

ADVERTISING AND BRAND MANAGEMENT

UNIT – I

INTEGRATED MARKETING COMMUNICATIONS

Integrated marketing communication (IMC) is an approach to brand communications where the different modes work together to create a seamless experience for the customer and are presented with a similar tone and style that reinforces the brand's core message.

Its goal is to make all aspects of marketing communication such as advertising, sales promotion, public relations, direct marketing, personal selling, online communications and social media work together as a unified force, rather than permitting each to work in isolation, which in turn maximizes their cost effectiveness

According to American Association of Advertising Agency (AAAA)

“Integrated marketing communication is a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluate the strategic roles of variety of common disciplines”

For example: general advertising, direct response, sales promotion and public relations and combines these disciplines to provide clarity, consistency and maximum communication impact.

Why IMC is gaining importance:

1. Marketing budget is being shifted from advertising to other forms of promotions, particularly consumers and trade promotions
2. Retailers are becoming more powerful and dominant than manufacturers (retailers are middle men of marketer and consumer)
3. New tools of marketing communication are emerging that are economical and targets specific rather than the mass media
4. By internet for e-commerce have emerged which have redefined the way business is done and the way company's interact and communicate with computers
5. Companies are giving emphasis on communication with the consumers
6. There is rapid growth and development of database marketing

Brand Communications

- Brand communication is an initiative taken by organizations to make their products and services popular among the end-users.
- Brand communication goes a long way in promoting products and services among target consumers. The process involves identifying individuals who are best suited to the purchase of products or services (also called target consumers) and promoting the brand among them through any one of the following means

Advertising

Sales Promotion

Public Relation

Direct Marketing

Personal Selling

Social media

- IMC Approach [IMC-integrated marketing communications]

IMC planning process:

Step no: 1-review of marketing plan

- a) To examine the overall marketing plan(what do you want to achieve or what is the object)
- b) Role of advertising in promotion (is it awareness or buying behavior?)
- c) To do competitive analysis (analyze what your competitor is doing)
- d) Asses the environmental influence (such as values, lifestyle, change etc.)

Step no: 2 –analysis of promotional programs Divided into two types- i) internal ii) external

i) Internal

- a) The internal analysis involves the product and services offered by the company.
- b) The capabilities of the company to implement the promotional programme
- c) Review of success and failures of the past performance
- d) Analysis of strength and weakness of the Organisation

ii) External

- a) Consumer behavior analysis
- b) Market segmentation and target customers or market
- c) Market positioning
- d) Competitor and environmental analysis

Step no: 3-analysis of communication process, There are three aspects of communication

1. How dos the consumer response to marketing communication
2. What stories, message and channel factor should be used to communicate with the consumer?
3. Should promotion create awareness or knowledge about the product?

Step no: 4-integrate and implement marketing communication strategies

1. Integrate the promotional mix strategy
2. Create the necessary advertisement
3. Purchase media, time and space
4. Design and distribute sales promotional material
5. Design publicity programme
6. Design and implement direct marketing programme

Step no: 5-monitor, evaluate and integrate marketing communication programme

Step no: 6-developing integrated marketing communication

1. Advertising
2. Sales promotion
3. Direct marketing
4. Public relation
5. Personal selling
6. Publicity
7. Interactive/internet marketing

Step no: 7-budget determination, it involves

1. Setting a tentative adjective for marketing communication
2. Allocating tentative budget
3. Promotional budget as to be decided

Various components of Integrated Marketing Communication

The foundation-As the name suggests foundation strategy involves detailed analysis of both the product as well as target market.it is essential for a marketers to understand the brand, its offerings and end users. You need to know the needs, attitude and expectations of the target customers.

The corporate culture- The features of product and services ought to be in line with the work culture of the Organisation. Every Organisation has a vision and it's important for the marketers to keep in mind the same before designing product and services. Let us understand with the help of an example.

•Organization A's vision is to promote green and clean world. Naturally its products need to be ecofriendly and biodegradable, in lines with the vision of the organization.

Brand focus- Brand focus represents the corporate identity of the brand.

Consumer experience- Marketers need to focus on consumer experience which refers to what the customers feel about the product. A consumer is likely to pick up a product which has good packaging and looks attractive. Products need to meet and exceed customer expectations.

-- *Communication Tools-* Communication tools include various modes of promoting a particular brand such as advertising, direct selling, promoting through social media such as Facebook, twitter, orkut and so on.

--*Promotional Tools-* Brands are promoted through various promotional tools such as trade promotions, personal selling and so on. Organizations need to strengthen their relationship with customers and external clients.

--*Integration Tools-* Organizations need to keep a regular track on customer feedbacks and reviews. You need to have specific software like customer relationship management (CRM) which helps in measuring the effectiveness of various integrated marketing communications tools.

Integrated marketing communication enables all aspects of marketing mix to work together in harmony to promote a particular product or service effectively among end users.

