

		Semester V			
17BAU502A	DSE – 2: ADVERTISING AND BRAND MANAGEMENT	L	T	P	C
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SCOPE

Advertising and Brand Management represents the importance of advertising media and role of advertising agency. This paper provides the overview of brand positioning, sales force management and advertising budget.

OBJECTIVES

- To create awareness among students about the advertisement functions.
- To enhance the students knowledge in various types of advertisements
- To enlighten the students knowledge in brand management and sales promotional strategies

UNIT I

Advertising - Need and importance - Definition and growth of modern advertising - Advertising and the marketing mix - Types and classification of advertisement - Advertising spiral - Social and economic aspects of advertising - Marketing communication models - AIDA - Hierarchy of effect - Innovation adoption model - Action first model - Quick decision model - Planning framework of promotional strategy.

UNIT II

How advertising works - Exposure - Salience - Familiarity - Low involvement - Central route and Peripheral Route and Cognitive Learning - Positioning strategies - Associating feelings with a brand - Developing brand personality - Creating copy strategies - Rational and emotional approaches - Selection of an endorser - Creative strategy and style - Brand image - Execution - USP - Common touch and entertainment - Message design strategy - Format and formulae for presentation of appeals (slice of life, testimonials, etc.,) - Different types of copy - Art and layout of an advertisement - Principles of design - Layout stages - Difference in designing of television - Audio and print advertisement.

UNIT III

Media planning and scheduling - Introduction to broadcast and non broadcast media - Budgeting decision rule - Percentage of sales method - Objective to task method - Competitive parity and all you can afford - Key factors influencing media planning - Media decisions - Media class - media vehicle and media option - Scheduling - Flighting - Pulsing and continuous.

UNIT IV

Management of sales promotion - Importance and need for sales promotion - Planning for consumer schemes and contests - Different types of consumer schemes - Introduction to brands and brand management - Concept of a brand - Brand evolution - Branding challenges and opportunities - Strategic brand management process.

UNIT V

Identifying and establishing brand positioning and values - Brand building - Brand positioning and values brand repositioning - Designing and implementing brand strategies - Brand extension - Brand hierarchy Kapferer - Brand equity - Brand personality - Brand image - Managing brands overtime - Integrating advertising and brand management.

SUGGESTED READINGS:

TEXT BOOKS

1. Sontaki, C.N. (2007). *Advertising and Sales Management*. Ludhiana: Kalyani Publishers.

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Unit I – Introduction to Advertising

Advertising - Need and importance - Definition and growth of modern advertising - Advertising and the marketing mix - Types and classification of advertisement - Advertising spiral - Social and economic aspects of advertising - Marketing communication models - AIDA - Hierarchy of effect - Innovation adoption model - Action first model - Quick decision model - Planning framework of promotional strategy.

Meaning and Definition

Advertising is a powerful communication force, highly visible, and one of the most important tools of marketing communications that helps to sell products, services, ideas and images, etc. Many believe that advertising reflects the needs of the times. One may like it or not but advertisements are everywhere. Advertisements are seen in newspapers, magazines, on television and internet and are heard on radio. The average consumer is exposed to a very large number of advertisements every day, particularly the urban and semi-urban population.

It seems almost impossible to remain totally neutral and not take any notice of modern day advertising. The most visible part of the advertising process is the advertisements that we see, read, or hear and praise or criticize. Many suitable adjectives are used to describe advertising, depending on how an individual is reacting, such as great, dynamic, alluring, fascinating, annoying, boring, intrusive, irritating, offensive, etc.

Advertising is an indicator of the growth, betterment and perfection of civilization. It is part of our social, cultural and business environment. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions. In today's environment, not only are advertisers

closely examined by the target audience for whom that advertisement are meant, but by society in general.

Advertising includes the public announcements to reveal new product launches, the commercial activities done to stimulate demand, and encourage people to attend a commercial event.

Advertising is also a process of mass promotion which involves audio or visual methods of marketing. A single advertisement has the capacity to reach numerous people

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

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

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

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

OBJECTIVES OF ADVERTISING

Brand building

Advertising helps in the establishment and promotion of a brand in the existing market. It also aids in the creation of new market for the brand. With the help of audio-visual advertisements, you can also reminding and reinforce the brand message into your target customers' mind.

Creation of demand

One of the main objectives of advertising is that it persuades the customers to buy and use a particular product. Hence, advertising also contributes in creating brand awareness and demand. Also, advertising is the best option for promotion when it comes to launch of a new product or service. Effective and convincing advertisements do not only help establish a brand identity but also persuade competitor brand's customers to switch to a new brand.

Informing Customers about a Product, Company or Service

Advertising is also a strong medium of communicating about product, company or service. Companies can tell about features, qualities or unique characteristics of their product or service in the advertisement.

Promoting a Particular Feature

Specific objectives of companies can also be fulfilled with the help of advertising. Building up more positive customer attitudes, beating negative promotion, extending customer base, creating comparison in customer's mind and various other particular objectives can be attained by making a specific advertisement for the same.

Achieve sales and profit goals

Advertisements create awareness about a brand and help in increasing the demand for a product or service. The increased demands results in increased sales and so, profit goals of a company are attained with the help of advertising.

IMPORTANCE OF ADVERTISING

Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. Advertising is an important part. Lets have a look on how and where is advertising important:

1. **Product Launch** – The foremost aim of advertising is promotion. Hence, advertising is essential, especially for a new product that has to be launched in the market. Advertising helps convey the information regarding launch of the new product.
2. **Retain the existing customers** – It is essential that customers keep following, buying and using your brand. And this is where advertising helps companies again! It keeps on reminding the customers about the brand and so, helps in retaining the customers and increasing the sales.
3. **Brand Promotion** – Promotion is quintessential if any brand wants to stay in the market. This goal is achieved with the help of advertising which promotes a product, company or service. When a brand gets established with the help of advertising, it becomes a promise of quality and the customers start expecting from a brand. Thereafter, the stage arises where advertising starts acting as a reminder. It reminds and convinces customers that their chosen brand is still there.
4. **Educates people** – Advertising is not only about promotion! It also educates people and makes the society aware about various issues. Many social issues like female foeticide, child labor,

child abuse, etc., are also raised through sensible advertisements. Thus, advertising also helps in educating people and spreading awareness.

5. **Comparison** – Advertising also provides the opportunity of comparing various products to the customers. Based on features, qualities or specifications described through advertising, customers can take their pick on the available products.

FEATURES OF ADVERTISING

Payment of money

One of the features of advertising is to pay the money for advertising. Advertisements appear in newspapers, magazines, television or cinema screens because the advertiser has purchased some time to communicate information to the potential customers. The advertiser must pay money for advertising activities. It is not free of cost.

Non-personal

In advertising, there is no face to face or direct contact with the customers. That is why it is described as non-personal salesmanship. It is a non-personal form of presenting products and promoting ideas. It simplifies the task of the sales force by creating awareness in the mind of potential customers.

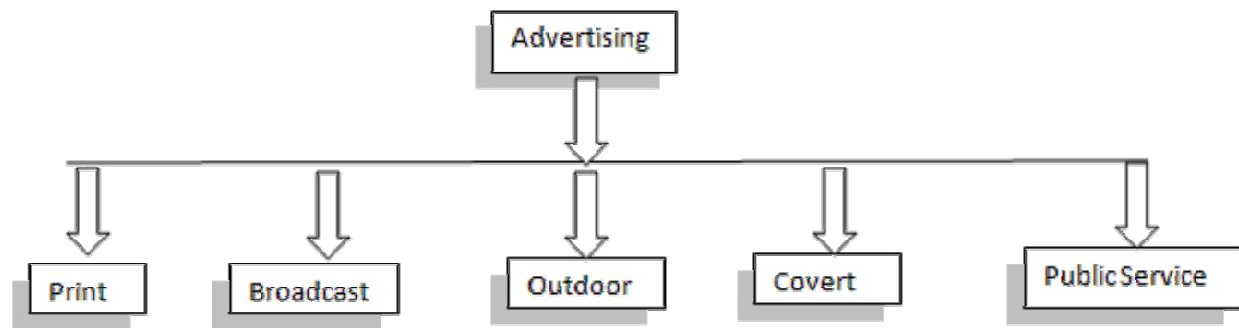
Promote products and services

Advertising helps in the promotion of products and services. It is directed towards increasing the sale of the products and services of a business unit. Advertising is essential for the promotion of goods and services.

Identified sponsor

The advertisement should disclose or identify the sources of opinion and ideas it presents. It should identify the sponsor from where the advertisement can be occurred. Identifying the specific sponsor is very important in the advertising process.

CLASSIFICATION OF ADVERTISING



TELEVISION ADVERTISING

Television advertising offers the benefit of reaching large numbers in a single exposure. Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets. Television networks are attempting to improve their targeting efforts. In particular, networks operating in the pay-to-access arena, such as those with channels on cable and satellite television, are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences. However, television remains an option that is best for products that targeted to a broad market. The geographic scope of television advertising ranges from advertising within a localized geographic area using fee-based services, such as cable and fiber optic services, to national coverage using broadcast programming.

Television advertising, once viewed as the pillar of advertising media outlets, is facing numerous challenges from alternative media (e.g., Internet) and the invasion of technology devices, such as digital video recorders (see more in the Advertising Trends section in Part 13: Advertising), that have empowered customers to be more selective on the advertisements they view. Additionally, television lacks effective response tracking which has led many marketers to investigate other media that offer stronger tracking options.

CABLE NETWORK

Local cable network are being used frequently by local advertisers, such as retail outlets, coaching classes etc, because of the geographic flexibility it becomes very cost effective. Advertisement through local cable can act as a frequency booster by virtue of its low cost. However, local cable network is unorganized and therefore it is uncertain whether ad will appear as per schedule.

RADIO ADVERTISING

Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station, however, at least three options exist that offer national and potentially international coverage. First, in many countries there are radio networks that use many geographically distinct stations to broadcast simultaneously. In the United States such networks as Disney (children's programming) and ESPN (sports programming) broadcast nationally either through a group of company-owned stations or through a syndication arrangement (i.e., business agreement) with partner stations. Second, within the last few years the emergence of radio programming delivered via satellite has become an option for national advertising. Finally, the potential for national and international advertising may become more attractive as radio stations allow their signals to be broadcast over the Internet. In many ways radio suffers the same problems as television, namely, a mass medium that is not highly targeted and offers little opportunity to track responses. But unlike television, radio presents the additional disadvantage of limiting advertisers to audio-only advertising. For some products advertising without visual support is not effective.

PRINT PUBLICATION ADVERTISING

Print publications such as magazines, newspapers and Special Issue publications offer advertising opportunities at all geographic levels. Magazines, especially those that target specific niche or specialized interest areas, are more narrowly targeted compared to broadcast media.

Additionally, magazines offer the option of allowing marketers to present their message using high quality imagery (e.g., full color) and can also offer touch and scent experiences (e.g., perfume). Newspapers have also incorporated color advertisements, though their main advantage rests with their ability to target local markets.

INTERNET ADVERTISING

The fastest growing media outlet for advertising is the Internet. Compared to spending in other media, the rate of spending for Internet advertising is experiencing tremendous growth. However, total spending for Internet advertising remains relatively small compared to other media. Yet, while Internet advertising is still a small player, its influence continues to expand and each year more major marketers shift a larger portion of their promotional budget to this medium. Two key reasons for this shift rest with the Internet's ability to: 1) narrowly target an advertising message and, 2) track user response to the advertiser's message.

The Internet offers many advertising options with messages delivered through websites or by email. Website Advertising - Advertising tied to a user's visit to a website accounts for the largest spending on Internet advertising. For marketers, website advertising offers many options in terms of:

Creative Types – Internet advertising allows for a large variety of creative types including text-only, image-only, multimedia (e.g., video) and advanced interactive (e.g., advertisement in the form of online games).

Size – In addition to a large number of creative types, Internet advertisements can be delivered in a number of different sizes (measured in screen pixels) ranging from full screen to small square ads that are only a few pixels in size. The most popular Internet ad sizes include banner ads (468 x 60 pixels), leader board (728 x 90 pixels) and skyscraper (160 x 600 pixels).

Placement – The delivery of an Internet advertisement can occur in many ways including fixed placement in a certain website location (e.g., top of page), processed placement where the ad is delivered based on user characteristics (e.g., entry of words in a search box, recognition of user via Internet tracking cookies), or on a separate webpage where the user may not see the ad until they leave a site or close their browser (e.g., pop-under).

EMAIL ADVERTISING

Using email to deliver an advertisement affords marketers the advantage of low distribution cost and potentially high reach. In situations where the marketer possesses a highly targeted list, response rates to email advertisements may be quite high. This is especially true if those on the list have agreed to receive email, a process known as “opt-in” marketing. Email advertisement can take the form of a regular email message or be presented within the context of more detailed content, such as an electronic newsletter. Delivery to a user’s email address can be viewed as either plain text or can look more like a website using web coding (i.e., HTML). However, as most people are aware, there is significant downside to email advertising due to highly publicized issues related to abuse (i.e., spam).

DIRECT MAIL

This method of advertising uses postal and other delivery services to ship advertising materials, including postcards, letters, brochures, catalogs and flyers, to a physical address of targeted customers. Direct mail is most effective when it is designed in a way that makes it appear to be

special to the customer. For instance, a marketer using direct mail can personalize mailings by including a message recipient's name on the address label or by inserting their name within the content of marketer's message.

Direct mail can be a very cost-effective method of advertising, especially if mailings contain printed material. This is due to cost advantages obtained by printing in high volume since the majority of printing costs are realized when a printing machine is initially setup to run a print job and not the because of the quantity of material printed. Consequently, the total cost of printing 50,000 postcards is only slightly higher than printing 20,000 postcards but when the total cost is divided by the number of cards printed the cost per-card drops dramatically as more pieces are printed. Obviously there are other costs involved in direct mail, primarily postage expense.

OUTDOOR MEDIA

The out medium is now becoming an interesting medium. Outdoor is an effective medium to cover the mobile population. The use of signs to communicate a marketer's message places advertising in geographically identified areas in order to capture customer attention. The most obvious method of using signs is through billboards, which are generally located in high traffic areas. Outdoor billboards come in many sizes, though the most well-known are large structures located near transportation points intending to attract the interest of people traveling on roads or public transportation. Indoor billboards are often smaller than outdoor billboards and are designed to attract the attention of foot traffic (i.e., those moving past the sign). For example, smaller signage in airports, train terminals and large commercial office space fit this category.

SIGNAGE AND BILLBOARDS

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While billboards are the most obvious example of signage advertising, there are many other forms of signage advertising include:

- Sky writing where airplanes use special chemicals to form words
- Plane banners where large signs are pulled behind an airplane
- Mobile billboards where signs are placed on vehicles, such as buses and cars, or even

PRODUCT PLACEMENT ADVERTISING

Product placement is an advertising approach that intentionally inserts products into entertainment programs such as movies, TV programs and video games. Placement can take several forms including:

- Visual imagery in which the product appears within the entertainment program
- Actual product use by an actor in the program
- Words spoken by an actor that include the product name

Product placement is gaining acceptance among a growing number of marketers for two main reasons. First, in most cases the placement is subtle so as not to divert significant attention from the main content of the program or media outlet. This approach may lead the audience to believe the product was selected for inclusion by program producers and not by the marketer.

This may heighten the credibility of the product in the minds of the audience since their perception, whether accurate or not, is that product was selected by an unbiased third-party. Second, in Advertising, entertainment programming, such as television, is converging with other media, particularly the Internet. In the future a viewer of a television program may be able to easily request information for products that appear in a program by simply pointing to the product on the screen. With the information they may get the option to purchase the product. As this technology emerges it is expected that product placement opportunities will become a powerful promotional option for many marketers.

MOBILE DEVICE ADVERTISING

Handheld devices, such as cell phones, personal digital assistants (PDAs) and other wireless devices, make up the growing mobile device market. Such devices allow customers to stay informed, gather information and communicate with others without being tied to a physical location. While the mobile device market is only beginning to become a viable advertising medium, it may soon offer significant opportunity for marketers to reach customers at anytime and anyplace.

Also, with geographic positioning features included in newer mobile devices, the medium has the potential to provide marketers with the ability to target customers based on their geographic location. Currently, the most popular advertising delivery method to mobile devices is through plain text

messaging, however, over the next few years multimedia advertisements are expected to become the dominant message format.

SPONSORSHIPS

A subtle method of advertising is an approach in which marketers pay, or offer resources and services, for the purpose of being seen as a supporter of an organization's event, program or product offering (e.g., section of a website).

Media Characteristics

Media	Advantages	Disadvantages
Television	<ul style="list-style-type: none">➤ Mass coverage➤ High reach➤ Impact of sight, sound, and motion➤ High prestige➤ Low cost per exposure➤ Attention getting➤ Favourable image	<ul style="list-style-type: none">➤ Low selectivity➤ Short message life➤ High absolute cost➤ High production cost➤ Clutter
Radio	<ul style="list-style-type: none">➤ Low coverage➤ Low cost➤ High Frequency➤ Flexible➤ Low production cost➤ Well-segmented audience	<ul style="list-style-type: none">➤ Audio only➤ Clutter➤ Low attention getting➤ Fleeting message
Cinema	<ul style="list-style-type: none">➤ Impact of big screen with sound, movement and colour➤ Attracts young crowd➤ Theatre viewing a socializing event➤ Selective local advertising coverage possible which can gain immediate impact	<ul style="list-style-type: none">➤ Television has eroded the cinema audience base➤ Slow buildup of audience➤ Attendance is low and infrequent➤ Commercials shown either in the beginning or at the interval, when high attendance is not ensured
Magazines	<ul style="list-style-type: none">➤ Segmentation potential➤ Quality reproduction➤ High information content➤ Longevity➤ Multiple readers	<ul style="list-style-type: none">➤ Long lead time for ad placement➤ Visual only➤ Lack of flexibility

Newspapers	<ul style="list-style-type: none">➤ High coverage➤ Low cost➤ Sufficient time for placing ads➤ Advertisements can be placed in interest sections➤ Timely➤ Readers control exposure➤ Can be used for coupons	<ul style="list-style-type: none">➤ Short life➤ Clutter➤ Low attention-getting capabilities➤ Poor production quality➤ Selective reader exposure
Outdoor	<ul style="list-style-type: none">➤ Location specific➤ High repetition➤ Easily noticed	<ul style="list-style-type: none">➤ Short exposure time requires short ad➤ Poor image➤ Local restrictions
Direct mail	<ul style="list-style-type: none">➤ High selectivity➤ Reader controls exposure➤ High information content➤ Opportunity for repeat exposures	<ul style="list-style-type: none">➤ High cost/contact➤ Poor image (junk mail)➤ Clutter
Internet and Interactive Media	<ul style="list-style-type: none">➤ User selects product information➤ User attention and involvement➤ Interactive relationship➤ Direct selling potential➤ Flexible message platform	<ul style="list-style-type: none">➤ Limited creative capabilities➤ Web smurf (crowded access)➤ Technology limitations➤ Few valid measurement techniques➤ Limited reach
Mobile	<ul style="list-style-type: none">➤ A communication revolution➤ Reach not dependent on location➤ Reach the right target audience➤ Permission marketing possible➤ Emotional connotations➤ An all pervasive medium	<ul style="list-style-type: none">➤ Nuisance value➤ Intrusion in privacy➤ A possible health hazard➤ Literacy barrier

BUSINESS ADVERTISING IS OF THREE TYPES:

- Industrial Advertising, Trade Advertising, and Professional Advertising.

INDUSTRIAL ADVERTISING

Industrial advertising is meant for people who buy or influence the purchase of industrial goods and services. These goods and services are used in the manufacture of other products. Industrial goods include raw materials, machinery, equipments, semi manufactured goods, machine parts. Industrial products also include those things that are used to conduct business, i.e. office machines, desks, computers, file cabinets etc.

The industrial services include insurance, book keeping or accounting, and maintenance. These kinds of products and services are advertised mostly in business or specialized publications and sometimes in general mass publications also.

TRADE ADVERTISING

The second type of business advertising is trade advertising. Trade means the chain of organizations that manufactures and marketers use to reach the final consumers. These include the stockiest, wholesalers, dealers and retailers. Trade advertising is done to achieve greater distribution by expanding the existing chain of outlets and encouraging existing outlets to stock more of the products.

PROFESSIONAL ADVERTISING

Professional advertising, the third type of business advertising, is aimed at professionals like doctors, engineers, architects, teachers, lawyers etc. These advertisements appear in highly specialized professional journals. Professional advertising has three objectives:

- To convince professionals to buy particular brands of equipment or service for use in their work,

- To persuade professionals to use the product personally, and
- To encourage professionals to recommend or prescribe a specific product or service to their clients or patients.

ADVERTISING SPIRAL

The concept of advertising can be broken down into three specific stages. These stages refer to the advertising spiral. It is known as a spiral because in order to keep innovating, companies need to continually change their advertising methods based on these three stages and an unending spiral is created as their business grows and changes. Understanding this spiral can help companies create better ad campaigns and improve their overall advertising capabilities.

Pioneering

Pioneering advertising refers to new forms or new ways of getting across a marketing message. Most ad spots follow a basic formula. You show the product, establish a need in the consumer's mind and then illustrate how the product will solve that need. To give an example, the iconic "Head On" commercials, while mildly irritating, were pioneering. They stripped everything from their commercial and merely showed a person applying Head On directly to their forehead while repeating the phrase. It may have been different, but it definitely worked.

Competitive

Competitive advertising is based on showing how your product is better than your competitors as well as finding out how they market their products and improving upon their techniques. Examples of this form of advertising can be found in car commercials. Toyota will say that their vehicle gets better gas mileage than a Honda. This is a very simple illustration of how competitive advertising can be used to drive home a point to a consumer. The viewer says "Well, I want better gas mileage. Maybe I should think about getting a Toyota rather than a Honda."

Retentive

Retentive advertising may also be referred to as reminder advertising. This form of advertising can be used when a consumer is already well aware of the product being offered and does not need to be convinced to buy it. They already know about it and like it, but they may have forgotten to buy it lately. Excellent examples of this can be found with cereal commercials. We all know Cheerios exist and we like the flavor. We see an ad on television and are reminded of how good they taste so we buy them the next time we're in the store.

Advertising Basics and the Spiral

Now that the spiral is understood, you can see a basic outline of how it works. First, you pioneer with a new product or way of promoting an existing product. Then, you let consumers know how your product stacks up against the competition. Finally, you remind your market that your product is still out there. Once all of these stages have been completed, you start over in the process. This is a very important component of the basics of advertising and successfully marketing to consumers.

Advertising is praised but also criticized by critics in their own ways. Advertising has many positive impacts along with its negative pictures. As the President of American Association of Advertising Agencies, John O' Toole has described advertise is something else. It is not related to studies, but it educates. It is not a journalist but gives all information. And it is not an entertaining device but entertains everyone.

Now let's go through the economic and social aspects of advertising.

ECONOMIC ROLE OF ADVERTISING

Value of Products

The advertised products are not always the best products in the market. There are some unadvertised products also present which are good enough. But advertising helps increase value for the products by showing the positive image of the product which in turn helps convincing customers to buy it. Advertising educates consumers about the uses of the products hence increasing its value in minds of the consumers. For e.g. mobile phones were first considered as necessity but nowadays the cell phones come with number of features which makes them mode of convenience for consumers.

Effect on Prices

Some advertised products do cost more than unadvertised products but the vice versa is also true. But if there is more competition in the market for those products, the prices have to come down, for e.g., canned juices from various brands. Thus some professional like chartered accountants and doctors are not allowed to advertise.

But some products do not advertise much, and they don't need much of it and even their prices are high but they are still the leaders in market as they have their brand name. e.g., Porsche cars

Effect on consumer demand and choices

Even if the product is heavily advertised, it does not mean that the demand or say consumption rates will also increase. The product has to be different with better quality, and more variety than others. For E.g., Kellogg's cornflakes have variety of flavors with different ranges to offer for different age groups and now also for people who want to loose weight thus giving consumers different choices to select from.

Effect on business cycle

Advertising no doubt helps in employing more number of people. It increases the pay rolls of people working in this field. It helps collecting more revenues for sellers which they use for betterment of product and services. But there are some bad effects of advertisements on business cycle also. Sometimes, consumer may find the foreign product better than going for the national brand. This will definitely effect the production which may in turn affect the GDP of the country.

The economic aspects are supported by the Abundance Principle which says producing more products and services than the consumption rate which helps firstly keeping consumers informed about the options they have and secondly helps sellers for playing in healthy and competitive atmosphere with their self interest.

SOCIAL ROLE OF ADVERTISING

There are some positive and some negative aspects of advertising on the social ground. They are as follows.

Deception in Advertising

The relation between the buyers and sellers is maintained if the buyers are satisfied with what they saw in advertise and what they got after buying that product. If seller shows a false or deceptive image and an exaggerated image of the product in the advertisement, then the relation between the seller and buyers can't be healthy. These problems can be overcome if the seller keep their ads clean and displays right image of the product.

The Subliminal Advertising

Capturing the Minds of the consumers is the main intention of these ads. The ads are made in such a way that the consumers don't even realizes that the ad has made an impact on their minds and

this results in buying the product which they don't even need. But "All ads don't impress all consumers at all times", because majority of consumers buy products on basis of the price and needs.

Effect on Our Value System

The advertisers use puffing tactics, endorsements from celebrities, and play emotionally, which makes ads so powerful that the consumers like helpless preys buy those products.

These ads make poor people buy products which they can't afford, people picking up bad habits like smoking and drinking, and buy products just because their favorite actor endorsed that product. This affects in increased the cost of whole society and loss of values of our own selves.

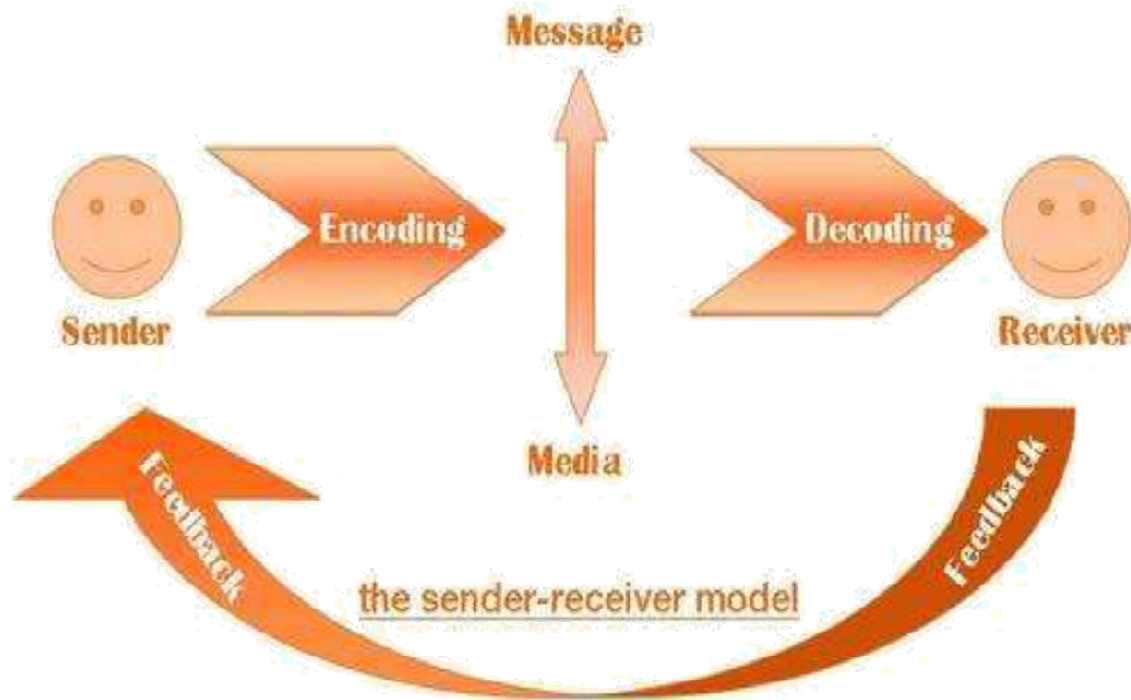
Offensiveness

Some ads are so offensive that they are not acceptable by the buyers. For example, the ads of denim jeans showed girls wearing very less clothes and making a sex appeal. These kinds of ads are irrelevant to the actual product. But then there is some ads which are educative also and now accepted by people. Earlier ads giving information about birth control pills was considered offensive but now the same ads are considered educative and important.

MARKETING COMMUNICATION MODELS

In the traditional manner, the communication between two humans involves a simple process which is as follows.

Sender —> Encoding —> Message —> Decoding —> Receiver



1) Sender and Receiver

In marketing communications, there are two main entities “Sender” and “Receiver”. The sender may be the company wanting to target the consumer group. The receiver is the consumer himself. There are several features which you need to know about the sender and receiver before the communication process begins, like their demographics, financial power and their compatibility. If a sender is a sports shoes maker, but the message is received by 60 years old customers, then the marketing communications may fail. The sender needs to know beforehand who the receiver of the message is going to be. This is why the process of segmentation targeting and positioning is done before marketing communications begins.

2) Encoding

The message needs to be bundled in the right format for the sender to send the appropriate message to the receiver. This is known as encoding. In marketing communications, this is where advertising agencies play an important role. Depending on the choice of the sender, the creative ad

agencies encode the message in the proper format. The format depends on the type of media vehicle being used to deliver the communication message. Thus, you will find that a radio message, a TV message or a print message are encoded differently as all of them have their own pros and cons. Whatever media vehicle / message format you may use, the focus message needs to be the same.

3) Message decisions

During marketing communications, there are various ways in which the message can be sent to the end customers. Television and print is known to have the highest retention and hence advertisers use them the most. Other than these 2, there is radio marketing, online marketing, out of home media, banner advertising, so on and so forth. Any of these media vehicles can carry your message. The important point here is that the message should reach to as large a target audience as possible. In the sales funnel, the more prospects you have the more would be the conversion rate. Thus the objective of a message is to reach as many prospects as possible. A proper message can immediately connect you with your target group, build a better brand positioning, and thereby give an immediate boost to your organization. Marketing communications messages can be of various types. Some of the normally used ones are

- Introducing a new product
- Creating awareness
- Building brand image
- Sales promotion offers
- Customer retention

A marketing message therefore needs to be altered on the basis of these three fundamental factors

a) Media vehicle to be used

b) What is the objective of the message

c) Which is the target group

4) Decoding

Decoding a message is not in the hands of the sender. It is instead done by the receiver. All the sender can do is encode the message as best as he can and ensure that it reaches the receiver. The receiver then decodes the message.

For example – If i show you a shoe in muddy water, some of you might not be interested in the image, some of you might think this is an advertising for the shoe, and some of you might get the message that i am trying to show a shoe which is water proof and easy to clean. Thus, if i am unable to get the message across to most of my audiences, than i fail as a marketer. I need to ensure that decoding of the message is as easy as possible for the receiver. This is the essence of Marketing communications. This is the reason why agencies such as O&M, Lowe lintas etc get such a high fee. Because their messages can be decoded easily by the end user and by the masses.

5) Receiver

The receiver is the one making the decision after decoding the message. In other words, the receiver is your end customer / prospect. Thus the receiver is a very important entity in the marketing communications process. Ideally, the receiver should act on the message he has received. Thus if your message was of a sales promotion, your receiver will go ahead and purchase the product. However, as in any situation, there are different variants of receivers. Some will completely ignore the message, some will use it for reference later and others will act on it.

To make sure that the receiver acts on the message, integrated marketing communications is used. The same message is sent in different formats through various media vehicles. The receiver receives the same message in differently encoded format and decodes it. This is why nowadays advertising frequency plays an important role in converting prospects to customers. As FMCG

companies have the maximum consumer interactions, they are known to use integrated marketing communications in the best manner.

6) Feedback

Nowadays, another factor which has been added to the marketing communications model is the feedback parameter. This is because taking feedback is gaining importance with the noise that happens due to too many products being advertised. Thus after an ad campaign for increasing awareness of a product, the company can take market feedback to know what percentage of target customers are aware of the new product. This feedback will tell the company whether its advertising strategy was right or wrong.

In the end, you have to understand that marketing communications is not just an interaction between the company and the end customer. Rather it involves the presence of numerous entities. Marketing communications is an art in itself. A significant amount of an organizations resources are used to ensure that the right message reaches the end customers and the end customer acts in a desired manner.

AIDA Model

Attention-Interest-Desire-Action

The acronym AIDA is a handy tool for ensuring that your copy, or other writing, grabs attention. The acronym stands for:

- Attention (or Attract).
- Interest.
- Desire.
- Action.

1. Attention/Attract

In our media-filled world, you need to be quick and direct to grab people's attention. Use powerful words, or a picture that will catch the reader's eye and make them stop and read what you have to say next.

2. Interest

This is one of the most challenging stages in the AIDA model: you've got the attention of a chunk of your target audience, but can you engage with them enough so that they'll want to spend their precious time understanding your message in more detail?

Gaining the reader's interest is a deeper process than grabbing their attention. They will give you a little more time to do it, but you must stay focused on their needs. This means helping him or her to pick out the messages that are relevant to him quickly – use bullets and subheadings, and break up the text to make your points stand out.

For more information on understanding your target audience's interests and expectations, and the context of your message, read our article on the Rhetorical Triangle.

3. Desire

The Interest and Desire parts of the AIDA model go hand-in-hand: as you're building the reader's interest, you also need to help her understand how what you're offering can help her in a real way. The main way of doing this is by appealing to her personal needs and wants.

Rather than simply saying, "Our lunchtime seminar will teach you feedback skills," explain to the audience what's in it for them: "Get what you need from other people, and save time and frustration, by learning how to give them good feedback."

4. Conviction

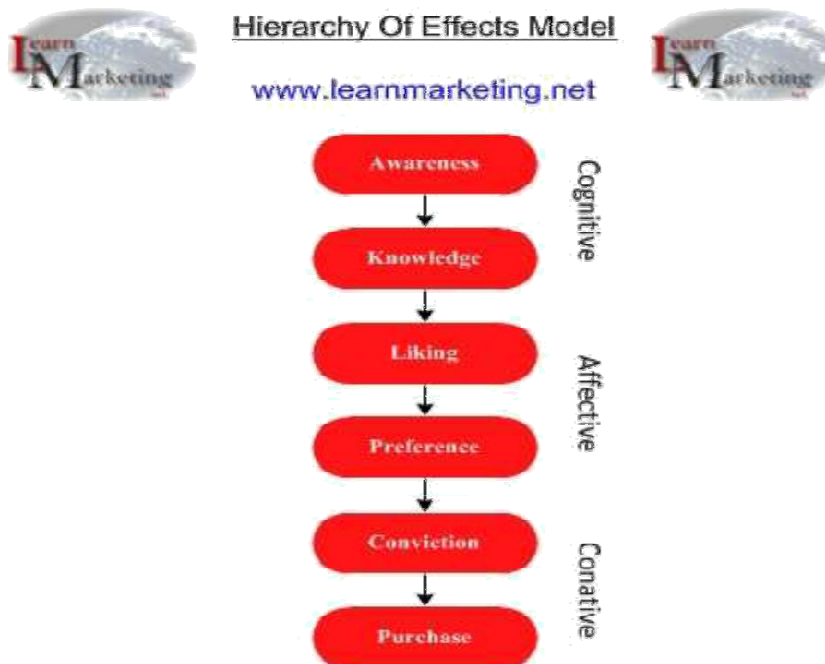
As hardened consumers, we tend to be skeptical about marketing claims. It's no longer enough simply to say that a book is a bestseller, for example, but readers will take notice if you state (accurately, of course!), that the book has been in the New York Times Bestseller List for 10 weeks, for example. So try to use hard data where it's available. When you haven't got the hard data, yet the product offering is sufficiently important, consider generating some data, for example, by commissioning a survey.

5. Action

Finally, be very clear about what action you want your readers to take; for example, "Visit www.mindtools.com now for more information" rather than just leaving people to work out what to do for themselves.

Awareness

HIERARCHY OF EFFECTS MODEL



The customer becomes aware of the product through advertising. This is a challenging step, there is no guarantee that the customer will be aware of the product brand after they view the advert. Customers see many adverts each day but will only remember the brand of a tiny fraction of products.

Knowledge

The customer begins to gain knowledge about the product for example through the internet, retail advisors and product packaging. In today's digital world this step has become more important as consumers expect to gather product knowledge at the click of a button. Consumers will quickly move to competitor brands if they do not get the information they want. The advertiser's job is to ensure product information is easily available.

Liking

As the title states, this step is about ensuring that the customer likes your product. As an advertiser what features can you promote to encourage the customer to like your product?

Preference

Consumers may like more than one product brand and could end up buying any one of them. At this stage advertisers will want the consumer to disconnect from rival products and focus on their particular product. Advertisers will want 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 test or sample the product. Examples of this are inviting consumers to take a car for a test drive or offering consumers a free sample of a food product. This reassures consumers that the purchase will be a safe one.

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.

PLANNING FRAMEWORK OF PROMOTIONAL STRATEGY.

1. Define your marketing goals.

The key here is to align your marketing goals with your overall business objectives. Understand marketing doesn't exist by itself in a vacuum. To be effective, make your goals as specific and concrete as possible. This will help you focus as well as to measure the results.

- **Build your brand or establish your thought leadership.** The aim is to position your product or company in the mind of your prospect.
- **Acquire and retain customers.** Over time, businesses lose customers for a wide range of reasons. Also, profitable customers become less profitable so that it's necessary for businesses to continually acquire new customers, retain their current customers and hopefully reactivate former customers.
- **Drive profitable sales.** While it may take multiple steps to grow your bottom line, each sale should contribute its share. This means that your revenues exceed your costs, at least in the long run.

2. Identify your audience.

Create a fully realized composite of your target market. This requires developing a marketing persona and a social media persona so that you can tailor your marketing to meet the needs of your audience.

Traditionally here are the three main attributes to define your audience.

- **Demographic traits.** These attributes include geographic location, age, financial resources, and so on. Be aware that only relying on this data may cause you to overlook other factors that cause individuals to make purchase tradeoffs.
- **Psychographic characteristics.** These focus on customers' interests and help marketers understand where their audience will make purchase tradeoffs.
- **Behavioral actions.** These factors examine the past and can overlook recent changes in customer behavior.

3. Create the offer.

Describe the specifics of your product and/or service. This goes beyond the basic offering and encompasses related information, branding and pricing that sets your offering apart from competitors and near substitutes. Use the following questions organized around the traditional four P's of marketing to help develop your offering. (Here's a detailed post outlining the total offer.)

Product:

- What's the product or service? How does it differ from competitors and new substitutes?
- What does the customer get in addition to the item, sometimes referred to as an augmented product? Are there extras, such as guarantees, ongoing support, and community?

Place:

- Where does the prospect engage with your firm, content and/or promotions?
- Where is the offer made, and at what point in purchase decision process?
- Where can the consumer buy your product/service? Do you provide more than one option?
- What channels do you use to continue to provide additional content and communications?

Promotion:

- Are there any special offers, incentives, time limits, or quantity limits?

- Where is the customer in purchase process? Where is the customer physically?
- How is the information delivered to the customer?

Pricing:

- How is the product or service priced? Is pricing consistent across channels? If not, is there a good reason? At least in the U.S., you don't want to be accused of discriminatory pricing.
- How do you sell additional products or services?

4. Develop your creative.

Broadly defined, creative relates to how your product/service is presented to prospects, customers and the public. It encompasses five distinct components.

- **Branding.** How your organization's branding is incorporated into your content, advertising, social media or other promotional piece? How is your brand positioned in the market place? (Here's help for developing your brand.)
- **Product benefits.** How does your offering meet your prospects' needs?
- **Media platform.** Since media-format specifics influence creative presentation, you must consider where the promotion is going to be distributed or shared. At a minimum, consider owned media, social media and third party media.
- **Call-to-action.** How does your promotion overcome customer inertia and close the deal?
- **Response channels.** How do customers purchase the product? Options include online, mobile retail, phone, mail, and fax.

5. Choose your channel (aka medium and/or format).

A combination of distribution and promotion are needed to ensure that your content or promotion reaches its maximum potential audience in a format that they find easy-to-consume including text,

photographs, video, audio or PDFs. The media used should be aligned with your business goals to reach the appropriate target audience. (Here's an outline and chart of these media types.)

- **Owned media.** These are platforms your organization owns. They generally reach your prospects and past customers since you have a way to contact them. This includes your website, blog, email list, and offline house file. Don't underestimate your owned media such as customer service emailings and shopping bags.
- **Third-party media.** It also known as paid media and refers to aggregated audiences owned by other media entities or companies. They generally require payment but can also include guest posts or list exchanges.
- **Social media.** These venues are useful for extending your reach. It can also provide an endorsement for your product or company.

6. Test your marketing.

Continually test various aspects of your marketing to maximize your results. Think holistically across the entire marketing process in terms of the four moments of truth. You need to keep optimizing your process to improve the bottom line. Further, run tests more than once to ensure results aren't flukes and understand that factors may change over time. For example, promotions wear out over time. Start by testing on the areas that have the largest impact on your sales process.

- **Target market.** Are there other customers who are interested in your product/service?
- **Offer.** Can you change the pricing of your product or its presentation?
- **Creative.** Is your content, advertising or communications connecting with your target audience?
Check the text, images, call-to-action and other elements.
- **Media.** Are you using the appropriate channel to communicate with your prospect? Are you employing a content format that's easy-to-consume?

- **Devices.** Are your marketing communications available on the type of devices your audience prefers? Think computer, smartphone, tablet and/or offline.

7. Determine your success metrics

You must assess your results to determine your marketing's effectiveness in achieving your intended goals. To this end, it's helpful if your goals are specific and measurable.

Part B Questions

1. Define Advertising
2. What is meant by advertising spiral?
3. Give the meaning of economic aspects of advertising?
4. Give the meaning of AIDA Model
5. What is meant by quick decision model?

Part C Questions

1. Explain the need and objectives of advertising?
2. Discuss the scope of advertising in detail
3. Explain the role of advertising in marketing mix?
4. Describe the stages of advertising spiral?
5. Discuss the marketing communication models?
6. Discuss the economics aspects of advertising with examples
7. Explain the social aspects of advertising in detail
8. Discuss the classification of advertising with suitable chart?

Unit I – Introduction to Advertising

Advertising - Need and importance - Definition and growth of modern advertising - Advertising and the marketing mix - Types and classification of advertisement - Advertising spiral - Social and economic aspects of advertising - Marketing communication models - AIDA - Hierarchy of effect - Innovation adoption model - Action first model - Quick decision model - Planning framework of promotional strategy.

Meaning and Definition

Advertising is a powerful communication force, highly visible, and one of the most important tools of marketing communications that helps to sell products, services, ideas and images, etc. Many believe that advertising reflects the needs of the times. One may like it or not but advertisements are everywhere. Advertisements are seen in newspapers, magazines, on television and internet and are heard on radio. The average consumer is exposed to a very large number of advertisements every day, particularly the urban and semi-urban population.

