is useful in developing advertising for their clients. The responsibility of the agency's media department is to develop a media plan which can reach the target audience effectively in a cost effective manner. The staff analyses, selects and contracts for media time or space that will be used to deliver the ad message. This is one
of the more important decision areas as a significantly large part of the clients' budget is spent on media time and/or space. Media specialists must consider the reach and frequency of the chosen media, their rates and how well the media

matchers the target audiences media preferences and habits before actually purchasing the time and space.

Creative Services

To a large extent, the success of an agency depends on the creative services department to which is responsible for the creation and execution of the advertisements. The creative specialists are known as copywriters'.

They are the one who conceive the ideas for the ads and write the headlines, subheads, and body copy. They are also involved in determining the theme or basic appeal of the advertising campaign and often prepare the rough layout of the print ad or storyboard for TV commercials.

Creation of ad message is the responsibility of copywriters and the art department decides how the ad should look. The art director and the graphic designer coordinate their work and prepare the layouts for a print ad. These sketches or drawings of the ad show what it will look like when fully completed. The layout prepared for a TV commercial is a sequence of frames showing the commercial in still form and is called a storyboard After completion and approval of the copy, layout, illustrations and mechanical specifications, the ad is handed over to the production department'. Generally agencies do not actually produce finished ads; instead they hire printers, photographers, engravers(designers), typographers (typing of written materials and others to complete the finished ad.

For the production of approve TV commercial, the production department may supervise the casting of actors to appear in the ad, the settings for the scenes, and selecting an independent production studio. The production department sometimes hires an outside director to transform the creative concept into a commercial.

Creation of an ad often takes several months and may involve many people. A major problem with large agencies handling many accounts is coordinating the creative and production processes. The responsibility of traffic department is to coordinate all phases of production and ensure that the ads are completed on time to meet the media deadlines.

Management and Finance

An advertising agency is in the business of providing services and must be managed that way. There is an administrative head who takes charge of functions such as finance, accounting, human resource and office management Agency Structures Popular among medium and large sized agencies are two types of structures:

(i)   Departmental System

The full service agencies are an example of departmental system. Departments grouped around functions and, as per the need, a specific department is called upon to serve all of the agency's clients. For example, creative services department is called upon for ad layout, writing and production services for all the clients. This type of organizational structure is preferred by some agencies because it provides employees with the opportunity to develop expertise in servicing different types of clients.

(ii)   Group System

Many large full -service agencies use group system to form their organizational structure. Individuals are drawn from different functional areas and work as groups to serve particular clients. Each group is headed by an account executive.

Agencies using the group system believe that employees become very knowledgeable about particular clients' business and thus are able to ensure continuity in servicing the account

Other Types of Agencies

A number of advertisers, including heavy spenders, look for specific high quality service agencies and do not want to contract a full service agency.

Media Buying Services

These are independent agencies specializing in media buying services and have been experiencing strong growth. The advertising media buying has become complex with the increase in specialized media. Clients and ad agencies generally develop their own media strategies and contract media buying services to execute them. Agencies offering this service buy large chunks of space and time, thus receiving large discounts, and save money for clients and small ad agencies on media purchases. For the service rendered, they are paid a commission or fee by the agency or the advertiser.

Creative Boutiques

Such an agency provides only creative services. These creative boutiques have grown in response to advertisers desire to use only the high quality creative talent of an outside service provider and rest of the functions are completed within the advertiser's organization. Many full service agencies too sub contract work to creative boutiques when they want to avoid increasing full -time employees or are very busy. These boutiques usually work on an agreed fee basis Creative department people on leaving big agencies start such boutiques and carry with them some of the agency's clients who want to retain their creative talent.

How the Agencies Acquire (get or buy)

New Clients

Competition among advertising agencies is intense. Most companies already have advertising agencies working for them and there are few new entrants in the business arena each year. Most new business for large agencies comes from clients who drop their agency and want to hire a new one or, in some cases, want to use more than one agency for different product lines.

Referrals (recommendations)

Agencies gain new clients as a result of recommendations from existing satisfied clients, media representatives, and often by smaller agencies. This requires maintaining good relations with outside parties.

Solicitations:

This is quite a common method of gaining new clients by smaller agencies. The top man calls on prospects and seeks accounts. Most large advertising agencies have new business development group responsible to seek out and establish contact with new clients, make cold calls, write request letters and follow up on any leads.

Presentations:

The objective of the business development group is to create opportunities so that the agency receives invitations from companies to make presentations. Through presentation, the agency may succeed in selling its services to new clients. The agency describes its experience, its personnel and capabilities, procedures and demonstrates its outstanding work.

Client or Advertiser's Role in Organizing for Advertising

The manner in which a company organizes for advertising and other promotional elements depends on several factors such as company size, number of products, role of advertising in promotion mix, the budget and structure of its marketing organization. Advertising function is an intimate part of the marketing department. Many marketing personnel often provide inputs in campaign planning, agency selection and evaluation of proposed programmes.

Many companies have an advertising department, headed by a manager. In multi-product companies, with decentralized marketing, product management or brand management system operates. Some large organizations form a separate in -house agency responsible for advertising and other promotional activities

6.8 Advertising Organization Systems

A. The Centralized System

Marketing activities, in some companies, are divided along functional lines such as advertising sales, marketing research, product planning, etc. the advertising manager looks after all promotional activities concerned with the company's products and services, including budgeting, creation of ads and their production, media schedules and sales promotions, but excluding sales management.

Basic functions performed by the advertising department under the centralized system:

Planning and Budgeting

Its foremost responsibility is to develop advertising and other promotional plans in line with the marketing objectives, strategies and budget of the company and get it approved by the higher management.

Administration and Execution

The advertising manager is responsible for the organization, supervision and control of the advertising department. She/he supervises the plan execution by subordinates and the advertising agency. This needs working closely with production, media, copy, art and sales promotion. In case an outside ad agency is hired, the advertising manager reviews and approves the prepared advertised plans coordination within the Company

Advertising manager has to coordinate with other marketing functions, particularly marketing research and sales. In spite of having an advertising department, many companies use outside advertising agencies and their services. The ads may be developed in-house and the services of media buying agencies may be used to place the ads in suitable media.

The department may use the services of collateral agencies to develop brochures and point of purchase (POP) ad materials, etc. The advertising manager closely coordinates with the personnel of outside advertising agency and also determines which service providers to use.

B. The Decentralized System

A decentralized system is followed in large corporations with many product lines and brands. Typically, the company has many strategic business units, or

divisions, with separate manufacturing, research and development, marketing, sales, product or brand management departments.

Each brand is assigned to a brand manager (also termed as product manager) who is totally responsible for managing the brand, including planning, budgeting, sales and its profit performance. The brand manager often has one or more assistant brand managers to help in the planning implementation and control of the marketing programme.

6.9 Summary

The advertising agency is in a period of transition. It is being reevaluated and reengineered to be more responsive to clients' needs. A full-service agency works on many aspects of a client's marketing problems: strategy, creative response, media planning, and trade campaigns. Many agencies are organized into four divisions: account services, marketing services, creative services, and management and finance. Some agencies have a domestic network of offices or affiliates to service their large accounts better. The growing importance of global marketing to some clients has led agencies to expand internationally. Clients usually pay agencies by commission, fees, or a combination of the two. Other types of advertising services beside the traditional advertising agency include in-house agencies, à la carte agencies, creative boutiques, Rolodex agencies, and media-buying services. Agencies usually cannot and will not handle two accounts that compete in the same market.

6.10 Self Assessment Questions

1.   What is a full-service agency?
2.   Give an example of a global agency network.
3.   What is an agency of record?
4.   As ad agencies get increasingly evaluated on the basis of objective criteria like sales, ROI, etc. the quality of creative work will suffer. Comment

6.11 Reference Books

- Advertising Management (5th Edition by Rajeev Batra, David A. Aaker and John G. Myers (Dec 12, 1995)
- Advertising Management, by Donald W. Jugenheimer, Larry D. Kelley,M.E. Sharpe, 2009.
- Advertising and Promotions : An IMC Perspective 1st Edition,By Alan D'Souza, Kruti Shah, Tata McGraw - Hill Education (2008)

Unit - 7 : Message Design and Creative Strategy

Structure of Unit

7.0 Objectives

After completing this unit, you would be able to:

- Describe the importance of creativity in advertising.
- Understand the creation objectives.
- Develop a creative brief and explain the role of it.
- Identify different elements of creative brief.
- Understand the creation process for advertising.
- Learn and appreciate the significance of the creative idea.

7.1 Introduction

One of the most important components of an integrated marketing communication is the marketing communication message. Advertising Message not only plays a fundamental role of communicating information but also creates or shape consumer's problems, desires and goals. It is a way to tell consumers how the product or service can solve a problem, or help in achieving goals or satisfy desires. There are a myriad of ways to convey a marketing communication message, however, underlying all of these messages is a creative strategy. It involves determining what the marketing communication message will say or communicate and creative tactics dealing with how the message strategy will be implemented or executed. Thus before creating an advertisement, the creative team has to decide what it has to say and then how does it say that. The 'what' part is the design of the message, and the 'how' part is the development of the message, and includes its execution as well.

7.2 Message Design

It has already been mentioned that before creating an advertisement, the creative team has to decide what it has to say, this 'what' part is the design of the message. Advertising message consists of the idea together with other relevant information. The "Jaago Re" campaign for Tata Tea has undoubtedly been the one of most innovative and clutter breaking in its category over the last few decades. The end consumer in this case became the voter. The buzz created by

Jaago Re hoardings and signage across the city – not to mention the well-crafted TV commercial – was phenomenal. The message was brought out effectively by associating these two ideas- one is of 'getting up in the morning and having tea', whereas the other is 'real awakening by being a good citizen and cast the vote'.

7.2.1 Message Idea

Advertising message consists of the idea together with other relevant information. The idea spots the uniqueness of the product to win a place in the consumer mind. Message design identifies the consumer's perceptions about the products. The following questions give a good insight-

a) What is the nature of the product: its generic category?
b) For whom it is meant: the segment?
c) What are the special characteristics of the product? How is the consumer going to be benefited?
d) Who are the competitors? What is their promise?
e) Is the product different from the other available products? How? Is it a technological breakthrough?
f) On which occasions will the product be used? How often?
g) How would you like your consumer to perceive this brand? What position would it take?

The answers to these questions help in deciding the message. These answers are found by marketing research team or/and by the advertiser and his agency. The creativity of the agency matters most here, for example-Incremin is a pleasantly flavored tonic containing Lysine – a growth factor. It has been promoted as 'a tonic for growing –up children' to stimulate their growth in terms of height. The visual of a giraffe eating leaves off a tall tree, emphasizing its tall neck re-enforces the concept of growth. Incremin found a strong vacant position and just sat on it- the tonic for growing children. Similarly Walter Mendez, the Creative Director of Clarion made a landmark campaign of Maggie 2- minutes Noodle and positioned it as any time snack, good to eat and fast to cook aimed at children to begin with.

Thus, the messages are ideas. The messages are designed keeping the marketing objectives in mind. The consumer profile in terms of their education, interests, experience also has a bearing on message design. The consumers must understand the message.

7.2.2 Message Structure

Messages are to be structured keeping the objective of the communication and the audience in view. Messages are represented either centrally or peripherally. A central message takes a direct route to persuasion. It is a well – documented advertisement. It compares advantages and disadvantages of a product. This central presentation provokes active cognitive information processing. Voltas refrigerator incorporating rational appeal is an example. These advertisements are consistent with the self- image of the respondents. Peripheral presentation provides pleasant association, scenic background, and favorable inferences about the product.

Advertising communication effectiveness not only depends on the message content, but also on its structure as well. The important aspects of message structure are:

(i) Drawing Conclusion:

It means that in the advertisement for the quick understanding, whether definite conclusions should be drawn for the audience or should they be left to them. In many instances, it is best to let the receivers of the promotion message draw their own conclusions. Such consumers feel that the message which draws a conclusion is over-aggressive and an attempt at forcefully influencing their choice. Moreover, since conclusion drawing at its best assists in an easy comprehension of facts and not in the process of attitudinal change, it will not affect very much the persuasive quality of advertisements that aim at a change in attitude.

When the issue is highly personal, the audience may resent the communicator's interference in drawing a conclusion. A typical example of this is the advertisement campaign sponsored by the Poultry Farm Association in Gujarat, promoting the use of eggs among vegetarians. Eggs from the poultry farms were given a new name- "Veggs" and recommended for consumption in that segment of society which is fully vegetarian. Since this touches a highly personal issue concerning religious attitudes, the advertisement was resented, and much criticism was published against it in the Reader's Opinion column in popular dailies. Thus, even though promoters sought the sale of the product in a new segment by drawing specific conclusions, these were not accepted, but rather resented. However, conclusion drawing is favored where the product is a complex or specialized one. The Farex baby food advertisement, starting with a sensational headline: "Your baby is born with a 3- month gift of iron. After 3 months, milk alone cannot give him the iron he needs." The ad closes with the conclusion: "Doctors recommend Farex Baby's ideal solid food for rapid all-round growth."

(ii) Repetition:

Repeating an advertisement message is often beneficial, for it develops a continuity of impression in the minds of the target audience, and may increase the predisposition to think and act favorably towards the products advertised. Everything else being equal, a repeated message increases awareness and knowledge on the part of the prospect. Audience retention improves with repetition, and falls off quickly when repetition is abandoned.

(iii) One –versus- two-sided Communication:

The most common approach in advertising is a one-sided approach which means the advertiser should only praise the product. The two-sided communication is when the advertiser also mentions some of its shortcomings. However the one-sided messages tend to work best with the audiences that are initially favourably predisposed to the claims made in the advertisement message. Two- sided arguments go well when audiences have an unfavorable opinion about the advertiser's position. Also, a two- sided message tends to be more effective with educated audiences capable of sound reasoning, particularly when they are exposed to counter propaganda. A two-sided communication produces the greatest attitude change when people are opposed to the point of view presented. Also, a two-sided communication is effective in maintaining the belief level against a counter-attack by competitors. However, it is the single-side communication that is commonly used, for it is difficult for the advertiser to refer to the product's shortcoming and still effectively persuade prospects to buy it.

(iv)Comparative Advertising Message:

Comparative messages are usually a tool for a smaller brand which is trying to build business. Here a product is directly or indirectly compared with a competitive product to show the advertised product to advantage. This trend has been seen more and more in some recent campaigns, especially when new brands in parallel categories are springing up at a rapid rate. Most prominent among these have been the Pepsi, Salvon, Captain Cook Salt and Pepsodent and Colgate campaigns. The ultimate aim here is to create brand distinction.

(v) Order of Presentation:

Whether to put the strongest argument first or last in the advertiser's presentation is equally important. Sometimes this is considered a part of copywriting strategy. In a one-sided argument, it is advisable to present the strongest point first, for it will result in better attention and interest. This is done with the objective of achieving the primary effect. However, when an audience necessarily required a two-sided communication, it is better, at least initially, to start with the other side's argument and slowly disarm the audience which is opposed to the communicator's position, and then to conclude the message with the strongest argument.

Thus while communicating with the audience, the advertiser should be careful about these points-

a) Instead of building a wall around the product, the message should create a bridge to the target audience by being persuasive.
b) Arouse the audience, and give it a reason for listening.
c) Make use of question to involve the audience.
d) Use familiar words and build up points of interest.
e) Use specific and concrete words.
f) Repeat key points.
g) Convince the audience by sticking to facts.
h) Empathize with your audience.
i) Use rhyme and rhythm.
j) Make use of Zeigarnik effect, i.e., leave the message incomplete, where the audience is provoked to complete and close it by pondering over it.
k) Ask the audience to draw conclusions.
l) Let them know the implications of these conclusions.

7.3 Creative Strategy

The creative side of marketing communication is one of its most interesting aspects. The creative strategy used to communicate a message is an integral part of the promotional process and is often critical to the success or failure of the campaign. A good creative strategy is an important factor in determining the success of a product (goods and services) or reversing the fortunes of a struggling brand. A creative strategy is an outline of what message should be conveyed, to whom and with what tone. Creative strategy gives guidelines for advertising specialists, who are involved in the production of an advertisement. It must define the target audience, product concept, communications media and the advertising message.

7.3.1 Creativity in Advertising

The word "create" denotes originating, or conceiving an idea or a thing that did not exist before. Creativity is one of the most commonly used terms in advertising. Those people who develop advertising messages are often referred to as "creative types" and agencies develop reputations for their creativity. So the concept of creativity is vital to develop advertising messages. Creativity has been defined as "a quality possessed by persons that enables them to generate novel approaches in situations, generally reflected in new and improved solutions to problems." In aesthetic terms, Creativity is generally defined as "the ability to produce useful ideas, originally, imagination, or the capacity to joining two or more elements to form a new unity or purpose."

Though perspectives of what constitutes creativity in advertisement vary. At one extreme are those who argue that advertisement is creative only if it sells the product. At the other end of the continuum are those who judge creativity in terms of its artistic or aesthetic value and argue that creative advertisement must be novel, original and unique. Yet the answer as to what constitutes creative in advertisement is probably somewhere between these two extreme positions. Creativity in Advertising is "the ability to generate fresh, unique and appropriate ideas that can be used as solutions to communications problems." This perspective recognizes that creative advertising ideas are those that are novel, original and appropriate. To be appropriate a creative idea must be relevant or have some importance to the target audience.

7.3.2 Significance of the Creativity in Advertising

In advertising, creativity plays a significant role while making decisions to find the Big Idea (which is done by identifying benefits of the product), to develop appeals (which is done while selecting the right theme to present that idea) and to execute the idea (which is done while presenting that idea and developing an appropriate creative strategy). The "big idea" should focus on making the product or company's competitive benefit real and actionable to the target market. It shouldn't be in marketing language. It should be in the language of the target consumers. Examples of classic "big ideas" include AT&T's "Reach Out and Touch Someone," General Foods International Coffee's "Celebrate the Moments of Your Life," Nike's "Just Do It," and Dell's "Be Direct." These ideas are highly creative and innovative and sustained for long.

Following are the major roles creativity plays in advertising-

a) Creativity helps advertising inform.

b) Creativity helps advertising persuade. In advertising the creativity and effectiveness go hand-in- hand. Coca Cola's clear lemon drink Sprite is the perfect example of what happens when creativity marries effectiveness. The Baaki Sab Bakwas campaign has elevated Sprite to the second leading brand after Thums Up in the sparkling beverage category, displacing Pepsi.

c) Creativity helps advertising remind. For example when Tata Motors launched the Safari Dicor, its bold rugged looks, styling and the award-winning 'Reclaim your Life' tag line immediately pushed the luxury SUV in the forefront of consumer recall.
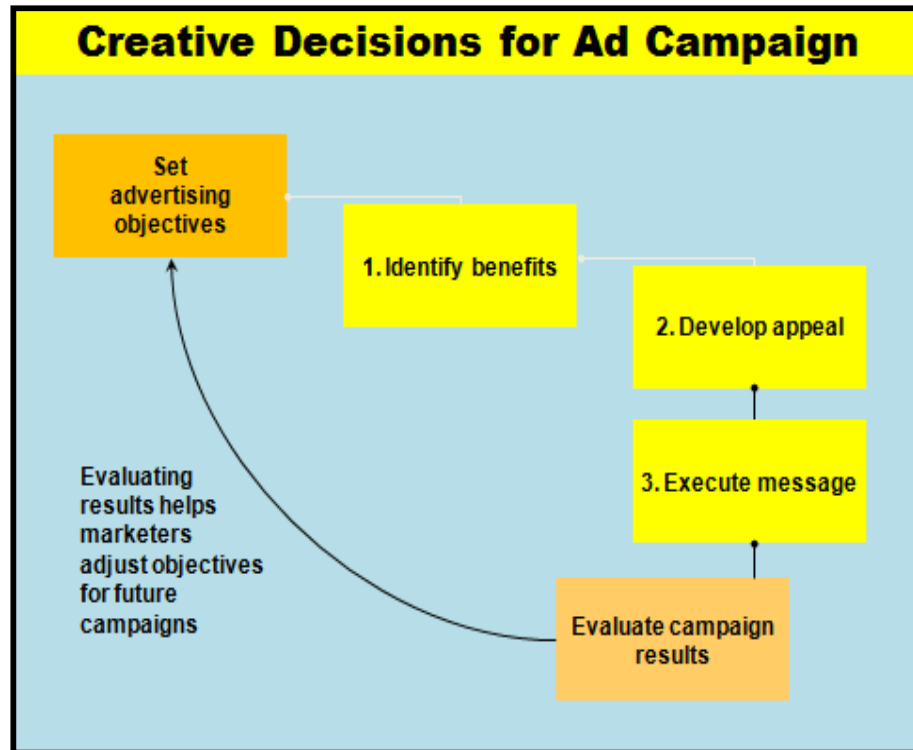
Figure- 7.1: Creative Decisions for Advertising Campaign.

7.3.3   Elements of Creative Strategy

Creative strategy involves decisions based on creative objectives, target audience, product and its positioning, communication media, advertising message, back-up claim and creative style. These decisions are guided by the creative brief or creative platform. Some of the significant and essential components of creative strategy are as follows-

i) **Creative objectives**

The creative objectives define how the creative output should look and what message the advertisement wants to convey. The creative objectives are driven from marketing communication objectives and advertising objectives. These objectives could be increasing the awareness of a brand or persuading people to make a purchase.

The objectives tend to vary with audience. When the objectives are to be communicated to consumers, the objectives could be:

    a) Passing on information
    b) Create brand awareness
    c) Entice the consumers to act, i.e., to purchase the product etc.

When the objectives are to be communicated to the traders, they could be:
    a) To induce them to stock the product
    b) To push the product on- the-counter
    c) To provide strategic shelf-space to the product.

When the objectives are to be communicated to the manufacturers, they could be:
  a) To make them buy our raw material
  b) To convince them about rational product benefits
  c) To convince them about cost aspects.

ii) The Target Market

Once the creative objectives are decided, an advertiser should identify the audience at which the message is to be targeted. The target market should be defined taking into account demographic, psychographic and geographic characteristics. While demographic characteristics refer to attributes like age, gender, race, education, occupation and income, psychographic characteristics refer to social class, religion, lifestyle, hobbies and the place where the target customers stay defines geographic characteristics.

iii) Primary Selling Proposition

Various benefits can be derived from a product. The primary selling proposition should be the benefit the target market is able to relate. The primary selling proposition should also be able to differentiate the product from products of competitors. The primary selling proposition is of vital importance as all other communication messages in the campaign will be built around it. To cite an example, the selling proposition for a washing machine is that it washes clothes clean.

iv) Secondary Selling Proposition

However, a primary selling is not sufficient for an advertisement and a secondary selling proposition has to be selected. The secondary selling proposition will not be the core benefits or features of the product, but some quality, which differentiates the product. Continuing the example of the washing machine, the secondary selling proposition can say that the particular brand uses less quantity of water compared to other washing machines, or that it consumes less electricity.

v) Support

Support refers to the facts, which confirm both the primary and secondary selling proposition. Support gives credibility to the selling propositions. Listing all the facts needed for support provides input for copy writing and generating creative ideas. In the case of a washing machine, supporting factors would be whether it uses superior technology. The continuous research and development activities of the company to improve the product can also be highlighted in the advertisement.

vi) Tone and Manner

The tone and manner of an advertisement is what will decide how the target audience will feel after viewing and advertisement. So, tone and manner should be given the right touch. The advertising appeal and creative execution style used for conveying the message, guide the tone of the message. For instance, a humorous appeal would be liked by a young target group. Various advertising appeals and creative execution frameworks are also described in this unit.

7.2.3 Creative Strategies

According to Frazer "creative strategy is a policy or guiding principle that specifies the general nature and character of message to be designed."

Message strategies or creative strategies are primary tactics used to deliver the message theme. These strategies are of four types: Cognitive, Affective, Conative and Brand.
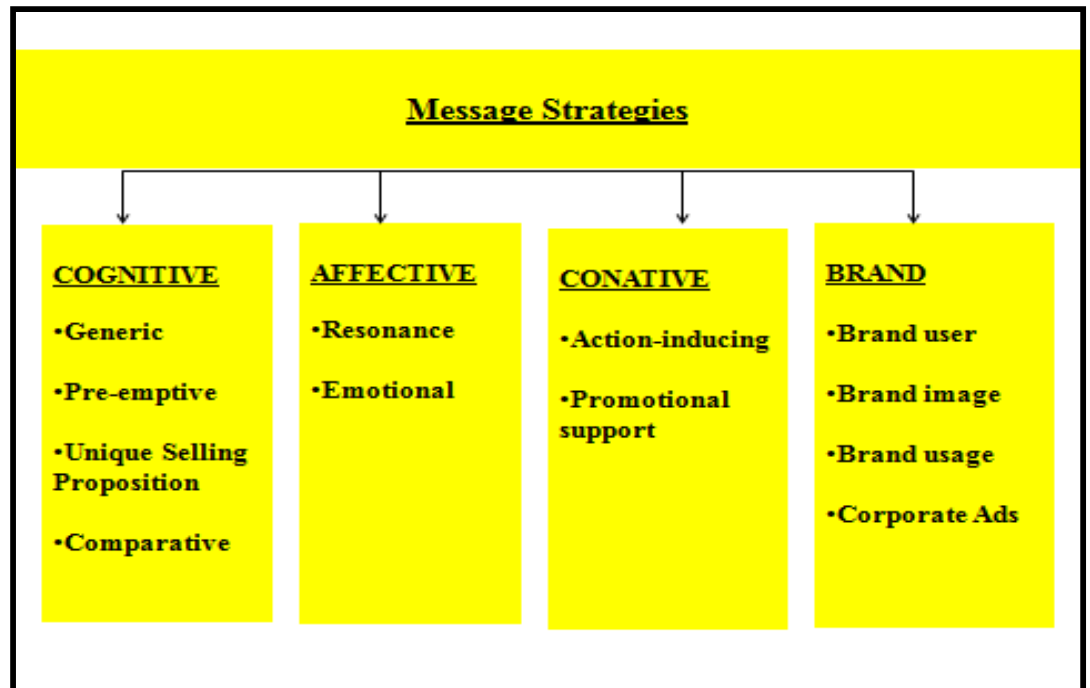
Figure- 7.2: Message Strategies.

*Cognitive Strategies- These strategies present rational arguments or pieces of information using product attributes and benefits to consumers.

a) **Generic Strategies**– These strategies direct promote a product or service without claim of superiority. These Strategies stress on basic features or benefits of a product. They are primarily used in monopolistic or brand dominant situations.

b) **Pre-emptive Strategies** – These strategies claim of superiority based on specific attributes or benefits that any other product in the category could have claimed but did not. These strategies are used in product categories with little differentiation or a new product category.

c) **Unique Selling Proposition** – These strategies make explicit testable claim of superiority or uniqueness. The USP is a rational reason to believe that the product is different from the competitors. The USP must be one that the competition cannot and doesn't offer. It must be so strong that it can move the mass millions.

d) **Comparative Strategies** – These strategies make direct or indirect comparison of good or service to competitor or compare to another brand. Many view these as less believable and in some countries these strategies are illegal or socially unacceptable. So it is required to choose comparison point carefully and avoid lies and deception.

*Affective Strategies – These strategies invoke feelings and emotions and match them with the product, service, or company. They elicit emotions that affect reasoning process.

a) **Resonance Strategies** – These strategies connect products with consumer's experience to build stronger ties between product and consumer. These strategies are also known as Association strategies. They make a psychological connection between products and their customers or prospects.

b) **Emotional Strategies** – These strategies elicit powerful emotions that lead to product recall and choice. They connect with customers at the affective level and move them to respond with feelings.

*Conative Strategies - These strategies are designed to lead more directly to some type of consumer behaviour e.g., "call now" ads.

a) **Action-inducing Strategies** – These strategies invoke cognitive evaluation through use after sale like POP displays leading to impulsive purchases or buy now be happy later.

b) **Promotional Support Strategies** – These strategies are designed to support other promotions like to get consumers to take supportive action to other promotions i.e. sweepstakes or store visits.

*Brand Strategies - These strategies build or enhance brand or corporate name.

a) **Brand User Strategies** – These strategies highlight brand and the types of individuals that use brand. They use celebrity endorsers.

b) **Brand Image Strategies** – These strategies develop brand personality by focusing on brand.

c) **Brand Usage Strategies** – These strategies stress different uses for a Brand by showing brand advantage and versatility.

d) **Corporate Strategies** – These strategies promote corporate name and image rather than the Brand name.

These strategies are also classified as given below –

Figure- 7.3: Creative Strategies in Advertising.

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7.3.4   Creative Team

The most important role in developing a creative strategy is played by copywriters, who belong to the creative department of advertising agencies. Knowledge of the different departments of an advertising agency will be helpful in understanding the nature of work of a copywriter. An advertising agency is divided into the following departments: Creative, Client Servicing, Account Planning, Media Planning, Direct Marketing and PR. The copywriters belong to the creative department of an agency.

Writers work on the conceptualization of ideas for different brands. This process begins with the client sending in his/her requirements in the form of 'creative brief'. Product specifications are necessary for making the advertisement and a profile of the target audience is also sent along with it other than the deadline for submission. A writer's role begins after it, he thinks of ways and means to communicate this message to the target audience, who are the consumers of the product. Thereafter, it completely depends on the ability of the writer to ideate and visualize his thoughts and express it on paper.

Copywriters have to work in tandem with several people in an agency to get an advertisement released. Firstly the writer presents the ideas to the client to get the idea approved in order to begin the process of making the advertisement. Secondly he works with the art director if it is a press advertisement. Together they decide the images and visuals and the font and typography for the copy text of the advertisement.

In the case of a TV commercial, the writer calls the shots in directing the advertisement. This involves choosing the location and sets of the advertisement, working with photographers and renowned directors, actors/ actresses and models. The making of a TV commercial involves huge advertisement expenditures for the client. Writers work together with directors and producers on the advertisement budget.

Copy writing provides an array of opportunities in the field of media. One can evens witch to filmmaking from writing copies for ads. In case of radio advertisements, writers make scripts for the ad, choose the voice of the person for the ad, and work with the recording people in the studio on the sound effects and final radio spot. This involves a lot of editing until the final spot is ready for release on air.

7.4 Creative Brief

A Creative Brief or Creative Platform is like a road map. A Creative Brief is a key that identifies all the correct doors to go through. A good brief leads to imaginative and effective solutions that help accomplish goals according to predetermined expectations. A bad brief sends you through all the wrong doors and in all the wrong directions while wasting time and money. Simply put, a Creative Brief is a written document outlining, in detail, the relationship expectations, business objectives and corresponding strategies for an agency and its creative team.

The creative brief is the core document for the advertisement creation project. It defines the project, enables the project plan to be developed and is the main point of reference during the development process in terms of keeping the project on target.

IAL
INTERNATIONAL ADVERTISING (PVT) LIMITED
SAATCHI & SAATCHI

CREATIVE BRIEF
NEW YEAR GREETING CARD

Overview:
The new year is coming up. We would like you to design a greeting card for IAL Saatchi & Saatchi that we could send to all our friends.

Objectives:
• Convey a genuine message of goodwill.
• Build brand recognition amongst peers, vendors, and industry figures.

Target Audience:
Existing clients, industry peers, vendors, new business prospects.

Competition:
Greeting cards made by other advertising agencies.

Unique Selling Proposition:
Happy New Year from the best advertising agency in the world.

Mandatories:
• The greeting card should have the WOW factor and should stand out.
• The card should become the talk of the town.
• The creative idea should be very out-of-the-box.
• The idea should be insight driven.

Deliverables:
Greeting card.

Deadline:
Tomorrow.

Figure- 7.4: Format of Creative Brief or Copy Platform.

Here is the information which a brief should include:
- Overview
- General project information
- Goals
- Measurable Objectives (benchmarks to measure progress towards goals, e.g. increase membership by 20% each year or media coverage
- Deliverables Needed
  Deliverables can change during the creative process, i.e. the graphic designer might suggest that a blog, rather than an e-newsletter, will do more to address the goals.

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Thus Creative platform is a document that outlines the message strategy decisions. It combines the basic advertising decisions – problems, objectives, and target markets – with the critical elements of the message strategy like the main idea and details about how the idea will be executed.

Primary audiences

It provides enough detail to enhance everyone's understanding of, which the audience is. Include some user demographic information if possible.

- Who are your primary target audience? Choose a typical audience member or two and profile including occupation, age range, gender, what her day looks like, etc.
- How will your audiences use this brochure, white paper or website?
- What should be avoided in talking to these audiences?

Tone and Image

It gives guidelines about tone whether it would be funny and casual, or formal and buttoned-up etc.

- What do the audiences believe or think, before you start communicating with them?
- What tone and imagery should we use to engage them?
- What should be specific visual goals?

Messages: Features, Benefits and Values

It includes a list of top features and/or facts about the program, service or organization, and its value to target audiences.

- How do these stack up against the competition?
- If you could get one sentence across, what would that be? How would you prove it?
- Other major points?

Budget and Schedule

It also provides detail of budget and schedule.

- Has a budget been approved?
- When must the message get to the audience for greatest impact (e.g. service introduction date, conference, special event)?
- What is the due date for the finished work?

Process

- Who is the point person (on the nonprofit side)?
- What is the internal review and approval process?
- Who needs to sign off on final execution?

Thus a creative brief or copy platform provides a plan or checklist that is useful in guiding the development of an advertisement message or campaign. This document is prepared by the agency team or group assigned to the account and may include creative personnel as well as the account coordinator and representatives from media and research. The advertisement manager and/or the marketing and product manager from the client side will also be involved in the process and must approve the copy platform.

7.5   Creation Stages

The Creative Strategy includes various elements. Initially a creative brief is developed by the agency people and advertising managers, that outlines the key strategic decisions. It gives guidance to the art director and copy writer and contains at least three elements: an objective statement, a support statement and either a tone statement or a brand character. The creative process of advertisement is guided by specific goals and objectives and requires the development of a creative strategy or plan of action for achieving the goal.

Creative strategy development actually begins with a thorough assessment of the marketing and promotional situation and a determination of what needs to be communicated to the marketer's target audience.

An important part of creative strategy development is determining the central theme that will become the major selling idea or big idea for the advertising campaign. There are several different approaches that can be used for developing major selling ideas and as the basis of creative strategy. The challenge to the creative team is to find a major selling idea and use it as a guide to the development of an effective creative strategy. The determination of the central theme, idea, position, or image is a critical part of the creative process as it sets the tone or direction for the development of the individual ads that make up the campaign.

The Creative strategy development process can be divided into three stage: Idea Generation, Copy Writing and Layout or Production.

1. Idea generation – In this phase various ideas are generated and evaluated for the actual execution of the advertisement. It is a creative process and there is no fixed framework to arrive at a creative idea.

According to William F. Arens -

"The creative process is the step by step procedure used to discover original ideas and recognize existing concepts in new ways."

Thus Creativity in advertisement is best viewed as a process and creative success is most likely when some organized approach is followed. While most advertisement people reject and/or resist attempts to standardize creativity or develop rules or guidelines to follow, most creative people do follow some type of process when approaching the task of developing an advertisement. There are several methods used for generating a big idea for effective advertising such as attribute listing, brain storming and heuristic ideation technique (HIT) etc. Some of the models of the creative process which offer an organized way of approaching an advertisement problem are given below:

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Creation Processes

Walla's Creation Process

- Preparation – gathering information
- Incubation – setting problem aside
- Illumination – seeing the solution
- Verification – refining the idea

Alex Osborn's Process

- Orientation
- Preparation
- Analysis
- Ideation
- Incubation
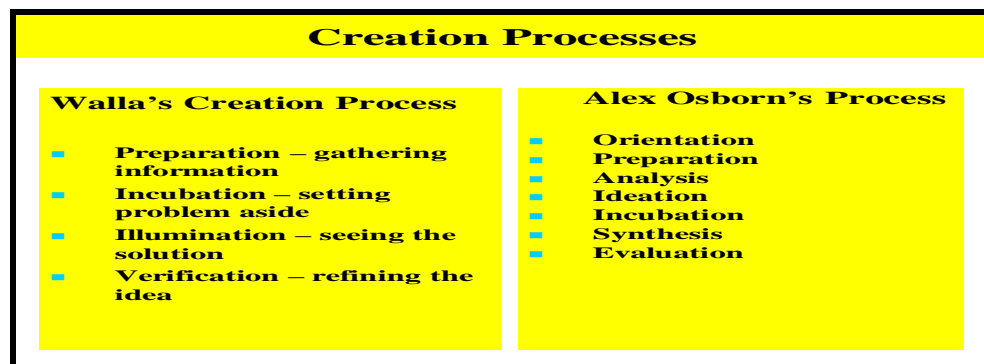- Synthesis
- Evaluation

</div>

Figure- 7.5: Creation Processes.

Young is another thinker who has given five steps of creative process for the creative thinking. These steps are –

- Immersion – Getting raw material or data immersing oneself in the problem and get to know the background.

- Digestion – Reflecting or pondering on the data acquired turning it this way and that in the mind

- Incubation – Ceasing analysis and putting the problem out of conscious mind for some time

- Illumination – Offer a sudden inspiration or intuitive revelation about a potential solution

- Verification – Studying the idea and developing it for practical usefulness.

All these models stress the need for preparation or gathering of background information that is relevant to the problem as the first step in the creative process. Various types of research and information can provide input to the creative process of advertisement at each stage. Different inputs to the creative process are working with the client, trying the product, reading and analysis, listening to others, product research and asking questions. There are numerous other ways the creative specialist can acquire background information that is relevant to the advertisement problem. These include:

- **Background research** – informal fact-finding techniques and general preplanning input. Various ways of gathering background information might be discussed. ti

- **Product specific research** – this involves different types of studies such as attitude, market structure and positioning, perceptual mapping and psychographic studies.

- **Qualitative research input** – techniques such as in-depth interview or focus groups with customers or ethnographic studies.

The purpose of the verification/revision stage of the creative process is to evaluate ideas that come from the illumination stage, reject any that may be inappropriate, and refine those that remain and help give them final expression. Some of the techniques used at this stage include: Focus groups, Message studies, Portfolio tests and Pretesting of advertisements in storyboard or aniamatic form.

2. Copywriting - Copywriting is an essential part of creative strategy. Different media have different elements in their copy, yet an advertising copy, for any media, means all the words in advertisement, whether written or spoken. It is text of a print, radio, or television advertising message that aims at catching and holding the interest of the prospective buyer, and at persuading him or her to make a purchase all within a few short seconds. A Print advertisement copy has following components i.e. headlines, sub heads, illustrations, slogans, logo types, signatures, body copy, blurb, boxes and panels, identification mark & closing idea. Radio media advertisements have Audio components like voices, music and sound effects. Voices are usually written in the form of script. Television is

another powerful medium of advertising. It contains different elements of sight, sound and motion. An effective copy presents the message in the advertisement, in simple manner and conveys it easily. an effective advertising copy should be precise, concise, aim to sell, be sincere, addressed to the right audience, influence the reader's thoughts and / or action, stimulate interest, creative desire and inspire confidence. In Radio copywriting, a script is used to outline the critical elements and the structure of the brand message. The copywriter has all the theatrical tools of voices, sound effects, and music, but no visuals. The most important element in radio advertising is voices, which are heard in jingles, spoken dialogue, and announcements. Various elements of a TV commercial are brought together in a script, a written version of a commercial that provides a detailed description of its video and audio content.

3. Layout - A layout is a preliminary sketch or plan which depicts the relative positions of the various elements like text, visuals and music. A layout performs functions like organizes all the elements, brings together copy writer & art director, enables the advertiser to visualize his future advertisement and acts as a guide to the copy specialists. Some key principles of layout design are balance, proportion, gaze-motion and unity. Preparing the layout for an advertisement consists of the following three steps: Choosing the basic page design, working with the copy and working with the visuals. Selection of a certain layout depends on factors like the nature of the product, the size of the advertisement, the message content in the copy and the readers' expectations.

The idea is communicated with the help of a story board, which is analogous to layout in the print advertisement. The storyboard depicts how the final commercial will look, by showing frame wise sketches. It is accompanied by description of voice over, music, direction for camera movement and other design issues. In TV script the left side is titled video and the right side audio. The video column describes the visuals and production. Camera angles, action, scenery and stage directions. The audio column list has the spoken copy, sound effects and music.

7.6   Advertising Appeals

The advertising appeal refers to the basis or approach used in the advertisement to elicit some consumer response or to influence their feelings toward the product, service, or cause. It is the central idea of an advertisement. It is the earnest request or a plea to the prospects which attracts the attention of consumer. It is something that moves people, speaks to their wants or need, and excites their interest.

Deciding on an advertising appeal is affected by review of creative brief specifically objectives section, the nature of the product the preferences of the client, common sense and gut feeling. An effective appeal has following characteristics-

   a.   It is thematic
   b.   It is communicative
   c.   It is interesting
   d.   It is believable
   e.   It is complete

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. Some commonly used appeals are given in the figure 7.6.
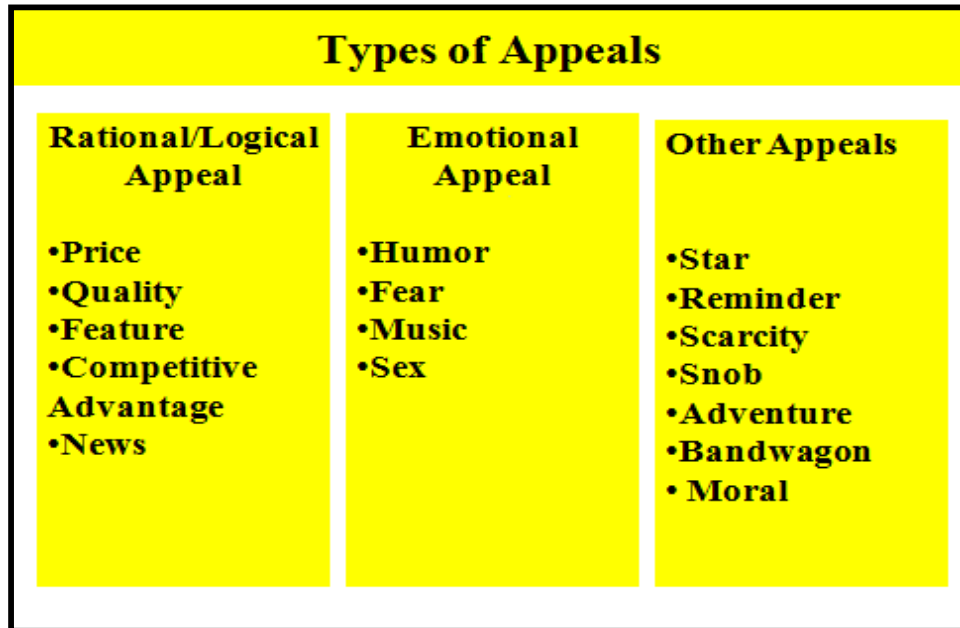

Figure- 7.6: Commonly Used Appeals.