Overview of Eight Steps to Effective Communication

- Identify target audience
- Determine objectives
- Design the message
- Select communication channels
- Establish communications budget
- Develop communications mix
- Measure results
- Effectively manage the process

Determining Communication Objectives

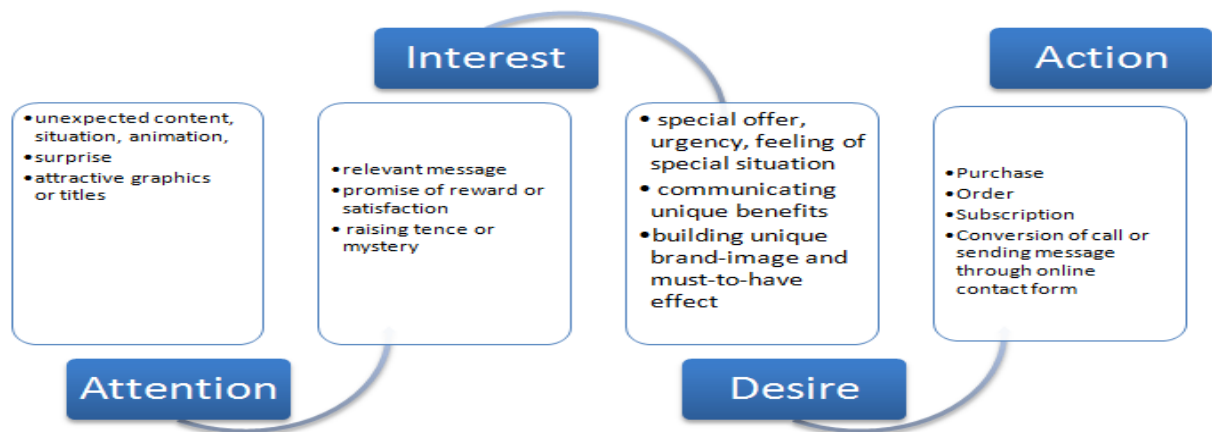
Models of consumer- response stages are-

- AIDA model
- Hierarchy-of-effects model
- Innovation-adoption model
- Communications model

The models assume that buyers pass through these stages:

- Cognitive stage
- Affective stage
- Behavior stage

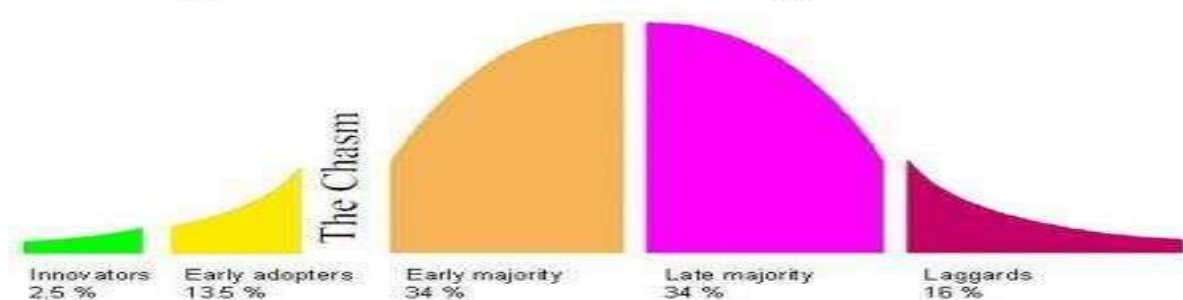
Designing the Message (AIDA)