It seems almost impossible to remain totally neutral and not take any notice of modern day advertising. The most visible part of the advertising process is the advertisements that we see, read, or hear and praise or criticize. Many suitable adjectives are used to describe advertising, depending on how an individual is reacting, such as great, dynamic, alluring, fascinating, annoying, boring, intrusive, irritating, offensive, etc.

Advertising is an indicator of the growth, betterment and perfection of civilization. It is part of our social, cultural and business environment. It is not at all surprising that advertising is one of the most closely scrutinized of all business institutions. In today's environment, not only are advertisers

closely examined by the target audience for whom that advertisement are meant, but by society in general.

Advertising includes the public announcements to reveal new product launches, the commercial activities done to stimulate demand, and encourage people to attend a commercial event.

Advertising is also a process of mass promotion which involves audio or visual methods of marketing. A single advertisement has the capacity to reach numerous people

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

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

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

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

OBJECTIVES OF ADVERTISING

Brand building

Advertising helps in the establishment and promotion of a brand in the existing market. It also aids in the creation of new market for the brand. With the help of audio-visual advertisements, you can also reminding and reinforce the brand message into your target customers' mind.

Creation of demand

One of the main objectives of advertising is that it persuades the customers to buy and use a particular product. Hence, advertising also contributes in creating brand awareness and demand. Also, advertising is the best option for promotion when it comes to launch of a new product or service. Effective and convincing advertisements do not only help establish a brand identity but also persuade competitor brand's customers to switch to a new brand.

Informing Customers about a Product, Company or Service

Advertising is also a strong medium of communicating about product, company or service. Companies can tell about features, qualities or unique characteristics of their product or service in the advertisement.

Promoting a Particular Feature

Specific objectives of companies can also be fulfilled with the help of advertising. Building up more positive customer attitudes, beating negative promotion, extending customer base, creating comparison in customer's mind and various other particular objectives can be attained by making a specific advertisement for the same.

Achieve sales and profit goals

Advertisements create awareness about a brand and help in increasing the demand for a product or service. The increased demands results in increased sales and so, profit goals of a company are attained with the help of advertising.

IMPORTANCE OF ADVERTISING

Advertising plays a very important role in today's age of competition. Advertising is one thing which has become a necessity for everybody in today's day to day life, be it the producer, the traders, or the customer. Advertising is an important part. Lets have a look on how and where is advertising important:

1. **Product Launch** – The foremost aim of advertising is promotion. Hence, advertising is essential, especially for a new product that has to be launched in the market. Advertising helps convey the information regarding launch of the new product.
2. **Retain the existing customers** – It is essential that customers keep following, buying and using your brand. And this is where advertising helps companies again! It keeps on reminding the customers about the brand and so, helps in retaining the customers and increasing the sales.
3. **Brand Promotion** – Promotion is quintessential if any brand wants to stay in the market. This goal is achieved with the help of advertising which promotes a product, company or service. When a brand gets established with the help of advertising, it becomes a promise of quality and the customers start expecting from a brand. Thereafter, the stage arises where advertising starts acting as a reminder. It reminds and convinces customers that their chosen brand is still there.
4. **Educates people** – Advertising is not only about promotion! It also educates people and makes the society aware about various issues. Many social issues like female foeticide, child labor,

child abuse, etc., are also raised thorough sensible advertisements. Thus, advertising also helps in educating people and spreading awareness.

5. **Comparison** – Advertising also provides the opportunity of comparing various products to the customers. Based on features, qualities or specifications described through advertising, customers can take their pick on the available products.

FEATURES OF ADVERTISING

Payment of money

One of the features of advertising is to pay the money for advertising. Advertisements appear in newspapers, magazines, television or cinema screens because the advertiser has purchased some time to communicate information to the potential customers. The adviser must pay money for advertising activities. It is not free of cost.

Non-personal

In advertising, there is no face to face or direct contact with the customers. That is why it is described as non-personal salesmanship. It is a non-personal form of presenting products and promoting ideas. It simplifies the task of the sales force by creating awareness in the mind of potential customers.

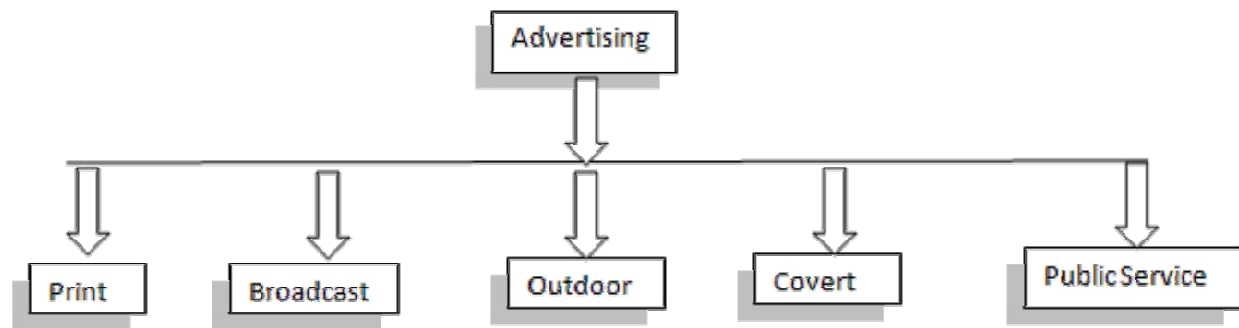
Promote products and services

Advertising helps in the promotion of products and services. It is directed towards increasing the sale of the products and services of a business unit. Advertising is essential for the promotion of goods and services.

Identified sponsor

The advertisement should disclose or identify the sources of opinion and ideas it presents. It should identify the sponsor from where the advertisement can be occurred. Identifying the specific sponsor is very important in the advertising process.

CLASSIFICATION OF ADVERTISING



TELEVISION ADVERTISING

Television advertising offers the benefit of reaching large numbers in a single exposure. Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets. Television networks are attempting to improve their targeting efforts. In particular, networks operating in the pay-to-access arena, such as those with channels on cable and satellite television, are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences. However, television remains an option that is best for products that targeted to a broad market. The geographic scope of television advertising ranges from advertising within a localized geographic area using fee-based services, such as cable and fiber optic services, to national coverage using broadcast programming.

Television advertising, once viewed as the pillar of advertising media outlets, is facing numerous challenges from alternative media (e.g., Internet) and the invasion of technology devices, such as digital video recorders (see more in the Advertising Trends section in Part 13: Advertising), that have empowered customers to be more selective on the advertisements they view. Additionally, television lacks effective response tracking which has led many marketers to investigate other media that offer stronger tracking options.

CABLE NETWORK

Local cable network are being used frequently by local advertisers, such as retail outlets, coaching classes etc, because of the geographic flexibility it becomes very cost effective. Advertisement through local cable can act as a frequency booster by virtue of its low cost. However, local cable network is unorganized and therefore it is uncertain whether ad will appear as per schedule.

RADIO ADVERTISING

Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station, however, at least three options exist that offer national and potentially international coverage. First, in many countries there are radio networks that use many geographically distinct stations to broadcast simultaneously. In the United States such networks as Disney (children's programming) and ESPN (sports programming) broadcast nationally either through a group of company-owned stations or through a syndication arrangement (i.e., business agreement) with partner stations. Second, within the last few years the emergence of radio programming delivered via satellite has become an option for national advertising. Finally, the potential for national and international advertising may become more attractive as radio stations allow their signals to be broadcast over the Internet. In many ways radio suffers the same problems as television, namely, a mass medium that is not highly targeted and offers little opportunity to track responses. But unlike television, radio presents the additional disadvantage of limiting advertisers to audio-only advertising. For some products advertising without visual support is not effective.

PRINT PUBLICATION ADVERTISING

Print publications such as magazines, newspapers and Special Issue publications offer advertising opportunities at all geographic levels. Magazines, especially those that target specific niche or specialized interest areas, are more narrowly targeted compared to broadcast media.

Additionally, magazines offer the option of allowing marketers to present their message using high quality imagery (e.g., full color) and can also offer touch and scent experiences (e.g., perfume). Newspapers have also incorporated color advertisements, though their main advantage rests with their ability to target local markets.

INTERNET ADVERTISING

The fastest growing media outlet for advertising is the Internet. Compared to spending in other media, the rate of spending for Internet advertising is experiencing tremendous growth. However, total spending for Internet advertising remains relatively small compared to other media. Yet, while Internet advertising is still a small player, its influence continues to expand and each year more major marketers shift a larger portion of their promotional budget to this medium. Two key reasons for this shift rest with the Internet's ability to: 1) narrowly target an advertising message and, 2) track user response to the advertiser's message.

The Internet offers many advertising options with messages delivered through websites or by email. Website Advertising - Advertising tied to a user's visit to a website accounts for the largest spending on Internet advertising. For marketers, website advertising offers many options in terms of:

Creative Types – Internet advertising allows for a large variety of creative types including text-only, image-only, multimedia (e.g., video) and advanced interactive (e.g., advertisement in the form of online games).

Size – In addition to a large number of creative types, Internet advertisements can be delivered in a number of different sizes (measured in screen pixels) ranging from full screen to small square ads that are only a few pixels in size. The most popular Internet ad sizes include banner ads (468 x 60 pixels), leader board (728 x 90 pixels) and skyscraper (160 x 600 pixels).

Placement – The delivery of an Internet advertisement can occur in many ways including fixed placement in a certain website location (e.g., top of page), processed placement where the ad is delivered based on user characteristics (e.g., entry of words in a search box, recognition of user via Internet tracking cookies), or on a separate webpage where the user may not see the ad until they leave a site or close their browser (e.g., pop-under).

EMAIL ADVERTISING

Using email to deliver an advertisement affords marketers the advantage of low distribution cost and potentially high reach. In situations where the marketer possesses a highly targeted list, response rates to email advertisements may be quite high. This is especially true if those on the list have agreed to receive email, a process known as “opt-in” marketing. Email advertisement can take the form of a regular email message or be presented within the context of more detailed content, such as an electronic newsletter. Delivery to a user’s email address can be viewed as either plain text or can look more like a website using web coding (i.e., HTML). However, as most people are aware, there is significant downside to email advertising due to highly publicized issues related to abuse (i.e., spam).

DIRECT MAIL

This method of advertising uses postal and other delivery services to ship advertising materials, including postcards, letters, brochures, catalogs and flyers, to a physical address of targeted customers. Direct mail is most effective when it is designed in a way that makes it appear to be

special to the customer. For instance, a marketer using direct mail can personalize mailings by including a message recipient's name on the address label or by inserting their name within the content of marketer's message.

Direct mail can be a very cost-effective method of advertising, especially if mailings contain printed material. This is due to cost advantages obtained by printing in high volume since the majority of printing costs are realized when a printing machine is initially setup to run a print job and not the because of the quantity of material printed. Consequently, the total cost of printing 50,000 postcards is only slightly higher than printing 20,000 postcards but when the total cost is divided by the number of cards printed the cost per-card drops dramatically as more pieces are printed. Obviously there are other costs involved in direct mail, primarily postage expense.

OUTDOOR MEDIA

The out medium is now becoming an interesting medium. Outdoor is an effective medium to cover the mobile population. The use of signs to communicate a marketer's message places advertising in geographically identified areas in order to capture customer attention. The most obvious method of using signs is through billboards, which are generally located in high traffic areas. Outdoor billboards come in many sizes, though the most well-known are large structures located near transportation points intending to attract the interest of people traveling on roads or public transportation. Indoor billboards are often smaller than outdoor billboards and are designed to attract the attention of foot traffic (i.e., those moving past the sign). For example, smaller signage in airports, train terminals and large commercial office space fit this category.

SIGNAGE AND BILLBOARDS

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While billboards are the most obvious example of signage advertising, there are many other forms of signage advertising include:

- Sky writing where airplanes use special chemicals to form words
- Plane banners where large signs are pulled behind an airplane
- Mobile billboards where signs are placed on vehicles, such as buses and cars, or even

PRODUCT PLACEMENT ADVERTISING

Product placement is an advertising approach that intentionally inserts products into entertainment programs such as movies, TV programs and video games. Placement can take several forms including:

- Visual imagery in which the product appears within the entertainment program
- Actual product use by an actor in the program
- Words spoken by an actor that include the product name

Product placement is gaining acceptance among a growing number of marketers for two main reasons. First, in most cases the placement is subtle so as not to divert significant attention from the main content of the program or media outlet. This approach may lead the audience to believe the product was selected for inclusion by program producers and not by the marketer.

This may heighten the credibility of the product in the minds of the audience since their perception, whether accurate or not, is that product was selected by an unbiased third-party. Second, in Advertising, entertainment programming, such as television, is converging with other media, particularly the Internet. In the future a viewer of a television program may be able to easily request information for products that appear in a program by simply pointing to the product on the screen. With the information they may get the option to purchase the product. As this technology emerges it is expected that product placement opportunities will become a powerful promotional option for many marketers.

MOBILE DEVICE ADVERTISING

Handheld devices, such as cell phones, personal digital assistants (PDAs) and other wireless devices, make up the growing mobile device market. Such devices allow customers to stay informed, gather information and communicate with others without being tied to a physical location. While the mobile device market is only beginning to become a viable advertising medium, it may soon offer significant opportunity for marketers to reach customers at anytime and anyplace.

Also, with geographic positioning features included in newer mobile devices, the medium has the potential to provide marketers with the ability to target customers based on their geographic location. Currently, the most popular advertising delivery method to mobile devices is through plain text

messaging, however, over the next few years multimedia advertisements are expected to become the dominant message format.

SPONSORSHIPS

A subtle method of advertising is an approach in which marketers pay, or offer resources and services, for the purpose of being seen as a supporter of an organization's event, program or product offering (e.g., section of a website).

Media Characteristics

Media	Advantages	Disadvantages
Television	<ul style="list-style-type: none">➤ Mass coverage➤ High reach➤ Impact of sight, sound, and motion➤ High prestige➤ Low cost per exposure➤ Attention getting➤ Favourable image	<ul style="list-style-type: none">➤ Low selectivity➤ Short message life➤ High absolute cost➤ High production cost➤ Clutter
Radio	<ul style="list-style-type: none">➤ Low coverage➤ Low cost➤ High Frequency➤ Flexible➤ Low production cost➤ Well-segmented audience	<ul style="list-style-type: none">➤ Audio only➤ Clutter➤ Low attention getting➤ Fleeting message
Cinema	<ul style="list-style-type: none">➤ Impact of big screen with sound, movement and colour➤ Attracts young crowd➤ Theatre viewing a socializing event➤ Selective local advertising coverage possible which can gain immediate impact	<ul style="list-style-type: none">➤ Television has eroded the cinema audience base➤ Slow buildup of audience➤ Attendance is low and infrequent➤ Commercials shown either in the beginning or at the interval, when high attendance is not ensured
Magazines	<ul style="list-style-type: none">➤ Segmentation potential➤ Quality reproduction➤ High information content➤ Longevity➤ Multiple readers	<ul style="list-style-type: none">➤ Long lead time for ad placement➤ Visual only➤ Lack of flexibility

Newspapers	<ul style="list-style-type: none">➤ High coverage➤ Low cost➤ Sufficient time for placing ads➤ Advertisements can be placed in interest sections➤ Timely➤ Readers control exposure➤ Can be used for coupons	<ul style="list-style-type: none">➤ Short life➤ Clutter➤ Low attention-getting capabilities➤ Poor production quality➤ Selective reader exposure
Outdoor	<ul style="list-style-type: none">➤ Location specific➤ High repetition➤ Easily noticed	<ul style="list-style-type: none">➤ Short exposure time requires short ad➤ Poor image➤ Local restrictions
Direct mail	<ul style="list-style-type: none">➤ High selectivity➤ Reader controls exposure➤ High information content➤ Opportunity for repeat exposures	<ul style="list-style-type: none">➤ High cost/contact➤ Poor image (junk mail)➤ Clutter
Internet and Interactive Media	<ul style="list-style-type: none">➤ User selects product information➤ User attention and involvement➤ Interactive relationship➤ Direct selling potential➤ Flexible message platform	<ul style="list-style-type: none">➤ Limited creative capabilities➤ Web smurf (crowded access)➤ Technology limitations➤ Few valid measurement techniques➤ Limited reach
Mobile	<ul style="list-style-type: none">➤ A communication revolution➤ Reach not dependent on location➤ Reach the right target audience➤ Permission marketing possible➤ Emotional connotations➤ An all pervasive medium	<ul style="list-style-type: none">➤ Nuisance value➤ Intrusion in privacy➤ A possible health hazard➤ Literacy barrier

BUSINESS ADVERTISING IS OF THREE TYPES:

- Industrial Advertising, Trade Advertising, and Professional Advertising.

INDUSTRIAL ADVERTISING

Industrial advertising is meant for people who buy or influence the purchase of industrial goods and services. These goods and services are used in the manufacture of other products. Industrial goods include raw materials, machinery, equipments, semi manufactured goods, machine parts. Industrial products also include those things that are used to conduct business, i.e. office machines, desks, computers, file cabinets etc.

The industrial services include insurance, book keeping or accounting, and maintenance. These kinds of products and services are advertised mostly in business or specialized publications and sometimes in general mass publications also.

TRADE ADVERTISING

The second type of business advertising is trade advertising. Trade means the chain of organizations that manufactures and marketers use to reach the final consumers. These include the stockiest, wholesalers, dealers and retailers. Trade advertising is done to achieve greater distribution by expanding the existing chain of outlets and encouraging existing outlets to stock more of the products.

PROFESSIONAL ADVERTISING

Professional advertising, the third type of business advertising, is aimed at professionals like doctors, engineers, architects, teachers, lawyers etc. These advertisements appear in highly specialized professional journals. Professional advertising has three objectives:

- To convince professionals to buy particular brands of equipment or service for use in their work,

- To persuade professionals to use the product personally, and
- To encourage professionals to recommend or prescribe a specific product or service to their clients or patients.

ADVERTISING SPIRAL

The concept of advertising can be broken down into three specific stages. These stages refer to the advertising spiral. It is known as a spiral because in order to keep innovating, companies need to continually change their advertising methods based on these three stages and an unending spiral is created as their business grows and changes. Understanding this spiral can help companies create better ad campaigns and improve their overall advertising capabilities.

Pioneering

Pioneering advertising refers to new forms or new ways of getting across a marketing message. Most ad spots follow a basic formula. You show the product, establish a need in the consumer's mind and then illustrate how the product will solve that need. To give an example, the iconic "Head On" commercials, while mildly irritating, were pioneering. They stripped everything from their commercial and merely showed a person applying Head On directly to their forehead while repeating the phrase. It may have been different, but it definitely worked.

Competitive

Competitive advertising is based on showing how your product is better than your competitors as well as finding out how they market their products and improving upon their techniques. Examples of this form of advertising can be found in car commercials. Toyota will say that their vehicle gets better gas mileage than a Honda. This is a very simple illustration of how competitive advertising can be used to drive home a point to a consumer. The viewer says "Well, I want better gas mileage. Maybe I should think about getting a Toyota rather than a Honda."

Retentive

Retentive advertising may also be referred to as reminder advertising. This form of advertising can be used when a consumer is already well aware of the product being offered and does not need to be convinced to buy it. They already know about it and like it, but they may have forgotten to buy it lately. Excellent examples of this can be found with cereal commercials. We all know Cheerios exist and we like the flavor. We see an ad on television and are reminded of how good they taste so we buy them the next time we're in the store.

Advertising Basics and the Spiral

Now that the spiral is understood, you can see a basic outline of how it works. First, you pioneer with a new product or way of promoting an existing product. Then, you let consumers know how your product stacks up against the competition. Finally, you remind your market that your product is still out there. Once all of these stages have been completed, you start over in the process. This is a very important component of the basics of advertising and successfully marketing to consumers.

Advertising is praised but also criticized by critics in their own ways. Advertising has many positive impacts along with its negative pictures. As the President of American Association of Advertising Agencies, John O' Toole has described advertise is something else. It is not related to studies, but it educates. It is not a journalist but gives all information. And it is not an entertaining device but entertains everyone.

Now let's go through the economic and social aspects of advertising.

ECONOMIC ROLE OF ADVERTISING

Value of Products

The advertised products are not always the best products in the market. There are some unadvertised products also present which are good enough. But advertising helps increase value for the products by showing the positive image of the product which in turn helps convincing customers to buy it. Advertising educates consumers about the uses of the products hence increasing its value in minds of the consumers. For e.g. mobile phones were first considered as necessity but nowadays the cell phones come with number of features which makes them mode of convenience for consumers.

Effect on Prices

Some advertised products do cost more than unadvertised products but the vice versa is also true. But if there is more competition in the market for those products, the prices have to come down, for e.g., canned juices from various brands. Thus some professional like chartered accountants and doctors are not allowed to advertise.

But some products do not advertise much, and they don't need much of it and even their prices are high but they are still the leaders in market as they have their brand name. e.g., Porsche cars

Effect on consumer demand and choices

Even if the product is heavily advertised, it does not mean that the demand or say consumption rates will also increase. The product has to be different with better quality, and more variety than others. For E.g., Kellogg's cornflakes have variety of flavors with different ranges to offer for different age groups and now also for people who want to loose weight thus giving consumers different choices to select from.

Effect on business cycle

Advertising no doubt helps in employing more number of people. It increases the pay rolls of people working in this field. It helps collecting more revenues for sellers which they use for betterment of product and services. But there are some bad effects of advertisements on business cycle also. Sometimes, consumer may find the foreign product better than going for the national brand. This will definitely effect the production which may in turn affect the GDP of the country.

The economic aspects are supported by the Abundance Principle which says producing more products and services than the consumption rate which helps firstly keeping consumers informed about the options they have and secondly helps sellers for playing in healthy and competitive atmosphere with their self interest.

SOCIAL ROLE OF ADVERTISING

There are some positive and some negative aspects of advertising on the social ground. They are as follows.

Deception in Advertising

The relation between the buyers and sellers is maintained if the buyers are satisfied with what they saw in advertise and what they got after buying that product. If seller shows a false or deceptive image and an exaggerated image of the product in the advertisement, then the relation between the seller and buyers can't be healthy. These problems can be overcome if the seller keep their ads clean and displays right image of the product.

The Subliminal Advertising

Capturing the Minds of the consumers is the main intention of these ads. The ads are made in such a way that the consumers don't even realizes that the ad has made an impact on their minds and

this results in buying the product which they don't even need. But "All ads don't impress all consumers at all times", because majority of consumers buy products on basis of the price and needs.

Effect on Our Value System

The advertisers use puffing tactics, endorsements from celebrities, and play emotionally, which makes ads so powerful that the consumers like helpless preys buy those products.

These ads make poor people buy products which they can't afford, people picking up bad habits like smoking and drinking, and buy products just because their favorite actor endorsed that product. This affects in increased the cost of whole society and loss of values of our own selves.

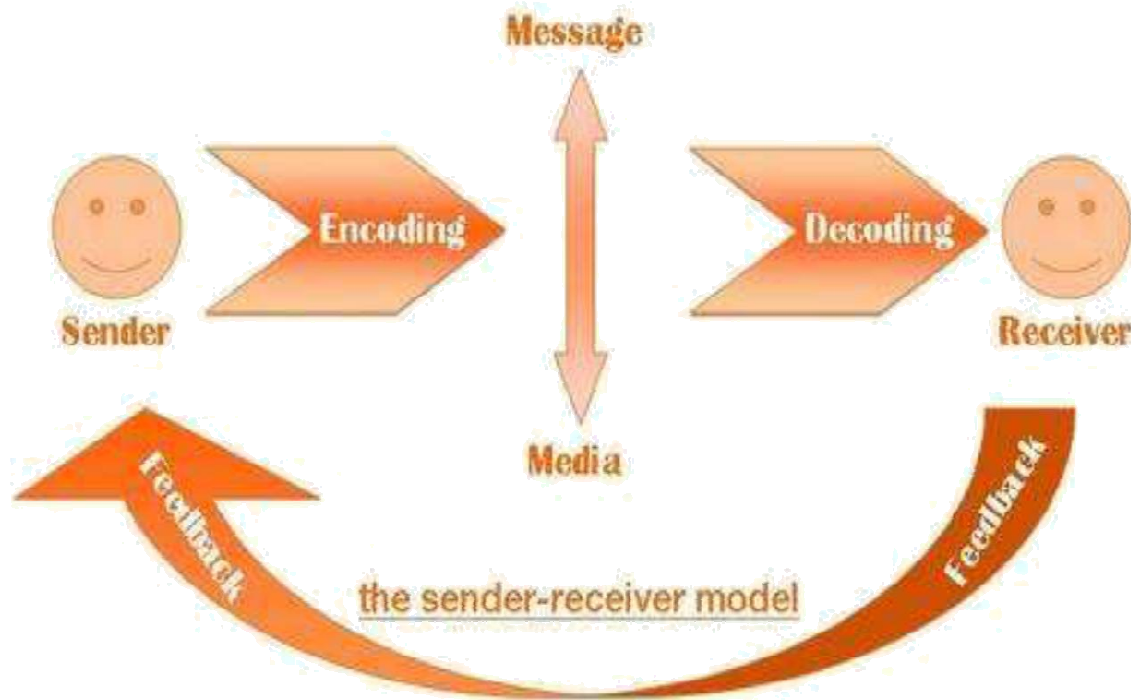
Offensiveness

Some ads are so offensive that they are not acceptable by the buyers. For example, the ads of denim jeans showed girls wearing very less clothes and making a sex appeal. These kinds of ads are irrelevant to the actual product. But then there is some ads which are educative also and now accepted by people. Earlier ads giving information about birth control pills was considered offensive but now the same ads are considered educative and important.

MARKETING COMMUNICATION MODELS

In the traditional manner, the communication between two humans involves a simple process which is as follows.

Sender —> Encoding —> Message —> Decoding —> Receiver



1) Sender and Receiver

In marketing communications, there are two main entities “Sender” and “Receiver”. The sender may be the company wanting to target the consumer group. The receiver is the consumer himself. There are several features which you need to know about the sender and receiver before the communication process begins, like their demographics, financial power and their compatibility. If a sender is a sports shoes maker, but the message is received by 60 years old customers, then the marketing communications may fail. The sender needs to know beforehand who the receiver of the message is going to be. This is why the process of segmentation targeting and positioning is done before marketing communications begins.

2) Encoding

The message needs to be bundled in the right format for the sender to send the appropriate message to the receiver. This is known as encoding. In marketing communications, this is where advertising agencies play an important role. Depending on the choice of the sender, the creative ad

agencies encode the message in the proper format. The format depends on the type of media vehicle being used to deliver the communication message. Thus, you will find that a radio message, a TV message or a print message are encoded differently as all of them have their own pros and cons. Whatever media vehicle / message format you may use, the focus message needs to be the same.

3) Message decisions

During marketing communications, there are various ways in which the message can be sent to the end customers. Television and print is known to have the highest retention and hence advertisers use them the most. Other than these 2, there is radio marketing, online marketing, out of home media, banner advertising, so on and so forth. Any of these media vehicles can carry your message. The important point here is that the message should reach to as large a target audience as possible. In the sales funnel, the more prospects you have the more would be the conversion rate. Thus the objective of a message is to reach as many prospects as possible. A proper message can immediately connect you with your target group, build a better brand positioning, and thereby give an immediate boost to your organization. Marketing communications messages can be of various types. Some of the normally used ones are

- Introducing a new product
- Creating awareness
- Building brand image
- Sales promotion offers
- Customer retention

A marketing message therefore needs to be altered on the basis of these three fundamental factors

a) Media vehicle to be used

b) What is the objective of the message

c) Which is the target group

4) Decoding

Decoding a message is not in the hands of the sender. It is instead done by the receiver. All the sender can do is encode the message as best as he can and ensure that it reaches the receiver. The receiver then decodes the message.

For example – If i show you a shoe in muddy water, some of you might not be interested in the image, some of you might think this is an advertising for the shoe, and some of you might get the message that i am trying to show a shoe which is water proof and easy to clean. Thus, if i am unable to get the message across to most of my audiences, than i fail as a marketer. I need to ensure that decoding of the message is as easy as possible for the receiver. This is the essence of Marketing communications. This is the reason why agencies such as O&M, Lowe lintas etc get such a high fee. Because their messages can be decoded easily by the end user and by the masses.

5) Receiver

The receiver is the one making the decision after decoding the message. In other words, the receiver is your end customer / prospect. Thus the receiver is a very important entity in the marketing communications process. Ideally, the receiver should act on the message he has received. Thus if your message was of a sales promotion, your receiver will go ahead and purchase the product. However, as in any situation, there are different variants of receivers. Some will completely ignore the message, some will use it for reference later and others will act on it.

To make sure that the receiver acts on the message, integrated marketing communications is used. The same message is sent in different formats through various media vehicles. The receiver receives the same message in differently encoded format and decodes it. This is why nowadays advertising frequency plays an important role in converting prospects to customers. As FMCG

companies have the maximum consumer interactions, they are known to use integrated marketing communications in the best manner.

6) Feedback

Nowadays, another factor which has been added to the marketing communications model is the feedback parameter. This is because taking feedback is gaining importance with the noise that happens due to too many products being advertised. Thus after an ad campaign for increasing awareness of a product, the company can take market feedback to know what percentage of target customers are aware of the new product. This feedback will tell the company whether its advertising strategy was right or wrong.

In the end, you have to understand that marketing communications is not just an interaction between the company and the end customer. Rather it involves the presence of numerous entities. Marketing communications is an art in itself. A significant amount of an organizations resources are used to ensure that the right message reaches the end customers and the end customer acts in a desired manner.

AIDA Model

Attention-Interest-Desire-Action

The acronym AIDA is a handy tool for ensuring that your copy, or other writing, grabs attention. The acronym stands for:

- Attention (or Attract).
- Interest.
- Desire.
- Action.

1. Attention/Attract

In our media-filled world, you need to be quick and direct to grab people's attention. Use powerful words, or a picture that will catch the reader's eye and make them stop and read what you have to say next.

2. Interest

This is one of the most challenging stages in the AIDA model: you've got the attention of a chunk of your target audience, but can you engage with them enough so that they'll want to spend their precious time understanding your message in more detail?

Gaining the reader's interest is a deeper process than grabbing their attention. They will give you a little more time to do it, but you must stay focused on their needs. This means helping him or her to pick out the messages that are relevant to him quickly – use bullets and subheadings, and break up the text to make your points stand out.

For more information on understanding your target audience's interests and expectations, and the context of your message, read our article on the Rhetorical Triangle.

3. Desire

The Interest and Desire parts of the AIDA model go hand-in-hand: as you're building the reader's interest, you also need to help her understand how what you're offering can help her in a real way. The main way of doing this is by appealing to her personal needs and wants.

Rather than simply saying, "Our lunchtime seminar will teach you feedback skills," explain to the audience what's in it for them: "Get what you need from other people, and save time and frustration, by learning how to give them good feedback."

4. Conviction

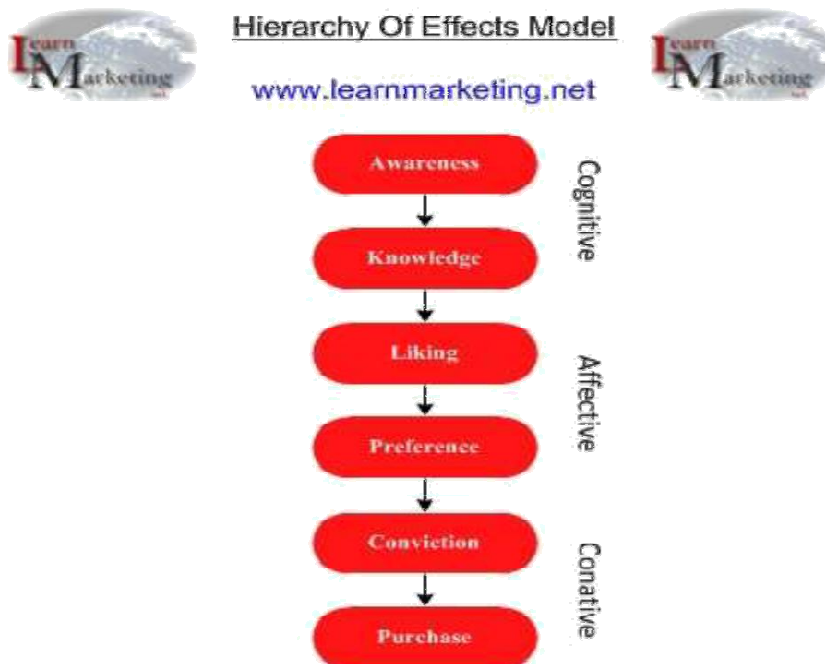
As hardened consumers, we tend to be skeptical about marketing claims. It's no longer enough simply to say that a book is a bestseller, for example, but readers will take notice if you state (accurately, of course!), that the book has been in the New York Times Bestseller List for 10 weeks, for example. So try to use hard data where it's available. When you haven't got the hard data, yet the product offering is sufficiently important, consider generating some data, for example, by commissioning a survey.

5. Action

Finally, be very clear about what action you want your readers to take; for example, "Visit www.mindtools.com now for more information" rather than just leaving people to work out what to do for themselves.

Awareness

HIERARCHY OF EFFECTS MODEL



The customer becomes aware of the product through advertising. This is a challenging step, there is no guarantee that the customer will be aware of the product brand after they view the advert. Customers see many adverts each day but will only remember the brand of a tiny fraction of products.

Knowledge

The customer begins to gain knowledge about the product for example through the internet, retail advisors and product packaging. In today's digital world this step has become more important as consumers expect to gather product knowledge at the click of a button. Consumers will quickly move to competitor brands if they do not get the information they want. The advertiser's job is to ensure product information is easily available.

Liking

As the title states, this step is about ensuring that the customer likes your product. As an advertiser what features can you promote to encourage the customer to like your product?

Preference

Consumers may like more than one product brand and could end up buying any one of them. At this stage advertisers will want the consumer to disconnect from rival products and focus on their particular product. Advertisers will want 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 test or sample the product. Examples of this are inviting consumers to take a car for a test drive or offering consumers a free sample of a food product. This reassures consumers that the purchase will be a safe one.

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.

PLANNING FRAMEWORK OF PROMOTIONAL STRATEGY.

1. Define your marketing goals.

The key here is to align your marketing goals with your overall business objectives. Understand marketing doesn't exist by itself in a vacuum. To be effective, make your goals as specific and concrete as possible. This will help you focus as well as to measure the results.

- **Build your brand or establish your thought leadership.** The aim is to position your product or company in the mind of your prospect.
- **Acquire and retain customers.** Over time, businesses lose customers for a wide range of reasons. Also, profitable customers become less profitable so that it's necessary for businesses to continually acquire new customers, retain their current customers and hopefully reactivate former customers.
- **Drive profitable sales.** While it may take multiple steps to grow your bottom line, each sale should contribute its share. This means that your revenues exceed your costs, at least in the long run.

2. Identify your audience.

Create a fully realized composite of your target market. This requires developing a marketing persona and a social media persona so that you can tailor your marketing to meet the needs of your audience.

Traditionally here are the three main attributes to define your audience.

- **Demographic traits.** These attributes include geographic location, age, financial resources, and so on. Be aware that only relying on this data may cause you to overlook other factors that cause individuals to make purchase tradeoffs.
- **Psychographic characteristics.** These focus on customers' interests and help marketers understand where their audience will make purchase tradeoffs.
- **Behavioral actions.** These factors examine the past and can overlook recent changes in customer behavior.

3. Create the offer.

Describe the specifics of your product and/or service. This goes beyond the basic offering and encompasses related information, branding and pricing that sets your offering apart from competitors and near substitutes. Use the following questions organized around the traditional four P's of marketing to help develop your offering. (Here's a detailed post outlining the total offer.)

Product:

- What's the product or service? How does it differ from competitors and new substitutes?
- What does the customer get in addition to the item, sometimes referred to as an augmented product? Are there extras, such as guarantees, ongoing support, and community?

Place:

- Where does the prospect engage with your firm, content and/or promotions?
- Where is the offer made, and at what point in purchase decision process?
- Where can the consumer buy your product/service? Do you provide more than one option?
- What channels do you use to continue to provide additional content and communications?

Promotion:

- Are there any special offers, incentives, time limits, or quantity limits?

- Where is the customer in purchase process? Where is the customer physically?
- How is the information delivered to the customer?

Pricing:

- How is the product or service priced? Is pricing consistent across channels? If not, is there a good reason? At least in the U.S., you don't want to be accused of discriminatory pricing.
- How do you sell additional products or services?

4. Develop your creative.

Broadly defined, creative relates to how your product/service is presented to prospects, customers and the public. It encompasses five distinct components.

- **Branding.** How your organization's branding is incorporated into your content, advertising, social media or other promotional piece? How is your brand positioned in the market place? (Here's help for developing your brand.)
- **Product benefits.** How does your offering meet your prospects' needs?
- **Media platform.** Since media-format specifics influence creative presentation, you must consider where the promotion is going to be distributed or shared. At a minimum, consider owned media, social media and third party media.
- **Call-to-action.** How does your promotion overcome customer inertia and close the deal?
- **Response channels.** How do customers purchase the product? Options include online, mobile retail, phone, mail, and fax.

5. Choose your channel (aka medium and/or format).

A combination of distribution and promotion are needed to ensure that your content or promotion reaches its maximum potential audience in a format that they find easy-to-consume including text,

photographs, video, audio or PDFs. The media used should be aligned with your business goals to reach the appropriate target audience. (Here's an outline and chart of these media types.)

- **Owned media.** These are platforms your organization owns. They generally reach your prospects and past customers since you have a way to contact them. This includes your website, blog, email list, and offline house file. Don't underestimate your owned media such as customer service emailings and shopping bags.
- **Third-party media.** It also known as paid media and refers to aggregated audiences owned by other media entities or companies. They generally require payment but can also include guest posts or list exchanges.
- **Social media.** These venues are useful for extending your reach. It can also provide an endorsement for your product or company.

6. Test your marketing.

Continually test various aspects of your marketing to maximize your results. Think holistically across the entire marketing process in terms of the four moments of truth. You need to keep optimizing your process to improve the bottom line. Further, run tests more than once to ensure results aren't flukes and understand that factors may change over time. For example, promotions wear out over time. Start by testing on the areas that have the largest impact on your sales process.

- **Target market.** Are there other customers who are interested in your product/service?
- **Offer.** Can you change the pricing of your product or its presentation?
- **Creative.** Is your content, advertising or communications connecting with your target audience?
Check the text, images, call-to-action and other elements.
- **Media.** Are you using the appropriate channel to communicate with your prospect? Are you employing a content format that's easy-to-consume?

- **Devices.** Are your marketing communications available on the type of devices your audience prefers? Think computer, smartphone, tablet and/or offline.

7. Determine your success metrics

You must assess your results to determine your marketing's effectiveness in achieving your intended goals. To this end, it's helpful if your goals are specific and measurable.

Part B Questions

1. Define Advertising
2. What is meant by advertising spiral?
3. Give the meaning of economic aspects of advertising?
4. Give the meaning of AIDA Model
5. What is meant by quick decision model?

Part C Questions

1. Explain the need and objectives of advertising?
2. Discuss the scope of advertising in detail
3. Explain the role of advertising in marketing mix?
4. Describe the stages of advertising spiral?
5. Discuss the marketing communication models?
6. Discuss the economics aspects of advertising with examples
7. Explain the social aspects of advertising in detail
8. Discuss the classification of advertising with suitable chart?

Unit II- Concept of associating feeling with brand

How advertising works - Exposure - Salience - Familiarity - Low involvement - Central route and Peripheral Route and Cognitive Learning - Positioning strategies - Associating feelings with a brand - Developing brand personality - Creating copy strategies - Rational and emotional approaches - Selection of an endorser - Creative strategy and style - Brand image - Execution - USP - Common touch and entertainment - Message design strategy - Format and formulae for presentation of appeals (slice of life, testimonials, etc.,) - Different types of copy - Art and layout of an advertisement - Principles of design - Layout stages - Difference in designing of television - Audio and print advertisement.

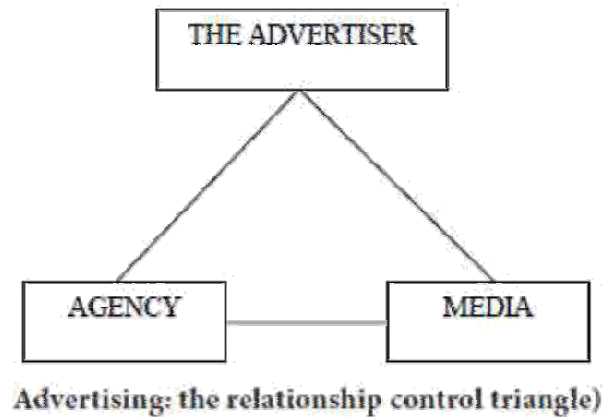
Meaning and Definition

An advertising agency is an independent organization set up to render specialized services in advertising in particular and in marketing in general. Advertising agencies started as space brokers for the handling of the advertisements placed in newspapers.

Over the years, the function of the agencies has changed. Their main job today is not to aid media but to serve advertisers.

ADVERTISING INDUSTRY

In advertising agency there are three-inter-relating groups - the advertiser, agency and media.



The advertising industry consists of three principal groups:

- (a) Sponsors;
- (b) Media; and
- (c) Advertising agencies or advertising departments.

Advertising agencies are of two basic types, viz., Independent; and House.

An independent agency is a business that is free to compete for and select its clients. A house agency is owned by its major client. A house agency is not completely free to serve other clients. The advertising department an integral part of the organization it serves. The advertising agency provides for the client a minimum of:

- (i) Media information, such as the availability of time and space
- (ii) Creative skills, such as “campaign planning” and “appeal planning” and
- (iii) Research capabilities, such as providing brand preference data.

ADVERTISING AGENCIES- THE INDIAN SCENARIO

As of 2004-05, there are 775 accredited advertising agencies in India, besides hundreds of smaller ones looking for accreditation to be engaged in national advertising. In order to get credit facilities and full agency discounts from the media, agencies need to get accreditation from the Indian Newspaper Society (INS).

A large number of newspapers are members of INS, which protects the interests of the newspapers that publish advertisements of several advertisers. In case advertisers do not release payment to the agency against advertisements placed in the media by the agency on their behalf or in case the agency receives money from the clients but fails to pay the media, the INS steps in. The complaints are registered with the INS, which looks into them and in extreme cases may even advise member of media organization to blacklist such advertisers of advertising agencies.