1. Informational/Rational Appeals –

These types of appeals focus on the consumer's practical, functional or utilitarian need for the product (both goods and services) and/or specific reasons for owning a particular brand. Examples of a number of product-related appeals that would fall under the category of rational appeals are discussed including:

Price Appeal – In this case price offer the dominant point. The advertiser comes out with an offer at a particular price or at a reduced price. For example: Bata's annual 'grand reduction sale' or the diwali offers. Here features are not completely forgotten but advertiser wants to take full advantage of the rational buying motive of economy. It is common with consumer durables.

Quality Appeal – In this type of advertisement, the advertiser uses quality of the product as an appeal. Product using this appeal should be ideally known for their good quality. Advertisement saying 'quality is guaranteed' is an example of such appeal.

Feature Appeal – In this case dominant traits of the product are the features of the product. They are dominantly talked about but these advertisements do not compare themselves with those of competitors, nor do they talk of their popularity and price. For example- Videocon used product feature appeal.

Competitive Advantage Appeal - Comparison with other brands most common in such advertisements. An explicit reference is made to the competitive products or services and the competitive advantage depends on performance. In case of Dove soap, it uses 'ph-value', its competitive advantage as an appeal.

News Appeal - Certain news announcement about the product is used in such appeals, news about the product is provided i.e., the product is new or modified or improved. For example, the advertisement of Rasna has words like new/ improved/ powerful etc.

2. Emotional appeals –

These types of appeals relate to consumers' social and/or psychological needs for purchasing a product. This appeal is done with help of two factors - needs of consumers and fear factor. Most common appeals under need are - need for something new, for getting acceptance, for not being ignored, for change of old things, for security and need to become attractive, etc. Emotional appeals have become very popular in advertising as marketers recognise that many purchase decisions are made on the basis of feelings and emotions since rational, functional-based differentiation is often very difficult.

An emotional appeal is related to an individual's psychological and social needs for purchasing certain products and services. In the figure 7.7, some personal and social feeling related to emotional appeals are listed.

Personal and Social Feeling Related to Emotional Appeals

Personal state/ feelings	Social feeling
1. Affection	1. Acceptance
2. Arousal	2. Approval
3. Comfort	3. Affiliation
4. Fear	4. Embarrassment
5. Happiness	5. Belonging
6. Love	6. Involvement
7. Pleasure	7. Recognition
8. Safety	8. Rejection
9. Sorrow	9. Respect
10. Self-esteem	10. Status

Figure- 7.7: Feelings Related to Emotional Appeals.

Another reason for using emotional appeals is to influence consumers' interpretations of their product usage experience through the use of transformational advertising. This type of advertising creates feelings, images, meanings and beliefs about the product that may be activated when the consumer uses it and thus "transforms" their interpretation of the usage experience.

Humour Appeal - Humour is an element that is used in around 30% of the advertisements. Humour can be an excellent tool to catch the viewer's attention. It is an excellent appeal for capturing attention and score high in recall tests. It should be related directly to customer benefit. Or else, the joke can overpower the message. The advertisement of Chlor-mint uses humuor appeal with dramatization as execution style.

Fear Appeal – Another most commonly used emotional appeal is fear appeal. Most common appeals under fear are- fear of accident, fear of death, fear of being avoided, fear of getting sick and fear of getting old, etc. Fear Appeal increases viewer interest in the advertisement and the persuasiveness of the advertisement. It is frequently used with health and beauty products, idea marketing, insurance etc. Most experts believe that a moderate level of fear is most effective. For example the advertisement of Saffola oil used fear of life appeal with slice of life execution style.

Music Appeal - Music can be used as types of advertising appeals as it has a certain intrinsic value and can help in increasing the persuasiveness of the advertisement. Music Appeal has intrusive value and gains attention and increases the retention of visual information. Popular advertisements of 'Airtel' and 'Britania Biscuits' have very effectively used music appeal.

Sex Appeal - This appeal uses sex and nudity to grab attention. Though it is rated as being more interesting and often leads to strong feelings about the advertisement, yet brand recall is lower. It also interferes with message comprehension. The advertisements using this appeal are often criticized for being vulgar and obscene. While using this appeal effectively the advertisers must be aware of traditions and cultural differences in the international arena. The advertisement of Axe deo uses this appeal with fantasy execution format.

3. Other Appeals

Star Appeal - In this appeal famous personalities endorse a product and their celebrity appeal attracts the users. The advantage of using this appeal is the attraction of the star. While using this type of appeal, care should be taken that the image of the endorser as well as the product goes well together. Pepsi and Lux have used Bollywood Stars very effectively in their advertisements.

Reminder Appeal - This appeal is generally used by the well-known products. The purpose of it is to remind that the certain product still exists in the market. It is frequently used for seasonal products. Rasna & Oswal Wools use this appeal with a new campaign in every new season to remind their customers.

Scarcity Appeal - Scarcity appeals are based on limited supplies or limited time period for purchase of products. Scarcity Appeals are tied with promotion tools such as contests, sweepstakes and coupons and encourage customers to take action. This appeal focuses on use of words like- 'Offer valid till 31st' or 'Limited stock' etc.

Snob Appeal - This appeal is directed towards creating feeling of desire or envy for products that are termed top of the line or that have considerable qualities of luxury, elegance associated with them. Recent advertisement of Maruti WagonR's Smart like you campaign uses this appeal.

Adventure Appeal - This appeal is directed towards giving the impression that purchasing a product will change the individual's life radically and fill it with fun, adventure and action. Soft drink 'Mountain Dew' uses this appeal very effectively in its 'Daar Ke Aage Jeet Hai' campaign.

Bandwagon Appeal - This type of advertising appeal is meant to signify that since everybody is doing something you should be a part of the crowd as well. It appeals towards the popularity aspect or coolness aspect of a person using a particular product or service. GE Security Industrial uses this appeal by

announcing 'The World's #1 Non-contact Safety Switch Manufacturers'. Also news channel Aaj Tak uses its popularity as the fastest news channel.

Moral Appeal - These appeals are those appeals to the audience which appeal to their sense of right and wrong. This appeal mainly focused on prohibition, adult literacy, social forestry, anti smuggling, consumer protection etc.

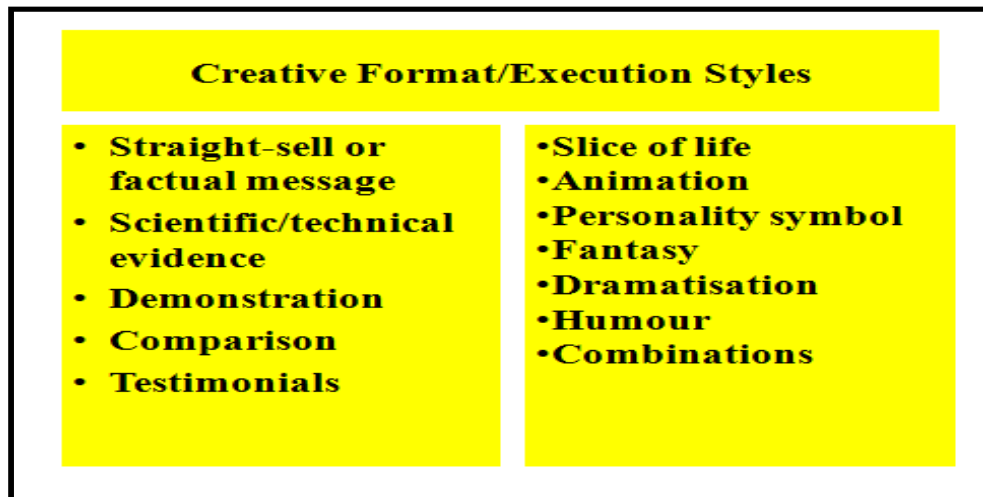### Combining rational and emotional appeals

Many purchase decisions are made on the basis of both rational and emotional motives. Thus rational and emotional appeals may be combined in the advertisement to attempt to influence both types of purchase motives.

7. 7   Creative Format/Execution Styles

Creative execution refers to the manner in which a marketing communication appeal is carried out or presented. After deciding on the type of appeal, an advertiser should develop a creative format to present/execute it. The commonly used execution frameworks are animation, slice-of-life, dramatization and testimonial. The creative team first selects an appropriate appeal and then decides an execution framework to suit that. An appeal can be presented using any of the execution frameworks. For example, the humour appeal in an advertisement can be presented with the help to dramatization. It is important to choose the creative format carefully, as it will impact the effectiveness of the advertisement. Thus it is the way an appeal is turned into an advertising message. It is the way the message is presented A particular marketing communication appeal can be executed in a variety of ways and a particular means of execution can be applied to a variety of marketing communication appeals. Figure 7.8 shows some of the commonly used execution techniques.

Creative Format/Execution Styles

- Straight-sell or factual message
- Scientific/technical evidence
- Demonstration
- Comparison
- Testimonials

- Slice of life
- Animation
- Personality symbol
- Fantasy
- Dramatisation
- Humour
- Combinations

Figure 7.8: Execution Techniques.

- **Straight-sell or factual message** – This type of execution relies on a straightforward presentation of information about the product or service such as specific attributes or benefits. This execution framework is also called informative execution format. In this detailed information about the product is given. The format is best suited for advertisements using rational appeal. It has been observed that the informative format is more effective if the

consumer is seeking information. If a person is planning to buy a car and he comes across an informative advertisement on a car, he will pay more attention to the advertisement compared to someone not planning to buy a car. The informative execution format is used extensively in business-to-business (B2B) advertisement. B2B customers are interested in complete information. In the figure 7.9 , the advertisement of Rin Shakti shows its power of cleaning clothes.

- **Scientific/technical evidence** – A variation of the straight sell where scientific or technical evidence or information is presented in the advertisement to support a claim. It is also known as the authoritative framework. The aim of the authoritative framework is to convince viewers that the advertised brand is superior to other brands. This is achieved by using an expert / spokesperson, respected by society, like a teacher or a doctor. The expert talks about the brand attributes that make the product superior. Colgate Dental cream has effectively used the authoritative format for years. Their advertisement featured a doctor recommending the usage of Colgate dental cream. Even in the recent advertisement of Colgate, it is presented that how it works and visibly makes the teeth cleaner.

- **Demonstration** – This type of execution is designed to illustrate the key advantages or benefits of a product by showing it in actual use or in some contrived or staged situation. In the demonstration format, the advertisement features the functioning of the product. During the demonstration, the attributes of the product are also explained. This execution format can be effectively used for promoting consumer products and business-to-business products. The Television Shopping Network features advertisements in the demonstration format.

An advertisement for a hand-held vacuum cleaner shows how one can clean carpets, sofa-sets, corners in the house, television, music system, etc. with the help of the vacuum cleaner. A new use of a product can also be effectively communicated using the demonstration format. The format is well suited for the television media, as a step-by-step demonstration can be shown. The advertisement for Maggi two-step mix demonstrates how to use the product. The MTR ready-to-eat also uses the same format.

- **Comparison** – This type of execution involves a direct or indirect comparison of a brand against the competitor's brand. Comparison execution style needs to use with care because it is unethical to do direct comparison.

- **Testimonials** – Many advertisers present their marketing communication messages in the form of a testimonial whereby a person speak on behalf of the product based on his or her personal use of and/or experiences with it. In the testimonial format, the advertisement shows satisfied customers who share their experiences with the viewers. They talk about the product and the benefits derived from the product. The testimonial format is very effective in promoting services. Owing to the intangible nature of services, customers cannot touch and feel the service; testimonials can serve as word-of-mouth recommendation. Another form of testimonial is celebrity endorsement, where a well known person features in the advertisement. The viewers know the celebrity is being paid to appear in the advertisement, so the credibility of the message might be doubted. Some companies solve this problem by using

not so famous artistes to act as users in the advertisement. They feel this increases credibility.

- **Slice of life** – The slice-of-life execution framework refers to the realistic portrayal of life in an advertisement. It depicts problem situations faced by people in day-to-day life, and shows how the advertised product provides a solution. The execution framework consists of four parts: encounter, problem, interaction and solution. The advertisement for Clinic Plus coconut hair oil shows a mother oiling her daughter's hair with a different brand of coconut oil. She finds oil stains on her clothes as well as on the pillow. A voice over explains the benefits of Clinic Plus hair oil, that it penetrates hair and nourishes it. That is, it does not leave any stains. The interaction in this case is done with the help of a voice over. Interaction can also be depicted by characters introducing the product. Advertisers believe that the slice-of-life format is effective as consumers can relate to the situations shown in the advertisement, and can understand the benefits readily. This makes them willing to buy. This format can be used in almost all media like print, billboard, television, etc. A variation of this format is called the slice-of-death advertising. In this format, along with the problem and the solution, fear appeal and the disadvantages of wrong choice are highlighted.

- **Animation** – Animation is the process by which a number of images or graphics are exposed rapidly to the human eye to give the illusion of a continuous picture. Previously, animation was used only in advertisements targeting children. The 'Top Ramen Noodles' advertisement used animation and the same characters were used on the packaging. As animation became popular, the technique was introduced for other products. Animation is special because it can be used to create new human characters, talking animation or to personify the product. The close up toothpaste advertisement, with 'vitamin fluoride', shows the toothpaste tube singing dancing. The mobile service provider Hutch used an animated girl and boy in its advertisements. The advertisement can be animated in full, or an animated character can be used along with human beings. A technique called rotoscoping makes it possible to capture real images and animated characters in one frame. ICICI Bank created a fictional animated character called 'Chintamani' to promote its products. New developments in the field facilitated creation of animation in a short time, with more realistic images and more details. A variation of animation is clay modeling. Here, clay models are animated to depict a story. The advertisement for Amaron battery features clay models. This advertisement has shown that animation can be used to advertise industrial products too. Thus this technique uses animated characters or scenes drawn by artists or on computer.

- **Personality symbol** – This type of execution involves the use of a central character of personality symbol to deliver the marketing communication message and with which the product can be identified. The personality symbol can take the form of a person who is used as a spokesperson, animated characters or even animals.

- **Fantasy** – This type of appeal is often used for image marketing communication by showing an imaginary situation or illusion involving a consumer and the product. In the fantasy approach, the viewer is taken into a

world that is not real. Alternatively, it might portray a situation which viewers can dream of. The fantasies shown in the advertisement can be realistic or unrealistic. Entertainment parks and vacation places use the fantasy approach, where the advertisement features a family or couple on vacation. If the vacation spot has a beach, the advertisement can show the couple enjoying a romantic walk on the sands or kids making sand castles. The advertisement for Kerala Tourism features special attractions of the place, such as Mohiniaattam and Kathakali dancers, backwaters, snake boats, Ayurvedic massage and martial arts like Kalaripayattu. The cologne and perfume industry resorts to fantasy frequently. Commonly used appeals are sex, love and romance. An advertisement with a fantasy approach scores well on recall, as well as on action. If the fantasy is absurd, then the recall is high as viewers remember the absurdity.

- **Dramatisation** – This execution technique creates a suspenseful situation or scenario in the form of a short story. Dramatisations often use situations and theatrical presentations of those by depicting the problem/solution approach. They show how the advertised brand can help resolve a problem.

- **Humour** – Humour can be used as the basis for a marketing communication appeal. However, humour can also be used as a way of executing the message and presenting other types of marketing communication appeals. For example in the advertisement of Kurkure, humour is used for appeal as well as presentation.

- **Combinations** – Many of these execution techniques can be combined in presenting a marketing communication message. For example, slice-of-life ads are often used to demonstrate a product or make brand comparisons.

7.8 Summary

Advertising Message not only plays a fundamental role of communicating information but also creates or shape consumer's problems, desires and goals. It is a way to tell consumers how the product or service can solve a problem, or help in achieving goals or satisfy desires. Advertising message consists of the idea together with other relevant information. The idea spots the uniqueness of the product to win a place in the consumer mind. Message design identifies the consumer's perceptions about the products.Advertising communication effectiveness not only depends on the message content, but also on its structure as well. The important aspects of message structure are: Drawing conclusions, repetition, one –versus- two-sided arguments, comparative advertising message and the order of presentation.

The creative strategy used to communicate marketing communication message is an integral part of the promotional process and is often critical to the success or failure of the campaign. A creative strategy is an outline of what message should be conveyed, to whom and with what tone. Creative strategy gives guidelines for advertising specialists, who are involved in the production of an advertisement. It must define the target audience, product concept, communications media and the advertising message. Its main components are creative objectives, the target market, primary and secondary selling proposition, support, tone and manner. Message strategies or creative strategies are primary tactics used to deliver the message theme. These strategies are of four types: Cognitive, Affective, Conative

and Brand. Cognitive strategies include generic, pre-emptive, unique selling proposition and comparative strategies. Affective strategies are resonance and emotional strategies. Conative strategies include action-inducing and promotional support strategies whereas brand strategies are brand user, brand image, brand usage and corporate strategies.

Creative brief or platform is a document that outlines the message strategy decisions. It combines the basic advertising decisions - problems, objectives, and target markets - with the critical elements of the message strategy like the main idea and details about how the idea will be executed. Creative strategy development actually begins with a thorough assessment of the marketing and promotional situation and a determination of what needs to be communicated to the marketer's target audience. The determination of the central theme, idea, position, or image is a critical part of the creative process as it sets the tone or direction for the development of the individual ads that make up the campaign. An important part of creative strategy development is determining the central theme that will become the major selling idea or big idea for the advertising campaign. The process can be divided into three stages: Idea Generation, Copy Writing and Layout or Production. The creative process is the step by step procedure used to discover original ideas and recognize existing concepts in new ways. Young's creative process includes five steps: Immersion, Digestion, Incubation, Illumination and Verification.

The marketing communication appeal refers to the basis or approach used in the advertisement to elicit consumer response or to influence their feelings toward the product, service, or cause. Different types of appeals are rational/logical, emotional and other appeals. Rational appeals include price, quality, feature, competitive advantage, news. Emotional appeals relate to consumers' social and/or psychological needs for purchasing a product and include humour, fear, music and sex. Some other commonly used appeals are star, reminder, scarcity, snob, adventure, bandwagon and moral appeals.

Creative execution is the way an advertising appeal is presented. An advertising message can be presented or executed in numerous ways: Straight sell or factual message, scientific/technical evidence, demonstration, comparison, testimonial, slice of life, animation, personality symbol, fantasy, dramatization, humour and combination are some commonly used execution styles.

7.9 Self Assessment Questions

1.   What is a Message Strategy?
2.   Give different message structures in brief.
3.   What do you understand by a Big Idea?
4.   Define Creativity. What is the importance of Creativity in Advertising?
5.   Why does a message strategy need to be creative?
6.   Describe the components of a Creative Strategy in brief.
7.   What are the essential elements of a Creative Brief?
8.   How do Tone and Style differ?
9.   What is an Appeal?
10.   What are common Message Execution Formats ? Explain with examples.
12.   With an example, explain Creative Strategy Development for an Advertisement. Also describe the role of Appeal and Execution style in it.

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Unit - 8   Advertising Copy

8.0 Objectives

After completing this unit, you would be able to:
- Understand various elements of Advertising Copy.
- Examine different formats of Body Copy.
- Know about various features of effective Advertising Copy.
- Learn the different format of layout.
- Prepare layout for Advertising Copy.
- Explain the role of visual and sound elements in Radio and Television Advertising Copy.
- Understand the difference between components of Advertising Copy for different media.

8.1 Introduction

After determining the creative approach, type of appeals and expectation style in designing a message, creative team starts creating the actual advertisement. It involves various activities like writing copy, developing illustrations and other visual elements of the advertisement, deciding layout and putting them together. At this stage, the most significant task of the creative team is to write copy for an advertisement. In its simplest form, copywriting refers to writing the words, which will appear in an advertisement. The definition of copywriting changes from media to media. In the print media, copywriting refers to writing the headlines, the main body of the text and other words, which will appear in the advertisement. In the broadcast media, copywriting refers to the complete script, voice over, music, jingle and so on.

8.2 Advertising Copy

The Advertising Copy is an essential part of creative strategy. Though different media has different elements in their advertising copy, yet in present times an advertising copy, for any media, means all the words in advertisement, whether written or spoken.

8.2.1 Introduction

An Advertising Copy is the soul of advertisement. It is text of a print, radio, or television advertising message that aims at catching and holding the interest of the prospective buyer, and at persuading him or her to make a purchase all within a few short seconds.

William F. Arens in his book, "Contemporary Advertising" uses the term Copy for it and includes it into one of the elements of message strategy. According to him Copy is the verbal and art, the nonverbal (visual) presentation of the message strategy.

In other words an Advertising Copy is all the written or spoken matter in an advertisement expressed in words or sentences and figures designed to convey the desired message to the target consumers. According to George Clarke, 'Copywriting is a specialized form of communicating ideas that are meant to serve the requirements of modern marketing'

8.2.2 Components of Advertising Copy

There are different components or elements of an advertising copy and these components are different for different media. Here we examine the verbal and visual elements of an advertisement in print, radio and television media.

A Print advertisement has following components –

    a) Headlines
    b) Sub heads
    c) Illustrations
    d) Slogans, logo types & signatures
    e) Body copy
    f) Blurb
    g) Boxes and panels
    h) Identification mark
    i) Closing idea

In case of a print advertising copy, Verbal Components which are the headlines, subheads, slogans and body copy are created by the copywriters, whereas Visual components are developed by artists working under the art director. For layout or arrangement of the components, all these creative people work together.

Different creative elements of an advertising copy have different effects. According to **Tom Duncan**, there is a hierarchy-of-effects model of creative elements. As the figure 8.1 indicates, in print messages the visuals and headline attract attention. Subheads and the lead (first) paragraph of body copy spark interest. Body copy and other elaboration devices such as boxes and supporting visuals help build credibility and stimulate desire. The closing paragraph and reminder information such as slogans and tag lines at the end of the piece prompt action. The closing may sometimes include a last line that functions as a call to action – it tells the target audience what to do or gives helpful information such as where the product might be found. Other action items at the end – the logo, slogan, tagline, and signature – provide brand identity and reinforce the brand position.

Figure 8.1 - A Hierarchy-of-Effects Model of Creative Elements by Tom Duncan
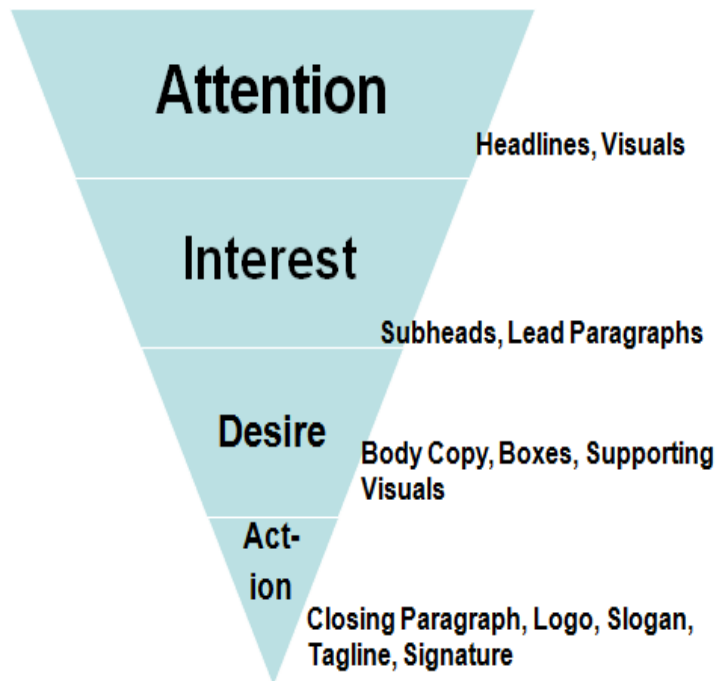
Like print advertisements, broadcast media advertisement copy also has many elements. Radio media advertisements have Audio components like voices, music and sound effects. Voices are usually written in the form of script. Television is another powerful medium of advertising. It contains different elements of sight, sound and motion. These elements can be combined to generate attention. In case of Television media, an advertising copy has audio elements like radio advertising copy as well as video components. Video components are visuals which can be seen on T.V. screen and generally dominate the commercial. These components are many like product, character, actions, setting, lighting, graphics, colour and other symbols etc. Because the television commercials are the most expensive and take lot of time and effort also, it is required that several elements of TV Commercials must be combined together to create right impact and communicate the advertising message effectively.

8.2.3 Effective Advertising Copy

An effective advertising copy presents the message in the advertisement in simple manner and conveys it easily. To make an advertising copy effective, copywriters follow different rules in print media and broadcast media. In case of print media, headline catches most of the attention whereas in Broadcast media visual or sound attracts the audience.

According **to F.W. Jefkins** an effective advertising copy should comply with the following guidelines–

 a) Be precise
 b) Be concise
 c) Aim to sell
 d) Be sincere

e) Addressed to the right audience
f) Influence the reader's thoughts and / or action
g) Stimulate interest
h) Creative desire
i) Inspire confidence

Thus a good advertising copy should not contain a vague generalizations or simple opinions. Ideas expressed in the copy must be linked with the ideas commonly found. The continuity of the copy theme with problems and opinions of the readers, render a lively effect to the copy. The copy should have reference to topics of current interest. Copy writer must understand the educations, living conditions and general social development of the prospects. It should have a tone which is befitting the atmosphere of the product. For instance in copies for sports material, the language should be sporting, for literature of a highly technical profession the language of the copy should be relevant to that profession. The copy should be concise yet convincing. Elaborate phrases and clumsy constructions reduce the value of the copy from the view point of effect while increasing the cost of buying the space. Therefore, the words used should be less and ambiguity should be avoided. The copy should be easily understandable. Its implication must be instantly clear even to the persons with ordinary caliber. The copy must create a pleasant 'atmosphere' because an unpleasant background, however true it may be, creates unpleasant impression for the product. Sometimes, the copy presents a negative appeal, e.g. in the case of soaps, the statements, 'Free from animal fat', will give an indirect hint that animal fats can be used in making soaps. This is not desirable, as it might give rise to a suspicious attitude towards all the products in that time. It is advisable to emphasize good points more than the effects of not using the products. In short, the copy should have a positive approach. Finally the copy must suggest action by rousing the desire or curiosity to use the product. The copy should have a progressive effect so as to impel action on part of the readers. An advertising copy usually ends with the address of source where the article is available on sale. Without this feature, the earlier merits of the copy will prove useless.

8.3 Print Advertising Copy

A Print ad copy is made up of various elements like headlines, sub heads, illustrations, slogans, logo types & signatures, body copy, blurb, boxes and panels, identification mark and closing idea. All these elements are present in some advertising copy but some advertisements may not have all these elements.
 According to **Philip W. Burton and G. Boumankreer** following are the necessary elements of Advertising Copy of the print advertisements-
   a) The Headlines
   b) The Subhead – all ads don't need
   c) The Body Copy – details regarding the functions of Product / Service & its benefits
   d) Captions – less important than main selling point, small units of types used with illustrations, coupons and special offers
   e) The Blurb – a balloon – out of speaker's mouth
   f) Boxes and Panels
   g) Slogans , Logo types and Signatures

In the figure 8.2 the print advertisement copy of 94.3 My FM is given which has all the different elements of print advertising copy in it. These elements of print ad copy are described next.

Figure 8.2 - Different Elements of a Print Advertising Copy
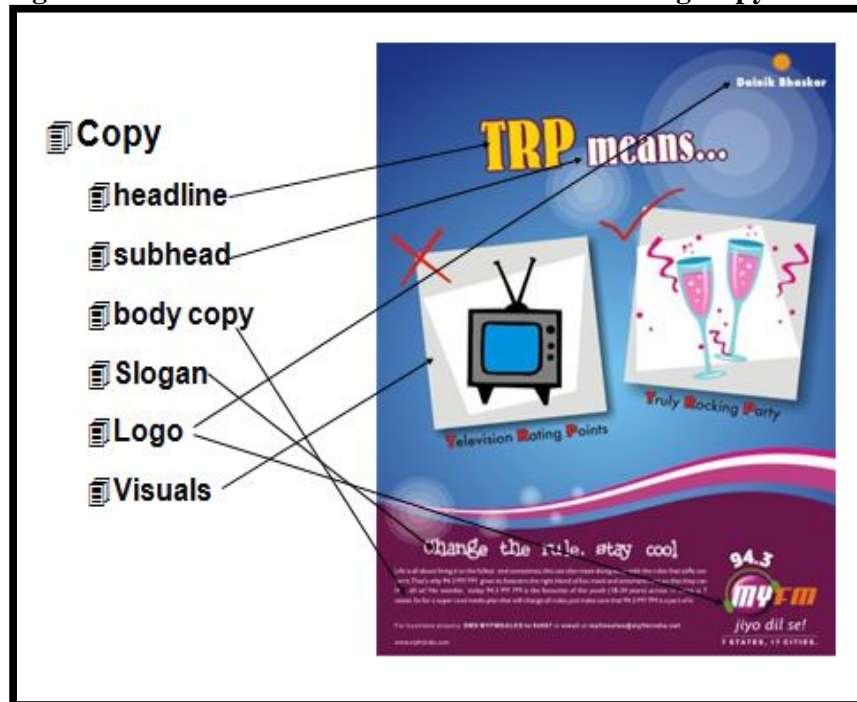
8.3.1 Headlines

The headline of an advertising copy is said to be the most important part, and quite often a small change in its wording brings disproportionate results. According to one study of over 2000 ads, most headlines averaged about eight words. Headlines in the print advertising copy are generally bold and large words, conveying a certain message, because in most of the cases, only the headline of the advertisement is read by the reader. Headlines should be short and succinct.**William F. Aren** defines Headline as "the words in the leading position of the advertisement – the words that will be read first or are positioned to draw the most attention." Thus Headline is a line set in large type to get readers' attention and lead into the Body Copy. It is the only Copy in Outdoor Advertisements.

Attributes of Effective Headline

Effective Headlines must be attractive, interesting, suggestive, educative and believable. They should also have retention value and appropriate appeal. A good headline flags down qualified prospects and lures them into the body copy. A good headline has no extra words to slow the reader down, and every word in it is working hard to get the message across. A good headline is in active voice.

It must have following attributes to be effective –

   a) Attract Attention.
   b) Engage the Audience
   c) Explain the Visual

d) Lead the Audience into Body

e) Cue the Selling Message

Types if Headlines

Headlines may be of various types. Selection of a headline depends on several factors including creative strategy, product type, media vehicle being used, time-frame and other elements of advertise copy like illustrations, body copy etc.

Headlines can be classified as Direct and Indirect Headlines. Direct headlines present the message to the target audience in straight-forward and informative manner. Some types of Direct headlines are Benefit Headlines and Reason-why Headlines etc. On the other hand Indirect Headlines don't identify the product or service in the straight manner. They generally provoke curiosity and lure readers to body copy. Emotional, Slogan and Curiosity Headlines etc. are some types of Indirect headlines. Indirect headlines are generally more attractive and effective than Direct headlines.

Some types of commonly used headlines are as follows:–

1. **News Headline** – This type of headlines talks about new price, new product or new address. In the figure 8.3 the print advertisement copy of Big apple Mfg., the headline "Brand New Intel Complete Computer" introduces a new product.

Figure 8.3 - Print Advertisement Copy of Big apple Mfg. (No. 1)

2. **Benefit headline** – These headlines highlight different benefits offered by the product. As shown in the Figure 8.3 - Print Advertisement Copy of Rin Detergent. (No. 2) talks about the benefit of it.

3. **Emotional Headline** – This headline carries an emotional appeal. As figure 8.4 showing advertising copy of Vodafone says "We're close by."(No. 1)

Figure 8.4 Showing Advertising Copy of Vodafone (No. 1)

4. **Curiosity Headline** – The advertisement of Chlor-mint, shown in figure 8.4 (No. 2) has headline, "Bina tayaari ke. . dobara mat poochna. In a curiosity headline humour, mystery, alliteration, or play on words is used.

5. **Slogan Headline** – In this Company's slogan, sometimes product label or logo may be used. As figure 8.5 showing advertising copy of Colgate says "Bani rahe jindagi ki muskaan."(No. 1)

Figure 8.5 Showing Advertising Copy of Colgate (No. 1)

6. **Directive Headline** – These headlines provoke a customer to action. The advertisement of Mobile Phone and Service Provider is shown in figure 8.5 having headline, "Come Enjoy Free Pizza" (No. 2). It is highly suggestive and motivate for action.

7. **Horn-blowing Headline** – Such headlines make claims about company's achievements. In the figure 8.6 the print advertisement copy of GE Security has the headline "The World's # 1 Non-Contact Safety Switch Manufacturer", which claims superiority of GE Security products over other switches.

Figure 8.6 - Print Advertisement Copy of GE Security

8.3.2 Subheads

In the print advertising copy, subheads are commonly used to support headline. They are larger than body copy and smaller than main headline. In the given advertisement in figure 8.2, Subhead "means…." is there to make the copy easier to read.

Subheads perform following functions:

1. Enhance the readability of the message.

2. Highlight the key sales point.

3. Usually support the interest step best.

A subhead above the headline is called an Overline or Kicker. It may also appear as an underline or in a body copy also. The advertisement of Mobile Phone and Service Provider is shown in figure 8.5 having subhead, "Activate a FREE PHONE Today" is an underline.In the figure 8.7, showing advertisement of Det detergent has subhead, "NEW TRIPLE ACTION DET", as part of body copy.

Figure 8.7 - Advertisement of Det

8.3.3 Body Copy

Print Text is described as either Body or Body Copy. It is the text of the brand message. It is logical continuation from the headline and subheads. The two categories of copy that print advertising uses are display copy and body copy (or text). Display copy includes all elements that readers see in their initial scanning. These elements –headlines, subheads, call-outs, taglines, and slogans –usually are set in larger type sizes than body copy and are designed to get attention and to stop the viewer's scanning. Body copy includes the elements that are designed to be read and absorbed, such as the text of the ad message and captions. The body copy is the main text of an advertisement. Some ads may take a minimalist approach, a line or two or a single paragraph. Other ads may be quite text-heavy with paragraphs of information, possibly arranged in columns newspaper style. While the words are the most important part of the copy, visual elements such as indentation, pull-quotes, bullet lists, and creative kerning and tracking can help to organize and emphasize the message of the body of the advertisement.

Body copy is presented in a smaller font size comparatively. It describes the product, features, uses and benefits.

According to **Belch, Belch & Purani** – "the main text portion of a print ad is referred to as the body copy."

It is detailed and gives enough information to the reader. It is not an essential element of each advertisement. Some advertisements do not have a body copy. It is also commonly called as Copy. An effective body copy should have these characteristics like conviction, persuasiveness, and information along with the ability to create interest, involve a reader and create a response. To be effective a body copy should have these qualities-

1. Simple and direct
2. Appeal to senses
3. Establish contact with the reader
4. Create awareness
5. Arouse interest

6. Build preference for product
7. Key words—compare, introducing, now, price, save, easy, new
8. Written in active voice
9. Ask for action—today, act now, before it's too late, without delay

Types of Body Copy

There are various styles in which a copy can be prepared and presented. Some types of copy are following -

1. Descriptive Copy – This type of copy describes the pertinent and relevant characteristics features of the product. It is very simple and of non- technical nature. It does not have any speciality which can attract the attention of the target consumers or may compel them to read it. It is very much similar to a press account or news item simply giving relevant information to the public without any stylish touch. In the figure 8.3 the print advertisement copy of Big apple Mfg., the headline introduces a new product, which described by the matter of body copy.

2. Scientific Copy – Such types of copies are technical in nature and generally used by drugs and pharmaceutical firms elaborating the propositions of properties and constituents of the product. It provides full information about the product and the producer. This type of copy is usually meant for professional or for those who are really interested in such types of information. In the figure 8.8, the advertisement of Clorox bleach, elaborately explains the information related to the reasons of the bleach's effectiveness in the body copy.

Figure 8.8- Advertisement of Clorox Bleach.

3. Institutional Copy – Institutional advertisement copy aims at selling the name of the advertiser or the institution that is producing or selling the products or services. The main objective of such type of advertisements is to create, maintain or increase the goodwill of the product or of brand or of the department or of the selling house as a whole, Institutional copy invites the target consumers to the selling outlet. Such a copy seeks to build goodwill through publicizing the policies, customer services, Conveniences and general features of superiority of the store over the rivals. As figure 8.4 showing advertising copy of Vodafone (No. 1), tries to create goodwill of the service provider by inviting them to SMS.

4. Topical Copy – In this type of body copy, an attempt is made to appeal to the general public by linking the theme of the copy with some current event. It commands a good deal of interest because of that sensational event which lives in the minds of the public. The Advertisement of Amul Butter in figure 8.9 has such a copy, which links headline, 'bun master!' with a successful entertaining film Bluffmaster.

Figure 8.9- Advertisement of Amul Butter

5. Reason Why Copy – This type of advertisement copy offers the readers reasons why they should buy the advertised goods. It narrates the positive points of difference from other brands of the same product category in an endeavour to convince the reader from product's qualitative aspect. It directs its appeal to the intellect or judgment rather than to emotions or senses. It substantiates the superiority of the product with the tests performance, testimonials, guarantees or construction data. As shown under in the figure 8.10 the advertisement of Red Label tells why one should buy it.

Figure 8.10- Advertisement of Red Label

6. Human Interest Copy – It makes its appeal to the emotions and the senses rather than to the intellect and judgment. Sympathy fear, bonus, curiosity and other emotional appeals like appeals to the senses of sight, hearing, touch, taste, and smell are used in such type of copy. Human interest copy presents the product in relation to people instead of confirming to facts about product. Human interest copy can take various forms:-

- Humorous Copy – It exploits the sense of humor of the people. It turns the reader laughter. All examples and statements in such copy are fully to make the reader smile.

- Fear Copy – It appeals to the sense of fear and arouses the interest of people to save their lives, properties and other belongings. Such copy of advertisement should be drawn carefully so that it may not carry an unpleasant association of reader's minds with the advertiser's product of business.

- Story Copy – In such a copy a story is narrated in a very interesting manner to create manner to create an impression in the minds of the people about the product. Its ability to create interest depends upon dramatic impact it produces. Experience of customers can also be narrated in the story. As shown under in the figure 8.11 the advertisement of Maggie gives story of different consumers.

Figure 8.11- Advertisement of Maggie

- Predicament Copy – It is often used to advantage when it shows an article of merchandise in a case that provides a dramatic explanation of its advantages. Predicament copy usually overlaps the other three kinds of human interest copies.

7. Colloquial copy or Conversational Copy – The colloquial copy presents the message in the way of conversation. It uses an informal language and conversation takes place in terms of "I" and "You" with personal reference to reader and the advertiser. In such copy the style is one of a personal talk or one of an eyewitness account. The advertisement of Maggie is shown in figure 8.12, which has headline, "Mummy, I'm hungry . . ."

Figure 8.12- Advertisement of Maggie

8. Personality Copy – This copy attempts to encase the opinion of personality – real or imaginary – about the product. Usually the personality is real. The photograph of the personality (a person specialized to concerned field) is given with the text of the copy with a view to convince the readers through the moral influence of his name. Invariably, such copy shows a certificate or a testimonial of an influential person or celebrity, as shown in the advertisement of Gili.

Figure 8.13- Advertisement of Gili

9. Prestige Copy – This pattern is usually for in institutional advertising which aims at creating an atmosphere about the product or the firm and may not directly advise the product for sale. Such a copy is occasionally used and is very much similar to the personality copy in impression which also strives to enhance the prestige of the advertising firm indirectly by visualizing the name of the eminent personality. As shown under in the figure 8.14 the advertisement of Chrysler Corporation creating an atmosphere about the corporation's prestige by presenting its forward looking approach.

Figure 8.14- Advertisement of Chrysler Corporation

10. Educational Copy – The copy is designed to educate the general public about the attributes of the product. Usually introductory appeal is made in this style when the product is introduced in the market for the first time. Such an advertisement copy depicts the specialties to the product category. The advertiser depicts one or two attributes of the product such as introduction of a low priced item without the loss of quality or a product developed from a new technology indigenous or imported etc. as shown under in the figure 8.15.

Figure 8.15- Advertisement of Preethi Steele.

11. Suggestive Copy – A suggestive copy tries to suggest or convey the message to the readers directly or indirectly to pursue them to purchase the product. It is useful where the reader is confused about the quality of a product brand and is not in a position to take a decision about the purchase of the product as shown in the advertisement of Neutrogena.

Figure 8.16- Advertisement of Neutrogena.

12. Expository Copy – Just opposite of suggestive copy it expository copy. It does not conceal anything about the product but exposes. The message is quite clear and it needs no inference, no taxing on mind, no thinking, Even a cursory glance rakes it quite easy to remembers or to pick – up, as in the figure 8.17.

Figure 8.17- Advertisement of Ozite Carpet Tiles

13. Questioning copy – Questioning copy as the term suggests, incorporate a series of questions expected to be answered by them readers. The advertiser puts no narration, statement or reason of its own in order to pursue the readers to buy the product. The question arouses the curiosity in the minds of the readers and makes them think of it. As shown under in the figure 8.18 the advertisement of TESCO raises a question.

Figure 8.18- Advertisement of Chrysler Corporation

Thus there are various types of writing copies of advertisement on the basis of their style of presentation.

8.3.4 Other Verbal Elements

Other verbal elements of a print advertising copy include Picture Captions, Callouts, Slogans, Tag Lines, Logos, Address and Signatures etc. and sometimes they are part of body copy only. Here they are explained to understand them better.

Captions and Callouts

After headline and subheads, captions are the third most looked at portion of most printed pages. Captions provide an opportunity to both explain the illustration and summarize the accompanying story. Well-written captions provide another opportunity to pull the reader. Captions are words written under a picture used in the advertising copy. They help in understanding visuals, as in figure 8.2 the advertising copy of '94.3 My FM', TRP under second photo is elaborated as 'Truly Rocking Party'.

According to **Tom Duncan**, "Captions are verbal explanations of visuals whereas callouts are mini captions positioned around an illustration to help, explain or emphasise certain elements in an illustration or picture."

A caption, when included with visuals is one of the first things most readers look at after the visual. So it is an option that the advertiser can use as one more chance to grab the attention of the reader. Thus a caption is a phrase, sentence, or paragraph describing the contents of an illustration such as a photograph or chart. Originally the word caption referred specifically to an identifying headline above the illustration but it is most common today to find the caption placed below, to the side of, or printed directly on the picture it describes.