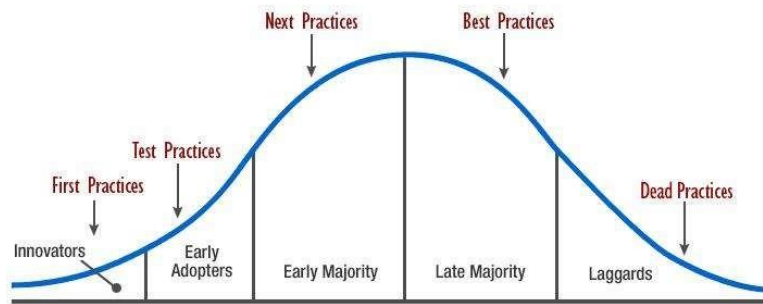
Hierarchy-of-effects model



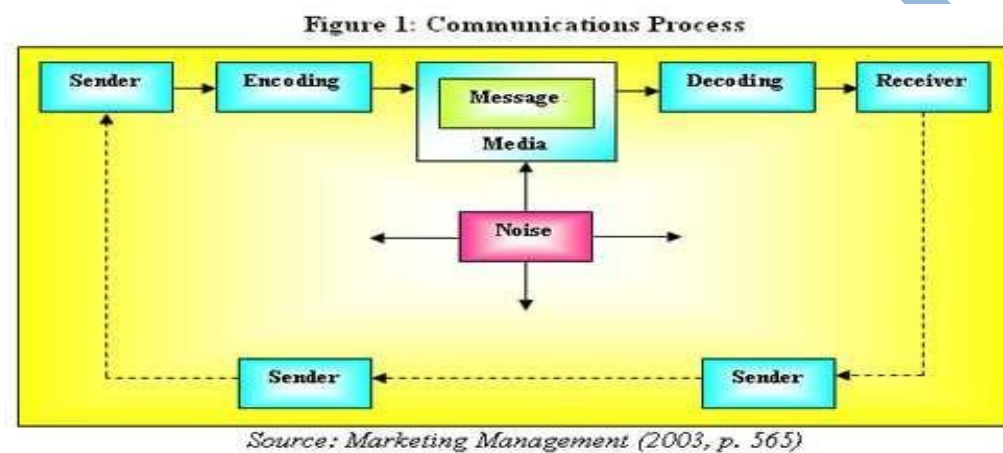
Roger's Innovation Adoption Curve



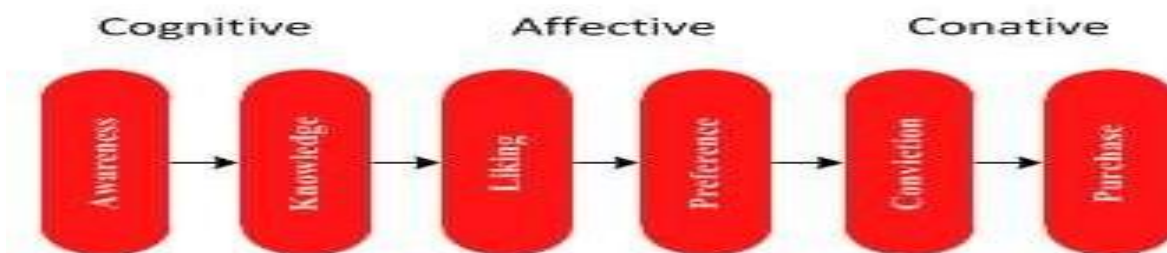
Trying to convince the mass of a new idea is *useless*.
Convince *innovators and early adopters* first.



Communication Model



Awareness to Purchase



Promotional Mix/Communication mix

- Personal Selling
- Telemarketing
- Advertising
- Publicity
- Sales promotions

Push vs. Pull Strategies

Push Strategy

–Spending major part of promotional expenses on distributors and retailers

Pull Strategy

–Spending major part of promotional expenses on the consumer

Benefits of IMC

Although Integrated Marketing Communications requires a lot of effort it delivers many benefits. It can create competitive advantage, boost sales and profits, while saving money, time and stress.

- 1) IMC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers.
- 2) This 'Relationship Marketing' cements a bond of loyalty with customers which can protect them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage.
- 3) IMC also increases profits through increased effectiveness. At its most basic level, a unified message has more impact than a disjointed myriad of messages. In a busy world, a consistent, consolidated and crystal clear message has a better chance of cutting through the 'noise' of over five hundred commercial messages which bombard customers each and every day.
- 4) At another level, initial research suggests that images shared in advertising and direct mail boost both advertising awareness and mail shot responses. So IMC can boost sales by stretching messages across several communications tools to create more avenues for customers to become aware, aroused, and ultimately, to make a purchase
- 5) Carefully linked messages also help buyers by giving timely reminders, updated information and special offers which, when presented in a planned sequence, help them move comfortably through the stages of their buying process... and this reduces their 'misery of choice' in a complex and busy world.
- 6) IMC also makes messages more consistent and therefore more credible. This reduces risk in the mind of the buyer which, in turn, shortens the search process and helps to dictate the outcome of brand comparisons.
- 7) Un-integrated communications send disjointed messages which dilute the impact of the message. This may also confuse, frustrate and arouse anxiety in customers. On the other hand, integrated communications present a reassuring sense of order.
- 8) Consistent images and relevant, useful, messages help nurture long term relationships with customers. Here, customer databases can identify precisely which customers need what information when... and throughout their whole buying life.
- 9) Finally, IMC saves money as it eliminates duplication in areas such as graphics and photography since they can be shared and used in say, advertising, exhibitions and sales literature. Agency fees are reduced by using a single agency for all communications and even if there are several agencies, time is saved when meetings bring all the agencies together - for briefings, creative sessions, tactical or strategic planning. This reduces workload and subsequent stress levels - one of the many benefits of IMC.

ADVERTISING

INTRODUCTION

Advertising is only one element of the promotion mix, but it is often considered prominent in the overall marketing mix design. Its high visibility and pervasiveness made it an important social and economic topic in Indian society.

Promotion may be defined as “the co-ordination of all seller initiated efforts to set up channels of information and persuasion to facilitate the sale of a good or service.” Promotion is most often intended to be a supporting component in a marketing mix. Promotion decision must be integrated and coordinated with the rest of the marketing mix, particularly product/brand decisions, so that it may effectively support an entire marketing mix strategy. The promotion mix consists of four basic elements. They are:-

1. Advertising
2. Personal Selling
3. Sales Promotion, and
4. Publicity

1. Advertising is the dissemination of information by non-personal means through paid media where the source is the sponsoring organization.
2. Personal selling is the dissemination of information by non-personal methods, like face-to-face, contacts between audience and employees of the sponsoring organization. The source of information is the sponsoring organization.
3. Sales promotion is the dissemination of information through a wide variety of activities other than personal selling, advertising and publicity which stimulate consumer purchasing and dealer effectiveness.
4. Publicity is the disseminating of information by personal or non-personal means and is not directly paid by the organization and the organization is not the source.

