

ADVERTISING AND SALES PROMOTION

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UNIT – I CONCEPT OF ADVERTISING

Introduction:

Advertising is multidimensional. It is a form of mass communication, a powerful marketing tool, a component of the economic system, a means of financing the mass media, a social institution, and an art form, an instrument of business management, a field of employment and a profession.

Today we are exposed to a larger number of commercial messages than at any time in the past. Newspapers and magazines are full of advertisements. Not only has the quantity increased, even the quality of advertisements has improved considerably over the past couple of years. Other means of advertising, such as the radio, television, the cinema and bill boards, etc., have also amply contributed to the growth of this industry. Advertising, which has become a marketing force helping mass selling and distribution, is also the object of much criticism, some justified, some not. It has been claimed that much advertising is false, deceptive and misleading, and that it conceals information which should be revealed and omits the limitations and comparative disadvantages of the item advertised. Not only this, some fear that the power of advertising to persuade and manipulate the consumer and the public at large has increased. However, before going into a serious debate on the benefits of advertising and its effect, we must understand fully what advertising is?

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 co-ordinate 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.

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.

The word advertising originates from a Latin word advertise, which means to turn to. The dictionary meaning of the term is "to give public notice or to announce publicly".

Advertising may be defined as the process of buying sponsor-identified media space or time in order to promote a product or an idea.

The American Marketing Association, Chicago, has defined advertising as "any form of non-personal presentation or promotion of ideas, goods or services, by an identified sponsor."

Definition of Advertising

American Marketing Association has defined Advertising as any paid form of non-personal presentation and promotion of Ideas, goods and services by an identified Sponsor.

1. Paid

Advertising is a paid form of communication. It is a commercial one. Thus any sponsored communication designed to influence buyer's behavior is advertising, because advertiser pays for it.

2. Non-Personal

Advertising is non-personal. Advertising is done in non-personal manner through communication media. It is directed at the mass Audience and not Individuals as in personnel selling

3. Promotes

Advertising promotes Ideas, Goods and Services. Although most advertising is designed to sell Goods and Services. It is also used for Public Interest goals. Eg. Creating Awareness about Road safety, Evils of child Labor, Importance of adult Education.

4. Source

Source means the Advertiser and the person appearing in the advertisement. Advertisement will succeed when the sources are attractive and believable.

Nature of Advertising

Advertising is an art and science:

Advertising, as it is generally known, is a paid method of mass communication which is aimed at promoting ideas, goods of services by an identified sponsor. It is also non-personal

communication for it is not delivered by an actual person but only through a media, nor is it addressed to any specific person. Advertising is done by commercial and non-commercial organization but it is mainly referred to commercial organization, because it is used to help assure the advertiser of a long business life with profitable sales.

As far as India is concerned, advertising is a growing business today and gaining importance day by day. Advertising as a potent and recognized means of sales promotion was accepted only recently. This delay is attributed to the late industrialization in our country.

Advertising as a profession is in its infancy. Because of this fact, there is a tremendous scope for the development of this industry so that advertising may be used productively for the benefits of producers, traders, consumers and country's economy.

Advertising has been recognized as an art because the creative function of advertising very much depends upon the creativity its message, theme and its layout including caption, illustration etc, is an art in which the success and failure of advertising campaign depend. The individual capability and an instinct of creating always new are the essence of advertising.

Advertising has been developed as a science also. The advertising management has been emerged as a new discipline where the study of planning, organizing, directing and decision making is learnt. Various principles, objectives, techniques and strategies in advertising have been developed and with the study if those techniques are successful, effective advertising campaign be carried out. Thus, it may be concluded that advertising is both an art and a science.

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 program.

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

- To stimulate sales amongst present, former and future consumers. It involves a decision regarding the media, e.g., TV rather than print;
- To communicate with consumers. This involves decision regarding copy.
- 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.
- 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. :
- 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.
- To Increase the number of users by pulling competitors, customers through comparative Advertisement. E.g. BPL vs. Onida Advertisement, by making non-users of present market to use our product. E.g. making all men to wear jeans, by entering into new markets. E.g. selling shirts to Girls and studs to men.
- To Increase the usage rate by increasing frequency of usage per occasion. E.g. Brush your teeth thrice a day. Always have Pepsi with food, by increasing usage per occasions. E.g. King size Bottle's in soft drinks. Family pack in Arun Ice creams, by informing new uses of the same product. E.g. sharing new varieties of dish from Milka Bread.
- To attract traders, retailers and wholesalers do not buy non advertised brands, because advertisements attract them to buy new and existing brands.