Similar to captions, callouts point out various parts of the products. They are usually more label-like in nature, identifying specific elements of a photo or illustration (often by placing the call out right on or all around the image) while a

caption is more of a general description of the photo. The call out may be a simple bit of text around the perimeter of the illustration with or without a line or arrow tying it to a section of the illustration. Or, a call out may be framed with boxes, balloons, use arrows, bullets, or have some other decorative treatment. As in the figure 8.19, call-outs are used to describe few features of the car.

Figure 8.18- Advertisement of Next Gen i10

Slogans

According to **Tom Duncan,** 'One memorable device is the Slogan which is the clever phrase that serves as a reminder of a brand, company image or campaign theme.'

These are standard statements which can be associated with a particular brand. Popular headlines in the long run becomes slogan and sometimes slogans are used as headlines –like Nike uses the slogan 'Just Do It' as headline and DeBeers uses the famous 'Diamonds are Forever' as slogan. In the figure 8.2 the print advertisement copy of 94.3 My FM use slogan, 'change the rule, stay cool' and the Advertisement of Amul Butter in figure 8.9 has slogan, 'Bite here, right now!'

Few techniques for creating catchy slogans are:
(1)   Direct Address
(2)   Startling or Unexpected Phrase
(3)   Rhyme, Rhythm, Alliteration –Uses repetition of sounds
(4)   Parallel Construction –Uses repetition of the structure of a sentence
(5)   Cue for the Product
(6)   Music
(7)   Combination of the above techniques

Tag-line

It may be found at the end of a printed piece. It provides either a call to action, instruction on how to respond or a slogan that serves as a brand or campaign reminder cue. According to Tom Duncan a tagline is used to summarise in a catchy way, a campaign's idea.

Logo, Address and Signature

The design of the company's name or brand name is called its logo. Repeated use of a logo enables instant recognition of its brand. The contact or signature of an ad may appear anywhere in the ad although it is usually near the bottom. It consists of one or more of these – Logo, Advertiser Name, Address, Phone Number, Map or Driving Directions and Web Site Address. In the figure 8.6 the print advertisement copy of GE Security has the web address, 'www.sentroindutrial.com'. In the figure 8.8, the advertisement of Clorox bleach has its tag-line as, 'The simple solutions for a healthy home.'

8.3.4 Visual Elements

Another important component of a print advertising copy is the visual element. Visuals refer to the pictures in the advertisement which complements the written message. Photographs, drawings, and graphic embellishments are some key visual elements used in many types of advertisements. Some advertisements may have only a single visual while others might have several pictures. Even text-only advertisements might have some graphics in the form of decorative bullets or borders.

Visual portion of the advertisement may include brand name, company logo, trademark, seals etc. Visual elements play following vital roles in print advertising copy:

  1. Attract attention

  2. Communicate the idea

  3. Work in synergy with the headline and body copy.

Visuals in an advertisement may be used to show different features of the product, how the product works, the advantages of owning the product, its safety features, possible uses for the product, its need or image associated with the product, such as prestige, status, leisure.

Typical visuals in print ads include:

a) Product alone i. e. a hot car.

b) Product in use i. e. prepared food product – not just the box it comes in.

c) Product with people i. e. person using a computer – not just the computer itself.

d) Results of using product i. e. person with toothy white grin – not the whitening strips that did the job.

e) Comparison or contrast i. e. Huge stack of laundry done with one container of concentrated laundry detergent across from much smaller stack done with one container of regular-strength competitor.

f) Trade character i. e. the Lonely Maytag Repairman.

Visuals to be used in advertisement can be created in a number of ways-

a) **Hand-made paintings:** Hand-made paintings in oil colour, water colour, ink or pencil can be used as visuals. The paintings can be specially made for the advertising purpose or existing paintings can be used after checking for copyright.

b) **Clip art**: Clip art refers to copyright- free pictures available on the Internet. The creative director can download free pictures and use them as visuals.

c) **Photographs**: Photographs to be used for visuals can be selected from the archives available with the agency. Alternatively, a photographer can be hired to click pictures as per requirements. Most of the efforts are wasted in this process as the photographer clicks numerous photographs and a very few are selected. Photographs to be used for printing should be of very high quality as the quality deteriorates after printing.

d) **Computer generated visuals**: Getting photographs clicked by a professional is a costly option. An alternative is to generate the visual by using a computer. Otherwise, an existing picture can be modified.

8.4 Layout of Print Advertising Copy

An advertising layout is a preliminary sketch or plan that gives a feel of the overall appearance of the final advertisement. It depicts the relative positions of the various elements like text, visuals and music. The visualizer working on an advertisement produces various rough layouts, until two or three layouts that are pleasing and readable are arrived at.

8.4.1 Definition of Layout

The layout serves as a guideline for those people involved in production. The layout design passes through various stages, from a rough pencil sketch to a detailed, with real photos and typed words. A layout is a miniature sketch or the proposed advertisement.

According to Belch, Belch and Purani, "A layout is the physical arrangement of the various parts of the ad including the headline, subheads, body copy, illustration and any identification mark. Placement of each of these elements is shown in this."

According to Willliam F. Arens, "A layout is an overall orderly arrangement of all the formal elements of an ad: Visual(s) , headline, subheads, body copy, slogan, seal, logo and signature."

According to Mr. Otto Kleeper, 'layout' means two things ; in one sense, it means the total appearance of the advertisement-its design and the composition of its elements; in another sense, it means physical rendering of the design for the advertisement- its blueprint for production purposes.

It is the art or process of arranging printed or graphic matter on a page. It shows the overall design of a page, spread, or book, including elements such as page and type size, typeface, and the arrangement of titles and page numbers. Thus a layout is the design or final arrangement of something that is laid out and waiting to be reproduced especially by print advertisement book etc. It lays out several elements and establishes the overall appearance.

8.4.2 Functions of Layout

In the case of print advertisement, the layout calls for decisions regarding how the headline, body copy and visuals should be arranged on the paper. The layout design decides the readability and effectiveness of the ad in communicating the message. The design governs the placement and structure of the advertisement. A layout perform following functions-

1. It organizes all the elements
2. It brings together copy writer & art director
3. It enables the advertiser to visualize his future advertisement
4. It acts as a guide to the copy specialists
5. Layout gives guidelines to the copywriter for determining space to work with and of the size of the copy.
6. It also gives guidelines to the art director for determining the size and type of pictures and sketches.
7. It serves as a blueprint.
8. It also helps in getting the first approval from the client because it shows the final look of a advertisement.
9. It provides a platform where creative efforts are blended together.
10. It also helps in developing in advance.

For a layout to be effective, it should be prepared in exactly the same size as the final advertisement. Its illustrations should be large enough to show all product features. Image projected in the layout should be appropriate for the target audience and the typeface and size should be easy to read and appropriate for the target audience.

8.4.3 Principles of Good Layout

Some key principles of design are balance, proportion, gaze-motion and unity. These principles are discussed in detail below.

a) **Balance:** Balance is a concept of visual equilibrium. It stresses the arrangement of various elements (headline, logo, visual, etc.) of the advertisement in such a manner that that no one section of the advertising copy is heavier than any other. Creative people try for symmetric (formal) or asymmetric (informal) balance in the layout. A symmetrical balance can be accomplished by placing various shapes equally on either side of a centrally placed axis. The axis passes through the ad copy either horizontally or vertically. Symmetrical balance can also be achieved by placing various elements around a central point. Getting an asymmetrical balance involves placing various elements in such a way that different objects balance each others' optical weights. The optical weight of an element is determined by its shape, size, colour and position. Bigger elements have more weight than smaller elements. Coloured elements carry more weight than black and white elements and darker colour is heavier than lighter colour. For example, black is heavier than gray. The weight of an element is proportional to its distance from the centre. Central elements carry less weight than elements placed in the corner.

b) **Proportion:** The principle of proportion concentrates on the scale and size of various elements appearing in an advertisement. The visuals and the text should be allotted space in the correct proportion, so that the advertisement is not visual heavy or text heavy. Depending on the nature of the product being advertised, the proportion may vary. For example, an advertisement for technical products needs to convey more information about the product. So, it will be text-heavy.

c) **Gaze-motion/Sequence:** The order in which the reader takes in or looks at the various elements of the advertisement is called gaze-motion or sequence. The advertiser has no control over the sequence. The reader might choose any sequence. However, the advertisement can be designed to guide the reader, so that it has maximum impact. It has been proved that the attention of the reader shifts from bright spaces to light spaces, from big objects to small objects and from unusual shapes to common shapes.

d) **Unity:** The principle of unity refers to the coherence or harmony between all the elements of the advertisement. It says that the different elements in the advertisement should be arranged to work towards a common objective. The appearance of the ad should be consistent in terms of design, theme, etc. A funny visual cannot be used along with serious body copy. The colour or fonts used in the advertisement should be consistent, so as to give a sense of unity.

8.4.4   Preparation of Layout

Different stages are there in designing print advertising copy. It is often prepared in rough form and after getting approval from client, final print production is done. In fact at each stage along the way the print ad approval process also takes place and finally the last and finished layout is developed.

Preparing the layout for an advertisement consists of the following three steps: Choosing the basic page design, working with the copy and working with the visuals. The stages are:

1. Sketch or Thumbnail Sketch
2. Rough layout or Preliminary layout
3. Comprehensive layout
4. Dummy layout
5. Finished layout

Tom Duncan gives different stages of preparation of layout, which describe the evolution of a print message as follows-

a)   Thumbnail sketch – A miniature form depicting how the final advertisement will look. It is created by the artists to visualize a number of layout approaches. It is a small, very rough, rapidly produced drawing used to try out visual ideas.

b)   Rough layout or Preliminary layout – The layout for an advertisement is presented in an unfinished form, called a preliminary layout. It is a hand drawn arrangement of elements in the actual size of the advertisement. In this, headlines & subheads are in the final type style.

c)   Comprehensive Layout – The detailed layout for an advertisement, specifying all the aspects of production, is called a comprehensive layout. It is

highly refined representation of the finished piece. It allows the client to see how the brand message will look. It has coloured photos, text hand-lettered or type set, photo states of sub visual and glassy spray coat.

d)   Dummy Layout – It is a mock up that shows the actual size, look and feel of the advertisement. It is assembled by hand using colour markers and computer proofs.

e)   Final Layout/Mechanical layout – It is final, camera-ready art work. Here the type and visuals must be placed into their exact position for reproduction by a printer.

Now-a-days most of the process takes place on the computer.

8.4.5   Formats of Layout

The people involved in the creative process are free to use any layout for an advertisement.

Some print layout styles are discussed below:

a) **Picture window:** The picture window or poster-style layout consists of a big picture, either of the product or a person using the product. As the emphasis is on the picture, only a little space is allotted for the text. Usually, only one headline along with some text is used in this layout style. Print advertisement of Sunsilk shampoo uses the picture layout. The layout consists of a picture of the model and product with a small amount of text.

Figure 8.19- Advertisement of Sunsilk Shampoo

b) **Mondrian:** In the Mondrian style, the layout is divided into rectangular blocks with the help of visible lines and bars. Each block can either contain copy, a picture, logo or colour. In this layout, proportion is given more importance than the sequence of viewing. This type of layout is also called grid layout, as some art directors use a grid to position and align the pieces of the advertisement. As in the advertisement given in the figure 8.20, the layout uses a series of vertical and horizontal lines.

Figure 8.20- Advertisement Layout Uses a Series of Vertical & Horizontal Lines
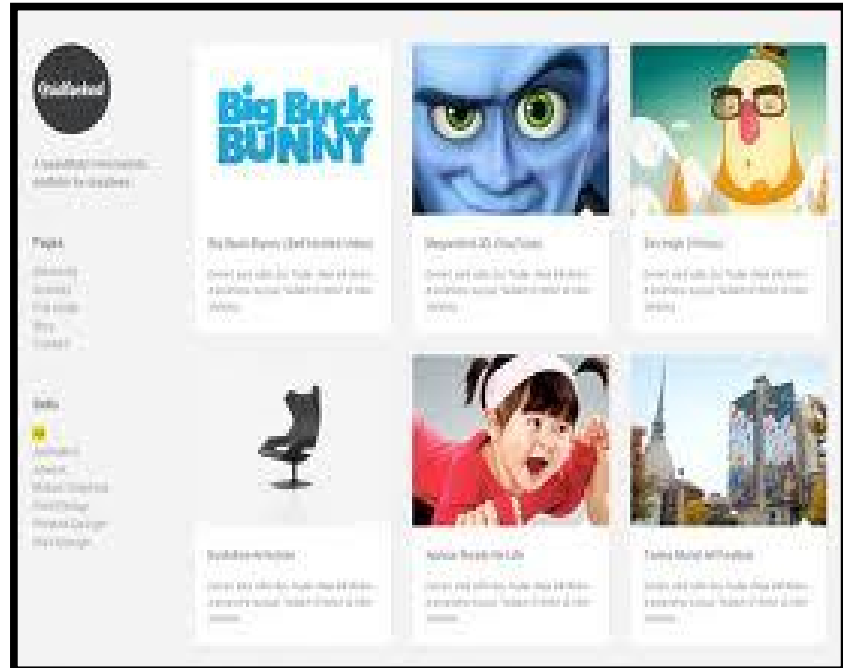
c) **Type-specimen:** This layout is also known as big-type. As the name indicates, the layout consists of text in large font and with no artwork. The big size font attracts the reader's attention, as in the ad given below in the figure 8.21.

Figure 8.21- Advertisement of Kit kat

d) **Copy-heavy:** The copy heavy layout is characterized by a large amount of text and less artwork, or no artwork at all. This layout is used when the message to be conveyed is large and complex. Copy heavy layout stands apart and breaks the clutter. In the figure 8.3 the print advertisement copy

of Big apple Mfg. uses copy heavy layout to give information about the new product.

e) **Multi-panel:** A multi-panel layout consists of a series of compartments, carrying pictures accompanied by captions. A sequence of pictures is used to narrate the message/story of the advertisement. The captions may be depicted as speech balloons. In the Figure 8.22- Advertisement of Hush uses multi-panels.

Figure 8.22- Advertisement of Hush

f) **Circus:** This layout consists of a variety of contrasting elements. The circus layout contains some visual elements, a bold headline and lots of colour. The creative use of all the elements can make for an attractive advertisement. Designing a circus layout is complex and requires a skilled designer. In the Figure 8.23, the advertisement of Maggie uses circus layout which has multiple illustrations, reverse blocks, tilts and other gimmicks to make the ad interesting.

Figure 8.23- Advertisement of Maggie
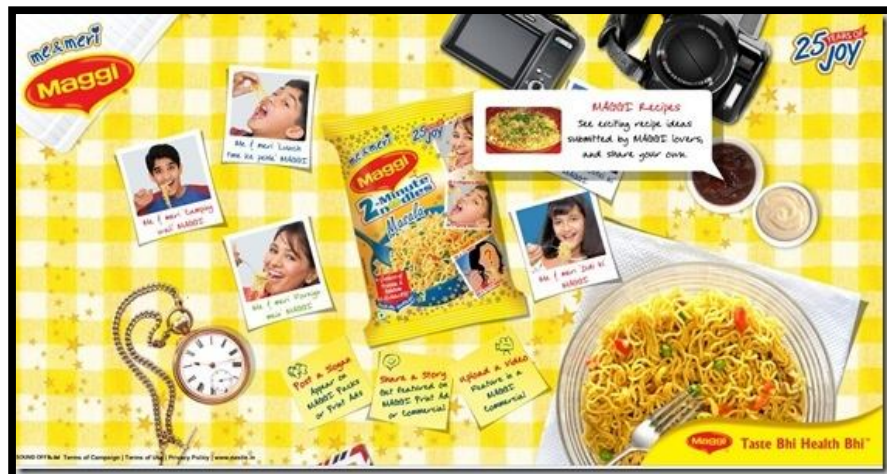
g) **Rebus:** The rebus layout makes use of lots of pictures, photographs and diagrams to convey the message. At the end, some supporting text might be included. In the Figure 8.24, the advertisement of Nike shoes uses Rebus layout which has multiple picture to convey the message.

Figure 8.24- Advertisement of Nike Shoes

Though creative people are free to use any layout, yet there are certain factors on which the selection of a layout depends. These factors are–

a) The nature of the product.
b) The size of the Advertisement.
c) The message content in the copy.
d) The readers' expectations.

8.5 Broadcast Advertising Copy

A Broadcast message whether designed for TV or Radio uses different elements in its copy. In Radio advertising copy, a script is used to outline the critical elements and the structure of the brand message whereas in TV advertising copy a storyboard is used.

8.5.1 Radio Advertising Copy

Radio as a medium of communication provides entertainment for listeners who are busy doing something else like driving, reading or playing. An Advertising Copy for this medium should be very effective and catch attention of such an audience particularly for a product category.

According to William F Arens, "To attract and hold attention of listeners, particularly those not attracted to a product category radio copy must be intrusive."

As radio ommercial has no visuals, it commands the viewer's attention by using sound, music and jingles. In this medium, visuals are left to the listener's imagination. Radio copy should be conversational and personal – written one-to-

one. It is vital to get the listener's attention very effectively with the ad; otherwise it will remain as part of the background noise. This can be done with a unique voice, a call to attention, selecting out the audience, with music, or sound effects, among other methods.

Creating Effective Radio Commercials

Because radio is a transitory medium, the ability of the listener to remember facts is difficult, so copywriters repeat the key points of brand name and identification information. Radio advertising relies on conversational style and vernacular language. To be effective a radio advertising copy should-

a) Be Kept personal
b) Speak of listeners' interests
c) Wake up the inattentive
d) Be memorable
e) Include call to action
f) Create image transfer

William F Arens in his book 'Contemporary Advertising' gave a checklist for 'Creating Effect Radio Commercials' which suggests that it should -

a) Make the big idea crystal clear. Concentrate on one main selling point, Radio is a good medium for building brand awareness, but not for making lists of copy points or complex arguments.
b) Mention the advertiser's name early and often. If the product or company name is tricky, consider spelling it out.
c) Take time to set the scene and establish the premise. A 30 second commercial that nobody remembers is waste of money. Fight for 60 second spots.
d) Use familiar sound effects. Ice tinkling in a glass, birds chirping, or a door shutting can create a visual image. Music also works if its meaning is clear.
e) Paint pictures with your words. Use descriptive language to make the ad more memorable.
f) Make every word count. Use active voice and more verbs than adjectives. Be conversational. Use pronounceable words and short sentences.
g) Be outrageous. The best comic commercials begin with a totally absurd premise from which all developments follow logically. But remember, if you can't write humor really well, go for drama. Remember, if you can't write humor really well, go for drama.
h) Ask for the order. Try to get listeners to take action.
i) Remember that radio is a local medium. Adjust your commercials to the language of your listeners and the time of day they run.
j) Presentation counts a lot. Even the best scripts look boring on paper. Acting, timing, vocal quirks, and sound effects bring them to life.

Formats of Radio Advertising Copy

In 30 or 60 seconds, a good radio ad grabs attention, involves a listener, sounds believable, creates a mental picture, spins a story, calls for action, and manages to keep the product on center stage and the customer in the spotlight — all without sounding pushy, creamy, obnoxious, or boring. A few typical radio formats to consider are:

a) Straight announcer (recorded in advance)
b) Announcer or on-air personality (done live)
c) Dialogue between two people (often blended with problem/solution)
d) Jingle – either for the whole spot or blended with an announcer
e) Celebrity endorsement (often with announcer lead-in and/or ending)

Elements of Radio Copy

Radio's special advantage is that the story is visualized in the listener's imagination. The copywriter has all the theatrical tools of voices, sound effects, and music, but no visuals. It has mainly audio element which includes music, when music is used as a background its purpose is to help in creating an emotional tone for the message. Music is also used as jingles, These Jingles are short in an easy to sing format. They are highly memorable.The use of jingles (short songs) in a commercial is very common. The creative director can create an original tune, use popular tunes or use modified popular tunes. A good tune can help the advertisement to break the clutter. The most important element in radio advertising is voices, which are heard in jingles, spoken dialogue, and announcements These elements are in a script format.

Script

According to William F. Arens, "A script resembles a two- column list. On the left side, speakers names are arranged vertically along with description of any sound effects and music. The right column contains the dialogue, called the audio".

Figure 8.25- An Example of a Script

Kellogg's Crunchy Nut, 'Silence Is Golden'

Agency: Leo Burnett; writers: Ed Morris, Andy Drugan; agency producer: Adam Furman; facilities house: Factory; sound engineers: Sam Robson, Anthony Moore

Script

We are in a recording studio with the pop group The Tremeloes.
The engineer says: "Two, three…"
The band practice the chorus of Silence Is Golden.
Suddenly, an almighty CRUNCH interrupts the song. Someone is eating in the studio – the engineer.
The Tremeloes carry on.
SFX: CRUNCH!!!
They play on…
Engineer: Sorry!
They try to continue singing the chorus of Silence Is Golden, despite the crunching.
SFX: CRUNCH!!! CRUNCH!!! CRUNCH!!! and continue to play.
SFX: CRUNCH!!! CRUNCH!!!
Singer: Stop crunching!
Engineer: Sorry! They're nutty.
The performance falls apart as the band stop playing. They are a little irate.
Singer: I've had enough…
VO: Kellogg's Crunchy Nut. Delicious nutty flakes drizzled in honey. The trouble is they taste too good.[CRUNCH, CRUNCH.]

Copywriters working on a radio commercial use a standard radio script format to write the copy to certain time blocks including all the words, dialogue, lyrics, sound effects, instructions, and descriptions. Figure 8.25 shows an example of the script of the ad of Kellogges Crunchy Nuts.

8.5.2 Television Advertising Copy

TV is particularly well suited to drama. As television media is different, there are different elements in its copy and its layout is presented in the form of a storyboard. The television follows different copywriting rules. In television advertising, the ad copy should be so designed that it makes maximum use of the visual nature of the media. The message in the advertisement should be simple and conveyed in an easy manner. Unlike print ads, the viewer cannot go back or reread the sentence if he or she is unable to understand it the first time. This is an important factor to be kept in mind.

Elements of Television Advertising Copy

Television copywriters have two primary elements: their audio and visual elements. Various elements of a TV commercial are brought together in a script, a written version of a commercial that provides a detailed description of its video and audio content. The script shows the various audio components of the commercial the copy to be spoken by voices, the music and sound effects. The video portion of the script provides the visual plan of the commercial – camera actions and angles, scenes, transitions, and other important descriptions. The script also shows how the video corresponds to the audio portion of the commercial. Once the basic script has been conceived the writer and art director get together to produce a storyboard, a series of drawings used to present the visual plan or layout of a proposed commercial.

The audio portion for a television commercial consists of all the music and voice used in the advertisement. They are similar to radio commercials. But in television media as visual elements are also there, the two column script format can be used by the television copy writers, but with a difference. In TV script the left side is titled video and the right side audio. The video column describes the visuals and production. Camera angles, action, scenery and stage directions. The audio column list has the spoken copy, sound effects and music.

Television copywriters understand that it is the moving image, the action, which makes television so much more engaging than other media. The challenge for the writer is to fuse the images with the words to present not only a creative concept, but also a story. One of the strengths of television is its ability to reinforce verbal messages with visuals or reinforce visuals with verbal messages. Effective television commercials are written to maximize the dramatic aspects of moving images and storytelling.

The ability of the television medium to transmit images sets it apart from other media. The visuals can be created in a variety of ways by shooting with a video camera, animation, etc. The television commercial for Amaron battery has been made using animation. In case of TV commercials, the storyboard contains still drawings of the video scenes and a description of the audio that accompanies each scene.

Storyboard

The storyboard contains still drawings used to present the visual plan or layout of a proposed commercial. The storyboard contains still drawings of the video scenes and a description of the audio that accompanies each scene.

According to Tom Duncan- "A story board is a series of key visuals and accompanying dialogues   that explains a TV commercial."

In it the action is coordinated, with the dialogue by showing key frames and their associated audio track. A storyboard is rough representation of a finished television media advertisement, it is presented "frame" by "frame" (or screenshot by screen shot). In figure 8.18 a storyboard showing only sketches is given. This will usually be presented to a client for approval before work is started.

Figure 8.26- A Storyboard Showing Only Sketches
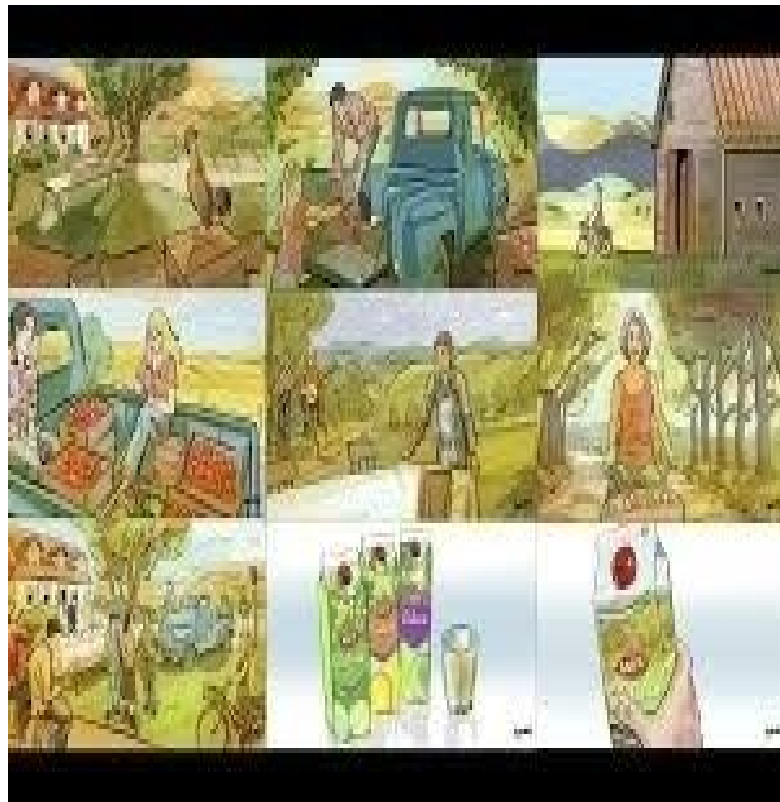
A storyboard generally includes –

 a) A sketch or drawing of the contents of the frame.
 b) Color, placement, and size of graphics.
 c) Actual text, if any is present, for each frame.
 d) Color, size, and type of font, if there is text.
 e) Voice-over, if any (if this is extensive, then the script will be included on a separate sheet of paper, cross referenced to the storyboard number
 f) Animation, if any.
 g) Video, if any.
 h) Audio, if any.
 i) Audience interaction (ie. link, mouseover etc.)
 j) Call to action (measurable)

Like layouts for print ads, storyboards provide those involved in the production and approval of the commercial with a good approximation of what the final commercial will look like. The idea is communicated with the help of a story board, which is analogous to layout in the print advertisement. The storyboard depicts how the final commercial will look, by showing frame wise sketches. It is accompanied by description of voice over, music, direction for camera movement and other design issues. Storyboards can be animatic or photometric. In animatic storyboards, animation is used for making the story board, whereas in photomatic storyboards, photographs are used. When a TV commercial's storyboard uses photos instead of sketches it is called photoboard. It is similar to story board, the only difference is – in it photos are used instead of drawings or sketches.

STORYBOARD: BROOKE BOND BRU GOLD

Agency: Ogilvy India
Category: Beverages

Imran Khan offers coffee to Anushka Sharma. And she takes it without showing any interest. She makes a disappointed face.	He sits next to her and asks, "Kya hua?" She replies, "Shaam ko cousin ki shaadi pe jaana hai. Mom ne Dilli se yeh saree bheji hai."	Imran gets confused and questions, "To... problem kya hai?" She looks at him with disgust and says, "Saree pehnna aata kisko hai."
Imran could not control his laugh and spills a bit of coffee. Anushka gets annoyed and says, "Hass kya rahe ho?"	She continues, "it's not funny alright, kisko phone karun?" Imran gets up from his couch and goes to another room.	Anushka turns and gets surprised to see Imran draped in a saree and carrying it very well. She says, "Tum saree?"
Imran answers her with proud, "College me maine Sita ka role kia tha." Anushka says, "Mujhe to pata hi nahi tha."	Imran continues, "Arre or bahut kuch hai janne ko, mere sath waqt bitaogi to pata chalega." VO: Thoda Bru time nikaliye. Apno ko or kareeb se janiye.	

Production of Television Commercials

Formats of Television Advertising Copy

Television commercials seldom run more than 30 seconds these days, and an average viewer isn't paying full attention. So it is required to focus on one main idea in the ad, there is no time for multiple concepts or a progression of ideas. While developing a TV commercial, the whole thing is presented chiefly through video, not by words. TV's main strength is its visual aspect and the ability to demonstrate things, while copy is secondary in this medium..

Because so many TV ads these days are subject to "zipping" (fast-forwarding past the ads on tape or on TIVO), "zapping" (flipping around other channels during the commercial break) or "flushing" (losing the viewer while they visit the bathroom) – it is important to get the viewer's attention right away. This can be done by various methods – lots of motion, total silence, using arresting sounds or voices, arousing curiosity, and so on. In addition, it is important that if the advertisements show words on the screen, the announcer is also saying those words – otherwise viewers may suffer from cognitive dissonance and won't retain either set of words. But if the advertisement demonstrates something on-screen, it is fine to talk about something else – viewers can see what is being shown to them and don't need to have that reinforce so literally.

Most of the programming on television is narrative, so commercials use storytelling to take advantage of the medium's strength. TV can dramatize the situation in which a product is used and the type of people using it. Stories can be riveting if they are well told, but they must be imaginative to hold their own against the programming that surrounds them. Some TV formats include-

a) Demonstrations such as product-in-use or a torture test.

b) Before and after or side-by-side comparison.

c) Slice of life often blended with problem/solution.

d) A set of vignettes showing various product uses or various types of people using the product.

e) A short movie with the product blended in.

f) Testimonials or celebrity endorsements.

Production of Television Advertising Copy

The actual production requires a lot of effort in terms of time and money. Once the storyboard or animatic of the commercial is approved, it is ready to move to the production phase, which involves three stages.

1. Preproduction – all the work and activities that occur before the actual shooting/recording of the commercial.

2. Production – the period during which the commercial is filmed or videotaped and recorded.

3. Postproduction – activities and work that occur after the commercial has been filmed and recorded.

The various activities of each phase, as given by Belch, Belch & Purani are shown is Figure 8.28. Before the final production process begins, the client must usually review and approve the creative strategy and the various tactics that will be used in creating the advertising message.

Figure 8.28-Three Phases of Production for Commercials
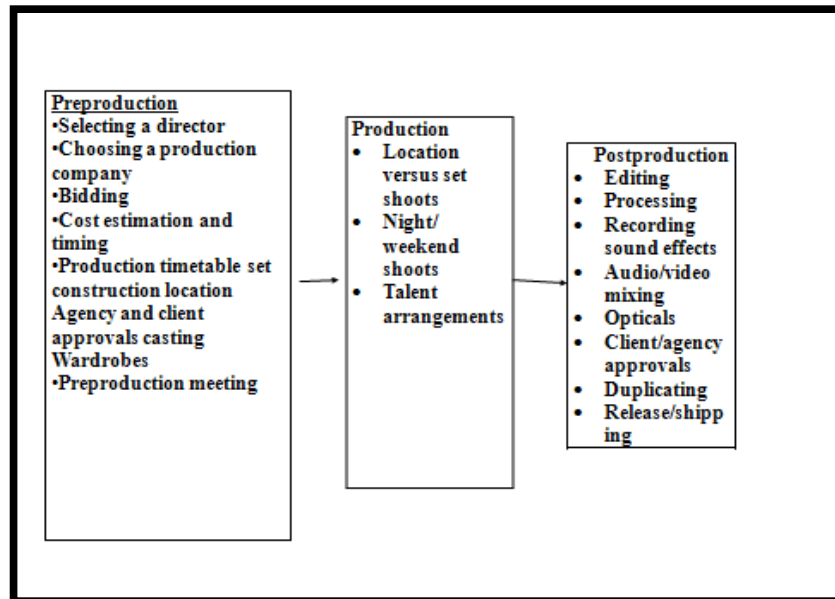
8.6 Summary

The Advertising Copy is an essential part of creative strategy. Different media have different elements in their advertising copy, yet an advertising copy, for any media, means all the words in advertisement, whether written or spoken. It is text of a print, radio, or television advertising message that aims at catching and holding the interest of the prospective buyer, and at persuading him or her to make a purchase all within a few short seconds. A Print advertisement has following components i.e. headlines, sub heads, illustrations, slogans, logo types, signatures, body copy, blurb, boxes and panels, identification mark & closing idea. Broadcast media advertisement copy also has many elements. Radio media advertisements have Audio components like voices, music and sound effects. Voices are usually written in the form of script. Television is another powerful medium of advertising. It contains different elements of sight, sound and motion.

An effective advertising copy presents the message in the advertisement, in simple manner and conveys it easily. an effective advertising copy should be precise, concise, aim to sell, be sincere, addressed to the right audience, influence the reader's thoughts and / or action, stimulate interest, creative desire and inspire confidence.

Headline is a line set in large type to get readers' attention and lead into the Body Copy. It is the only Copy in Outdoor Advertisements. To be effective, headline must attract attention, engage the audience, explain the visual, lead the audience

into body and cue the selling message. Headlines can be classified as Direct and Indirect Headlines. Direct headlines present the message to the target audience in straight-forward and informative manner. On the other hand Indirect Headlines generally provoke curiosity and lure readers to body copy. Some types of commonly used headlines are news headline, benefit headline emotional headline curiosity headline slogan headline directive headline horn-blowing headline. Subheads are commonly used to support headline. They are larger than body copy and smaller than main headline. The body copy is the main text of an advertisement. To be effective a body copy should have qualities like simple and direct, appeal to senses, establish contact with the reader, create awareness and arouse interest, build preference for product, use key words—compare, introducing, now, price, save, easy, new, written in active voice and ask for action—today, act now, before it's too late, without delay. There are various styles of body copy including descriptive, scientific, institutional, topical, reason-why, human interest, colloquial or conversational, personality, prestige, educational, suggestive, expository and question copy. A print advertising copy also includes other verbal elements like picture captions, callouts, slogans, tag lines, logos, address and signatures etc. Visuals refer to the pictures in the advertisement which complements the written message & can be created in a number of ways, as-hand-made paintings, clip art, photographs, computer-generated visuals. An advertising layout is a preliminary sketch or plan which depicts the relative positions of the various elements like text, visuals and music. A layout performs functions like organizes all the elements, brings together copy writer & art director, enables the advertiser to visualize his future advertisement and acts as a guide to the copy specialists. Some key principles of layout design are balance, proportion, gaze-motion and unity. Preparing the layout for an advertisement consists of the following three steps: Choosing the basic page design, working with the copy and working with the visuals. The stages are: sketch, rough layout, comprehensive layout, dummy layout and finished layout. Main print layout styles are picture window, mondrian, type-specimen, copy-heavy, multi-panel, circus and rebus. Selection of a certain layout depends on factors like the nature of the product, the size of the advertisement, the message content in the copy and the readers' expectations. In Radio advertising copy, a script is used to outline the critical elements and the structure of the brand message. The copywriter has all the theatrical tools of voices, sound effects, and music, but no visuals. The most important element in radio advertising is voices, which are heard in jingles, spoken dialogue, and announcements. A script resembles a two- column list. On the left side, speakers names are arranged vertically along with description of any sound effects and music. The right column contains the dialogue, called the audio. Various elements of a TV commercial are brought together in a script, a written version of a commercial that provides a detailed description of its video and audio content. In TV script the left side is titled video and the right side audio. The video column describes the visuals and production. Camera angles, action, scenery and stage directions. The audio column list has the spoken copy, sound effects and music.

8.7 Self Assessment Questions

1. Define Advertising Copy
2. What are different components of Advertising Copy?
3. Give elements of Print Advertising Copy in brief.
4. What are characteristics of an effective Advertising Copy?
5. Give role of visual elements of a Print Advertising Copy.
6. Discuss the role of Headlines and Subheads in Print Advertisements. Give different types of headlines with examples.
7. What is the purpose of a Headline?
8. What is a Layout? What are different formats of Layout? Give with example.
9. Explain various stages of preparation of Layout.
10. What is Body copy? Describe its various formats with examples.
11. Write Short notes on:
    a) Script
    b) Story board
    c) Visual elements
    d) Illustrations
    e) Subheads
12. What is a script? How do scripts of Audio and Video media differ ?
13. What is the production process of a T.V Advertising Copy?
14. Define a Story board and describe its elements in brief.

8.8 Reference Books

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Unit - 9 : Media Planning

Structure of Unit

9.0 Objectives

After completing this unit you will be able to:

- Understand the objectives of Media.
- Understand various Media Strategies.
- Design Media Tactics.
- Evaluate Media Plan effectiveness.

9.1 Introduction

The two basic tasks of marketing communications are message creation and message dissemination. Media planning supports message dissemination. Media planning helps you determine which media to use--be it television programs, newspapers, bus-stop posters, in-store displays, banner ads on the Web, or a flyer on Facebook. It also tells you when and where to use media in order to reach your desired audience. Simply put, media planning refers to the process of selecting media time and space to disseminate advertising messages in order to accomplish marketing objectives. When advertisers run commercials during the Super Bowl game at more than $2.5 million per thirty-second spot, for example, media planners are involved in the negotiation and placement.

Media planners often see their role from a brand contact perspective. Instead of focusing solely on what medium is used for message dissemination, media planners also pay attention to how to create and manage brand contact. Brand contact is any planned and unplanned form of exposure to and interaction with a product or service. For example, when you see an ad for Volkswagen on TV, hear a Mazda's "zoom zoom" slogan on the radio, are told by a friend that her iPod is the greatest invention, or sample a a new flavor of Piranha energy drink at the grocery store, you are having a brand contact. Television commercials, radio ads, and product sampling are planned forms of brand contact. Word of mouth is an unplanned brand contact -- advertisers normally do not plan for word of mouth. From the consumer's perspective, however, unplanned forms of brand contact may be more influential because they are less suspicious compared to advertising.

The brand contact perspective shows how the role of media planners has expanded. First, media planners have moved from focusing only on traditional media to integrating traditional media and new media. New media -- cable and satellite television, satellite radio, business-to-business e-media, consumer

Internet, movie screen advertising and videogame advertising -- is playing an increasingly significant role. Spending on new advertising media is forecast to grow at a compound annual rate of 16.9 percent from 2005-2009, reaching $68.62 billion by 2009, while traditional media advertising is expected to rise only 4.2 percent on a compound annual basis during the same period to $192.28 billion.

Second, media planners are making more use of product placements now, in lieu of advertising insertions. Advertising insertions, like print ads or television commercials, are made separately from the content and are inserted into it. The ads are distinct from the articles or TV programs, not a part of them. As a result, the ads seem intrusive. In contrast, product placement (also called brand placement or branded entertainment) blends product information with the content itself. Whether content is a television program, movie, video game or other form of entertainment, product placement puts the brand message into the entertainment content. For example, in the movie E.T., the extraterrestrial eats Reese's Pieces candy. The candy was authentically integrated into the movie ?and sales of Reese's Pieces soared 80% after the movie, catapulting the new product to mainstream status. On the other hand, inappropriate or excessive product placements may do more harm than good to the brand.

Finally, the role of media planners has expanded as media planners have moved beyond planned messages to take advantage of unplanned messages as well. Whereas planned messages are what advertisers initiate -- like an ad, press release or sales promotion -- unplanned messages are often initiated by people and organizations other than advertisers themselves. Word of mouth, both online and offline, is one form of unplanned message. Although advertisers have little direct control over the flow of unplanned messages, they can facilitate such a flow. For example, advertising agency Crispin Porter + Bogusky (CP+B) created a viral marketing mascot, the Subservient Chicken, for Burger King to illustrate its slogan "Have It Your Way." Visitors to the www.subservientchicken.com site can ask the chicken to make a move, such as jump, dance or lay an egg. In the first two weeks after the site's launch, the Subservient Chicken story appeared on 63 broadcast segments, including five separate segments in television shows unplanned success. Within months, the site had generated 426 million hits from 15 million unique visitors averaging six minutes per session. Many visitors learned about the site through word of mouth, both online and offline. More recently, specialized agencies have started to hire word of mouth agents to work for advertisers on a fee basis. Initial research suggests that many consumers react positively to this kind of word of mouth communication. For example, Rock Bottom brew pub chain, reported a 76% jump in 2003 revenues after hired gun Bzz-Agent launched a 13-week word of mouth campaign employing 1,073 of its "agents" to get the word out.

These new approaches have altered how media planning works in the advertising process. "Seven years ago media was the last five minutes of the presentation. Now it's reversed," said Rishad Tobaccowala of Publicis Groupe Media, whose fast-growing Starcom division helps clients buy and measure interactive, mobile, and gaming ads. Media planners are playing an increasingly important role in today's advertising industry because of the continuing proliferation of new media options and the increased complexity of media and audience research.

Media planning is generally the task of a media agency and entails finding media platforms for a client's brand or product. The job of media planning involves determining the best combination of media to achieve the marketing campaign objectives. Choosing which media or type of advertising to use is sometimes tricky 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 beused). 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. Metropolitanradio stations present the same problems as TV and metro newspapers; however, in smaller markets, the local radio station and newspaper may sufficiently cover a small firm's audience.

9.2. Media Objectives

How is a media plan developed?

Media planning is a four-step process which consists of 1) setting media objectives in light of marketing and advertising objectives, 2) developing a media strategy for implementing media objectives, 3) designing media tactics for realizing media strategy, and 4) proposing procedures for evaluating the effectiveness of the media plan.

Let's take a look at the planning process through an example: P&G's launch of the Gillette Fusion shaving system for men in early 2006. First, P&G's media objectives called for a $200 million media blitz to reach men in the U.S. Second, P&G's strategy included a mix of national media to introduce the brands. For example, television advertising, such as a $5 million Super Bowl ad campaign, portrayed Fusion as an advanced technology found in a secret government UFO lab. The TV ads also established the brand's signature orange and blue color scheme. In store aisles, 180,000 display units promoted Fusion, using the brand's colors to catch consumers' attention. "We're trying to put the product wherever men shop," said Pauline Munroe, marketing director for blades and razors in P&G's Gillette business unit. Third, P&G's media tactics -- such as a Father's Day sweepstakes, an episode of NBC's The Apprentice in which the show's teams competed to promote the razor, and sponsorship of competitive surfing -- helped the company reach men of all ages. "Fusion will get so much attention that it will drive a lot of men to try these grooming products," said Gary Stibel of New England Consulting Group. Finally, P&G used sales and market share targets to assess the effectiveness of the media plan. P&G expects sales of Fusion to reach $1 billion in sales by year three.P&G knows that the brand has already achieved 25% market share in the U.S. Thus, although $200 million seems like a lot to spend on advertising a new product, it represents a sound financial investment toward the tremendous future profit that P&G will gain from the new shaving system.