FUNCTIONS OF AN ADVERTISING AGENCY

The broad functions of an advertising agency are planning, preparing, and placing advertisements. Planning begins with the advertiser, also known as client in advertising parlance. The broad objectives of the advertising campaign are decided after talks with the client team during which the agency tries to find out about the various characteristics of the product and its strengths and weaknesses in relation to competitive brands. The people from the advertising agency should know about the client's sale volume, distribution channels, competitive edge, and consumer insights. After gathering insight about the brand, the agency is expected to be objective in its recommendation. Agencies are expected to verify the insights gathered from the client to be certain about various aspects of the product and related issues. It is here that the account planning team of the agency steps in to gather consumer insights, find out about the distribution chain, packaging and point of purchase,

and to study the advertising agencies of competing brands. All the information and insights put together give the advertising agency an idea about the job ahead.

This is followed by work on the 'big idea', visual inputs, and media strategy and options in the proposed campaign. The account executive is the facilitator among various specialist departments and the client. The media planning department within the agency or a media buying agency that works for the agency has to work closely with other specialist departments while deciding the media strategy and choice of media. Its recommendations must provide justification for the choice of certain media and should satisfy the client when they represent the agency in the presentation team.

PURPOSE OF ADVERTISING AGENCY

Most of the advertisers' use the services of advertising agencies. Advertisers can have more than one advertising agency for different services at any given time. They use advertising agencies for various purposes such as to:

- Advertise and counsel on marketing strategy.
- Advice and counsel on advertising and media strategy and tactics
- Prepare and develop print, outdoor and electronic advertisements.
- Carry out collateral design of various items such as display material, PoP material and other promotional material.
- Help and counsel on sales promotion and other communication task

TYPES OF ADVERTISING AGENCIES

Advertising agencies are of various types which are as follows

Full-Service Agencies

A full service agency provides whole range of services to clients, both advertising and non-advertising. Advertising services encompass planning, creating, and producing advertising campaigns, which broadly include account planning, research, creative services, media planning, and productions of advertising material for print, broadcast, and out-door media. Non-advertising functions may include public relations, making corporate identity plans, packaging, organizing fairs, exhibitions and training material, etc.

Some generic are even involved in their client's marketing processes, which may include distribution and suggesting marketing strategies for their products.

A La Carte Agencies

An a la carte agency is such type of agency where one can order according to their choice, can be had from a full service agency or small special outfits. Such outfits specialize in creative concepts, strategy development, media planning etc. Their services are used by small and medium-size agencies which may not be in a position to afford highly paid creative writers or media planners.. At times advertisers commission such outfits for their specialized services.

House Agencies

A house agency is an advertising agency established by a company to look after its advertising requirements. Keeping in view the accreditation, such agencies get media recognition, and are hence entitled to 15% commission on media billing, which becomes a sort of saving for the advertiser. With time, the agencies may start doing outside work also.

Infact, in the Indian context, two top agencies, viz, Lintas and Mudra communications, started as the house agencies of Hindustan Lever Ltd. and Reliance respectively.

Working with Advertising Agency

Some organization does not employ advertising agencies because they may be eligible for the media discount. Others feel that they can accomplish the advertising objectives more effectively than the agencies themselves. These marketers often employ their own advertising specialists. Various organizations use captive agencies that work primarily or solely for the organization.

Those organizations which do employ agencies are well-advised to establish a strong working relationship with them. It is especially important that the marketer fully inform the agency personnel of his marketing strategy and advertising objectives.

ADVANTAGE OF USING AGENCIES

1. The marketer gains a number of benefits by employing agencies. An agency generally has an invaluable experience in dealing with various advertising and marketing issues.
2. The lessons which agency learned in working with other clients are useful inputs for the marketer.
3. An agency may employ specialists in the various areas of preparation and implementation of advertising plans and strategies.
4. The personnel are not members of the marketer's management team. They bring objective and unbiased viewpoints to the solution of advertising and other marketing problems.
5. The discounts that the media offer to agencies are also available to advertisers. This is a strong stimulus to them to use an agency, for the media cost is not much affected thereby.
6. The company normally does not have as many types of specialists as a large or medium-sized advertising agency has because an agency can spread the costs or its staff over many clients. It can do more for the same amount of money.
7. The company can also get an objective, outside viewpoint from an agency, assuming that the agency representatives are not acting as "Yes man" in order to keep the advertiser's account.

8. A related point is that the company can benefit from the agency's experience with many other products and clients.

9. Another advantage is that agency feels a greater pressure than the company's own department to produce effective results. The relations between an agency and a client are very easy to terminate; but it is difficult to get rid of an ineffective advertising department.

10. The manner in which agencies are compensated, the use of an agency may not cost the advertiser a single paisa.

MAKING THE FINAL DECISION

When you judge the final agency work, keep the following points in mind:

If, despite your instructions, an expensive and glossy presentation has been produced, it is clear that the agency is desperate for business and is prepared to cut down on the service to existing clients in the hope of netting a new account.

A good example of glossy presentations going adrift was reported in Advertising Age, October 9, 1967. Trans World Airlines (TWA) decided to remain with Foote, Cone & Belding after hearing presentations from 17 other invited agencies. The magazine states:

“An executive from one of the losing shops said he was prepared for the gamble, but not for the reaction of one of his clients. The Client, believing reports that the TWA presentations set back the contending agencies by as much as one million dollars, asked his shop to invest a proportionate amount of money in a new campaign for his top product.

“He said, in effect, that we are spending this money to make a presentation for another account, and now we should spend some of his money to improve his advertising,” the advertising executive said.

Selecting an Agency

While selecting an advertising agency, the importance of compatibility should be borne in mind. An agency takes a long time to grasp the problems and accumulate the facts that are necessary for the smooth functioning of a client. Though this investment period is long, it pays rich dividends.

Therefore, an agency should not be frequently changed. Here are some points that can help the advertiser to:

- (i) Choose an agency; and
- (ii) Get the best out of an agency.

CHOOSING AN AGENCY

The agency should be able to think independently on various problems, and not solve them by pre-conceived notions which it is unwilling to change. The agency should have experience in selling goods and ideas. It should be able to bring in more results than anticipated. The company should be financially sound and should be able to cover both local and national advertising campaigns.

The size of the agency should not be seriously taken into account. A big agency is not necessarily better than a small agency.

The agency should not be one that hesitates to correct the advertiser if it feels that he is wrong.

The agency should be able to use both research and brains to solve problems.

An agency that plans to make profit on an account should be chosen, rather than one that maintains that it will work on a no-profit-no-loss basis.

Getting the Best Out of an Agency

- The agency should be given all possible information if good service is expected from it.
- The advertiser should go as far as possible to keep the agency on its toes.
- The agency should be challenged to produce results.

- Criticism, when it is handed out, should not be only unfavourable. It should also be favourable.
- Unnecessary details should not be fussed over.
- The advertiser should appoint a special person for liaison work between his company and the agency, and not expect the agency to contact the junior staff.
- The advertiser should allow the agency, where necessary, to break away from convention in its presentations.
- The agency should be paid extra, if it does any extra work.

ADVERTISING BUDGET STRATEGY

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

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

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

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

- (i) The effects of external variables such as population, or income, changes on economics conditions and competitive behaviour;
- (ii) Variations in the quality of advertising;
- (iii) Uncertainty as to the time-lag effect of advertising; and
- (iv) The effect of the firm's other marketing activities, such as product Improvement and stepped-up personal selling.

The above complexities make the companies resort to more than one method of determining the size of their advertising budget. Advertising Budget involves the allocation of a portion of the total marketing resources to the advertising function in a firm. The size of the budget allocation should be based on the potential contribution that advertising can make. Advertising budgeting should be based on a careful analysis of the opportunity for using advertising.

Marginal Analysis Approach

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

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

Marginal Analysis for Advertising Budgeting

(` in thousands)

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

This analysis assumed that the management desires to maximize the profit contribution from advertising. It is not feasible to spend on advertising in increments of less than `5,000. The net revenue refers to sales minus all the non-advertising costs which are based on a pre-determined non-advertising marketing mix. At lower levels of advertising (less than ` 5,000), the company cannot generate sufficient sales to cover all the costs. So, 5,000 represent the absolute minimum advertising budget for the company to make any profit at all.

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

Implementing the marginal analysis is a difficult task. Advertising is not the only factor affecting product performance. It is also difficult to predict the time pattern of the contribution, for it cannot be

assumed that advertising will have an immediate impact. All these factors make it difficult for us to assess precisely the net sales marginal revenues, or other performance contribution estimates.

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

ADVERTISING BUDGET ALLOCATION BY “RULE OF THUMB”

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

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

2. Advertising as a Percentage of Sales : Advertising Allocation = % ' ` Sales

A pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. But the question is - What is the relationship between advertising expenditure and sales revenue? Though it looks simple, it is not an effective way of achieving the objectives. Arbitrary percentage allocation fails to provide for the flexibility. This method ignores the real nature of the advertising job. It is not necessarily geared to the needs of the total marketing programme. But this method is widely used. Its wide use reflects the prevailing uncertainty about the measurement of advertising effectiveness. It is an easy way of minimizing the difficulties of annual budgeting

negotiations. It is also safe method as long as competitors use a similar method. The fixed sum per unit approach differs from the percentage of sales approach in only one respect that it applies a pre-determined allocation to each sales or production unit.

3. The Objective and Task Approach

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

(a) First, the organization must define the goals the promotional mix is to accomplish. For

example, a 5 per cent increase in market share, or a 10 per cent rise in gross sales, or a 3 per cent addition to net profit, or more likely, a combination of several items.

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

A crucial assumption underlies the objective and task approach is that the productivity of each advertising rupee is measurable. The task approach starts by asking what the objectives of the advertising campaign are. The "advertisability" of the product is more sharply defined. This approach requires that assumptions about media, copy, and all the other parts of a campaign be co-coordinated to achieve a specific set of objectives. The task approach has special merit in the introduction of a new product. The main problem with this approach is that it is not easy to determine the cost of fulfilling an objective or to decide whether an objective is worth fulfilling. The task method forces advertising managers to engage in advance planning.

4. Competitive Parity Approach

This approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry.

Meeting competition's budget does not necessarily relate to the objective of promotion and is inappropriate for most marketing programmes. It is a defensive approach. It assumes that the promotion needs of the organization are the same as those of its rival and makes it easy for analyzing the realities of its own competitive situation and to ignore the possibility of other strategies. But the needs will never be the same. It also assumes that budgets arrived at by competitors are correct, but they may have arrived at in a haphazard manner. Besides, their marketing strategies may also be different from our organization. Therefore, this method may be recommended only as a supplement to others. However, the imitate-competitors strategy is most applicable in industries where competition is in order to prosper and even to survive. In a way, is better than the per cent of sales method as it recognizes that the competition as a key element in marketing and promotes stable relationships. Competitive parity budgets can be determined in several ways; but all are based on spending approximately the same amount or percentage of sales as one's competitors. Some of the ways include:

- (a) Spend the same rupee amount on advertising as a major competitor does.
- (b) Spend the same percentage of sales on advertising as a major competitor does.
- (c) Spend the same percentage of sales on advertising as the average for the entire industry.
- (d) Use one of these "rules of thumb" in a particular market.

All these have one common characteristic, that is, the actions of competitors determine the company's advertising budget. But under this situation, a company faces several risks. Sufficient information may not be readily available to estimate the competitor's advertising budget. Such information is derived from secondary sources for some products than others. When only partial information can be obtained, such as expenditure on media, competitive parity may be misleading.

For example, a company introduces a new product to compete with a competitor's already established brand; the opportunity for advertising for these two brands would be entirely different.

5. All the Organization can Afford Approach

It involves the income statement and the balance sheet. It asks how much is available to the firm. This question is partially answered by anticipated sales and margins. The decisions based wholly on them ignore the requirements of the advertising. The basic weakness is that it does not solve the problem of "how much should we spend" by asking: "What can we profitably spend?" In some instance, companies adopt pricing policies or others strategies intended to yield more advertising rupees. Some may spend whatever rupees are available for promotion, the only limit being the firm's need for liquidity. This approach does ensure that advertising expenditures are assessed in the light of the profit objectives. It does put advertising in perspective with other corporate functions as contributors to the achievements of objectives.

6. By Using Judgment

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

made by experienced managers. Judgment is subject to error and bias. Other methods should supplement this technique.

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

ADVERTISING APPEALS:

An advertising appeal is anything that motivates a person to action. Human beings are called bundles of wants. A human being is a strange mix of hopes, ambitions, needs, interests, goals, etc., which motivate him. Various advertisements try to appeal to some of these manifold motives that force people to take action.

An advertising appeal is nothing but a promise of a benefit the advertised product will provide to the buyer. It is said that people do not just buy a product. They buy the promise or hope of achieving something or getting something through the product. For example, the possible promises or appeals for a home appliance could be - comfort, convenience, economy of installation, economy of operation, cleanliness, dependability and durability, safety, multiple operations, many and varied features, trouble free operation and smart looks. However, advertisers use only those appeals that:

- Are most important to the consumers,
- Are not used by competitors,
- Are specific to the brand.

Also three important characteristics need to be considered before selecting the appeals. The appeals need to be:

- Meaningful,

- Distinctive and
- Believable.

An appeal should answer the question 'what does this product or brand have to offer that the others (competitors) don't have'. This distinctiveness or difference from competing products should be conspicuous and demonstrable, so that it can be talked about and showed in the advertisement. The final characteristic of an appeal is believability. Consumers spend a lot of money and thus they are skeptical or doubtful about the usefulness of the product. They would buy the product only when they believe in the promises made. Sometimes advertisers try to solve this problem of skepticism or doubt by trial offers, guarantees, money back offers and similar assurances.

Sometimes a product has a distinct characteristic. This could be either a physical feature like size, shape, fragrance, weight, etc. Or a functional feature like how well it cleans, how well it works, how long it performs, how little maintenance it requires, etc. One of the problems faced by advertising people is not about finding the possible appeals for a product but selecting the most appropriate appeals that would attract the consumers. A lot of research is conducted by ad agencies to find out the most appropriate appeals.

An advertising appeal can be defined as the 'basic use, service, or satisfaction that the product can give and that the advertisement attempts to present to the customer as a reason to buy'. An advertising appeal represents the blending of two concepts - buying motives and selling points. These two elements are combined into a 'reason to buy'. This helps the prospective consumer relate to the product's benefits. Advertising appeals are usually of two types: emotional and rational. Sometimes moral appeals are used particularly in social advertising. Moral appeals are rarely used in commercial advertisements.

Emotional appeals: A comprehensive list of emotional appeals is given below:

- Ambition - Appetite
- Avoiding hard labour - Curiosity
- Duty - Entertainment
- Guilt - Happy home life
- Hero worship - Home comfort
- Personal Appearance - Security
- Possession - Romance
- Style and beauty - Sympathy for others
- Social recognition - Social approval
- Sports, etc.

The major rational appeals include:

- Cleanliness - Durability
- Economy of purchase - Economy of use
- Protection of others - Rest or sleep
- Safety - Variety of selection
- Dependability in quality - Health
- Dependability in use
- Efficiency on operation or use
- Enhancement of earnings
- Opportunity of more leisure time.

Rational appeals are directed at the consumer's practical and functional need for the product.

Emotional appeals, on the other hand, are directed at the consumer's psychological, social or symbolic needs. Both these types of appeals are used in a variety of combinations for different products and

situations. These appeals help in creating a personality for the product and also stimulating consumer interest, desirability and action.

ADVERTISING ORGANIZATION

The organizational structure of an advertising firm is changing, according to a survey by consultants Booz & Co., “Marketing Media Ecosystem 2010.” Advertising firms must extend their traditional organizational structures to meet their clients’ needs for digital media services and broader marketing support. As a result, agencies are collaborating with specialists to create virtual agencies that can offer clients the full service they require.

MANAGEMENT

The senior management team of an advertising firm is responsible for managing business aspects of the firm, including finance, strategic direction, human resources and new business development. Senior managers can come from a business or from a creative background, depending on the culture of the firm. Firms with a strong creative reputation may appoint a high-profile creative director to head the agency as part of its positioning in the industry. If a firm is part of an advertising group, senior managers are also responsible for relations with other group companies, according to Adbrands.

ACCOUNT MANAGEMENT

The account management team may include account directors, account executives and assistant account executives, depending on firm size. The account management team is responsible for maintaining relationships with clients and acting as the interface between agency creative and planning teams and the client. Account executives discuss clients’ requirements, agree on a budget

and prepare the advertising brief — a document that sets out the objectives, timing and marketing background for an advertising campaign.

ACCOUNT PLANNING

Account planners carry out research and develop strategies for advertising campaigns. Team members have a background in marketing or research. In larger firms, account planning is a separate function; in smaller firms, account executives take responsibility for campaign strategy and commission external market research, if necessary.

CREATIVE

The firm's team of copywriters, designers and creative directors prepare proposals for advertising campaigns in line with a client's brief. Different creative teams may work with specific clients or specialize in media such as television, press or interactive. According to Booz & Co., an increasing number of advertising firms are outsourcing work to creative specialists, particularly for campaigns involving digital or social media.

MEDIA

Media planners and buyers are responsible for selecting and buying space or time in the media where advertisements will appear, including press, television, radio, outdoor posters, Internet and other digital media. They carry out research into the media that provide the best coverage of the target audience at the lowest cost and negotiate rates with media owners. Based on their research, they prepare recommendations and produce schedules for the campaign.

PRODUCTION:

The production department provides project management expertise to take approved creative proposals through to finished advertisements. They coordinate with suppliers such as printers, video production companies and digital specialists to ensure that advertisements are ready in time for publication or broadcast dates.

SOCIAL EFFECTS OF ADVERTISING

- Ethics: These are moral principle & values that govern the actions & decisions of an individual or group Advertisement.
- Objections to Advertising Use of Sexual .Of Certain Products Appeals And/or Use of Shock Ads Nudity
- The Advertisement & Promotion Proponents Argue:• Provides Information• Encourages a higher standard of Living• Creates Jobs and Helps New Firms Enter a Market• Promotes competition in the Market place Critics Argue:• Creates Needs and Wants Among Consumers• Is More Propaganda Than Information• Promotes Materialism, Insecurity and Greed
- Some Ad of the bad taste Calvin Keller promotes their product with the base of sex adBenetton AdAIDS patient & Family member before his death Perist Kissing nunAd of Death Row
- Childrens TV Watching Behavior: Children between ages 2-11 watch on average 21.5 hours of TV per week and may see 22,000 commercials per yearTelevision is an important source of information for children about products

- Does Advertising Make People Buy Things they Don't Need? Does Advertising Encourage Materialism? Is Advertising Just A Reflection of Society?
- Portrayal of Women to Reflect their Changing Role in Society• Portrayal of Women As Sex Objects• Ethnic Stereotyping• Gender Stereotyping
- Ethnic Stereotyping/Representation of Minorities
- Ethnic Stereotyping/Representation of Minorities

ADVERTISING- ITS IMPACT ON SOCIETY

- Every time you switch on the TV and you will see some products being pushed on you with some assurance. This is advertising. Your mind is being sold to these advertisers. Advertising is the promotion of product or services. This gives companies a way to expose their products to people and hence maximize their sales. With out advertisement not a single firm or company can grow in this world of competition.
- Advertising is the mostly debated topic now. Like every other thing it has also some positive as well some negative points. If it has some positive aspect of social and economical impact on society then it do have some negative impact also. Advertising a public welfare program has positive social impact whereas exposing woman in an advertisement has negative impact on society.
- Advertising is a mass marketing technique. Assorted techniques are used for advertising which persuades the consumers that why they need the product which is being advertised. They focus more on the benefits, which consumer will get from that product, rather than the product itself. Through advertising, products can be known to public easily. They can decide which product they need and why. Thus increasing the consumption and as a result also increasing the demand of the product.

- Advertising can also be used to generate awareness among public that which product they use and to which product they can say no. It can also be used to educate people about certain diseases or danger (example: - AIDS, TB, viral diseases, etc.). Even the backward people are now aware of many diseases and their problems. And all these credits goes to proper advertising. Diseases like Polio could never been controlled if the timings for polio drops aren't advertised regularly.
- Advertising can also be used to inform public about social events like concerts and performances. Charities can use media to advertise about the illnesses and encourage people for donations. Social organizations and NGOs can use the mean of advertisement for promoting their campaigns. Seeking help through advertisement during epidemics or natural calamities can help a lot.
- There are also various blames that advertising is causing negative social impact on lives. Even if advertising has a vast good impacts on society, it can be ruled out that is has bad impact also. It plays with the emotions of general public and encourages them to think that buying and depleting are the activities of life. Advertising posters of modern films, where sexuality is shown much than the actual theme of the movie, can divert the society a lot. Materialism is being much glorified through advertisements, which can again have dangerous consequences Society is becoming ignorant towards social or world issues because we are too obsessed to satisfy our newly created needs. We want to earn more and more money so that we can buy happiness in forms of products, being advertised as they can bring all the happiness in our lives. We are starving for material goals, because we always just want to have more.

So, we can say that advertising has positive as well as negative impact on society. The balance, of what is necessary and what really not needed should be focused more. Advertisement can create contentment but can also simultaneously create discontentment. Our society and the marketing of products depend so badly on advertisement that even its negative impact on society can't outweigh the many positive social and economical effects.

COPY WRITING

Copy writing is a specialized form of communicating ideas that are mean to serve the requirements of modern marketing. It helps in establishing links between advertisers and their prospect. It utilizes words to convey messages having commercial, informative or persuasive value through various media and its success is indicated by the acceptance by the audience of the idea or claims made for goods or services. The results come from what words convey in terms of benefits and satisfaction. e.g., advertisement for prestige pressure cooker highlights the gasket release system which makes the new prestige pressure cooker the only 100 percent safe pressure cooker made in India.

Copy writing, illustrating, and lay out are different activities associated with the creative stage of advertising development and are usually done by different people who specialize in one or the other. Copy writing in print is the activity of actually putting words to paper, particularly those contained in the main body of the text, but also including attendant bylines and headlines. In broadcast, the copywriter is is, in effect, a script writer who develops the scenario or script to be used in a radio or television medium; writing a jingle, or the lyrics for the music, may also be involved. Illustrating is usually the work of an artist in the case of television. Layout generally refers to the activity of bringing all the pieces together and, it differs in case of print and broadcast. John Caples in his book, he develops a checklist of important guidelines for copywriting:

1. Cash in on your personal experience

2. Organize your experience
3. Write from the heart
4. Learn from the experience of others
5. Talk with the manufacturer
6. Study the report
7. Review previous advertising for the product
8. Study competitors' ads.
9. Study testimonials from the customers
10. Solve the prospect problem
11. Put your subconscious mind to work
12. "Ring the changes" on a successful idea

STRATEGY IN COPY WRITING

A copy writer performs a highly responsible role of fully understanding the market strategy and integrating it, through creative strategy, in the copy. The job also involves coordination with visualizes for bringing in suitable illustrations which will highlight the effect of the copy and make it appealing and completely comprehensible. A copy writer must, therefore, be totally familiar with the marketing goals of the advertiser and specific advertising objectives.

CRITERIA FOR EFFECTIVE COPY

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

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

(d) convince persuade, and induce to purchase the product, and (e) suggest and lead to specific response to encourage the decision to buy.

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

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

- (1) Attention Value,
- (2) Suggestive Value,
- (3) Memorising Value,
- (4) Conviction Value,
- (5) Sentimental Appeal Value
- (6) Educational Value,
- (7) Instinctive Value

ATTENTION VALUE

An advertisement copy must attract the attention of potential consumers. If it fails in this mission, the whole money and efforts will go waste though it possess all other values because everything else follows this. So, it must have display value. The copy should be planned, drafted and displayed in such a way that it must compel even the most casual or involuntary reader to notice it and read it

\with interest. It should be designed in such a fashion that the attention of busiest person may be drawn immediately.

Various device can be used to make the copy attractive such as; use of pictures, use of display type or heading, boarder etc.

SUGGESTIVE VALUE

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

MEMORISING VALUE

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

CONVICTION VALUE

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

SENTIMENTAL VALUE

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

EDUCATIONAL VALUE

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

INSTINCTIVE APPEAL VALUE

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

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

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

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

c) Parental Instinct – Parental instinct takes the form of love and affection for the children. Those advertisers who deal in children requirements like garments, toys baby food may promote this instinct

in parents i.e., motherly feelings of women or parental sentiments of men through their advertisement copy.

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

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

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

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

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

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

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

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

(vi) **Fear** – Themes stressing the fear of death, accident personal loss through burglary frenetic and other untoward happenings in life are generally used by insurance companies or banking companies.

The traffic police uses this theme in their notes of caution i.e., life is short don't make it shorter'

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

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

(ix) **Achievement** – This theme is used generally by large concerns engaged in the production of goods necessary for the development of country's economy.

(x) **Emulation and Imitation** – This theme is used where people buy more not to satisfy their genuine requirement, but as their neighbors happen to possess them.

Thus, a good advertisement copy must possess the above qualities to make it an ideal advertisement.

CLASSIFICATION OF COPY

It is true that copywriting is an art and the copywriter has a very important role to play in advertising creativity. Copywriting does not admit any stereotyped rules and classification. There are various styles in which a copy can be prepared and presented. The following types of copy may be studied-

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 specialty 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

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.

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.

4. Topical Copy

Herein an attempt is made to appeal to the general public by linking the theme of the copy with some current event but it should not look absurd. It commands a good deal of interest because of that sensational event which lives in the minds of the public.

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 merchandise with the tests performance and records testimonials, guarantees or construction data.

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, hear, 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.

As emotions are many and always known it may be made more exciting and artful than reason why copy. It affords a refreshing change. Human interest copy can take various forms:-

(a) Humorous Copy - It exploits the sense of humor of the people. All examples and statements in such copy are fully to make the reader smile and laugh.

b) 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 readers' minds with the advertiser's product of business life

Insurance Corporation General Insurance Companies and Bank generally use this type of copy.

(c) Story Copy - In such a copy a story is narrated in a very interesting manner to create an impression in the minds of the people about the product. Its ability to create interest depends upon dramatic impact it produces. Experience of customers can also be narrated in the story.

(d) 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.

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 such influential person.

9. Prestige Copy

This pattern is usually for 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.

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; it is the duty of every producer or advertiser to tell everything relevant about the product to the public in such a manner that it may get a warm welcome among customers. Such an advertisement copy depicts the specialties to the product category. The advertiser may insist only one or two attributes of the product which is more sensational 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.

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.

12. Expository Copy

Just opposite of suggestive copy is 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 makes it quite easy to remember or to pick – up.

MEASURING ADVERTISING EFFECTIVENESS

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising.

As soon as the advertising campaign is over, a need generally arises to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer' behaviour in favour of the company's product which will naturally, affect the future sale of the product.

In order to measure the effectiveness of advertising copy, two types of tests- pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of the following ways – (a) by giving different addresses to different media, (b) different newspapers may be selected for advertisements of different departments, (c) coupon blank etc. May be provided with the advertisement or (d) enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising.

Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media

ELEMENTS OF COPY WRITING

1. Headline
2. Subheadline
3. Body Copy
4. Illustration
5. Signature

All elements must blend together so that the elements of balance, unity, and flow are established.

Sub headlines smaller headline that amplifies the main point of a headline, making it possible to keep the headline short

- Acts as a breaker between the headline and the body copy.
- Takes the reader directly from the headline to the body copy and/or illustration.

HEADLINES: The primary purpose of the headline is to command the reader's attention.

Headlines have five times the readership of body copy. (David Ogilvy, legendary adman)

- Promise-of benefit
- Curiosity
- Question
- News
- Command

SUB HEADLINES: Smaller headline that amplifies the main point of a headline, making it possible to keep the headline short

- Acts as a breaker between the headline and the body copy.
- Takes the reader directly from the headline to the body copy and/or illustration.

BODY COPY: Informative or persuasive prose that elaborates on the central theme of the ad

- It is the payoff or proof of the promise
- How much body copy is needed is always an issue
- Several types of body copy commonly used:
- Reason-why copy
- Dialogue copy

- Narrative copy

ILLUSTRATION

Illustration can be in the form of charts, graphs, or graphics. Integrating an appealing graphic with copy can enhance the overall feel and appearance of your copy.

COPY TEST

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

- (a) Will a proposed copy theme be effective at achieving advertising objectives?
- (b) Does the set of advertisings that makes up an advertising campaign create the desired interest level and image? And
- (c) Will an individual advertisement attract the attention of the audience?

METHODS OF COPY TESTING

The various methods of testing advertising copy are

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

PRE-TEST METHODS

Pre-test method refers to testing the potentiality of a message or copy before printing or broadcasting. It is useful because the concepts in advertising may appear to be simple and effective to the advertiser or advertising agency. It may be difficult from the layman's point of view. All the elements in the advertising copy requires careful pre-testing to see that the matter it intends to be conveyed has been

really conveyed, 'prevention is better than cure'. Pre testing methods are adopted on this basis. The following are some of the pretesting methods.

- a. Check list method
- b. Consumer Jury method
- c. Sales Area Test
- d. Questionnaire
- e. Recall test
- f. Reaction test
- g. Readability test
- h. Eye-movement test

a. Checklist Method

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

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

b. Consumer Jury Method

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

c. Sales Area Test

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

d. Questionnaire Method

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

e. Recall Test Method

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

f. Reaction Test

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

g. Readability Test

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

h. Eye Movement Test

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

POST-TEST TECHNIQUES

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

1) Recognition Test

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

The data collected by this test indicate the proportion of qualified readership of a publication who claims to have 'seen', 'read some' or 'read most of the elements of the individual advertisement.

These measurements may also seek to obtain quantitative data regarding the parts of an advertisement which were seen or heard.

2) Recall or Impact Test

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

3) Psychological Analysis

The whole process of advertising is psychological in character. It is therefore, natural to apply some psychological tests to measure the effectiveness of the advertising. Four psychological testing techniques are most commonly used –

- (a) Tests of readability and comprehension;
- (b) Tests of believability
- (c) Attitude tests; and
- (d) Triple Associates Test.

(a) Tests of Readability and Comprehension

In this technique, by means of a series of penetrating questions and by other techniques developed by psychologists, the ease of readability and comprehension is determined, in advance of publication. It

is determined by the interviewer under this method whether and to what extent the readers have gone through the advertisement.

(b) Tests of Believability

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

(c) Attitude Tests

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

Typical consumers are exposed to sample advertising messages, either printed or oral.

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

(d) Triple Hostility Tests

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

CONCURRENT METHODS

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

1. Consumer diaries
2. Co-incidental surveys and
3. Electronic devices.

1. Consumer Diaries

Under this method, diaries are supplied to a few selected customers. They are also informed to record the details of advertisements they listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

2. Co-Incidental Surveys

This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme.

The data obtained and analyzed will give a picture about the effectiveness of an advertisement.

3. Electronic Devices

Now a day's electronic devices are widely used to measure the effectiveness of an advertisement.

They are mainly used in broadcast media. These are auto meters, track electronic units etc. The

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

Historical method and

II. Experimental method

I. Historical Method

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

II. Experimental Method

Under this method, the entire sales territory is divided into three or four sub-areas. The advertiser spent different amount for advertising in different areas. They collect facts regarding sales from these sub-areas. The result is used to measure the effectiveness of advertisement in boosting sales. Following the result obtained, the advertiser prepares his advertising budget for future action. An advertiser has to adopt some follow up measures to increase the effectiveness of advertisement. For this consumers may be contacted through direct mail after the advertisement is placed.

POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define Cognitive Learning
2. List out any two positioning strategies?
3. What is meant by brand image?
4. Give the meaning of advertisement layout
5. What is meant by associating feeling with a brand?

PART C – 8 Marks

1. Discuss the positioning strategies with suitable chart?
2. Explain the rational and emotional approaches of brand?
3. How to create copy strategy? discuss
4. Briefly explain different type of copy
5. Enumerate the principles of layout design?

Unit II- Concept of associating feeling with brand

How advertising works - Exposure - Salience - Familiarity - Low involvement - Central route and Peripheral Route and Cognitive Learning - Positioning strategies - Associating feelings with a brand - Developing brand personality - Creating copy strategies - Rational and emotional approaches - Selection of an endorser - Creative strategy and style - Brand image - Execution - USP - Common touch and entertainment - Message design strategy - Format and formulae for presentation of appeals (slice of life, testimonials, etc.,) - Different types of copy - Art and layout of an advertisement - Principles of design - Layout stages - Difference in designing of television - Audio and print advertisement.

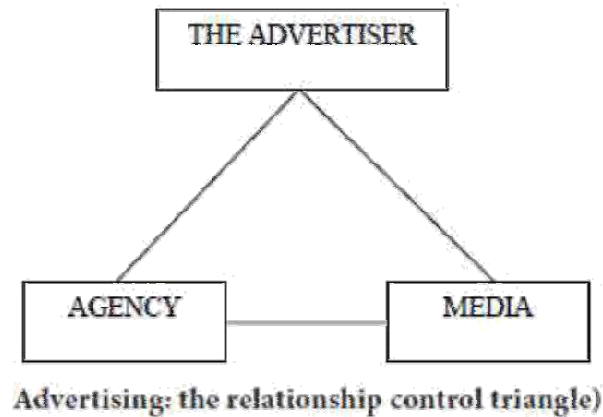
Meaning and Definition

An advertising agency is an independent organization set up to render specialized services in advertising in particular and in marketing in general. Advertising agencies started as space brokers for the handling of the advertisements placed in newspapers.

Over the years, the function of the agencies has changed. Their main job today is not to aid media but to serve advertisers.

ADVERTISING INDUSTRY

In advertising agency there are three-inter-relating groups - the advertiser, agency and media.



The advertising industry consists of three principal groups:

- (a) Sponsors;
- (b) Media; and
- (c) Advertising agencies or advertising departments.

Advertising agencies are of two basic types, viz., Independent; and House.

An independent agency is a business that is free to compete for and select its clients. A house agency is owned by its major client. A house agency is not completely free to serve other clients. The advertising department an integral part of the organization it serves. The advertising agency provides for the client a minimum of:

- (i) Media information, such as the availability of time and space
- (ii) Creative skills, such as “campaign planning” and “appeal planning” and
- (iii) Research capabilities, such as providing brand preference data.

ADVERTISING AGENCIES- THE INDIAN SCENARIO

As of 2004-05, there are 775 accredited advertising agencies in India, besides hundreds of smaller ones looking for accreditation to be engaged in national advertising. In order to get credit facilities and full agency discounts from the media, agencies need to get accreditation from the Indian Newspaper Society (INS).

A large number of newspapers are members of INS, which protects the interests of the newspapers that publish advertisements of several advertisers. In case advertisers do not release payment to the agency against advertisements placed in the media by the agency on their behalf or in case the agency receives money from the clients but fails to pay the media, the INS steps in. The complaints are registered with the INS, which looks into them and in extreme cases may even advise member of media organization to blacklist such advertisers of advertising agencies.

FUNCTIONS OF AN ADVERTISING AGENCY

The broad functions of an advertising agency are planning, preparing, and placing advertisements. Planning begins with the advertiser, also known as client in advertising parlance. The broad objectives of the advertising campaign are decided after talks with the client team during which the agency tries to find out about the various characteristics of the product and its strengths and weaknesses in relation to competitive brands. The people from the advertising agency should know about the client's sale volume, distribution channels, competitive edge, and consumer insights. After gathering insight about the brand, the agency is expected to be objective in its recommendation. Agencies are expected to verify the insights gathered from the client to be certain about various aspects of the product and related issues. It is here that the account planning team of the agency steps in to gather consumer insights, find out about the distribution chain, packaging and point of purchase,

and to study the advertising agencies of competing brands. All the information and insights put together give the advertising agency an idea about the job ahead.

This is followed by work on the 'big idea', visual inputs, and media strategy and options in the proposed campaign. The account executive is the facilitator among various specialist departments and the client. The media planning department within the agency or a media buying agency that works for the agency has to work closely with other specialist departments while deciding the media strategy and choice of media. Its recommendations must provide justification for the choice of certain media and should satisfy the client when they represent the agency in the presentation team.

PURPOSE OF ADVERTISING AGENCY

Most of the advertisers' use the services of advertising agencies. Advertisers can have more than one advertising agency for different services at any given time. They use advertising agencies for various purposes such as to:

- Advertise and counsel on marketing strategy.
- Advice and counsel on advertising and media strategy and tactics
- Prepare and develop print, outdoor and electronic advertisements.
- Carry out collateral design of various items such as display material, PoP material and other promotional material.
- Help and counsel on sales promotion and other communication task

TYPES OF ADVERTISING AGENCIES

Advertising agencies are of various types which are as follows

Full-Service Agencies

A full service agency provides whole range of services to clients, both advertising and non-advertising. Advertising services encompass planning, creating, and producing advertising campaigns, which broadly include account planning, research, creative services, media planning, and productions of advertising material for print, broadcast, and out-door media. Non-advertising functions may include public relations, making corporate identity plans, packaging, organizing fairs, exhibitions and training material, etc.

Some generic are even involved in their client's marketing processes, which may include distribution and suggesting marketing strategies for their products.

A La Carte Agencies

An a la carte agency is such type of agency where one can order according to their choice, can be had from a full service agency or small special outfits. Such outfits specialize in creative concepts, strategy development, media planning etc. Their services are used by small and medium-size agencies which may not be in a position to afford highly paid creative writers or media planners.. At times advertisers commission such outfits for their specialized services.

House Agencies

A house agency is an advertising agency established by a company to look after its advertising requirements. Keeping in view the accreditation, such agencies get media recognition, and are hence entitled to 15% commission on media billing, which becomes a sort of saving for the advertiser. With time, the agencies may start doing outside work also.

Infact, in the Indian context, two top agencies, viz, Lintas and Mudra communications, started as the house agencies of Hindustan Lever Ltd. and Reliance respectively.

Working with Advertising Agency

Some organization does not employ advertising agencies because they may be eligible for the media discount. Others feel that they can accomplish the advertising objectives more effectively than the agencies themselves. These marketers often employ their own advertising specialists. Various organizations use captive agencies that work primarily or solely for the organization.

Those organizations which do employ agencies are well-advised to establish a strong working relationship with them. It is especially important that the marketer fully inform the agency personnel of his marketing strategy and advertising objectives.

ADVANTAGE OF USING AGENCIES

1. The marketer gains a number of benefits by employing agencies. An agency generally has an invaluable experience in dealing with various advertising and marketing issues.
2. The lessons which agency learned in working with other clients are useful inputs for the marketer.
3. An agency may employ specialists in the various areas of preparation and implementation of advertising plans and strategies.
4. The personnel are not members of the marketer's management team. They bring objective and unbiased viewpoints to the solution of advertising and other marketing problems.
5. The discounts that the media offer to agencies are also available to advertisers. This is a strong stimulus to them to use an agency, for the media cost is not much affected thereby.
6. The company normally does not have as many types of specialists as a large or medium-sized advertising agency has because an agency can spread the costs or its staff over many clients. It can do more for the same amount of money.
7. The company can also get an objective, outside viewpoint from an agency, assuming that the agency representatives are not acting as "Yes man" in order to keep the advertiser's account.

8. A related point is that the company can benefit from the agency's experience with many other products and clients.

9. Another advantage is that agency feels a greater pressure than the company's own department to produce effective results. The relations between an agency and a client are very easy to terminate; but it is difficult to get rid of an ineffective advertising department.

10. The manner in which agencies are compensated, the use of an agency may not cost the advertiser a single paisa.

MAKING THE FINAL DECISION

When you judge the final agency work, keep the following points in mind:

If, despite your instructions, an expensive and glossy presentation has been produced, it is clear that the agency is desperate for business and is prepared to cut down on the service to existing clients in the hope of netting a new account.

A good example of glossy presentations going adrift was reported in Advertising Age, October 9, 1967. Trans World Airlines (TWA) decided to remain with Foote, Cone & Belding after hearing presentations from 17 other invited agencies. The magazine states:

"An executive from one of the losing shops said he was prepared for the gamble, but not for the reaction of one of his clients. The Client, believing reports that the TWA presentations set back the contending agencies by as much as one million dollars, asked his shop to invest a proportionate amount of money in a new campaign for his top product.

"He said, in effect, that we are spending this money to make a presentation for another account, and now we should spend some of his money to improve his advertising," the advertising executive said.

Selecting an Agency

While selecting an advertising agency, the importance of compatibility should be borne in mind. An agency takes a long time to grasp the problems and accumulate the facts that are necessary for the smooth functioning of a client. Though this investment period is long, it pays rich dividends.

Therefore, an agency should not be frequently changed. Here are some points that can help the advertiser to:

- (i) Choose an agency; and
- (ii) Get the best out of an agency.

CHOOSING AN AGENCY

The agency should be able to think independently on various problems, and not solve them by pre-conceived notions which it is unwilling to change. The agency should have experience in selling goods and ideas. It should be able to bring in more results than anticipated. The company should be financially sound and should be able to cover both local and national advertising campaigns.

The size of the agency should not be seriously taken into account. A big agency is not necessarily better than a small agency.

The agency should not be one that hesitates to correct the advertiser if it feels that he is wrong.

The agency should be able to use both research and brains to solve problems.

An agency that plans to make profit on an account should be chosen, rather than one that maintains that it will work on a no-profit-no-loss basis.

Getting the Best Out of an Agency

- The agency should be given all possible information if good service is expected from it.
- The advertiser should go as far as possible to keep the agency on its toes.
- The agency should be challenged to produce results.

- Criticism, when it is handed out, should not be only unfavourable. It should also be favourable.
- Unnecessary details should not be fussed over.
- The advertiser should appoint a special person for liaison work between his company and the agency, and not expect the agency to contact the junior staff.
- The advertiser should allow the agency, where necessary, to break away from convention in its presentations.
- The agency should be paid extra, if it does any extra work.

ADVERTISING BUDGET STRATEGY

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

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

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

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

- (i) The effects of external variables such as population, or income, changes on economics conditions and competitive behaviour;
- (ii) Variations in the quality of advertising;
- (iii) Uncertainty as to the time-lag effect of advertising; and
- (iv) The effect of the firm's other marketing activities, such as product Improvement and stepped-up personal selling.

The above complexities make the companies resort to more than one method of determining the size of their advertising budget. Advertising Budget involves the allocation of a portion of the total marketing resources to the advertising function in a firm. The size of the budget allocation should be based on the potential contribution that advertising can make. Advertising budgeting should be based on a careful analysis of the opportunity for using advertising.

Marginal Analysis Approach

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

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

Marginal Analysis for Advertising Budgeting

(` in thousands)

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

This analysis assumed that the management desires to maximize the profit contribution from advertising. It is not feasible to spend on advertising in increments of less than `5,000. The net revenue refers to sales minus all the non-advertising costs which are based on a pre-determined non-advertising marketing mix. At lower levels of advertising (less than ` 5,000), the company cannot generate sufficient sales to cover all the costs. So, 5,000 represent the absolute minimum advertising budget for the company to make any profit at all.