History of Advertising

Advertising, in ancient and medieval times, was primitive when measured by the present day standards. But the basic reason for employing this technique was the same. That is, to Communicate information and ideas to people in order to change an attitude or persuade. The Important forms of advertising used prior to the time of printing presses are given below:

- a) **Trademarks:** Skilled craftsmen placed their individual marks on goods like vessels, pottery, Leather goods etc. As the reputation of one particular artisan spread by word of mouth, his/her goods also became popular.
- b) **Signs:** Few people could read in the ancient days and merchants used symbols and signs carved in stone, clay or wood and displayed them prominently to inform customers of the availability of Goods. For example, a barrel indicated a wine shop and a boot indicated a shoemaker's shop.
- c) **Town criers:** In ancient Egypt and Greece merchants hired town criers, a group of professional Criers, to walk through the streets and announce the arrival of ships and cargo.

The invention of movable type by Gutenberg of Germany in 1440 led to the first form of Mass advertising. At the end of 15th century, the first posted advertisement began to appear. These were handwritten announcements and they were posted up on church and cathedral doors by Clergymen looking for work. Lecturers and teachers were quick to use this medium to announce their services.

William Caxton, who introduced printing in England, produced the first printed Advertisement in English in 1472. With the regular publication of newspapers and magazines, Advertising became a standard feature.

History of advertising in India

History of advertising in India runs parallel to the history and development of press in the Country. India's first newspaper *Bengal Gazette* started by James Augustus Hicky on January 29, 1780 carried a few advertisements

Advertising agencies began to operate from the beginning of the 20th century. The Calcutta Advertising Agency (1909) and B. Dattaram (1915) were said to be the first ad agencies in India. The Main functions of the agencies in those days were to secure the advertisements and get them published in the press. The prominent players in advertising business were a handful of British advertising Agencies that catered to the needs of the affluent British and Indians living in the urban centres.

By the 1920s, several more Indian advertising agencies began such as Modern Publicity Company in Madras (1924), The Calcutta Publicity (1924), and Central Publicity Service (1925) in Bombay etc. The proliferation of advertising agencies in the major urban centres of the country also gave rise to several unhealthy practices in the advertising profession. The establishment of Indian and Eastern Newspaper Society (1939), consisting of the owners of newspapers and Periodicals, aimed at standardizing of advertising agency practices.

The establishment of Advertising Agencies Association of India (AAAI) in 1945 paved the way for professionalization of advertising agencies. Following Indian independence, several British owned advertising agencies were sold to Indians. The founding of Audit Bureau of Circulation (ABC) in 1948 and Advertising Standard Council of India (ASCI) in 1959 further professionalized the advertising business.

The expansion of television networks from the 1980s and the liberalization policies of 1990s and the phenomenal impact of information technology from the late 1990s have turned advertising into a multi-crore business in India.

ORIGIN AND DEVELOPMENT OF ADVERTISING

It has been wrongly assumed that the advertising function is of recent origin. Evidences suggest that the Romans practiced advertising; but the earliest indication of its use in this country dates back to the middle

Ages, when the use of the surname indicated a man's occupation. The next stage in the evolution of advertising was the use of signs as a visual expression of the tradesman's function and a means of locating the source of goods. This method is still in common use.

The seller in primitive times relied upon his loud voice to attract attention and inform consumers of the availability of his services. If there were many competitors, he relied upon his own personal magnetism to attract attention to his merchandise. Often it became necessary for him to resort to persuasion to pinpoint the advantages of his products. Thus, the seller was doing the complete promotion job himself.

Development of retail stores, made the traders to be more concerned about attracting business. Informing customers of the availability of supplies was highly important. Some types of outside promotion were necessary. Signs on stores and in prominent places around the city and notices in printed matters were sometimes used.

When customers were finally attracted to the store and satisfied with the service at least once, they were still subjected to competitive influences; therefore, the merchant's signs and advertisements reminded customers of the continuing availability of his services. Sometimes traders would talk to present and former customers in the streets, or join social organizations in order to have continuing contacts with present and potential customers.

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

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

DEFINITION OF ADVERTISING

- The word advertising comes from the latin word "*advertere*" meaning "*to turn the mind toward*". Which means to turn to. The dictionary meaning of the term is "to give public notice or to announce publicly".
- The word advertisement first appeared around 1655 A.D. It was used in the bible to indicate notification or warning.
- By 1660 it was used as a heading for commercial information by store keepers.

Definition:

The World Book Encyclopedia defines advertisement as a message designed to promote a product, a service or an idea.