Now, let's take a deeper look into the media planning process. Media planning, such as planning the marketing communications for the launch of the Fusion new shaving system, starts with setting media objectives. Media objectives usually consist of two key components: target audience and communication goals. The target audience component of the media objectives defines who is the intended target of the campaign. For example, P&G's target audience objective for its

Fusion shaving system was men 18-40 years old. The communications goals component of the media objectives defines how many of the audience the campaign intends to reach and how many times it will reach them. In short, media objectives are a series of statements that specify what exactly the media plan intends to accomplish.

The objectives represent the most important goals of brand message dissemination, and they are the concrete steps to accomplish marketing objectives.The next two sections provide details on target audience and communication goals. You'll learn about sources of data to use to identify your target audience. You'll also learn how to quantify communication plans.

9.2.1. Target Audience

The first objective of a media plan is to select the target audience: the people whom the media plan attempts to influence through various forms of brand contact. Because media objectives are subordinate to marketing and advertising objectives, it is essential to understand how the target audience is defined in the marketing and advertising objectives. The definition may or may not be exactly the same, depending on the marketing and advertising objectives and strategies.

A common marketing objective is to increase sales by a specific amount. But this marketing objective does not specify a target audience, which is why the media objective is needed. Consider Kellogg's Corn Flakes and all the different strategies the advertiser could use to increase sales among different target audiences. For example, one target audience might be current customers -- encouraging people who eat one bowl a day to also "munch" the cereal as a snack. Or, the advertiser might target competitors' customers, encouraging them to switch brands. Or, the advertiser might target young adults who are shifting from high sugar "kids cereals" to more adult breakfast fare. Finally, the advertiser could target a broader lower-income demographic. The point is that each campaign could increase sales via a different target audience.

Marketers analyze the market situation to identify the potential avenues for boosting sales increase and consider how advertising might achieve those aims. If the advertiser chooses to attract competitors' customers -- like what Sprint does to attract users of other wireless services -- the media plan will need to define the target audience to be brand switchers and will then identify reasons to give those potential switchers to switch, such as greater convenience, lower cost, or additional plan features. For example, in 2006 Sprint Nextel ran an ad campaign urging consumers to switch to Sprint because "no one has a more powerful network."

9.2.1.1 Demographics and Psychographics

The target audience is often defined in terms of demographics and psychographics. Syndicated research services such as Simmons Market Research Bureau (SMRB or Simmons) and Mediamark Research Inc. (MRI) provide national data on a number of demographics of U.S. consumers, including gender, age, education, household income, marital status, employment status, type of residence, and number of children in the household. Using demographic variables, for example, the target audience of a media plan could be "individuals who are 26-to-45 years old with yearly household income of $50,000 or more" or "all households with children age 3 years or younger."

Some advertisers believe that demographic definitions of a target audience are too ambiguous, because individual consumers that fit such definitions can be quite different in terms of their brand preference and purchase behavior. For example, think about the students in a media planning class. Even though some of them are the same age and gender, they may like different brands of toothpaste, shampoo, cereal, clothing, and other products. Therefore, media planners use psychographics to refine the definition of the target audience.

Psychographics is a generic term for consumers' personality traits (serious, funny, conservative), beliefs and attitudes about social issues (opinions about abortion, environment, globalization), personal interests (music, sports, movie going), and shopping orientations (recreational shoppers, price-sensitive shoppers, convenience shoppers). Mazda, for example, doesn't define its target audience by age, income or gender, but by psychographic principles. Mazda targets people who have a need for self-expression, are young at heart, and love to drive.

One psychographic system which media planners often use is called VALS (short for Values And Lifestyle), which was developed by SRI in the 1980s. VALS places U.S. adult consumers into one of eight segments based on their responses to the VALS questionnaire. The eight segments are: Innovators, Thinkers, Achievers, Experiencers, Believers, Strivers, Makers and Survivors. Each segment has a unique set of psychological characteristics. For example, Innovators are "successful, sophisticated, take-charge people with high self-esteem. Because they have such abundant resources, they exhibit all three primary motivations in varying degrees. They are change leaders and are the most receptive to new ideas and technologies. Innovators are very active consumers, and their purchases reflect cultivated tastes for upscale, niche products and services." Defining a target audience by psychographic variables helps not only creative directors with the development of advertising appeals but also media planners with the selection of effective media channels. If a psychographic group of consumers likes playing golf, for example, they are likely to read golf-related magazines and visit golf-related Web sites.

9.2.1.2. Generational Cohorts

In addition to demographics and psychographics, generational cohort is another useful concept for selecting the target audience. Because the members of a particular generational cohort are likely to have had similar experiences during their formative years, they maintain analogous social views, attitudes, and values. Generational cohorts in the U.S. are the Baby Boomers (about 70 million people born 1945-1964), Generation X (about 17 million people born in 1965-1978), and Generation Y (about 60 million people born between 1979 and 1994). Each of the cohorts possesses distinct characteristics in their lifestyles and often serves as a reference group from which finer segments of the target audiences can be selected for specific advertising campaigns.

An interesting example of a generational cohort is "kogals" in Japan. Originating from the world for "high school," kogals are a unique segment of young women in urban Japan who conspicuously display their disposable incomes through unique tastes in fashion, music, and social activity. They have the leisure time to invent new ways of using electronic gadgets. For example, they started changing mobile phones' ring tones from boring beeps to various popular songs and changing screen savers from dull defaults to cute pictures. Manufacturers observe

kogals and listen to what they say is unsatisfactory about the products. In some cases, manufacturers simply imitate the new usages that kogals spontaneously invented and incorporate these usages part of their own new commercial services, thereby increasing sales.

9.2.1.3. Product and Brand Usage

Target audiences can also be more precisely defined by their consumption behavior. Product usage includes both brand usage (the use of a specific brand such as Special K cereal or Dove soap) andcategory usage (the use of a product category such as facial tissue or chewing gum). Product use commonly has four levels: heavy users, medium users, light users and non-users. The levels of use depend on the type of product. For example, Simmons defines heavy domestic beer users as those who consume five or more cans in the past 30 days, medium beer users as those who consumer two to four cans, and light users as those who consume one can in 30 days. For travel, Simmons' definitions are: three foreign trips per year indicate heavy travel users, 2 foreign trips per year are medium travel users, and 1 trip per year are light travel users. There is a popular saying in the industry: "the twenty percent who are heavy users account for eighty percent of the sales of a product." This highlights the importance of heavy users for a brand's performance. Examples of defining a target audience by product usage can be "individuals who dine out at least four times in a month" or "individuals who made domestic trips twice or more last year."

Similarly, brand usage has several categories. Brand loyals are those who use the same brand all the time. Primary users use a brand most of the time but occasionally also use other brands in the same category; they are secondary users for these competing brands. Brand switchers are those who have no brand preference for a given product category but choose a brand on the basis of situational factors. An analysis of the brand usage pattern is helpful for the identification of the appropriate target audience. Simmons and MRI offer brand usage data for many national brands.

9.2.1.4. Primary and Secondary Target Audience

The target audience in a media plan can be either primary or secondary. A primary target audience is one that plays a major role in purchase decisions, while a secondary target audience plays a less decisive role. In the case of video game players, for example, children's requests often initiate a purchase process; parents often respect their children's brand selection. Thus, it is reasonable to consider children as the primary target audience and their parents as the secondary target audience. If the parents are aware of the advertised brand, it will be easier for children to convince them of the purchase. Media planners need to examine and identify the role of consumers in shopping, buying and consuming a product or service to target the right groups of consumers effectively.

9.2.1.5. The Size of Target Audiences

In the process of defining a target audience, media planners often examine and specify the actual size of a target audience -- how many people or households fit the definition. Knowing the actual size helps advertisers to estimate the potential buying power of the target audience. For example, if the target audience of a campaign is defined as working women 26-to-44 years old who are interested in receiving daily news updates on their mobile phones, media planners should estimate the number of these women in the U.S. to quantify the sales potential.

As another example, if the target audience consists of 2,000,000 households in the U.S. and each household purchases the brand two times a month, the monthly sales would be 4,000,000 units. The U.S. Census Bureau provides the most authoritative data about demographics of the U.S. population by state. Whereas the U.S. Census provides demographic data, market research services such as Simmons and MRI provide demographic data that is linked to product data. This means that media planners can get information about consumers of hundreds of product types.

9.2.1.6 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?

- 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.

Advertising media includes:

- Television (TVC, television commercial)
- Radio
- Newspapers
- Magazines (consumer and trade)
- Outdoor billboards
- Public transportation
- Yellow Pages
- Direct mail (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 matchbooks, pencils, calendars, telephone pads, shopping bags and so on)
- Other media (catalogs, samples, handouts, brochures, newsletters and so on)

9.2.2. Communication Goals

After media planners define the target audience for a media plan, they set communication goals: to what degree the target audience must be exposed to (and interact with) brand messages in order to achieve advertising and marketing objectives. For example, one communication goal can be that 75 percent of the target audience will see the brand in television commercials at least once during a period of three months. Another communication goal is that 25 percent of the target audience will form a preference for a new brand in the first month of the brand launch. The different communication goals can be better understood in a

hierarchy of advertising objectives, such as Bill Harvey's expansion of an earlier model of Advertising Research Foundation (ARF).

The expanded ARF model has ten levels, The first three levels of goals from the bottom -- vehicle distribution, vehicle exposure, and advertising exposure -- are particularly relevant for media planning. Vehicle distribution refers to the coverage of a media vehicle, such as the number of copies that a magazine or newspaper issue has, or the number of households that can tune in to a given television channel. Vehicle exposure refers to the number of individuals exposed to the media vehicle, such as the number of people who read a magazine or watched a television program. Advertising exposure refers to the number of individuals exposed an ad or a commercial itself.

It is important to note the difference between vehicle exposure and advertising exposure for many media with editorial content. For example, not all audience members of a television program will watch all the commercials interspersed in the program. A study shows that only 68 percent of television audiences watch the commercials in television programs. Vehicle exposure represents only an opportunity to see an ad, not necessarily that the ad has actually been seen. In reality, advertising exposure is rarely measured, and media planners use vehicle exposure as a proxy measure of advertising exposure.

Another group of communication goals is advertising recall, advertising persuasion, leads and sales. Advertising recall represents the cognitive effect of the ad, advertising persuasion represents the emotional effect of the ad, and leads and sales are the behavioral effects of the ad. Each can be specified in a media plan as a communication goal. For example, a communication goal can specify that 50% of the target audience will recall the radio ad during the month of the campaign, or that a campaign will generate 3000 leads.

9.2.2.1. Reach, Frequency and Gross Rating Points

Media planners often define the communication goals of a media plan using the three interrelated concepts of reach, gross rating points, and frequency. Media planners use reach to set their objective for the total number of people exposed to the media plan. Reach is one of the most important terms in media planning and has three characteristics. First, reach is a percentage, although the percentage sign is rarely used. When reach is stated, media planners are aware of the size of the target audience. For example, if a media plan targets the roughly 5 million of women who are 18-25 years old, then a reach of 50 means that 50% or 2.5 million of the target audience will exposed to some of the media vehicles in the media plan. Second, reach measures the accumulation of audience over time. Because reach is always defined for a certain period of time, the number of audience members exposed to the media vehicles in a media plan increases over time. For example, reach may grow from 20 (20%) in the first week to 60 (60%) in the fourth week. The pattern of audience accumulation varies depending on the media vehicles in the media plan. Third, reach doesn't double-count people exposed multiple times if the media plan involves repeated ads in one media category or ads in multiple media categories. Media planners use reach because it represents that total number of people exposed to the marketing communication.

Besides reach, media planners use Gross Rating Points as a shorthand measure of the total amount of exposure they want to buy from media outlets such as TV networks. For example, the 2006 Super Bowl game received a rating of 42, which

means 42 percent of U.S. television households tuned in to the program. If an advertiser planned to run a commercial once during the Super Bowl, that ad would appear in 42% of households. If the commercial was run only once, the reach is equal to the rating of the program, a GRP of 42. If the advertiser's media plan called for running the ad twice during the Super Bowl, the GRP would be $2*42 = 84$.

Media planners often think in terms of gross rating points because ad prices often scale with this measure. As a rule of thumb, it costs about twice as much to obtain a GRP of 84 as to obtain a GRP of 42. A media plan that calls for a GRP of 84 doesn't necessarily mean that the advertiser must advertise twice on the Super Bowl. The advertiser could also buy 6 spots on popular primetime shows that each have a rating of 14 ($6*14 = 84$) or buy a large number of spots (say 42 spots) on a range of niche-market cable TV programs, radio stations or magazines that have a rating of 2. Some media vehicles are best-suited to specific target audiences. For example, the Nickelodeon TV channel controls 53% of kids GRPs.

Notice the difference between GRP and reach: GRP counts total exposures while reach counts unique people exposed. Thus, GRP does double-count people who see ads multiple times. Frequency connects the concept of reach with that of GRP. To see this relationship between GRP and reach, let's consider what happens when an advertiser puts two spots on the Super Bowl -- one during the first half of the game and another in the second half. As mentioned earlier, this example plan has a GRP of 84. But what is the reach? That depends on how many people watch both halves of the game. Rating services such as A.C. Nielsen monitor who watches the game, when they watch, and whether they watch the first half or the second half or both halves of the game.

These rating services know that, for example, 1/3 of the game-watching households stop watching after the first half and 1/3 of game-watching households start watching during the second half. This means that, although 42% of households are tuned in to the game during each half, it's not the same 42% for both halves. Thus, the reach of the first ad is 42, but then one-third of these households ($42\%*1/3 = 14\%$ of all households) tune out before the second ad during the second half. This means that only 28% of all households watch both first and second halves of the game and see the ad twice. This 28% of households who are still watching when the second spot shows won't add to the reach when they see the second spot. During the second half, a different 14% of U.S. households tune in. These new watchers do count toward the reach during the second half because they didn't see the ad during the first half. Thus, the total reach for the game for the two-ad plan is $42+14 = 56$.

Frequency is the ratio of GRP over reach. Frequency is a measure of repetition. The formula of calculating frequency is: Frequency = Gross rating points / Reach

Using the Super Bowl example again, if the GRPs were 84 and the reach was 56, then the frequency would then be 1.5 ($84/56=1.5$). A frequency of 1.5 would mean that, on average, audience members of the Super Bowl game had one-and-a-half opportunities to watch the ad.

The media objectives of a media plan often call for some combination of reach and frequency. Media planners want the highest reach possible because that means more people will be exposed to the campaign, which should lead to more brand awareness, customer loyalty, sales, and so on. Media planners also seek

high frequency if they feel that consumers will only take action (that is, buy the product) after multiple exposures to the campaign. For example, launching a new brand or teaching consumers about the features of a product (like the features of a five-bladed shaving system) may take several impressions.

Thus, reach indicates the media dispersion while frequency shows the media repetition. Notice that the formula for frequency can be flipped to make a formula for GRPs; GRPs are the product of reach multiplied by frequency. If a media plan calls for a broad reach and a high frequency, then it calls for very high GRPs (lots of ad exposures to lots of people). Achieving a very high GRP is very expensive, however, and budget issues may preclude such a high GRP. Thus, media planners may start with budget, then estimate the GRPs that they can afford and then either sacrifice reach to maintain frequency or let frequency drop to one in order to maximize reach.

9.2.2.2 Frequency Distribution, Effective Frequency and Effective Reach

Media planners also consider frequency distribution in order to fully understand exactly how many exposures different people experience; that is, how many people will see the ad once, twice, three times, etc. This lets the planner estimate the effective reach of the plan at the effective frequency needed by the campaign ?the number of people who see the ads a sufficient number of times for the media plan to be effective.

Effective frequency refers to the minimum number of media exposures for a communication goal to be achieved, while effective reach is the reach (% of households) at the effective frequency level. Media planners choose an effective frequency based on the communication goals. Communication goals vary across the continuum from awareness, preference, attitude change to trial, purchase, and repurchase. To change brand attitude requires more exposures (higher effective frequency) than does creating brand awareness. If the effective frequency is set for a given communication goal, the reach at that effective frequency level will be the effective reach.

9.2.2.3. Setting Communication Goals

Media planners can set communication goals based on the level of reach. That is, how many of the target audience should be reached with the media plan, say 50%, 75% or 95%? Theoretically, a reach of 100 is possible, but it is rarely a communication goal because some audience members may not use any of the media, making them unreachable. What, then, would be the optimal level of reach for a given product category or a market situation? There is no quick answer to this question; it all depends on the media planner's analysis of major factors facing the brand.

Media experts suggest high reach is appropriate when something new is associated with the brand, such as new features, new sales incentives, new packaging or new service opportunities. The newness requires a high level of awareness among the target audience. A high reach is also often necessary in three other situations: a) advertising in support of sales promotion activities, b) for reminder advertising for a mass market product, and c) when the brand faces severe competition.

When setting levels of frequency, media planners have more rules of thumb to choose from when setting levels of reach. For example, media planners have often

been setting a frequency of 3 during a purchase cycle, following Michael Naples' seminal study of effective frequency published in 1979. Naples' study suggests that there is a threshold level of repetition; advertising below the threshold level will be ineffective. Therefore, three exposures during a purchase cycle are necessary. Many media planners still use this rule in setting the effective frequency of a media plan.

More recently, Philip Jones found that one exposure generates the highest proportion of sales and that additional exposures add very little to the effect of the first. Erwin Ephron further developed the concept of "recency planning" and suggested that one exposure within a purchase cycle should be set as close to the actual purchase moment as possible. Recency planning starts with the idea that when is more important than how many; That is, advertising will be most effective if it is timed to when a consumer is in the market to buy the product or service. In the short-term, therefore, additional exposures are likely to be wasteful because audience members are not in the buying mode. In some cases, advertisers know when consumers are in the market, such as Wyoming's ads during the spring when many people are planning summer vacations.

Joseph W. Ostrow created a decision model to help media planners determine the optimal frequency level through assessing marketing factors, copy factors and media factors. Starting with a base effective frequency of 3, the media planner makes frequency adjustments based on a series of 20 factors in three categories. For example, the first factor asks the planner to rate whether the product is an "Established brand" or "New brand." A totally new brand will require higher frequency than an established brand, and so the planner would circle the "+.2" frequency adjustment. After assessing the factors, the media planner sums the adjustments to calculate the recommended effective frequency. Media planners may modify the model by adding or removing statements to make the estimate more appropriate.

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When setting frequency level goals, media planners know that higher-level communication goals such as persuasion and lead generation require higher frequency levels. For example, brand awareness usually requires a lower level of frequency than advertising persuasion and lead generation. In other words, a media plan that intends to change the brand preference among consumers of competing brands would need a higher frequency of advertising exposures than a media plan that intends to introduce a new brand.

In addition to the reach and frequency goals, media planners may set goals for other forms of communication. For example, promotional activities may be used in a media plan, such as sweepstakes, contests and coupons. Media planners estimate and specify response rates for these activities. By establishing communication goals, media planners set the stage for assessing the effectiveness of a media plan at the end.

9.3. Media Strategies

Media planners make three crucial decisions: where to advertise (geography), when to advertise (timing), and what media categories to use (media mix). Moreover, they make these decisions in the face of budget constraints. The actual amount of money that an advertiser spends on marketing communications can vary widely, from billions of dollars for multinational giants such as Procter &

Gamble, to a few thousand dollars for local "mom-n-pop" stores. In general, companies spend as little as 1% to more than 20% of revenues on advertising, depending on the nature of their business. Regardless of the budget, some media options are more cost effective than others. It is the job of media planners to formulate the best media strategies -- allocating budget across media categories, geographies, and time. Let's look at each of these three decisions in turn, and then consider cost effectiveness.

9.3.1. Media Mix Decisions

Which media should the advertiser use? Media planners craft a media mix by considering a budget-conscious intersection between their media objectives and the properties of the various potential media vehicles. That is, they consider how each media vehicle provides a cost-effective contribution to attaining the objectives, and then they select the combination of vehicles that best attain all of the objectives.

When making media mix decisions, planners look to a whole spectrum of media, not just to traditional media vehicles such as TV, radio, and print. That is, media planners consider all the opportunities that consumers have for contact with the brand. These opportunities can be non-traditional brand contact opportunities such as online advertising, sweepstakes, sponsorships, product placements, direct mail, mobile phones, blogs, and podcasts. The scale and situations of media use are especially important when evaluating suitable brand contact opportunities. For example, product placement in a video game makes sense if the target audience plays video games. Sweepstakes make sense if many of the target audience find sweepstakes attractive.

9.3.1.1 Mix Strategy: Media Concentration vs. Media Dispersion

A media planner's first media mix decision is to choose between a media concentration approach or a media dispersion approach. The *media concentration approach* uses fewer media categories and greater spending per category. This lets the media planner create higher frequency and repetition within that one media category. Media planners will choose a concentration approach if they are worried that their brand's ads will share space with competing brands, leading to confusion among consumers and failure of the media objectives. For example, when Nestle launched its 99% fat-free cereal Fitnesse, the similarity of ads actually increased the sales of the competing Kellogg's Special K Cereal.

Media planners can calculate or measure share of voice to estimate the dominance of their message in each category of media they use. **Share of voice** is the percentage of spending by one brand in a given media category relative to the total spending by all brands that are advertising in that media category.

A company can create a high share of voice with a concentrated media strategy. That is, the company can be the dominant advertiser in a product category in the chosen channel. Moreover, because only one set of creative materials will need to be prepared, a concentrated media strategy lets advertisers spend a higher percentage of their budget on frequency and reach. But a concentrated strategy is also an "all-eggs-in-one-basket" strategy. If the particular ad is not well received or the particular media category only reaches a fraction of the intended target audience, then it will perform poorly.

In contrast, media planners choose a **media dispersion approach** when they use multiple media categories, such as a combination of television, radio, newspapers and the Internet. Media planners will use dispersion if they know that no single media outlet will reach a sufficient percentage of the target audience. For example, a concentrated approach using only ads on the Internet might reach only 30% of the target consumers because some consumers don't use the Internet. Similarly, a concentrated approach using national news magazines might reach only 30% of the target audience, because not every target customer reads these magazines. But a dispersed approach that advertises in print magazines as well as on Web sites might reach 50% of the target audience. Media planners also like the dispersion approach for the reinforcement that it brings -- consumers who see multiple ads in multiple media for a given brand may be more likely to buy.

9.3.1.2. Media Category Selection

Whether media planners select media concentration or media dispersion, they still must pick the media category(ies) for the media plan. Different media categories suit different media objectives. Most media options can be classified into three broad categories: mass media, direct response media, and point-of-purchase media. A media planner's choice will depend on the media objectives. If the media planner wants to create broad awareness or to remind the largest possible number of consumers about a brand, then he or she will pick *mass media* such as television, radio, newspaper and magazine. If the media planner wants to build a relationship with a customer or encourage an immediate sales response, then *direct response media* such as direct mail, the Internet and mobile phone are good choices.

For example, online ads for car insurance such as link directly to the application process to capture the customers right at the time they are interested in the service. Finally, if media planners want to convert shoppers into buyers, then they might use *point-of-purchase media* such as sampling, coupons and price-off promotions. In short, each of these three categories of media serve a different role in moving the customer from brand awareness to brand interest to purchase intent to actual purchase and then to re-purchase. An integrated campaign, such as the one described for P&G's Fusion shaving system, might use multiple categories -- combining national TV ads to introduce the product, Internet media to provide one-to-one information, and in-store displays to drive sales.

The creative requirements of a media category also affect media planners' decisions. Each media category has unique characteristics. For example, television offers visual impact that interweaves sight and sound, often within a narrative storyline. Magazines offer high reproduction quality but must grab the consumer with a single static image. Direct mail can carry free samples but can require compelling ad copy in the letter and back-end infrastructure for some form of consumer response by return mail, telephone or Internet. Rich media ads on the Internet can combine the best of TV-style ads with interactive response via a clickthrough to the brand's own Web site. Media planners need to consider which media categories provide the most impact for their particular brand. The costs of developing creative materials specific to each media category can also limit media planners' use of the media dispersion approach.

9.3.2. Geographic Allocation Decisions

In addition to allocating advertising by media category, media planners must allocate advertising by geography. In general, a company that sells nationally can take one of three approaches to geographic spending allocation: a *national approach* (advertise in all markets), a *spot approach* (advertise only in selected markets), or a *combined* national plus spot approach (advertise in all markets with additional spending in selected markets).

Media planners will choose a national approach if sales are relatively uniform across the country, such as for Tide laundry detergent or Toyota automobiles. A national approach will reach a national customer base with a national advertising program. For many other products, however, a company's customers are concentrated in a limited subset of geographic areas, which makes a spot approach more efficient. For example, the sales of leisure boats are much higher in markets such as Florida, California and Michigan due to the large water areas in these markets. A spot approach will target these states. For example, a leisure boat manufacturer such as Sea Ray might use a spot approach to target Florida, California and Michigan while not advertising in other states like Iowa or Nebraska.

Media planners perform geographic analyses by assessing the geographic concentration of sales in two ways. The first method is called the Brand Development Index (BDI) of a geographic region. BDI measures the concentration of sales of a company's brand in that region.

The second method is called the Category Development Index (CDI) and measures the concentration of sales of the product category (across all brands) in that region.

Media planners use BDI to measure a brand's performance in a given market in comparison with its average performance in all markets where the brand is sold. Mathematically, BDI is a ratio of a brand's sales in a given geographic market divided by the average of its sales in all markets. BDI is calculated for each geographic area (Market X) using the following formula:

$$BDI = \frac{\text{Market X's Share of Total Brand Sales}}{\text{Market X's Share of U.S. Population}} \times 100$$

Consider the BDI for visitors to the state of Louisiana -- the geographic concentration of people who travel to Louisiana for business or pleasure. The BDI for Houston is 658 because Houston is 1.8% of the U.S. population, but Houstonians make up 11.8% of visitors to Louisiana ($100 * (11.8\%/1.8\%) = 658$). Because Houston's BDI is higher than 100, it means that many more Houstonians come to Louisiana than the average from other cities. In contrast, the New York City area has a very low BDI of only 10 because even though New York City has 7.2% of the U.S. population, this city contributes only 0.7% of visitors to Louisiana.

This disparity in BDI influences Louisiana's advertising strategy. Media planners will tend to allocate more resources to high BDI markets (greater than 100) than to low BDI markets. The point is that even though New York City has a much larger population, it has a much lower concentration of travelers to Louisiana. Given that the cost of advertising is often proportional to the population it

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reaches, advertising in New York City will be far more expensive than advertising in Houston. Because such a low percentage of New Yorkers travel to Louisiana, advertising to New Yorkers will be less effective than advertising to Houstonians.

BDI doesn't tell the whole story, however, because BDI only measures the concentration of current sales. BDI doesn't reflect the concentration of *potential* sales as measured by sales of the entire product category. So, media planners use another number, CDI, in addition to BDI when allocating resources for spot advertising. CDI is a measure of a product category's performance in a given geographic market in comparison to its average performance in all markets in the country. The sales of a product category include the sales of all the brands (the company's and competitors' brands) or at least all major brands that fall in the category. The CDI formula is:

$$CDI = \frac{\text{Market X's Share of Total Category Sales}}{\text{Market X's Share of U.S. Population}} \times 100$$

Notice the similarities and differences of the CDI formula compared to the BDI formula. The denominator of the CDI formula is the same as that of the BDI formula, but the numerator for CDI is the share of the product category in a given market. For example, if the sales of the product category in Market X account for 2 percent of its total sales in the U.S. and the population in that market is 3 percent of the U.S. population, then the CDI for that market will be 67, which is 33 percent below the average of 100. That means a poorer-than-average consumption of the product category, which means that Market X may be less promising for spot market advertising. On the other hand, markets with a high CDI (higher than 100) may be a better market for that product category.

Because BDI and CDI can vary independently, media planners use both numbers to guide allocation decisions. In general, BDI reflects the concentration of *existing* sales while CDI reflects the concentration of *potential* sales in a geographic region. Returning to the example of leisure boats, we find that states such as California, Florida, and Michigan have high CDIs. Yet the maker of a line of small boats that aren't suitable for the ocean may have very high BDI in Michigan but a very low BDI in California and Florida. Because a BDI or a CDI for a given market can each be either above or below the average, there will be four possible combinations. The four combinations represent two extreme cases and two mixed cases. At the one extreme, in a market with both a high CDI and a high BDI (both above 100), media planners will seek to maintain high market share (implied by high BDI) and might even consider more advertising to gain market share because of the good category potential (implied by high CDI) of the market. At the other extreme, in a market with both a low CDI and a low BDI, media planners may eschew spending their advertising dollars there due to the low concentration of potential consumption -- the small boat maker may ignore New Mexico.

The mixed cases represent situations in which the percentage of brand sales in a region differs significantly from the percentage of category sales. A market with a high CDI and a low BDI deserves serious consideration because it suggests a large opportunity for increased sales. Before devoting advertising dollars, the company will want to understand why it has such poor sales of its brand (low

BDI) in an area with high category sales. For example, themaker of small boats may learn that Californians don't buy the brand's boats because the boats are unsuitable for the ocean. If the causes of the poor brand performance can be identified and solved (such as by changing the product or finding better distribution), then more advertising should be worthwhile.

A low CDI and high BDI represents the enviable position of selling well in a market that does not otherwise buy products in that category. A market with low CDI and a high BDI requires continued advertising support to maintain the superior brand performance.

One approach to resource allocation uses a weighted sum of BDI and CDI -- spending money in each geography in proportion to a combined BDI plus CDI score. With this approach, media planners need to first assign a weight to the BDI and to the CDI. These two weights represent the relative importance of the BDI and CDI, and the sum of two weights should equal 1. On the one hand, media planners might choose a high weight on CDI if they feel their brand is representative of the broader category and they expect their brand to attain a geographic pattern of sales that matches that of the category. On the other hand, they might place a high weight on BDI if their brand is unique, the category is very diverse, or the company wants to grow sales among current customers.

Consider a hypothetical example in which a media planner thinks the BDI is three times more important than the CDI in allocating spending. He or she would use a weight of .75 with the BDI values and .25 with the CDI values of each geography to calculate a weighted sum and a percentage for each of the markets. Then, she can use the percentage as a base for spending allocation in each market. That is, Market A will receive 16 percent of the media spending, Market B will receive 22 percent, and so on. All the percentages added together will equal 100 percent.

Media planners can use another index -- growth potential index (GPI) -- to assess growth opportunities in geographic markets. GPI is simply the ratio of the CDI over the BDI and is one way of quantifying the discrepancy between category sales (the potential sales for the market) and brand sales (current sales) to measure of the growth potential of a brand in a market. The formula of the GPI is as follows:

$$GPI = \frac{\text{Market X's CDI}}{\text{Market X's BDI}} \times 100$$

For example, if Market X has a CDI of 120 and a BDI of 80, then the GPI will be 150. This high value of GPI suggests a growth potential of 50% in this market -- that if the brand sold as well in that market as it does nationwide, sales would grow 50%. Of course, media planners should examine the specific conditions of a high GPI market before allocating resources to assess the true possibilities for growth. When a brand sells in many markets, the GPI can facilitate the selection of markets for additional spot advertising spending.

9.3.3. Media Schedule Decisions

Having decided how to advertise (the media mix) and where to advertise (allocation across geography), media planners need to consider *when* to advertise. Given a fixed annual budget, should all months receive equal amounts of money or should some months receive more of the budget while other months receive less or nothing? Media planners can choose among three methods of scheduling: continuity, flight, and pulse. **Continuity scheduling** spreads media spending evenly across months. For example, with an annual budget of $1,200,000 a year, continuity scheduling would allocate exactly $100,000 per month. This method ensures steady brand exposure over each purchase cycle for individual consumers. It also takes advantage of volume discounts in media buying. However, because continuity scheduling usually requires a large budget, it may not be practical for small advertisers.

The **flight scheduling** approach alternates advertising across months, with heavy advertising in certain months and no advertising at all in other months. For example, a board game maker like Parker Brothers might concentrate its advertising in the fall when it knows that many people buy board games as gifts for the holidays. Or, with the same budget of $1,200,000, for example, a different brand could spend $200,000 per month during each of six months -- January, March, May, July, September and December -- and spend nothing during the other months, in hopes that the impact of advertising in the previous month can last into the following month.

Pulse scheduling combines the first two scheduling methods, so that the brand maintains a low level of advertising across all months but spends more in selected months. For example, an airline like United Airlines might use a low level of continuous advertising to maintain brand awareness among business travelers. United Airlines might also have seasonal pulses to entice winter-weary consumers to fly to sunny climes. In budget allocation terms, a consumer goods brand may spend $5,000 in each of the twelve months to maintain the brand awareness and spend an additional $10,000 in January, March, May, July, September and December to attract brand switchers from competing brands. The pulse scheduling method takes advantage of both the continuity and flight scheduling methods and mitigates their weaknesses. However, this does not mean it is good for all products and services. Which method is the most appropriate for a given campaign depends on several important factors.

How do media planners select among continuity, flight, and pulse scheduling approaches? The timing of advertising depends on three factors: seasonality, consumers' product purchase cycle, and consumers' interval between decision-making and consumption.

The first, and most important, factor is sales seasonality. Companies don't advertise fur coats in summer and suntan lotions in winter. Likewise, some products sell faster around specific holidays, such as flowers on Mother's Day, candy on Halloween, and ornaments around Christmas. Companies with seasonal products are more likely to choose flight scheduling to concentrate their advertising for the peak sales season. Other goods, however, such as everyday products like milk and toothpaste, may lack a seasonal pattern. Everyday goods may be better served by a continuity approach. Media planners can use a breakdown of sales by month to identify if their brand has seasonal fluctuations,

which can serve as a guide for the allocation. They can allocate more money to high-sales months and less to low-sales months.

The second factor that affects when advertising is scheduled is the product purchase cycle: the interval between two purchases. Fast-moving consumer goods such as bread, soft drinks and toilet paper probably require continuous weekly advertising in a competitive market to constantly reinforce brand awareness and influence frequently-made purchase decisions. In contrast, less-frequently purchased products such as carpet cleaner or floor polisher may only need advertising a few times a year.

A third factor that affects media scheduling is the time interval between when the purchase decision is made and when a product or service is actually bought and consumed. For example, many families who take summer vacations may plan their trips months before the actual trips. That is, they make purchase decision in advance. Thus, travel industry advertisers will schedule their ads months before the summer, as we saw in the Wyoming example. Destination advertising has to be in sync with the time of decision making, instead of the actual consumption time.

New product launches usually require initial heavy advertising to create brand awareness and interest. The launch period may last from a few months to a year. As mentioned earlier, P&G launched its Gillette six-bladed Fusion shaving system with advertising on Super Bowl XL, the most expensive form of advertising in the world. If consumers like the product, then personal influence in the form of word-of-mouth or market force (brand visibility in life and media coverage) will play a role in accelerating the adoption of a new brand. Personal influence and market force are "unplanned" messages, which often play an important role in new product launches. Media planners should take advance of these "unplanned" messages in a new product launch campaign.

9.4. Designing Media Tactics

Establishing media objectives and developing media strategies are the primary tasks of media planners. Designing media tactics is largely carried out by media buyers. Media buyers select media vehicles to implement established media strategies. Among the major factors that affect media vehicle selection are reach and frequency considerations.

9.4.1. Reach Considerations

As a major component of media objectives, the planned level of reach affects not only media mix decisions but also what media vehicles are used in each media category. High levels of reach will require a different set of media vehicles than low levels of reach. That is, high levels of reach can be better served with a mix that includes multiple media vehicles with different audiences so that cross-media duplication of audience is minimal. For example, if there are three magazines that each reach a portion of the target audience but that have few readers who read more than one magazine, advertising in these three magazines would reach the widest target audience possible because of the low overlap of the readers of the these magazines.

What are some ways to maximize the levels of reach? One way is to analyze the audience composition of media vehicles by using syndicated media research. For

example, cross-tabulations of Simmons data can be conducted to identify several magazines that reach the target audience of women aged 35 to 55, with little cross-title duplication -- few readers of one magazine also read other the magazines. These magazines can be used to implement high levels of reach in the media plan. When audience data are not available for cross-vehicle comparisons, you can select competing media vehicles in the same media category, because there is usually less duplication among the competing media vehicles. For example, most people who are interested in news may read one of the three major news weeklies: *Newsweek*, *Time*, and *U.S. News and World Report*; few people read all three of them. Therefore, running a print ad in all the three news magazines can reach a wide audience.

In television, media buyers sometimes use **roadblocking**, which means the placement of commercials in all major television networks in the same period of time. No matter which television channel an audience member tunes in at that time, they have the opportunity to watch the commercial. The roadblocking approach has become more expensive and less effective recently because of increasing fragmentation of television audience. The term has been extended to the online world, however, where it has been very effective. To roadblock in the online world, a media planner can buy all the advertising on a Web site for a 24-hour period, such as Coke did for its launch of C2 and Ford did for its launch the F-150. Each company bought all the ad space on the front page of Yahoo for a 24-hour period. The Yahoo front page draws 25 million visitors a day. Alternatively, media planners can roadblock Yahoo, MSN, and AOL all on the same day, as Coke and Pepsi have both done. The results can produce "an astonishing, astronomical amount of reach," said Mohan Renganathan of Media Vest Worldwide, one of the biggest services for buying ad space.

9.4.2. Frequency Considerations

In contrast to high levels of reach, high levels of frequency can be effectively achieved through advertising in a smaller number of media vehicles to elevate audience duplications within these media vehicles. A commercial that runs three times during a 30-minute television program will result in higher message repetition than the same commercial that runs once in three different programs.

Broadcast media are often used when high levels of frequency are desired in a relatively short period of time. Broadcast media usually enjoy a "vertical" audience, who tune in to a channel for more than one program over hours. Another phenomenon in broadcast media is audience turnover, which refers to the percentage of audience members who tune out during a program. Programs with low audience turnover are more effective for high levels of frequency.

9.4.3. Media Vehicle Characteristics

With reach and frequency considerations in mind, media buyers will compare media vehicles in terms of both quantitative and qualitative characteristics. Quantitative characteristics are those that can be measured and estimated numerically, such as vehicle ratings, audience duplication with other vehicles, geographic coverage, and costs. Media buyers will choose vehicles with high ratings and less cross-vehicle audience duplication when they need high levels of reach. Media buyers also evaluate the geographic coverage of media vehicles when implementing spot advertising such as heavy advertising in certain geographic regions. Finally, media buyers pay attention to the costs of each media

vehicle. When two media vehicles are similar in major aspects, media buyers choose the less expensive media vehicle.

There are two basic calculations of media vehicle cost. The first one, **cost per rating point (CPP)**, is used primarily for broadcast media vehicles. To derive the CPP, divide the cost of a 30-second commercial by the ratings of the vehicle in which the advertisement is placed.[SIDEBAR DEFINITION: **CPP**: The cost of a broadcast ad per rating point (1% of the population) provided by the media vehicle that shows the ad.] The formula for calculating CPP is as follows:

Cost Per Rating Point = Cost of the Ad / Rating of the Vehicle

For example, if the cost for a 30-second commercial ABC's "Grey's Anatomy" television program is $440,000 and the rating of the program is 9.7, then CPP for this buy will be $25,360.

Another media cost term is **cost per thousand impressions (CPM)**, which is the cost to have 1000 members of the target audience exposed to an ad.[[SIDEBAR DEFINITION for **CPM**: Cost Per Thousand (M is the Latin abbreviation for 1000): the cost per 1000 impressions for an ad]] As you recall, the impressions are simply opportunities to see the ad. one difference between CPP and CPM is that CPM also contains the size of a vehicle audience. CPM is calculated in two steps. First, the gross impressions that an ad may get is calculated using the rating of the program and the size of the market population. Second, CPM is calculated using the cost and gross impressions. The two formulas are as follows:

Gross Impressions = Audience size * Rating / 100

CPM = Cost / Gross Impressions * 1000

Using the previous example, the rating of a television program is 10 and the cost for a 30-second commercial is $25,000. If there are 5,000,000 adults in the market, then CPM for the buy will be as follows:

Gross Impressions = 5,000,000 * 10 / 100 = 500,000

CPM = $25,000 / 500,000 * 1000 = $50

Thus, CPM for this media buy is $50.

CPM can be calculated for different media, including online media. For example, an informal consensus of online media buyers agreed that a $10 CPM asking price seemed about averageto pay for advertising on social-networking like Friendster, Yahoo 360 and Britain's FaceParty.

In contrast to these quantitative characteristics, qualitative characteristics of media vehicles are those that are primarily judgmental, such as vehicle reputation, editorial environment, reproduction quality, and added values. For example, media vehicles vary in reputation; newspapers such as *The New York Times* and *The Wall Street Journal* generally enjoy high reputation. Furthermore, the editorial environment can be more or less favorable for advertisers. The impact of food ads, for instance, can be enhanced when they appear around articles about health or nutrition. Likewise, some magazines are better in reproduction quality than others, which enhance the impact of the ads. Finally, some media vehicles offer added values. *Added values* take various forms, and they benefit advertisers without additional cost. For example, a newspaper may publish a special page whose editorial context fits an advertiser's products, or a television channel may host a local event in association with a car dealership.

Media buyers can work with the media to invent creative forms of added values for advertisers.

9.4.4. Selection of Media Vehicles

Media buyers can use tools, like the one shown below, to make the process of selecting a media vehicle easier. To use the selection tool shown in Figure 9I, develop a list of the potential vehicle candidates you are considering. Then, select several quantitative and qualitative characteristics that are relevant to reach and frequency considerations, such as quantitative characteristics like CPM or GRP, and qualitative characteristics like reputation and added value. Next, make a table that lists the vehicle candidates in rows and the characteristics in columns. Now you can rate each of the characteristics of each vehicle on a scale of 1 to 3. Then add all the numbers in each row, dividing by the total number of characteristics (columns) to arrive at the rating for each vehicle. The best media vehicles to choose are those with the highest index numbers.

9.5. Evaluating Media Plan Effectiveness

Accountability is increasingly important in media planning, as more advertisers expect to see returns on their investments in advertising. Because media spending usually accounts for 80 percent or more of the budget for typical advertising campaigns, the effectiveness of mediaplans is of particular importance. As a result, media planners often make measures of the effectiveness of a media plan an integral part of the media plan. Although sales results are the ultimate measure of the effectiveness of an advertising campaign, the sales result is affected by many factors, such as price, distribution and competition, which are often out of the scope of the advertising campaign. It is important, therefore, to identify what measures are most relevant to the effectiveness of media planning and buying.