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

Implementing the marginal analysis is a difficult task. Advertising is not the only factor affecting product performance. It is also difficult to predict the time pattern of the contribution, for it cannot be

assumed that advertising will have an immediate impact. All these factors make it difficult for us to assess precisely the net sales marginal revenues, or other performance contribution estimates.

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

ADVERTISING BUDGET ALLOCATION BY “RULE OF THUMB”

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

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

2. Advertising as a Percentage of Sales : Advertising Allocation = % ' ` Sales

A pre-determined percentage of the firm's past sales revenue (or projected sales revenue) is allocated to advertising. But the question is - What is the relationship between advertising expenditure and sales revenue? Though it looks simple, it is not an effective way of achieving the objectives. Arbitrary percentage allocation fails to provide for the flexibility. This method ignores the real nature of the advertising job. It is not necessarily geared to the needs of the total marketing programme. But this method is widely used. Its wide use reflects the prevailing uncertainty about the measurement of advertising effectiveness. It is an easy way of minimizing the difficulties of annual budgeting

negotiations. It is also safe method as long as competitors use a similar method. The fixed sum per unit approach differs from the percentage of sales approach in only one respect that it applies a pre-determined allocation to each sales or production unit.

3. The Objective and Task Approach

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

(a) First, the organization must define the goals the promotional mix is to accomplish. For

example, a 5 per cent increase in market share, or a 10 per cent rise in gross sales, or a 3 per cent addition to net profit, or more likely, a combination of several items.

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

A crucial assumption underlies the objective and task approach is that the productivity of each advertising rupee is measurable. The task approach starts by asking what the objectives of the advertising campaign are. The "advertisability" of the product is more sharply defined. This approach requires that assumptions about media, copy, and all the other parts of a campaign be co-coordinated to achieve a specific set of objectives. The task approach has special merit in the introduction of a new product. The main problem with this approach is that it is not easy to determine the cost of fulfilling an objective or to decide whether an objective is worth fulfilling. The task method forces advertising managers to engage in advance planning.

4. Competitive Parity Approach

This approach ties its budget to the rupees or percentage of sales expended by its competitions. This approach tries to match the competitor's outlays and meet competition either on absolute or relative basis. It involves an estimate of industry advertising for the period and the allocation of an amount that equal to its market share in the industry.

Meeting competition's budget does not necessarily relate to the objective of promotion and is inappropriate for most marketing programmes. It is a defensive approach. It assumes that the promotion needs of the organization are the same as those of its rival and makes it easy for analyzing the realities of its own competitive situation and to ignore the possibility of other strategies. But the needs will never be the same. It also assumes that budgets arrived at by competitors are correct, but they may have arrived at in a haphazard manner. Besides, their marketing strategies may also be different from our organization. Therefore, this method may be recommended only as a supplement to others. However, the imitate-competitors strategy is most applicable in industries where competition is in order to prosper and even to survive. In a way, is better than the per cent of sales method as it recognizes that the competition as a key element in marketing and promotes stable relationships. Competitive parity budgets can be determined in several ways; but all are based on spending approximately the same amount or percentage of sales as one's competitors. Some of the ways include:

- (a) Spend the same rupee amount on advertising as a major competitor does.
- (b) Spend the same percentage of sales on advertising as a major competitor does.
- (c) Spend the same percentage of sales on advertising as the average for the entire industry.
- (d) Use one of these "rules of thumb" in a particular market.

All these have one common characteristic, that is, the actions of competitors determine the company's advertising budget. But under this situation, a company faces several risks. Sufficient information may not be readily available to estimate the competitor's advertising budget. Such information is derived from secondary sources for some products than others. When only partial information can be obtained, such as expenditure on media, competitive parity may be misleading.

For example, a company introduces a new product to compete with a competitor's already established brand; the opportunity for advertising for these two brands would be entirely different.

5. All the Organization can Afford Approach

It involves the income statement and the balance sheet. It asks how much is available to the firm. This question is partially answered by anticipated sales and margins. The decisions based wholly on them ignore the requirements of the advertising. The basic weakness is that it does not solve the problem of "how much should we spend" by asking: "What can we profitably spend?" In some instance, companies adopt pricing policies or others strategies intended to yield more advertising rupees. Some may spend whatever rupees are available for promotion, the only limit being the firm's need for liquidity. This approach does ensure that advertising expenditures are assessed in the light of the profit objectives. It does put advertising in perspective with other corporate functions as contributors to the achievements of objectives.

6. By Using Judgment

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

made by experienced managers. Judgment is subject to error and bias. Other methods should supplement this technique.

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

ADVERTISING APPEALS:

An advertising appeal is anything that motivates a person to action. Human beings are called bundles of wants. A human being is a strange mix of hopes, ambitions, needs, interests, goals, etc., which motivate him. Various advertisements try to appeal to some of these manifold motives that force people to take action.

An advertising appeal is nothing but a promise of a benefit the advertised product will provide to the buyer. It is said that people do not just buy a product. They buy the promise or hope of achieving something or getting something through the product. For example, the possible promises or appeals for a home appliance could be - comfort, convenience, economy of installation, economy of operation, cleanliness, dependability and durability, safety, multiple operations, many and varied features, trouble free operation and smart looks. However, advertisers use only those appeals that:

- Are most important to the consumers,
- Are not used by competitors,
- Are specific to the brand.

Also three important characteristics need to be considered before selecting the appeals. The appeals need to be:

- Meaningful,

- Distinctive and
- Believable.

An appeal should answer the question 'what does this product or brand have to offer that the others (competitors) don't have'. This distinctiveness or difference from competing products should be conspicuous and demonstrable, so that it can be talked about and showed in the advertisement. The final characteristic of an appeal is believability. Consumers spend a lot of money and thus they are skeptical or doubtful about the usefulness of the product. They would buy the product only when they believe in the promises made. Sometimes advertisers try to solve this problem of skepticism or doubt by trial offers, guarantees, money back offers and similar assurances.

Sometimes a product has a distinct characteristic. This could be either a physical feature like size, shape, fragrance, weight, etc. Or a functional feature like how well it cleans, how well it works, how long it performs, how little maintenance it requires, etc. One of the problems faced by advertising people is not about finding the possible appeals for a product but selecting the most appropriate appeals that would attract the consumers. A lot of research is conducted by ad agencies to find out the most appropriate appeals.

An advertising appeal can be defined as the 'basic use, service, or satisfaction that the product can give and that the advertisement attempts to present to the customer as a reason to buy'. An advertising appeal represents the blending of two concepts - buying motives and selling points. These two elements are combined into a 'reason to buy'. This helps the prospective consumer relate to the product's benefits. Advertising appeals are usually of two types: emotional and rational. Sometimes moral appeals are used particularly in social advertising. Moral appeals are rarely used in commercial advertisements.

Emotional appeals: A comprehensive list of emotional appeals is given below:

- Ambition - Appetite
- Avoiding hard labour - Curiosity
- Duty - Entertainment
- Guilt - Happy home life
- Hero worship - Home comfort
- Personal Appearance - Security
- Possession - Romance
- Style and beauty - Sympathy for others
- Social recognition - Social approval
- Sports, etc.

The major rational appeals include:

- Cleanliness - Durability
- Economy of purchase - Economy of use
- Protection of others - Rest or sleep
- Safety - Variety of selection
- Dependability in quality - Health
- Dependability in use
- Efficiency on operation or use
- Enhancement of earnings
- Opportunity of more leisure time.

Rational appeals are directed at the consumer's practical and functional need for the product.

Emotional appeals, on the other hand, are directed at the consumer's psychological, social or symbolic needs. Both these types of appeals are used in a variety of combinations for different products and

situations. These appeals help in creating a personality for the product and also stimulating consumer interest, desirability and action.

ADVERTISING ORGANIZATION

The organizational structure of an advertising firm is changing, according to a survey by consultants Booz & Co., “Marketing Media Ecosystem 2010.” Advertising firms must extend their traditional organizational structures to meet their clients’ needs for digital media services and broader marketing support. As a result, agencies are collaborating with specialists to create virtual agencies that can offer clients the full service they require.

MANAGEMENT

The senior management team of an advertising firm is responsible for managing business aspects of the firm, including finance, strategic direction, human resources and new business development. Senior managers can come from a business or from a creative background, depending on the culture of the firm. Firms with a strong creative reputation may appoint a high-profile creative director to head the agency as part of its positioning in the industry. If a firm is part of an advertising group, senior managers are also responsible for relations with other group companies, according to Adbrands.

ACCOUNT MANAGEMENT

The account management team may include account directors, account executives and assistant account executives, depending on firm size. The account management team is responsible for maintaining relationships with clients and acting as the interface between agency creative and planning teams and the client. Account executives discuss clients’ requirements, agree on a budget

and prepare the advertising brief — a document that sets out the objectives, timing and marketing background for an advertising campaign.

ACCOUNT PLANNING

Account planners carry out research and develop strategies for advertising campaigns. Team members have a background in marketing or research. In larger firms, account planning is a separate function; in smaller firms, account executives take responsibility for campaign strategy and commission external market research, if necessary.

CREATIVE

The firm's team of copywriters, designers and creative directors prepare proposals for advertising campaigns in line with a client's brief. Different creative teams may work with specific clients or specialize in media such as television, press or interactive. According to Booz & Co., an increasing number of advertising firms are outsourcing work to creative specialists, particularly for campaigns involving digital or social media.

MEDIA

Media planners and buyers are responsible for selecting and buying space or time in the media where advertisements will appear, including press, television, radio, outdoor posters, Internet and other digital media. They carry out research into the media that provide the best coverage of the target audience at the lowest cost and negotiate rates with media owners. Based on their research, they prepare recommendations and produce schedules for the campaign.

PRODUCTION:

The production department provides project management expertise to take approved creative proposals through to finished advertisements. They coordinate with suppliers such as printers, video production companies and digital specialists to ensure that advertisements are ready in time for publication or broadcast dates.

SOCIAL EFFECTS OF ADVERTISING

- Ethics: These are moral principle & values that govern the actions & decisions of an individual or group Advertisement.
- Objections to Advertising Use of Sexual .Of Certain Products Appeals And/or Use of Shock Ads Nudity
- The Advertisement & Promotion Proponents Argue:• Provides Information• Encourages a higher standard of Living• Creates Jobs and Helps New Firms Enter a Market• Promotes competition in the Market place Critics Argue:• Creates Needs and Wants Among Consumers• Is More Propaganda Than Information• Promotes Materialism, Insecurity and Greed
- Some Ad of the bad taste Calvin Keller promotes their product with the base of sex adBenetton AdAIDS patient & Family member before his death Perist Kissing nunAd of Death Row
- Childrens TV Watching Behavior: Children between ages 2-11 watch on average 21.5 hours of TV per week and may see 22,000 commercials per yearTelevision is an important source of information for children about products

- Does Advertising Make People Buy Things they Don't Need? Does Advertising Encourage Materialism? Is Advertising Just A Reflection of Society?
- Portrayal of Women to Reflect their Changing Role in Society• Portrayal of Women As Sex Objects• Ethnic Stereotyping• Gender Stereotyping
- Ethnic Stereotyping/Representation of Minorities
- Ethnic Stereotyping/Representation of Minorities

ADVERTISING- ITS IMPACT ON SOCIETY

- Every time you switch on the TV and you will see some products being pushed on you with some assurance. This is advertising. Your mind is being sold to these advertisers. Advertising is the promotion of product or services. This gives companies a way to expose their products to people and hence maximize their sales. With out advertisement not a single firm or company can grow in this world of competition.
- Advertising is the mostly debated topic now. Like every other thing it has also some positive as well some negative points. If it has some positive aspect of social and economical impact on society then it do have some negative impact also. Advertising a public welfare program has positive social impact whereas exposing woman in an advertisement has negative impact on society.
- Advertising is a mass marketing technique. Assorted techniques are used for advertising which persuades the consumers that why they need the product which is being advertised. They focus more on the benefits, which consumer will get from that product, rather than the product itself. Through advertising, products can be known to public easily. They can decide which product they need and why. Thus increasing the consumption and as a result also increasing the demand of the product.

- Advertising can also be used to generate awareness among public that which product they use and to which product they can say no. It can also be used to educate people about certain diseases or danger (example: - AIDS, TB, viral diseases, etc.). Even the backward people are now aware of many diseases and their problems. And all these credits goes to proper advertising. Diseases like Polio could never been controlled if the timings for polio drops aren't advertised regularly.
- Advertising can also be used to inform public about social events like concerts and performances. Charities can use media to advertise about the illnesses and encourage people for donations. Social organizations and NGOs can use the mean of advertisement for promoting their campaigns. Seeking help through advertisement during epidemics or natural calamities can help a lot.
- There are also various blames that advertising is causing negative social impact on lives. Even if advertising has a vast good impacts on society, it can be ruled out that is has bad impact also. It plays with the emotions of general public and encourages them to think that buying and depleting are the activities of life. Advertising posters of modern films, where sexuality is shown much than the actual theme of the movie, can divert the society a lot. Materialism is being much glorified through advertisements, which can again have dangerous consequences Society is becoming ignorant towards social or world issues because we are too obsessed to satisfy our newly created needs. We want to earn more and more money so that we can buy happiness in forms of products, being advertised as they can bring all the happiness in our lives. We are starving for material goals, because we always just want to have more.

So, we can say that advertising has positive as well as negative impact on society. The balance, of what is necessary and what really not needed should be focused more. Advertisement can create contentment but can also simultaneously create discontentment. Our society and the marketing of products depend so badly on advertisement that even its negative impact on society can't outweigh the many positive social and economical effects.

COPY WRITING

Copy writing is a specialized form of communicating ideas that are mean to serve the requirements of modern marketing. It helps in establishing links between advertisers and their prospect. It utilizes words to convey messages having commercial, informative or persuasive value through various media and its success is indicated by the acceptance by the audience of the idea or claims made for goods or services. The results come from what words convey in terms of benefits and satisfaction. e.g., advertisement for prestige pressure cooker highlights the gasket release system which makes the new prestige pressure cooker the only 100 percent safe pressure cooker made in India.

Copy writing, illustrating, and lay out are different activities associated with the creative stage of advertising development and are usually done by different people who specialize in one or the other. Copy writing in print is the activity of actually putting words to paper, particularly those contained in the main body of the text, but also including attendant bylines and headlines. In broadcast, the copywriter is is, in effect, a script writer who develops the scenario or script to be used in a radio or television medium; writing a jingle, or the lyrics for the music, may also be involved. Illustrating is usually the work of an artist in the case of television. Layout generally refers to the activity of bringing all the pieces together and, it differs in case of print and broadcast. John Caples in his book, he develops a checklist of important guidelines for copywriting:

1. Cash in on your personal experience

2. Organize your experience
3. Write from the heart
4. Learn from the experience of others
5. Talk with the manufacturer
6. Study the report
7. Review previous advertising for the product
8. Study competitors' ads.
9. Study testimonials from the customers
10. Solve the prospect problem
11. Put your subconscious mind to work
12. "Ring the changes" on a successful idea

STRATEGY IN COPY WRITING

A copy writer performs a highly responsible role of fully understanding the market strategy and integrating it, through creative strategy, in the copy. The job also involves coordination with visualizes for bringing in suitable illustrations which will highlight the effect of the copy and make it appealing and completely comprehensible. A copy writer must, therefore, be totally familiar with the marketing goals of the advertiser and specific advertising objectives.

CRITERIA FOR EFFECTIVE COPY

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

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

(d) convince persuade, and induce to purchase the product, and (e) suggest and lead to specific response to encourage the decision to buy.

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

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

- (1) Attention Value,
- (2) Suggestive Value,
- (3) Memorising Value,
- (4) Conviction Value,
- (5) Sentimental Appeal Value
- (6) Educational Value,
- (7) Instinctive Value

ATTENTION VALUE

An advertisement copy must attract the attention of potential consumers. If it fails in this mission, the whole money and efforts will go waste though it possess all other values because everything else follows this. So, it must have display value. The copy should be planned, drafted and displayed in such a way that it must compel even the most casual or involuntary reader to notice it and read it

\with interest. It should be designed in such a fashion that the attention of busiest person may be drawn immediately.

Various device can be used to make the copy attractive such as; use of pictures, use of display type or heading, boarder etc.

SUGGESTIVE VALUE

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

MEMORISING VALUE

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

CONVICTION VALUE

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

SENTIMENTAL VALUE

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

EDUCATIONAL VALUE

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

INSTINCTIVE APPEAL VALUE

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

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

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

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

c) Parental Instinct – Parental instinct takes the form of love and affection for the children. Those advertisers who deal in children requirements like garments, toys baby food may promote this instinct

in parents i.e., motherly feelings of women or parental sentiments of men through their advertisement copy.

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

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

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

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

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

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

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

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

(vi) **Fear** – Themes stressing the fear of death, accident personal loss through burglary frenetic and other untoward happenings in life are generally used by insurance companies or banking companies.

The traffic police uses this theme in their notes of caution i.e., life is short don't make it shorter'

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

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

(ix) **Achievement** – This theme is used generally by large concerns engaged in the production of goods necessary for the development of country's economy.

(x) **Emulation and Imitation** – This theme is used where people buy more not to satisfy their genuine requirement, but as their neighbors happen to possess them.

Thus, a good advertisement copy must possess the above qualities to make it an ideal advertisement.

CLASSIFICATION OF COPY

It is true that copywriting is an art and the copywriter has a very important role to play in advertising creativity. Copywriting does not admit any stereotyped rules and classification. There are various styles in which a copy can be prepared and presented. The following types of copy may be studied-

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 specialty 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

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.

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.

4. Topical Copy

Herein an attempt is made to appeal to the general public by linking the theme of the copy with some current event but it should not look absurd. It commands a good deal of interest because of that sensational event which lives in the minds of the public.

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 merchandise with the tests performance and records testimonials, guarantees or construction data.

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, hear, 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.

As emotions are many and always known it may be made more exciting and artful than reason why copy. It affords a refreshing change. Human interest copy can take various forms:-

(a) Humorous Copy - It exploits the sense of humor of the people. All examples and statements in such copy are fully to make the reader smile and laugh.

b) 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 readers' minds with the advertiser's product of business life

Insurance Corporation General Insurance Companies and Bank generally use this type of copy.

(c) Story Copy - In such a copy a story is narrated in a very interesting manner to create an impression in the minds of the people about the product. Its ability to create interest depends upon dramatic impact it produces. Experience of customers can also be narrated in the story.

(d) 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.

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 such influential person.

9. Prestige Copy

This pattern is usually for 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.

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; it is the duty of every producer or advertiser to tell everything relevant about the product to the public in such a manner that it may get a warm welcome among customers. Such an advertisement copy depicts the specialties to the product category. The advertiser may insist only one or two attributes of the product which is more sensational 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.

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.

12. Expository Copy

Just opposite of suggestive copy is 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 makes it quite easy to remember or to pick – up.

MEASURING ADVERTISING EFFECTIVENESS

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising.

As soon as the advertising campaign is over, a need generally arises to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer' behaviour in favour of the company's product which will naturally, affect the future sale of the product.

In order to measure the effectiveness of advertising copy, two types of tests- pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of the following ways – (a) by giving different addresses to different media, (b) different newspapers may be selected for advertisements of different departments, (c) coupon blank etc. May be provided with the advertisement or (d) enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising.

Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media

ELEMENTS OF COPY WRITING

1. Headline
2. Subheadline
3. Body Copy
4. Illustration
5. Signature

All elements must blend together so that the elements of balance, unity, and flow are established.

Sub headlines smaller headline that amplifies the main point of a headline, making it possible to keep the headline short

- Acts as a breaker between the headline and the body copy.
- Takes the reader directly from the headline to the body copy and/or illustration.

HEADLINES: The primary purpose of the headline is to command the reader's attention.

Headlines have five times the readership of body copy. (David Ogilvy, legendary adman)

- Promise-of benefit
- Curiosity
- Question
- News
- Command

SUB HEADLINES: Smaller headline that amplifies the main point of a headline, making it possible to keep the headline short

- Acts as a breaker between the headline and the body copy.
- Takes the reader directly from the headline to the body copy and/or illustration.

BODY COPY: Informative or persuasive prose that elaborates on the central theme of the ad

- It is the payoff or proof of the promise
- How much body copy is needed is always an issue
- Several types of body copy commonly used:
- Reason-why copy
- Dialogue copy

- Narrative copy

ILLUSTRATION

Illustration can be in the form of charts, graphs, or graphics. Integrating an appealing graphic with copy can enhance the overall feel and appearance of your copy.

COPY TEST

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

- (a) Will a proposed copy theme be effective at achieving advertising objectives?
- (b) Does the set of advertisings that makes up an advertising campaign create the desired interest level and image? And
- (c) Will an individual advertisement attract the attention of the audience?

METHODS OF COPY TESTING

The various methods of testing advertising copy are

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

PRE-TEST METHODS

Pre-test method refers to testing the potentiality of a message or copy before printing or broadcasting. It is useful because the concepts in advertising may appear to be simple and effective to the advertiser or advertising agency. It may be difficult from the layman's point of view. All the elements in the advertising copy requires careful pre-testing to see that the matter it intends to be conveyed has been

really conveyed, 'prevention is better than cure'. Pre testing methods are adopted on this basis. The following are some of the pretesting methods.

- a. Check list method
- b. Consumer Jury method
- c. Sales Area Test
- d. Questionnaire
- e. Recall test
- f. Reaction test
- g. Readability test
- h. Eye-movement test

a. Checklist Method

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

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

b. Consumer Jury Method

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

c. Sales Area Test

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

d. Questionnaire Method

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

e. Recall Test Method

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

f. Reaction Test

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

g. Readability Test

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

h. Eye Movement Test

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

POST-TEST TECHNIQUES

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

1) Recognition Test

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

The data collected by this test indicate the proportion of qualified readership of a publication who claims to have 'seen', 'read some' or 'read most of the elements of the individual advertisement.'

These measurements may also seek to obtain quantitative data regarding the parts of an advertisement which were seen or heard.

2) Recall or Impact Test

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

3) Psychological Analysis

The whole process of advertising is psychological in character. It is therefore, natural to apply some psychological tests to measure the effectiveness of the advertising. Four psychological testing techniques are most commonly used –

- (a) Tests of readability and comprehension;
- (b) Tests of believability
- (c) Attitude tests; and
- (d) Triple Associates Test.

(a) Tests of Readability and Comprehension

In this technique, by means of a series of penetrating questions and by other techniques developed by psychologists, the ease of readability and comprehension is determined, in advance of publication. It

is determined by the interviewer under this method whether and to what extent the readers have gone through the advertisement.

(b) Tests of Believability

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

(c) Attitude Tests

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

Typical consumers are exposed to sample advertising messages, either printed or oral.

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

(d) Triple Hostility Tests

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

CONCURRENT METHODS

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

1. Consumer diaries
2. Co-incidental surveys and
3. Electronic devices.

1. Consumer Diaries

Under this method, diaries are supplied to a few selected customers. They are also informed to record the details of advertisements they listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

2. Co-Incidental Surveys

This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme.

The data obtained and analyzed will give a picture about the effectiveness of an advertisement.

3. Electronic Devices

Now a day's electronic devices are widely used to measure the effectiveness of an advertisement.

They are mainly used in broadcast media. These are auto meters, track electronic units etc. The

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

Historical method and

II. Experimental method

I. Historical Method

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

II. Experimental Method

Under this method, the entire sales territory is divided into three or four sub-areas. The advertiser spent different amount for advertising in different areas. They collect facts regarding sales from these sub-areas. The result is used to measure the effectiveness of advertisement in boosting sales. Following the result obtained, the advertiser prepares his advertising budget for future action. An advertiser has to adopt some follow up measures to increase the effectiveness of advertisement. For this consumers may be contacted through direct mail after the advertisement is placed.

POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define Cognitive Learning
2. List out any two positioning strategies?
3. What is meant by brand image?
4. Give the meaning of advertisement layout
5. What is meant by associating feeling with a brand?

PART C – 8 Marks

1. Discuss the positioning strategies with suitable chart?
2. Explain the rational and emotional approaches of brand?
3. How to create copy strategy? discuss
4. Briefly explain different type of copy
5. Enumerate the principles of layout design?

Unit III – Concept of Media Planning

Media planning and scheduling - Introduction to broadcast and non broadcast media - Budgeting decision rule - Percentage of sales method - Objective to task method - Competitive parity and all you can afford - Key factors influencing media planning - Media decisions - Media class - media vehicle and media option - Scheduling - Flighting - Pulsing and continuous

Meaning and Definition

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

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

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

Choosing which media or type of advertising to use can be especially challenging for small firms with limited budgets and know-how. Large-market television and newspapers are often too expensive for a company that services only a small area (although local newspapers can be used). Magazines, unless local, usually cover too much territory to be cost-efficient for a small firm, although some national publications offer regional or city editions. Since the advent of social media, small firms with limited budgets may benefit from using Social Media advertising as it is cost effective, easy to manage, accurate and offers great ROI.

Media planning is the process of identifying and selecting media outlets – mainly newspapers, magazines, websites, TV and radio stations, and outdoor placement – in which to place paid advertisements. ... A media planner's job is to develop a coordinated plan for a particular client's advertising budget.

Developing a Media Plan

The fundamental purpose of a media plan is to determine the best way to convey a message to the target audience. A media plan sets out a systematic process that synchronizes all contributing elements in order to achieve this specific goal. The media plan is broken down into four stages; market analysis, establishment of media objectives, media strategy development and implementation, and evaluation and follow-up.

Similarities can be made to other marketing concepts such as the consumer decision-making process with comparisons such as, increasing brand awareness and knowledge, improving brand image, and the maximization of customer satisfaction.

- The first phase of any media plan is the initial market analysis, which consists of a situation analysis and the marketing strategy plan. These form the basis of information which the rest of the media plan is reliant on. The purpose of a situation analysis is to understand the marketing problem, in relation to their competitors.

The marketing strategy plan should establish specific objectives and goals that will solve the marketing problems that developed. Once the market analysis is complete the improved knowledge gained should indicate a proffered target market. Enabling the marketers to

understand where the prime advertising space would be to gain sufficient exposure, what factors effect that certain demographic, and how to promote to the audience effectively.

- ❖ The second phase in the media plan is the establishment of media objectives. Just as the marketing analysis lead to specific marketing objectives, this phase will result in explicit media objectives; such as creating a positive brand image through stimulating creativity. These objectives should be limited to those that can only be obtained through media strategies

Media planning's major steps include:

- 1 - Targeting,
- 2 - Environmental scan,
- 3 - Understanding the audience,
- 4 - Determination of content,
- 5 – Control

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.

❖ 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.

❖ **Demographics and Psychographics**

The target audience is often defined in terms of demographics and psychographics. 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).

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.

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. 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

Media strategy

Media strategy, as used in the advertising or content delivery (online broadcasting) industries, is concerned with how messages will be delivered to consumers or niche markets. It involves: identifying the characteristics of the target audience or market, who should receive messages and defining the characteristics of the media that will be used for the delivery of the messages, with the intent being to influence the behaviour of the target audience or market pertinent to the initial brief. Examples of such strategies today have revolved around an Integrated Marketing Communications approach whereby multiple channels of media are used i.e. advertising, public relations, events, direct response media, etc.

The Media Strategy process has three “W”s to be decided. They are

❖ Where to advertise ?

- ❖ When to advertise ?
- ❖ What media type to use ?

Where is the place for showing or delivering advertisement. In short it means the geographical area from where it should be visible to the customers who use or are most likely to use the product or services offered. The place does not mean only TV or radio but it can also be newspapers, blogs, sponsorships, hoardings on roads, ads in the movie break in theatres, etc. The area varies from place to place like it can be on national basis, state basis and for local brands it can be on city basis.

When is the timing to show or run advertisement. For e.g. you cannot show a raincoat ad in the winter season but you need to telecast ad as soon as the summer season is coming to an end and rainy season is just about to begin. The ad should be delivered with perfect timing when most customers are like to buy the product. The planners need to plan it keeping the budget in mind as the maximum of 20% of revenues of the company can be used in the advertisement section. Different products have different time length for advertisements. Some products need year long ads as they have nothing to do with seasonal variations e.g. small things like biscuits, soaps, pens, etc and big services like vehicle insurance, refrigerators, etc. Some products need for three or four months. E.g. umbrellas, cold creams, etc. So the planners have to plan the budget according to the time length so that there is no short of money at any time in this process.

What is what type of media is to be used for delivering the message.

There are basically two media approaches to choose from.

- Media Concentration approach
- Media Dispersion Approach

In media concentration approach, the number of categories of media is less. The money is spent on concentrating on only few media types say two or three. This approach is generally used for those

companies who are not very confident and have to share the place with the other competitors. They don't want anyone to get confused with their brand name so this is the safest approach as the message reaches the target consumers.

Definition: Media Scheduling

Media Scheduling refers to the pattern of timing of an advertising which is represented as plots on a flowchart on a yearly basis. The plots in the flowchart indicate the pattern of periods that matches with favorable selling periods. The classical scheduling models are commonly known as continuity, fighting, and pulsing.

Media scheduling depends upon a number of factors such as:

- The nature of product- whether it is consumer usable, durables or industrial
- The nature of sales- whether the sales is seasonal or regular
- The product lifecycle- whether the product introduction is in growth, maturity or decline
- The pattern of competitor's programs
- The entry of new competitors in the market
- The availability of funds for advertising and marketing campaigns

Continuity

This model is primarily valid for non-seasonal products and some kind of seasonal products. Advertising usually runs steadily with little variation or change over the campaign period. There might be short gaps between advertising at regular intervals and also long gaps, for instance, one advertising every week for 12 months and then pause for a while. This pattern of media advertising prevalent in service and packaged goods requires continuous reinforcement on the customers for top of mind recollection at point of purchase.

The advantages are as follows -

- It works as a reminder.
- It covers the entire purchase cycle.
- It helps in achieving cost efficiencies in the form of large media discounts.
- It helps with positioning advantages within media.
- It incorporates a program or plan that helps identifies the media channels used in an advertising campaign, and specifies insertion or broadcast dates, positions, and duration of the messages.

Flighting

Flighting involves intermittent and irregular periods of advertising, alternating with shorter periods of no advertising at all in media scheduling for seasonal product categories. For example Halloween costumes are purchased mainly during the months of September and October and not the entire year round.

Advantages:

- For a relatively shorter period of time, the advertisers buy heavier weight than competitors.
- It results in little wastage, since this type of advertising concentrates on the best purchasing cycle period.
- The series of commercials as unified media campaigns appear on different media vehicles.

Pulsing

By using low advertising all the year round and heavy advertising during peak selling periods, Pulsing combines both flighting and continuous scheduling. The product categories that experience a surge in sale at intermittent periods are good candidates for pulsing product categories that are sold year round. For instance, under-arm deodorants, sell all year, but more during the summer months

Advantages:

- It covers different market situations possible
- It combines advantages of both continuity and flighting possible

Types of Scheduling:

The advertiser has to consider two types of media scheduling problems:

Macro-scheduling

The macro-scheduling involves allocating advertising expenditure and frequency (repetition/reproduction of message) in relation to season or broad picture of business cycle. The macro-scheduling problem concerns with how to schedule advertising in relation to seasonal and business cycle trends.

Micro-scheduling:

The micro-scheduling problem concerns with allocating advertising expenditure and frequency within a short period to obtain the maximum response or impact. In other words, the problem deals with how to distribute advertising expenditure within the given time.

Alternative Scheduling Strategies:

A company has following alternative scheduling strategies to decide on micro-scheduling:

1. Continuous Advertising:

This scheduling involves advertising the message evenly throughout a given period. For example, if company wants 48 television/radio spots, it will advertise 4 times in a month or once in a week, or on every Monday.

2. Concentrated Advertising:

This scheduling involves giving all the advertisement in a single period. Thus, the concentrated advertising means to spend the entire advertising budget within one flight. It is

applicable when product is sold in one season, event, festival or holiday. For example, the company advertises 48 spots within four days during Diwali festivals, 12 times a day.

3. Fighting Advertising:

This scheduling involves giving advertisement at specific intervals. Company advertises for some period, followed by break of no advertisement, followed by the second flight of advertisement and likewise. Company with seasonal, cyclical, or infrequently purchase products follows such scheduling. Company with a limited fund prefers to advertise during a specific season or festival only.

4. Pulsing Advertising:

This scheduling is the combination of both continuous and fighting advertisements. It includes continuous advertising at low-weight level, reinforced periodically by waves of heavier activity. In other words, the company spends certain portion of advertising fund for continuous advertising, and the remaining fund for fighting advertisement.

Factors Affecting Advertising Scheduling:

The allocation of advertising expenditure/frequency over time depends on advertising objectives, nature of product, type of target customers, distribution channel, and other relevant marketing factors. But, mostly, following five factors are considered to decide on the timing pattern.

1. Buyer Turnover:

It shows the rate at which new buyers enter the market. The rule is, the higher the rate of buyer turnover, the more continuous the advertisement should be.

2. Purchase Frequency:

It shows the number of times during the specific period that the average buyer buys the product. The common rule is, the higher the purchase frequency, the more continuous the advertisement should be.

3. Forgetting Rate:

It shows the rate at which the buyer forgets the brand. The rule is, the higher the forgetting rate, the more continuous the advertisement should be.

4. Financial Condition of Company:

It shows an ability of a company to spend for advertisement. The rule is, the more is the ability to spend, the more continuous the advertisement will be.

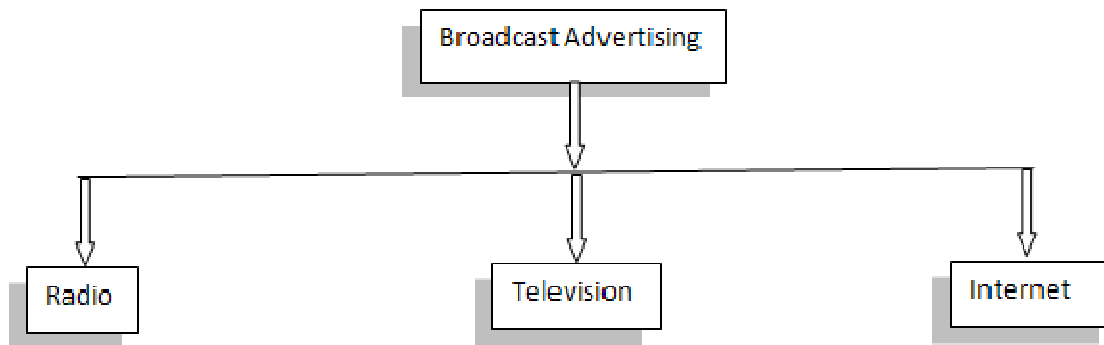
5. Level of Competition:

Company facing a severe market competition will opt for more continuous advertisement through multiple media. The rule is, the more is the intensity of competition, the higher the frequency of advertisement will be.

Broadcast Advertising

The broadcast media like radio and television reaches a wider audience as opposed to the print media. The radio and television commercials fall under the category of mass marketing as the national as well as global audience can be reached through it.

The role of broadcast advertising is to persuade consumers about the benefits of the product. It is considered as a very effective medium of advertising. The cost of advertising on this channel depends on the time of the commercial and the specific time at which it is aired. For example, the cost of an ad in the premium slot will be greater than in any other slot.



A radio ad must be aired several times before it actually sinks in the minds of the consumers. Thus the frequency of the ad is important. The type of your target audience is also important. Therefore, one must do a research on which type of audience listens to which channels if they want the ads to be successful. The voice talent in the commercial should be taken keeping in mind the type of audience and the type of commercial.

The television advertising is usually considered the advertising for the corporate giant, though even the small businesses can benefit from it. A strong audio and video combination is a must for the success of the commercial. But it is also important that the audio and video should function well without each other. For example, if a person is not viewing the TV but just listening to it, s/he should get the idea and vice versa.

It is extremely important that whatever has been advertised in the commercial is true. For this reason, organizations such as Federal Trade Commission (FTC) are there to monitor the commercials on television and radio. This ensures that the advertisers are not making any false claims to lure consumers to buy their products.

Most of the radio and television advertisements are paid though there are some public service ads which can be aired for free. The advertisers usually have to pay for the spot which lasts for 30 seconds. In rare cases, this spot can increase to 60 seconds too.

These days radio and television ads are prepared by advertising agencies for their clients. They understand the need of the client and make the commercial keeping in mind the current state of affairs. Broadcast advertising has become a very essential part of marketing in recent times. Companies allocate specific budget for radio and television ads and make an estimate of how much revenue they can earn through broadcast advertising. For example, marketing consultants are hired to determine the return on investment (ROI) for spending on radio and television ads. Sometimes the marketing consultants of these businesses run sample ads to judge its popularity among the viewers.

Internet or online advertising uses the Internet or the World Wide Web for the purpose of attracting consumers to buy their product and services. Examples of such advertising include ads on search engine result pages, rich media ads, banner ads, social network advertising, and email marketing and so on. Online advertising has its benefits, one of them being immediate publishing of the commercial and the availability of the commercial to a global audience. But along with the benefits come the disadvantages too. These days, advertisers put distracting flashing banners or send across email spam messages to the people on a mass scale. This can annoy the consumers and even the real ads might get ignored in the process. Therefore, ethics in advertising is very important for it to be successful.

Outdoor Advertising

Outdoor advertising communicates the message to the general public through highway billboards, transit posters and so on. **Outdoor advertising is a very important form of advertising as the ads are huge and are visible to one and all.** The important part of the advertising is that the message to be delivered should be crisp and to the point. Though images can be used, but they cannot be used in excess. Everything should be presented to the viewer in such a format so that the viewers make up their mind to buy the product or service.

The message to be delivered can be an ad to buy a product, take a trip, vote for a politician, or give to a charity. According to Outdoor Advertising Association of America (OAAA), millions of dollars are being spent on outdoor advertising each year and the figures are expected to grow. This is due to the fact that outdoor traffic keeps on growing every year and hence the target audience for outdoor advertising is ever increasing.

The print and newspaper advertising takes up a huge part of advertising but outdoor advertising is unique in its own way. It is an extremely cost-effective method of advertising. All you need to do is to design a billboard and get it printed as compared to the television advertising where an entire 30 second commercial has to be designed. If the outdoor ads are strategically placed, it can guarantee substantial exposure for very little cost. That is why outdoor advertising is very cost-effective.

Different industries make use of outdoor advertising in their own different way. For example, eating joints and eateries on the highway make use of highway billboards to draw the customer to have a bite and rest a little at their joint. Mac Donalds and Subway are the excellent examples. The automobile and tourism industries make use of the billboards to advertise their products and tourism plans. These are way too successful because of the fact that people on the highway are on the lookout for such information.

Apart from the billboards, there are several other forms in which outdoor advertising can take place. For example, beverage companies make use of sporting events and arenas to showcase their products. For example, Coca Cola was one of the FIFA World Cup sponsors. Other places where you can see outdoor advertising are:

- taxicabs
- buses
- railways
- subways and walls on which murals are painted

Advertising Budget

An advertising budget is estimate of a company's promotional expenditures over a certain period of time. More pertinently, it is the money a company is willing to set aside to accomplish its marketing objectives. When creating the advertising budget, a company must weigh the trade-offs between spending one additional advertising dollar with the amount of revenue that dollar will bring in as revenue.

Advertising Budget is the amount of money which can be or has to be spent on advertising of the product to promote it, reach the target consumers and make the sales chart go on the upper side and give reasonable profits to the company.

Before finalizing the advertising budget of an organization or a company, one has to take a look on the favorable and unfavorable market conditions which will have an impact on the advertising budget.

The market conditions to watch out for are as follows:

- Frequency of the advertisement

- Competition and Clutter
- Market Share of the Product
- Product Life Cycle Stage

1. Frequency of the Advertisement

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

2. Competition and Clutter

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

3. Market Share

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

4. Product Life Cycle Stage

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

Methods for Setting Advertising Budget

Several methods are used for setting advertising budget. Depending upon internal situations of the company, the suitable method is followed. Every method has its merits, demerits, and applicability.

1. Percentage of Sales Method:

It is a commonly used method to set advertising budget. In this method, the amount for advertising is decided on the basis of sales. Advertising budget is specific per cent of sales. The sales may be current, or anticipated. Sometimes, the past sales are also used as the base for deciding on ad budget. For example, the last year sales were Rs. 3 crore and the company spent Rs. 300000 for advertising. It is clear that the company has spent 1% of sales in the last year.

Company has the tendency to maintain certain per cent (or percentage) of sales as ad budget. Based upon the past, the current and the expected sales, amount for advertising budget is determined. This method is based on the notion that sales follow advertising efforts and expenditure. It is assumed that there is positive correlation between sales and advertising expenditure. This is not the scientific method to decide on advertising budget.

Merits:

The method offers following merits:

- (a) It is based on sales volume. Therefore, cost of advertising can be offset against profits earned from the sales. It satisfies financial management.
- (b) This method encourages marketing manager to think in terms of relationship between promotional costs, selling price, and profits per unit.
- (c) It maintains competitive parity. All firms in the industry spend approximately the same percentage of sales for advertising.
- (d) It keeps the company in constant touch with the sales target to be achieved.

Demerits:

The method has been criticized on following grounds:

- (a) In absence of specific guidelines, it is not possible to decide the appropriate per cent of sales. It lacks a scientific base.
- (b) Long-term planning is not possible because a long-term sales forecasting seems difficult.
- (c) It neglects other objectives of advertising. Only sales are given priority. It doesn't consider the need of advertising.
- (d) Stage of product life cycle is not considered.
- (e) It is, to some extent, inflexible.
- (f) It is assumed that only advertising affect sales. It is erroneous.

2. Objectives and Task Method

This is the most appropriate ad budget method for any company. It is a scientific method to set advertising budget. The method considers company's own environment and requirement. Objectives and task method guides the manager to develop his promotional budget by (1) defining specific objectives, (2) determining the task that must be performed to achieve them, and (3) estimating the costs of performing the task. The sum of these costs is the proposed amount for advertising budget.

The method is based on the relationship between the objectives and the task to achieve these objectives. The costs of various advertising activities to be performed to achieve marketing objectives constitute advertising budget.

Under this method, following steps are to be followed to set advertising budget:

1. Determine main objectives of marketing department.
2. Set advertising objectives in terms of sales, profits, brand loyalty, competitive stability, etc.
3. Determine advertising task in terms of various advertising activities required to be performed to achieve the advertising objectives.
4. Estimate cost of each advertising activity for the defined period.

5. Make sum of costs of all the activities. It is the estimated amount for advertising.

Thus, advertising budget is set on the basis of the objectives a company wants to achieve and in what way it wants the objectives to be achieved. This method is logically consistent and practically applicable for all the companies. The method emphasizes on actual needs of the company. It is considered as a scientific method to set ad budget.

3. Competitive Parity Method

Competition is one of the powerful factors affecting marketing performance. This method considers the competitors' advertising activities and costs for setting advertising budget. The advertising budget is fixed on the basis of advertising strategy adopted by the competitors.