- The Advertising Standards Council of India (ASCI) defines an advertisement as a paid form of communication, addressed to the public or a section of it, the purpose of which is to influence the opinions or behavior of those to whom it is addressed.
- American Marketing Association (AMA) defines advertising in this way: **'advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.'**

Nature and characteristics of Advertising

1. Paid / controlled form
2. Non personal presentation
3. Ideas, goods and services
4. Identified sponsor
5. Persuasion
6. Creativity
7. Selected market
8. Element of marketing mix

Marketing Mix (4 P'S / 4C'S)

Product = (*CONSUMER NEEDS*)

Price = (*COST*)

Place = (*CONVENIENCE*)

Promotion = (*COMMUNICATION*)

PROMOTION MIX/COMMUNICATION MIX

- Advertising
- Personal Selling
- Sales Promotion
- Publicity
- Tele Marketing

ROLE OF ADVERTISING IN MARKETING MIX

Advertising and Product

Advertising and Price

Advertising and place

Advertising and promotion

ADVERTISING AS A TOOL OF COMMUNICATION

1. THE SENDER----→ WHO -----→ADVERTISER
2. THE MESSAGE-→SAYS WHAT-----→ADVERTISEMENT
3. MEDIUM-----→IN WHAT CHANNEL→ADVERTISING MEDIA
4. THE RECEIVER--→TO WHOM-----→AUDIENCE

Role of Advertising

1. Communication
2. Persuasion
3. Education
4. Expansion of market
5. Entertainment
6. Employment
7. Economic growth
8. Stimulates competition
9. Raises standard of living
10. Finances mass media

BENEFITS OF ADVERTISING

Benefits to manufacturers

1. To introduce a new product
2. To create demand for product
3. To expand market
4. To assist personal selling
5. To build brand image
6. To reduce cost of production
7. Product modifications can be informed
8. Quick distribution at less cost
9. To overcome seasonal sales fluctuations
10. Builds goodwill for organization

Benefits to retailers

1. Quick sales turnover
2. Store image
3. Disposal of old stock
4. Information about changes
5. Reduced overheads
6. Customer loyalty
7. Fixed prices
8. Good appearance of the store

BENEFITS TO THE CONSUMERS

1. Information
2. Acts as remainder
3. Lowers product prices
4. Better quality products
5. Higher standard of living
6. Guards against duplicate products
7. Educating about uses and merits
8. Informs about place/availability
9. Helps to change attitude towards some products
10. Provides sense of pride in the purchase of advertised brands

Benefits to the sales men

1. Makes selling easy
2. Helps to book orders
3. Sale of non-advertised brands
4. Sense of pride
5. Good respect and treatment
6. Buyers feedback

Benefits to the society

1. Higher standard of living
2. Economic development
3. Finances mass media
4. Provides entertainment
5. Public service advertising
6. Provides employment

Criticisms levelled against advertisements

1. Advertising works on our insecurities

The advertisement implies that if we buy that product we will look like the models or lead the type of life shown in the advertisements. Advertising always works on our insecurities and making us constantly aspire to something new.

2. Advertising promotes unrealistic and dangerous role models

There has been a considerable amount of debate in recent years over the effects of *super waif* and *heroin-chic* images of models in ads. It is said that the constant representation of ultra-thin models in advertisement has led to an undermining of girls' self-esteem and eating disorders.

3. Advertising revenue can direct programming

Some commentators suggest that there has been a general shift towards more popular, market-friendly, film-based programmes that attract younger audiences and so raise advertising income. Many of the serious programmes of television channels are stopped or gave way to entertaining or *infotainment* programme to generate ad revenue.

4. Advertising demeans and corrupts culture

According to media critics, problems arise when important aspects of human existence are reduced to the consumption of brand-name consumer products. Being a good mother is as simple as buying a bottle *Horlicks*. Prestige is driving a *Corolla* car. Success is smoking *Wills* cigarettes.

5. Advertisements compel people to buy things that they do not want

Advertising creates the desire to possess and use articles which we do not really need. It multiplies our needs by playing upon our weaknesses and sentiments. Thus advertisements make us spend beyond our limits.

6. Consumers have to bear the cost of advertising

The advertiser who spends a huge amount of money to promote a product passes on the advertising expenses to the consumers. Some companies spend up to 40 % of the selling cost on advertising.

7. Advertising exploits children

According to an estimate an average child sees more than 30,000 television commercials and print ads a year. Critics contend that children are simply not intellectually capable of interpreting the intention of these ads, nor are they able before the age 7 or 8 to rationally judge the worth of the advertising claims. This makes children's advertising inherently unethical.

8. Advertisement tends to develop monopolies

Advertising creates a brand image and puts the product in a class by itself. The brand image is like a protective wall around the product. Hence it is difficult for other brands to penetrate this wall.

9. Advertising is intrusive

Many critics find fault with advertising for its intrusiveness. Advertising is everywhere, and it interferes with and alters our experience. Giant flex-board advertisements change the look of cities. Many internet users complain about the commercialization of the new medium and fear advertising will change its free, open, and freewheeling nature.