- To help the traders, advertisements convince the consumers by providing product details and its uses. So the traders need not spend their time to convince the consumers. This helps them to sell more and earn profit.
- To help sales man, consumers do not allow salesmen of non-advertised brands inside their home. Advertisement tells the uses of the product and makes it more attractive. This makes the consumers to welcome the salesman.
- To introduce new products
- To inform sales promotion.
- To increase non-season sales.
- To neutralize competitors' advertisements.
- To remind the Brand Name.

Scope of Advertising

In the scope of advertising, we study the various activities which are included in advertising and which are not included.

What Advertisement Is?

Advertisement is a mass communicating of information intended to persuade buyers to buy products with a view to maximizing a company's profits.

The elements of advertising are:

- (i) It is a mass communication reaching a large group of consumers.
- (ii) It makes mass production possible.
- (iii) It is non-personal communication, for it is not delivered by an actual person, nor is it addressed to a specific person.
- (iv) It is a commercial communication because it is used to help assure the advertiser of a long business life with profitable sales.
- (v) Advertising can be economical, for it reaches large groups of people. This keeps the cost per message low.
- (vi) The communication is speedy, permitting an advertiser to speak to millions of buyers in a matter of a few hours.
- (vii) Advertising is identified communication. The advertiser signs his name to his advertisement for the purpose of publicizing his identity.

Activities Included in Advertising

Advertising is a form of promotion and a means of non-personal mass communication to the existing and prospective customers in order to maximize the company's sales and profits.

The Activities included in advertising are:

- i. Selection of media with a view to stimulate sales amongst present and prospective consumers.
- ii. Communication with consumers of the product and of the manufacturer.
- iii. Maintenance of brand loyalty amongst customers. Advertising may be used to reassure buyers that they have made the best purchase, thus building brand loyalty or loyalty to the firm.
- iv. Increasing support to dealers, distributors, wholesalers and retailers and the sales force are the main functions of advertising. It boosts morale and contributes to enthusiasm and confidence attitude in the organization.
- v. It projects an image in the minds of the people who are customers of the company's products or who are closely related with the company such as share-holders, government, creditors and the general public. Advertising is used to promote the overall image of trust, confidence and respect for an organization.

The information in an advertisement should benefit the buyers. It should give them a more satisfactory expenditure of their rupees. It should suggest better solutions to their problems. The content of the advertisement is within the control of the advertiser, not the medium. Advertising without persuasion is ineffective. The advertisement that fails to influence anyone, either immediately or in the future is a waste of money. The function of advertising is to increase the profitable sales volume. That is, advertising expenses should not increase disproportionately

Advertising includes the following forms of messages:

The messages carried in are

- ❖ Newspapers and magazines;
- ❖ On radio and television broadcasts;
- ❖ Circular of all kinds, (whether distributed by mail, by person, thorough tradesmen, or by inserts in packages);
- ❖ Dealer help materials,
- ❖ Window display and counter – display materials and efforts;
- ❖ Store signs, motion pictures used for advertising,
- ❖ Novelties bearing advertising messages and Signature of the advertiser,
- ❖ Label tags and other literature accompanying the merchandise.

Activities Excluded from Advertising

Some activities resembling those with advertising are actually not advertising.

- a. Advertising which are designed to deceive the consumers cannot be said to be an advertising apart from ethics, the desire and hope for repeat sales requires a high degree of honesty in advertising.
- b. Advertising is not a game or a toy which the advertiser can play in any way he likes. It requires a mature understanding and should not be aimed to injure the feeling of any person or institution. He should realize that funds must be used only to achieve the firm's objectives and not against it
- c. The advertising does not include the offering of premiums to stimulate sale of products, the use of exhibitions and demonstration at fairs, shows and conventions, the use of samples and the so called publicity activities involving news release and the activities of personal selling forces, the payment of advertising, the entertainment of customers, etc. Though these activities are not identified as advertising, they all have some economic objectives of stimulating sales.

Advertising is not an exact science. An advertiser's circumstances are never identical with those of another; he cannot predict with accuracy what results his future advertising efforts will produce. Advertising is not a game, because if advertising is done properly, both the buyer and the seller benefit from it. Advertising is not a toy. Advertiser cannot afford to play with advertising. Advertising funds come from sales revenue and must be used to increase sales revenue. Advertisements are not designed to deceive. The desire and hope for repeat sales insures a high degree of honesty in advertising.