Thus, competitive factor is given more importance in deciding advertising budget. For example, if the close competitors spend 3% of net sales, the company will spend, more or less, the same per cent for advertising. Here it is assumed that "competitors or leaders are always right." If not followed carefully, this method may result into misleading.

It is obvious that a company differs significantly from the competitors in terms of product characteristics, objectives, sales, financial conditions, management philosophy, other promotional means and expenses, image and reputation, price, etc.

Therefore, it is not advisable to follow the competitors blindly. Marketing/advertising manager should take competitors' advertising strategy as the base, but should not follow as it is. The advertising budget must be adjusted to the company's internal and external situation.

Limitations:

Manager must be aware of following limitations of the competition parity method:

(a) In case of a new product, the method fails to guide for deciding on advertising budget.

- (b) It is difficult to know in which stage of life cycle the product of close competitor is passing through.
- (c) Company differs in terms of sales, profits, challenges, financial conditions, and so on. To follow competitors directly may be erroneous.
- (d) Advertising is not the sole factors that affect the sales; interplay of many factors determines sales.
- (e) In case, when there are many competitors, it is difficult to decide as to whom the company should follow.
- (f) The method is followed only when there are dominant competitors. In absence of competition, the method cannot be used.
- (g) The method can make a sense only to followers and challengers. It is not applicable to a market leader.

4. Affordable or Fund Available Method

This is, in real sense, not a method to set advertising budget. The method is based on the company's capacity to spend. It is based on the notion that a company should spend on advertising as per its capacity. Company with a sound financial position spends more on advertising and vice versa.

Under this method, budgetary allocation is made only after meeting all the expenses. Advertising budget is treated as the residual decision. If fund is available, the company spends; otherwise the company has to manage without advertising. Thus, a company's capacity to afford is the main criterion.

Limitations:

Following are the limitations of the method:

- (a) The method completely ignores the role or need of advertising in the competitive market environment.

(b) In long run, it leads to uncertain planning as there is no guarantee that the company will spend for advertising.

(c) Except company financial position, other factors like company's need for advertising, consumer base, competition, and so forth are ignored.

(d) This method only guides that a company should not spend beyond its capacity.

(e) This is not a method in real sense.

(f) There is possibility of bias in deciding advertising amount.

5. Expert Opinion Method

Many marketing firms follow this method. Both internal and external experts are asked to estimate the amount to be spent for advertisement for a given period. Experts, on the basis of the rich experience on the area, can determine objectively the amount for advertising. Experts supply their estimate individually or jointly.

Along with the estimates, they also underline certain assumptions. Internal experts involve company's executives, such as general manager, marketing manager, advertising manager, sales manager, distribution manager, etc.

Whereas external experts involve marketing consultants, dealers, suppliers, distributors, trade associations, advertising agencies, and other professionals related to the field. Marketing consultants and advertising agencies provide such services on professional basis.

Advertising budget recommended by external experts is more neutral (bias-free) and, hence, is reliable. Experts consider overall situation and give their opinion on how much a company should spend. Mostly, the experts consider all the relevant factors related to advertising while deciding on advertising budget.

Merits:

Expert opinion method offers following merits:

- (a) The estimates tend to be more balanced as various executives and experts are involved.
- (b) The budget is more accurate and realistic because the internal executives are well aware of company's strengths and weaknesses.
- (c) It is the only option when a company is new, having no past experience.
- (d) External experts tend to be more neutral as they are external to organisation

Demerits:

However, the user must be aware of following possible demerits:

- (a) It is not a scientific method. Personal value, experience, and attitudes play vital role.
- (b) It is difficult to fix responsibility of the final estimates as many experts contribute to budget estimates.
- (c) External experts are not fully aware of the company's marketing situations.
- (d) When more internal experts are involved, it may deteriorate relation due to possible conflicts or lack of consensus.
- (e) Possibility of prejudice or bias cannot be ignored.
- (f) All opinions, right or wrong, are given equal importance

6. Other Methods:

There are some other methods used for setting advertising budget.

They have been listed below:

- i. Arbitrary Allocation Method
- ii. Profit Maximization Approach
- iii. Incremental Method
- iv. Sales Force Opinion Method, etc.

Factors affecting Advertising Media Selection

The **advertising medium** refers to the means through which the advertiser can convey his message to audience. Proper selection of the media enables the advertiser to achieve the desired results. Hence, **advertising media selection** is vital for the **success of an advertising campaign**.

An **advertising medium** is any object or device that carries the advertising message. It should be capable of accomplishing following three objectives:

1. To reach the largest number of people possible.
2. To gain their attention.
3. To be less expensive.

The character of the medium is largely determined on the objective and factual basis such as whether the coverage of the medium should be national, regional or only local.

Factors Governing of Advertising Media Selection

Selection of a suitable medium for advertising is really a complex problem to the advertiser. There are a number of kinds and classes of media in the modern advertising. Hence, **the advertising media selection** means not only the choice of the right classes of media out also the individual medium within the class or classes. Besides there is no single medium that is best suited for all advertisers. In reality, a medium which is best suited for one may be almost useless for another. The medium once employed for advertising a particular product itself may be found unsuited subsequently. Therefore, the right choice of a medium calls for a careful analysis. If the medium is unsuited the whole amount of money spent on the advertising campaign shall turn to be a waste.

The advertiser, therefore, while selecting the media, should consider the following factors:

1. **Class of the audience:** Firstly, the advertiser must note the class of the audience to be influenced by the medium. The audience can be classified into different groups by their social status, age, income, educational standard, religion, cultural interests. They may also be divided into men and women.
2. **Extent of coverage:** Secondly, the advertiser must consider the number of audience to be covered by the medium. Every media has a general as well as an effective circulation. The general circulation is made up of the total number of people who read or subscribe to the media. The effective circulation is the number prospective customers who read it and the number of those who influences sales, though they may not buy for themselves. Effective circulation must be considered while estimating the number of people to be covered. The extent to which the medium reaches the same audience as that covered by some other media i.e., the percentage of over-lapping must also be taken into account.
3. **Nature of the product:** Nature of the product itself is a principal factor governing the selection of the medium. Products can be classified into various kinds – consumer's products and manufacturer's products etc.
4. **Nature of the competition:** The nature of the competition exerts greater influence of the selection of the media. If the competition is stiff utmost care is needed in the selection of medium and a larger advertising budget is also required. In many cases where the advertising copy is similar or the choice of the media solely determines the effectiveness of the campaign as compared with that of the other competitors.
5. **Reputation of the medium:** Newspapers and magazines can offer a beautiful illustration for the reputation of the media. There are a few newspapers and magazines which have international

reputation with a high readership. Advertisements in such magazines and newspapers are generally recognized and believed as true. Such advertisements also add prestige to the product.

6. **Cost of the media:** Cost of the medium in most cases, is an important factor in the selection of the medium. Advertisements in certain media are expensive. For instance, TV and Radio advertisements. Magazines and newspaper advertisements are generally considered as less expensive. Yet, certain magazines and newspapers, having larger circulation and high reputation charge higher rates. The rates also differ depending upon the space occupied and the preferential positions. The first page of a newspaper is rarely missed by the reader. Hence they have more attention value, than the advertisements presented anywhere inside the newspaper.

Time and location of buying decisions: The location of the audience and the time by which it should reach them must also be looked into. This consideration also enables the advertiser to keep his retail outlets in the proximity of the customers.

A **media class** is a general category of **media**, such as television, radio, newspapers, magazines and the Internet. The vehicle is the specific TV or radio station, newspaper or print publication, or online website.

"Media vehicle advertising" isn't a commonly used expression. "Media vehicle" refers to specific methods of media used by companies to deliver advertising messages to targeted customers. Selecting the right mix of media vehicles is critical to reaching your audience and getting them to respond well to your ads.

Class Versus Vehicle

To understand a media vehicle, you need to compare it with the concept media class. A media class is a general category of media, such as television, radio, newspapers, magazines and the Internet. The

vehicle is the specific TV or radio station, newspaper or print publication, or online website. Picking the right class based on benefits and drawbacks is an important first step. Then you need to select the right vehicle to reach your prospects.

Broadcast Vehicles

Television vehicles include networks such as ABC, NBC, CBS and FOX. Typically, small businesses can't advertise on the national network, but they often advertise on local network affiliate stations. You can also choose from hundreds of more niche cable networks, such as Lifetime, E! or CNN. Radio is often more practical for small businesses. You normally have an array of vehicles in a local market that have various formats, such as pop music, country music and talk shows.

Print Vehicles

Newspapers are another prominent small-business class because of relatively low ad costs. Community newspapers can reach a local audience. Many small businesses also have access to state or regional publications. Magazines aren't quite as accessible for local companies. However, some regions have local magazines that offer entertainment, community events and themed topics. Even a local magazine ad can cost a few thousand dollars, but magazine vehicles normally reach a very niche audience.

Digital Vehicles and Others

The other major traditional media class is online, or digital/interactive. This class includes thousands of online vehicles, along with mobile communication opportunities. Other supportive media options include billboards, directories, buses and benches. Many metro communities offer vehicle options

within each of these categories. These supportive media are usually used to reinforce messages that are delivered through broader mass media. Billboards are relatively expensive, but they allow small companies to reach wide local marketplaces.

Media. In general, "**media**" refers to various **means** of communication. For example, television, radio, and the newspaper are different types of **media**. ... In the computer world, "**media**" is also used as a collective noun, but refers to different types of data storage **options**.

"Good **advertising** depends on the RIGHT **mediaselection**", good creative and the right content. ...

Targeted**advertising** is the most personal of all the **media option** as they are to a specific audience or known recipients

Advertising media to be considered:

Blanket advertising

- Online advertising
- Print media
- Radio
- Television
- Cinema
- Outdoor billboards

Targeted advertising

- Email
- Direct mail
- Promotional products

- Telemarketing
- Database

In the current environment its more vital for all businesses to understand which medium will best achieve their advertising objectives. All businesses need to advertise in order to retain their respective clients, increase customers value and obtain new customers.

Part B Questions

1. Define Media planning
2. What is meant by media scheduling?
3. Give the meaning of advertising budget
4. What is meant by media decisions
5. What do you mean by media vehicle?

Part C Questions

1. Discuss the concept of media planning and media scheduling
2. Explain the types of broadcast media with examples?
3. Explain the types of advertising budget?
4. Briefly explain the classifications of advertising budget with examples?
5. Distinguish between media vehicle and media option?
6. Explain the kinds of media decisions with suitable chart?

Unit III – Concept of Media Planning

Media planning and scheduling - Introduction to broadcast and non broadcast media - Budgeting decision rule - Percentage of sales method - Objective to task method - Competitive parity and all you can afford - Key factors influencing media planning - Media decisions - Media class - media vehicle and media option - Scheduling - Flighting - Pulsing and continuous

Meaning and Definition

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

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

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

Choosing which media or type of advertising to use can be especially challenging for small firms with limited budgets and know-how. Large-market television and newspapers are often too expensive for a company that services only a small area (although local newspapers can be used). Magazines, unless local, usually cover too much territory to be cost-efficient for a small firm, although some national publications offer regional or city editions. Since the advent of social media, small firms with limited budgets may benefit from using Social Media advertising as it is cost effective, easy to manage, accurate and offers great ROI.

Media planning is the process of identifying and selecting media outlets – mainly newspapers, magazines, websites, TV and radio stations, and outdoor placement – in which to place paid advertisements. ... A media planner's job is to develop a coordinated plan for a particular client's advertising budget.

Developing a Media Plan

The fundamental purpose of a media plan is to determine the best way to convey a message to the target audience. A media plan sets out a systematic process that synchronizes all contributing elements in order to achieve this specific goal. The media plan is broken down into four stages; market analysis, establishment of media objectives, media strategy development and implementation, and evaluation and follow-up.

Similarities can be made to other marketing concepts such as the consumer decision-making process with comparisons such as, increasing brand awareness and knowledge, improving brand image, and the maximization of customer satisfaction.

- The first phase of any media plan is the initial market analysis, which consists of a situation analysis and the marketing strategy plan. These form the basis of information which the rest of the media plan is reliant on. The purpose of a situation analysis is to understand the marketing problem, in relation to their competitors.

The marketing strategy plan should establish specific objectives and goals that will solve the marketing problems that developed. Once the market analysis is complete the improved knowledge gained should indicate a proffered target market. Enabling the marketers to

understand where the prime advertising space would be to gain sufficient exposure, what factors effect that certain demographic, and how to promote to the audience effectively.

- ❖ The second phase in the media plan is the establishment of media objectives. Just as the marketing analysis lead to specific marketing objectives, this phase will result in explicit media objectives; such as creating a positive brand image through stimulating creativity. These objectives should be limited to those that can only be obtained through media strategies

Media planning's major steps include:

- 1 - Targeting,
- 2 - Environmental scan,
- 3 - Understanding the audience,
- 4 - Determination of content,
- 5 – Control

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.

❖ 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.

❖ **Demographics and Psychographics**

The target audience is often defined in terms of demographics and psychographics. 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).

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.

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. 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

Media strategy

Media strategy, as used in the advertising or content delivery (online broadcasting) industries, is concerned with how messages will be delivered to consumers or niche markets. It involves: identifying the characteristics of the target audience or market, who should receive messages and defining the characteristics of the media that will be used for the delivery of the messages, with the intent being to influence the behaviour of the target audience or market pertinent to the initial brief. Examples of such strategies today have revolved around an Integrated Marketing Communications approach whereby multiple channels of media are used i.e. advertising, public relations, events, direct response media, etc.

The Media Strategy process has three “W”s to be decided. They are

❖ Where to advertise ?

- ❖ When to advertise ?
- ❖ What media type to use ?

Where is the place for showing or delivering advertisement. In short it means the geographical area from where it should be visible to the customers who use or are most likely to use the product or services offered. The place does not mean only TV or radio but it can also be newspapers, blogs, sponsorships, hoardings on roads, ads in the movie break in theatres, etc. The area varies from place to place like it can be on national basis, state basis and for local brands it can be on city basis.

When is the timing to show or run advertisement. For e.g. you cannot show a raincoat ad in the winter season but you need to telecast ad as soon as the summer season is coming to an end and rainy season is just about to begin. The ad should be delivered with perfect timing when most customers are like to buy the product. The planners need to plan it keeping the budget in mind as the maximum of 20% of revenues of the company can be used in the advertisement section. Different products have different time length for advertisements. Some products need year long ads as they have nothing to do with seasonal variations e.g. small things like biscuits, soaps, pens, etc and big services like vehicle insurance, refrigerators, etc. Some products need for three or four months. E.g. umbrellas, cold creams, etc. So the planners have to plan the budget according to the time length so that there is no short of money at any time in this process.

What is what type of media is to be used for delivering the message.

There are basically two media approaches to choose from.

- Media Concentration approach
- Media Dispersion Approach

In media concentration approach, the number of categories of media is less. The money is spent on concentrating on only few media types say two or three. This approach is generally used for those

companies who are not very confident and have to share the place with the other competitors. They don't want anyone to get confused with their brand name so this is the safest approach as the message reaches the target consumers.

Definition: Media Scheduling

Media Scheduling refers to the pattern of timing of an advertising which is represented as plots on a flowchart on a yearly basis. The plots in the flowchart indicate the pattern of periods that matches with favorable selling periods. The classical scheduling models are commonly known as continuity, fighting, and pulsing.

Media scheduling depends upon a number of factors such as:

- The nature of product- whether it is consumer usable, durables or industrial
- The nature of sales- whether the sales is seasonal or regular
- The product lifecycle- whether the product introduction is in growth, maturity or decline
- The pattern of competitor's programs
- The entry of new competitors in the market
- The availability of funds for advertising and marketing campaigns

Continuity

This model is primarily valid for non-seasonal products and some kind of seasonal products. Advertising usually runs steadily with little variation or change over the campaign period. There might be short gaps between advertising at regular intervals and also long gaps, for instance, one advertising every week for 12 months and then pause for a while. This pattern of media advertising prevalent in service and packaged goods requires continuous reinforcement on the customers for top of mind recollection at point of purchase.

The advantages are as follows -

- It works as a reminder.
- It covers the entire purchase cycle.
- It helps in achieving cost efficiencies in the form of large media discounts.
- It helps with positioning advantages within media.
- It incorporates a program or plan that helps identifies the media channels used in an advertising campaign, and specifies insertion or broadcast dates, positions, and duration of the messages.

Flighting

Flighting involves intermittent and irregular periods of advertising, alternating with shorter periods of no advertising at all in media scheduling for seasonal product categories. For example Halloween costumes are purchased mainly during the months of September and October and not the entire year round.

Advantages:

- For a relatively shorter period of time, the advertisers buy heavier weight than competitors.
- It results in little wastage, since this type of advertising concentrates on the best purchasing cycle period.
- The series of commercials as unified media campaigns appear on different media vehicles.

Pulsing

By using low advertising all the year round and heavy advertising during peak selling periods, Pulsing combines both flighting and continuous scheduling. The product categories that experience a surge in sale at intermittent periods are good candidates for pulsing product categories that are sold year round. For instance, under-arm deodorants, sell all year, but more during the summer months

Advantages:

- It covers different market situations possible
- It combines advantages of both continuity and flighting possible

Types of Scheduling:

The advertiser has to consider two types of media scheduling problems:

Macro-scheduling

The macro-scheduling involves allocating advertising expenditure and frequency (repetition/reproduction of message) in relation to season or broad picture of business cycle. The macro-scheduling problem concerns with how to schedule advertising in relation to seasonal and business cycle trends.

Micro-scheduling:

The micro-scheduling problem concerns with allocating advertising expenditure and frequency within a short period to obtain the maximum response or impact. In other words, the problem deals with how to distribute advertising expenditure within the given time.

Alternative Scheduling Strategies:

A company has following alternative scheduling strategies to decide on micro-scheduling:

1. Continuous Advertising:

This scheduling involves advertising the message evenly throughout a given period. For example, if company wants 48 television/radio spots, it will advertise 4 times in a month or once in a week, or on every Monday.

2. Concentrated Advertising:

This scheduling involves giving all the advertisement in a single period. Thus, the concentrated advertising means to spend the entire advertising budget within one flight. It is

applicable when product is sold in one season, event, festival or holiday. For example, the company advertises 48 spots within four days during Diwali festivals, 12 times a day.

3. Fighting Advertising:

This scheduling involves giving advertisement at specific intervals. Company advertises for some period, followed by break of no advertisement, followed by the second flight of advertisement and likewise. Company with seasonal, cyclical, or infrequently purchase products follows such scheduling. Company with a limited fund prefers to advertise during a specific season or festival only.

4. Pulsing Advertising:

This scheduling is the combination of both continuous and fighting advertisements. It includes continuous advertising at low-weight level, reinforced periodically by waves of heavier activity. In other words, the company spends certain portion of advertising fund for continuous advertising, and the remaining fund for fighting advertisement.

Factors Affecting Advertising Scheduling:

The allocation of advertising expenditure/frequency over time depends on advertising objectives, nature of product, type of target customers, distribution channel, and other relevant marketing factors. But, mostly, following five factors are considered to decide on the timing pattern.

1. Buyer Turnover:

It shows the rate at which new buyers enter the market. The rule is, the higher the rate of buyer turnover, the more continuous the advertisement should be.

2. Purchase Frequency:

It shows the number of times during the specific period that the average buyer buys the product. The common rule is, the higher the purchase frequency, the more continuous the advertisement should be.

3. Forgetting Rate:

It shows the rate at which the buyer forgets the brand. The rule is, the higher the forgetting rate, the more continuous the advertisement should be.

4. Financial Condition of Company:

It shows an ability of a company to spend for advertisement. The rule is, the more is the ability to spend, the more continuous the advertisement will be.

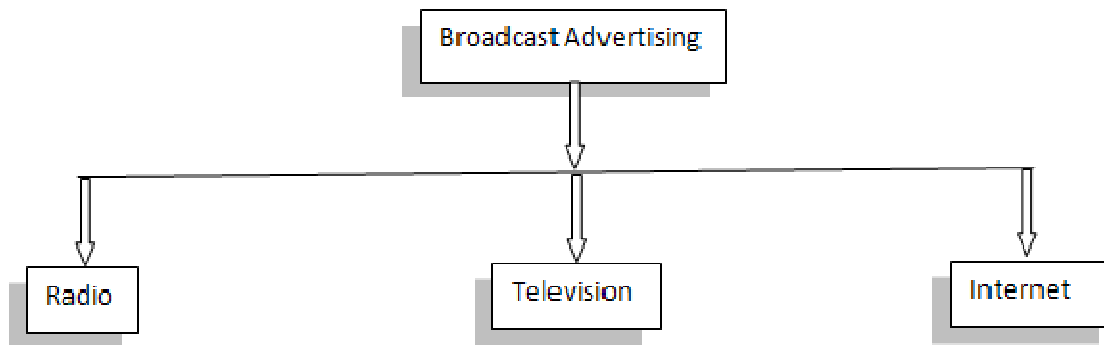
5. Level of Competition:

Company facing a severe market competition will opt for more continuous advertisement through multiple media. The rule is, the more is the intensity of competition, the higher the frequency of advertisement will be.

Broadcast Advertising

The broadcast media like radio and television reaches a wider audience as opposed to the print media. The radio and television commercials fall under the category of mass marketing as the national as well as global audience can be reached through it.

The role of broadcast advertising is to persuade consumers about the benefits of the product. It is considered as a very effective medium of advertising. The cost of advertising on this channel depends on the time of the commercial and the specific time at which it is aired. For example, the cost of an ad in the premium slot will be greater than in any other slot.



A radio ad must be aired several times before it actually sinks in the minds of the consumers. Thus the frequency of the ad is important. The type of your target audience is also important. Therefore, one must do a research on which type of audience listens to which channels if they want the ads to be successful. The voice talent in the commercial should be taken keeping in mind the type of audience and the type of commercial.

The television advertising is usually considered the advertising for the corporate giant, though even the small businesses can benefit from it. A strong audio and video combination is a must for the success of the commercial. But it is also important that the audio and video should function well without each other. For example, if a person is not viewing the TV but just listening to it, s/he should get the idea and vice versa.

It is extremely important that whatever has been advertised in the commercial is true. For this reason, organizations such as Federal Trade Commission (FTC) are there to monitor the commercials on television and radio. This ensures that the advertisers are not making any false claims to lure consumers to buy their products.

Most of the radio and television advertisements are paid though there are some public service ads which can be aired for free. The advertisers usually have to pay for the spot which lasts for 30 seconds. In rare cases, this spot can increase to 60 seconds too.

These days radio and television ads are prepared by advertising agencies for their clients. They understand the need of the client and make the commercial keeping in mind the current state of affairs. Broadcast advertising has become a very essential part of marketing in recent times. Companies allocate specific budget for radio and television ads and make an estimate of how much revenue they can earn through broadcast advertising. For example, marketing consultants are hired to determine the return on investment (ROI) for spending on radio and television ads. Sometimes the marketing consultants of these businesses run sample ads to judge its popularity among the viewers.

Internet or online advertising uses the Internet or the World Wide Web for the purpose of attracting consumers to buy their product and services. Examples of such advertising include ads on search engine result pages, rich media ads, banner ads, social network advertising, and email marketing and so on. Online advertising has its benefits, one of them being immediate publishing of the commercial and the availability of the commercial to a global audience. But along with the benefits come the disadvantages too. These days, advertisers put distracting flashing banners or send across email spam messages to the people on a mass scale. This can annoy the consumers and even the real ads might get ignored in the process. Therefore, ethics in advertising is very important for it to be successful.

Outdoor Advertising

Outdoor advertising communicates the message to the general public through highway billboards, transit posters and so on. **Outdoor advertising is a very important form of advertising as the ads are huge and are visible to one and all.** The important part of the advertising is that the message to be delivered should be crisp and to the point. Though images can be used, but they cannot be used in excess. Everything should be presented to the viewer in such a format so that the viewers make up their mind to buy the product or service.

The message to be delivered can be an ad to buy a product, take a trip, vote for a politician, or give to a charity. According to Outdoor Advertising Association of America (OAAA), millions of dollars are being spent on outdoor advertising each year and the figures are expected to grow. This is due to the fact that outdoor traffic keeps on growing every year and hence the target audience for outdoor advertising is ever increasing.

The print and newspaper advertising takes up a huge part of advertising but outdoor advertising is unique in its own way. It is an extremely cost-effective method of advertising. All you need to do is to design a billboard and get it printed as compared to the television advertising where an entire 30 second commercial has to be designed. If the outdoor ads are strategically placed, it can guarantee substantial exposure for very little cost. That is why outdoor advertising is very cost-effective.

Different industries make use of outdoor advertising in their own different way. For example, eating joints and eateries on the highway make use of highway billboards to draw the customer to have a bite and rest a little at their joint. Mac Donalds and Subway are the excellent examples. The automobile and tourism industries make use of the billboards to advertise their products and tourism plans. These are way too successful because of the fact that people on the highway are on the lookout for such information.

Apart from the billboards, there are several other forms in which outdoor advertising can take place. For example, beverage companies make use of sporting events and arenas to showcase their products. For example, Coca Cola was one of the FIFA World Cup sponsors. Other places where you can see outdoor advertising are:

- taxicabs
- buses
- railways
- subways and walls on which murals are painted

Advertising Budget

An advertising budget is estimate of a company's promotional expenditures over a certain period of time. More pertinently, it is the money a company is willing to set aside to accomplish its marketing objectives. When creating the advertising budget, a company must weigh the trade-offs between spending one additional advertising dollar with the amount of revenue that dollar will bring in as revenue.

Advertising Budget is the amount of money which can be or has to be spent on advertising of the product to promote it, reach the target consumers and make the sales chart go on the upper side and give reasonable profits to the company.

Before finalizing the advertising budget of an organization or a company, one has to take a look on the favorable and unfavorable market conditions which will have an impact on the advertising budget.

The market conditions to watch out for are as follows:

- Frequency of the advertisement

- Competition and Clutter
- Market Share of the Product
- Product Life Cycle Stage

1. Frequency of the Advertisement

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

2. Competition and Clutter

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

3. Market Share

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

4. Product Life Cycle Stage

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

Methods for Setting Advertising Budget

Several methods are used for setting advertising budget. Depending upon internal situations of the company, the suitable method is followed. Every method has its merits, demerits, and applicability.

1. Percentage of Sales Method:

It is a commonly used method to set advertising budget. In this method, the amount for advertising is decided on the basis of sales. Advertising budget is specific per cent of sales. The sales may be current, or anticipated. Sometimes, the past sales are also used as the base for deciding on ad budget. For example, the last year sales were Rs. 3 crore and the company spent Rs. 300000 for advertising. It is clear that the company has spent 1% of sales in the last year.

Company has the tendency to maintain certain per cent (or percentage) of sales as ad budget. Based upon the past, the current and the expected sales, amount for advertising budget is determined. This method is based on the notion that sales follow advertising efforts and expenditure. It is assumed that there is positive correlation between sales and advertising expenditure. This is not the scientific method to decide on advertising budget.

Merits:

The method offers following merits:

- (a) It is based on sales volume. Therefore, cost of advertising can be offset against profits earned from the sales. It satisfies financial management.
- (b) This method encourages marketing manager to think in terms of relationship between promotional costs, selling price, and profits per unit.
- (c) It maintains competitive parity. All firms in the industry spend approximately the same percentage of sales for advertising.
- (d) It keeps the company in constant touch with the sales target to be achieved.

Demerits:

The method has been criticized on following grounds:

- (a) In absence of specific guidelines, it is not possible to decide the appropriate per cent of sales. It lacks a scientific base.
- (b) Long-term planning is not possible because a long-term sales forecasting seems difficult.
- (c) It neglects other objectives of advertising. Only sales are given priority. It doesn't consider the need of advertising.
- (d) Stage of product life cycle is not considered.
- (e) It is, to some extent, inflexible.
- (f) It is assumed that only advertising affect sales. It is erroneous.

2. Objectives and Task Method

This is the most appropriate ad budget method for any company. It is a scientific method to set advertising budget. The method considers company's own environment and requirement. Objectives and task method guides the manager to develop his promotional budget by (1) defining specific objectives, (2) determining the task that must be performed to achieve them, and (3) estimating the costs of performing the task. The sum of these costs is the proposed amount for advertising budget.

The method is based on the relationship between the objectives and the task to achieve these objectives. The costs of various advertising activities to be performed to achieve marketing objectives constitute advertising budget.

Under this method, following steps are to be followed to set advertising budget:

1. Determine main objectives of marketing department.
2. Set advertising objectives in terms of sales, profits, brand loyalty, competitive stability, etc.
3. Determine advertising task in terms of various advertising activities required to be performed to achieve the advertising objectives.
4. Estimate cost of each advertising activity for the defined period.

5. Make sum of costs of all the activities. It is the estimated amount for advertising.

Thus, advertising budget is set on the basis of the objectives a company wants to achieve and in what way it wants the objectives to be achieved. This method is logically consistent and practically applicable for all the companies. The method emphasizes on actual needs of the company. It is considered as a scientific method to set ad budget.

3. Competitive Parity Method

Competition is one of the powerful factors affecting marketing performance. This method considers the competitors' advertising activities and costs for setting advertising budget. The advertising budget is fixed on the basis of advertising strategy adopted by the competitors.

Thus, competitive factor is given more importance in deciding advertising budget. For example, if the close competitors spend 3% of net sales, the company will spend, more or less, the same per cent for advertising. Here it is assumed that "competitors or leaders are always right." If not followed carefully, this method may result into misleading.

It is obvious that a company differs significantly from the competitors in terms of product characteristics, objectives, sales, financial conditions, management philosophy, other promotional means and expenses, image and reputation, price, etc.

Therefore, it is not advisable to follow the competitors blindly. Marketing/advertising manager should take competitors' advertising strategy as the base, but should not follow as it is. The advertising budget must be adjusted to the company's internal and external situation.

Limitations:

Manager must be aware of following limitations of the competition parity method:

(a) In case of a new product, the method fails to guide for deciding on advertising budget.

- (b) It is difficult to know in which stage of life cycle the product of close competitor is passing through.
- (c) Company differs in terms of sales, profits, challenges, financial conditions, and so on. To follow competitors directly may be erroneous.
- (d) Advertising is not the sole factors that affect the sales; interplay of many factors determines sales.
- (e) In case, when there are many competitors, it is difficult to decide as to whom the company should follow.
- (f) The method is followed only when there are dominant competitors. In absence of competition, the method cannot be used.
- (g) The method can make a sense only to followers and challengers. It is not applicable to a market leader.

4. Affordable or Fund Available Method

This is, in real sense, not a method to set advertising budget. The method is based on the company's capacity to spend. It is based on the notion that a company should spend on advertising as per its capacity. Company with a sound financial position spends more on advertising and vice versa.

Under this method, budgetary allocation is made only after meeting all the expenses. Advertising budget is treated as the residual decision. If fund is available, the company spends; otherwise the company has to manage without advertising. Thus, a company's capacity to afford is the main criterion.

Limitations:

Following are the limitations of the method:

- (a) The method completely ignores the role or need of advertising in the competitive market environment.

- (b) In long run, it leads to uncertain planning as there is no guarantee that the company will spend for advertising.
- (c) Except company financial position, other factors like company's need for advertising, consumer base, competition, and so forth are ignored.
- (d) This method only guides that a company should not spend beyond its capacity.
- (e) This is not a method in real sense.
- (f) There is possibility of bias in deciding advertising amount.

5. Expert Opinion Method

Many marketing firms follow this method. Both internal and external experts are asked to estimate the amount to be spent for advertisement for a given period. Experts, on the basis of the rich experience on the area, can determine objectively the amount for advertising. Experts supply their estimate individually or jointly.

Along with the estimates, they also underline certain assumptions. Internal experts involve company's executives, such as general manager, marketing manager, advertising manager, sales manager, distribution manager, etc.

Whereas external experts involve marketing consultants, dealers, suppliers, distributors, trade associations, advertising agencies, and other professionals related to the field. Marketing consultants and advertising agencies provide such services on professional basis.

Advertising budget recommended by external experts is more neutral (bias-free) and, hence, is reliable. Experts consider overall situation and give their opinion on how much a company should spend. Mostly, the experts consider all the relevant factors related to advertising while deciding on advertising budget.

Merits:

Expert opinion method offers following merits:

- (a) The estimates tend to be more balanced as various executives and experts are involved.
- (b) The budget is more accurate and realistic because the internal executives are well aware of company's strengths and weaknesses.
- (c) It is the only option when a company is new, having no past experience.
- (d) External experts tend to be more neutral as they are external to organisation

Demerits:

However, the user must be aware of following possible demerits:

- (a) It is not a scientific method. Personal value, experience, and attitudes play vital role.
- (b) It is difficult to fix responsibility of the final estimates as many experts contribute to budget estimates.
- (c) External experts are not fully aware of the company's marketing situations.
- (d) When more internal experts are involved, it may deteriorate relation due to possible conflicts or lack of consensus.
- (e) Possibility of prejudice or bias cannot be ignored.
- (f) All opinions, right or wrong, are given equal importance

6. Other Methods:

There are some other methods used for setting advertising budget.

They have been listed below:

- i. Arbitrary Allocation Method
- ii. Profit Maximization Approach
- iii. Incremental Method
- iv. Sales Force Opinion Method, etc.

Factors affecting Advertising Media Selection

The **advertising medium** refers to the means through which the advertiser can convey his message to audience. Proper selection of the media enables the advertiser to achieve the desired results. Hence, **advertising media selection** is vital for the **success of an advertising campaign**.

An **advertising medium** is any object or device that carries the advertising message. It should be capable of accomplishing following three objectives:

1. To reach the largest number of people possible.
2. To gain their attention.
3. To be less expensive.

The character of the medium is largely determined on the objective and factual basis such as whether the coverage of the medium should be national, regional or only local.

Factors Governing of Advertising Media Selection

Selection of a suitable medium for advertising is really a complex problem to the advertiser. There are a number of kinds and classes of media in the modern advertising. Hence, **the advertising media selection** means not only the choice of the right classes of media out also the individual medium within the class or classes. Besides there is no single medium that is best suited for all advertisers. In reality, a medium which is best suited for one may be almost useless for another. The medium once employed for advertising a particular product itself may be found unsuited subsequently. Therefore, the right choice of a medium calls for a careful analysis. If the medium is unsuited the whole amount of money spent on the advertising campaign shall turn to be a waste.

The advertiser, therefore, while selecting the media, should consider the following factors:

1. **Class of the audience:** Firstly, the advertiser must note the class of the audience to be influenced by the medium. The audience can be classified into different groups by their social status, age, income, educational standard, religion, cultural interests. They may also be divided into men and women.
2. **Extent of coverage:** Secondly, the advertiser must consider the number of audience to be covered by the medium. Every media has a general as well as an effective circulation. The general circulation is made up of the total number of people who read or subscribe to the media. The effective circulation is the number prospective customers who read it and the number of those who influences sales, though they may not buy for themselves. Effective circulation must be considered while estimating the number of people to be covered. The extent to which the medium reaches the same audience as that covered by some other media i.e., the percentage of over-lapping must also be taken into account.
3. **Nature of the product:** Nature of the product itself is a principal factor governing the selection of the medium. Products can be classified into various kinds – consumer's products and manufacturer's products etc.
4. **Nature of the competition:** The nature of the competition exerts greater influence of the selection of the media. If the competition is stiff utmost care is needed in the selection of medium and a larger advertising budget is also required. In many cases where the advertising copy is similar or the choice of the media solely determines the effectiveness of the campaign as compared with that of the other competitors.
5. **Reputation of the medium:** Newspapers and magazines can offer a beautiful illustration for the reputation of the media. There are a few newspapers and magazines which have international

reputation with a high readership. Advertisements in such magazines and newspapers are generally recognized and believed as true. Such advertisements also add prestige to the product.

6. **Cost of the media:** Cost of the medium in most cases, is an important factor in the selection of the medium. Advertisements in certain media are expensive. For instance, TV and Radio advertisements. Magazines and newspaper advertisements are generally considered as less expensive. Yet, certain magazines and newspapers, having larger circulation and high reputation charge higher rates. The rates also differ depending upon the space occupied and the preferential positions. The first page of a newspaper is rarely missed by the reader. Hence they have more attention value, than the advertisements presented anywhere inside the newspaper.

Time and location of buying decisions: The location of the audience and the time by which it should reach them must also be looked into. This consideration also enables the advertiser to keep his retail outlets in the proximity of the customers.

A **media class** is a general category of **media**, such as television, radio, newspapers, magazines and the Internet. The vehicle is the specific TV or radio station, newspaper or print publication, or online website.

"Media vehicle advertising" isn't a commonly used expression. "Media vehicle" refers to specific methods of media used by companies to deliver advertising messages to targeted customers. Selecting the right mix of media vehicles is critical to reaching your audience and getting them to respond well to your ads.

Class Versus Vehicle

To understand a media vehicle, you need to compare it with the concept media class. A media class is a general category of media, such as television, radio, newspapers, magazines and the Internet. The

vehicle is the specific TV or radio station, newspaper or print publication, or online website. Picking the right class based on benefits and drawbacks is an important first step. Then you need to select the right vehicle to reach your prospects.

Broadcast Vehicles

Television vehicles include networks such as ABC, NBC, CBS and FOX. Typically, small businesses can't advertise on the national network, but they often advertise on local network affiliate stations. You can also choose from hundreds of more niche cable networks, such as Lifetime, E! or CNN. Radio is often more practical for small businesses. You normally have an array of vehicles in a local market that have various formats, such as pop music, country music and talk shows.

Print Vehicles

Newspapers are another prominent small-business class because of relatively low ad costs. Community newspapers can reach a local audience. Many small businesses also have access to state or regional publications. Magazines aren't quite as accessible for local companies. However, some regions have local magazines that offer entertainment, community events and themed topics. Even a local magazine ad can cost a few thousand dollars, but magazine vehicles normally reach a very niche audience.

Digital Vehicles and Others

The other major traditional media class is online, or digital/interactive. This class includes thousands of online vehicles, along with mobile communication opportunities. Other supportive media options include billboards, directories, buses and benches. Many metro communities offer vehicle options

within each of these categories. These supportive media are usually used to reinforce messages that are delivered through broader mass media. Billboards are relatively expensive, but they allow small companies to reach wide local marketplaces.

Media. In general, "**media**" refers to various **means** of communication. For example, television, radio, and the newspaper are different types of **media**. ... In the computer world, "**media**" is also used as a collective noun, but refers to different types of data storage **options**.

"Good **advertising** depends on the RIGHT **mediaselection**", good creative and the right content. ...

Targeted**advertising** is the most personal of all the **media option** as they are to a specific audience or known recipients

Advertising media to be considered:

Blanket advertising

- Online advertising
- Print media
- Radio
- Television
- Cinema
- Outdoor billboards

Targeted advertising

- Email
- Direct mail
- Promotional products

- Telemarketing
- Database

In the current environment its more vital for all businesses to understand which medium will best achieve their advertising objectives. All businesses need to advertise in order to retain their respective clients, increase customers value and obtain new customers.

Part B Questions

1. Define Media planning
2. What is meant by media scheduling?
3. Give the meaning of advertising budget
4. What is meant by media decisions
5. What do you mean by media vehicle?

Part C Questions

1. Discuss the concept of media planning and media scheduling
2. Explain the types of broadcast media with examples?
3. Explain the types of advertising budget?
4. Briefly explain the classifications of advertising budget with examples?
5. Distinguish between media vehicle and media option?
6. Explain the kinds of media decisions with suitable chart?

Unit IV – Concept of Sales promotion

Management of sales promotion - Importance and need for sales promotion - Planning for consumer schemes and contests - Different types of consumer schemes - Introduction to brands and brand management - Concept of a brand - Brand evolution - Branding challenges and opportunities - Strategic brand management process.

Meaning and Definition

Promotion is a key part of marketing programme and is concerned with efficiently and effectively communicating the decisions of marketing strategy to target audiences. It is the marketing function concerned with persuasive communication of the marketing programme to target audience with the intent to facilitate exchange between the marketer and the customer, which may satisfy the objectives for both the customer and organization

Sales promotion is an action focused marketing event whose purpose is to have a direct impact on the behavior of the firm's customers.

Robert C Blattberg and scot A Neslin

Sales promotions are short term incentives to encourage purchase or sale of a product or service.

Roger A Strong

Promotion is targeted to the target audiences. It is also goal oriented and the objective may be to create brand awareness, to educate the consumers, to create a positive image, to build preference. The ultimate goal is to sell the product or service to consumers who have a need of it.

Sales promotion is one of the important components of promotion mix. The components of promotion mix are as follows:

1. Advertising
2. Personal selling
3. Sales promotion
4. Publicity
5. Direct Marketing

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.



In a time when customers are exposed daily to a nearly infinite amount of promotional messages, many marketers are discovering that advertising alone is not enough to move members of a target market to take action, such as getting them to try a new product.

Instead, marketers have learned that to meet promotional method in conjunction with advertising.

Other marketers have found that certain characteristics of their target market (e.g., small but geographically dispersed) or characteristics of their [product (e.g., highly complex) make advertising a less attractive option. For these marketers better results may be obtained using other promotional approaches and may lead to directing all their promotional spending to non-advertising promotions.

Finally, the high cost of advertising may drive many to seek alternative, lower cost promotional techniques to meet their promotion goals.

SALES PROMOTION

Sales promotion describes promotional methods using special short-term techniques to persuade members of a target market to respond or undertake certain activity. As a reward, marketers offer something of value to those responding generally in the form of lower cost of ownership for a purchased product (e.g., lower purchased price, money back) or the inclusion of additional value-added material (e.g., something more for the same price).

Sales promotions are often confused with advertising. For instance, a television advertising mentioning a contest awarding winners with a free trip to Goa may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are:

1. Whether the promotion involves a short-term value proposition (e.g., the contest only offered for a limited period of time), and
2. The customer must perform some activity in order to be eligible to receive value proposition (e.g., customer must enter contest).

The inclusion of a timing constraint and an activity requirement are hallmark of sales promotion.

Sales promotions are used by a wide range of organisations in both consumer business markets, though the frequency and spending levels are much greater for consumer products marketers. One estimate by the promotion Marketing Association suggests that in the US alone spending on sales promotion exceeds that of advertising.

DIFFERENCE BETWEEN ADVERTISING AND SALES PROMOTION

Advertising is a message which promotes ideas, good or services communicated through one or more media by an identified sponsor while sales promotion consists of short –terms incentives provided by the identified sponsors to consumers and traders to persuade them to purchase and stock his products.