CLASSIFICATION AND TYPES OF ADVERTISING

1. Product – Related Advertising

- Pioneering Advertising
- Competitive Advertising
- Retentive Advertising

2. Public Service Advertising

3. Functional Classification

A. Advertising Based on Demand Influence Level.

- *Primary Demand(Stimulation)*
- *Selective Demand(Stimulation)*

B. Institutional Advertising

C. Product Advertising

- *Informative Product Advertising*
- *Persuasive Product Advertising*
- *Reminder-Oriented Product Advertising*

4. Advertising based on end user

- *Consumer Advertising*
- *Industrial Advertising*

5. Trade Advertising

- *Retail Advertising*
- *Wholesale Advertising*

6. Advertising Based on Area of operation

- *National advertising*
- *Local advertising*
- *Regional advertising*

7. Advertising According to Medium Utilized

- *Print advertising*
- *Outdoor advertising*
- *Broad cast advertising(radio,TV,Internet)*

8. Other forms of advertising

- Covert advertising
- Surrogate advertising
- Celebrity advertising
- Comparative advertising

1. Product – Related Advertising

It is concerned with conveying information about and selling a product or service. Product advertising is of three types, viz,

- Pioneering Advertising
- Competitive Advertising
- Retentive Advertising

I. Pioneering Advertising:

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a “primary” demand. It conveys information about, and selling a product category rather than a specific brand. For example, the initial advertisement for black – and – white television and

Color television.

II. Competitive Advertising:

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

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

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

Example: Airline advertising.

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

III. Retentive Advertising:

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

J. Public Service Advertising

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

K. Functional Classification

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

- (i) Advertising may be used to stimulate either the primary demand or the selective demand.
- (ii) It may promote either the brand or the firm selling that brand.
- (iii) It may try to cause indirect action or direct action.

i. Advertising Based on Demand Influence Level.

A. Primary Demand Stimulation

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

may be to stimulate the selective demand.

B. Selective Demand Stimulation

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

ii. Institutional Advertising

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

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

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

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

iii. Advertising based on Product Life Cycle

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

- A. Informative Product Advertising
- B. Persuasive Product Advertising
- C. Reminder-Oriented Product Advertising

A. Informative Product Advertising:

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

B. Persuasive Product Advertising:

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

C. Reminder-Oriented Product Advertising:

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

L. Product Advertising

- a. Consumer Advertising
- b. Industrial Advertising

A. Consumer Advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and alcoholic beverages are examples. Barring a few, all these products are all package goods that the consumer will often buy during the year. There

is a heavy competition among the advertisers to establish an advantage for their particular brand.

B. Industrial Advertising

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

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

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

M. Trade Advertising

- Retail Advertising
- Wholesale Advertising

A. Retail

B. Advertising

This may be defined as “covering all advertising by the stores that sell goods directly to the consuming public. It includes, also advertising by establishments that sell services to the public, such as beauty shops, petrol pumps and banks.”

Advertising agencies are rarely used. The store personnel are usually given this responsibility as an added task to be performed, together with their normal functions. The result is that advertising is often relegated to a secondary position in a retail store. One aspect of retail advertising is co-operative advertising. It refers to advertising costs between retailers and manufacturers. From the retailers point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

C. Wholesale Advertising

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

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N. Advertising based on Area of Operation

It is classified as follow:

- a. National Advertising
- b. Regional Advertising
- c. Local Advertising

A. National advertising

It is practiced by many firms in our country. It encourages the consumer to buy their product wherever

they are sold. Most national advertisements concentrate on the overall image and desirability of the product. The famous national advertisers are:

B. Regional advertising

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

C. Local advertising

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

O. Advertising According to Medium

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

8. Other form of advertising

- **Covert advertising:** Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports.
- **Surrogate advertising:** Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand.
- **Celebrity advertising:** Although the audience is getting smarter and smarter and the modern day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products.
- **Comparative advertising:** Comparative advertising is defined as advertising that compares alternative brands on objectively measurable attributes or price, and identifies the alternative brand by name, illustration or other distinctive information. } It's Promotional technique in which an advertiser claims the superiority of its product over competing product(s) by direct or indirect comparison. Evaluation of To Degrade the brand competitor's performance brand Increases Acceptance of consumer's brand information Convince users

Advertising Objectives

Each advertisement is a specific communication that must be effective, not just for one customer, but for many target buyers. This means that specific objectives should be set for each particular advertisement campaign. Advertising is a form of promotion and like a promotion; the objectives of advertising should be specific. This requires that the target consumers should be specifically identified and that the effect which advertising is intended to have upon the consumer should be clearly indicated. The objectives of advertising were traditionally stated in terms of direct sales. Now, it is to view advertising as having communication objectives that seek to inform persuade and remind potential customers of the worth of the product. Advertising seeks to condition the consumer so that he/she may have a favorable reaction to the promotional message. Advertising objectives serve as guidelines for the planning and implementation of the entire advertising programme.