9.5.1. What to Measure

Because of the hierarchical nature of the media effects, the effectiveness of media planning should be measured with multiple indictors. The first measure is the actual execution of scheduled media placements. Did the ads appear in the media vehicles in agreed-upon terms? Media buyers look at "tear-sheets" -- copies of the ads as they have appeared in print media -- for verification purposes. For electronic media, media buyers examine the ratings of the programs in which commercials were inserted to make sure the programs delivered the promised ratings. If the actual program ratings are significantly lower than what the advertiser paid for, the media usually "make good" for the difference in ratings by running additional commercials without charge.

The most direct measure of the effectiveness of media planning is the media vehicle exposure. Media planners ask: How many of the target audience were exposed to the media vehicles and to ads in those vehicles during a given period of time? This question is related to the communication goals in the media objectives. If the measured level of exposure is near to or exceeds the planned reach and frequency, then the media plan is considered to be effective.

Several additional measures can be made of the target audience, such as:

Brand awareness -- how many of the target audience are aware of the advertised brand? Comprehension -- does the target audience understand the advertised brand? Is there any miscomprehension?

Conviction -- is the target audience convinced by ads? How do they like the advertised brands?

Action -- how many of the target audience have purchased the advertised brand as a result of the media campaign?

The measured results of brand awareness, comprehension, conviction and action are often a function of both advertising creative and media planning. Even effective media planning may not generate anticipated cognitive, affective and conative responses if the ads are poorly created and not appealing to the target audience. On the other hand, ineffective media planning may be disguised when the ads are highly creative and brilliant. Thus, these measures should be reviewed by both creative directors and media planners to make accurate assessments of the effectiveness of the media plan.

9.5.2. How to Measure

The measurement of the effectiveness of a media plan can be conducted by the advertising agency or by independent research services, using methods such as surveys, feedback, tracking, and observation. Each method has its strengths and weaknesses. For example, *surveys* can be conducted among a sampling of the target audience in the different periods of a media campaign, such as in the beginning, the middle and the end of the campaign. Surveys can ask questions about the target audience's media behavior, advertising recall, brand attitudes and actual purchase. Radiowatch, for instance, conducts monthly surveys on advertising recall of radio commercials in England. Radiowatch surveys 1000 adults age 16-64 and asks them which radio commercials they remember hearing. In the April 2006 survey, the most-recalled ad was for T-Mobile, with 46% of respondents recalling the ad. An ad for McDonald's had 36% recall, while the ad for Peugeot received 18%.

Besides surveys, feedback can be collected to measure the media and ad exposure of the target audience. *Feedback devices* such as reply cards, toll-free numbers, coupons and Web addresses can be provided in ads so that tallies of the responses or redemptions can be made to estimate the impact of advertising media. Advertisers often use a different code in direct response ads to identify different media vehicles. For example, in the April 3 2006 issue of *BusinessWeek*, the reply card for subscribing to the magazine had a code of JS6D1, whereas the reply card bound into the May 29, 2006 issue of the magazine had a code of JS6E2. Similarly, when the Garden of Eatin' gives coupons for its tortilla chips, the UPC code on the coupon indicates which media vehicle the coupon was in, such as whether the coupon came from the 2006 Bolder Boulder promotional calendar or from the Organic and Natural Experience (ONE) 2006 Tour book of coupons. In short, by reviewing the different codes recorded, media buyers can assess the response rate of each media vehicle.

As you can see from the Radiowatch and Garden of Eatin' examples, one advantage of surveys over feedback devices is that surveys reach people who have taken no action on the product, whereas feedback devices require the consumer to mail back, click or call a toll-free number. In this way, surveys can help media buyers evaluate the effectiveness of an ad in relation to other ads, whereas feedback devices help them evaluate the effectiveness of one media vehicle over another.

Tracking is measurement method that media buyers use to track the effectiveness of online ads. When a user visits a Web site or clicks on a banner ad, Web servers automatically log that action in real time. The logs of these visits and actions are very useful for media buyers, because the buyers can use them to estimate the actual interaction of audience members with the interactive media. For example, a banner ad may have a code for each Web site where the ad is placed. Media buyers can compare the click-through rates of the banner ad across all Web sites daily, to estimate the effectiveness of each Web site. Media buyers are making more use of the tracking method given the increasing use of interactive media.

Finally, in the physical world, media buyers can use *observation* to collect audience reaction information at the points of purchase or during marketing events. For example, researchers can be stationed in grocery stores to observe how consumers react to in-store advertising or how they select an advertised brand in comparison of other brands. The advantage of observation is that it provides rich, detailed data on how consumers behave in real situations in response to the marketing communication. The downside is that direct observation is more costly to conduct and tabulate.

This article described the media planning process, starting from establishing media objectives through to developing media strategies and tactics and finally evaluating the effectiveness of the media plan. You've learned how to identify your target audience; evaluate different media vehicles on the basis of reach, frequency and GRPs; make prudent media mix decisions using tools like BDI and CDI and scheduling concepts like continuity, flight and pulse scheduling; make sound budget decisions using tools like CPP and CPM; and, finally, evaluate the effectiveness of your media plan through surveys, feedback devices, tracking and observation. In the next four chapters, we'll delve more deeply into the different types of media ?print media, broadcast media, out-of-home media and interactive media ?to help you understand the ad formats, strengths/weakness and cost structures of each of these advertising media.

9.6 Self Assessment Questions

1. What is media planning?
2. What is media strategy?
3. Explain Media tactics.
4. Discuss media effectiveness

9.7 Reference Books

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Unit - 10 : Media Scheduling

Structure of Unit

10.0 Objectives

After completing this unit you will be able to:

- Understand the types of Media.
- Understand Advertising Media Scheduling.
- Examine Scheduling Strategies.
- Understand Media Buying Process.
- Know Sources of Media Information.

10.1   Introduction

The media planner should then prepare a media schedule. Media scheduling refers to the programming of media insertions. Media scheduling depends upon a number of factors such as: Nature of product- consumer usables, durables or industrial, Nature of sales-whether seasonal or regular sales, Product lifecycle-whether introduction, growth, maturity or decline, Pattern of competitor's programmes, Entry of new competitors, Availability of funds for advertising etc. This involves the scheduling and timing of advertisement. The schedule shows the number of advertisements that are to appear in each medium, the size of the advertisements, and the date on which they are to appear. There are many ways of scheduling any advertising programme. No single way can be said to be best for all advertisers. Each advertiser must prepare a specific schedule most suitable for its market and its advertising objectives.

What may be good for one advertiser and his product may be bad for another. Even for the same advertiser, the best at one stage of the product life cycle may not be suitable at another stage. An advertiser, for example, may schedule to buy six pages space in a monthly consumer magazine. Alternatively, he may buy one-page space every month for the first three months; then he may not buy space for the next three months; and then again take one-page space every month for the next three months. There may be a variety of schedules of advertisements. The last method of scheduling is known as the wave method, or the flighting method. In flighting, advertisements are bunched with the intention of providing a concentrated impact. The other method is the blitz schedule. The insertion of double-page advertisements in three consecutive issues of a magazine is an

example of the blitz schedule. There are many more methods of bunching advertisements. However, the purpose of bunching is to provide concentrated impact with a single issue of the publication. Advertising media selection is the process of choosing the most cost-effective media for advertising, to achieve the required coverage and number of exposures in a target audience.

10.2 Media Performance

This is typically measured on three dimensions: frequency and spread.

10.2.1 Frequency

To maximize overall awareness, the advertising must reach the maximum number of the target audience. There is a limit for the last few percent of the general population who don't see the main media advertisers use. These are more expensive to reach. The 'cumulative' coverage cost typically follows an exponential curve. Reaching 90 percent can cost double what it costs to reach 70 percent, and reaching 95 percent can double the cost yet again. In practice, the coverage decision rests on a balance between desired coverage and cost. A large budget achieves high coverage—a smaller budget limits the ambitions of the advertiser.

Frequency—Even with high coverage, it is insufficient for a target audience member to have just one 'Opportunity To See' (OTS) the advertisement. In traditional media, around five OTS are believed required for a reasonable impact. To build attitudes that lead to brand switching may require more. To achieve five OTS, even in only 70 percent of the overall audience, may require 20 or 30 peak-time transmissions of a commercial, or a significant number of insertions of press advertisements in the national media. As these figures suggest, most consumers simply don't see the commercials that often (whereas the brand manager, say, sees every one and has already seen them many times before their first transmission, and so is justifiably bored).

The life of advertising campaigns can often extend beyond the relatively short life usually expected. Indeed, as indicated above, some research shows that advertisements require significant exposure to consumers before they even register. As David Ogilvy long ago recommended, "If you are lucky enough to write a good advertisement, repeat it until it stops selling. Scores of good advertisements have been discarded before they lost their potency."

10.2.2. Spread

More sophisticated media planners also look at the 'spread' of frequencies. Ideally all of the audience should receive the average number of OTS. Those who receive fewer are insufficiently motivated, and extra advertising is wasted on those who receive more. It is, of course, impossible to achieve this ideal. As with coverage, the pattern is weighted towards a smaller number—of heavy viewers, for example—who receive significantly more OTS, and away from the difficult last few percent. However, a good media buyer manages the resulting spread of frequencies to weigh it close to the average, with as few audience members as possible below the average.

Frequency is also complicated by the fact that this is a function of time. A pattern of 12 OTS across a year may be scarcely noticed, whereas 12 OTS in a week is evident to most viewers. This is often the rationale for advertising in `bursts' or `waves' (sometimes described as `pulsing'). This concentrates expenditure into a number of intense periods of advertising, spread throughout the year, so brands do not remain uncovered for long periods.

10.2.3. Media Buyers

In the end, it is the media buyers who deliver the goods; by negotiating special deals with the media owners, and buying the best parcels of `slots' to achieve the best cost (normally measured in terms of the cost per thousand viewers, or per thousand household `impressions', or per thousand impressions on the target audience. The "best cost" can also be measured by the cost per lead, in the case of direct response marketing). The growth of the very large, international, agencies has been partly justified by their increased buying power over the media owners.

10.3 Types of Media

In terms of overall advertising expenditures, media advertising is still dominated by Press and television, which are of comparable size (by value of 'sales'). Posters and radio follow some way behind, with cinema representing a very specialist medium.

10.3.1. Press

In the United Kingdom, spending is dominated by the national & regional newspapers, the latter taking almost all the classified advertising revenue. The magazines and trade or technical journal markets are about the same size as each other, but are less than half that of the newspaper sectors.

10.3.2. Television

This is normally the most expensive medium, and as such is generally only open to the major advertisers, although some regional contractors offer more affordable packages to their local advertisers. It offers by far the widest coverage, particularly at peak hours (roughly 7.00– 10.30 p.m.) and especially of family audiences. Offering sight, sound, movement and colour, it has the greatest impact, especially for those products or services where a 'demonstration' is essential; since it combines the virtues of both the 'story-teller' and the `demonstrator'. To be effective, these messages must be simple and able to overcome surrounding family life distractions& mdash;especially the TV remote.

10.3.3. Radio

Radio advertising has increased greatly in recent years, with the granting of many more licenses. It typically reaches specific audiences at different times of the day—adults at breakfast, housewives during the day, and commuters during rush hours. It can be a cost-effective way of reaching these audiences—especially since production costs are much cheaper than for television, though the lack of visual elements may limit the message. In radio advertising it is important to identify the right timing to reach specific radio listeners. For instance, many people only listen to the radio when they are stuck in traffic, whereas other listeners may only listen in the evenings. The 24-hour availability of radio is

helpful to reach a variety of customer sub-segments. In addition, it is a well-established medium to reach rural areas.

10.3.4. Cinema

Though national audience numbers are down, this may be the most effective medium for extending coverage to younger age groups, since the core audience is 15 to 35.

10.3.5. Internet/Web Advertising

This rapidly growing marketing force borrows much from the example of press advertising, but the most effective use—adopted by search engines—is interactive.

10.3.6. Mobile Advertising

Personal mobile phones have become an attractive advertising media to network operators, but are relatively unproven and remain in media buyers' sidelines.

Identifying the audience for a magazine or newspaper, or determining who watches television at a given time, is a specialized form of market research, often conducted on behalf of media owners.Press figures are slightly complicated by the fact that there are two measures: readership (total number of readers of a publication, no matter where they read it), and circulation (the number of copies actually sold, which is mostly independently validated).

Advertising-free media refers to media outlets whose output is not funded or subsidized by the sale of advertising space. It includes in its scope mass media entities such as websites, televisionand radio networks, and magazines.

The public broadcasters of a number of countries air without commercials. Perhaps the best known example of this is the United Kingdom's public broadcaster, the BBC, whose domestic networks do not carry commercials. Instead, the BBC, in common with most other public broadcasters in Europe, is funded by a television licence fee levied on the owners of all television sets. A 2006 report by the Senate of Canada suggested that the country's public broadcaster, the Canadian Broadcasting Corporation, be funded sufficiently by the federal government so that it could air without any advertising.

10.4 Advertising Media Scheduling

Scheduling refers to the pattern of advertising timing, represented as plots on a yearly flowchart. These plots indicate the pattern of scheduled times advertising must appear to coincide with favorable selling periods. The classic scheduling models are Continuity, Flighting and Pulsing.

10.4.1. Continuity

This model is primarily for non-seasonal products, yet sometimes for seasonal products. Advertising runs steadily with little variation over the campaign period.There may be short gaps at regular intervals and also long gaps—for instance, one ad every week for 52 weeks, and then a pause. This pattern of advertising is prevalent in service and packaged goods that require continuous reinforcement on the audience for top of mind recollection at point of purchase. Program or plan that identifies the media channels used in an advertising campaign, and specifies insertion or broadcast dates, positions, and duration of the messages.

10.4.2. Flighting (or "bursting")

In media scheduling for seasonal product categories, flighting involves intermittent and irregular periods of advertising, alternating with shorter periods of no advertising at all. For instance, all of 2000 Target Rating Poinered in a single month, "going dark" for the rest of the year. Halloween costumes are rarely purchased all year except during the months of September and October.

10.4.3. Pulsing

Pulsing combines flighting and continuous scheduling by using a low advertising level all year round and heavy advertising during peak selling periods. Product categories that are sold year round but experience a surge in sales at intermittent periods are good candidates for pulsing. For instance, under-arm deodorants, sell all year, but more in summer months.

10.5 Scheduling Strategies

Burst Campaigns: often associated with the awareness objective, the burst campaign compacts media activities into a series of relatively short time frames, with relatively long periods of absence from media activity in between. This pattern may be used when a new product is being introduced.

Flighting: Wave method or the flighting method is another kind of scheduling. In flighting, advertisements are bunched with the intention of providing a concentrated impact. It is another method of creating an advertising schedule. The phrase advertising flight describes the time when commercials are aired. When flighting is used in relation to a scheduling technique, it refers to a method that has advertising going on and off the air. The advantage of the flighting technique is that it allows a campaign that does not have funds for running spots continuously to conserve money and maximize the impact of the commercials by airing them at key strategic times during the campaign. Frequently when flighting is employed, radio or cable TV will be used to supplement the advertising campaign during the times when television commercials are off the air. This method of media planning allows the messages and themes of the campaign to reach the voter through radio or cable TV, less costly alternatives to broadcast TV. Henko Stain Champion Powder (HSCP) was launched in July 1994 in South India. It was clearly positioned as a brand in the premium segment of detergents among HLL's Surf Wash Booster (today's Surf Multi-Action).

Battling consumer inertia to try out this new brand was its toughest challenge and carving out pride of association was the other issue.

Continuous Campaign: Another approach mostly associated with reminder campaigns, is to extend the time frame of the advertising message over a long period. The campaign provides continuity of the message, although at the cost of the impact. These continuous patterns are often used for mature products, where reminder advertising is appropriate.

Over a long term : this strategy is more appropriate for products and services where the demand is constant or there is a long purchase cycle.

There can be perfect continuous advertising, rising continuity or falling continuity.

1. Rising continuity: this pattern is used when the advertising circles around a particular event. E.g. the advertisement for Paints generally increases during the festive seasons like divali.

2. Falling continuity: this pattern may follow an initial burst to launch a new product or to inform a product modification.

Pulsing Campaign: A compromise between the burst and the continuous strategy is the development of the pulsing campaign. Here a comparatively low level of media activity is maintained over long period of time, with periodic increases in the expenditure patterns. It is often associated with seasonal or other influences on buyer activities.

Normally, scheduling is done for a 4-week period. The six types of schedules available are:

1. **Steady pulse**: it is the easiest. For instance, one ad/week for 52 weeks or one ad/month for 12 months.

2. **Seasonal pulse**: ads are scheduled to meet seasonal peaks by appearing in concentrated doses ahead of buying season. Products like Vicks Balm, Glycodin Terp-Vasaka Syrup, and Ponds cold cream follow this approach.

3. **Period pulse**: Scheduling follows a regular pattern, e.g., media scheduling of consumer durables, non-durables, etc.

4. **Erratic pulse**: The ads are spaced irregularly. Perhaps, we want to change the typical purchase cycles.

5. **Start-up pulse**: It is concentrated media scheduling. It launches a new product or a new campaign.

6. **Promotional pulse**: A one-shot affair it suits only particular promotional theme.

Heavy concentration during a period is the characteristic of this scheduling. For instance, financial advertising of company's issue.

Blitz schedule: The insertion of double-page advertisements in three consecutive issues of a magazine is an example of the blitz schedule. There are many more methods of bunching advertisements. However, the purpose of bunching is to provide concentrated impact with a single issue of the publication.

Marathon filler ad: Heard of repeat advertising, but this is incredible. On 8 April, an ad for an obscure oil brand appeared 22 times consecutively back to back on a channel creating some sort of a freak history (TAM ADex has reported). A 30-second commercial for Himgagan Tel ran consecutively 22 times virtually like an 11-minute filler on Reminiscent Television's Punjabi regional language channel Lashkara between 9:26 am and 9:37 am. The "marathon filler ad" aired on "Nachda Punjab Gaunda Punjab" on Tuesday, 8 April. The ADex team reported that at first they couldn't believe their eyes... so they checked the recording again and again but every time the same result came. The impact the extended ad run had on Himgagan Tel sales was disastrous. A drop in purchases of the product among those who saw the ad was observed.

10.6 Case: SBI Media Strategy

The entire process can be better understood by the use of the media strategy formulated by SBI in order to ensure that the key target markets are reached with the core messages with respect to their various product categories.

Their broad categories were classified as:

- Personal Banking Products
- Development Banking Products
- Corporate Communication
- Gold Banking
- Debit Cards
- Internet Banking

With respect to the broad categories they had their product segments classified:

Debit Cards

Home Loans…………… Seg A

Ø   Rural Banking ……………Seg B

Ø   Gold Banking………………Seg C

Ø   Car Loan

Festive Loan

Personal Loan

Internet Banking…………….Seg D

For the purpose of understanding we would concentrate on the segment A which includes the debit cards.

DEBIT CARDS

The brief

Their media brief was to basically cover these 3 points –

- To develop a composite media plan using all available forms of media so as to ensure that the key target markets are reached with the core messages.
- To create better awareness of the use of Debit Cards.
- To build the SBI Debit Card "brand".
- To encourage more users to use the Debit Card services provided.

METHODOLOGY

Their method was basically broken down into 4 main steps –

- Defining and quantifying target markets
- Identifying media vehicles that are best suited to reach these target markets
- Identifying proper time frames for each depending upon the seasonality. Quantifying the impact of the media plans in terms of reach and effectiveness The Audience profile in this segment was

Males/Females

- Above 25 years of age
- Living in urban and semi urban India
- Gainfully employed or retired (ie in service, business, traders, etc)
- With a MHI in excess of 4000/- p.m.
- Educated to a minimum of 10th std

Using NRS V:

They decided to advertise on a national scale and based on this using NRS V, can estimate this population at 162 million individuals

Recommended Media

Based on the size of the sample population and keeping the target audience in mind, SBI decided to use the following forms of media to create awareness for their Debit Cards –
• Print – Mainline English and regional publications and top end magazines
• Television – Mainline news and regional channels
• Radio – AIR FM and private FM channels as primary focus
• POS at branches
o PRINT
Ø NEWSPAPERS
• English Newspapers o Indian Express
o Financial Express o Hindu
o Telegraph
o Deccan Chronicle o Business Standard
o Indian Express (South) o Times of India
o Hindustan Times
• Language Newspapers o Loksatta
o Jansatta
o Malayala Manorama o Ananda Bazar Patrika o Andhra Bhoomi
o Daily Siasat o Hindi Milap o Dinamani
o Kannada Prabha o Andhra Prabha
o Gujarat Samachar o Dainik Bhaskar
 o Dainik Jagran
MAGAZINES
• India Today (English)
• India Today (Hindi)
• Business India
q TELEVISION
Ø   News Channels –
•   Star News,
•   Aaj Tak
•   Zee news would be used
•   Sun News for the Tamil Audiences.
This was based on the fact that the South was a vast market as there was a high literacy rate in the South and Sun News was the most popular South news channel.
Other than this there would also be
o   Run of Day spots covering the day band
o   30 sec TVC's
It was decided that it would be a 3 month campaign and then they would review the campaign to check on the effectiveness of the campaign and if necessary, make the relevant changes.
Costs
They also decided to have the following number of television spots per channel as well as the cost was calculated.
Channel Cost per spot No of Spots Amount
Star News Rs 18,000/- 180 Rs 32.40 lacs
Aaj Tak Rs 13,500/- 240 Rs 32.40 lacs
Sun TV Rs 48,600 60 Rs 29.16 lacs
TOTALS 570 Rs 93.96 lacs
q RADIO

On radio it was decided that FM would be the primary channel to use. This was based on the fact that their research showed that FM was the most common and listened to channel all across the country.

They also decided to focus on certain specific cities to use radio as a medium.

These cities were –

- Mumbai,
- Delhi,
- Kolkata,
- Chennai,
- Bangalore,
- Lucknow,
- Ahmedabad,
- Indore,
- Pune

Like the television campaign it was decided that radio would also be a 3 month

COSTS

Station Cities Cost per No of Amount

covered spot spots

Mirchi Mum, Ahd, 4200 180 7.56 lac Ind, Pune

City Mum. Luck, 2300 180 4.14 lac

B'lore

Win Mum, Ahd, 4200 180 7.56 lac

Ind Pune

AIR FM Delhi, Kol, 2000 180 3.60 lac

Chennia

TOTAL 720 22.86 lac

Rationale

Rationale' or the Logic behind the campaign was that

- A 3 month TV and Radio Campaign would serve as a short burst to build the brand.
- Along with this BLT would also serve as a reminder
- The Print Media would also initiate action amongst the target group.

AT A GLANCE

The total expenditure or their budget can be calculated in the following way

- Total TV Spots - 570
- Total Print Advts - 33
- Total Radio spots - 720
- Total Value : Rs 2.47 crores Reach of the Campaign

Within the Target Group of 162 million people it was calculated that the reach of the campaign within the Target group was 156 million.

This works out to a reach of 96.29% which is an excellent statistic and goes a long way to show the effectiveness and success of the campaign.

- Reach at gross OTS of 3 plus

21.3 million

Source : NRS 02, and InTam, excl BLT, Outdoor and POS

This is just is one of the products of SBI that is considered for the above case. SBI has made similar plans for its other products that include

- Personal Banking Products
- Development Banking Products
- Corporate Communication
- Gold Banking
- Debit Cards
- Internet Banking

10.7 Media Buying

Planning and buying are two parts of a single operation: spending effectively the advertiser's money. The two cannot in practiced be separate. The former is the strategy formulation while the later talks about the implementation of the plan. The two jobs are often done by different people, though planner-buyer is also found.

10.7.1. Media Buyer:

The media person negotiates for advertising time or space, trying to get the most favorable buys in terms of programming or environment and price. He or she is responsible for checking that the advertising runs as planned and bought. A skilled media buyer can save enormous sums by playing one media owner over the other. Media buying refers to buying time and space in the various selected media.

10.7.2 Steps in Media Buying:

Ø Selection of publication or programmes on Doordarshan, radio or satellite TV.

Ø Getting approval from the client regarding the selection of publication / programmes.

Ø Inviting press-media representatives or other media representatives from the selected list of media.

Ø Finalising package deals far as group publications are concerned. i.e. to obtain concessions in the media charges , if the ad is to run simultaneously in two or three publications of the same group such as Indian Express Group of Publications.

Ø Negotiating charges for bleed ads. Normally, publications charge 10% more. Negotiations are in respect of waiving the extra charges.

Ø Negotiations may also take place to obtain premium positioning of the ads such as back cover, spread, etc.

Ø Non-accredited publications (those which are not recognized by INS) do provide more than 15% commission. Negotiations take place to get more commission from such publications. The benefits of extra commission is passed on by the agency to client (advertiser)

Ø Media planning department also hold meetings with the producers of serials on DD, Satellite TV, etc. This enables the agency to get serial /programme sponsored by its client.

Ø The media planning department may obtain a final approval from the client.

Ø Based on the final approved plan from the media planner, the media operators department books time and space in the media.

Ø   The media operations department makes all necessary arrangement to supply advertising material such as U-matic tapes, audio cassettes, art work and copy, etc.to various madis well before the deadline.

Ø   The billing and checking department checks on monitors the publications/ broadcasting / telecasting of the ad.

10.7.3. Media Buying Outfits:

Media buying agencies also referred to as the Agencies of Record (AORs) have emerged in the recent past. They can be defined as the middlemen or space buyers. Their function, as seen by industry observers is to provide service to, and not replace, the media departments within the advertising agencies.

Such media buying agencies, according to Cohen, "offer a specialized service in time buying, particularly in the area of spot broadcasting, with its innumerable combinations of offerings,and its requirement of extensive data on demographics".

Such outfits buy space and time in bulk most of the time putting together many clients, which enable them to avail of discounts and negotiate rates wherever possible. The AORs for their services charge an additional 2.5 percent to the advertising agencies, who retain the remaining 12.5 percent. When the AORs are asked to provide media strategy, they charge an additional 2.5 percent dorm the ad agencies, on whose behalf they work. As it is a new phenomenon in the Indian context, the system lacks transparency and to many it is still shrouded in mystery.

Over the past few years, there has been an increasing use of computers in media planning. Some of the marketing and media research outfits like IMRB have developed software which are sold to the agencies to retrieve media source information with out going through the rigmarole of consulting voluminous media reference books. The data are updated on computers regularly. With a number of databases available, none of them comparable to each other, decision-making, according to Narayanmoorthy becomes subjective for clients, agencies and the media. "It is anybody's guess on what is actually the correct interpretation of the available data", laments he.

Whatever the media planners' blues, it sis believed that media planning will gain more importance once the Indian viewers have the benefit of the Direct to Home (DTH) broadcast receiving facility against the present system of receiving channels through the cable operators. From the present estimated 750 hours of cumulative programme choice available to an average India home with access about 40 channels, media planners will have sleepless nights thinking about innovations to lure the "promiscuous" viewer against channel surfing in times to come.

10.7.4 Suggestions for Better Media Plans:

1. First, establish marketing objectives.

How should the media plan fit with other parts of the business, including the creative direction? Have you given the planner all the latest marketing data?

2. Agree-in advance-on media objectives and strategies.

Make sure you understand the implications of the need for impact or continuity, minimum reach or frequency goals, the values assigned to magazines or outdoor.

Are the objectives reasonable, or is the budget spread too thin? Air your prejudices early. What have you learned from past experiences? What special needs should be accommodated in the plan?

3. Encourage meetings between media and copy groups.

There should be an active understanding of how both work together. The media planner should be at all meetings where media is discussed.

4. Make the timetable reasonable.

Schedule work far enough in advance to allow the planner to be thorough and innovative. If there's not enough time, you'll get a plan-but maybe not the best one.

5. Look beyond the obvious.

Why not direct mail instead of newspapers, or radio instead of TV? Can you deliver your message in half-pages instead of full pages, or even 10-second commercials instead of 30? But don't look for difference for the sake of difference. Look for what is right?

6. Look beyond the cost per thousand.

Efficiency is a starting point, but CPM is the weakest evaluation tool. It measures cost, not effectiveness.

7. Recognize that all media plans are a compromise.

Media plans are a balance between options-reach, frequency, weeks of advertising, geography…. and budget. Don't expect simple answers. Media is simpler in other countries. Geographical differences alone are much greater in India. There are far more media choices here, and media outlets. The cultural differences within Indiamake it difficult to use a single media mix all throughout.

8. Don't lose perspective.

There's a temptation to forget the total media environment, particularly noise level. A plan that is the biggest in a category may not dominate a medium Don't over read small differences in large numbers when selecting between alternatives. Stand back and react to the total plan.

9. Take a media planner to lunch.

It pays to see the media group when there is no problem and no urgent need for a plan. That's the time for updating-and thinking.

10.8 Sources of Media Information

One of the very important requisites of a media planner is familiarity with media choices and various sources of media information. Media information is available from sources within the media itself as well as external sources. Some of the media source books in the Indian context and other database publications often used by media planners include the following:

10.8.1 Population Census:

Census is conducted every ten years. It is the broadest based database offering a profile of the people living in a particular region. The census data provide information about the population size, population strata, age, sex ratio, literacy

level, family size and forms, Area, Administrative Divisions, Annual Exponential Growth Rate, Variation in Population, Institutional & Houseless Population, Population Density, Rural Urban Distribution, Broad Age Groups, Number of Literates & Literacy Rates, Work Participation Rates, Religions, Languages Spoken, Number of Households & Household Types, Scheduled Castes & Scheduled Tribes Population etc.

It is established practice to conduct a population census once every ten years to obtain information on the size, composition and characteristics of population. The population census is a very important source of statistics for small geographical areas and population sub-groups. It also provides the base population for compiling population estimates and projections. Population censuses were conducted in 1961, 1971, 1981 and 1991and 2001. In order that more up-to-date information on the population could be made available, a population by-census is also conducted in between two censuses. Thus, in 1966, 1976, 1986 and 1996, there were population by-censuses conducted.

The information collected is vital to Government planning and policy formulation, particularly in such fields as education, housing, transport, medical and social services. The data are also important to the private sector for formulating business strategies and to researchers for conducting social and economic studies.

10.8.2 TAM -Television Audience Measurement

Television, in nearly every country around the world, has become the dominant medium for information, commercial communication and entertainment. This has lead to the ever-increasing desire by broadcasters, advertisers and advertising agencies, to have accurate, consistent and detailed information about TV audiences.

TAM (Television Audience Measurement) is the specialized branch of media research, dedicated to the quantifying (size) and qualifying (characteristics) of this detailed TV audience information. With the billions of dollars spent annually on TV programmes and commercials, reliable TV audience information is required to evaluate and maximize the effectiveness of this investment. Measuring TV audiences requires state-of-the-art technology to ensure precise and accurate data is collected from the TAM panel homes, easily and effectively. Television Audience Measurement Media Research, a 50:50 joint venture between Nielsen Media Research(NMR) / AC Nielsen and Kantar Media Research(KMR) / IMRB, is the only TV measurement system in India.

Ratings is the percentage of a given population group consuming a medium at a particular moment. Generally when used for broadcast medium, one rating point equals one percent of the given population group. These ratings are qualitative in nature, similar to a voting system, where the higher the number of viewers the 'better' the programme or commercial.

These ratings, if reliable and valid, become the 'common currency' for the market's commercial airtime. Media planners and buyers evaluate the alternative programmes offered to best achieve their advertising goals, broadcasters evaluate the programme or stations popularity and how much to charge an advertisers for commercials during a programme or on a given channel. In those cases where the channels are funded wholly or partly by public license they provide accountability.

10.8.3. Indian National Television Audience Measurement (INTAM)

INTAM, the people-meter-based television audience measurement service of ORG-MARG provides minute-by-minute television viewership data. INTAM uses state-of-the-art Picture Matching Technology, globally recognised as the most advanced audience measurement method which is currently used in nine countries. INTAM currently reports viewing data for 49 cities and the coverage is gradually increasing. INTAM has a dedicated team of over 90 executives to meets its client's demands.

In all, 47 channels (national, regional and international) are reported along with programme and commercial logs. The demographic variables available for analysis are gender, age group, monthly household income, socio-economic classification (SEC) and cable and satellite (C and S) access.

INTAM uses both Frequency Monitoring and Picture Matching methods. Picture matching meters are used in C and S homes because cable operators frequently change the transmission frequency. On an average, the changes occur three or four times a day.

 A TV set is monitored by sampling the relative brightness of a number of pre-determined pairs of areas of the picture. These samples, together with the time at which they were taken, are stored in the meter. Simultaneously, at the central site, samples are taken round the clock for every TV channel and stored. The samples collected from the homes are compared with samples taken from each channel. The channel with which the sample from the home matches is identified as the channel that was watched.

The greatest advantage of this technology is that it is independent of the frequency and method of transmission and can handle digital transmission. INTAM offers its subscribers TV Pointer, a Windows-based analysis software developed in-house, the functionality and features of which are divided into four modules.

10.8.4. Ratings Analyser

This allows the users to evaluate programmes and day-parts in multiples of quarter hours, which facilitates

•   Understanding of the audience's preferred channels, programmes and time slots.

•   Planning of broadcast schedules and purchasing and selling programmes, serials and films.

10.8.5 Audience Evaluator

Complex analysis of viewing behaviour can be done by the minute evaluation by
•   Reach-Frequency distribution matrix
•   Diagnostic analysis of programme performance

10.8.6 Competitor Analysis
This allows users to
•   Analyse advertising activity, both in terms of the commercial breaks and the spot at various levels, e.g., product category, advertiser, brand, etc.

- Analyse strengths and weaknesses of commercial channels in terms of channel exploitation by advertisers.

10.8.7 Optimiser Analysis

Generates an optimal schedule based on characteristics of an existing programme schedule. The campaign objectives could be:

- Maximise reach

- Minimise cost per thousand (CPT)

Filters can be set up for specific channels, days, day parts and/or programmes. In a nutshell, its intuitive design and special features make TV Pointer the best tool for analysing viewing behaviour in the complex world of Indian television viewing. Besides increasing its viewership base, Intam now expects to offer data and information for a larger number of population strata levels than before, as more small towns have come within its fold.

The towns included by Intam in the current round of expansion are those with 10-30 lakh populations in Gujarat, 5-10 lakh towns in Punjab and Karnataka and 1-5 lakh towns in UP, Tamil Nadu and AP. In Intam's portfolio, small towns (1-5 lakh) account for 78 per cent of the households, while the larger towns (5 lakh and above) make up the balance 22 per cent of the households

10.8.8. People Meter

The PeopleMeter is the measurement device at the heart of the audience measurement system. There are two primary functions that the meter system has to fulfil:

- Identify what is being watched.

- Identify who is viewing - which panel members and guests in the home are viewing. The meter also performs other necessary functions such as:

- Timekeeping - the channel tuning and people registration events need to be logged accurately.

- Data storage - a secure system is needed to hold data within the meter prior to transferring the viewing data to the central computer for processing.

- Data communication - within homes where there is more than one meter, data need to be transferred safely to the main meter.

- Data transfer - from the main meter to the central computer.

Each element of the PeopleMeter is crucial to the accuracy of the overall system. Perhaps the biggest benefit of the People Meter for advertisers is that media buyers will be able to precisely compare the audience reached by a TV schedule with the audience they intend to reach. This is a service, which measures the ratings depending on the way it is compiled and the audience who are asked to measure the ratings.

People meters were initiated in 1995 after a decade of debate, testing and critical appraisal. Initially available through the IMRB and MARG in Mumbai, MARG has now extended it to Delhi. Previously or in markets where there are only a limited number of broadcasters, with basic programming and limited activity, it is sufficient to gather viewership data by means of interviews or viewing diaries.

Increasing numbers of channels, multiple broadcasting platforms, increased number of TV sets and remote controls per family have lead to a more complex TV environment. Furthermore, the viewer is now faced with the possibility of utilizing the TV screen as a medium for VCR's, including the option of time shifted viewing or video games. Within this dynamic environment, people meters have proved themselves capable of measuring audiences with a degree of accuracy and detail, which surpasses previous alternative measurement systems.

People meter are required to measure minute-by-minute TV viewing by the respondents. The process is cumbersome. The interest of the respondent in operating the hardware, the accuracy levels, and achieving representative sample along with the following issues that need addressing:

1. The satellite channels by and large are operated by cable operators, who keep changing the channels at will and with a single dish, they keep rotating.

2. There is room for extra domestic reception among Indians. People watch TV not only at home, but in other people's homes, bars, hotels and elsewhere. People meters have to account for such viewing also.

3. The definition of viewing also varies. Mechanical viewing to empathetic viewing need to be understood. The other parameter is "in room" vs. "in room and able to watch" to "in room and watching". Everyone develops ones own way of watching television.

4. Accuracy of performance is another critical matter. Surveys in some countries have shown that a few people who had to leave the room to pick up a phone call or answer the door bell pressed their buttons before leaving the room. There is also a likelihood of a delay of one or two minutes between the sets being tuned in and the first individual button being pressed.

5. People meters are expensive, hence they limit sample size. When the sample size is small, it obviously cannot be representative of a highly complex and heterogeneous population especially of a metro, and when the small panel is changed the general levels of viewing recorded for a station might change substantially.

People meters are still of better use for programmers, as they need programme ratings within which the exact switching times are of interest, for advertisers need stringent data, which include station reach, station total viewing and share, minute by minute ratings, programme ratings, commercial ratings, continuous analysis over weeks giving reach, frequency and GRP's for advertising schedules and special analysis for programmes.

People meter is:

– Based on actual viewing

– Min Q to be a viewer : 15 secs

– Push button technology

– High degree of Accuracy

– Minute by minute viewing

– Immediate Results

– Guest Viewing Facility

– Ability to monitor new stations quickly

– Accurate Reach & frequency data

Diary method:

– Based on recalled viewing

– Min Q to be a viewer : 5 mins every quarter hour

– Manual self completion

– 1/4 hour viewing

– 2/3 week delay in reporting

– Panel viewing only

– Delay in reporting new stations

10.8.9 National Readership Surveys (NRS):

NRS is a survey on all media, especially the print media conducted by the National Readership Survey Council. This body consists of members from the INS [Indian Newspaper Society], AAAI [Advertising Association of India] and ABC [Audit Bureau of Circulation].

The objectives of the NRS are:

1. To provide information that can be used for buying and selling of advertising space in the print media.

2. To provide media users with data on comparative levels vis-à-vis TV/radio, cinema and video.

Need for IRS:

• Audit Bureau of Circulation conducts a six monthly audit of publication sales. But each copy of a publication may be read by more than one person, depending on the frequency and popularity of the publication. This is what is captured in readership surveys like NRS.

• The survey is done on all-India basis, urban as well as rural, amongst individuals who are 12 years and older. All town classes are covered in the urban area. However, only towns with a population higher than two lakh are reported on an individual basis, smaller towns are reported on the basis of socio-cultural regions defined by language homogeneity, financial and economic administration, regionalization of culture and lifestyle, caste and class homogeneity.

What Information does NRS provide?

• NRS gives information on the macro-parameters like reach of each medium among various audiences defined demographically.

• It also gives information on the duplication between media, as well as between vehicles within the same medium

• For publications, it gives the number of readers, type of readers in demographic terms, spread of these readers, and lifestyle parameters such as product ownership and consumption patterns

Since advertisers who relied on plain circulation data for allocation of their media budgets did not have access to data on the quality of readership each publication has, they did not know whether the money was being used effectively or wasted. The Studies like NRS gives details not only about the number of readers, but also quality of readers, and the duplication of readers with other competitive publications. Over the years, the survey has provided a comprehensive picture of the country's media landscape. It also highlights the vast uncharted territories and the potential of the media, which remains untapped owing to socio-economic factors such as poverty, inequality and poor access to education.

NRS in India

- The NRS in India is one of the largest in the world, with a reporting sample size of over 2,13,000 individuals to track media exposure and changing consumer trends in both urban and rural India. The study covers 514 publications (25 dailies and 289 magazines) and is a useful guide for media analysts and marketing strategists.

- The field work is conducted by three research agencies IMRB International, AC Neilson-ORG MARG & TNS Mode. Each of these have international affiliates and experience and all-India network.

- The findings of the National Readership Survey (NRS) 2002 show that India's print media readership base has expanded by 10 per cent over the last two years. Since the last NRS survey in 1999, the print media have acquired 17 million more readers. The data may indicate that different media need not necessarily substitute one another.

- According to the NRS estimates, India's vast media industry reaches 180 million readers, 383.6 million television viewers, 189 million radio listeners and six million Internet users

How does NRS help a media planner?

The NRS establishes a product-consumer profile linkage; consumption and ownership pattern among various target segments and their preferences, number of hours devoted in media. NRS provides segment wise readership surveys and overall size of each segment.

10.8.10 Indian Readership Survey (IRS)

IRS is a study conducted to assess reach and penetration of all media. The IRS gives information on readership/ viewership/ listnership and net access for Press, Television, Cinema, Radio and the Internet. In addition the IRS captures product user ship information at both the household and the individual level.

- The findings of this research are very critical for scientific and accurate media planners, especially for brands where huge budgets are earmarked for marketing/ advertising spends. Using the IRS, you can generate a complete multi-media evaluation of Press, TV, Radio, Cinema and Internet in India.

- IRS is the largest media survey ever conducted providing a single-source database for demographics, media habits and product / brand usage across 741 towns and more than 2200 villages. The IRS team of ORG-MARG covered the entire country, working exclusively on the IRS every day of

the year. The team interviewed more than 200,000 households and 300,000 individuals

- This all-India survey was conducted jointly with the Media Research Users' Council (MRUC). It provides product / brand penetration information for over 50 different products allowing one to link media habits and product usage data for adults and children from the age of 12.

Products of IRS:

• IRS   Media

IRS Media data is collected to capture individual media habits. Readership of over 300 publications both English and languages, viewership of TV, channels and select programmes, additionally information on C& S penetration ,channels received and tuned, listener-ship of radio, visit to cinema and Internet access.

• Indian Demographics/Consumer

This report gives demographic information of urban and rural Indiasuch as age, sex, monthlyhousehold income, SEC, education, occupation, family composition, type of accommodation, etc.

• Indian   Market

Gives penetration at generic level of 79 products, FMCG's, durables covered in the survey.

• Rural Markets

A special market report for rural India on assets like Land holding by type of land, Irrigation source, Electricity, Generator, Tractor, In house toilet, In house bathing facility, Steel cupboard and Time clock

10.9 Self Assessment Questions

1.   Discuss media types.
2.   Explain sources of Media Information.
3.   What are the media scheduling strategies?
4.   What is rating analyser?