The activities excluded from advertising are:

- The offering of premiums to stimulate the sale of products;
- The use of exhibitions and demonstrations at fairs, show and conventions;
- The use of samples and activities, involving news releases and the activities of personal selling forces;
- The payment of advertising allowances which are not used for advertising;
- The entertainment of customers

Thus, the scope of advertising is very wide. Each and every type of activity which stimulates sales by communication through a mass media is included in it and all other activities which do not perform the communication function through mass media cannot be regarded as advertising.

Functions of Advertising

Advertising has to perform a number of functions. Some of these are

- Advertising informs the buyers about the existence of the product, its features, its benefits, and its availability.
- Advertising offers an incentive to buy by making several direct offers like price, offers or exchange of an old TV on buying a new TV
- Advertising provokes us to try the product, and once tried reminds us about its benefits so that we can buy it in time and again.

- Advertising builds brands, gives an image and personality to the brand distinguish them from competitive brands. Over a period of time, it works along with other elements of marketing mix to create brand equity.
- Advertising helps us to choose out of several brands available. It provides us reasons to buy a particular brand. It thus contributes to our brand preference and brand loyalty.
- Advertising being mass communication is the most cost effective way to reach our consumers. In absolute terms, the cost of a full-page advertisement in a magazine is very high. But when we divide the cost by the number of readers reached the per reader cost is very low. It is hardly a few paisas. Advertising thus reduces selling costs.
- Advertising persuades people to act.

Importance of Advertising

Generally, advertising is a relatively low-cost method of conveying selling messages to numerous prospective customers. It can secure leads for salesmen and middlemen by convincing readers to request more information and by identifying outlets handling the product. It can force middlemen to stock the product by building consumer interest. It can help train dealers salesmen in product uses and applications. It can build dealer and consumer confidence in the company and its products by building familiarity.

Advertising is to stimulate market demand.

While sometimes advertising alone may succeed in achieving buyer acceptance, preference, or even demand for the product, it is seldom solely relied upon. Advertising is efficiently used with at least one other sales method, such as personal selling or point-of-purchase display, to directly move customers to buying action. Advertising has become increasingly important to business enterprises – both large and small. Outlay on advertising certainly is the voucher. Non-business enterprises have also recognized the importance of advertising. The attempt by army recruitment is bases on a substantial advertising campaign, stressing the advantages of a military career. The health department popularizes family planning through advertising Labor organizations have also used advertising to make their viewpoints known to the public at large. Advertising assumes real economic importance too.

Advertising strategies that increase the number of units sold stimulate economies in the production process. The production cost per unit of output is lowered. It in turn leads to lower prices. Lower consumer prices then allow these products to become available to more people. Similarly, the price of newspapers, professional sports, radio and TV programmes, and the like might be prohibitive without advertising. In short, advertising pays for many of the enjoyable entertainment and educational aspects of contemporary life.

Advertising has become an important factor in the campaigns to achieve such societal-oriented objectives such as the discontinuance of smoking, family planning, physical fitness, and the elimination of drug abuse. Though in India, advertising was accepted as a potent and recognized means of promotion only 25 years ago, its growing productive capacity and output necessitates the finding of consumers and advertising plays an important role in this process. Advertising helps to increase mass marketing while helping the consumer to choose from amongst the variety of products offered for his selection. In India, advertising as a profession is in its infancy. Because of this fact, there is a tremendous scope for development so that it may be productively used for the benefit of producers, traders, consumers, and the country's economy.

Social, Economic, Legal implications of Advertisements

Social Responsibility of Advertisements

1) Existence of the press (Media)

The cost of production of news papers, cost of broad casting and Telecasting, Radio and TV. Programmes would have been much higher in the absence of income from advertising.

2. Better standard of Living

Advertising creates desire for possessing better and new items by educating the buyers.

3. Encouragement to Research

Advertising encourages research and discovery of new products and new users for existing products because advertising assures their marketing.

4. Employment opportunities

Direct Employment opportunities are created for artist, photographers, painters, writers, singers, actors, musicians, pressman, executives etc., Indirectly it helps trade employment to trade Employment opportunities as it stimulates production.

5. Responsibility towards Children

The Responsibilities of advertising is to educate the children and not to influence the moral values of children. E.g. Parle G, Live in Jeans.

6. Responsibility to Socio-Economic value

Advertising promotes social welfare project like Family – Planning, Saving Schemes etc.

7. Improves the Quality of the Product

Advertisement generally stands for a quality of product. If the product is not good the customers will switch over to other Brands. So producers maintain their quality to retain their market.