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

- (ii) To stimulate sales amongst present, former and future consumers. It involves a decision regarding the media, e.g., TV rather than print;
- (iii) To communicate with consumers. This involves decision regarding copy;
- (iv) To retain the loyalty of present and former consumers. Advertising may be used to reassure buyers that they have made the best purchase, thus building loyalty to the brand name or the firm.
- (v) To increase support. Advertising impliedly bolsters the morale of the sales force and of distributors, wholesalers, and retailers, it thus contributes to enthusiasts and confidence attitude in the organizational.
- (vi) To project an image. Advertising is used to promote an overall image of respect and trust for an organization. This message is aimed not only at consumers, but also at the government, shareholders, and the general public.

D A G M A R Approach

- Defining
- Advertising
- Goals for
- Measured
- Advertising
- Results

In the matter of advertising objectives 2 distinct schools of thought emerge:

1. **The Sales School**
2. **The Communication School**

SALES SCHOOL

- Many managers view sales as the only meaningful objective for promotional plans. Their view is that the only reason an organization spends money on promotion is to sell its products or service.
- Sales turnover is the first and most obvious measure
- In the consumer markets and the FMCG sector, market share movement is more sensitive barometer of performance.

COMMUNICATION SCHOOL

- The aim of a communication campaign is to enhance the image or reputation of an organization or product.
- Consequently, promotional efforts are seen as communication tasks, such as the creation of awareness or positive attitudes towards the organization or product.
- Thus the communication objectives basically seek to move people to action and induce them to purchase the products.
- **Russell H Colley** (1961) developed a model for setting advertising objectives and measuring the results. This model was entitled 'Defining Advertising Goals for Measured Advertising Results- DAGMAR.'
- DAGMAR model suggests that the ultimate objective of advertising must carry a consumer through four levels of understanding:
 - from unawareness to **Awareness**—the consumer must first be aware of a brand or company
 - **Comprehension**—he or she must have a comprehension of what the product is and its benefits;
 - **Conviction**—he or she must arrive at the mental disposition or conviction to buy the brand;
 - **Action**—finally, he or she actually buy that product.

Awareness

- If most of the target audience is unaware of the object, the communicator's task is to build awareness, perhaps just name recognition, with simple messages repeating the product name. Consumers must become aware of the brand. Capturing someone's attention doesn't mean they will notice the brand name. Thus, the brand name needs to be made focal to get consumers to become aware.
- The target audience might have product awareness but not know much more; hence this stage involves creating brand knowledge. This is where comprehension of the brand name and what it stands for become important. What are the brand's specific appeals, its benefits? In what way is it different than competitor's brands? Who is the target market? These are the types of questions that must be answered if consumers are to achieve the step of brand knowledge.

Comprehension

- Comprehension Is the next step and the aim is that customers understand what the product will do for them. Advertising that helps a customer understand the benefits and features of the particular product offered will increase comprehension about the product.
- Comprehension is the second step of DAGMAR. Try to know the answers to these following questions.
 - a) What is your product about?
 - b) What are product's potential features and benefits of product?
 - c) What will your customer get from your product? And how?Answers to all these questions will help you to get a potential customer.

Conviction

- A target audience might prefer a particular product but not develop a conviction about buying it. The communicator's job is to build conviction among the target audience. Convince your customer by telling him the benefits of your product. After convincing, your next step starts i.e. action, which is not controlled by you. You have to depend on the customer. However, your previous actions will have a major role to play. If you have been able to convince, the customer ad have answered him satisfactorily and then you will definitely be the winner of the day.

Action

- Communication must finally encourage buyers to engage in purchase activity. Advertising can be directive and guide the buyers into certain behavioural outcomes,
- Use of toll free numbers, direct mail activities and reply cards and coupons.
- Tupperware, Aqua Guard, is famous in Indian cities as a result of its personal selling efforts.

Characteristics of Objectives

- Concrete and measurable:
- Target audience:
- Benchmark and degree of change sought:
- Specified time period
- Written Goal

A major contribution of DAGMAR was Colley's specification of what constitutes a good objective. Five requirements or characteristics of good objectives were noted

- **Concrete and measurable**—the communications task or objective should be a precise statement of what appeal or message the advertiser wants to communicate to the target audience. Furthermore the specification should include a description of the measurement procedure
- **Target audience**—a key tenet to DAGMAR is that the target audience be well defined. For example –if the goal was to increase awareness, it is essential to know the target audience precisely. The benchmark measure cannot be developed without a specification of the target segment
- **Benchmark and degree of change sought**—another important part of setting objectives is having benchmark measures to determine where the target audience stands at the beginning of the campaign with respect to various communication response variables such as awareness, knowledge, attitudes, image, etc. The objectives should also specify how much change or movement is being sought such as increase in awareness levels, creation of favourable attitudes or number of consumers intending to purchase the brand, etc. a benchmark is also a prerequisite to the ultimate measurement of results, an essential part of any planning program and DAGMAR in particular.
- **Specified time period:** A final characteristic of good objectives is the specification of the time period during which the objective is to be accomplished, e.g. 6months, 1 year etc. With a time period specified a survey to generate a set of measures can be planned and anticipated.
- **Written Goal:** Finally goals should be committed to paper. When the goals are clearly written, basic shortcomings and misunderstandings become exposed and it becomes easy to determine whether the goal contains the crucial aspects of the DAGMAR approach.