10.10   Reference Books

- Aaker & Myers : Advertising Management, Prentice Hall Inc.
- Borden & Marshall : Advertising Management; MV Taraporevala Sons' Co Pvt. Ltd,
- Richard D Irwin Inc. Homewood, Illinois.
- Chunawala & Sethia : Foundations of Advertising Theory & Practice; Himalaya Publishing House
- Copley Paul : Marketing Communications Management Concepts & theories, Cases and Practices; Butterworth- Heinemann Publication
- Kenneth Clow & Donald Baack : Integrated Advertising, Promotion, & Marketing Communications, Pearson Education, Limited
- Otto Kelppner : Advertising Procedure; Prentice Hall Inc.
- Rathore : Advertising Management; Himalaya Publishing House
- Rahtz Don R : Integrated Marketing Communication; Cengage Learning
- Sandage, Fryburger & Rotzoll : Advertising Theory & Practices; Richard D Irwin Inc., Homewood, Illinois

Unit – 11 Measuring Advertising Effectiveness

Structure of Unit

11.1   Objectives

After completing this unit, you will be able to:
- Understand the importance of effective advertisement
- Learn the methods of measuring advertisement
- Know the measurement tools for evaluating advertisements effectiveness
- Learn the techniques for measuring Print, TV, Radio and online advertisements

11.2   Introduction

A customer who does not know much about your business, or doesn't even know whether it exists, won't purchase your products or services. Public relations campaigns can help you get in the public eye, but for most businesses, effective advertising is critical. But effective advertising means more than simply spending large amounts of money on a variety of advertising media. Our overall goal is to receive a real and measurable return on investment. A secondary but an important goal is to analyze the effectiveness of different types of advertising; that way we can ensure that each advertising rupee is spent wisely.

Advertising, promotions and marketing managers plan programs to generate interest in a product or service. They work with art directors, sales agents and financial staff members. They work in advertising agencies that put together advertising campaigns for clients in media firms that sell advertising space or time, and in organizations that advertise heavily. The role of people designing the advertising campaign is crucial to its success. Designing an advertising campaign is not a small task and to understand the consumer behavior from the data collected from market research is a very important aspect of the campaign. A whole lot of creativity and inspiration is required to launch an adequate advertising campaign. In addition, the management skills come into play when the work has to be done keeping the big picture in mind. It would be fruitful for the company if the advertising campaign lasts well over the lifetime of a product or service, reach the right customers, and generate the desired revenue.

11.3   Why to Measure Advertising Effectiveness?

Measurement of advertising effectiveness is very important due to following reasons:

- **To avoid wastes of money:** Measuring advertising effectiveness 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.

- **To provide feedback for remedial measures:** Measuring advertising effectiveness provides useful information to the advertisers to take remedial steps against ineffective advertisements and to overcome them.

- **To avoid possible failure:** Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectiveness helps in estimating the results in order to avoid complete loss.

- **To justify the Investment in Advertising:** The expenditure on advertisement is considered 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.

- **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 communicated the general public, and 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.

- **To 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 program. 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.

11.4 Media Measurement

Advertising is aimed at improving the sales volume of a concern so its effectiveness can be evaluated by its impact on sales. Most of the managers believe that the advertisement directly affects the sales volume and hence they evaluate the effectiveness of the advertising campaign by the increase in the sales volume. There may be various types of measuring advertising effectiveness as discussed below:

11.4.1 Direct Measures of Advertising Effectiveness

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

i. *Historical Sales Method*: Some insights into the effectiveness of past advertising may be obtained by measuring the relationship between the advertising expenditure and the total sales of the product. A multiple regression analysis of advertising expenditure and sales over several time periods may be calculated. It would show how the changes in advertising expenditure have corresponding changes in sales volume. This technique estimates the contribution that advertising has made to explaining in a co-relational manner rather than casual sales.

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

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

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

11.4.2 Indirect Measures of Advertising Effectiveness

As it is very difficult to measure the direct effect of advertising on company's profits or sales, most firms rely heavily on indirect measures. These measures do not evaluate the effects of advertisements directing on sales or profits but all other factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly.

Despite the uncertainties about the relationship between the intermediate effects of advertising and the ultimate results, there is no other alternative but to use indirect measures. The most commonly used measures are:

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

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

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

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

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

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

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

11.4.3 Other Measurement Tools

A   Pre-Tests

Pre-tests include both *concept ads* and *finished ads* that have not yet been deployed or been evaluated and measured. In the concept test, the ad has not yet been created or is in an intermediary state of completion. It might be in storyboard form, live-action rough form, or exist as an animatic.   The consumer might be able to offer some suggestions and reactions about the message and execution, but often is constrained by his or her inability to visualize the ad in the final version. The consumer might like some elements of the preliminary ad, and then apply a *halo effect* to the rest of the unfinished ad in which positive elements are generalized to the entire ad and the negative aspects are overlooked.

In some situations, actual consumers are asked to participate in laboratory tests of *rough* versions of the ads. They might be asked to discuss their preferences and basic reactions. Rarely is this method used for ad in a campaign that is fairly well established and working well. Instead, when there is a truly divergent path in either the message or the creative execution, rough tests can be included as part of the battery of measurements the manager uses.

I.   Laboratory Tests

The following are approaches to testing ads that are all **laboratory tests** of finished ads that have not yet been deployed:

1. **Concept Test:**

i. *Portfolio Tests*: The test is useful to measure print advertisements. In the lab, respondents from the target audience are shown an entire portfolio of ads including ads for the brand that have not been executed, and asked for their reactions. By mixing the ad into a portfolio of ads, there is a lower probability of a halo effect or of providing answers just to please the brand manager. The basic premise is that the ads with the highest recall are most effective.

ii. *Physiological Measurements*: These tests are used to measure the television advertisements. To use these measurements, the IMC manager must employ complicated methods of objectively measuring the respondents' innate physical reactions to things observed in the advertisement. These measures require special equipment and training in order to know to interpret the results.   The most commonly used techniques include:

a. *Pupil Dilation:* Measuring the extent to which the pupil expands, evidencing interest in what is being viewed, or contraction, indicating a lack of interest in the object seen, tells the marketing manager how much the ad (or the product design or package because it is also used to test reactions) has intrigued them.

b. *Galvanic Skin Response (GSR):* GSR measures the amount of sweat produced on the skin of the respondent. The degree to which the body temperature rises and the body produces sweat evidences the consumer's interest in the product or advertisement.

c. *Brain Wave Measurement:* A very sophisticated set of methods used to measure changes in the brain, as evidence of the consumer's reaction to ads. Typically, measuring *alpha activity* or *hemispheric lateralization* is not used for simple modifications in an ad campaign but for more radical innovations in products and campaigns, as in the introduction of the iPod.

d. *Eye Tracking:* Eye tracking cameras are used for measuring interest in an ad and in identifying the actual parts observed, glossed over, or gazed at for a few seconds. Thirty or more respondents are hooked up to stations where they read ads or watch TV ads while the camera follows the movement of their eyes. The patterns of observation are then statistically measured to find norms.

2. **Rough Test:**

i. *Theater Tests:* Used to test the efficacy of TV ads, or ads embedded in "pilot" TV shows hosted in theaters and to which consumers within the market have been invited. Viewers think they are going to be asked about the show they are watching, with the ads experienced peripherally, as one might do when watching TV at home. In reality, they are prompted for recognition, recall, and preferences of the brands seen in the ads.

ii. *Consumer Juries:* This test is used to measure the effectiveness of print and television advertisements. In this respondents, who represent the target audience, are asked to rate sections of an ad found to be taking a divergent direction for the brand. They usually score elements of the ad

individually with paper and pencil, and are then asked as a panel to discuss overall reaction.

3. Readability Test:

i. *Readability Test:* This test is to measure effectiveness of print as well as broadcast media advertisements. The respondents are asked to read and comprehend a message in print ads. These results are then measured against standardized readability scales based on the complexity of words, number of syllables, and sentence structure.

ii. *Comprehension and Reaction Tests:* This test is usually used to measure the effectiveness of print advertisements. Much like the readability test, these tests ascertain the consumer's ability to actually understand the message and symbolism. They often utilize paper and pencil evaluations followed by individual interviews with respondents to have them explain what gained from the advertisement.

II.   Field Methods

In addition to laboratory test, there are also field tests, which try to replicate the more natural settings in which the consumer actually receives and processes the message. There are primarily two field pre-tests that agencies employ.

1. *Dummy Advertising Vehicles*: This test is usually used to measure the effectiveness of print advertisements. Operating much like the portfolio test, the field component improves on the lab test by having the reader observe the ad in specially created magazines that are delivered to the buyer's home. They have the ability to read them in a more natural setting, reviewing, rereading, or stopping and starting as they would with a regular subscription. Several days or hours later, the buyer is contacted and asked to provide opinions and reactions. One problem with this kind of testing is that if 100 magazines are sent out, rarely are 100 respondents able or willing to participate. In the lab, the percentage of non-responses is much smaller.

2. *On-Air Tests*: This test is used to measure the effectiveness of television advertisements. Similar to the theater test, ads are embedded in a TV show, but then aired in selected controlled cable markets. The manager, through the testing agency, knows the number of households receiving the specially embedded commercials and which ones they were actually watching. In day-after follow-ups, respondents are then probed for their responses, which effectively cuts down on the testing effect. Problems associated with this technique are that respondents can be hard to reach; the commercials, even in a limited sense, are now in the public domain; and this testing format is expensive.

B   Post-Tests

Post-tests are essentially field tests that measure reactions after the advertisement has been aired. Post-tests can sample much larger numbers of respondents, which is an advantage of being in natural viewing situations. We will look first at market, or post-tests, for print ads using both newspaper and magazine ads, although magazine ads are far more likely to be tested for effectiveness. Then we will review methods to evaluate broadcast ads, which are predominately used in TV advertising.

I. **Print Advertisement Market Tests**

1. **Inquiry Measurements:** One form of print ad post-test that is used by newspaper advertisers as well as magazines is. These are also described as "bingo" cards because they include ads with some direct connection to purchases, phone calls, or other reader responses such as supplying a code number or dedicated phone line provided only in the advertisement. These metrics are occasionally complicated by *split-runs* (different ads run in the same newspaper or magazine).

2. **Recognition Tests:** Magazines and newspapers also use to measure advertising effectiveness. Knowing which households have received the printed materials, calls are made to assess how well certain ads are being recognized after reading. There is a very standardized scoring format developed by the Starch Corporation after decades of measuring that enables the IMC manager to compare the recognition of the ad to his or her own previous ad or to the competition's ads.

3. **Recall Post-test:** It is third type of print post-test, which measures how well the reader recalls an ad and specific elements of the ad, which are solicited with after-reading calls or Internet inquiries. Like the Recognition tests, there is a good database of past performance. However, strong brands tend to illicit greater recall despite inherent weaknesses than competing ads in the magazine.

II. **Broadcast Advertisement Market or Post-Tests**

There are quite a few different types of post-tests that broadcast advertisers, particularly for TV messages, employ once the ad has been seen in the market. We will discuss the three most-commonly-used approaches.

1. **Day-After Recall:** It is the most enduring broadcast post-market measurement, which is conducted much like recall tests for print ads. The primary differences are that the exact time of exposure to the ad is known because the ad is scheduled to run in certain shows. With the print ad, the researcher does not know precisely when the ad was viewed. Consequently, with TV recall testing, the calls can be made the day-after airing, capturing better recall and discussion. The other major difference is that usually panels of viewers are recruited in advance, suggesting they are more positively predisposed to the advertising than the average consumer.

2. **Single-Source Tracking System:** There are two types of tracking post-tests used to measure TV advertising effectiveness. With this method, the household is connected between its cable TV and the grocery store though a membership card used for purchases. The brand might have two different ads or versions of the same ad running in separate parts of the city. Then they track the extent to which sales are the same or different in the areas that received the ads.

3. **Tracking Tests:** It take the single-source track to a more intricate level by linking the TV viewing and grocery shopping with regularly scheduled phone, Internet, mail, and personal interviews. It is a very expensive method, but one that hones in fairly well on the actual attitudes as they relate to TV ads and related purchase behavior.

11.5 Media Measurement Agencies in India

11.5.1 Print Media Agencies

The Indian print industry is the second largest in the world and is continuing to grow at a good rate. The segment has enjoyed a compound annual growth rate (CAGR) of 7 per cent in recent years. There are over 82,000 newspapers in India with a daily circulation of over 100 million copies. The industry is projected to grow at 11.8 per cent in 2013 to reach Rs 917 billion (US$ 14.79 billion). The sector is also expected to achieve a CAGR of 15.2 per cent to touch Rs 1661 billion (US$ 26.79 billion) by 2017. Total advertising expenditure across media was Rs 327.4 billion (US$ 5.28 billion) in 2012, contributing to 40 per cent of M&E sector revenues. It becomes important for corporate to evaluate the media industry. Large numbers of national and international agencies are engaged in conducting the research on industry and provide reports every quarterly. These agencies are discussed as under:

- *Audit Bureau of Circulation (ABC):* Audit Bureau of Circulations (ABC) is one of the several organizations of the same name operating in different parts of world. The ABC founded in 1948 is a not for profit, voluntary organization consisting of Publishers, Advertisers and Advertising Agencies. It has done pioneering work in developing audit procedures to verify the circulation data published by those newspapers and periodicals which have earned the right to display its emblem.

ABC as it is called and understood by all, is a founder member of the International Federation of Audit Bureau of Circulations. The main function of ABC is to evolve, lay down a standard and uniform procedure by which a member publisher shall compute its net paid sales. The circulation figure so arrived at is checked and certified by a firm of Chartered Accountants which are approved by the Bureau. The Bureau issues ABC certificates every six months to those publishers whose circulation figures confirm to the rules and regulations as set out by the Bureau. From a modest beginning it has grown to remarkable proportions. ABC's membership today includes 411 Publishers of national and regional importance, 151 Advertising Agencies, 51 Advertisers & 20 New Agencies and Associations connected with print media and advertising. It covers most of the major towns in India.

Facts and figures which are checked and certified by an independent body are a very important tool in the hands of the advertising business community. The details of ABC certified circulation figures are available online to all Members of the Bureau at no extra cost. An Advertiser would like to know the facts and figures before investing his money in advertising. An Advertiser ought to know how many people buy a publication and in which area. The ABC gives all these vital facts every six months. The ABC figures are not the outcome of opinions, claims or guesswork, but they are the result of rigid, in-depth and impartial audits of paid circulations of member publications by independent and leading firms of Chartered Accountants working in accordance with the rules / procedures prescribed by the Bureau.

- *Media Research User Council (MRUC):* Media Research Users Council is a registered not-for-profit body of members drawn from major Advertisers, Advertising Agencies, Publishers, and Broadcast/Other Media.

- o MRUC was incorporated in 1994 and has nearly 250 members.
- o An active corporate membership from all industry stakeholders
- o Over 100 Advertisers and Agencies - including Hindustan Unilever, Dabur, P&G, Colgate, Hawkins, Wipro, Effem, Kotak etc. and Agencies including Group M, Lintas, Madison, R K Swamy, Triton, Spatial Access etc.
- o Nearly 150 Media companies including Doordarshan, Star TV, Bennett & Coleman, Hindustan Times, Jagran Group, ABP, Mathrabhumi, Gujarat Samachar etc.
- o MRUC is a User Body and exists solely to serve the interests of it members, as far as media research is concerned.
- o MRUC has championed only one cause over the last eighteen years and that is to ensure that users have valid, timely and cost-effective audience assessment on media.

MRUC is an industry-mandated body that conceptualizes, facilitates and ratifies the findings of media research across any large medium that is utilized for Advertising of products and services. Several new research design improvements, higher frequency of research outputs and best practices have been the milestones achieved by the Council over the last 18 years.

- *Indian Readership Survey (IRS):* Modeled on internationally accepted annual sample spread, the IRS is the largest continuous readership research study in the world with an annual sample size exceeding 2.56 lakh respondents.

  - o Media: Measures readership of newspapers and magazines. Other media consumption; including television viewing, radio listening, cinema attendance and Internet usage. Expanded media measures such as time spent using different media and frequency of media usage; it provides an in-depth understanding of media behavior.

  - o Demographic & Product usage: IRS collects a comprehensive range of demographic information and provides extensive coverage of consumer and product categories, including cars, household appliances, household durables, household care and personal care products, food and beverages, finance and holidays.

  - *National Readership Survey (NRS):* NRS consists of members from the INS (Indian Newspaper Society), AAAI (Advertising Associations of India) and ABC (Audit Bureau of Circulation). NRS survey with the help of three research agencies viz IMRB International, AC Nielsen-ORG MARG and TNS Mode on an all- India basis, urban as well as rural. Geographical areas covered are reported on the basis of socio-cultural regions defined by language homogeneity, geographic homogeneity, financial and economic administration, regionalization of culture and lifestyle, caste and class homogeneity.

NRS analyze macro parameters like the reach of each medium among various audiences defined demographically. It defines readers by gender, age, income, socio-economic class, occupation education, geographical location, spread of these readers, and lifestyle parameters such as product ownership and consumption patterns.

- *Sections, Pullouts & Attitudinal Readership Research (SPARR):* In order to bring a new dimension to readership surveys in India, Media

Research Users Council in association with Hansa Research Group (HRG) introduced a tool called Sections, Pullouts & Attitudinal Readership Research (SPARR). The study enables a complete understanding of the readers profile by psychographics, demographics and key lifestyle parameters.

The SPARR is an important breakthrough in readership research. In order to replicate the finding to make it relevant Advanced Data Fusion Techniques have been adopted for merging the insights from SPARR with the IRS 2002 database. The fused database provides invaluable insights, across target consumer segments on:

- o Demographics
- o Psychographics
- o Detailed lifestyle parameters
- o Product categories coverage
- o Comprehensive media habits

Indian Outdoor Survey (IOS): The objective of Media Research Users Council (MRUC) for introducing Indian Outdoor Survey exercise is as follow:

To develop an outdoor media planning tool for use by advertisers and advertising agencies

To provide insights into the quality of an outdoor site through a visibility index

To provide coverage and frequency information for an outdoor campaign across cities, by city and by location

The data captured vary depending on the type of outdoor site like hoarding, kiosk, bus shelter etc, on Physical, Neighborhood, Road, Traffic, and Visibility.

Physical	*Neighbourhood*	*Road*	*Traffic*	*Visibility*
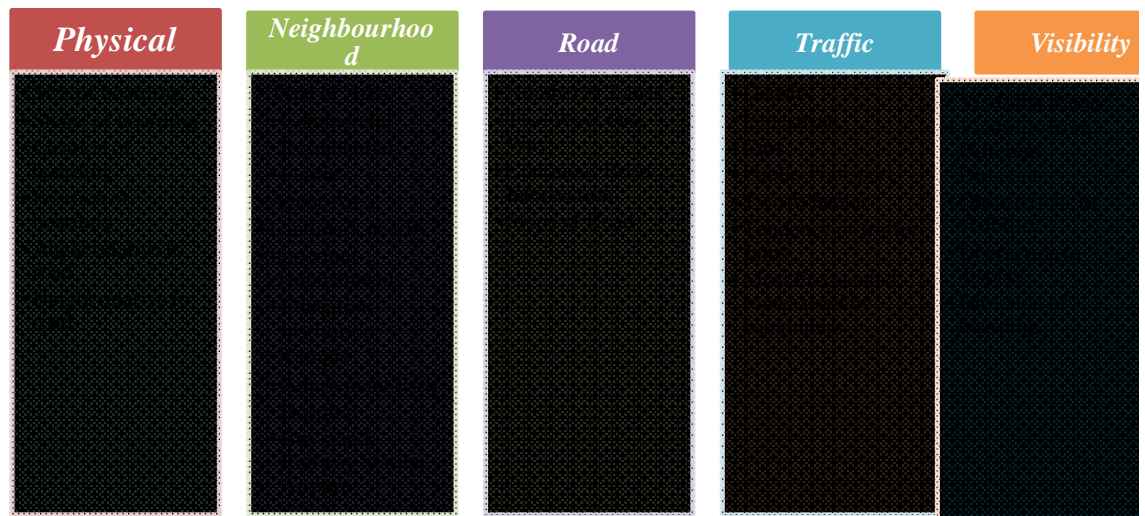
11.5.2 Audio Video Agencies

- *Indian Broadcasting Foundation*: IBF was established in 1999 is India's premium apex organization of television broadcasters. IBF promotes the interests of the Indian Television Industry, making an essential and ever-increasing contribution to the Nation and working as a clearing house of

ideas for this vast and rapidly growing industry. IBF consists of major broadcasters with more than 250 TV Channels. IBF enjoys a unique position as the accredited spokesman of the broadcasting industry.

IBF has played a significant role in a short span of time in protecting and promoting the interests of its members and freedom of electronic media in the world's largest democracy. IBF identifies and pursues growth opportunities for its members and ensures that the members present a strong collective voice regionally, nationally and globally. IBF, as the apex industry association of the Broadcast industry, plays a critical role in building consensus on major issues across the industry.

The Foundation:

- Promotes the interests of television broadcasters
- Relentlessly fosters adherence to the most stringent governance norms
- Orchestrates television broadcasters to articulate a strong collective voice regionally, nationally and globally
- Is the nodal clearing house of ideas that impact this rapidly expanding component of media and entertainment and consequently brings television broadcasters together to execute on these ideas
- Plays a significant role in bringing about consensus on important issues
- Secures governance-bound interests of television broadcasters
- Acts on behalf of its members to ensure credit is aptly and professionally managed between advertisers, agencies and broadcasters
- Provides focus to pursuing television broadcasting priorities such as digitization, statistically representative and accurate audience measurement, inclusion of all forms of television broadcasting especially, independent local and multiservice cable broadcasting, direct-to-home satellite broadcasting, freedom of speech and freedom of expression in electronic media, and growth opportunities for television broadcasting
- Researches on global and domestic trends that impact television broadcasting, and convert research into appropriate advocacy content
- Ensures all such pursuits are within the strict limits of superior governance norms AND
- Provides best-fit, world-class services to its members and continues to strive to create greater value through membership benefits and resources

- *Television Audience Measurement (TAM)*: TAM Media Research is a joint venture company between Nielsen Media Research and Kantar Media Research that mostly analyses TV viewership in India. The viewership cell runs one of the largest people meter TV Panels in the world with approximately 30,000. This division measures television viewership of audiences for the 300-plus TV stations operating in India.

Television audience measurement and ratings are prevalent in several international markets. The technologies for television audience measurement and provisions related to rating framework in Australia, Canada, Ireland, India, Italy, France, South Africa, UK and USA have been studied.

- **Audience Measurement Technologies**

Television audience measurement technology has changed considerably since its inception. These technologies primarily relied on advances in data collection

methods, processing technologies, and statistical methods to improve analysis of information so collected.

There are many ways to measure the audience. The initial measurement technique was based on using a diary method but currently electronic and software based methods are more commonly used. In many countries a combination of the above are also used. There are:

Diaries: Diaries are booklets in which selected sample viewers record their television viewing during a measurement period. It relies on individuals for providing and submitting personal records to a collecting agency/agent. The selected sample viewer records the desired data like radio stations or TV stations they listen to or see during each day of the survey period. They record the time of day, the location, and start and stop times of each programme. Diaries are distributed and then collected from the sample audience for a week and during the weekend the viewership data is tabulated, analysed and reported. This method is relatively cheap but cumbersome, when compared to other methods of television audience measurement.

Surveys: In this method, surveys through personal meeting or telephone calls are undertaken for collecting audience measurement data. Such methods are employed in some international markets.

People Meter: With the increasing number of channels, multiple broadcasting platforms, multiple TV sets in a household and remote controls, electronic and software methods are now commonly used to measure audiences. People meter is an audience measurement device used for television audience measurement. It is a 'box', about the size of a paperback book. The People meter automatically records the channel viewed by matching the corresponding digital signature stored in its memory. In addition the home is provided with a special remote to record who is viewing the channel. Each time someone changes a channel, the sensors attached to the TV from the People meter senses the channel change as well as identifies the new channel being viewed. The data is stored in encrypted form in the People meter and is transmitted to the Data centre through the Transmission Unit using telephone lines.

Portable people meter systems: The Portable People Meter (PPM), is a pager-sized device that is carried by a representative panel of television viewers and radio listeners. It automatically detects inaudible codes that broadcasters embed in the audio portion of their programming using encoders. At the end of each day, the survey participants place the meters into base stations that recharge the devices and send the collected codes to the data center for tabulation. PPM can measure exposure to any electronic media, which has audio that has been encoded - television, radio and even cinema advertising. PPM system consists of the following four components:

- **Encoder:** Which is installed at the programming or distribution source to insert an inaudible identification code into the audio stream? The audio encoding system provides an extremely reliable means of identifying signal source, and works equally well with all existing electronic media delivery systems: analog, digital, live and recorded broadcasts. The embedded codes can even be picked up in transmissions delivered via the Internet.

- **Portable People Meter**: which does a consumer to detect and record the inaudible codes in the programming that the consumer is exposed to wear? The Portable people meter is a "pager-sized" 65 cubic centimeters and 75 grams device. It consists of an especially sensitive audio transducer, digital signal processing (DSP) circuitry to analyze input for code detection, extensive memory accommodating at least one day of event codes, and a rechargeable battery. PPM is also equipped with a motion detector, which is linked to a small green light that is visible to the survey participant. The motion detector is a key component to track whether the survey participant is carrying the meter throughout the day.

- **Base Station**: Where each survey participant places the meter at the end of the day to recharge the battery. The base station extracts data - both the collected identification codes and the motion data from the motion detector - from the PPM and sends collected codes to a household collection device known as a "hub";

- **Household Hub:** Collects codes from all the base stations in the survey household and transmits them to a central computer system via the telephone line during overnight hours.

- *Set Top Box (STB) with integrated people meter*: In India, Cable TV networks are undergoing a major transformation from analog to digital addressable systems. DTH and Digital Addressable Cable TV system are fully digital. Trends show that the people meter could be integrated into the Set Top Box which may provide exact viewing pattern of the subscriber without any manual intervention. With increase in choice, it is likely that in the near future such a system could become more reliable and provide real time authentic ratings.

- *Models for regulating television-rating system:* The model of a television rating system has two components, the accreditation of the rating agencies and the rating by the accredited agency. Regarding rating process, one view could be that since the television ratings mainly affect the business decisions of broadcasters, advertisers and advertising agencies, it should be free of any government/regulator intervention. Another view could be that since television ratings directly affect audiences and commercial interests of different stakeholders, it is desirable that some effective accreditation framework is in place to ensure that the measurements carried out by rating agencies are free from any bias, and represent true and correct picture of TV audience information.

- **Radio Audience Measurement (RAM)**

  The existing Indian Listership Track (ILT) tool that follows the day after recall methodology involving mostly to-of-the-mind recall and not actually listenership, the RAM works with the daily method. The daily method is reportedly the most widely used method around the world. The most common type of radio listening diary runs for one week, and is filled in by one person. Usually there's one page opening for each day, with quarter-hour units down the page, and one column of each station.

- Advertisers will get to know who they are talking to since presently with the content being the same in al stations, most of the advertisers do not know who they are talking to
- There can be segmentation by localized vis-a-vis nationalized advertising.
- When advertising can understand the listenership of each city.
- The study will also help to understand how creatively song can be used and impact of sound on the brands per sec.
- **Indian Listership Track (ILT):** ILT is the first syndicated study of its kind in India for radio audience tracking in partnership with AC Nielsen that enables users to exploit the potential of this high growth medium. The research objectives of ILT are
- To quantify listenership pattern across the metros
- To know the demographics & Lifestyle of the listeners
- To provide a tool for Radio Media Planning
- **ILT methodology**
- Systematic random sampling method used
- Starting pints selected using the electoral rolls
- Quotas maintained by SEC to have equal representation from all SEC
- Appropriate weighting done to correct the bias
- Day after recall technique is followed
- Quarterly reports are generated using advanced planning software
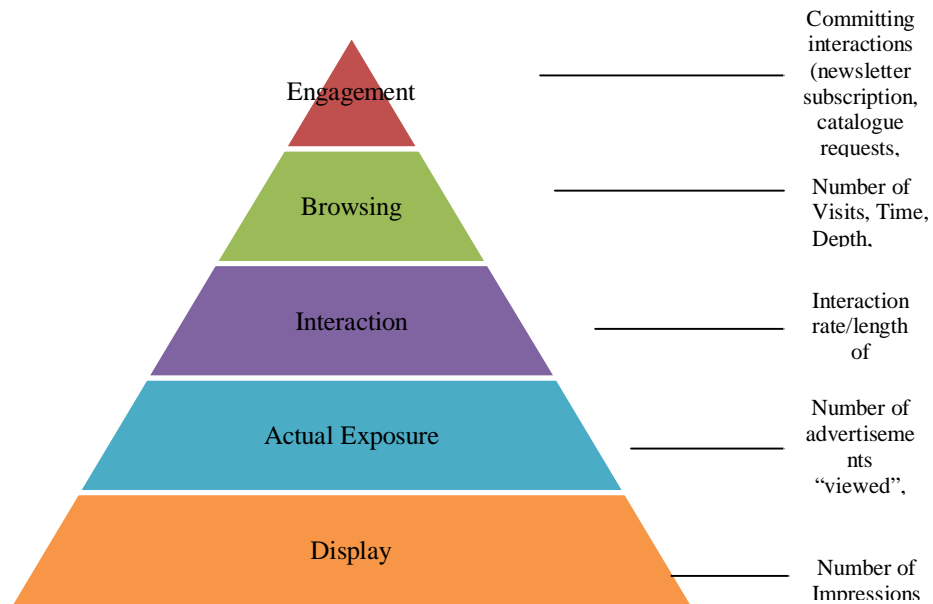
Radio Listenership
- Place of listening to radio most often
- Number of radio sets currently have (including car, two in one, mobile etc)
- Whether FM stations can be tuned in the radio sets or not
- TOM awareness of radio stations
- Spontaneous awareness of radio stations
- Aided awareness of radio stations
- Radio stations listened to in last one week
- Radio stations listened to in last one week
- Radio stations listened to yesterday
- Activities (listening to radio, watching TV, reading, using internet) done yesterday during different time bands.
- Which radio stations listened to in different day parts (each quarter hour)
- Place of listening radio (each quarter hour)

11.5.3 Online Advertising Agencies

Monitoring the performance of online advertising is becoming a key challenge. Advertisers see measuring the effectiveness of their campaigns as a key challenge in their interactive communications strategy. The internet is reputed to be a quantifiable medium but advertisers are still dissatisfied with the tools available to them for evaluating its performance. Faced with an overwhelming amount of generated data, they express a need for transparent and comparable information.

The majority of advertisers measures effectiveness by instrumenting their online strategy. Some advertisers wish to further broaden their measurement tools, for example by analyzing web traffic or assessing engagement more systematically. Others need measuring tools for a better handling of available data. Advertisers

also insist on the need, to converge Web data with data from other communication sources in order to enhance multi-channel monitoring.

Pyramid Level	Measurement
Engagement	Committing interactions (newsletter subscription, catalogue requests,
Browsing	Number of Visits, Time, Depth,
Interaction	Interaction rate/length of
Actual Exposure	Number of advertisements "viewed",
Display	Number of Impressions

Levels of Measuring Online Advertising

11.5.3.1   Key Approaches to measure online advertising:

- *Defining the objectives of online communications strategies:* A marketing factor which aims to assess the effectiveness of online methods with regard to campaign objectives in terms of the impact on the brand (awareness, recall, brand preference, etc.) and/ or performance (online and offline sales growth, generation of opportunities, etc.). A media-buying factor, which aims to manage communication budgets by assessing the Web,'s potential to contribute effectively to the media strategy (target coverage, message repetition, media mix).

- *Contributing to the brand's development:* In view of the different possible objectives, suitable indicators need to be defined and implemented. Branding: the purpose of branding campaigns is to bolster different components of the brand, such as awareness, image or purchase intent. These campaigns generally form part of a wider media strategy and it is their combined impact with other media, which is often measured.

- *Developing engagement:* Developing customer engagement also falls within the framework of branding and aims to broaden the online brand experience, but with the specific objective of interacting directly with the internet user.

- *Growing offline sales:* Growing offline sales continues to represent the ultimate objective of a brand campaign, with the exception of institutional campaigns. This objective can be more specifically sought or measured campaigns and as such evaluated with greater precision.

- *Growing online sales:* Growing online sales: these campaigns specifically aim to generate sales on the brand website or on partner networks. Such campaigns can also simultaneously pursue conversion and branding objectives.

- *Generating leads and classifying potential customers:* Generating leads is based on a performance-oriented approach, but does not aim to increase online purchases. The objective is to get to know the internet user using interactive resources for classification purposes, such as games and questionnaires.

- *Boosting coverage and repetition:* Boosting coverage and message repetition: with rising penetration rates, the Web is quickly becoming a mass medium, which allows for greater message exposure. One of the objectives of a Web campaign can be to strengthen the message coverage and repetition achieved through other media.

- *Reducing customer acquisition costs:* Reducing acquisition costs can be another ambition of an online campaign. This is fundamental for performance-focused advertisers.

These different objectives are not incompatible and the same campaign can, for example, aim both to develop the impact of the brand and generate an increase in sales. For each of these objectives, different indicators can be used. The following pyramid presents an initial but by no means exhaustive list, which gives an idea of the range of measurement tools available to advertisers. The same indicator can often be suitable for measuring different objectives.

11.6 Summary

We conclude that effective advertising doesn't simply mean of spending large amount of money on a variety of advertisement medias. In fact, overall objective of advertisement is to build awareness, creating favorable attitude, and ultimately maintain loyalty for product and services offered by organization. By measuring advertisement campaigns, we learn to avoid costly mistakes, evaluate alternative strategies and increase effectiveness of advertisement. Various test and agency reports of media industry equip advertisers and media planners to develop positive image, and nurture healthy emotional bonding.

11.7 Self Assessment Questions

1. Explain the importance to evaluating advertising campaign.
2. What are the objectives of Advertising Campaign?
3. List down the models of setting objective of advertising.
4. Explain the process of Media Planning.
5. Discuss the direct measurement techniques of evaluating advertising.
6. Discuss indirect measurement techniques of appraising advertising.
7. Explain Psychological measurement technique for measuring effectiveness of advertising.
8. Explain field pre-tests.
9. Explain role of media agencies in print media sector.
10. Explain the role of Radio Audience Measurement? Which tool does RAM to evaluate advertisements on radio use.
11. What are the levels of evaluating online advertising?

11.8 Reference Books

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Unit - 12 : Online Advertising

Structure of Unit

12.0 Objectives

After completing this unit, you would be able to:

- Understand about the Concept of Online Advertising
- Classifying the Various Online Marketing Styles
- Analyzing the Benefits and Drawbacks of Online Advertising
- Analyzing the Email Marketing and its Effectiveness
- Understanding the Concept of Social Marketing
- Learning Online Catalogue Advertising style and its effectiveness
- Understanding about the regulations applicable related to Online Advertising

12.1 Introduction

The Internet facility has been developed in the era of 1960s specially to tackle the need of Defense of USA where the information transmission was required as very easy, safe and reliable mode. Later on, in 1990s, the Internet facility was commercialized where the facility has been started in academics, business house, researches and in various other fields to receive and transfer mails, electronic files and extract information from databases. Initially, the Internet facility was accessible only to academic universities and government departments who are engaged in research works. The E-mail was developed by Ray Tomlinson in 1972 and till late 1980s the E-mail process was frequently used in various government departments to transform the information. In 1985, Dan Lynch made TCP/IP as recognized name by inviting various vendors to informing about the new communication system. Currently, the Internet is the fastest growing medium of communication with wide range of opportunities which is still need to exploit for the benefit of both business and advertising industry. The online advertising era is still supposed to see its maturity and full exploitation of the medium.

12.2 What is Online Advertising?

Online advertisement provides an opportunity to represent every online visitor to show the message with personalize touch as per the visitor's need, requirement and his liking. In fact, the online advertising acts as a link of two way communication between advertisers and consumers.

The business organization needs to spend a huge amount of sum for the marketing and advertising of their products and it has been estimated by (e Marketer Inc, 2007a), that overall the business houses spend more than $21.4 billion only on Online Advertisement. Since last decade, the online marketing business has grown by more than 200% and now more and more advertisers are moving towards online advertising system and cutting the spending from the traditional method of advertising mediums. Although, the marketers are aware about the potential of online media but still the online advertising industry has to wait for the boom, because currently the online media is simply share less than 12% of the advertising industry share.

Online Advertising Spending for Selected Formats

Format	2007	2011	% Change
Paid Search	$ 8,624	$ 16,590	92%
Rich Media / Video	$ 1,755	$ 5,481	212%
Display Ads	$ 4,687	$ 8,190	75%
Classified	$ 3,638	$ 6,930	90%
Referrals	$ 1,733	$ 3,675	112%
Sponsorships	$ 535	$ 504	-6%
E-Mail	$ 428	$ 630	47%
Total	$ 21,400	$ 42,000	96%

* Source – eMarketer, Inc 2007a

There are various types of online advertising methods are prevailing in the marketing industry:

1. Online Advertising
2. Email Marketing
3. Online Catalogue
4. Social Marketing

Earlier Online advertising was limited with Banner, Pop-Up or email advertising but later on the online advertising took a multi communication shape with tremendous possibility of growth in future. Now a day, the online advertising is not only limited upto Banners, Pop-Ups etc but now the trends such as Pay per Click, Pay per Action, Search Engine Marketing came into format. The online marketing trend showed its support in understanding the consumer behavior and targeting customers individually and providing them the personalized service.

As per the study, it has been noted that, during the period of 2006-07, the expenditure made by United States on online advertising was more than $16

billion and $6 billion was in European nations. The study further states that, the advertising growth rate is approximately 19% per year in United States and approximately 25% per year in European nations. The further study explains that, there is steady and fast growth in usage of online advertising methodology as promotional plan and now ad days more than 1.5 billion of world's populations is active internet users and in United states, more than 75% of the population are internet friendly and more than 140 million people of European nation is on internet.

The population participation on internet varies as per the growth and development of the nation. For example, 80% people are internet user in Sweden and 75%-78% people are internet user in United States and Australia and whereas only 50% of the European population are internet user in general and the data of developing nation is very poor. As per Patti Freeman Evans, a senior analyst in B2C in Jupiter Research (2007) states that, in 2007, the approximate online transaction made was worth of $116 billion and the customer who got information through online marketing made offline purchases and the volume of such shopping was worth of $1 trillion. The advertisers need to spend the little more just to reach the other developed nations.

12.3 Online Advertising Formats

Online Advertisement is that the, Internet is where the consumers moving, specifically with the most desirable age group that is youth. Online advertisement allocates the two communication benefits to both advertisers and consumers at the same time. The online advertising is segregated in further steps:

Display Ads: Banners & Pop-Ups

Display ads are the first advertising technique introduced in digital media. **Banner Ads** reflects the promotional advertiser's message in a box format either at top or bottom of the computer screen. The banner advertisement is similar as the newspaper advertisement but with added advertisement where once the visitor clicks the banner, then the visitor is directed towards the advertiser's website or online store. **Pop-Up Ads** are such ads which appear as buttons and banners on the computer screen without the request of visitors. The Pop-Up ads sometimes appear underneath and sometime appear upperneath the browser window.

Rich Media / Video Ads

Although, the banner and pop-up ads will remain always at the dominant position but now the rich media/video ads is gaining popularity day by day in terms of total industry revenue and also in search engines. Rich Media / Video Ads are attracting consumers more and more because of the rich and attractive texts and messages along with attractive videos, this lead the consumer to get more involved with the product marketing strategy and consumer may end up in searching some more text or information about the same product. Rich Media / Video Ads lead to more and more brand building and increase in sales. **Interstitial ads are** form of rich media ad where, the advertiser places the message among the user pages. **Superstitial ads are** also form of rich media ad where the ad is placed in form of display size of approximately 900X500 with the file capacity of 600KB.

Search Engine Advertising

Search Engine Marketing is one of the most prominent and upcoming source of digital advertising process. This advertising method has changed the online advertising method drastically and this marketing method is one the fast revenue generating marketing process which simply 1% in year 2007 and later on increased upto 40% in 2007 but it is expected that it will reach the level of 82% by the end of year 2013. **Organic search engine** refers to positioning of websites in unprejudiced function of set rules compulsory by the search engine. **Keyword advertising,** where the advertiser purchase prominent search keywords which appears on the top with rank wise on the search page and **Network keyword advertising** was introduced by Google in year 2002 which is different from keyword advertising where Google allows the advertisers to place their ads on its homepage and the advertiser's message will be communicated throughout the search engine.

Sponsorships

Sponsorships is the paid form on online advertising where the advertiser's name in connected with certain type of information, venue or event that builds the brand image and increase the recall effect among the consumer's mind. The sponsorships form of advertisements is moreover focused towards the brand building inspite of immediate increase in sales. The sponsorships ad contains the information in form of advertorial (advertisement + editorial).

Referrals

The referrals advertisement is process, where the advertiser places their ads, logo or piece of information on the website or web-store of other advertisers whose websites been used by large number of visitors. In India, the advertisers place their ads on quickkr.com, amazon.com, olx.com.

12.4 E-Mail Marketing and Spam Explosion

Initially, the e-commerce refers to the direct mailing to the users and this direct mailing is considered as most effective and efficient marketing and communication tool. In direct mail marketing, the advertisers use to send the communication or marketing messages to the customers or users who have showed their interest in advertiser's product in near past by any means of communication. In E-mail marketing, the customer's do have choice of **Opt-In & Opt-Out.** The Opt-In choice means that, consumer is interested to receive the marketing message related to particular product and in case the consumer is not interested then he can Opt-Out from the marketing message chain and then the customer's e-mail account will stop receiving the marketing messages.

Now, the advertisers are also specifically focusing the Opt-In customers only as this help in more target oriented marketing. The study shows that, the response rate in Opt-In customer target is 6% better than the bulk non-targeted mailing. The advertisers suggest that, it is better to work on in-house e-mail list inspite of purchasing the e-mailing database from outside. The in-house database is more authentic as compared to database purchased from outside. There is no sanctity of the database provided by the outside vendors.

In the year 2007, the report presented by McKinsey & Company, that more than 80% of the worldwide organizations have started using E-mail marketing to contact the customers directly and at the same time the total amount spending on the E-mail marketing in the year 2007 was approximately $430 million in US only. McKinsey & Company further states that, the customer target rate is 2 times higher in E-mail marketing as compared to targeting the same customer through postal mail. Although, there is no authenticity which proves that, every customer reads the marketing mail on their e-mail account but the E-mail is very much cost effective as compared to the postal mail.