The major differences between

Advertising and Sales Promotion are:

Advertising	Sales Promotion
(i) A reason is offered to buy.	An incentive is offered to buy
(ii) Theme is to build up brand loyalty	Theme is to break down the loyalty to a competing brand.
(iii) Aim is to attract the ultimate Consumers.	Aim is to attract not only consumers but retailers, wholesalers and Sales force also
(iv) Effective in the long run.	Effective in the short run.
(v) Heavy advertising makes the brand image of the product and accords it the perception of higher quality	Heavy Sales promotion leads to the product being perceived as having a brand image of cheaper and lower quality product.
(vii) Advertising includes messages delivered through various types of Media.	Various types of incentives are offered for <ul style="list-style-type: none"> ➤ Consumer promotion ➤ Trade Promotion ➤ Sales force Promotion

Comparison of Sales Promotion with Others

	Advertising	Sales promotion	Personal selling	Publicity
Timeframe	Long-term	Short-term	Short/long-term	Long-term
Primary appeal	Emotional	Rational	Rational	Emotional
Primary objective	Image/brand building	Sale	Sale/relationship	Good will
Contribution profit	Moderate	High	High	Low

OBJECTIVES OF SALES PROMOTION

Sales promotion is a tool used to achieve most of the five major promotional objectives

- 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 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 promotion can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors.
- **Providing Information-** Generally sales promotion technique are designed to make 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 e-mail.
- **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.

DEFINITIONS OF SALES PROMOTION

It is difficult to define sales promotion in a precise manner because it involves with a variety of activities and techniques. Sales promotion refers to many kinds of incentives and techniques directed toward consumers and traders with the intention to create immediate sales effects. There is no single definition of sales promotion which is universally accepted by one and all. There is a wide spectrum of views and different experts have defined sales promotion in different ways.

The definition given by American Marketing Association (AMA,1960) “In a specific sense, sales promotion include those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts not in the ordinary routine”

As per AMA definition it is inferred that all those promotional activities, which don't fall under the category of personal selling, advertising and publicity, should be considered under the head of sales promotion.

Roger A. Strang has defined sales promotion in a few words as:

“Sales promotion is short-term incentives to encourage purchase or sale of a product or service.”

According to Philip Kotler “Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular product/services by consumers or the trade”

Sales promotion defined by Kazmi and Batra as “Sales promotion includes incentive offers and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm's customers.”

TYPES OF SALE PROMOTION

Promotion may be broadly classified either immediate or delayed. Those that offer an immediate reward tend to be more effective because of their immediacy, which is consistent with the short-term tactical nature of promotions. Immediate reward promotions include such things as price reduction, bonus packs, and coupons. Delayed promotion techniques delay the reward, usually until after the

target audience takes some action. Delayed reward promotions include such things as sweepstakes, rebate offers, and frequent flyer programmes.

Promotions are usually thought of as aimed at consumers, but in fact much more money is invested in promotion to the trade than to the consumers. There are three fundamental types of promotion: consumer promotion, retail promotion and trade promotion. They are used to get consumers to try or to repurchase the brand and to get the retail trade to carry and to “push” the brand. Finally retailers use promotions to clear their inventory of slow moving, out of season, or shelf-unstable products. Retailers thus run their own promotions aimed at consumers, such as price off, displays, frequent shoppers programme and so on.

CONSUMER ORIENTED PROMOTIONS

Consumer will not make a distinction between trade promotions delivered at retail outlets, retail promotions, and consumer promotions. If they see a special display in the store or have a coupon or see a price special, they are not concerned with whether it was the brand or the retailer that was responsible. But, from the brand’s perspective, there is a world of difference. Consumer promotions are initiated by the brand, not the retailer, and the brand controls the content. As it happens, consumers tend to have a pretty good idea about how often brands are promoted. This is important to the brand, because it will affect consumer buying strategy for the brand in the light of the perception of the brand’s availability on promotion.

So, even if you do not have control over retail promotions that includes your brand, it is essential that you have knowledge in your promotion strategy. There are six fundamental consumer can be considered: coupons, refund and rebates, sampling, loyalty sweepstakes and premiums.

Six basic consumer promotions

Coupons	Are low cost, and the most common form of promotion
Refund and rebates	Offers large price discounts, usually with more expensive products
Sampling	Provides an opportunity to try or use brand at little or no cost
Loyalty	Encourages repeat purchase
Sweepstakes	Helps create excitement and reinforce brand image at a relatively low cost
Premiums	Helps facilitate purchase by offering reward or bonus

Coupons: A coupon is a price reduction offer to a consumer. This could be a percentage off on the retail price of the merchandise or an offer for the future. Coupons can be of various kinds, each with a specific objective. Instant redemption coupons can be redeemed with a purchase to reap the benefit instantly. Some coupons are offered after a purchase has taken place for a repeat purchase. Such a coupon can be given at the time of delivery or could be in the package.

Refunds and Rebates: This scheme offers 100% refund in case of dissatisfaction after a purchase. Rebates can be a one-time purchase or could be a coupon issued for the next purchase. This ensures that the shopper returns for the second purchase to avail of the rebate. Fast food giants use this scheme often.

Sampling Giving people free samples or trial pack is another promotional technique and is an excellent way to get consumers to try a product. This form of consumer promotion is found to be especially useful when one is introducing a product for the first time. It is commonly used in the case of fast moving consumer goods such as detergent, soft drinks, confectionaries etc. In this case a small quantity of the product is given as a sample.

Loyalty Programmes

Loyalty programmes are initiated by companies to express their bond with loyal customers. Loyalty points are added by airlines, credit card companies. Indian Airlines have loyalty programme 'frequent flier' offer for those flier who continuously purchase Indian Airlines tickets.

Contests and Sweepstakes

These schemes offer a chance for participants to get something for nothing, based on some sort of skill or ability. These are run to create an excitement amongst the target segment. Sweepstakes require that participants submit their names which are included in a draw or other chance selection. Contests are normally advertised extensively and test more often than not the knowledge of the consumer on the product or some other skill. For example, contest may involve completion of sentence which might say "I like this product because....." or it could involve developing a slogan.

Premiums These are prizes, gifts, and special offers that the consumers are offered at the time of purchase. Getting an fairness cream along with face wash could work as an attractive premium for women, or a hair conditioner with shampoo.

Premium can be of varying kinds, including in-mail premiums. In case, the prospect is required to send proof of the purchase to receive the gift. Sometimes the agent may even bring the entry form. Many magazines have subscription schemes that offer various premiums such as pen sets, sun glasses, planners, etc.

RETAIL PROMOTION

PRICE OFF

This kind of promotion offers a consumer a certain percentage discount that is generally reflected on the price tag. The old price is crossed out and the discounted price stamped in to assure the customer of the value transfer on purchase. A price off is simple and attractive phenomenon and attracts

prospective buyers. Price-off are generally announced with end-of-season sales, specially at places that experience strong variation between winters and summers for instance. It makes sense for marketers to dispose of merchandise in the same season rather than store them for the next year, which costs money; besides' fashion may change by then.

DISPLAYS AND POINT-OF-PURCHASE MATERIAL:

Point of purchase (POP) displays is an important promotional tool because they can help a manufacturer obtain more effective in store merchandising of products. Point-of-purchase displays are very important to marketers since many consumers make their purchase decisions in the store. In fact, some studies estimate that nearly two-thirds of consumer's buying decisions are made in retail store. Thus it is very important for marketers to get the attention of consumers, as well as to communicate a sales or promotional, messages through POP displays.

Many companies run display contest in order to get good exposure for their products, particularly during the seasonal period, Dealers are expected to buy a minimum quantity of stock during the display period and display them prominently in the show windows of the shop and in other prominent places. Company representatives then visit their shops and judge these display and award prizes to them.

COOPERATIVE ADVERTISING

The final form of trade-oriented promotion we examine is cooperative advertising, which involves the sharing of cost of local advertising by the dealer and the company. The dealer then has the name of the outlet printed below the advertisement and gets mileage in terms of consumer enquiries. The most common form of cooperative advertising is the trade-oriented form, vertical advertising, in which a manufacturer pays for a portion of the advertising a retailer runs to promote the manufacturer's

product and its availability in the retailer's place of business. Manufacturers generally share the cost of advertising run by the retailer on a percentage basis (usually 50/50) up to a certain limit.

TRADE ORIENTED PROMOTIONS

Trader promotion takes up a significant proportion of most marketing communication budgets. Whether the promotion directly affects pricing or indirectly affects volume through merchandising material, the trade views trade promotions from the manufacturer as a way to move more money to its bottom line. Trade promotions are those that a company runs to elicit better and quicker response from the trade. These can be done when introducing a new product, to ensure enhanced stocking proceeding a good season, or to block a competition. Trade promotions are normally part of a push strategy, the assumption here being that if the trader has excess stock bought during a trade scheme he will be motivated to push the product in order to recover his investment as soon as possible.

Trade promotion is designed to improve relations with the trade in order to gain and hold new distribution, to build inventory with the trade, or to obtain trade cooperation and merchandising support. There are three basic categories of trade promotion that can be considered are: allowances promotions, display material promotions, and trade premiums and incentives

- Allowance promotions provide the trade with a monetary allowance of some kind in return for buying or promoting a specific quantity of a brand, or for meeting specific purchase or performance requirements.
- Display material promotions are when the manufacturer actually provides special display material to be used in featuring the brand, often in conjunction with a trade allowance.
- Trade incentives are special gifts or opportunities to earn or win valuable trips or prizes in return for purchasing specified quantities of the brand or meeting specific sales quotas.

ALLOWANCE PROMOTION

The type of allowance offered to the trade can take many forms: everything from reduced prices across the board, to reduce prices according to purchase volume, to free goods.

On-Consignment Sales

This tool is normally used by companies that are new entrants and are not known in the market place. Such companies encourage the trade to stock their product on an “on consignment” basis and pay only when the products move off the shelves. This is a rather risky process and companies would do this only on a selective product and only with such traders who have excellent credential in the market place.

Dealer Contests

This is normally linked to the amount of merchandise the dealer purchases. Participating dealer are ranked across the region by the volume of sales in a particular time frame and get substantial gifts which may include car, refrigerator, TV sets or even a trip abroad for them and their family.

Dealer Gifts

Some companies regularly give gifts to their dealers to maintain good relations with them. These could be wall clocks, calendars, diaries even some items for personal use at home.

Shop Board Painting

Some companies such as the Samsung provide attractive signage for shops which could either be printed or made of acrylic material.

Dealer Discount

Many companies run trade scheme, which can be in the form of discount on bulk purchases or free goods such as “buy ten get one free.”

Trade fair participation: Sometimes companies fund partly or fully the participation of their exclusive dealers to trade meets such as the Inside Outside Fair, in India International Trade Fair, etc. They also provide promotional materials for display.

Dealer Meets

Some companies organize regular dealers meet at exotic locations within or outside the country. The expense for such dealers meet is normally paid for by the companies. These dealer meets recognize star performers through awards and also set target for the coming year.

DISPLAY MATERIAL PROMOTION

Display material can be in the form of either a display allowance or actual merchandising material. Perhaps the primary use of display promotions is to help reinforce consumer promotions, although they also play an important role in the introduction of new products and line extensions. Given that many purchase decisions are made at the point of purchase, especially with FMCG brands, display promotion can be an important part of an integrated marketing communication programme. Good display material leads to better attention, especially important for brands driven by recognition awareness. Here you can appreciate the need of for a fully integrated programme.

The display material must be consistent with consumer promotion and advertising, with the same 'look and feel', in order to heighten recognition at the point of purchase. Good in-store merchandising material can also be a good way to effect cross merchandising, where two different brands are being promoted together. The use of display promotion has the advantage of generally being implemented quickly when needed, and the ability to support consumer promotion and advertising at the point of purchase. The disadvantage, as with all trade promotions, but especially here, it is the need for trade cooperation. Unlike trade allowances or trade premium and incentives. If it does not receive wide spread trade support, it will not be effective.

TRADE INCENTIVES**Various Marketing Objectives and Suitable Consumer Promotions**

Promotions	Induce product trial	Retain/load consumers	Build brand equity
Immediate value	<ul style="list-style-type: none"> ➤ product sampling ➤ Coupons ➤ In-store rebates 	<ul style="list-style-type: none"> ➤ Price-off deals ➤ Bonus packs ➤ In-pack, on-pack premiums ➤ Loyalty programmes 	<ul style="list-style-type: none"> ➤ Events ➤ In-pack or on-pack premiums
Delayed value	<ul style="list-style-type: none"> ➤ Mail or media distributed coupons ➤ Mail-in rebates ➤ Free in-mail premiums ➤ Internet delivered coupons 	<ul style="list-style-type: none"> ➤ In-pack or on-pack coupons ➤ Mail -in rebates ➤ Loyalty programmes 	<ul style="list-style-type: none"> ➤ Self liquidating premiums ➤ Free in-mail ➤ Contests and sweepstakes

ADVANTAGES AND DRAWBACK OF SALES PROMOTION

Sales promotion has a significant effect on the behavior of consumers and resellers. Such promotion can bring in more profits for the manufacturer because they permit price discrimination.

1. Price discrimination: Producers can introduce price discrimination through sales promotion. They can charge different prices to different consumer and trade segments varying in their price sensitivity. Coupons, special sales events, clearance sales and discount are examples of it.

2. Effect on consumer behavior: As sales promotions are mostly announced for a short period, customers may feel a sense of urgency and stop comparing the alternatives. They are persuaded to act now rather than later. For many customers, who feel time-pressured, buying on deal is a simple decision rule and many consumers may also consider buying on deal as smart move. In our over

communicated society and because of selective attention, it is not uncommon to ignore many advertisements.

Sales promotional deals, such as discounts, rebates, coupons, or premiums etc. also increase the attention –getting power of advertisement using promotions, marketers can reach the deal prone customers and encourage brand switching. Consumers, who buy on promotional deals, consider themselves as intelligent and smart shoppers.

3. Effect on Trade Behaviour: Short-term promotions present an opportunity and encourage dealers to forward-buy. This forward buying ensures that retailers won't go out of stocks. As dealers have more than normal stocks, they think it advisable to advertise in local media, arrange display and offer attractive promotional deals to consumers. These actions help in increasing the store traffic. The aim is to speed-up the consumer purchasing from their outlet.

DRAWBACKS

There are certain limitations of sales promotion and they may also produce negative effects. While sales promotion is a powerful and effective method to produce immediate, short-term positive results, it is not cure for a bad product, or bad advertising. In fact, a promotion may speed-up the killing of a bad product. A consumer may be motivated to try a new product because of the incentive, but after this the product itself must take over.

1. Decrease in brand loyalty: The major objective of many sales promotions is to encourage brand switching. This is especially true in case of low-involvement category products, or where there is little or no significance differentiation among brands and the unit value is low. Sales promotion announced by marketers thus counter the brand-image building efforts of competitor's brands, for which they develop expensive advertising campaigns. There is agreement among most managers that sales promotion expenditure have decreasing effect on brand-image and this

lead to decreasing brand loyalty

2. Increased price sensitivity: Frequently promoted brands in a product category, especially on the basis of price, make consumers and traders more price sensitive, not only for the promoted brand but for the brands as well in the same product category.

Consumers wait for the promotional deals to be announced and then purchase the product. This is true even for the brands where brand loyalty exists.

3. Quality image may become tarnished: If the promotions in a product category have been rare, or the product happens to be of high-involvement category, the promotions could have a negative effect about its quality image. Consumers may start suspecting that perhaps the product has not been selling well, the quality of the product is low compared to the price, or the product is likely to be discontinued because it has become out dated.

4. Merchandising support from dealers is doubtful: One of the trade promotion tools is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefit to consumers. This is generally the condition attached with such promotional allowances.

5. Short-term orientation: Sales promotions are generally for a short duration. This gives a boost to sales for a short period. This short-term orientation may sometimes have negative effect on long-term future of the organization. Heavy use of sales promotion, in certain product categories, may be responsible for causing brand quality-image dilution

PROMOTIONAL STRATEGY

Promotional Mix : Companies face the task of distributing the total promotion budget over the four promotion tools of advertising, sales promotion, publicity and sales force. Within the same industry, companies can differ considerably in how they allocate their promotional budget.

Companies are always searching for ways to gain efficiency by substituting one promotional tool for another as its economics become more favourable. Many companies have replaced some field sales activity with ads, direct mail and telemarketing. Other companies have increased their sales promotion expenditures in relation to advertising, to gain quicker sales.

The trial and error method, past performance and corporate policies may influence the appropriate promotional mix. Many firms have increased their sales with the application of appropriate combinations of the promotion media; sales promotion and personal selling are supported with publicity. The promotion mix is a variable in the marketing strategy. It should be clearly decided how far a particular element should be used in combination with other promotional methods.

STRATEGIC APPROACH

The kind of promotional mix employed determines the promotional strategy. Generally speaking a particular combination, type or amount of sales promotion, personal selling, publicity and advertising are brought in to the promotional mix, which becomes the promotional strategy in the course of implementation. The marketing strategy as much guides the determination of the promotional strategy, which may be divided into sale promotion strategy, personal selling strategy, publicity strategy and advertising strategy. The strategies, sustaining promotional strategy, developmental promotional strategy or promotional appropriation.

(i) Push and Pull Strategies

The push and pull promotional strategies may be used to enhance sales. The push strategy concentrates on middlemen or retailers who push the sale of the product to the final consumers. This strategy covers cooperative advertising, attractive terms of sale, coupons and discount facilities.

The pull strategy is directed toward the final buyers. It persuades the buyers to go to the sellers to buy. Sales promotion, particularly customer promotion, is an important form of the pull strategy. Customer promotion, may call for the offer of samples, money-refund offers, prices-off, premiums and so on.

The push strategy asks the sellers or retailers to attract the layers. Trade promotion is thus the main form of the push strategy. Trade promotions refer to buying allowances, free goods, co-operative advertising, push money, sales contests and so on. The marketing manager has to adopt both these strategies to promote sales.

FEATURES OF PULL STRATEGY

Pull strategies depend upon mass communication. Products are literally pulled by buyers through the channels on the basis of mass promotional efforts. In a pull strategy, the product is pulled through the channel by creating end- user demand. Customers force retail shops to stock those mass- promoted products. In turn, retailers demand the highly advertised product from wholesalers. The firms having well- known brands can exercise control over channels through pull promotion strategies. Personal salesmanship plays a secondary role in pull promotion. Marketer rely on intensive distribution. Dealer margins are also lower in pull promotion.

FEATURES OF PUSH STRATEGY

Industrial marketing strategies are mostly the push type strategies relying primarily on personal selling. Also in the sale of medical products and in life insurance, marketers have to employ a lot of salesmen to call on physicians and prospects for life insurance.

In push type promotion, personal selling expenses are considerable and dealer margin is also higher.

In this, after – sale service is also important and marketers rely on selective distribution. Push strategy can be successfully used when:

1. We have a high quality product with unique selling points.
2. Where we have a high priced product.
3. We can offer adequate incentives (financial) to middlemen and their salesmen.

PUSH – PULL STRATEGY

Most consumer goods manufacturers generally employ a push- pull (combination) strategy to sell their products. The ratio of pull to push may differ according to the requirements of market situation. Salesmen are used to push the goods through the marketing channel, while advertising and sales promotion will support personal selling to accelerate sales. Thus, all tools of promotion work together.

SUSTAINING PROMOTIONAL STRATEGY

The main aim of this strategy is to stabilize the market share. Sales promotion becomes necessary to sustain a market share. At a laggard stage, the markets may shrink. Unless appropriate steps are taken, the marketer may find that the market may be slipping away for, to his product. But this strategy can be adopted only after employing the penetrating strategy. That is, the market share should not decline after a higher level of sale has been attained. The sustaining promotional strategy stabilizes the market share. Sales force promotion by way of bonus and other incentives many contain the market from slipping away. Steps are taken to prevent the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced.

DEVELOPMENTAL PROMOTIONAL STRATEGY

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. New products or brands are popularized by offering trade discounts, cash rebates, premiums, money refunds, and so on. The new consumers are given effective after-sales service. Consumer franchise building is done with development strategy. The promotional mix for a brand not yet popular may require emphasis on both personal selling and sales promotion.

PROMOTIONAL APPROPRIATION

Promotional objectives determine promotional appropriation. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriation on personal selling, sales promotion, advertising and publicity are determined under this strategic approach. The marketing manager has to arrive at the optimum promotional mix of the given objectives. And this requires proper planning and programme evaluation. Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of market and its location, the nature of prospective buyers, their purchase frequency, distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions (Manufacturer to consumer)	“Push” promotions	
	offered to trade	offered to consumers
Sampling	Discounts	Price-cuts
Coupons	Display allowance	Free goods
Price-packs	Advertising allowance	Premiums
Rebates	Free goods	Displays
Continuity programmes	Contests	Feature advertising
Contests	Trade coupons	Quantity discount
Sweepstakes	Quality discounts	Clearance sale.
Tie-in promotions		
Financing incentives		
Special events		
Premiums		
Bonus packs		
Exchanging offers		

EVALUATION OF SALES PROMOTIONAL STRATEGY

Sales promotional strategies should be evaluated twice. First at the stages of implementation and secondly after the final performance because implementation control“ will suggest improvements during the application of the promotional strategy, while „performance control“ will be a guide for the future. Implementation control covers initial planning, objectives, promotional packages, and printing of special premiums and packaging materials, distribution to retailers, etc. Even though it has proved successful whenever tried, very few firms adopt this strategy. Many manufacturers believe only in performance control.

Performance is evaluated in the light of planned objectives. Consumer surveys and consumer experiments are used to evaluation techniques show how far the sales promotion techniques have

been effective in increasing sales through motivating consumers and sellers, and point the way to improvement in sales promotion.

SALES PROMOTION AND PRODUCT LIFE CYCLE

The promotional tools vary in their cost effectiveness at different stages of the product life cycle. In the introduction stage, advertising and publicity have high cost effectiveness, followed by sales promotion to induce trial and personal selling to gain distribution coverage.

In the growth stage, all the tools can be toned down because demand has its own momentum through word-of-mouth. In the maturity stage, sales promotion, advertising and personal selling all become more important in that order. In the decline stage, sales promotion continues strong, advertising and publicity are reduced and sales people give the product only minimal attention.

CROSS PROMOTION

Under this sales promotion strategy, the manufacturer may use all the potential tools such as advertisement, personal selling and sales promotion to hit the market simultaneously so that the buyer will be induced to buy a product. For example when Deccan Chronicle, a daily newspaper, was introduced in Chennai, the management had used all promotional activities, such as display, holding, price off and media to influence the reader to buy the paper. This promotional strategy is called cross promotion.

Surrogate Selling

Under this strategy, when the manufacturer is unable to sell his product in the market he may handover the product to a well known organization to sell on behalf of the manufacturer. This strategy is called surrogate selling.

For example, shampoo products are manufactured at Pondicherry by a number of small and medium manufactures. But they find it difficult in selling the product in the market.

What they have done was, handing over the finished product to Hindustan Lever, Proctor and Gamble who have sufficient logistics in selling the product, there by relieving the burden of converting the product into cash. They have in fact act as a surrogate in selling their merchandise in the market.

Bait and Switch Advertising

Bait means something that is meant to tempt someone. Under this strategy, the marketing manager use AIDA formula to tempt someone to look the advertisement and influence him to buy a product. For example, Bharat Sanchar Nigam Limited has used paise prominently in its advertisement to bring the attention of its users in mind which will influence them to go for using the BSNL service. This way of tempting the viewer to opt for BSNL is called Bait advertising.

SALESMANSHIP

The term salesmanship has been defined in various ways. Some of the definitions of salesmanship are

- a. Salesmanship is the art of persuading persons to buy goods or services, which will give them lasting satisfaction.
- b. Salesmanship is the art of helping prospects and customers achieve their goals in life.
- c. Selling is a buying process wherein the salesman ascertains the customers' needs and indicates convincingly how the needs can be satisfied through the purchase of goods and services.
- d. Salesmanship is the art of solving the customers' problems through the benefits offered by the products or services being sold by the salesman.

The work of a salesman can best be described in one single word as service

i.e. helping the customer to get most from the he pays to acquire a product or service. A skilled salesman is the one who devotes time to solve-the customers' problems because more often the

customer is looking for a solution to his problem when he buys a product. He might not be even aware of his needs. It is here that a good salesman helps a customer in purchasing what will solve his problem. The salesman persuades feelings to action or evidence that convinces reason and judgment.

OBJECTIVES

The most important functions of sales management are :

- a. Sales volume
- b. Contribution to profit
- c. Continuing growth

The prime responsibility of the sales department is to build up higher volume of sales. This higher volume of sales leads to greater production in the factory and the company achieves the economies of scale. This helps in reducing the costs and making the products of the company more competitive in the market. This leads to the automatic achievement of the other two objectives that is increase profits and continued growth of the company.

The top management, delegates the responsibility of achieving the sales objectives to the marketing department that ultimately directs the sales department to carry out activities in order to achieve them. The sales managers thus play a key role in the company because the entire growth of the company depends on their ability to achieve the stated objectives. The sales managers also carry out the important task of the appraisal of market opportunities and convey the same to the company. This helps in designing the products which customers would like to possess. This helps the company in achieving greater customer satisfaction and hence greater growth in sales. The forecasts made by the sales department serve as the basic outline for carrying out the entire planning of the company.

SALESMANSHIP: AN ART OR SCIENCE

Often, the suffix “ship” is added to denoting persons and signifies skill or art, e.g., craftsmanship, horsemanship etc. These persons have the fundamental knowledge of the skill or the craft and salesmanship is no exception to this. He invariably has a thorough knowledge of his profession and uses innovative ways and means to achieve his objectives. The art of approaching a customer, opening, negotiating and closing a deal has no standard format. The salesman masters this skill through his knowledge, experience and ingenuity. The skillful use of communication that is both verbal and non-verbal contributes a lot to the success of a salesman. He is an artist who paints a mental picture with a verbal brush.

APPROACHES TO BUILD CUSTOMER CONTACT

The sales representatives can approach a customer in various ways as described below:

1. Sales representative to buyer: In this method, the sales representative approaches the customer individually. The customer is usually contacted in person for the first time and subsequently the communication over phone/fax or email may be used. In this case, there is one to one contact of the sales representative and the customer. Such an approach is used in departmental stores and the companies engaged in direct marketing. It is the most preferred approach in case of industrial or institutional selling wherein one to one contact is essential in order to negotiate a deal.

2. Sales representative to buyer group: In this method, the sales representative makes a presentation to a group of buyers. This method is particularly used in rural marketing wherein the sales force goes to a village and demonstrates the products to a group of persons collectively. This method is more cost effective, especially when the cost of approaching an individual customer is high. The limitation of this method is that it might be difficult in collecting the prospecting customers at one place.

3. Sales team to buyer group: In this method, the team of sales persons makes the presentation to the customers or their group. The sales team usually consists of people from marketing department as well as technical people. This method-is particularly used by advertising agencies that visit the clients in a group and make presentations to give their ideas, about their advertisement campaign. This method is particularly useful when the product is technical in nature that needs the help of more than one person in convincing the customers.

PERSONAL SELLING

In the competitive market place, it is important that the product is communicated across to the customers. Traditionally, advertising is the tool for communication. However, as the competition has increased, the process of communication has also become more and more complex. The marketers of today cannot rely in only advertising in fact, the marketing communication mix comprise of 5 modes of communication as explained herein:

- 1. Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- 2. Sales promotion:** A variety of short-term incentives to encourage trial or purchase of a product or service.
- 3. Public relations and publicity:** A variety of programmes designed to promote or protect a company's image or its individual products.
- 4. Personal selling:** Face to face interaction with one or more prospective purchasers for the purpose of making presentations, and answering questions, and procuring orders.
- 5. Direct marketing:** Use of mail, telephone, fax, e-mail or internet to communicate directly with or solicit & direct response from specific customers and prospects.

The present chapter deals with personal selling as one of the modes for selling. The topic falls within the scope of both marketing communication and sales management. Personal selling is the most effective tools, especially at the later stages of buying process. It is very useful in building buyer preference, convictions and action. Personal selling has three distinctive qualities:–

QUALITIES - PERSONAL SELLING

(i) Personal confrontations: Personal selling involves an immediate and interactive relationship between two or more persons each party is able to observe the other's reactions at close hand.

(ii) Cultivation: Personal selling permits all kinds of relationships to spring up, ranging from a matter of fact selling relationships to a deep personal friendship. Sales representatives usually have customer's best interests at heart.

(iii) Response: Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

PRINCIPLES OF PERSONAL SELLING:

Personal selling is more of an art. Often effective sales persons have an instinct. Yet, it is realized that proper training can enhance the skills of good salesmen. In present times, personal selling is becoming more and more customer oriented because no more do we have a buyer's market. Three major aspects of personal selling are :

i) Professionalism

ii) Negotiations

iii) Relationship marketing

(i) Professionalism: The belief that good sales are born is giving way to professional approach to the sales activity. The sales managers realize the importance of training of the sales force and spend huge

sums of money each year for the same. We find the market flooded with training aids comprising of books, video and audiocassettes, CD's and many more. The aim at sharpening the skills of a salesman to make him more and more effective.

All sales training approaches try to convert a sales person from a passive order taker into an order setter. An order taker is passive and is dominated by the situation. An order getter moulds the situation in his favour and takes charge in order to achieve his objectives. The modern professional approach to salesmanship is customer oriented. The act of selling is projected as aimed at solving the problems of the customers. Such an approach is satisfying the customers more thereby making sales activity more and more effective. The sales personal are trained to understand the situation and they formulate their reaction because no single approach works in all situations.

(ii) Negotiation: Negotiation skills are one of the most important skills of a salesman. The two parties need to reach agreement on price and other terms of sales. A good salesman wins the order without making deep concessions that will hurt his profitability. Also, he must not unduly extract the customer because such as approach will be detrimental in long run. This process of exchange by way of negotiation is more of an art. Learnt by salesman over time.

The professional approach to negotiation identifies the zone of agreement between the seller's surplus and buyer's surplus. Such an understanding helps in reaching at the agreement point where both the parties feel satisfied.

Negotiation involves communication that is focussed and planned. A good salesman understands his customer well and then formulates a negotiation strategy.

(iii) Relationship marketing:

As the salesman becomes close to the customers, the transactional nature of the selling approach gives way to the relationship approach. The transactional approach is deal to deal approach centered

on short-term gains. The relationship approach is long term and establishes a relationship between the buyer and the seller. Both understand each other and support each other.

MAJOR STEPS IN EFFECTIVE SELLING:

While it is established that no single approach to selling works, in all situations, still a generalization can be drawn and the major steps in effective selling can be identified as under :

1. Prospecting and qualifying Pre approach
2. Pre approach
3. Approach
4. Presentation & Demonstration
5. Overcoming objections
6. Closing
7. Follow up and maintenance

STEPS IN EFFECTIVE SELLING

1. Prospecting and qualifying

The first step in selling is to identify and qualify prospects. Traditionally, the task of identifying the prospect rests with the salesman. Nowadays, with the advances in information technology and software like CRM, companies can establish direct relationships with the customers. Thus, the task of identifying prospect is shared and it makes the job of salespersons more focused. The prospective customers are contacted and then sorted according to the level of interest and financial capability. The salesman can personally visit those customers where the chances of success are more. Four main steps in prospecting are :

i) Formulating prospect definitions:

This means defining the prospects according to their financial capacity and the interest to purchase. This helps in segmenting the prospects into the categories where chances of selling are more. This makes the selling activity more targeted.

ii) Searching potential accounts:

After segmentation, the prospects are analyzed with respect to probability of selling. This may involve an exploratory visit to the prospects or contacting them over phone, mail or Internet. This further narrows the focus area of the sales reps

iii) Qualifying prospects and determining probable requirements :

After having identified most probable prospects, their requirements are studied so that salesman can actually design a negotiation strategy that fulfills the prospect's needs. This increases the probability of the success of a sales call.

iv) Relating company products to each prospect's requirements:

The final step is to integrate both the customers and sales rep so that higher success is achieved with fewer efforts.

2. Pre approach:

Pre approach is the activity of sales persons to learn as much as possible about the prospect. This helps in identifying the factors that play an important role in buying decisions making process. Once a sales person is familiar with the factors that are important from the point of view of a customer, he can design his approach strategy accordingly. The chances of success increase with the details of information. Sales persons go to the extent of knowing the time, place, cultural habits and language of their customers. This helps them to step into the customer's shoe. This activity helps in saving resources and increases the chances of success.

3. Approach: The manner in which a sales person approaches the prospect has a lot of effect on the chances of success of a sales call. As it is said, first impression is the last impression, the sales person should know how to greet the buyer to get the relationship off to a good start.

The dressing, manner and etiquette, language, politeness and persuasiveness have a lot of effect on the success of a sales call. The right approach comes from the degree of proximity with the customer. Proximity in terms of knowing the customers is very important and nowadays more and more companies are doing the same.

4. Presentation & demonstration:

After approaching a customer, the sales person narrates the story of his product. The underlying scheme of presentation is often based on AIDA model i.e. gaining attention, generating interest, accessing desire and obtaining action. Different styles of sales presentation are used, as described herein.

i) Canned approach:

This is the oldest approach wherein sales person memorizes, the sales talk covering the main points. It is based on stimulus-response thinking i.e. the buyer is passive and can be moved to purchase by the use of the right stimulus words, pictures, terms and actions.

ii) Formulated approach:

It is also based as stimulus-response thinking but first identifies the buyer's needs and buying style and then uses a formulated approach to this type of buyer.

iii) Need Satisfaction approach:

It starts with a search for the customer's real needs by encouraging the customer to do most of the talking. The sales person takes on the role of a knowledgeable business consultant hoping to help the customer save money or make money.

The sales presentations can be improved with demonstration aids such as booklets, flip charts, slider, movies, audio and video cassettes, product samples and computer based simulations.

5. Overcoming objections:

There arise objections to all the presentations because of psychological resistance. It is very important to resolve them. In fact, objections are the starting point of communication that might transform to negotiation and finally action. So, they must be encouraged as they can have a positive effect on the sales call if they are resolved.

6. Closing:

The manner of closing a sales call is as important as approach. Closing leaves behind an impression, which has a long term, carryover effect. Unconfident sales persons fail to ask for order rendering the entire sales call fruitless.

So, the process of winding up of a sales call must incorporate persuasive phrases and actions that not only effect purchase but also help in carrying a long term effect in the mind of the customer.

7. Follow up and maintenance:

In order to ensure repeat business, follow up and maintenance are very important. After closing a sales call, the sales person should not break contact with the customer. Sustained contact helps in getting business next time. It also helps enhancing customer satisfaction and reducing cognitive dissonance. It also provides the feed back to the company for improving the quality of products and service in future.

SALES ACTIVITIES & TASKS

In the present times, several developments have taken place that affect the operation of business activity and sales management is no exception. At the onset of industrialization, sellers used to dominate the market. Hence the prime function of sales force was order collection and timely delivery. With the onset of competition, sales personnel could not get the orders with ease and had to supplement him, activities by focusing around the customers' needs. There arose a need for a greater coverage of the markets and each customer required personal attention. So, personal selling activities dominated the scene whereby sales person's prime job was to push the sales by luring the customers. The luring act could involve personal meetings, long business talks and use of sales promotion measures. The needs of the customers were not the prime concern and it was important to sell the product to the customers.

The current trends of globalization and technological advances, particularly. The advances in information technology have changed the way the business is done. The distinction between marketing and selling is slowly being reduced, in fact the two activities are merging into one. A salesman starts from the customer by identifying customer's needs and then designs the product mix suiting the specific needs of a customer. Hence, the scope of sales management involves marketing tasks as well. For the purpose of simplicity, the function of sales management can be divided into administrative, operating and staff functions.

POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define Sales Promotion
2. List out any two objectives of sales promotion
3. What is meant by brand?
4. Give the meaning of consumer schemes?
5. What is meant by branding challenges?

PART C – 8 Marks

1. Discuss the functions of sales promotion?
2. Explain the importance and objectives of sales promotion?
3. Discuss the techniques of sales promotion
4. Explain the tools of sales promotion with suitable chart?
5. Enumerate the brand evolution process?
6. Discuss the branding challenges and opportunities?
7. Briefly explain the strategic brand management process?

Unit IV – Concept of Sales promotion

Management of sales promotion - Importance and need for sales promotion - Planning for consumer schemes and contests - Different types of consumer schemes - Introduction to brands and brand management - Concept of a brand - Brand evolution - Branding challenges and opportunities - Strategic brand management process.

Meaning and Definition

Promotion is a key part of marketing programme and is concerned with efficiently and effectively communicating the decisions of marketing strategy to target audiences. It is the marketing function concerned with persuasive communication of the marketing programme to target audience with the intent to facilitate exchange between the marketer and the customer, which may satisfy the objectives for both the customer and organization

Sales promotion is an action focused marketing event whose purpose is to have a direct impact on the behavior of the firm's customers.

Robert C Blattberg and scot A Neslin

Sales promotions are short term incentives to encourage purchase or sale of a product or service.

Roger A Strong

Promotion is targeted to the target audiences. It is also goal oriented and the objective may be to create brand awareness, to educate the consumers, to create a positive image, to build preference. The ultimate goal is to sell the product or service to consumers who have a need of it.

Sales promotion is one of the important components of promotion mix. The components of promotion mix are as follows:

1. Advertising
2. Personal selling
3. Sales promotion
4. Publicity
5. Direct Marketing

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.



In a time when customers are exposed daily to a nearly infinite amount of promotional messages, many marketers are discovering that advertising alone is not enough to move members of a target market to take action, such as getting them to try a new product.

Instead, marketers have learned that to meet promotional method in conjunction with advertising.

Other marketers have found that certain characteristics of their target market (e.g., small but geographically dispersed) or characteristics of their [product (e.g., highly complex) make advertising a less attractive option. For these marketers better results may be obtained using other promotional approaches and may lead to directing all their promotional spending to non-advertising promotions.

Finally, the high cost of advertising may drive many to seek alternative, lower cost promotional techniques to meet their promotion goals.

SALES PROMOTION

Sales promotion describes promotional methods using special short-term techniques to persuade members of a target market to respond or undertake certain activity. As a reward, marketers offer something of value to those responding generally in the form of lower cost of ownership for a purchased product (e.g., lower purchased price, money back) or the inclusion of additional value-added material (e.g., something more for the same price).

Sales promotions are often confused with advertising. For instance, a television advertising mentioning a contest awarding winners with a free trip to Goa may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are:

1. Whether the promotion involves a short-term value proposition (e.g., the contest only offered for a limited period of time), and
2. The customer must perform some activity in order to be eligible to receive value proposition (e.g., customer must enter contest).

The inclusion of a timing constraint and an activity requirement are hallmark of sales promotion.

Sales promotions are used by a wide range of organisations in both consumer business markets, though the frequency and spending levels are much greater for consumer products marketers. One estimate by the promotion Marketing Association suggests that in the US alone spending on sales promotion exceeds that of advertising.

DIFFERENCE BETWEEN ADVERTISING AND SALES PROMOTION

Advertising is a message which promotes ideas, good or services communicated through one or more media by an identified sponsor while sales promotion consists of short –terms incentives provided by the identified sponsors to consumers and traders to persuade them to purchase and stock his products.

The major differences between

Advertising and Sales Promotion are:

Advertising	Sales Promotion
(i) A reason is offered to buy.	An incentive is offered to buy
(ii) Theme is to build up brand loyalty	Theme is to break down the loyalty to a competing brand.
(iii) Aim is to attract the ultimate Consumers.	Aim is to attract not only consumers but retailers, wholesalers and Sales force also
(iv) Effective in the long run.	Effective in the short run.
(v) Heavy advertising makes the brand image of the product and accords it the perception of higher quality	Heavy Sales promotion leads to the product being perceived as having a brand image of cheaper and lower quality product.
(vii) Advertising includes messages delivered through various types of Media.	Various types of incentives are offered for <ul style="list-style-type: none"> ➤ Consumer promotion ➤ Trade Promotion ➤ Sales force Promotion

Comparison of Sales Promotion with Others

	Advertising	Sales promotion	Personal selling	Publicity
Timeframe	Long-term	Short-term	Short/long-term	Long-term
Primary appeal	Emotional	Rational	Rational	Emotional
Primary objective	Image/brand building	Sale	Sale/relationship	Good will
Contribution profit	Moderate	High	High	Low

OBJECTIVES OF SALES PROMOTION

Sales promotion is a tool used to achieve most of the five major promotional objectives

- 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 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 promotion can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors.
- **Providing Information-** Generally sales promotion technique are designed to make 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 e-mail.
- **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.

DEFINITIONS OF SALES PROMOTION

It is difficult to define sales promotion in a precise manner because it involves with a variety of activities and techniques. Sales promotion refers to many kinds of incentives and techniques directed toward consumers and traders with the intention to create immediate sales effects. There is no single definition of sales promotion which is universally accepted by one and all. There is a wide spectrum of views and different experts have defined sales promotion in different ways.

The definition given by American Marketing Association (AMA,1960) “In a specific sense, sales promotion include those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts not in the ordinary routine”

As per AMA definition it is inferred that all those promotional activities, which don't fall under the category of personal selling, advertising and publicity, should be considered under the head of sales promotion.

Roger A. Strang has defined sales promotion in a few words as:

“Sales promotion is short-term incentives to encourage purchase or sale of a product or service.”

According to Philip Kotler “Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular product/services by consumers or the trade”

Sales promotion defined by Kazmi and Batra as “Sales promotion includes incentive offers and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm's customers.”

TYPES OF SALE PROMOTION

Promotion may be broadly classified either immediate or delayed. Those that offer an immediate reward tend to be more effective because of their immediacy, which is consistent with the short-term tactical nature of promotions. Immediate reward promotions include such things as price reduction, bonus packs, and coupons. Delayed promotion techniques delay the reward, usually until after the

target audience takes some action. Delayed reward promotions include such things as sweepstakes, rebate offers, and frequent flyer programmes.

Promotions are usually thought of as aimed at consumers, but in fact much more money is invested in promotion to the trade than to the consumers. There are three fundamental types of promotion: consumer promotion, retail promotion and trade promotion. They are used to get consumers to try or to repurchase the brand and to get the retail trade to carry and to “push” the brand. Finally retailers use promotions to clear their inventory of slow moving, out of season, or shelf-unstable products. Retailers thus run their own promotions aimed at consumers, such as price off, displays, frequent shoppers programme and so on.

CONSUMER ORIENTED PROMOTIONS

Consumer will not make a distinction between trade promotions delivered at retail outlets, retail promotions, and consumer promotions. If they see a special display in the store or have a coupon or see a price special, they are not concerned with whether it was the brand or the retailer that was responsible. But, from the brand’s perspective, there is a world of difference. Consumer promotions are initiated by the brand, not the retailer, and the brand controls the content. As it happens, consumers tend to have a pretty good idea about how often brands are promoted. This is important to the brand, because it will affect consumer buying strategy for the brand in the light of the perception of the brand’s availability on promotion.

So, even if you do not have control over retail promotions that includes your brand, it is essential that you have knowledge in your promotion strategy. There are six fundamental consumer can be considered: coupons, refund and rebates, sampling, loyalty sweepstakes and premiums.