ADVERTISING BUDGET

- **Advertising budget is a financial document that shows the total amount to be spent on advertising and lists the way this amount is to be allocated.**
- • It is a translation of an advertising plan into monetary units.
- • It helps in meeting advertising objectives of an org.
- • It is prepared for a specific future period of time.
- • It is prepared by the advertising manager in consultation with the marketing manager and approved by the top management.
- • It shows the plan of allocation of available funds to various advertising activities.

ADVERTISING BUDGETING PROCESS

- Setting advertising objectives
- Determining the task to be performed to achieve the objectives.
- Preparing advertising budget.
- Approval of the top management.
- Allocation of advertising budget
- Monitor and control

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FACTORS INFLUENCING THE ADVERTISING BUDGET

- Advertising task to be achieved
- Stages in the product life cycle.
- Market share

- Competition
- Frequency of advertising
- Product differentiation
- Support from retailers
- Financial resources
- Coverage expectations
- Age of the company
- Size of the company
- Competitive activities

METHODS OF SETTING ADVERTISING BUDGET

- 1.Affordable method
- 2.Percentage of sales method
- 3.Competitive parity method
- 4.Objective and task method

AFFORDABLE METHOD

- Advertisers base their advertising budget on what they can afford.
- An amount after allocating all the relevant company expenditure is given for advertising.
- It is based on the presumption that the firm can only afford that much amount on advertising.
- This method is not logical since it doesn't considering the advertising needs of the firm.

<ul style="list-style-type: none"> • <u>Merits</u> • It is simple • It is flexible 	<ul style="list-style-type: none"> • <u>Demerits</u> • Wrong stressing • It is static in approach • It ignores long run planning
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PERCENTAGE OF SALES METHOD

- A fixed percentage of the sales figure is allocated as advertising budget.
- This sales figure could be last year's sales figure or the average of the sales figures of last years.
- It may also use projected sales figure in determining the advertising budget.

<ul style="list-style-type: none"> • <u>Merits</u> • It is practical • It works on affordability • It is consistent 	<ul style="list-style-type: none"> • <u>Demerits</u> • It over looks opportunities • It is short sighted • It ignores ability of advertising
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COMPETITIVE PARITY METHOD

- The advertising expenditures of competitors are taken as the guidelines for setting advertising budget.
- It is based on the belief that the firm will maintain his market share as it spend same amount on advertising as his competitors
- This method is used as a defensive device by the advertiser

<ul style="list-style-type: none"> • <u>Merits</u> • It respects superiors • It kills competitive wars • It is simple 	<ul style="list-style-type: none"> • <u>Demerits</u> • It is not logical • It is a misfit • It steps up competitive wars
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OBJECTIVE AND TASK METHOD

- Most logical way of setting advertising budget.
- It focus on the advertising task that is to be achieved.
- Advertising objectives are fixed after intensive market research.

STEPS

- Task definition
- Determining the type of strategy, media and amount of exposure required for efficient satisfaction of the task set
- Estimating the cost of various elements of advertising.
- Deciding whether the firm can afford the budget

<ul style="list-style-type: none">• <u>Merits</u>• It is objective based• It is review based• It is individualistic	<ul style="list-style-type: none">• <u>Demerits</u>• It irrelevant• Objectives cannot be translated in to tasks• It unscientific
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ADVERTISING STRATEGY

Advertising strategy includes the following:

1. Identifying objectives
2. Target audience
3. Theme selection and structure
4. Message strategy
5. Media choice
6. Ad frequency and Ad budget

ADVERTISING PLANNING

Advertising Planning includes the following steps

1. Back ground work
 - Full information the problem
 - Situation
 - Competitive environment
2. Situation analysis relating to advertising issue
 - Market place
 - Competition
 - Consumer behaviour
 - Company analysis
 - Product and the brand
3. Marketing objective
 - Elevate himself
 - Protecting market share
 - Protecting existing customers
 - Attract new customers
4. Advertising objective
 - Sales objective
 - Communication objective
 - Behaviour objective
5. Target audience
 - Identify the market
 - Identify the appropriate segments
 - Decide criteria for selective relevant segments
 - Determine target audience
6. Brand positioning

- Who am I?
 - What am I?
 - For whom am I?
 - For why me?
7. Creative strategy
 8. Message strategy
 - Message generation
 - Message evaluation and selection
 - Message execution
 9. Media strategy
 - The media mix
 - Target market coverage
 - Geographic coverage
 - Media scheduling
 - Media reach
 - Frequency
 - Flexibility
 - Budget consideration
 10. Advertising budget
 - Affordable method
 - Percentage of sales method
 - Competitive parity method
 - Objective and task method
 11. Implementation and evaluation
 12. Integration with other communication tools