Direct mail marketing is popular among the advertisers because of its cost effective benefits as the cost of sending 1000 mail is almost similar to the cost of 1 million mails. In E-mail marketing, the main cost refers to the e-mail id databases which use to be purchased from the outside sources. The cost of one single e-mail id is distributed in minimum few paisas to 1 Rupee depending upon the authenticity of the data.

In year 2007, certain advertisers disregarded the E-mail marketing as effective means of advertising and stated that, the E-mail marketing is not a very commanding way of marketing because of certain negative factors: **Spam,** or there are certain specific software tools which target certain type of marketing mails and lead them to Spam boxes.

12.5 Online Catalogs

Online catalogs are same as the paper catalogs and online catalogs were one of the prominent online advertising tools during the early period of e-commerce but later on the organizations lost interest in this form of marketing as the loading of online catalogs use to take long time because earlier the internet system was dependent on broadband system. During the year of 2005, the graphic and visual based pages use to heavy pixels and the more than 50% household internet system was based on broadband connection and the customer's do not use to show their interest in downloading the online catalogs. But there are certain web publishers such as Google Catalogs and Catalog.com made the issue much simpler and the catalogs became easily accessible to the customers. As per eMarketer Inc. (2006), the online catalog system not only increased the sales by 30% but also found very supportive and cost effective for the small time merchant, who cannot afford the colorful offline catalogs.

The catalogs are basically used to display the product's configuration along with all details and the digital catalogs seem much attractive because of the color image and other graphical presentation. The digital catalogs are available in two different versions: Full Page catalogs and Grid Displays. The maximum online marketing companies use the Grid Displays, because it is just of stamp size and downloads in small moment of time and usually used by Amazon.com etc and the Full Page catalogs are usually used by those organizations where they are suppose to show the product in detailed image. The cost of developing the online catalogs depends upon the organization's requirement and vendor's quality.

Earlier, the direct marketing companies use to have physical catalogs with them, which they use to send the customer's in advance and customer do place order from the catalog's description. The online companies have started using the

online catalogs to get the order from the customers. The study suggests that, the online and physical catalogs are complementary and cannot act as substitute. But, no doubt the online catalogs are proved to be the cost effective method of marketing the product in much presentable manner.

12.6 Social Marketing

Social marketing is just same as the traditional marketing method but with somewhat different approach format. In Social marketing, the marketing model is **Many to Many** and in Traditional marketing method, the marketing model is **One to Many.** The single advertiser can advertise his message with paid medium, so that, the message could reach to the many viewers in personalized form.

The marketing style of social marketing media has been derived from certain traditional marketing method such as Word-of-mouth and viral marketing. For, digital social marketing, a pre-existence of particular social media platform must be there and that social connect and network can be enabled to market the particular idea.

Advertising through Blogs

The blogs are one of the prominent forms of social media advertising method usually, used by high level executives and academicians to popularize their thoughts. Blogs are proved to be beneficial in spreading of the news but it failed in monetizing the benefits derived from the blog advertising. There are very few blogs which spread the usable information and the most of the blogs proved to be self centered and irrelevant. The search engines also fail to search the relevant blogs and contents. Although, there are certain advertising networks, which have the capability to identify the best targeted blog and also they forms the collection of blog groups and can place advertisement of such groups.

Advertising through Social Networks

Social network advertising is getting popular and in fact there are separate social networks of people based on the hobby and requirement of the people themselves such as Facebook, Orkut, LinkedIn, Twitter etc. During the year 2007, the highest advertisements have been placed through My Space and after that Facebook. EMarketer (2009) states that, LinkedIn, Facebook and Twitter have taken over more than 95% of the Social Media marketing, the advertisers place the advertisements in form of Banner, Video etc which could be shared over the social networking sites.

The advertising through social media sometimes proved risky and dangerous also. The users or advertisers who place the advertisement themselves end up in placing certain type of content which may be irrelevant or distributes the negative message among the public. The government keeps checks on such messages time to time, so that, the illegal activities could be stopped and at the same time, these social media sites play the important role in spreading of particular message among masses for the betterment.

The Indian youth came out in agitation against the **Brutal** gang rape of a 23 years old girl in Delhi. The agitation was done for good and it was possible only

because of well connected social media sites. Facebook played the important role in spreading awareness about the injustice done to the girl.

Advertising through Social Games

Online Games are also gaining status of advertisements to masses in creative mode. Currently, people are Internet freak and they use to play internet games either on their mobile phones or on their personal computers. Now, the game developers are developing the sponsored games related to particular products. Although, such marketing tactics are being used by big giants such as Coca-Cola, Pepsi etc. but it has usually seen that, in India, such online games are popular to promote the special effect movies. In Nov 2013, the movie 'Krrish 3" was released with the concept of super hero and this movie was promoted with help of certain superhero based cartoons and online Krrish 3 Games.

12.7 Effects of Online Advertising

The results obtained from certain surveys done on the click rate on various online advertising tools showed very critical and unexpected results. The click through rate must be directly proportional to the cost incurred on the marketing campaign implemented such as purchasing of mailing list or development cost of banners or pop-ups and as well as development of certain attractive videos to place them on YouTube etc. Each online marketing tool's result is different as per the cost incurred on them and also the effect.

Online Advertising Tools: Typical Click through Rates

Marketing Methods	Typical Click Through Rates
Display Ads	0.1% - 0.2%
Interstitials	0.2% - 0.3%
Superstitial	0.2% - 0.3%
Search Engine Keyword Purchase	3% - 7%
Video & Rich Media	0.4% - 0.6%
Sponsorships	1.5% - 3%
Affiliate Relationships	0.2% - 0.4%
E-mail Marketing In House List	4% - 5%
E-mail Marketing In Purchase List	0.01% - 0.02%
Online Catalogs	3% - 6%

* Source – eMarketer, Inc 2007a

The table shows that, Click through rate for video ads are not much appreciable but it is better than display advertisements. It's been seen that, whenever any video advertisement starts playing on YouTube then people either closes that video or skips the video. Now consumers are getting much learned about the

online advertising effects and they are trying to adapt themselves with the new trend of online advertising style. The response rate for display advertisement fall with more than 40% of the targeted effect and same time the people started losing interest in responding towards the E-mail Marketing. But the response rate for Video advertisement remained steady at its place.

While understanding the online marketing effect, the advertisers first start analyzing the results of various marketing communication tool and it's been noted that usually, the consumers are moreover moving towards the search engine based advertising methodology. The search engine based advertising methodology is very cost effective and limited upto certain famous search engines only. The researches explains that, since last two years the search engine advertising method is rising with no leaps and bounds and if certain revenue fall has been noticed then that fall was just because, that the search engines have increased the prices of the famous search keywords. The future prospects shows that, in future the search engine based marketing tool will see its all time top and the online advertising need to receive its due benefits and results.

Indicator: The Performance Measuring Tool Usage

Particulars	Percentage
Click through Rate	60%
Lead Generation	49%
Response Rate	46%
Incremental Sale	40%
Return on Investment	38%
Brand Awareness or Reputation	32%
Request for Information	27%
Engagement with Web Content	22%
Media Impression	17%

* Source – eMarketer, Inc 2010

The above mentioned online advertising effect measuring indicators are used by various advertisers based on their level of understanding and some advertisers uses the particular tool as per his user friendliness. Comscore (2009) indicates that, the click through rate is declining each year and now the visitors are losing interest in clicking the online advertisements and the clickers are declined by more than 50% from 2007 to 2009. It's been noted that in 2009, only 16% of the internet users were taking interest in banner advertisements and the users are also not productive as they fall in the age group of 25-45 years and their per annum income was also less than 4000USD.

As per IAB France (2012), the numerous effects brought about by display advertising which are not taken into account by the click through rate. For example, a significant portion of internet users return to the website several days after being exposed to the advertisement. It also appears that prior exposure to

display advertising campaigns has a positive impact on search behaviour. Perhaps the most limiting factor of the click through rate is that it does not provide any information on the kind of impact that exposure to an advertisement gives rise to, whether this is in terms of awareness, recall, engagement or purchase intent. Customized measurement tools are therefore required in order to effectively monitor online advertising: we have identified seven key approaches for this purpose.

Monitoring the Online Advertising

The internet has proved its capability as one of the effective marketing tool but still various advertisers are doubtful about its effectiveness and its delivered results because there is no specific and target oriented effect measuring tool available, which can measure the effectiveness the of online advertising. The advertisers require the particular tool, which can measure the effect of online advertisement in expressive terms and the advertisers can make the comparable decision with result of it.

The majority of advertisers have admitted somewhere that, there is no effective tool available which can measure the potential of the online advertisement and if there are few available then the results are not satisfactory. The advertisers want that, effect measuring tool must designed in such a way that, it can measure the online traffic as well as systematically maintain the traffic and manage the visitors data. They also insist on the need to converge Web data with data from other communication sources in order to enhance multi-channel monitoring.

The study conducted by eMarketer explains that, the 60% of the advertisers rely on Click through effect measuring technique regarding their online campaign and there are other effect measuring indicators such as, incremental sales, the ROI, the brand's reputation building and the visitor's engagement on web.

12.8 Advantages & Disadvantages

12.8.1 Advantages of Online Advertising

- *Interactive Medium:* The two-way communication is possible and the consumer can directly contact the advertisers and provides him the feedback.
- *Large Number of Audience:* The internet facility has been proved as global platform where approximately 1 billion audiences can be targeted at one go.
- *Immediate Response:* The personalized products and services can be developed and served to the customer and immediate feedback is also possible.
- *Selective Customer Targeting:* In case of selective target marketing, the advertisers can use the Meta-Ad system to target the selective customers only.
- *Propinquity to Shop:* The Advertisers are available to customers at right time, at right place and with right product, and then only they place the order.

- *Product Comparison / Price Comparison:* The customers can firstly check all the details of about his selected product and after calculating the price effect, he can place the order that provides a better deal to him.
- *In Depth Information is Possible:* The customer can extract the depth information about products from the other customer's feedback, Commercial website of the company etc.

12.8.2 Disadvantages of Online Advertising

- *Does Not Act as Mass-Media:* The Internet is still not reliable mass-media source of advertising medium, every person in the world does not use the internet facility and the drawback is more prominent in developing nations

- *Internet Speed:* The speed of internet usage in not very nice is various parts of words specifically in developing nation and during the slow speed, if such advertising pop-ups appears then, they act as hurdle.

- *Heavy Spam:* The email account of consumers are filled with spam mails and sometime it happens that, due to such spam, the consumer may miss his own important mail or any other marketing mail and sometime it also happens that, the uncontrolled spam may block the mail account of users.

- *Unsafe Online Financial Transactions:* The Indian customers believe in touch and feel experience, so they usually wants to visit the brick and mortar store to pick any product for themselves inspite of going to online purchasing and at the same moment, the customer do not feel internet as reliable source of financial transaction.

- *Untested Medium of Advertising:* In India, the reliability, effectiveness and coverage of online advertising process has not been calculated properly, so its effectiveness is still doubtful in our country.

12.9 Regulations for Online Advertising

In general, consumer protection laws apply equally to online and offline activities. However, there are questions over which jurisdiction's laws apply and which regulatory agencies have enforcement authority over transborder activity.

As with offline advertising, industry participants have undertaken numerous efforts to self-regulate and develop industry standards or codes of conduct. Several United States advertising industry organizations jointly published *Self-Regulatory Principles for Online Behavioral Advertising* based on standards proposed by the FTC in 2009.European ad associations published a similar document in 2011.Primary tenets of both documents include consumer control of data transfer to third parties, data security, and consent for collection of certain health and financial data. Neither framework, however, penalizes violators of the codes of conduct.

Many laws specifically regulate the ways online ads are delivered. For example, online advertising delivered via email is more regulated than the same ad content delivered via banner ads. Among other restrictions, the U.S. CAN-SPAM Act of 2003 prohibits requires that any commercial email provide an opt-out mechanism. Similarly, mobile advertising is governed by the Telephone Consumer Protection Act of 1991 (TCPA), which (among other restrictions) requires user opt-in before sending advertising via text messaging.

12.10 Summary

Online advertising has grown from static banner ads, intrusive pop-up ads, and e-mails in 1994 to include a variety of rich media formats, behavioral targeting, and pricing models in 2007. Online advertising has expanded with the growth of the online audience and improved technology. Advertisers indicate they plan to spend a greater portion of their media dollar on online advertising in 2007 while decreasing their print and broadcast budgets. Negative news regarding online advertising is the growing concern about click fraud, which is turning advertisers away from pay-per-click spending. There also are concerns about preserving corporate reputation when ads are misconstrued, poorly conceived, or mocked. The same mechanism that disseminates an ad worldwide in an instant also can have an immediate global impact on a company's public image. Although many believed consumer resistance to banner ads and pop-ups heralded the end of online advertising, the reverse is true. Advertisers are using new formats and technology to make online advertising a medium of choice to reach consumers worldwide.

12.11 Self Assessment Questions

1. What do you understand by Online Advertising? What online Advertising methods are available to the advertisers?

2. What is E-mail Marketing and whether E-mail Marketing is successful as per your personal view?

3. Which Data collection method is better for E-mail Marketing as per your view?

4. What do you understand by Online Catalogs? Do online catalogs can replace the need of Physical catalogs?

5. What do you understand by Social Marketing? What social marketing methods are available to the advertisers?

6. Explain the advantages and Disadvantages of Online Advertising?

7. Which online advertising method is better as per your personal view?

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Unit - 13 : Emerging Trends in Advertising

Structure of Unit

13.0 Objectives

After completing this unit, you would be able to:

- Understand about the Current Available Advertising Trends
- Classifying the Current Available Advertising Trends in Offline & Online Process
- Analyzing the Positives & Negatives of Current Available Advertising Trends
- Identifying Various New Advertising Trends
- Identifying the Effectiveness of Advertising Trends
- Analyzing the Positives & Negatives of New Advertising Trends

13.1 Introduction

There are various advertising options available to advertisers, in fact, the advertisers today have a number of options available to them as a choice of advertising options and same choices are available to the viewers too. There are more than 200 TV channels as well various radios and other advertising channels are available, and the marketer can easily make choice out of such marketing options.

13.2 New Trends in Advertising

The 21st century came out with big bang of new technologies and advancements in information Technology Industry. These changes and new developments brought revolution in advertising and marketing industry too. The advertising industry took the hike in terms of best possible reach to the target customer with almost sure shot results. Now, the advertising mediums are more advanced in terms of customer reach at the same moments; advertisers are trying to search out new options to get maximum customers attention and almost sure shot results.

The former advertising trends are still maintaining its importance such as television, radio, internet and social media but the money and time spend on these advertising channels have varied accordingly, but the advertisers are looking for other better advertising options which can advertise the organization effectively and efficiently. The organizations are looking for those advertising options which

are customer centric. Now, the advertisers make researches to understand the perception of customers and accordingly the advertisers are placing and customizing the products.

New trends in advertising refers to coming up with certain new advertising techniques which can either market the products in better way with maximum success or may act as supporting for the traditional advertising methods. The new trends in advertising brings new ideas and innovation which makes the advertising techniques more effective and interactive, where the advertisers can contact the customers directly and get their feel and perception. During last two years, the most of the organizations have moved towards the social networking sites to promote their products, because the social networking sites makes the advertisers more closer to direct customers and the advertisers can get the instant feedback too.

Every old thing tends to change, for betterment and same applies to the advertising trends also. The customers are getting bored out of outdated advertising techniques and in fact, now a days the old advertising techniques are not making any effect over the customers, and customers are not paying attention to the scraped advertising methods, so now the advertisers are looking for new way-out to reach the customer's heart.

13.3 Emerging Offline Advertising Trends

We have discussed various advertisements options and still advertisers are looking for other better options to advertise the products, so that more and more public attention can be secured. There are certain new trends which are discussed below:

Car Cards- These are small size think attractive poster or paper which can be usually pasted on the back window or side window of cars, so that, the people can see the information, but sometimes, it happens that, such advertisement do not show its results as they can be viewed by people with relax time. Such advertisements are usually done by motels etc.

Loyalty Points/Loyalty Cards - Now the current trend is of stores, where the customer can buy different goods from the same place and at the time of payment, the store manager offer consumer a card with some plastic number quoted and the customer can collect the points and can redeem those point at once. This can be one of the nice ways to engage customer for long time and loyalty of the customer can also be determined.

Travelling Displays – The Travelling Displays are such which are usually small cardboard size which is pasted at the back side of car, auto or trains, the main reason for such advertisements to attract the attention of audiences who are either walking on the road or standing on the railway platforms.

Sandwich Man Advertising – These are special kind of advertisement which we can even say moving advertisements also, in which the advertisers hires few person who hangs the two sandwich board on which advertisement will be displayed and those sandwich man moves from street to street which attracts the attention of people walking on the road.

Tall Man Advertising – This very attractive kind of advertisement in which the advertisers hires few trained people who ties iron rods with their legs and acquires very long height and wears funny mask and colorful clothes and moves from one street to another and do some funny tricks. Such activities attract the attention of people as well children more.

Sky Writing – Sky writing is also very new and attractive kind of advertisement format which is usually used by larger and cash organization, as such advertisement techniques are very costly and needs permission from authorities. Here, the message will be written in sky by the colorful smoke of the airplane.

13.3.7 Film Part/Movie Part Advertising – Now a days, the movie producers are making contract with product advertisers, so that, they can make the product as one of the important part of movie and raise the fund by advertising the product by that mean.

For example, in Taal movie, one scene shows that, Hero drinks half coca-cola bottle and later on leaves that bottle and later on Heroine takes the same coca-cola bottle and take sip from the same bottle. The Coca-Cola bottle played one of the important energizer to create the love and affection between Hero and Heroine. In movie Gajini, the Heroine of movie was a model and use to play the side role in small advertisements and later on she was casted as main model in one of the Hamam shop advertisement. In Dabang 2, the Hero gifts one mobile phone brand to his father and explain the features of that mobile phone. The products sale and its brand value increased after that movie part advertisement.

So, the advertisers can make their product as the part of such movie story and advertise their products in very different and rememberable way. The users of such products will start connecting themselves with the movie and product and ultimately, the product makes its impact on the mind of consumers.

Sky Balloon – The sky balloon is something where the message written on very large balloons are left in air, so that the flying balloon can spread message in large area. In Delhi, Pulse Polio advertisements are done in this way.

Movie Song Part Advertising- when the advertisers specifically want that, their product should be named in the song and advertized at viral speed then, they can ask the movie producer to picturize any item number with the product name lyrics, which have very prominent impact over the listeners.

For example, the movie 'Dabang' first item song was "*Munni Badnam hui darling tere liye, Mein ZHANDU BALM hui darling tere liye'.* The movie 'Dabang2' item song was *"Mere photo ko seney se yaar, chipka ley saiyaa FEVICOL se'.*

The above mentioned songs are advertising the name of ZHANDU BALM and FEVICOL brands and the songs are very famous among the youngsters and even played everywhere at dance floors and parties etc.

TV Advertisement with Movie Association- The advertisers can advertise their product by sharing the advertising cost with any new to be release movie. This will help the product advertisers to make an association with movie producer and also share the cost with movie advertisers. The consumers also start associating the product with movie. The advertisement TRP and brand value increases as the movie stars advertise the product. During the release period of Movie '*Jab Tak hai Jaan'* the soap brand LUX was advertising with star cast of movie and associating certain scenes of that movie with the advertisement.

TV Advertisement with Social Message- The product gets positive publicity and good sales boost in the market when the advertiser advertise the social message more than the actual product. This helps the product to be recognized with positive thoughts among the customers. Now a days, Mr. Amitabh Bacchan is advertising the brand name "KALYAN JEWELLERS", the main message is that, if the customer goes to buy the jewellery then they should buy only ISI mark jewellery as they are made from pure gold. "TATA Tea" brand is advertising the social message among the people, the message could be related to Women Empowerment, Politics or our own Social duty etc.

Metro Rail Advertisements- Delhi Metro Rail Corporation is providing the advertisers a vast platform to advertise their products at Metro stations, in Metro rail, even at Metro pillars etc. where display advertisements can be done. Metro rail is the main source of commuting in big cities where lacs of people travel by metro rail and these advertisement are visible to every one.

Bus Ticket Advertisement- This is very innovative advertisement technique where the product information goes to every travellers in bus. In big metro cities, local government buses are used to commute from one place to another. The commuters take bus ticket from the bus conductor. The back space of that bus ticket can be use to advertise the product.

13.4 Emerging Online Advertising Trends

Although, online advertisement itself is very new and trendy form of advertising method but still the advertisers are searching some innovative ideas to come up with new form of advertisement techniques. Although, there is not very much new techniques are developed but few are explained below:

Interstitials: This is a vibrant form of online advertising. It is a catch all term for a variety of animated ads that pop up on the screen while the computer downloads a website that the user has clicked on. There are now many types of interstitials including pop-up windows, splash screens, superstitials, etc.

Blog Advertisements – Blog advertisements are considered as attractive and positive kind of advertisement techniques where the advertisers pay to famous bloggers, so that they will write about the advertising products and the message can be passed on to the target audiences.

Mobile Message – This also another form of personalized advertisement method, where the advertisers buy a message pack and they drop the messages in the message box of mobile users, from their data bank.

Online Mobile Messaging- There are various software companies which have developed various mobile online messaging softwares which are very popular among the youths and can be sent to any person across the globe in very nominal charges. Watsapp, Line, Chaton are such softwares where the messages, videos, pictures can be viral among the people having cell phones with them.

13.5 Effectiveness of New Advertising Trends

Advertisement industry is stuck up with various ideas to promote the product but still the advertisers have to make researches just to maintain the nuances and attention of audiences towards the advertisements. Although, the new trends in advertisement methods are popularly started implementing in advertising industry but still the effectiveness is suppose to calculate. There is no effectiveness

measurement tool have been developed to measure the result but the new advertising trends have shown its results by attracting huge crowds towards it.

A   Advantages of New Trends in Advertisement

- The new trends have proved themselves as supporting or supplementary towards the existing advertising options.
- This keeps continuous advertisement of products.
- The new trends in advertisement prove to very attractive and colorful.
- It has wide coverage's and capacity to attract all categories of people.
- This advertising medium gives income sources to talented, skilled or artful people.

B   Dis-Advantages of New Trends in Advertisement

- The measurement of response is difficult.
- Selection of wrong advertising method may backfire the publicity.
- This advertising method only acts as supporting medium.
- Such advertising method may spoil the beauty of particular city.

13.6 Current Offline Advertising Options

The Offline Advertising options are the oldest and most soughted advertising option which every advertiser has used in their advertising life. The offline advertising options are currently most expensive and mostly used advertising form with wide reach but there is no surety of positive impact over the target customer and at the same moment, there is no surety that, the advertisement will reach to the target group.

The widely famous Offline advertising options are as below:

Radio Advertisements

Now a day, the Radio advertisement is considered as one of the effective advertising medium since the FM radio stations came into the pictures. In fact, the youth can be targeted better over radio in spite of targeting through any other advertising medium. Almost every youth is having mobile phone with earphones with them, and the earphones are used usually for the purpose of listening of FM radio stations. Initially, Radio was started in 1967 as service station named as 'Vividh Bharti" specially working in metro cities and selective commercial advertisements were telecasted through them but now situation has taken a 360 degree turn after the FM radio came into picture which are operational purely on the commercial broadcasting basis.

Television Advertisements

Television advertisement is considered as one of the effective and long lasting form of traditional advertising style. This advertising medium's marketing potential is unmatchable with any other advertising medium. By this means of advertising, the target audience can not only listen but also watch the actual live demonstration of the product, such features makes the Television Advertisement more effective than any other form of advertising.

The Television set was introduced in 1976 in our country that is also into Black & White form and initially one channel "Doordarshan" was there as entertaining medium but later on the Colour TV was also introduced. The visual, sound and other qualities made the Television popular form of communication with wide range of coverage. Although, all advertisers are advertising their products via Television but those advertisers can gain much benefits where their products require any sort of demonstration.

News-Paper Advertisements

News papers are printed form of advertisements where the information can be passed to large number of audience in very short duration. The news can be circulated on basis of local, national or international information and there are various Hindi and English news dailies are available in our country. Currently, approx, 1200 Daily newspapers and 5500 Weekly newspapers are published and distributed nationwide. A newspaper accepts advertisements and their rate varies according to their size of advertisements, number of circulation and position of advertisements. Usually, those advertisements, which are printed at very prominent positions, are charged at very high rates and the size of advertisements is measured in terms of columns or centimeters.

Magazines & Journals Advertisements

Magazines and journal an advertisement also comes under print advertisements, but the circulation of magazines and journals are very limited. The magazines and journals are published on the basis of certain periods such as monthly, fortnightly or weekly. The advertisers publish advertisements in magazines and journals belong to different category as the reader belongs to separate category. The magazines have long and effective life with repetitive value.

Film Advertisements

Film is as effective as Television advertisement as it also provide the benefit of audio – visual effects. Usually, such advertisements are displayed before starting of films or during the interval in cinema halls where small movie is created on certain product wither based on story or cartoon clip. The advertorial films are of different category, such as, **Straight Advertising Films** where a straight

advertisement films be prepared on paid advertisers where the information is centered on the advertiser only where as the other kind of advertisement film is **Documentary Films** where the small film is prepared explaining the advertiser's product along with certain educative message and lastly **Sponsored Advertising Films** where the film is prepared with the combination of entertainment and advertisement message.

Speciality Advertisement

The speciality advertisements have various positive effectives because here advertisers provide various low value costing goods as gifts at various general stores. The gift items could be Pens, Diaries, and Small Bags etc with printed names. The gifts are given with the idea of no obligation to the targeted customers. The advertisers are supposed to do business in near future.

Purchase Point Advertisement

Purchase point advertising method is very effective because the products are displayed at counters, windows or in glass admirals. The customers gets attracted towards the products because the no advertisement as effective as the visual of products directly to the customers in very effective and presentable way.

Outdoor Advertisements

Outdoor advertisement is the most soughted and oldest form of advertising method where traditionally the advertisements have been done by painting walls of village houses. But, now the outdoor advertisements have been done with various outdoor flash methods such as hoardings, boards, flash lights, neon lights etc.

The outdoor advertising refers to any visible advertisement which is displayed outside, such as on main roads or at public places. Usually, small boards or placards are displayed on trains, trams, delivery vans etc and in fact, now a day, in Delhi, the most of display advertisement is done with help of Delhi metro or hoardings at Metro station. The placement of advertisement is most important thing, usually; the advertisements use to get placed at such places which are seen by most of the viewers, so that the advertisement can catch most of the attention and viewers.

The message displayed at advertisement should be very catchy otherwise the advertisement may lose the attention. The best products which could be advertised by this way may be anything which is purchased by masses such Soaps, food items, etc.

Forms of Outdoor Advertisements:

- **Posters** are the most common and oldest form of outdoor advertisement where the printed posters are displayed with help of boards or hoardings or displayed on fences or on walls. The cost of printing the posters are very cost effective and can be printed in very creative and attractive way. Initially, the movie advertisements were done by this poster advertisement way. The posters should be very simple, attractive and catchy which must be capable enough to explain the whole story.

- **Advertisement Board,** are same as advertisements which could be done at Railway stations, Metro Stations or Bus stands, where the same posters or any message could be communicated with help of lights etc.

- **Vehicle Advertisement,** where same the boards or posters are been placed on vehicle which can advertise the product as because of moving nature of bus, delivery vans etc. The space available for advertisement is very effective and large and the advertisement is possible in different city and places.

- **Electric Displays and Signs,** these can be possible in big cities where big hoardings are displayed with very attractive lightings and messages which are flashed in the night. The city's night life is very popular so, many young people come out of their den at night time only, so the main products which could be advertised by this means must relate to young generation.

- **Stickers,** this method of advertising is done at large level such as, if any company finances any game then whosoever player were any dress then that must be sticked with the name of the advertisers. We can very well see that, the Indian cricket team's dresses are stamped with the name of Sahara.

- **Puppet Show,** this the most popular, traditional and interesting method of advertising the services or any message, The act of puppet are very catchy and mostly the children are attracted towards it, so any social message can be delivered by this means of advertising.

Indoor Advertisements

When any goods or services they are displayed or advertised within the selling place to attract the customers as due to attractive visualization of the products. The products are advertised by various methods such:

- **Window Display,** where the products are displayed on the front part of shop or showroom in window which is covered by think glass, so that the customers can view the products but there should be minimum risk of theft of the products. The products displayed should be kept in very attractive way otherwise the idea behind such advertising process may lose its relevance. Usually, window display method is used by retailers or small time shopkeepers who cannot make costly advertisements.

- **Interior Decoration,** the interior decoration of shop or showroom must be very pleased and soothing, everything should be on its right place, such as there has to be proper size of window display space as well as thee should be enough number of showcases but all such decorative things should not be very much stacky in small space. Although, the wall paints and door colors should also be soothing and must give positive vibes.

- **Counter Display,** this is an extended version of window display where certain similar designs or product structure is displayed in glass counters which is already displayed at windows. 40% work of customer attraction can be done by nice window display and rest 60% work will be done by attractive counter display. Such marketing activity can engage customer for long time and customer may end up in buying something in every visit.

- **Showrooms,** where the goods are displayed in open space where the customers can get actual touch before buying of such products. The

showrooms are useful for larger size product category, such Cars, Motorcycles, Consumer Durable goods.

- **Exhibitions/Trade Fairs,** the idea behind such marketing is to popularize the product or services in very less time and to cover the vast area. The exhibitions or trade fairs are conducted by government to promote the particular industry and the participants need to display their goods and services at such fairs to large number of visitors.

13.7 Current Online Advertising Options

Internet was developed initially in USA around late 1970s to transmit the information as soon as possible that is also with utmost security which is actually required in Defense process. Till 1990s Defense was using internet medium as means of fast pace communication and research process but later on the internet facility was made available commercially to civilian society also. But during that era also, the internet facility was mostly used by researchers, academicians, scientists etc just to receive or forward the mails or to transfer the soft files and databases. At present, internet is the fastest medium of communication and there are incredible opportunities available for various activities in terms of business and advertising. There are various means of advertising mode available:

- **Websites,** organizations take their websites as effective marketing technique, as the offline store presence is necessary to attract customers to buy the products, in the same way, online store must also be equally attractive so that, the far-off customer can get positive feel about the organization. Organizations can use websites as online brochure, as well as the organizations can upload the video of usage of various products and services on their websites so that, the customer can get the information as well.

- **Banners,** is the most promising and effective web advertising technique which has been used since long. The banner is small soft billboard which appears on the monitor screen and even provides the feel of television commercial and the user can even get more knowledge about the product by simply clicking the banner or the user can ignore the banner by simply clicking on close button of the banner.

- **Buttons** are as similar as banners, but these are small version of banner advertisement which appears in small icon on the desktop screen but also provides the link to main website of the advertisers. The buttons are less expensive and take lesser space then banners.

- **Meta Ads** are one of the different categories of online advertisement which is possible only because of active status of search engines. Meta Ads can be done with help of Google or Yahoo search engine. Meta Ads are also known as key word advertisement where the customer types any key word such as "Management & Research Projects Maker" then the Google or yahoo search engine will give certain dealers who deals in such things but the name appearing will be done as per the price paid to these search engines.

- **Classified Advertisements,** where there are certain classified advertisement websites are there exists in online world where the advertisers can place their advertisement by the same process as the classified advertisements appears in newspapers or magazines.

- **E-mail Advertisement,** The advertisers use to send the e-mail to the target customer's database and accordingly if any customer gets interested in the advertised product then he can simply make response to the advertiser by simply clicking over the response button. The e-mail advertisement consists all type of information regarding product and services as well as information regarding organization too.

13.8 Summary

Advertising process are very important tool in selling of goods, although there are various techniques for advertising may be available but still the new developments are still required. Selection of right media and position of right message is mandatory to achieve any best result in terms of customer acquiring. But before selecting any media, the advertiser must understand the nature and requirement of products and the advertiser must analyze the budget in advance accordingly finalize the advertising medium. There are various advertising techniques are available but it better that coming generation advertisers must select the combination of traditional advertising techniques along with major portion of new trends, so that the advertising method could be balanced and there would not be any kiosk in results.

13.9 Self Assessment Questions

1. What do you understand by New Trends in Advertising?
2. What do you understand by Traditional Method of Advertising?
3. What are the Advertising Options available in Traditional Advertising Method?
4. What are the Advertising Options available in Modern Advertising Method?
5. Write various Advertising Method available in Offline mode under Traditional Advertising Process?
6. Write various Advertising Method available in online mode under Traditional Advertising Process?
7. Write various Advertising Method available in Offline mode under Modern Advertising Process?
8. Write various Advertising Method available in online mode under Modern Advertising Process?

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Unit – 14 : Sales Promotion

Structure of Unit

14.0 Objectives

After completing this unit, you would be able to:

- Understand the concept of Sales
- Know what is Sales Promotion
- Know about Consumer Sales Promotion Techniques
- Learn about Trade sales promotion techniques
- Understand Objectives of Sales Promotion

14.1 Introduction

A **sale** is the act of selling a product or service in return for money or other compensation. Signaling completion of the prospective stage, it is the beginning of an engagement between customer and vendor or the extension of that engagement. The **seller** or **salesperson** – the provider of the goods or services – completes a sale in response to an acquisition or to an appropriation or to a request. There follows the passing of title (property or ownership) in the item, and the application and due settlement of a price, the obligation for which arises due to the seller's requirement to pass ownership. Ideally, a seller agrees upon a price at which he willingly parts with ownership of or any claim upon the item. The purchaser, though a party to the sale, does not execute the sale, only the seller does that. To be precise the sale completes prior to the payment and gives rise to the obligation of payment. If the seller completes the first two above stages (consent and passing ownership) of the sale prior to settlement of the price, the sale remains valid and gives rise to an obligation to pay.

Promotion is one of the market mix elements or features, and a term used frequently in marketing. The specification of five promotional mix or promotional plan. These elements are personal selling, advertising, sales promotion, direct marketing, and publicity. A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. Fundamentally, however there are three basic objectives of promotion. These are:

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1. To present information to consumers as well as others.

2. To increase demand.

3. To differentiate a product.

There are different ways to promote a product in different areas of media. Promoters use internet advertisement, special events, endorsements, and newspapers to advertise their product. Many times with the purchase of a product there is an incentive like discounts, free items, or a contest. This is to increase the sales of a given product.

Sales promotion is one of the seven aspects of the promotional mix. (The other six parts of the promotional mix are advertising, personal selling, direct marketing, publicity/public relations, corporate image and exhibitions.) Media and non-media marketing communication are employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability. Examples include contests, coupons,freebies, loss-leaders.

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.

Sales promotion is needed to attract new customers, to hold present customers, to counteract competition, and to take advantage of opportunities that are revealed by market research. It is made up of activities, both outside and inside activities, to enhance company sales. Outside sales promotion activities include advertising, publicity, public relations activities, and special sales events. Inside sales promotion activities includes window displays, product and promotional material display and promotional programs such as premium awards and contests.

14.2 Objectives of Sales Promotion

Sales promotion is a tool used to achieve most of the five major promotional objectives which are as follows:

- **Building Product Awareness** – Several sales promotion techniques are highly effective in exposing customers to products for the first time and can serve as key promotional components in the early stages of new product introduction. Additionally, as part of the effort to build product awareness, several sales promotion techniques possess the added advantage of capturing customer information at the time of exposure to the promotion. In this way sales promotion can act as an effective customer information gathering tool (i.e., sales lead generation), which can then be used as part of follow-up marketing efforts.

- **Creating Interest** – Marketers find that sales promotions are very effective in creating interest in a product. In fact, creating interest is often considered the most important use of sales promotion. In the retail industry an appealing sales promotions can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors. Another important way to create interest is to move

customers to experience a product. Several sales promotion techniques offer the opportunity for customers to try products for free or at low cost.

- **Providing Information** – Generally sales promotion techniques are designed to move customers to some action and are rarely simply informational in nature. However, some sales promotions do offer customers access to product information. For instance, a promotion may allow customers to try a fee-based online service for free for several days. This free access may include receiving product information via email.

- **Stimulating Demand** – Next to building initial product awareness, the most important use of sales promotion is to build demand by convincing customers to make a purchase. Special promotions, especially those that lower the cost of ownership to the customer (e.g., price reduction), can be employed to stimulate sales.

- **Reinforcing the Brand** – Once customers have made a purchase sales promotion can be used to both encourage additional purchasing and also as a reward for purchase loyalty (see loyalty programs below). Many companies, including airlines and retail stores, reward good or "preferred" customers with special promotions, such as email "special deals" and surprise price reductions at the cash register.

14.3 Sales Promotion : A Review

Sellers may use *consumer promotions* to increase short-term sales or to help build long-term market share. Objectives for *trade promotions* include getting retailers to carry new items and more inventory, getting them to advertise the product and give it more shelf space, and getting them to buy ahead. *Sales force promotion* objectives include getting more sales force support for current or new products or getting salespeople to sign up new accounts.

Sales promotions are usually used together with advertising, personal selling, or other promotion mix tools. Consumer promotions must usually be advertised and can add excitement and pulling power to ads. Trade and sales force promotions support the firm's personal selling process.

In general, rather than creating only short-term sales or temporary brand switching, sales promotions should help to reinforce the product's position and build long-term customer relationships. Increasingly, marketers are avoiding "quick fix," price-only promotions in favor of promotions designed to build brand equity.

A : Consumer-Oriented Sales Promotion:

The main consumer promotion tools include samples, coupons, cash refunds, price packs, premiums, advertising specialties, patronage rewards, point-of-purchase displays and demonstrations, and contests, sweepstakes, and games. Consumer-oriented sales promotions can be classified as either price-based or attention-getting consumer promotion.

Price-Based Consumer Promotion

Price-based consumer promotions emphasize short-term price reductions or refunds, encouraging consumers to choose a brand while the deal is on. If used

too frequently, however, consumers become conditioned to purchase the product only at the lower promotional price.

- *Coupons*

A **coupon** is a certificate that gives buyers a saving when they purchase a specified product. Coupons can stimulate sales of a mature brand or promote early trial of a new brand. Redemption rates have been declining in recent years, however, as a result of coupon clutter. Most major consumer goods companies are issuing fewer coupons and targeting them more carefully. They are also cultivating new outlets for distributing coupons, such as supermarket shelf dispensers, electronic point-of-sale coupon printers, or "paperless coupon systems."

- *Cash Rebate Offers*

A **cash rebate** is an offer to refund part of the purchase price of a product to consumers who send a "proof of purchase" to the manufacturer.

- *Price Packs*

A **price pack** is a reduced price that is marked by the producer directly on the label or package. Price packs can be single packages sold at a reduced price, or two related products banded together. Price packs are very effective—even more so than coupons—in stimulating short-term sales.

- *Patronage Rewards*

A **patronage reward** is cash or other award for the regular use of a certain company's products.

- *Special Packs*

A **special pack** is a package that gives the shopper more product instead of lowering its price. A special pack also can be a separate product given away along with another product.

Attention-Getting Consumer Promotion

Attention-getting consumer promotions stimulate interest in and publicity for a company's products.

- *Samples*

A **sample** is a small amount of a product offered to consumers for trial. Sampling is the most effective—but most expensive—way to introduce a new product. About 84 percent of consumer packaged-goods marketers use sampling as a part of their promotion strategy. Some samples are free; for others, companies charge a small amount to offset its cost. The sample might be delivered door-to-door, sent by mail, handed out in a store, attached to another product, or featured in an ad. Samples can also come with the morning newspaper, in a sample pack, or via the Internet.

- *Premiums*

A **premium** is a good offered either free or at low cost as an incentive to buy a product. A premium is not the product being promoted. It is used as an incentive to encourage purchase of the featured product. A premium may come inside or outside the package, or through the mail.

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- *Advertising Specialties*

An **advertising specialty** is a useful article imprinted with an advertiser's name, given as a gift to consumers. Typical items include pens, calendars, key rings, matches, shopping bags, T-shirts, caps, nail files, and coffee mugs. In a recent study, 63 percent of all consumers surveyed were either carrying or wearing an ad specialty item. More than three-quarters of those who had an item could recall the advertiser's name or message before showing the item to the interviewer.

- *Point-of-Purchase (POP) Promotions*

A **point-of-purchase promotion** is a display or demonstration that takes place at the point of purchase or sale. Unfortunately, many retailers do not like to handle the hundreds of displays, signs, and posters they receive from manufacturers each year. Manufacturers have responded by offering better POP materials, tying them in with television or print messages, and offering to set them up.

- *Contests, Sweepstakes, and Games*

Contests, **sweepstakes**, and **games** are promotional events that give consumers the chance to win something—such as cash, trips, or goods—by luck or through extra effort. A contest calls for consumers to submit an entry—a jingle, guess, or suggestion—to be judged by a panel that will select the best entries. A sweepstakes calls for consumers to submit their names for a drawing. A game presents consumers with something—bingo numbers, missing letters—every time they buy, which may or may not help them win a prize.

B : Trade-Oriented Promotion:

Manufacturers direct more sales promotion dollars toward retailers and wholesalers (78 percent) than to consumers (22 percent). Trade promotion can persuade resellers to carry a brand, give it shelf space, promote it in advertising, and push it to consumers. Shelf space is so scarce these days that manufacturers often have to offer discounts, allowances, buy-back guarantees, or free goods to retailers and wholesalers to get products on the shelf and, once there, to stay on it. Manufacturers use several trade promotion tools. Many of the tools used for consumer promotions—contests, premiums, displays—can also be used as trade promotions.

- *Discounts*

A **discount** is a straight reduction in price on purchases during a stated period of time. This is also called *price-off*, *off-invoice*, or *off-list*. The discount could be based on the volume of the product ordered.

- *Allowances*

An **allowance** is promotional money paid by manufacturers to retailers in return for an agreement to feature the manufacturer's products in some way. An *advertising allowance* compensates retailers for advertising the product. A *display allowance* compensates them for using special displays.

- *Conventions and Trade Shows*

Many companies and trade associations organize conventions and trade shows to promote their products. Firms selling to the industry show their products at the **trade show**. A **trade show** is an event at which many companies set up elaborate exhibits to show their products, give away samples, distribute product

literature, and troll for new business contacts. Trade shows are major vehicles for manufacturers to show off their product lines to wholesalers and retailers. More than 4,300 trade shows take place every year, drawing as many as 85 million people. Vendors receive many benefits, such as opportunities to find new sales leads, contact customers, introduce new products, meet new customers, sell more to present customers, and educate customers with publications and audiovisual materials. Trade shows also help companies reach many prospects not reached through their sales forces. About 90 percent of a trade show's visitors see a company's salespeople for the first time at the show. Business marketers may spend as much as 35 percent of their annual promotion budgets on trade shows.