Six basic consumer promotions

Coupons	Are low cost, and the most common form of promotion
Refund and rebates	Offers large price discounts, usually with more expensive products
Sampling	Provides an opportunity to try or use brand at little or no cost
Loyalty	Encourages repeat purchase
Sweepstakes	Helps create excitement and reinforce brand image at a relatively low cost
Premiums	Helps facilitate purchase by offering reward or bonus

Coupons: A coupon is a price reduction offer to a consumer. This could be a percentage off on the retail price of the merchandise or an offer for the future. Coupons can be of various kinds, each with a specific objective. Instant redemption coupons can be redeemed with a purchase to reap the benefit instantly. Some coupons are offered after a purchase has taken place for a repeat purchase. Such a coupon can be given at the time of delivery or could be in the package.

Refunds and Rebates: This scheme offers 100% refund in case of dissatisfaction after a purchase. Rebates can be a one-time purchase or could be a coupon issued for the next purchase. This ensures that the shopper returns for the second purchase to avail of the rebate. Fast food giants use this scheme often.

Sampling Giving people free samples or trial pack is another promotional technique and is an excellent way to get consumers to try a product. This form of consumer promotion is found to be especially useful when one is introducing a product for the first time. It is commonly used in the case of fast moving consumer goods such as detergent, soft drinks, confectionaries etc. In this case a small quantity of the product is given as a sample.

Loyalty Programmes

Loyalty programmes are initiated by companies to express their bond with loyal customers. Loyalty points are added by airlines, credit card companies. Indian Airlines have loyalty programme 'frequent flier' offer for those flier who continuously purchase Indian Airlines tickets.

Contests and Sweepstakes

These schemes offer a chance for participants to get something for nothing, based on some sort of skill or ability. These are run to create an excitement amongst the target segment. Sweepstakes require that participants submit their names which are included in a draw or other chance selection. Contests are normally advertised extensively and test more often than not the knowledge of the consumer on the product or some other skill. For example, contest may involve completion of sentence which might say "I like this product because....." or it could involve developing a slogan.

Premiums These are prizes, gifts, and special offers that the consumers are offered at the time of purchase. Getting an fairness cream along with face wash could work as an attractive premium for women, or a hair conditioner with shampoo.

Premium can be of varying kinds, including in-mail premiums. In case, the prospect is required to send proof of the purchase to receive the gift. Sometimes the agent may even bring the entry form. Many magazines have subscription schemes that offer various premiums such as pen sets, sun glasses, planners, etc.

RETAIL PROMOTION

PRICE OFF

This kind of promotion offers a consumer a certain percentage discount that is generally reflected on the price tag. The old price is crossed out and the discounted price stamped in to assure the customer of the value transfer on purchase. A price off is simple and attractive phenomenon and attracts

prospective buyers. Price-off are generally announced with end-of-season sales, specially at places that experience strong variation between winters and summers for instance. It makes sense for marketers to dispose of merchandise in the same season rather than store them for the next year, which costs money; besides' fashion may change by then.

DISPLAYS AND POINT-OF-PURCHASE MATERIAL:

Point of purchase (POP) displays is an important promotional tool because they can help a manufacturer obtain more effective in store merchandising of products. Point-of-purchase displays are very important to marketers since many consumers make their purchase decisions in the store. In fact, some studies estimate that nearly two-thirds of consumer's buying decisions are made in retail store. Thus it is very important for marketers to get the attention of consumers, as well as to communicate a sales or promotional, messages through POP displays.

Many companies run display contest in order to get good exposure for their products, particularly during the seasonal period, Dealers are expected to buy a minimum quantity of stock during the display period and display them prominently in the show windows of the shop and in other prominent places. Company representatives then visit their shops and judge these display and award prizes to them.

COOPERATIVE ADVERTISING

The final form of trade-oriented promotion we examine is cooperative advertising, which involves the sharing of cost of local advertising by the dealer and the company. The dealer then has the name of the outlet printed below the advertisement and gets mileage in terms of consumer enquiries. The most common form of cooperative advertising is the trade-oriented form, vertical advertising, in which a manufacturer pays for a portion of the advertising a retailer runs to promote the manufacturer's

product and its availability in the retailer's place of business. Manufacturers generally share the cost of advertising run by the retailer on a percentage basis (usually 50/50) up to a certain limit.

TRADE ORIENTED PROMOTIONS

Trader promotion takes up a significant proportion of most marketing communication budgets. Whether the promotion directly affects pricing or indirectly affects volume through merchandising material, the trade views trade promotions from the manufacturer as a way to move more money to its bottom line. Trade promotions are those that a company runs to elicit better and quicker response from the trade. These can be done when introducing a new product, to ensure enhanced stocking proceeding a good season, or to block a competition. Trade promotions are normally part of a push strategy, the assumption here being that if the trader has excess stock bought during a trade scheme he will be motivated to push the product in order to recover his investment as soon as possible.

Trade promotion is designed to improve relations with the trade in order to gain and hold new distribution, to build inventory with the trade, or to obtain trade cooperation and merchandising support. There are three basic categories of trade promotion that can be considered are: allowances promotions, display material promotions, and trade premiums and incentives

- Allowance promotions provide the trade with a monetary allowance of some kind in return for buying or promoting a specific quantity of a brand, or for meeting specific purchase or performance requirements.
- Display material promotions are when the manufacturer actually provides special display material to be used in featuring the brand, often in conjunction with a trade allowance.
- Trade incentives are special gifts or opportunities to earn or win valuable trips or prizes in return for purchasing specified quantities of the brand or meeting specific sales quotas.

ALLOWANCE PROMOTION

The type of allowance offered to the trade can take many forms: everything from reduced prices across the board, to reduce prices according to purchase volume, to free goods.

On-Consignment Sales

This tool is normally used by companies that are new entrants and are not known in the market place. Such companies encourage the trade to stock their product on an “on consignment” basis and pay only when the products move off the shelves. This is a rather risky process and companies would do this only on a selective product and only with such traders who have excellent credential in the market place.

Dealer Contests

This is normally linked to the amount of merchandise the dealer purchases. Participating dealer are ranked across the region by the volume of sales in a particular time frame and get substantial gifts which may include car, refrigerator, TV sets or even a trip abroad for them and their family.

Dealer Gifts

Some companies regularly give gifts to their dealers to maintain good relations with them. These could be wall clocks, calendars, diaries even some items for personal use at home.

Shop Board Painting

Some companies such as the Samsung provide attractive signage for shops which could either be printed or made of acrylic material.

Dealer Discount

Many companies run trade scheme, which can be in the form of discount on bulk purchases or free goods such as “buy ten get one free.”

Trade fair participation: Sometimes companies fund partly or fully the participation of their exclusive dealers to trade meets such as the Inside Outside Fair, in India International Trade Fair, etc. They also provide promotional materials for display.

Dealer Meets

Some companies organize regular dealers meet at exotic locations within or outside the country. The expense for such dealers meet is normally paid for by the companies. These dealer meets recognize star performers through awards and also set target for the coming year.

DISPLAY MATERIAL PROMOTION

Display material can be in the form of either a display allowance or actual merchandising material. Perhaps the primary use of display promotions is to help reinforce consumer promotions, although they also play an important role in the introduction of new products and line extensions. Given that many purchase decisions are made at the point of purchase, especially with FMCG brands, display promotion can be an important part of an integrated marketing communication programme. Good display material leads to better attention, especially important for brands driven by recognition awareness. Here you can appreciate the need of for a fully integrated programme.

The display material must be consistent with consumer promotion and advertising, with the same 'look and feel', in order to heighten recognition at the point of purchase. Good in-store merchandising material can also be a good way to effect cross merchandising, where two different brands are being promoted together. The use of display promotion has the advantage of generally being implemented quickly when needed, and the ability to support consumer promotion and advertising at the point of purchase. The disadvantage, as with all trade promotions, but especially here, it is the need for trade cooperation. Unlike trade allowances or trade premium and incentives. If it does not receive wide spread trade support, it will not be effective.

TRADE INCENTIVES**Various Marketing Objectives and Suitable Consumer Promotions**

Promotions	Induce product trial	Retain/load consumers	Build brand equity
Immediate value	<ul style="list-style-type: none">➤ product sampling➤ Coupons➤ In-store rebates	<ul style="list-style-type: none">➤ Price-off deals➤ Bonus packs➤ In-pack, on-pack premiums➤ Loyalty programmes	<ul style="list-style-type: none">➤ Events➤ In-pack or on-pack premiums
Delayed value	<ul style="list-style-type: none">➤ Mail or media distributed coupons➤ Mail-in rebates➤ Free in-mail premiums➤ Internet delivered coupons	<ul style="list-style-type: none">➤ In-pack or on-pack coupons➤ Mail -in rebates➤ Loyalty programmes	<ul style="list-style-type: none">➤ Self liquidating premiums➤ Free in-mail➤ Contests and sweepstakes

ADVANTAGES AND DRAWBACK OF SALES PROMOTION

Sales promotion has a significant effect on the behavior of consumers and resellers. Such promotion can bring in more profits for the manufacturer because they permit price discrimination.

1. Price discrimination: Producers can introduce price discrimination through sales promotion. They can charge different prices to different consumer and trade segments varying in their price sensitivity. Coupons, special sales events, clearance sales and discount are examples of it.

2. Effect on consumer behavior: As sales promotions are mostly announced for a short period, customers may feel a sense of urgency and stop comparing the alternatives. They are persuaded to act now rather than later. For many customers, who feel time-pressured, buying on deal is a simple decision rule and many consumers may also consider buying on deal as smart move. In our over

communicated society and because of selective attention, it is not uncommon to ignore many advertisements.

Sales promotional deals, such as discounts, rebates, coupons, or premiums etc. also increase the attention –getting power of advertisement using promotions, marketers can reach the deal prone customers and encourage brand switching. Consumers, who buy on promotional deals, consider themselves as intelligent and smart shoppers.

3. Effect on Trade Behaviour: Short-term promotions present an opportunity and encourage dealers to forward-buy. This forward buying ensures that retailers won't go out of stocks. As dealers have more than normal stocks, they think it advisable to advertise in local media, arrange display and offer attractive promotional deals to consumers. These actions help in increasing the store traffic. The aim is to speed-up the consumer purchasing from their outlet.

DRAWBACKS

There are certain limitations of sales promotion and they may also produce negative effects. While sales promotion is a powerful and effective method to produce immediate, short-term positive results, it is not cure for a bad product, or bad advertising. In fact, a promotion may speed-up the killing of a bad product. A consumer may be motivated to try a new product because of the incentive, but after this the product itself must take over.

1. Decrease in brand loyalty: The major objective of many sales promotions is to encourage brand switching. This is especially true in case of low-involvement category products, or where there is little or no significance differentiation among brands and the unit value is low. Sales promotion announced by marketers thus counter the brand-image building efforts of competitor's brands, for which they develop expensive advertising campaigns. There is agreement among most managers that sales promotion expenditure have decreasing effect on brand-image and this

lead to decreasing brand loyalty

2. Increased price sensitivity: Frequently promoted brands in a product category, especially on the basis of price, make consumers and traders more price sensitive, not only for the promoted brand but for the brands as well in the same product category.

Consumers wait for the promotional deals to be announced and then purchase the product. This is true even for the brands where brand loyalty exists.

3. Quality image may become tarnished: If the promotions in a product category have been rare, or the product happens to be of high-involvement category, the promotions could have a negative effect about its quality image. Consumers may start suspecting that perhaps the product has not been selling well, the quality of the product is low compared to the price, or the product is likely to be discontinued because it has become out dated.

4. Merchandising support from dealers is doubtful: One of the trade promotion tools is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefit to consumers. This is generally the condition attached with such promotional allowances.

5. Short-term orientation: Sales promotions are generally for a short duration. This gives a boost to sales for a short period. This short-term orientation may sometimes have negative effect on long-term future of the organization. Heavy use of sales promotion, in certain product categories, may be responsible for causing brand quality-image dilution

PROMOTIONAL STRATEGY

Promotional Mix : Companies face the task of distributing the total promotion budget over the four promotion tools of advertising, sales promotion, publicity and sales force. Within the same industry, companies can differ considerably in how they allocate their promotional budget.

Companies are always searching for ways to gain efficiency by substituting one promotional tool for another as its economics become more favourable. Many companies have replaced some field sales activity with ads, direct mail and telemarketing. Other companies have increased their sales promotion expenditures in relation to advertising, to gain quicker sales.

The trial and error method, past performance and corporate policies may influence the appropriate promotional mix. Many firms have increased their sales with the application of appropriate combinations of the promotion media; sales promotion and personal selling are supported with publicity. The promotion mix is a variable in the marketing strategy. It should be clearly decided how far a particular element should be used in combination with other promotional methods.

STRATEGIC APPROACH

The kind of promotional mix employed determines the promotional strategy. Generally speaking a particular combination, type or amount of sales promotion, personal selling, publicity and advertising are brought in to the promotional mix, which becomes the promotional strategy in the course of implementation. The marketing strategy as much guides the determination of the promotional strategy, which may be divided into sale promotion strategy, personal selling strategy, publicity strategy and advertising strategy. The strategies, sustaining promotional strategy, developmental promotional strategy or promotional appropriation.

(i) Push and Pull Strategies

The push and pull promotional strategies may be used to enhance sales. The push strategy concentrates on middlemen or retailers who push the sale of the product to the final consumers. This strategy covers cooperative advertising, attractive terms of sale, coupons and discount facilities.

The pull strategy is directed toward the final buyers. It persuades the buyers to go to the sellers to buy. Sales promotion, particularly customer promotion, is an important form of the pull strategy. Customer promotion, may call for the offer of samples, money-refund offers, prices-off, premiums and so on.

The push strategy asks the sellers or retailers to attract the layers. Trade promotion is thus the main form of the push strategy. Trade promotions refer to buying allowances, free goods, co-operative advertising, push money, sales contests and so on. The marketing manager has to adopt both these strategies to promote sales.

FEATURES OF PULL STRATEGY

Pull strategies depend upon mass communication. Products are literally pulled by buyers through the channels on the basis of mass promotional efforts. In a pull strategy, the product is pulled through the channel by creating end- user demand. Customers force retail shops to stock those mass- promoted products. In turn, retailers demand the highly advertised product from wholesalers. The firms having well- known brands can exercise control over channels through pull promotion strategies. Personal salesmanship plays a secondary role in pull promotion. Marketer rely on intensive distribution. Dealer margins are also lower in pull promotion.

FEATURES OF PUSH STRATEGY

Industrial marketing strategies are mostly the push type strategies relying primarily on personal selling. Also in the sale of medical products and in life insurance, marketers have to employ a lot of salesmen to call on physicians and prospects for life insurance.

In push type promotion, personal selling expenses are considerable and dealer margin is also higher.

In this, after – sale service is also important and marketers rely on selective distribution. Push strategy can be successfully used when:

1. We have a high quality product with unique selling points.
2. Where we have a high priced product.
3. We can offer adequate incentives (financial) to middlemen and their salesmen.

PUSH – PULL STRATEGY

Most consumer goods manufacturers generally employ a push- pull (combination) strategy to sell their products. The ratio of pull to push may differ according to the requirements of market situation. Salesmen are used to push the goods through the marketing channel, while advertising and sales promotion will support personal selling to accelerate sales. Thus, all tools of promotion work together.

SUSTAINING PROMOTIONAL STRATEGY

The main aim of this strategy is to stabilize the market share. Sales promotion becomes necessary to sustain a market share. At a laggard stage, the markets may shrink. Unless appropriate steps are taken, the marketer may find that the market may be slipping away for, to his product. But this strategy can be adopted only after employing the penetrating strategy. That is, the market share should not decline after a higher level of sale has been attained. The sustaining promotional strategy stabilizes the market share. Sales force promotion by way of bonus and other incentives many contain the market from slipping away. Steps are taken to prevent the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced.

DEVELOPMENTAL PROMOTIONAL STRATEGY

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. New products or brands are popularized by offering trade discounts, cash rebates, premiums, money refunds, and so on. The new consumers are given effective after-sales service. Consumer franchise building is done with development strategy. The promotional mix for a brand not yet popular may require emphasis on both personal selling and sales promotion.

PROMOTIONAL APPROPRIATION

Promotional objectives determine promotional appropriation. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriation on personal selling, sales promotion, advertising and publicity are determined under this strategic approach. The marketing manager has to arrive at the optimum promotional mix of the given objectives. And this requires proper planning and programme evaluation. Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of market and its location, the nature of prospective buyers, their purchase frequency, distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions (Manufacturer to consumer)	“Push” promotions	
	offered to trade	offered to consumers
Sampling	Discounts	Price-cuts
Coupons	Display allowance	Free goods
Price-packs	Advertising allowance	Premiums
Rebates	Free goods	Displays
Continuity programmes	Contests	Feature advertising
Contests	Trade coupons	Quantity discount
Sweepstakes	Quality discounts	Clearance sale.
Tie-in promotions		
Financing incentives		
Special events		
Premiums		
Bonus packs		
Exchanging offers		

EVALUATION OF SALES PROMOTIONAL STRATEGY

Sales promotional strategies should be evaluated twice. First at the stages of implementation and secondly after the final performance because implementation control“ will suggest improvements during the application of the promotional strategy, while „performance control“ will be a guide for the future. Implementation control covers initial planning, objectives, promotional packages, and printing of special premiums and packaging materials, distribution to retailers, etc. Even though it has proved successful whenever tried, very few firms adopt this strategy. Many manufacturers believe only in performance control.

Performance is evaluated in the light of planned objectives. Consumer surveys and consumer experiments are used to evaluation techniques show how far the sales promotion techniques have

been effective in increasing sales through motivating consumers and sellers, and point the way to improvement in sales promotion.

SALES PROMOTION AND PRODUCT LIFE CYCLE

The promotional tools vary in their cost effectiveness at different stages of the product life cycle. In the introduction stage, advertising and publicity have high cost effectiveness, followed by sales promotion to induce trial and personal selling to gain distribution coverage.

In the growth stage, all the tools can be toned down because demand has its own momentum through word-of-mouth. In the maturity stage, sales promotion, advertising and personal selling all become more important in that order. In the decline stage, sales promotion continues strong, advertising and publicity are reduced and sales people give the product only minimal attention.

CROSS PROMOTION

Under this sales promotion strategy, the manufacturer may use all the potential tools such as advertisement, personal selling and sales promotion to hit the market simultaneously so that the buyer will be induced to buy a product. For example when Deccan Chronicle, a daily newspaper, was introduced in Chennai, the management had used all promotional activities, such as display, holding, price off and media to influence the reader to buy the paper. This promotional strategy is called cross promotion.

Surrogate Selling

Under this strategy, when the manufacturer is unable to sell his product in the market he may handover the product to a well known organization to sell on behalf of the manufacturer. This strategy is called surrogate selling.

For example, shampoo products are manufactured at Pondicherry by a number of small and medium manufactures. But they find it difficult in selling the product in the market.

What they have done was, handing over the finished product to Hindustan Lever, Proctor and Gamble who have sufficient logistics in selling the product, there by relieving the burden of converting the product into cash. They have in fact act as a surrogate in selling their merchandise in the market.

Bait and Switch Advertising

Bait means something that is meant to tempt someone. Under this strategy, the marketing manager use AIDA formula to tempt someone to look the advertisement and influence him to buy a product. For example, Bharat Sanchar Nigam Limited has used paise prominently in its advertisement to bring the attention of its users in mind which will influence them to go for using the BSNL service. This way of tempting the viewer to opt for BSNL is called Bait advertising.

SALESMANSHIP

The term salesmanship has been defined in various ways. Some of the definitions of salesmanship are

- a. Salesmanship is the art of persuading persons to buy goods or services, which will give them lasting satisfaction.
- b. Salesmanship is the art of helping prospects and customers achieve their goals in life.
- c. Selling is a buying process wherein the salesman ascertains the customers' needs and indicates convincingly how the needs can be satisfied through the purchase of goods and services.
- d. Salesmanship is the art of solving the customers' problems through the benefits offered by the products or services being sold by the salesman.

The work of a salesman can best be described in one single word as service

i.e. helping the customer to get most from the he pays to acquire a product or service. A skilled salesman is the one who devotes time to solve-the customers' problems because more often the

customer is looking for a solution to his problem when he buys a product. He might not be even aware of his needs. It is here that a good salesman helps a customer in purchasing what will solve his problem. The salesman persuades feelings to action or evidence that convinces reason and judgment.

OBJECTIVES

The most important functions of sales management are :

- a. Sales volume
- b. Contribution to profit
- c. Continuing growth

The prime responsibility of the sales department is to build up higher volume of sales. This higher volume of sales leads to greater production in the factory and the company achieves the economies of scale. This helps in reducing the costs and making the products of the company more competitive in the market. This leads to the automatic achievement of the other two objectives that is increase profits and continued growth of the company.

The top management, delegates the responsibility of achieving the sales objectives to the marketing department that ultimately directs the sales department to carry out activities in order to achieve them. The sales managers thus play a key role in the company because the entire growth of the company depends on their ability to achieve the stated objectives. The sales managers also carry out the important task of the appraisal of market opportunities and convey the same to the company. This helps in designing the products which customers would like to possess. This helps the company in achieving greater customer satisfaction and hence greater growth in sales. The forecasts made by the sales department serve as the basic outline for carrying out the entire planning of the company.

SALESMANSHIP: AN ART OR SCIENCE

Often, the suffix “ship” is added to denoting persons and signifies skill or art, e.g., craftsmanship, horsemanship etc. These persons have the fundamental knowledge of the skill or the craft and salesmanship is no exception to this. He invariably has a thorough knowledge of his profession and uses innovative ways and means to achieve his objectives. The art of approaching a customer, opening, negotiating and closing a deal has no standard format. The salesman masters this skill through his knowledge, experience and ingenuity. The skillful use of communication that is both verbal and non-verbal contributes a lot to the success of a salesman. He is an artist who paints a mental picture with a verbal brush.

APPROACHES TO BUILD CUSTOMER CONTACT

The sales representatives can approach a customer in various ways as described below:

1. Sales representative to buyer: In this method, the sales representative approaches the customer individually. The customer is usually contacted in person for the first time and subsequently the communication over phone/fax or email may be used. In this case, there is one to one contact of the sales representative and the customer. Such an approach is used in departmental stores and the companies engaged in direct marketing. It is the most preferred approach in case of industrial or institutional selling wherein one to one contact is essential in order to negotiate a deal.

2. Sales representative to buyer group: In this method, the sales representative makes a presentation to a group of buyers. This method is particularly used in rural marketing wherein the sales force goes to a village and demonstrates the products to a group of persons collectively. This method is more cost effective, especially when the cost of approaching an individual customer is high. The limitation of this method is that it might be difficult in collecting the prospecting customers at one place.

3. Sales team to buyer group: In this method, the team of sales persons makes the presentation to the customers or their group. The sales team usually consists of people from marketing department as well as technical people. This method-is particularly used by advertising agencies that visit the clients in a group and make presentations to give their ideas, about their advertisement campaign. This method is particularly useful when the product is technical in nature that needs the help of more than one person in convincing the customers.

PERSONAL SELLING

In the competitive market place, it is important that the product is communicated across to the customers. Traditionally, advertising is the tool for communication. However, as the competition has increased, the process of communication has also become more and more complex. The marketers of today cannot rely in only advertising in fact, the marketing communication mix comprise of 5 modes of communication as explained herein:

- 1. Advertising:** Any paid from of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- 2. Sales promotion:** A variety of short-term incentives to encourage trial or purchase of a product or service.
- 3. Public relations and publicity:** A variety of programmes designed to promote or protect a company's image or its individual products.
- 4. Personal selling:** Face to face interaction with one or more prospective purchasers for the purpose of making presentations, and answering questions, and procuring orders.
- 5. Direct marketing:** Use of mail, telephone, fax, e-mail or internet to communicate directly with or solicit & direct response from specific customers and prospects.

The present chapter deals with personal selling as one of the modes for selling. The topic falls within the scope of both marketing communication and sales management. Personal selling is the most effective tools, especially at the later stages of buying process. It is very useful in building buyer preference, convictions and action. Personal selling has three distinctive qualities:–

QUALITIES - PERSONAL SELLING

(i) Personal confrontations: Personal selling involves an immediate and interactive relationship between two or more persons each party is able to observe the other's reactions at close hand.

(ii) Cultivation: Personal selling permits all kinds of relationships to spring up, ranging from a matter of fact selling relationships to a deep personal friendship. Sales representatives usually have customer's best interests at heart.

(iii) Response: Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

PRINCIPLES OF PERSONAL SELLING:

Personal selling is more of an art. Often effective sales persons have an instinct. Yet, it is realized that proper training can enhance the skills of good salesmen. In present times, personal selling is becoming more and more customer oriented because no more do we have a buyer's market. Three major aspects of personal selling are :

i) Professionalism

ii) Negotiations

iii) Relationship marketing

(i) Professionalism: The belief that good sales are born is giving way to professional approach to the sales activity. The sales managers realize the importance of training of the sales force and spend huge

sums of money each year for the same. We find the market flooded with training aids comprising of books, video and audiocassettes, CD's and many more. The aim at sharpening the skills of a salesman to make him more and more effective.

All sales training approaches try to convert a sales person from a passive order taker into an order setter. An order taker is passive and is dominated by the situation. An order getter moulds the situation in his favour and takes charge in order to achieve his objectives. The modern professional approach to salesmanship is customer oriented. The act of selling is projected as aimed at solving the problems of the customers. Such an approach is satisfying the customers more thereby making sales activity more and more effective. The sales personal are trained to understand the situation and they formulate their reaction because no single approach works in all situations.

(ii) Negotiation: Negotiation skills are one of the most important skills of a salesman. The two parties need to reach agreement on price and other terms of sales. A good salesman wins the order without making deep concessions that will hurt his profitability. Also, he must not unduly extract the customer because such as approach will be detrimental in long run. This process of exchange by way of negotiation is more of an art. Learnt by salesman over time.

The professional approach to negotiation identifies the zone of agreement between the seller's surplus and buyer's surplus. Such an understanding helps in reaching at the agreement point where both the parties feel satisfied.

Negotiation involves communication that is focussed and planned. A good salesman understands his customer well and then formulates a negotiation strategy.

(iii) Relationship marketing:

As the salesman becomes close to the customers, the transactional nature of the selling approach gives way to the relationship approach. The transactional approach is deal to deal approach centered

on short-term gains. The relationship approach is long term and establishes a relationship between the buyer and the seller. Both understand each other and support each other.

MAJOR STEPS IN EFFECTIVE SELLING:

While it is established that no single approach to selling works, in all situations, still a generalization can be drawn and the major steps in effective selling can be identified as under :

1. Prospecting and qualifying Pre approach
2. Pre approach
3. Approach
4. Presentation & Demonstration
5. Overcoming objections
6. Closing
7. Follow up and maintenance

STEPS IN EFFECTIVE SELLING

1. Prospecting and qualifying

The first step in selling is to identify and qualify prospects. Traditionally, the task of identifying the prospect rests with the salesman. Nowadays, with the advances in information technology and software like CRM, companies can establish direct relationships with the customers. Thus, the task of identifying prospect is shared and it makes the job of salespersons more focused. The prospective customers are contacted and then sorted according to the level of interest and financial capability. The salesman can personally visit those customers where the chances of success are more. Four main steps in prospecting are :

i) Formulating prospect definitions:

This means defining the prospects according to their financial capacity and the interest to purchase. This helps in segmenting the prospects into the categories where chances of selling are more. This makes the selling activity more targeted.

ii) Searching potential accounts:

After segmentation, the prospects are analyzed with respect to probability of selling. This may involve an exploratory visit to the prospects or contacting them over phone, mail or Internet. This further narrows the focus area of the sales reps

iii) Qualifying prospects and determining probable requirements :

After having identified most probable prospects, their requirements are studied so that salesman can actually design a negotiation strategy that fulfills the prospect's needs. This increases the probability of the success of a sales call.

iv) Relating company products to each prospect's requirements:

The final step is to integrate both the customers and sales rep so that higher success is achieved with fewer efforts.

2. Pre approach:

Pre approach is the activity of sales persons to learn as much as possible about the prospect. This helps in identifying the factors that play an important role in buying decisions making process. Once a sales person is familiar with the factors that are important from the point of view of a customer, he can design his approach strategy accordingly. The chances of success increase with the details of information. Sales persons go to the extent of knowing the time, place, cultural habits and language of their customers. This helps them to step into the customer's shoe. This activity helps in saving resources and increases the chances of success.

3. Approach: The manner in which a sales person approaches the prospect has a lot of effect on the chances of success of a sales call. As it is said, first impression is the last impression, the sales person should know how to greet the buyer to get the relationship off to a good start.

The dressing, manner and etiquette, language, politeness and persuasiveness have a lot of effect on the success of a sales call. The right approach comes from the degree of proximity with the customer. Proximity in terms of knowing the customers is very important and nowadays more and more companies are doing the same.

4. Presentation & demonstration:

After approaching a customer, the sales person narrates the story of his product. The underlying scheme of presentation is often based on AIDA model i.e. gaining attention, generating interest, accessing desire and obtaining action. Different styles of sales presentation are used, as described herein.

i) Canned approach:

This is the oldest approach wherein sales person memorizes, the sales talk covering the main points. It is based on stimulus-response thinking i.e. the buyer is passive and can be moved to purchase by the use of the right stimulus words, pictures, terms and actions.

ii) Formulated approach:

It is also based as stimulus-response thinking but first identifies the buyer's needs and buying style and then uses a formulated approach to this type of buyer.

iii) Need Satisfaction approach:

It starts with a search for the customer's real needs by encouraging the customer to do most of the talking. The sales person takes on the role of a knowledgeable business consultant hoping to help the customer save money or make money.

The sales presentations can be improved with demonstration aids such as booklets, flip charts, slider, movies, audio and video cassettes, product samples and computer based simulations.

5. Overcoming objections:

There arise objections to all the presentations because of psychological resistance. It is very important to resolve them. In fact, objections are the starting point of communication that might transform to negotiation and finally action. So, they must be encouraged as they can have a positive effect on the sales call if they are resolved.

6. Closing:

The manner of closing a sales call is as important as approach. Closing leaves behind an impression, which has a long term, carryover effect. Unconfident sales persons fail to ask for order rendering the entire sales call fruitless.

So, the process of winding up of a sales call must incorporate persuasive phrases and actions that not only effect purchase but also help in carrying a long term effect in the mind of the customer.

7. Follow up and maintenance:

.In order to ensure repeat business, follow up and maintenance are very important. After closing a sales call, the sales person should not break contact with the customer. Sustained contact helps in getting business next time. It also helps enhancing customer satisfaction and reducing cognitive dissonance. It also provides the feed back to the company for improving the quality of products and service in future.

SALES ACTIVITIES & TASKS

In the present items, several developments have taken place that affect the operation of business activity and sales management is no exception. At the onset of industrialization, sellers used to dominate the market. Hence the prime function of sales force was order collection and timely delivery. With the onset of competition, sales personal could not get the orders with ease and had to supplement him, activities by focusing around the customers' needs. There arose a need for a greater coverage of the markets and each customer required personal attention. So, personal selling activities dominated the scene whereby sales person's prime job was to push the sales by luring the customers. The luring act could involve personal meetings, long business talks and use of sales promotion measures. The needs of the customers were not the prime concern and it was important to sell the product to the customers.

The current trends of globalization and technological advances, particularly. The advances in information technology have changed the way he business done. The distinction between marketing and selling as slowly being reduced, in fact the two activities are merging into one. A salesman starts from the customer by identifying customer's needs and then designs the product mix suiting the specific needs of a customer. Hence, the scope of sales management involves marketing tasks as well. For the purpose of simplicity, the function of sales management can be divided into administrative, operating and staff functions.

POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define Sales Promotion
2. List out any two objectives of sales promotion
3. What is meant by brand?
4. Give the meaning of consumer schemes?
5. What is meant by branding challenges?

PART C – 8 Marks

1. Discuss the functions of sales promotion?
2. Explain the importance and objectives of sales promotion?
3. Discuss the techniques of sales promotion
4. Explain the tools of sales promotion with suitable chart?
5. Enumerate the brand evolution process?
6. Discuss the branding challenges and opportunities?
7. Briefly explain the strategic brand management process?

Unit IV – Concept of Sales promotion

Management of sales promotion - Importance and need for sales promotion - Planning for consumer schemes and contests - Different types of consumer schemes - Introduction to brands and brand management - Concept of a brand - Brand evolution - Branding challenges and opportunities - Strategic brand management process.

Meaning and Definition

Promotion is a key part of marketing programme and is concerned with efficiently and effectively communicating the decisions of marketing strategy to target audiences. It is the marketing function concerned with persuasive communication of the marketing programme to target audience with the intent to facilitate exchange between the marketer and the customer, which may satisfy the objectives for both the customer and organization

Sales promotion is an action focused marketing event whose purpose is to have a direct impact on the behavior of the firm's customers.

Robert C Blattberg and scot A Neslin

Sales promotions are short term incentives to encourage purchase or sale of a product or service.

Roger A Strong

Promotion is targeted to the target audiences. It is also goal oriented and the objective may be to create brand awareness, to educate the consumers, to create a positive image, to build preference. The ultimate goal is to sell the product or service to consumers who have a need of it.

Sales promotion is one of the important components of promotion mix. The components of promotion mix are as follows:

1. Advertising
2. Personal selling
3. Sales promotion
4. Publicity
5. Direct Marketing

Sales promotion includes several communications activities that attempt to provide added value or incentives to consumers, wholesalers, retailers, or other organizational customers to stimulate immediate sales. These efforts can attempt to stimulate product interest, trial, or purchase. Examples of devices used in sales promotion include coupons, samples, premiums, point-of-purchase (POP) displays, contests, rebates, and sweepstakes.



In a time when customers are exposed daily to a nearly infinite amount of promotional messages, many marketers are discovering that advertising alone is not enough to move members of a target market to take action, such as getting them to try a new product.

Instead, marketers have learned that to meet promotional method in conjunction with advertising.

Other marketers have found that certain characteristics of their target market (e.g., small but geographically dispersed) or characteristics of their [product (e.g., highly complex) make advertising a less attractive option. For these marketers better results may be obtained using other promotional approaches and may lead to directing all their promotional spending to non-advertising promotions.

Finally, the high cost of advertising may drive many to seek alternative, lower cost promotional techniques to meet their promotion goals.

SALES PROMOTION

Sales promotion describes promotional methods using special short-term techniques to persuade members of a target market to respond or undertake certain activity. As a reward, marketers offer something of value to those responding generally in the form of lower cost of ownership for a purchased product (e.g., lower purchased price, money back) or the inclusion of additional value-added material (e.g., something more for the same price).

Sales promotions are often confused with advertising. For instance, a television advertising mentioning a contest awarding winners with a free trip to Goa may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are:

1. Whether the promotion involves a short-term value proposition (e.g., the contest only offered for a limited period of time), and
2. The customer must perform some activity in order to be eligible to receive value proposition (e.g., customer must enter contest).

The inclusion of a timing constraint and an activity requirement are hallmark of sales promotion.

Sales promotions are used by a wide range of organisations in both consumer business markets, though the frequency and spending levels are much greater for consumer products marketers. One estimate by the promotion Marketing Association suggests that in the US alone spending on sales promotion exceeds that of advertising.

DIFFERENCE BETWEEN ADVERTISING AND SALES PROMOTION

Advertising is a message which promotes ideas, good or services communicated through one or more media by an identified sponsor while sales promotion consists of short –terms incentives provided by the identified sponsors to consumers and traders to persuade them to purchase and stock his products.

The major differences between

Advertising and Sales Promotion are:

Advertising	Sales Promotion
(i) A reason is offered to buy.	An incentive is offered to buy
(ii) Theme is to build up brand loyalty	Theme is to break down the loyalty to a competing brand.
(iii) Aim is to attract the ultimate Consumers.	Aim is to attract not only consumers but retailers, wholesalers and Sales force also
(iv) Effective in the long run.	Effective in the short run.
(v) Heavy advertising makes the brand image of the product and accords it the perception of higher quality	Heavy Sales promotion leads to the product being perceived as having a brand image of cheaper and lower quality product.
(vii) Advertising includes messages delivered through various types of Media.	Various types of incentives are offered for <ul style="list-style-type: none"> ➤ Consumer promotion ➤ Trade Promotion ➤ Sales force Promotion

Comparison of Sales Promotion with Others

	Advertising	Sales promotion	Personal selling	Publicity
Timeframe	Long-term	Short-term	Short/long-term	Long-term
Primary appeal	Emotional	Rational	Rational	Emotional
Primary objective	Image/brand building	Sale	Sale/relationship	Good will
Contribution profit	Moderate	High	High	Low

OBJECTIVES OF SALES PROMOTION

Sales promotion is a tool used to achieve most of the five major promotional objectives

- 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 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 promotion can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors.
- **Providing Information-** Generally sales promotion technique are designed to make 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 e-mail.
- **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.

DEFINITIONS OF SALES PROMOTION

It is difficult to define sales promotion in a precise manner because it involves with a variety of activities and techniques. Sales promotion refers to many kinds of incentives and techniques directed toward consumers and traders with the intention to create immediate sales effects. There is no single definition of sales promotion which is universally accepted by one and all. There is a wide spectrum of views and different experts have defined sales promotion in different ways.

The definition given by American Marketing Association (AMA,1960) “In a specific sense, sales promotion include those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts not in the ordinary routine”

As per AMA definition it is inferred that all those promotional activities, which don't fall under the category of personal selling, advertising and publicity, should be considered under the head of sales promotion.

Roger A. Strang has defined sales promotion in a few words as:

“Sales promotion is short-term incentives to encourage purchase or sale of a product or service.”

According to Philip Kotler “Sales promotion consists of a diverse collection of incentive tools, mostly short term, designed to stimulate quicker and/or greater purchase of particular product/services by consumers or the trade”

Sales promotion defined by Kazmi and Batra as “Sales promotion includes incentive offers and interest creating activities which are generally short term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural responses of the firm's customers.”

TYPES OF SALE PROMOTION

Promotion may be broadly classified either immediate or delayed. Those that offer an immediate reward tend to be more effective because of their immediacy, which is consistent with the short-term tactical nature of promotions. Immediate reward promotions include such things as price reduction, bonus packs, and coupons. Delayed promotion techniques delay the reward, usually until after the

target audience takes some action. Delayed reward promotions include such things as sweepstakes, rebate offers, and frequent flyer programmes.

Promotions are usually thought of as aimed at consumers, but in fact much more money is invested in promotion to the trade than to the consumers. There are three fundamental types of promotion: consumer promotion, retail promotion and trade promotion. They are used to get consumers to try or to repurchase the brand and to get the retail trade to carry and to “push” the brand. Finally retailers use promotions to clear their inventory of slow moving, out of season, or shelf-unstable products. Retailers thus run their own promotions aimed at consumers, such as price off, displays, frequent shoppers programme and so on.

CONSUMER ORIENTED PROMOTIONS

Consumer will not make a distinction between trade promotions delivered at retail outlets, retail promotions, and consumer promotions. If they see a special display in the store or have a coupon or see a price special, they are not concerned with whether it was the brand or the retailer that was responsible. But, from the brand’s perspective, there is a world of difference. Consumer promotions are initiated by the brand, not the retailer, and the brand controls the content. As it happens, consumers tend to have a pretty good idea about how often brands are promoted. This is important to the brand, because it will affect consumer buying strategy for the brand in the light of the perception of the brand’s availability on promotion.

So, even if you do not have control over retail promotions that includes your brand, it is essential that you have knowledge in your promotion strategy. There are six fundamental consumer can be considered: coupons, refund and rebates, sampling, loyalty sweepstakes and premiums.

Six basic consumer promotions

Coupons	Are low cost, and the most common form of promotion
Refund and rebates	Offers large price discounts, usually with more expensive products
Sampling	Provides an opportunity to try or use brand at little or no cost
Loyalty	Encourages repeat purchase
Sweepstakes	Helps create excitement and reinforce brand image at a relatively low cost
Premiums	Helps facilitate purchase by offering reward or bonus

Coupons: A coupon is a price reduction offer to a consumer. This could be a percentage off on the retail price of the merchandise or an offer for the future. Coupons can be of various kinds, each with a specific objective. Instant redemption coupons can be redeemed with a purchase to reap the benefit instantly. Some coupons are offered after a purchase has taken place for a repeat purchase. Such a coupon can be given at the time of delivery or could be in the package.

Refunds and Rebates: This scheme offers 100% refund in case of dissatisfaction after a purchase. Rebates can be a one-time purchase or could be a coupon issued for the next purchase. This ensures that the shopper returns for the second purchase to avail of the rebate. Fast food giants use this scheme often.

Sampling Giving people free samples or trial pack is another promotional technique and is an excellent way to get consumers to try a product. This form of consumer promotion is found to be especially useful when one is introducing a product for the first time. It is commonly used in the case of fast moving consumer goods such as detergent, soft drinks, confectionaries etc. In this case a small quantity of the product is given as a sample.

Loyalty Programmes

Loyalty programmes are initiated by companies to express their bond with loyal customers. Loyalty points are added by airlines, credit card companies. Indian Airlines have loyalty programme 'frequent flier' offer for those flier who continuously purchase Indian Airlines tickets.

Contests and Sweepstakes

These schemes offer a chance for participants to get something for nothing, based on some sort of skill or ability. These are run to create an excitement amongst the target segment. Sweepstakes require that participants submit their names which are included in a draw or other chance selection. Contests are normally advertised extensively and test more often than not the knowledge of the consumer on the product or some other skill. For example, contest may involve completion of sentence which might say "I like this product because....." or it could involve developing a slogan.

Premiums These are prizes, gifts, and special offers that the consumers are offered at the time of purchase. Getting an fairness cream along with face wash could work as an attractive premium for women, or a hair conditioner with shampoo.

Premium can be of varying kinds, including in-mail premiums. In case, the prospect is required to send proof of the purchase to receive the gift. Sometimes the agent may even bring the entry form. Many magazines have subscription schemes that offer various premiums such as pen sets, sun glasses, planners, etc.

RETAIL PROMOTION

PRICE OFF

This kind of promotion offers a consumer a certain percentage discount that is generally reflected on the price tag. The old price is crossed out and the discounted price stamped in to assure the customer of the value transfer on purchase. A price off is simple and attractive phenomenon and attracts

prospective buyers. Price-off are generally announced with end-of-season sales, specially at places that experience strong variation between winters and summers for instance. It makes sense for marketers to dispose of merchandise in the same season rather than store them for the next year, which costs money; besides' fashion may change by then.

DISPLAYS AND POINT-OF-PURCHASE MATERIAL:

Point of purchase (POP) displays is an important promotional tool because they can help a manufacturer obtain more effective in store merchandising of products. Point-of-purchase displays are very important to marketers since many consumers make their purchase decisions in the store. In fact, some studies estimate that nearly two-thirds of consumer's buying decisions are made in retail store. Thus it is very important for marketers to get the attention of consumers, as well as to communicate a sales or promotional, messages through POP displays.