- *Other Programs*

Manufacturers may offer **free goods**, which are extra cases of merchandise, to resellers who buy a certain quantity or who feature a certain flavor or size. They may offer **push money**—cash or gifts to dealers or their sales forces to "push" the manufacturer's goods. Most retailers also charge manufacturers **slotting fees**—payments demanded by retailers before they will accept new products and find "slots" for them on the shelves. Manufacturers may also give retailers free **specialty advertising items** that carry the company's name, such as pens, pencils, calendars, paperweights, matchbooks, memo pads, and yardsticks. For more expensive and highly complex products, manufacturers often provide **specialized training** for retail salespeople. This background helps salespeople explain features, competitive advantages, and other information to consumers. Training can be provided in several ways: A manufacturer's sales representative can conduct training sessions during regular sales calls, or the firm can distribute sales literature and videocassettes.

C : Sales Force Promotion

Sales force promotion is directed at the company's own sales force (oftentimes the manufacturer's sales force)—rather than a business customer's sales force which is in the distribution channel, such as a retailer's sales force. Contests, for example, could be used to urge the sales force to increase their efforts, with prizes going to the top performers. A **sales contest** is a contest for salespeople to motivate them to increase their sales performance over a given period. Sales contests motivate and recognize good company performers, who may receive trips, cash prizes, or other gifts. Sales contests work best when they are tied to measurable and achievable sales objectives. Other incentives could also be provided to encourage the sales force to increase new accounts in addition to boosting sales.

Marketing departments are accountable for delivering a promotional strategy with value that will generate profits for the company. The department may evaluate its promotional strategies to ensure that it is applying the right promotional strategy. The evaluation may compare past strategies against current or assess the effectiveness before, during or after the promotion, depending on the promotional area to be tested -- consumer awareness, the promotion itself or sales effect.

- *Post-testing*

Post-testing is conducted after the promotion period is over to evaluate whether the company has met the desired measure of performance on the sales promotion. It assesses consumer awareness and attitude. Telephone calls, questionnaires and personal interviews are some techniques of post-testing. To evaluate the sales

effect during the post-testing phase, the evaluation takes into consideration the sales figures both before and after the promotion.

- *Previously Recorded Data*

An evaluation of a promotional strategy a company has conducted can be based on previously recorded evaluation data. The previous evaluation may have recorded consumer and retailer participation data as well as activities from competitors. Using previous evaluation data can act as a guide. This technique allows a company to assess how competitive brands responded to a promotional activity and use it as a benchmark for its similar products.

- *Pre-testing*

The pre-testing evaluation technique allows a company's marketing department to determine the effectiveness of a promotional strategy. The company may choose to use simulation as a pre-testing technique to test consumer appeal, consumer awareness, repeat purchases and the sense of value. Using the pre-testing technique, a company can compare its results against a prior promotional technique's outcome and eliminate promotional techniques that failed.

- *Concurrent Testing*

Concurrent testing of a promotional technique is applied while a sales promotion is in progress, allowing the sales manager to modify the technique as needed. The assessment is based on weekly or monthly sales data. For example, if a promotion is a consumer contest, the number of entries received evaluates the success of the promotion. If the number of entries does not hit the desired target, the promotion is not working effectively and the company may need to consider revising its promotional strategy and extending the contest deadline.

- *Sales are one way of promoting your products*

Sales promotions offer the customer extra value in return for purchases. The idea is for customers to buy more during the sales promotion period, thereby increasing total sales. Companies evaluate the success of their promotion based on the sales volume and the associated costs. They check the increase in sales against a baseline and calculate additional profit compared to what the profit would have been, had the sales promotion not taken place. They check for additional brand awareness or a better brand profile by performing customer surveys. Long-term, a successful sales promotion must result in better sales.

- *Evaluation Methods*

Sales promotions result in an upward bump in sales during the promotion period. Because customers buy during sales promotions for reasons that may affect their purchases before and after the promotion, the company should evaluate the volume of sales for the sales promotion period plus an equal period before, and at least two equal periods after, the promotion. If the sales promotion lasts a week, the evaluation period should be at least four weeks, including one week before and two weeks after the promotion. This methodology catches possible dips before the promotion, if customers are waiting for the sale, as well as any continuing increase or decrease in sales volume after the promotion. The evaluation must also include the costs of the promotion over the evaluation period. If the company wishes to evaluate brand awareness, it must include a customer survey in the evaluation.

- *Sales*

To determine the increase in sales due to the sales promotion, the company must establish the level of sales that would have taken place without the promotion. Such a base level must avoid the effects of any variation in sales volume during the evaluation period. The best estimate is usually the average level of sales of the months prior to the evaluation period, adjusted for seasonal factors obtained from previous years. The company must compare this estimated level of sales to the actual sales that took place over the evaluation period to get the increase resulting from the sales promotion.

- *Profits*

Sales promotions can generate increased profits. The volume of additional sales must be large enough to generate profits greater than the cost of the sales promotion. This cost has several components. There are the costs of producing the promotional signs, coupons and publicity. There are additional costs for processing the coupons, discounts or other incentives. Finally, there are the costs of the promotion itself, such as a discount or rebate. The company must subtract these costs from the additional profits generated by the extra sales to get the true net additional profit that can be attributed to the sales promotion.

- *Brand Awareness*

Sometimes sales promotions are good public-relations vehicles, and can generate interest and return customers. They may be able to add to consumer brand awareness at a lower cost than other promotional means. In this case, the goal is not additional profits but rather additional sales over the long term, as more consumers become familiar with the advantages of the particular brand. Customer surveys to determine brand familiarity before and after the sales promotion give an accurate evaluation of the immediate success of the promotion. In the longer term, though, the measure of success must be continued higher sales. Such sales increases should already appear following the sales promotion, and a continued evaluation of the level of sales will give a good indication of the success of the promotion as far as brand awareness is concerned.

There are two basic types of sales promotions: trade and consumer sales promotions. The schemes, discounts, freebies, commissions and incentives given to the trade (retailers, wholesalers, distributors, C&Fs) to stock more, push more and hence sell more of a product come under trade promotion. These are aimed at enticing the trade to stock up more and hence reduce stock-outs, increase share of shelf space and drive sales through the channels. However, trade schemes get limited by the cost incurred by the company as well as the limitations of the trade in India to stock up free goods. Incentives can be overseas trips and gifts. A typical trade scheme on soaps would be buy a case of 12 soaps, get 1 or 2 free - or a 8% discount scheme (1/12=8%). Such schemes are common in FMCG and pharma industries. This is trade promotion.

But sales promotion activity aimed at the final consumer are called consumer schemes. These are used to create a pull for the product and are advertised in public media to attract attention. Maximum schemes are floated in festival times, like Diwali or Christmas. Examples are buy soap, get diamond free; buy biscuits, collect runs; buy TV and get some discount or a free item with it and so on.

The impact of sales promotions: Sales promotions typically increase the level of sales for the duration they are floated. Usually, as soon as the schemes end, the sales fall, but hopefully, settle at a higher level than they were before the sales promotion started. For the company, it can be a means to gain market share, though an expensive way.

For consumers, these can offer great value for money. But sustained sales promotions can seriously damage a brand and its sales, as consumers wait specifically for the sales promotion to buy and not otherwise. Therefore, sales promotions are to be used as a tactical measure as part of an overall plan, and not as an end itself.

14.2.1 Consumer Sales Promotion Techniques

- *Price deal*: A temporary reduction in the price, such as 50% off.
- **Loyal Reward Program**: Consumers collect points, miles, or credits for purchases and redeem them for rewards.
- **Cents-off deal**: Offers a brand at a lower price. Price reduction may be a percentage marked on the package.
- **Price-pack deal**: The packaging offers a consumer a certain percentage more of the product for the same price (for example, 25 percent extra).
- **Coupons**: coupons have become a standard mechanism for sales promotions.
- **Loss leader**: the price of a popular product is temporarily reduced below cost in order to stimulate other profitable sales
- **Free-standing insert (FSI)**: A coupon booklet is inserted into the local newspaper for delivery.
- **On-shelf couponing**: Coupons are present at the shelf where the product is available.
- **Checkout dispensers**: On checkout the customer is given a coupon based on products purchased.
- **On-line couponing**: Coupons are available online. Consumers print them out and take them to the store.
- **Mobile couponing**: Coupons are available on a mobile phone. Consumers show the offer on a mobile phone to a salesperson for redemption.
- **Online interactive promotion game**: Consumers play an interactive game associated with the promoted product.
- **Rebates**: Consumers are offered money back if the receipt and barcode are mailed to the producer.
- **Contests/sweepstakes/games**: The consumer is automatically entered into the event by purchasing the product.
- **Point-of-sale displays**:
- **Aisle interrupter**: A sign that juts into the aisle from the shelf.
- **Dangler**: A sign that sways when a consumer walks by it.
- **Dump bin**: A bin full of products dumped inside.
- **Glorifier**: A small stage that elevates a product above other products.

- **Wobbler**: A sign that jiggles.
- **Lipstick Board**: A board on which messages are written in crayon.
- **Necker**: A coupon placed on the 'neck' of a bottle.
- **YES unit**: "your extra salesperson" is a pull-out fact sheet.
- **Electroluminescent**: Solar-powered, animated light in motion.
- **Kids eat free specials**: Offers a discount on the total dining bill by offering 1 free kids meal with each regular meal purchased.
- **Sampling**: Consumers get one sample for free, after their trial and then could decide whether to buy or not.

14.2.2 *Trade sales promotion techniques*

- **Trade allowances**: short term incentive offered to induce a retailer to stock up on a product.
- **Dealer loader**: An incentive given to induce a retailer to purchase and display a product.
- **Trade contest**: A contest to reward retailers that sell the most product.
- **Point-of-purchase displays**: Used to create the urge of "impulse" buying and selling your product on the spot.
- **Training programs**: dealer employees are trained in selling the product.
- **Push money**: also known as "spiffs". An extra commission paid to retail employees to push products.
- **Trade discounts (also called functional discounts**): These are payments to distribution channel members for performing some function .

14.4 Push and Pull Strategy

Sales promotions are activities that supplement a company's advertising, public relations, and personal selling efforts. Sales promotions are often temporary, but when the economy is weak sales promotions such as coupons become even more popular for consumers and are used more frequently by organizations. The goal of sales promotions is to persuade customers to take action quickly and make larger purchases. Sales promotions in business-to-business (B2B) settings are typically called trade promotions; they are referred to as such because businesses "trade" or do business with other businesses.

Companies use a pull strategy when they target consumers with promotions. In other words, a company promotes it products and services to the final consumer to pull a consumer to the stores or get the consumer asking for the product. If a company sends coupons to the consumer, hopefully the consumer will take the coupon (sales promotion) to the store and buy the product. A push strategy is used when businesses are the target of sales promotions so that products may be pushed through the channel to final consumers. For example, a manufacturer may provide incentives such as price discounts to the retailer who then promotes or pushes the product to the final consumer. Many organizations use both a pull and push strategy, promoting their products and services to both final consumers and their trade partners (retailers, wholesalers).

14.5   Case Studies

Case Study 1

When Pepsi-Cola North America decided to design a promotion to increase awareness and sales this summer, they looked to their agency, TLP, and SCA Promotions. Together, SCA, TLP, and Pepsi designed a summer-long promotion that would offer one lucky consumer the opportunity to become the world's next billionaire. Only SCA, could make it happen...coverage for $1 billion.

Objectives:

- ❖ Boost Pepsi product sales and increase brand awareness with consumers.
- ❖ Capture consumers' interest by offering the largest cash prize in promotion history for a national brand - $1 billion.
- ❖ Gain sponsor support by partnering with the WB Network, Marriott Hotels ⧉, and United Airlines.

Strategies:

- ❖ Offer the billion dollar prize on a bottle cap promotion that culminates with a live game show on the WB.
- ❖ Invite consumers to visit www.billionsweeps.com and enter a unique sweepstakes entry code found on specially-marked products.
- ❖ Randomly select 1,000 contestants to play a game of chance on the WB's live show for a guaranteed one-million dollars and a chance to take home one billion dollars.
- ❖ Each of the 1,000 selected contestants would choose a six-digit number on the day of the game show. The 10 contestants whose number was closest to or exactly matched the one selected by the chimpanzee, Kendall (A.K.A. "Mr. Moneybags"), advanced to the elimination round.
- ❖ Play a suspenseful game of elimination to determine the final player. In return for forfeiting their chance at the billion dollars, players were offered an increasing cash prize during each round.
- ❖ Award other great prizes during the game show to continue the excitement.
- ❖ Coordinate additional coverage for the one million $15 instant win bottle caps. SCA's coverage protected Pepsi from an unexpectedly high rate of redemption. SCA estimated the redemption rate and covered the cost of redemptions over that amount, keeping Pepsi on budget and risk free.

Results:

- ❖ Four million consumers submitted more than 20 million game entries. Pepsi captured important demographic information for future marketing efforts.
- ❖ Richard Bay, a graphic design teacher from Princeton, WV, was the final contestant and won the guaranteed $1 million. To win the billion, his six-digit number would have had to exactly match Kendall's. He was only two digits away from an exact match.
- ❖ United Airlines ⧉ presented two around-the-world trips, Marriott gave a life-long time share membership, and three Mitsubishi cars were awarded.
- ❖ Pepsi paid a total of $390,000 to the six contestants who opted for the cash in the elimination round.

Analyze the case in context to Sales Promotion. Suggest Measures to the Company how the Sales Promotion initiatives can be improved.

Case Study 2

Moving more product and leveraging its relationship with Talladega Superspeedway were the goals of Pepsi-Cola North America. Teaming up with SCA, Pepsi was able to boost its sponsorship for racing star Jeff Gordon by offering a Pepsi drinker the chance to win the motorsports icon's race purse up to $205,000, if Gordon was the first to the checkered flag at the Aaron's 499 race.

Objectives:
- ❖ Catch NASCAR fans' attention.
- ❖ Sell more product in Pepsi's southeast region.
- ❖ Leverage Pepsi's sponsorship of Jeff Gordon and the #24 DuPont/Pepsi racecar.
- ❖ Co-sponsor the event with local bottling distributors.

Strategies:
- ❖ Display signage and entry forms at point-of-sale and on-pack specially marked products.
- ❖ Choose one entry to win two VIP tickets to the race, as well as a pit tour and passes to the Talladega Hospitality Club.
- ❖ Award the grand prize of $205,000 cash to the lucky winner if Jeff Gordon wins the race.

Results:
- ❖ More than 6,000 entries were received.
- ❖ Jeff Gordon won the race, and Pepsi awarded $205,000 to a couple from Alabama, courtesy of SCA.
- ❖ Due to the excitement generated around the large check presentation ceremony, Pepsi received media coverage by local television stations.
- ❖ "This program was a great success based on the high number of entries received and the excitement the promotion generated among Pepsi consumers."

Analyze the case in context to Sales Promotion. Suggest Measures to the Company how the Sales Promotion initiatives can be improved.

14.6 Summary

Sales promotions are delivered to customers in many ways such as by mail, in-person or within print media. However, the Internet and mobile technologies, such as cellphones, present marketers with a number of new delivery options. For examples, the combination of mobile devices and geographic positioning technology will soon permit marketers to target promotions to a customer's physical location. This will allow retailers and other businesses to issue sales promotions, such as electronic coupons, to a customer's mobile device when they are near the location where the coupon can be used.

One of the most common types of sales promotions in B2B markets are trade shows. A trade show is an event in which firms in a particular industry display and demonstrate their offerings to other organizations they hope will buy them. There are typically many different trade shows in which one organization can participate. Using displays, brochures, and other materials, representatives at

trade shows can identify potential customers (prospects), inform customers about new and existing products, and show them products and materials. Representatives can also get feedback from prospects about their company's products and materials, and perhaps about competitors. Companies also gather competitive information at trade shows because they can see the products other firms are exhibiting and how they are selling them. While approximately 75 percent of representatives attending trade shows actually buy the product(s) they see, 93 percent of attendees are influenced by what they see at the trade shows. However, only 20 percent of organizations follow up on leads obtained at trade shows and only 17 percent of buyers are called upon after they express interest in a particular company's products.

Trade allowances give channel partners—for example, a manufacturer's wholesalers, distributors, retailers, and so forth—different incentives to push a product. One type of trade allowance is an advertising allowance (money) to advertise a seller's products in local   newspapers. An advertising allowance benefits both the manufacturer and the retailer. Typically, the retailer can get a lower rate than manufacturers on advertising in local outlets, saving the manufacturer money. The retailer benefits by getting an allowance from the manufacturer. Another sales promotion tool manufacturers offer businesses is training to help their salespeople understand how the manufacturers' products work and how consumers can be enticed to buy them. Many manufacturers also provide in-store product demonstrations to show a channel partner's customers how products work and answer any questions they might have. Demonstrations of new video game systems and computers are extremely popular and successful in generating sales.

14.7 Self Assessment Questions

1. What do you mean by "Sales Promotion"? Explain in detail.
2. Explain Trade Sales Promotion and Consumer Sales Promotion.
3. What is Push and Pull strategy?
4. Examine various types of Sales Promotions.

14.8 Reference Books

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- Ramaswamy. V S & Namakumari. S: Marketing Management -Planning Implementation and Control, Michael J. Etzel, MARKETING, Tata McGraw-Hili
- William O.Bearden, Marketing Principles and Perspectives, International Edition
- Jobber, Principles and Practice of Marketing, McGraw- Hili Taylor, John (1978). How to start and succeed in a business of your own. p. 290.

Unit 15 : Sales Promotion – Planning And Evaluation

Structure of Unit

15.0 Objectives

After completing this unit, you would be able to:

- Understand the Steps in developing a sales promotion program
- Knowing the steps in designing a sales promotion strategy
- Be aware of the Methodology of Sales Promotion
- Know about Sales Promotion Advantages
- Learn and appreciate the Sales Promotion Trends

15.1 Developing a Sales Promotion Program

An effective sales promotion gives you a way to attract customers while introducing and building your brand. Sales promotion programs need to be sporadic events so your customers feel as if they're getting a real deal and need to jump on it immediately. Otherwise, if you put on too many sales events, your customers may decide to just wait until the next sale to buy your company's offerings, and then you'll see a decline in your overall profit. The following steps are considered for developing a sales Promotion Program:

- *Identify Your Target Market*

All sales promotion programs start with identifying your primary and secondary target markets. If you sell directly to consumers, take a look at the characteristics of the market to learn about their buying habits, demographics and the media outlets to which they pay attention. If you sell to channels, look for their common characteristics so you learn what gets their attention and compels them to give you more shelf space or get the dealers enthusiastic about your product.

- *Setting Goals*

Determine the goals for your promotion, and include actual sales figures you want to reach. Your goals may include introducing your brand to your target market or building your database of customers so you can market to them in the future. If you sell your product through distribution channels, your goal may include encouraging those channels to give you optimal shelf space and getting their customers enthused about your offerings.

- *Choosing the Mix*

Most sales promotion plans require a mix of media to reach the target market. You may need to get announcements into customers' mailboxes, in print publications, or on the radio and television. Plan a social media campaign that includes updating your website with the sales promotion information and postings via Facebook and Twitter that get people enthused about the event. If you sell to channels, involve your sales force and use trade shows as ways to build enthusiasm. Include a press campaign to build buzz about your promotion.

- *Creating the Message*

The design of your message needs to appeal to your target market, so use graphics, headlines and copy that grab attention and cause the reader to take action. Offer coupons or discounts to entice prospects to buy. If you rely on your sales staff to push your product, give them an incentive to get the word out and increase orders.

- *Implementation*

Knowing your target market and its buying habits helps you decide on the best time to implement your sales promotion. Your promotion must also match up with your ability to provide enough product to fill orders. If you use direct marketing tactics to get in front of prospects, include enough time to test the piece so you can make changes that make the message more compelling.

- *Tracking*

Keep an eye on the ongoing promotion to make sure everything stays on track. You also need to evaluate the promotion once it finishes to determine the success of the event and how goals were met.

15.2 Designing a Sales Promotion Strategy

For a sales promotion strategy to be successful there needs to be a plan in place. When you design a sales promotion strategy, you need to make sure that the company is getting the best return on investment and good marketing exposure in exchange for the promotional part of the strategy. If a company is using a buy one, get one free promotional strategy, then there needs to be sufficient return for the item that will be given for free to make sales promotion a success.

Step 1 : Detail the objectives of the sales promotion: A successful promotion has long-term benefits wheras a poorly managed promotion negates your efforts. Clearly written objectives lead you in the best direction for your business. In order to define your objectives, you may ask yourself these questions: Why are we running this promotion? What is the desired result? Are there related sales objectives? What kind of return on investment are we seeking? How can we justify the expenses related to the promotion?

Step 2 : Select a sales promotion format: Popular forms include coupons, rebates, price reduction, loyalty programs, contests, sweepstakes, trialing and sampling. Decide if the promotion is available to anyone who walks in the door or at certain spending limits. In many cases, promotions that reward only certain customers may discourage the rest of your customers. A more well-rounded promotion is multilevel, offering something for everyone. For example, allow all

customers to receive a 30 percent savings on a purchase rather than offering only to those who spend more than $75 or who have made previous purchases.

Step 3 : Define the rules and scope of the promotion: Post a specific time frame or deadline. Explain how consumers win and how prizes are distributed for contests or when sales end. Clearly state any availability issues. For example, if the offer is only available online or only in brick-and-mortar stores, it should be stated as such.

Step 4 : Create incentives for your employees : In order to encourage your staff to advertise the promotion, consider offering employee incentives for participation. Possible incentives might include a bonus for promotional product sales, free products to high sellers or a gift card for the salesperson with the highest sales during the promotion.

Step 5 : Maintain the momentum : A long-term promotion can cause participants to lose interest. In order to sustain awareness, keep participants informed of their status in the program, encourage them with other offers and send out small gifts or incentives during the promotion. At the end of the promotion, publish the results and send them to all participants.

15.2.1 Process of Reaching Sales Representatives

Step 1 :

Determine if you want the sales promotion to be a short-term or long-term promotion. For a product just being introduced, you will want to use a long-term promotion to help establish the product in the sales representatives' minds. A product that is at the end of life would be a short-term promotion as you are trying to get old product off shelves.

Step 2 :

Create a spiff-based promotion for your product that will entice sales representatives to want to push your product. The spiff can be done on a per-unit basis where every unit sold gets a bonus, or you can create a spiff based on volume where the bonus is not paid until a certain volume of sales is reached.

Step 3 :

Develop a registration system that will require sales representatives to sign up to be part of the sales promotion. The registration will not only track sales volume for each representative, it can also be used as a contact database for future sales promotions involving sales representatives.

Step 4 :

Create marketing material that outlines the complete program to sales representatives, gives registration information and offers sales pitch information that representatives can use when trying to sell your product.

Step 5 :

Stay in touch with registered sales representatives with weekly sales pitch information updates, and updates on how each representative is performing in the promotion. This will help to stoke the competitive fires among the sales representatives and drive revenue.

15.3 Methodology of Sales Promotion

A sales promotion is a short-term marketing strategy designed to stimulate interest in a product or service. Small-business owners can make use of sale promotion techniques for purposes such as generating additional traffic in their location or luring business from the competition. Effective sales promotions typically require following a predetermined methodology:

- *Determining the Objectives:*

Every sales promotion must have a clear-cut objective to be effective. Specifically, you need to determine the change you wish to take place as the result of the promotion. Ideally, the objective should be measurable so you can easily evaluate the promotion's effectiveness. For example, you might want to gain a specific number of repeat customers or increase the number of people who come through the door of your business for a specified period of time.

- *Selecting a Promotional Vehicle:*

There are numerous promotional vehicles available to you, depending on the nature of your business and the constraints of your marketing budget. If you're a retailer, for example, you may offer reduced pricing on selected items to entice customers to come to your store. Other possibilities include conducting contests, offering free samples or handing out coupons. If your business is service-oriented, you can offer a free consultation or evaluation, or a free 30-day trial period.

- *Getting the Word Out:*

Depending upon the nature of your promotion, such as when conducting a special event or sale, you may need to make use of various communication channels to help you get the word out. A small retailer can use methods such as placing an ad in a local newspaper or creating a spot to air on local radio or TV to announce a grand opening or special sale. If funds are limited, you can create fliers to hand out in person or place on windshields in mall parking lots.

- *Evaluating the Results:*

At the end of the promotional period or event, evaluate the success of your campaign in relation to your desired objective. If the promotion was a success, consider running it again in the future, perhaps with some enhancements. For example, if you staged a contest, a future contest can offer a bigger prize. You can also consider extending a current successful promotion until it shows signs of declining interest.

15.4 Sales Promotion Evaluation

Sales evaluation involves an analysis of the performance of sales personnel. Through sales evaluation, sales team members learn about their strengths and weaknesses, so they know which areas to improve. If you conduct proper sales evaluations regularly, you may improve the efficiency of your sales efforts and drive up your profits.

A sales evaluation helps you determine which salespeople perform well and which don't. With that information, you can reward your sales team members according to their performance. Through the evaluation, salespeople may learn of your expectations and set their goals accordingly. You may develop training and counseling programs for the sales team based on the results of the sales evaluation. The evaluation may also lead to a promotion for strong salespeople and termination for weak salespeople.

A sales evaluation may contain objective data based on statistics. You may analyze a salesperson's efforts by measuring the amount of work he puts in. For example, you may count the number of sales calls he makes and the number of customer meetings he has. The sales evaluation may also focus on an employee's sales results. For example, you may measure how many products a salesperson sells and how much revenue he generates.

A sales evaluation also usually contains subjective observation regarding the salespeople's performance, especially when you have little data for objective evaluation measures. For example, you may have just established your sales operation and not collected enough data to sufficiently reflect your salespeople's performance. You may not always keep track of how many phone calls a salesperson makes to each customer or how long each call takes. When choosing subjective measures, check that each one affects a salesperson's performance. You may look at a salesperson's product knowledge, customer relations, aggressiveness, enthusiasm and compliance with company policies.

Most companies conduct sales evaluations every year, according to Texas Tech University. You can obtain the information for the sales evaluation from various sources, for example from the sales supervisors, the customers and other salespeople. You may decide to talk to the salespeople yourself or delegate the task to the sales supervisors. Assign enough time to discuss all your concerns regarding the salespeople's performance and give them a copy of the discussion points for their reference.

15.5 Evaluation Tools

Evaluation assessment tools typically allow small business professionals to measure the cognitive, behavioral and business impact obtained from programs, policies and events. Donald Kirkpatrick, professor emeritus at the University of Wisconsin, created an evaluation model consisting of four levels: reaction, learning, behavior and results. Evaluating courses according to this model enables training professionals to determine participant satisfaction, increases in skills and knowledge, knowledge transfer to the job and impact on the business overall, such as cost-savings or increased sales and revenue. Paperless evaluation assessment tools, such as online survey tools, support green initiatives.

- *Surveys*

A participant perception survey measures how students feel about a program. Training professionals at small businesses can use free tools, such as Qualtrics, Zoomerang or SurveyMonkey, to create online questionnaires. Participants complete these surveys and rate programs in terms of satisfaction and relevancy.

This type of evaluation assessment tool helps improve materials, gather feedback from large audiences and generate requirements for future offerings.

- *Tests*

Measuring learning usually involves requiring training program participants to complete quizzes and tests. Training professionals develop informal tests using a variety of authoring tools, including Adobe Captivate, Articulate, Questionmark and Zoho Challenge. Certification programs usually require formal testing using tools offered by companies such as Prometric. This type of online evaluation assessment tool involves user registration for scheduled exams. These exams may be offered online or they may require the user to attend a formal testing location.

- *Interviews*

Back on the job, training participants should be able to exhibit the skills and knowledge learned at training courses. To ensure a return on investment, successful training professionals conduct interviews with the managers of these employees to ensure the knowledge transfer occurred. If it didn't, remedial action can be taken for the employee or the training course can be changed to encourage greater retention. Managers may conduct 360-degree feedback interviews to get input from several different co-workers, customers or superiors.

- *Reports*

Effective training professionals review a company's progress toward achieving strategic goals and align training materials to these goals. They develop reports that examine the relationship between worker aptitude and company success. This type of evaluation assessment tool tends to take the form of a document that describes how programs provide a return on investment, avoid cultural or gender bias, measure success accurately and produce a trained and competent work force to support the small business. Training professionals use the descriptive reports to improve training programs, design new programs and implement new technology to support learning and development.

15.5.1 Evaluation Techniques of Promotion

Marketing departments are accountable for delivering a promotional strategy with value that will generate profits for the company. The department may evaluate its promotional strategies to ensure that it is applying the right promotional strategy. The evaluation may compare past strategies against current or assess the effectiveness before, during or after the promotion, depending on the promotional area to be tested -- consumer awareness, the promotion itself or sales effect.

A How to Evaluate Sales Promotion ?

- Evaluate whether or not the promotion is appropriate for your company. Note the type of promotion, the language used in the marketing copy and the visual impact, and measure it against your standard materials. Look for ways it reinforces your brand image and brand promise, through design style, imagery and voice. Ensure that the promotion is in line with the direction you want the business to take in the short and long term.

- Determine whether or not the promotion has specific, achievable goals; a vague promotion can confuse your audience and weaken your brand. Note how the effort will support your business goals: bringing in new customers, reinvigorating old customers or increasing awareness of a new product line, for example. Read the marketing materials to ensure that

they have a clear message and call to action that will give customers an easy, logical next step. Look at the way the promotion is presented to your customers in terms of design, distribution and copy to see if it will inspire them to take the desired actions. Test it on a representative audience sample before sending it for production.

- Conduct an internal review of the promotion to determine feasibility. Ask your sales and marketing teams to review the promotional materials and point out any weak spots; their ground-level experience with the customers can provide valuable insight that will strengthen the impact of a promotion. Check with the financial team to ensure that the cost of executing the promotion fits into the budget even if it does not produce an increase in revenue. Because promotions often include a discount, they can cause a drop in profits if the consumer response is not strong.

- Track your sales to measure the effectiveness of a promotion once it is launched. Make note of the numbers before, during and for several months after the launch of your promotion; keep in mind that the effects on sales might be delayed. Take into account the cost of the promotion, including the time, materials and manpower, and calculate the profit; if a promotion breaks even rather than increasing revenue, it may not be a benefit to your company. If the promotion's goals were geared toward audience response and awareness rather than profit, poll the audience, monitor changes in Web traffic and talk to individual customers to get an idea of the impact.

B Techniques of Sales promotion

- *Pre-testing*

The pre-testing evaluation technique allows a company's marketing department to determine the effectiveness of a promotional strategy. The company may choose to use simulation as a pre-testing technique to test consumer appeal, consumer awareness, repeat purchases and the sense of value. Using the pre-testing technique, a company can compare its results against a prior promotional technique's outcome and eliminate promotional techniques that failed.

- *Concurrent Testing*

Concurrent testing of a promotional technique is applied while a sales promotion is in progress, allowing the sales manager to modify the technique as needed. The assessment is based on weekly or monthly sales data. For example, if a promotion is a consumer contest, the number of entries received evaluates the success of the promotion. If the number of entries does not hit the desired target, the promotion is not working effectively and the company may need to consider revising its promotional strategy and extending the contest deadline.

- *Post-testing*

Post-testing is conducted after the promotion period is over to evaluate whether the company has met the desired measure of performance on the sales promotion. It assesses consumer awareness and attitude. Telephone calls, questionnaires and personal interviews are some techniques of post-testing. To evaluate the sales effect during the post-testing phase, the evaluation takes into consideration the sales figures both before and after the promotion.

- *Previously Recorded Data*

An evaluation of a promotional strategy a company has conducted can be based on previously recorded evaluation data. The previous evaluation may have recorded consumer and retailer participation data as well as activities from competitors. Using previous evaluation data can act as a guide. This technique allows a company to assess how competitive brands responded to a promotional activity and use it as a benchmark for its similar products.

15.6 Sales Promotion Trends

1 Customer Expectations

Marketers who employ sales promotion as a key component in their promotional strategy should be aware of how the climate for these types of promotions is changing. For instance, the onslaught of sales promotion activity over the last several decades has eroded the value of the short-term requirement to act on sales promotions. Many customers are conditioned to expect a promotion at the time of purchase otherwise they may withhold or even alter their purchase if a promotion is not present. For instance, food shoppers are inundated on a weekly basis with such a wide variety of sales promotions that their loyalty to certain products has been replaced by their loyalty to current value items (i.e., products with a sales promotion). For marketers the challenge is to balance the advantages short-term promotions offer versus the potential to erode loyalty to the product.

2 Electronic delivery

Sales promotions are delivered to customers in many ways such as by mail, in-person or within print media. However, the Internet and mobile technologies, such as cellphones, present marketers with a number of new delivery options. For examples, the combination of mobile devices and geographic positioning technology will soon permit marketers to target promotions to a customer's physical location. This will allow retailers and other businesses to issue sales promotions, such as electronic coupons, to a customer's mobile device when they are near the location where the coupon can be used.

3 Tracking

As we discussed in our coverage of advertising, tracking customer's response to marketers' promotional activity is critical for measuring success of an advertisement. In sales promotion, tracking is also used. For instance, grocery retailers, whose customers are in possession of loyalty cards, have the ability to match customer sales data to coupon use. This information can then be sold to coupon marketers who may use the information to get a better picture of the buying patterns of those responding to the coupon.

4 Internet Communication

For many years consumers typically became aware of sales promotions in passive ways. That is, most customers obtained promotions not through an active search but by being a recipient of a marketer's promotion activity (e.g., received coupons in the mail). The Internet is changing how customers obtain promotions. In addition to websites that offer access to coupons, there are a large number of community forum sites where members share details about how to obtain good deals which often include information on how or where to find a sales promotion.

Monitoring these sites may offer marketers insight into how customers feel about certain promotions and may even suggest ideas for future sales promotions.

5 Clutter

In the same way an advertisement competes with other ads for customers' attention, so to do sales promotions. This is particularly an issue with inserted coupon promotions that may be included in mailing or printed media along with numerous other offerings. The challenge facing marketers is to find creative ways to separate their promotions from those offered by their competitors.

15.7 Case study

Case 1 –

Amazon, SAN FRANCISCO –

Amazon.com is turning to some of its natural rivals as the world's largest Internet retailer tries to sell more Kindle e-readers and tablet computers. The company unveiled a new program called Amazon Source on Wednesday that offers discounts and other incentives to persuade physical book stores and other retailers to sell Kindles.

One option, aimed at booksellers, offers a 6% discount off Kindle list prices and 35% off Kindle accessories. Book stores also get a 10% cut of every e-book purchased by customers from the Kindle devices they sell. This lasts for two years from when consumers buy the devices. A second option, aimed at general retailers, skips the 10% revenue share but increases the discount on the device list prices to 9%. Many book sellers consider Amazon the arch enemy because the company has come to dominate the industry through an aggressive low-price strategy that has pushed some businesses, such as Borders, into bankruptcy. However, Russ Grandinetti, vice president of Amazon Kindle, said the Amazon Source program will help book stores. "If you run a bookseller, or any retail store today, many people walking through doors are interested in buying print books and digital versions," he added. "This makes stores more relevant to customers." However, Amazon needs physical store partners too because selling electronics gadgets often requires a place for consumers to try them out and have staff explain how they work. Apple's retail stores are a big reason why the company sells so many devices and why customers keep coming back to upgrade to its latest gadgets. As Amazon competes with Apple more in the tablet market -- and possibly the smart phone sector soon -- the online retailer may be looking for more ways to distribute its devices through physical stores.

Wal-Mart and Target, the two largest retailers in the U.S., used to sell Kindle devices, but the companies stopped last year. Amazon's new Amazon Source program offers another incentive for retailers to get involved. If stores decide they no longer want to sell Kindles, Amazon said it will buy back the inventory for up to six months after their first order, with no questions asked.

Case 2

Bahlsen Group

Introduction - Bahlsen Group is a baker of sweet biscuits. The company dates back to 1889 in Hannover, Germany. Its products are available in 80 countries

worldwide. Its top brands are Bahlsen sweet biscuits, cakes and seasonal biscuits, as well as Leibniz snacks. In 2007, Bahlsen had net sales of €479 million. Because of the seasonal and impulse nature of its products, Bahlsen had struggled with its promotions. It had a trade promotion management solution but sought to move to the next level by optimizing its promotional capabilities in its flagship German market.

The Challenge - In Germany, the Bahlsen brand stands for quality; one in every three biscuit lovers reaches for Bahlsen. As a result, Bahlsen Germany sold 100 million packages of sweet biscuits in 2007, enjoyed a market share of 17.6% and had 100% brand awareness. Despite strong brands and growth (4.6% sales growth from 2006 to 2007), Bahlsen saw the opportunity to improve various aspects of how it executes promotions with German retailers:

- Promotion planning was not insightful enough, and often was based on anecdotal or incomplete information.

  • Volume planning had to be better tied to realistic promotional outcomes as opposed to a salesperson's optimistic expectations, which would lead to inappropriate inventory levels in support of the promotion.
  • Promotions needed to be improved so that they were more profitable, because many low and negative return on investment (ROI) promotions were being run. • Pricing simulation that could model sales volumes based on different pricing assumptions was needed to replace the instincts and best guesses of the category management department.

- Integration with an ERP system was required to simulate profitability based on the most current product margin information. It also had to simulate profit for Bahlsen and the retailer to ensure alignment of priorities, and increase retailer preference for doing business with Bahlsen.

  Approach : Bahlsen had experience with CPWerx from CAS, a CRM vendor to the consumer goods industry. Because trade promotion optimization is a relatively new space, Bahlsen sought to benchmark the new offering from CAS with others in the market. It found that most offerings from consulting firms and specialty tool builders were based on Microsoft Excel, were expensive, and were not integrated with a trade promotion management tool. With CAS, it found the right price point for what it saw as a "one of a kind and integrated offering." Project sponsors approached senior management and found wider sponsorship for optimization capabilities that could deliver real benefits across multiple departments, such as finance, supply chain and marketing. Because Bahlsen had 10 years of experience with CAS as a vendor with high service levels, it proceeded to pilot the project.

  Key steps in the project included:

  • Testing the optimization capabilities of the solution using POS data from two German retailers, Metro and Edeka Zentrale.

  • Using the solution initially in the category management department to ensure adequatetraining, support and understanding of results.

  • Determining that the solution had strong predictive capabilities. In the forecast accuracy area, the CAS application was more than 90% accurate.

• Expanding beyond pilot to Rewe, another important retail partner, to determine the impact of having limited POS data available.

• Roll out to key account managers as an adjunct tool to the CPWerx trade promotion management suite.

Results - Bahlsen described the results it generated as "amazing." This was primarily in the area of forecast accuracy, where it went from between 50% and 70% forecast accuracy with CPWerx to above 90%. Because it could accurately predict the volume that a promotion would generate, it was better able to drive increased revenue and profitability. Other benefits achieved through the implementation included:

• A high degree of user acceptance because users were familiar with the CPWerx tool, and the expanded simulation functionality was intuitive to the users.

• Cost avoidance of €30,000 annually in packaging destruction costs from seasonal products due to the inability to forecast demand.

• Time savings of 200 workdays in the customer promotion planning process fromgenerating better forecasts and capturing them automatically.

• Improved customer relationships. Case in point: Edeka would not have made its POS data available had it not been for Bahlsen demonstrating how it could optimize promotions to the benefit of both companies.

• Significant competitive advantage achieved based on Bahlsen's ability to derive insights about promotional impact on consumer buying behavior.

• An astonished CEO, due to seeing the tangible financial benefits.

Critical Success Factors - Bahlsen found that all the usual key project management practices — such as getting executive sponsorship, performing an adequate pilot and avoiding scope creep — could not be overlooked in this type of an implementation. It also pointed to the following as critical:

• Ensure that all relevant departments — including finance, marketing, category management and IT — are involved in the process. Therefore, a successful implementation is a success for all.

• Select a vendor that is willing and able to be hands-on, because this type of an optimization solution isn't the sort of thing that a vendor can deliver on a compact disc and then walk away or put in the hands of a third party.

• Deploy in phases and learn along the way.

• Don't try to deploy a trade promotion management solution and optimization at the same time. Learn to plan, and then learn to optimize.

• Look for an integrated solution that combines third-party maintenance and optimization. Avoid spreadsheets and any extraneous application that can and should be embedded in a single trade promotion management process.
Lessons Learned

• Budget more time and resources for the pilot project, because it is more complex and time-consuming to get it right than it may appear at the outset.

• Be more willing to interact with other companies that are on the optimization journey, aswell as with the vendor. Avoid the tendency to be "too heads-down and focused on yourown project."

• Don't be afraid to get retailers more involved early once you are confident of the modelsand can show them how they can benefit, too.

• Being able to optimize promotions can yield hidden benefits, such as motivating retailers to be more collaborative in sharing data. These promotions cannot be built into the business case because they will manifest themselves later.

15.8 Summary

Sales promotions are activities that are usually short term, designed to quickly stimulate demand by encouraging customers to purchase your products or services. These may include coupons, free samples, contests with attractive prizes, organising demonstrations and exhibitions, interest free periods and temporary price reductions.

For retailers, sales promotions can be seen as an effective way for you to increase store traffic as various incentives may motivate consumers who are not store-loyal to visit your store. However sales promotions generally should not be the sole basis for your promotional campaigns as it is only a short term promotional technique, and sales will often decline sharply once a special deal ends.

Advertising support is often needed in order to convert the customers who tried the product during the sales promotions into a long-term buyer. You should also remember that sales promotions should not be a continuous process. If sales promotions are conducted regularly they may lose effectiveness and customers may delay purchasing a product until another special deal is offered.

Sales evaluation involves an analysis of the performance of your sales personnel. Through sales evaluation, your sales team members learn about their strengths and weaknesses, so they know which areas to improve. If you conduct proper sales evaluations regularly, you may improve the efficiency of your sales efforts and drive up your profits.

15.9   Self Assessment Questions

1. What are the Steps in developing a Sales Promotion Program
2. Detail the Steps in Designing a Sales Promotion Strategy
3. What is the Methodology of Sales Promotion
4. State the Sales Promotion Advantages
5. What are the latest Sales Promotion Trends
6. What is the Definition of Sales Promotion Evaluation. State the Characteristics
7. What are the Evaluation Methods. Explain Sales, Profits, Brand Awareness
8. What are the Evaluation Assessment Tools. Write short notes on Surveys, Tests, Interviews & Reports.
9. Explain the Evaluation Technique of Sales Promotion

15.10 Reference Books

- Tapan K. Panda, 'Marketing Management', Excel Books, New Delhi.
- Philip Kotler : Marketing Management – "Analysis Planning and Control" Prentice Hall of India, New Delhi
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- Jobber, Principles and Practice of Marketing, McGraw- Hili Taylor, John (1978). How to start and succeed in a business of your own. p. 290.