Many companies run display contest in order to get good exposure for their products, particularly during the seasonal period, Dealers are expected to buy a minimum quantity of stock during the display period and display them prominently in the show windows of the shop and in other prominent places. Company representatives then visit their shops and judge these display and award prizes to them.

COOPERATIVE ADVERTISING

The final form of trade-oriented promotion we examine is cooperative advertising, which involves the sharing of cost of local advertising by the dealer and the company. The dealer then has the name of the outlet printed below the advertisement and gets mileage in terms of consumer enquiries. The most common form of cooperative advertising is the trade-oriented form, vertical advertising, in which a manufacturer pays for a portion of the advertising a retailer runs to promote the manufacturer's

product and its availability in the retailer's place of business. Manufacturers generally share the cost of advertising run by the retailer on a percentage basis (usually 50/50) up to a certain limit.

TRADE ORIENTED PROMOTIONS

Trader promotion takes up a significant proportion of most marketing communication budgets. Whether the promotion directly affects pricing or indirectly affects volume through merchandising material, the trade views trade promotions from the manufacturer as a way to move more money to its bottom line. Trade promotions are those that a company runs to elicit better and quicker response from the trade. These can be done when introducing a new product, to ensure enhanced stocking proceeding a good season, or to block a competition. Trade promotions are normally part of a push strategy, the assumption here being that if the trader has excess stock bought during a trade scheme he will be motivated to push the product in order to recover his investment as soon as possible.

Trade promotion is designed to improve relations with the trade in order to gain and hold new distribution, to build inventory with the trade, or to obtain trade cooperation and merchandising support. There are three basic categories of trade promotion that can be considered are: allowances promotions, display material promotions, and trade premiums and incentives

- Allowance promotions provide the trade with a monetary allowance of some kind in return for buying or promoting a specific quantity of a brand, or for meeting specific purchase or performance requirements.
- Display material promotions are when the manufacturer actually provides special display material to be used in featuring the brand, often in conjunction with a trade allowance.
- Trade incentives are special gifts or opportunities to earn or win valuable trips or prizes in return for purchasing specified quantities of the brand or meeting specific sales quotas.

ALLOWANCE PROMOTION

The type of allowance offered to the trade can take many forms: everything from reduced prices across the board, to reduce prices according to purchase volume, to free goods.

On-Consignment Sales

This tool is normally used by companies that are new entrants and are not known in the market place. Such companies encourage the trade to stock their product on an “on consignment” basis and pay only when the products move off the shelves. This is a rather risky process and companies would do this only on a selective product and only with such traders who have excellent credential in the market place.

Dealer Contests

This is normally linked to the amount of merchandise the dealer purchases. Participating dealer are ranked across the region by the volume of sales in a particular time frame and get substantial gifts which may include car, refrigerator, TV sets or even a trip abroad for them and their family.

Dealer Gifts

Some companies regularly give gifts to their dealers to maintain good relations with them. These could be wall clocks, calendars, diaries even some items for personal use at home.

Shop Board Painting

Some companies such as the Samsung provide attractive signage for shops which could either be printed or made of acrylic material.

Dealer Discount

Many companies run trade scheme, which can be in the form of discount on bulk purchases or free goods such as “buy ten get one free.”

Trade fair participation: Sometimes companies fund partly or fully the participation of their exclusive dealers to trade meets such as the Inside Outside Fair, in India International Trade Fair, etc. They also provide promotional materials for display.

Dealer Meets

Some companies organize regular dealers meet at exotic locations within or outside the country. The expense for such dealers meet is normally paid for by the companies. These dealer meets recognize star performers through awards and also set target for the coming year.

DISPLAY MATERIAL PROMOTION

Display material can be in the form of either a display allowance or actual merchandising material. Perhaps the primary use of display promotions is to help reinforce consumer promotions, although they also play an important role in the introduction of new products and line extensions. Given that many purchase decisions are made at the point of purchase, especially with FMCG brands, display promotion can be an important part of an integrated marketing communication programme. Good display material leads to better attention, especially important for brands driven by recognition awareness. Here you can appreciate the need of for a fully integrated programme.

The display material must be consistent with consumer promotion and advertising, with the same 'look and feel', in order to heighten recognition at the point of purchase. Good in-store merchandising material can also be a good way to effect cross merchandising, where two different brands are being promoted together. The use of display promotion has the advantage of generally being implemented quickly when needed, and the ability to support consumer promotion and advertising at the point of purchase. The disadvantage, as with all trade promotions, but especially here, it is the need for trade cooperation. Unlike trade allowances or trade premium and incentives. If it does not receive wide spread trade support, it will not be effective.

TRADE INCENTIVES**Various Marketing Objectives and Suitable Consumer Promotions**

Promotions	Induce product trial	Retain/load consumers	Build brand equity
Immediate value	<ul style="list-style-type: none"> ➤ product sampling ➤ Coupons ➤ In-store rebates 	<ul style="list-style-type: none"> ➤ Price-off deals ➤ Bonus packs ➤ In-pack, on-pack premiums ➤ Loyalty programmes 	<ul style="list-style-type: none"> ➤ Events ➤ In-pack or on-pack premiums
Delayed value	<ul style="list-style-type: none"> ➤ Mail or media distributed coupons ➤ Mail-in rebates ➤ Free in-mail premiums ➤ Internet delivered coupons 	<ul style="list-style-type: none"> ➤ In-pack or on-pack coupons ➤ Mail –in rebates ➤ Loyalty programmes 	<ul style="list-style-type: none"> ➤ Self liquidating premiums ➤ Free in-mail ➤ Contests and sweepstakes

ADVANTAGES AND DRAWBACK OF SALES PROMOTION

Sales promotion has a significant effect on the behavior of consumers and resellers. Such promotion can bring in more profits for the manufacturer because they permit price discrimination.

1. Price discrimination: Producers can introduce price discrimination through sales promotion. They can charge different prices to different consumer and trade segments varying in their price sensitivity. Coupons, special sales events, clearance sales and discount are examples of it.

2. Effect on consumer behavior: As sales promotions are mostly announced for a short period, customers may feel a sense of urgency and stop comparing the alternatives. They are persuaded to act now rather than later. For many customers, who feel time-pressured, buying on deal is a simple decision rule and many consumers may also consider buying on deal as smart move. In our over

communicated society and because of selective attention, it is not uncommon to ignore many advertisements.

Sales promotional deals, such as discounts, rebates, coupons, or premiums etc. also increase the attention –getting power of advertisement using promotions, marketers can reach the deal prone customers and encourage brand switching. Consumers, who buy on promotional deals, consider themselves as intelligent and smart shoppers.

3. Effect on Trade Behaviour: Short-term promotions present an opportunity and encourage dealers to forward-buy. This forward buying ensures that retailers won't go out of stocks. As dealers have more than normal stocks, they think it advisable to advertise in local media, arrange display and offer attractive promotional deals to consumers. These actions help in increasing the store traffic. The aim is to speed-up the consumer purchasing from their outlet.

DRAWBACKS

There are certain limitations of sales promotion and they may also produce negative effects. While sales promotion is a powerful and effective method to produce immediate, short-term positive results, it is not cure for a bad product, or bad advertising. In fact, a promotion may speed-up the killing of a bad product. A consumer may be motivated to try a new product because of the incentive, but after this the product itself must take over.

1. Decrease in brand loyalty: The major objective of many sales promotions is to encourage brand switching. This is especially true in case of low-involvement category products, or where there is little or no significance differentiation among brands and the unit value is low. Sales promotion announced by marketers thus counter the brand-image building efforts of competitor's brands, for which they develop expensive advertising campaigns. There is agreement among most managers that sales promotion expenditure have decreasing effect on brand-image and this

lead to decreasing brand loyalty

2. Increased price sensitivity: Frequently promoted brands in a product category, especially on the basis of price, make consumers and traders more price sensitive, not only for the promoted brand but for the brands as well in the same product category.

Consumers wait for the promotional deals to be announced and then purchase the product. This is true even for the brands where brand loyalty exists.

3. Quality image may become tarnished: If the promotions in a product category have been rare, or the product happens to be of high-involvement category, the promotions could have a negative effect about its quality image. Consumers may start suspecting that perhaps the product has not been selling well, the quality of the product is low compared to the price, or the product is likely to be discontinued because it has become out dated.

4. Merchandising support from dealers is doubtful: One of the trade promotion tools is to offer promotional allowances to trade people to motivate them to provide merchandising support and to pass on some benefit to consumers. This is generally the condition attached with such promotional allowances.

5. Short-term orientation: Sales promotions are generally for a short duration. This gives a boost to sales for a short period. This short-term orientation may sometimes have negative effect on long-term future of the organization. Heavy use of sales promotion, in certain product categories, may be responsible for causing brand quality-image dilution

PROMOTIONAL STRATEGY

Promotional Mix : Companies face the task of distributing the total promotion budget over the four promotion tools of advertising, sales promotion, publicity and sales force. Within the same industry, companies can differ considerably in how they allocate their promotional budget.

Companies are always searching for ways to gain efficiency by substituting one promotional tool for another as its economics become more favourable. Many companies have replaced some field sales activity with ads, direct mail and telemarketing. Other companies have increased their sales promotion expenditures in relation to advertising, to gain quicker sales.

The trial and error method, past performance and corporate policies may influence the appropriate promotional mix. Many firms have increased their sales with the application of appropriate combinations of the promotion media; sales promotion and personal selling are supported with publicity. The promotion mix is a variable in the marketing strategy. It should be clearly decided how far a particular element should be used in combination with other promotional methods.

STRATEGIC APPROACH

The kind of promotional mix employed determines the promotional strategy. Generally speaking a particular combination, type or amount of sales promotion, personal selling, publicity and advertising are brought in to the promotional mix, which becomes the promotional strategy in the course of implementation. The marketing strategy as much guides the determination of the promotional strategy, which may be divided into sale promotion strategy, personal selling strategy, publicity strategy and advertising strategy. The strategies, sustaining promotional strategy, developmental promotional strategy or promotional appropriation.

(i) Push and Pull Strategies

The push and pull promotional strategies may be used to enhance sales. The push strategy concentrates on middlemen or retailers who push the sale of the product to the final consumers. This strategy covers cooperative advertising, attractive terms of sale, coupons and discount facilities.

The pull strategy is directed toward the final buyers. It persuades the buyers to go to the sellers to buy. Sales promotion, particularly customer promotion, is an important form of the pull strategy. Customer promotion, may call for the offer of samples, money-refund offers, prices-off, premiums and so on.

The push strategy asks the sellers or retailers to attract the layers. Trade promotion is thus the main form of the push strategy. Trade promotions refer to buying allowances, free goods, co-operative advertising, push money, sales contests and so on. The marketing manager has to adopt both these strategies to promote sales.

FEATURES OF PULL STRATEGY

Pull strategies depend upon mass communication. Products are literally pulled by buyers through the channels on the basis of mass promotional efforts. In a pull strategy, the product is pulled through the channel by creating end- user demand. Customers force retail shops to stock those mass- promoted products. In turn, retailers demand the highly advertised product from wholesalers. The firms having well- known brands can exercise control over channels through pull promotion strategies. Personal salesmanship plays a secondary role in pull promotion. Marketer rely on intensive distribution. Dealer margins are also lower in pull promotion.

FEATURES OF PUSH STRATEGY

Industrial marketing strategies are mostly the push type strategies relying primarily on personal selling. Also in the sale of medical products and in life insurance, marketers have to employ a lot of salesmen to call on physicians and prospects for life insurance.

In push type promotion, personal selling expenses are considerable and dealer margin is also higher.

In this, after – sale service is also important and marketers rely on selective distribution. Push strategy can be successfully used when:

1. We have a high quality product with unique selling points.
2. Where we have a high priced product.
3. We can offer adequate incentives (financial) to middlemen and their salesmen.

PUSH – PULL STRATEGY

Most consumer goods manufacturers generally employ a push- pull (combination) strategy to sell their products. The ratio of pull to push may differ according to the requirements of market situation. Salesmen are used to push the goods through the marketing channel, while advertising and sales promotion will support personal selling to accelerate sales. Thus, all tools of promotion work together.

SUSTAINING PROMOTIONAL STRATEGY

The main aim of this strategy is to stabilize the market share. Sales promotion becomes necessary to sustain a market share. At a laggard stage, the markets may shrink. Unless appropriate steps are taken, the marketer may find that the market may be slipping away for, to his product. But this strategy can be adopted only after employing the penetrating strategy. That is, the market share should not decline after a higher level of sale has been attained. The sustaining promotional strategy stabilizes the market share. Sales force promotion by way of bonus and other incentives many contain the market from slipping away. Steps are taken to prevent the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced.

DEVELOPMENTAL PROMOTIONAL STRATEGY

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. New products or brands are popularized by offering trade discounts, cash rebates, premiums, money refunds, and so on. The new consumers are given effective after-sales service. Consumer franchise building is done with development strategy. The promotional mix for a brand not yet popular may require emphasis on both personal selling and sales promotion.

PROMOTIONAL APPROPRIATION

Promotional objectives determine promotional appropriation. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriation on personal selling, sales promotion, advertising and publicity are determined under this strategic approach. The marketing manager has to arrive at the optimum promotional mix of the given objectives. And this requires proper planning and programme evaluation. Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of market and its location, the nature of prospective buyers, their purchase frequency, distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions offered to consumers “Push” promotions offered to trade

“Pull” promotions (Manufacturer to consumer)	“Push” promotions	
	offered to trade	offered to consumers
Sampling	Discounts	Price-cuts
Coupons	Display allowance	Free goods
Price-packs	Advertising allowance	Premiums
Rebates	Free goods	Displays
Continuity programmes	Contests	Feature advertising
Contests	Trade coupons	Quantity discount
Sweepstakes	Quality discounts	Clearance sale.
Tie-in promotions		
Financing incentives		
Special events		
Premiums		
Bonus packs		
Exchanging offers		

EVALUATION OF SALES PROMOTIONAL STRATEGY

Sales promotional strategies should be evaluated twice. First at the stages of implementation and secondly after the final performance because implementation control“ will suggest improvements during the application of the promotional strategy, while „performance control“ will be a guide for the future. Implementation control covers initial planning, objectives, promotional packages, and printing of special premiums and packaging materials, distribution to retailers, etc. Even though it has proved successful whenever tried, very few firms adopt this strategy. Many manufacturers believe only in performance control.

Performance is evaluated in the light of planned objectives. Consumer surveys and consumer experiments are used to evaluation techniques show how far the sales promotion techniques have

been effective in increasing sales through motivating consumers and sellers, and point the way to improvement in sales promotion.

SALES PROMOTION AND PRODUCT LIFE CYCLE

The promotional tools vary in their cost effectiveness at different stages of the product life cycle. In the introduction stage, advertising and publicity have high cost effectiveness, followed by sales promotion to induce trial and personal selling to gain distribution coverage.

In the growth stage, all the tools can be toned down because demand has its own momentum through word-of-mouth. In the maturity stage, sales promotion, advertising and personal selling all become more important in that order. In the decline stage, sales promotion continues strong, advertising and publicity are reduced and sales people give the product only minimal attention.

CROSS PROMOTION

Under this sales promotion strategy, the manufacturer may use all the potential tools such as advertisement, personal selling and sales promotion to hit the market simultaneously so that the buyer will be induced to buy a product. For example when Deccan Chronicle, a daily newspaper, was introduced in Chennai, the management had used all promotional activities, such as display, holding, price off and media to influence the reader to buy the paper. This promotional strategy is called cross promotion.

Surrogate Selling

Under this strategy, when the manufacturer is unable to sell his product in the market he may handover the product to a well known organization to sell on behalf of the manufacturer. This strategy is called surrogate selling.

For example, shampoo products are manufactured at Pondicherry by a number of small and medium manufactures. But they find it difficult in selling the product in the market.

What they have done was, handing over the finished product to Hindustan Lever, Proctor and Gamble who have sufficient logistics in selling the product, there by relieving the burden of converting the product into cash. They have in fact act as a surrogate in selling their merchandise in the market.

Bait and Switch Advertising

Bait means something that is meant to tempt someone. Under this strategy, the marketing manager use AIDA formula to tempt someone to look the advertisement and influence him to buy a product. For example, Bharat Sanchar Nigam Limited has used paise prominently in its advertisement to bring the attention of its users in mind which will influence them to go for using the BSNL service. This way of tempting the viewer to opt for BSNL is called Bait advertising.

SALESMANSHIP

The term salesmanship has been defined in various ways. Some of the definitions of salesmanship are

- a. Salesmanship is the art of persuading persons to buy goods or services, which will give them lasting satisfaction.
- b. Salesmanship is the art of helping prospects and customers achieve their goals in life.
- c. Selling is a buying process wherein the salesman ascertains the customers' needs and indicates convincingly how the needs can be satisfied through the purchase of goods and services.
- d. Salesmanship is the art of solving the customers' problems through the benefits offered by the products or services being sold by the salesman.

The work of a salesman can best be described in one single word as service

i.e. helping the customer to get most from the he pays to acquire a product or service. A skilled salesman is the one who devotes time to solve-the customers' problems because more often the

customer is looking for a solution to his problem when he buys a product. He might not be even aware of his needs. It is here that a good salesman helps a customer in purchasing what will solve his problem. The salesman persuades feelings to action or evidence that convinces reason and judgment.

OBJECTIVES

The most important functions of sales management are :

- a. Sales volume
- b. Contribution to profit
- c. Continuing growth

The prime responsibility of the sales department is to build up higher volume of sales. This higher volume of sales leads to greater production in the factory and the company achieves the economies of scale. This helps in reducing the costs and making the products of the company more competitive in the market. This leads to the automatic achievement of the other two objectives that is increase profits and continued growth of the company.

The top management, delegates the responsibility of achieving the sales objectives to the marketing department that ultimately directs the sales department to carry out activities in order to achieve them. The sales managers thus play a key role in the company because the entire growth of the company depends on their ability to achieve the stated objectives. The sales managers also carry out the important task of the appraisal of market opportunities and convey the same to the company. This helps in designing the products which customers would like to possess. This helps the company in achieving greater customer satisfaction and hence greater growth in sales. The forecasts made by the sales department serve as the basic outline for carrying out the entire planning of the company.

SALESMANSHIP: AN ART OR SCIENCE

Often, the suffix “ship” is added to denoting persons and signifies skill or art, e.g., craftsmanship, horsemanship etc. These persons have the fundamental knowledge of the skill or the craft and salesmanship is no exception to this. He invariably has a thorough knowledge of his profession and uses innovative ways and means to achieve his objectives. The art of approaching a customer, opening, negotiating and closing a deal has no standard format. The salesman masters this skill through his knowledge, experience and ingenuity. The skillful use of communication that is both verbal and non-verbal contributes a lot to the success of a salesman. He is an artist who paints a mental picture with a verbal brush.

APPROACHES TO BUILD CUSTOMER CONTACT

The sales representatives can approach a customer in various ways as described below:

1. Sales representative to buyer: In this method, the sales representative approaches the customer individually. The customer is usually contacted in person for the first time and subsequently the communication over phone/fax or email may be used. In this case, there is one to one contact of the sales representative and the customer. Such an approach is used in departmental stores and the companies engaged in direct marketing. It is the most preferred approach in case of industrial or institutional selling wherein one to one contact is essential in order to negotiate a deal.

2. Sales representative to buyer group: In this method, the sales representative makes a presentation to a group of buyers. This method is particularly used in rural marketing wherein the sales force goes to a village and demonstrates the products to a group of persons collectively. This method is more cost effective, especially when the cost of approaching an individual customer is high. The limitation of this method is that it might be difficult in collecting the prospecting customers at one place.

3. Sales team to buyer group: In this method, the team of sales persons makes the presentation to the customers or their group. The sales team usually consists of people from marketing department as well as technical people. This method is particularly used by advertising agencies that visit the clients in a group and make presentations to give their ideas, about their advertisement campaign. This method is particularly useful when the product is technical in nature that needs the help of more than one person in convincing the customers.

PERSONAL SELLING

In the competitive market place, it is important that the product is communicated across to the customers. Traditionally, advertising is the tool for communication. However, as the competition has increased, the process of communication has also become more and more complex. The marketers of today cannot rely in only advertising in fact, the marketing communication mix comprise of 5 modes of communication as explained herein:

- 1. Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- 2. Sales promotion:** A variety of short-term incentives to encourage trial or purchase of a product or service.
- 3. Public relations and publicity:** A variety of programmes designed to promote or protect a company's image or its individual products.
- 4. Personal selling:** Face to face interaction with one or more prospective purchasers for the purpose of making presentations, and answering questions, and procuring orders.
- 5. Direct marketing:** Use of mail, telephone, fax, e-mail or internet to communicate directly with or solicit & direct response from specific customers and prospects.

The present chapter deals with personal selling as one of the modes for selling. The topic falls within the scope of both marketing communication and sales management. Personal selling is the most effective tools, especially at the later stages of buying process. It is very useful in building buyer preference, convictions and action. Personal selling has three distinctive qualities:–

QUALITIES - PERSONAL SELLING

(i) Personal confrontations: Personal selling involves an immediate and interactive relationship between two or more persons each party is able to observe the other's reactions at close hand.

(ii) Cultivation: Personal selling permits all kinds of relationships to spring up, ranging from a matter of fact selling relationships to a deep personal friendship. Sales representatives usually have customer's best interests at heart.

(iii) Response: Personal selling makes the buyer feel under some obligation for having listened to the sales talk.

PRINCIPLES OF PERSONAL SELLING:

Personal selling is more of an art. Often effective sales persons have an instinct. Yet, it is realized that proper training can enhance the skills of good salesmen. In present times, personal selling is becoming more and more customer oriented because no more do are have a buyer's market. Three major aspects of personal selling are :

i) Professionalism

ii) Negotiations

iii) Relationship marketing

(i) Professionalism: The belief that good sales are born is giving way to professional approach to the sales activity. The sales managers realize the importance of training of the sales force and spend huge

sums of money each year for the same. We find the market flooded with training aids comprising of books, video and audiocassettes, CD's and many more. The aim at sharpening the skills of a salesman to make him more and more effective.

All sales training approaches try to convert a sales person from a passive order taker into an order setter. An order taker is passive and is dominated by the situation. An order getter moulds the situation in his favour and takes charge in order to achieve his objectives. The modern professional approach to salesmanship is customer oriented. The act of selling is projected as aimed at solving the problems of the customers. Such an approach is satisfying the customers more thereby making sales activity more and more effective. The sales personal are trained to understand the situation and they formulate their reaction because no single approach works in all situations.

(ii) Negotiation: Negotiation skills are one of the most important skills of a salesman. The two parties need to reach agreement on price and other terms of sales. A good salesman wins the order without making deep concessions that will hurt his profitability. Also, he must not unduly extract the customer because such as approach will be detrimental in long run. This process of exchange by way of negotiation is more of an art. Learnt by salesman over time.

The professional approach to negotiation identifies the zone of agreement between the seller's surplus and buyer's surplus. Such an understanding helps in reaching at the agreement point where both the parties feel satisfied.

Negotiation involves communication that is focussed and planned. A good salesman understands his customer well and then formulates a negotiation strategy.

(iii) Relationship marketing:

As the salesman becomes close to the customers, the transactional nature of the selling approach gives way to the relationship approach. The transactional approach is deal to deal approach centered

on short-term gains. The relationship approach is long term and establishes a relationship between the buyer and the seller. Both understand each other and support each other.

MAJOR STEPS IN EFFECTIVE SELLING:

While it is established that no single approach to selling works, in all situations, still a generalization can be drawn and the major steps in effective selling can be identified as under :

1. Prospecting and qualifying Pre approach
2. Pre approach
3. Approach
4. Presentation & Demonstration
5. Overcoming objections
6. Closing
7. Follow up and maintenance

STEPS IN EFFECTIVE SELLING

1. Prospecting and qualifying

The first step in selling is to identify and qualify prospects. Traditionally, the task of identifying the prospect rests with the salesman. Nowadays, with the advances in information technology and software like CRM, companies can establish direct relationships with the customers. Thus, the task of identifying prospect is shared and it makes the job of salespersons more focused. The prospective customers are contacted and then sorted according to the level of interest and financial capability. The salesman can personally visit those customers where the chances of success are more. Four main steps in prospecting are :

i) Formulating prospect definitions:

This means defining the prospects according to their financial capacity and the interest to purchase. This helps in segmenting the prospects into the categories where chances of selling are more. This makes the selling activity more targeted.

ii) Searching potential accounts:

After segmentation, the prospects are analyzed with respect to probability of selling. This may involve an exploratory visit to the prospects or contacting them over phone, mail or Internet. This further narrows the focus area of the sales reps

iii) Qualifying prospects and determining probable requirements :

After having identified most probable prospects, their requirements are studied so that salesman can actually design a negotiation strategy that fulfills the prospect's needs. This increases the probability of the success of a sales call.

iv) Relating company products to each prospect's requirements:

The final step is to integrate both the customers and sales rep so that higher success is achieved with fewer efforts.

2. Pre approach:

Pre approach is the activity of sales persons to learn as much as possible about the prospect. This helps in identifying the factors that play an important role in buying decisions making process. Once a sales person is familiar with the factors that are important from the point of view of a customer, he can design his approach strategy accordingly. The chances of success increase with the details of information. Sales persons go to the extent of knowing the time, place, cultural habits and language of their customers. This helps them to step into the customer's shoe. This activity helps in saving resources and increases the chances of success.

3. Approach: The manner in which a sales person approaches the prospect has a lot of effect on the chances of success of a sales call. As it is said, first impression is the last impression, the sales person should know how to greet the buyer to get the relationship off to a good start.

The dressing, manner and etiquette, language, politeness and persuasiveness have a lot of effect on the success of a sales call. The right approach comes from the degree of proximity with the customer. Proximity in terms of knowing the customers is very important and nowadays more and more companies are doing the same.

4. Presentation & demonstration:

After approaching a customer, the sales person narrates the story of his product. The underlying scheme of presentation is often based on AIDA model i.e. gaining attention, generating interest, accessing desire and obtaining action. Different styles of sales presentation are used, as described herein.

i) Canned approach:

This is the oldest approach wherein sales person memorizes, the sales talk covering the main points. It is based on stimulus-response thinking i.e. the buyer is passive and can be moved to purchase by the use of the right stimulus words, pictures, terms and actions.

ii) Formulated approach:

It is also based as stimulus-response thinking but first identifies the buyer's needs and buying style and then uses a formulated approach to this type of buyer.

iii) Need Satisfaction approach:

It starts with a search for the customer's real needs by encouraging the customer to do most of the talking. The sales person takes on the role of a knowledgeable business consultant hoping to help the customer save money or make money.

The sales presentations can be improved with demonstration aids such as booklets, flip charts, slider, movies, audio and video cassettes, product samples and computer based simulations.

5. Overcoming objections:

There arise objections to all the presentations because of psychological resistance. It is very important to resolve them. In fact, objections are the starting point of communication that might transform to negotiation and finally action. So, they must be encouraged as they can have a positive effect on the sales call if they are resolved.

6. Closing:

The manner of closing a sales call is as important as approach. Closing leaves behind an impression, which has a long term, carryover effect. Unconfident sales persons fail to ask for order rendering the entire sales call fruitless.

So, the process of winding up of a sales call must incorporate persuasive phrases and actions that not only effect purchase but also help in carrying a long term effect in the mind of the customer.

7. Follow up and maintenance:

.In order to ensure repeat business, follow up and maintenance are very important. After closing a sales call, the sales person should not break contact with the customer. Sustained contact helps in getting business next time. It also helps enhancing customer satisfaction and reducing cognitive dissonance. It also provides the feed back to the company for improving the quality of products and service in future.

SALES ACTIVITIES & TASKS

In the present items, several developments have taken place that affect the operation of business activity and sales management is no exception. At the onset of industrialization, sellers used to dominate the market. Hence the prime function of sales force was order collection and timely delivery. With the onset of competition, sales personal could not get the orders with ease and had to supplement him, activities by focusing around the customers' needs. There arose a need for a greater coverage of the markets and each customer required personal attention. So, personal selling activities dominated the scene whereby sales person's prime job was to push the sales by luring the customers. The luring act could involve personal meetings, long business talks and use of sales promotion measures. The needs of the customers were not the prime concern and it was important to sell the product to the customers.

The current trends of globalization and technological advances, particularly. The advances in information technology have changed the way he business done. The distinction between marketing and selling as slowly being reduced, in fact the two activities are merging into one. A salesman starts from the customer by identifying customer's needs and then designs the product mix suiting the specific needs of a customer. Hence, the scope of sales management involves marketing tasks as well. For the purpose of simplicity, the function of sales management can be divided into administrative, operating and staff functions.

POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define Sales Promotion
2. List out any two objectives of sales promotion
3. What is meant by brand?
4. Give the meaning of consumer schemes?
5. What is meant by branding challenges?

PART C – 8 Marks

1. Discuss the functions of sales promotion?
2. Explain the importance and objectives of sales promotion?
3. Discuss the techniques of sales promotion
4. Explain the tools of sales promotion with suitable chart?
5. Enumerate the brand evolution process?
6. Discuss the branding challenges and opportunities?
7. Briefly explain the strategic brand management process?

Unit V – Concept of Brand

Identifying and establishing brand positioning and values - Brand building - Brand positioning and values brand repositioning - Designing and implementing brand strategies - Brand extension - Brand hierarchy Kapferer - Brand equity - Brand personality - Brand image - Managing brands overtime - Integrating advertising and brand management.

Meaning and Definition

Unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it

Brand positioning

Brand positioning is also referred to as a positioning strategy, brand strategy, or a brand positioning statement. ... The goal is to create a unique impression in the customer's mind so that the customer associates something specific and desirable with your brand that is distinct from rest of the marketplace.

Brand Positioning Strategy Process

In order to create a position strategy, you must first identify your brand's uniqueness and determine what differentiates you from your competition.

There are 7 key steps to effectively clarify your positioning in the marketplace:

- Determine how your brand is currently positioning itself

- Identify your direct competitors
- Understand how each competitor is positioning their brand
- Compare your positioning to your competitors to identify your uniqueness
- Develop a distinct and value-based positioning idea
- Craft a brand positioning statement (see below)
- Test the efficacy of your brand positioning statement (see 15 criteria below)

How to Create a Brand Positioning Statement

There are four essential elements of a best-in-class positioning statement:

- ❖ **Target Customer:** What is a concise summary of the attitudinal and demographic description of the target group of customers your brand is attempting to appeal to and attract?
- ❖ **Market Definition:** What category is your brand competing in and in what context does your brand have relevance to your customers?
- ❖ **Brand Promise:** What is the most compelling (emotional/rational) benefit to your target customers that your brand can own relative to your competition?
- ❖ **Reason to Believe:** What is the most compelling evidence that your brand delivers on its brand promise?

There are various positioning errors, such as-

1. **Under positioning-** This is a scenario in which the customer's have a blurred and unclear idea of the brand.
2. **Over positioning-** This is a scenario in which the customers have too limited a awareness of the brand.

3. **Confused positioning-** This is a scenario in which the customers have a confused opinion of the brand.
4. **Double Positioning-** This is a scenario in which customers do not accept the claims of a brand.

IDENTIFYING AND ESTABLISHING BRAND POSITIONING

Having developed the CBBE concept in some detail as background, we next outline how marketers should approach brand positioning.

Basic Concepts

Brand positioning is at the heart of marketing strategy. It is the “act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.”²⁹ As the name implies, positioning means finding the proper “location” in the minds of a group of consumers or market segment, so that they think about a product or service in the “right” or desired way to maximize potential benefit to the firm. Good brand positioning helps guide marketing strategy by clarifying what a brand is all about, how it is unique and how it is similar to competitive brands, and why consumers should purchase and use it.

Deciding on a positioning requires determining a frame of reference (by identifying the target market and the nature of competition) and the optimal points-of-parity and points-of-difference brand associations. In other words, marketers need to know (1) who the target consumer is,

(2) who the main competitors are, (3) how the brand is similar to these competitors, and (4) how the brand is different from them. We’ll talk about each of these.

Target Market

Identifying the consumer target is important because different consumers may have different brand knowledge structures and thus different perceptions and preferences for the brand. Without this understanding, it may be difficult for marketers to say which brand associations should be strongly held, favorable, and unique. Let's look at defining and segmenting a market and choosing target market segments.

A market is the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product. Market segmentation divides the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior, and who thus require similar marketing mixes. Market segmentation requires making trade-offs between costs and benefits. The more finely segmented the market, the more likely that the firm will be able to implement marketing programs that meet the needs of consumers in any one segment. That advantage, however, can be offset by the greater costs of reduced standardization.

Segmentation Bases. Figures 2-3 and 2-4 display some possible segmentation bases for consumer and business-to-business markets, respectively. We can classify these bases as descriptive or customer-oriented (related to what kind of person or organization the customer is), or as behavioral or product-oriented (related to how the customer thinks of or uses the brand or product).

Behavioral segmentation bases are often most valuable in understanding branding issues because they have clearer strategic implications. For example, defining a benefit segment makes it clear what should be the ideal point-of-difference or desired benefit with which to establish the positioning. Take the toothpaste market. One research study uncovered four main segments:

1. The Sensory Segment: Seeking flavor and product appearance
2. The Sociables: Seeking brightness of teeth
3. The Worriers: Seeking decay prevention

4.The IndependentSegment:Seeking low price

Brand Architecture

How an organization structures and names the brands within its portfolio. There are three main types of brand architecture system: monolithic, where the corporate name is used on all products and services offered by the company; endorsed, where all sub-brands are linked to the corporate brand by means of either a verbal or visual endorsement; and freestanding, where the corporate brand operates merely as a holding company, and each product or service is individually branded for its target market. Brand Associations The feelings, beliefs and knowledge that consumers (customers) have about brands. These associations are derived as a result of experiences and must be consistent with the brand positioning and the basis of differentiation.

Brand Commitment:

The degree to which a customer is committed to a given brand in that they are likely to repurchase/re-use in the future. The level of commitment indicates the degree to which a brand's customer franchise is protected from competitors. Brand Earnings The share of a brand-owning business's cashflow that can be attributed to the brand alone.

Brand Equity :

The sum of all distinguishing qualities of a brand, drawn from all relevant stakeholders, that results in personal commitment to and demand for the brand; these differentiating thoughts and feelings make the brand valued and valuable.

Brand Essence The brand's promise expressed in the simplest, most single-minded terms. For example, Volvo = safety; AA = Fourth Emergency Service. The most powerful brand essences are rooted in a fundamental customer need. Also, in Interbrand's model, a vivid distillation of the Brand Platform.

Brand Experience

The means by which a brand is created in the mind of a stakeholder. Some experiences are controlled such as retail environments, advertising, products/services, websites, etc. Some are uncontrolled like journalistic comment and word of mouth. Strong brands arise from consistent experiences which combine to form a clear, differentiated overall brand experience.

Brand Extension Leveraging the values of the brand to take the brand into new markets/sectors.

Brand Harmonisation Ensuring that all products in a particular brand range have a consistent name, visual identity and, ideally, positioning across a number of geographic or product/service markets.

Brand Identity

The outward expression of the brand, including its name and visual appearance. The brand's identity is its fundamental means of consumer recognition and symbolizes the brand's differentiation from competitors.

Brand Image

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TYPES OF BRAND EXTENSIONS:

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BRAND EXTENSION APPROACHES

- 1) Enhance the existing product with additional features & benefits:

The enhancement might include new features &/ or performance improvements. These changes can be based on a customer needs assessment or a competitive matching strategy.

- 2) Introduce higher or lower priced versions of the product: Price may be inhibiting factor for some prospective customers. It may broaden the market for the brand.
- 3) Extend the product range: Extending the range of an existing

product-line allows building on the reputation & success of the existing brand to sell more products through the same sales channels.

4) Segment the market with product variants: This strategy is based on the refinement of existing products to meet the different requirements of distinct market sectors.

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8) Responding to competitive product actions: In a competitive market place, a strategy of matching or responding to the actions of competitors is sometimes necessary.

BRANDING STRATEGIES

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MANAGING BRAND OVERTIME

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POSSIBLE QUESTIONS

PART B – 2 Marks

1. Define brand.
2. What is brand equity?
3. What is brand Identity?
4. What is brand image?
5. What is brand rejuvenation?
6. What is brand extension?
7. Give the meaning of managing brand over time.

PART C – 8 Marks

1. Distinguish between brand image & brand identity.
2. Explain the branding challenges & opportunities.
3. Write a note on Brand rejuvenation.
4. Write a note on branding challenges and opportunities
5. Explain the brand extension approaches.
6. Explain the branding strategy.
7. Explain the branding strategies in today's world.

Unit V – Concept of Brand

Identifying and establishing brand positioning and values - Brand building - Brand positioning and values brand repositioning - Designing and implementing brand strategies - Brand extension - Brand hierarchy Kapferer - Brand equity - Brand personality - Brand image - Managing brands overtime - Integrating advertising and brand management.

Meaning and Definition

Unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it

Brand positioning

Brand positioning is also referred to as a positioning strategy, brand strategy, or a brand positioning statement. ... The goal is to create a unique impression in the customer's mind so that the customer associates something specific and desirable with your brand that is distinct from rest of the marketplace.

Brand Positioning Strategy Process

In order to create a position strategy, you must first identify your brand's uniqueness and determine what differentiates you from your competition.

There are 7 key steps to effectively clarify your positioning in the marketplace:

- Determine how your brand is currently positioning itself

- Identify your direct competitors
- Understand how each competitor is positioning their brand
- Compare your positioning to your competitors to identify your uniqueness
- Develop a distinct and value-based positioning idea
- Craft a brand positioning statement (see below)
- Test the efficacy of your brand positioning statement (see 15 criteria below)

How to Create a Brand Positioning Statement

There are four essential elements of a best-in-class positioning statement:

- ❖ **Target Customer:** What is a concise summary of the attitudinal and demographic description of the target group of customers your brand is attempting to appeal to and attract?
- ❖ **Market Definition:** What category is your brand competing in and in what context does your brand have relevance to your customers?
- ❖ **Brand Promise:** What is the most compelling (emotional/rational) benefit to your target customers that your brand can own relative to your competition?
- ❖ **Reason to Believe:** What is the most compelling evidence that your brand delivers on its brand promise?

There are various positioning errors, such as-

1. **Under positioning-** This is a scenario in which the customer's have a blurred and unclear idea of the brand.
2. **Over positioning-** This is a scenario in which the customers have too limited a awareness of the brand.

3. **Confused positioning-** This is a scenario in which the customers have a confused opinion of the brand.
4. **Double Positioning-** This is a scenario in which customers do not accept the claims of a brand.

IDENTIFYING AND ESTABLISHING BRAND POSITIONING

Having developed the CBBE concept in some detail as background, we next outline how marketers should approach brand positioning.

Basic Concepts

Brand positioning is at the heart of marketing strategy. It is the “act of designing the company’s offer and image so that it occupies a distinct and valued place in the target customer’s minds.”²⁹ As the name implies, positioning means finding the proper “location” in the minds of a group of consumers or market segment, so that they think about a product or service in the “right” or desired way to maximize potential benefit to the firm. Good brand positioning helps guide marketing strategy by clarifying what a brand is all about, how it is unique and how it is similar to competitive brands, and why consumers should purchase and use it.

Deciding on a positioning requires determining a frame of reference (by identifying the target market and the nature of competition) and the optimal points-of-parity and points-of-difference brand associations. In other words, marketers need to know (1) who the target consumer is,

(2) who the main competitors are, (3) how the brand is similar to these competitors, and (4) how the brand is different from them. We’ll talk about each of these.

Target Market

Identifying the consumer target is important because different consumers may have different brand knowledge structures and thus different perceptions and preferences for the brand. Without this understanding, it may be difficult for marketers to say which brand associations should be strongly held, favorable, and unique. Let's look at defining and segmenting a market and choosing target market segments.

A market is the set of all actual and potential buyers who have sufficient interest in, income for, and access to a product. Market segmentation divides the market into distinct groups of homogeneous consumers who have similar needs and consumer behavior, and who thus require similar marketing mixes. Market segmentation requires making trade-offs between costs and benefits. The more finely segmented the market, the more likely that the firm will be able to implement marketing programs that meet the needs of consumers in any one segment. That advantage, however, can be offset by the greater costs of reduced standardization.

Segmentation Bases. Figures 2-3 and 2-4 display some possible segmentation bases for consumer and business-to-business markets, respectively. We can classify these bases as descriptive or customer-oriented (related to what kind of person or organization the customer is), or as behavioral or product-oriented (related to how the customer thinks of or uses the brand or product).

Behavioral segmentation bases are often most valuable in understanding branding issues because they have clearer strategic implications. For example, defining a benefit segment makes it clear what should be the ideal point-of-difference or desired benefit with which to establish the positioning. Take the toothpaste market. One research study uncovered four main segments:

1. The Sensory Segment: Seeking flavor and product appearance
2. The Sociables: Seeking brightness of teeth
3. The Worriers: Seeking decay prevention

4.The IndependentSegment:Seeking low price

Brand Architecture

How an organization structures and names the brands within its portfolio. There are three main types of brand architecture system: monolithic, where the corporate name is used on all products and services offered by the company; endorsed, where all sub-brands are linked to the corporate brand by means of either a verbal or visual endorsement; and freestanding, where the corporate brand operates merely as a holding company, and each product or service is individually branded for its target market. Brand Associations The feelings, beliefs and knowledge that consumers (customers) have about brands. These associations are derived as a result of experiences and must be consistent with the brand positioning and the basis of differentiation.

Brand Commitment:

The degree to which a customer is committed to a given brand in that they are likely to repurchase/re-use in the future. The level of commitment indicates the degree to which a brand's customer franchise is protected from competitors. Brand Earnings The share of a brand-owning business's cashflow that can be attributed to the brand alone.

Brand Equity :

The sum of all distinguishing qualities of a brand, drawn from all relevant stakeholders, that results in personal commitment to and demand for the brand; these differentiating thoughts and feelings make the brand valued and valuable.

Brand Essence The brand's promise expressed in the simplest, most single-minded terms. For example, Volvo = safety; AA = Fourth Emergency Service. The most powerful brand essences are rooted in a fundamental customer need. Also, in Interbrand's model, a vivid distillation of the Brand Platform.

Brand Experience

The means by which a brand is created in the mind of a stakeholder. Some experiences are controlled such as retail environments, advertising, products/services, websites, etc. Some are uncontrolled like journalistic comment and word of mouth. Strong brands arise from consistent experiences which combine to form a clear, differentiated overall brand experience.

Brand Extension Leveraging the values of the brand to take the brand into new markets/sectors.

Brand Harmonisation Ensuring that all products in a particular brand range have a consistent name, visual identity and, ideally, positioning across a number of geographic or product/service markets.

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