8. Educates the Customer

Advertisement Educates about the new product and new uses. By comparing advertisements of different brands and substitute products, consumers can choose the best one.

9. Increases the Purchasing Power

Advertised Brands lead to mass production and distribution. This reduces the cost of production and final price.

Ethics in Advertising or Socio Ethical objections in Advertising

Now people are educated. Product information is easily available through multiple media from newspaper to internet. Competition is also very high. So if a company sells its products by untruthful advertisements people will stop buying it. Hence to survive, the company should use the following unethical ways to advertise.

1. False Claims

Advertisements offering mixtures and substances which promise loss of weight, growth of hair, growth in height, make false claims.

2. Exaggerated Claims

The mouth watering visuals of TV advertisements of ice creams, cake and biscuits are generally exaggerated.

3. Unverifiable Claims

Advertisements of energy drinks (complan, Horlicks) tell us about the no. of vitamins and how they help children to grow strong and tall. There is just no way of verifying these tall claims.

4. Misleading Labels and Names

Popular Brand names and models are copied with a small change. Eg. Beta for Bata, Renolds for Reynolds.

5. The use of Endorsements

Advertisers pay heavy amount to film and sports personalities to endorse their products. They have nothing to do with the use of the product or service. E.g. Sachin for Boost, Madhavan for Pepsi.

6. Creating Erroneous Impressions

Advertisers frequently exploit the weakness of Indians for foreign products by giving foreign brand names. Mostly it is used for cosmetic products. E.g. Pavis Cologne, Yardley Powders, Pork Davis Shirb.

7. Use of women as Sex objects

Advertised products that are targeted at men such as perfumes, powders, cosmetics, automobiles. Women are used awkwardly. There are advertisements with women under water falls and both tubs. E.g. Fa scents, Axe wood, Ardeno LML.

8. Alcohol and Tobacco Advertisements

Alcohol advertising has made its appearance indirectly in soda and mineral waters. Furthers firms like McDowell, King fisher and wills sponsor sports Event.

9. Wastage of Natural Resources

Advertising destroys uselessly. A new model of automobile is advertised heavily when it discards all old models long before they become useless. The same is true with furniture, dress etc. From the point of society it is considered as waste of natural resources.

10. Influencing Media

Advertisers influence the press. Because they provide a major income to the newspaper, magazine, TV, and Radio.

Advertisement is economically beneficial but not socially justifiable

Economical Benefits

Increases the sale

Goods produced on mass scale cannot be sold at their own. So mass persuasion is necessary and done through advertisements. By Repeating the advertisements manufacturers retain the existing sales and expand the market by attracting new consumers.

Steady demand

The sales volume is maintained through repeated advertisements. This maintains the demand of seasonal products over the whole year by suggesting alternative uses. E.g. Cold coffee during summer.

Reduces cost

Advertising leads to low cost of production and marketing due to increased sales volume.

Greater Dealer Interest

Retailers and wholesalers selling advertised goods are greatly assisted by the advertisements. Because dealers need not induce the customers to buy the advertised brands.

Creation of Goodwill

Advertising creates goodwill for the manufacturer. He can use this during new product introduction. E.g. Institutional Ads of Tataland and Godrej.

Better Performance

An advertisement boosts morale of the company employees, because it gives a feeling of pride, in their jobs.

Controls Product Prices

By issuing advertisements with price tags, the prices of the product can be controlled. Because retailers cannot over charge the consumers.

Reduces intermediaries

Consumers demand advertised brands and go to the shops where those brands are available. So the manufacturer need not appoint more distributors and pay more commission.

Advantages of Advertising

1. Benefit to Manufacturers

Increases the sale

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2. Benefits for Distributors

i) Attracts more Customers

Advertisement gives detailed information about the product and the place of availability. Thus, it attracts more customers to the particular shop.

ii) Increase the prestige of the store

The Goodwill earned by the manufacturer is also shared by the selling shops.

3. Benefits for sales people

a) Simplifies Sales mans Task

Advertisements create an interest in the product by highlighting the advantages. So it becomes easy for the salesman to sell.

b) Increases Productivity

Salesman time is saved and he can contact more customers in a shorter period with least effort. He can easily exceed the sales target.

c) Creates Confidence

Advertised brands have good brand image. So the sales man can easily approach new customers with confidence and enthusiasm.

4. Benefits for Consumers

a) Easy purchasing

Advertisement gives useful information about the reasonableness of the price and quality of a product. Advertisements give retailers address and competitors information. Thus it helps to buy the best product in a shortest time.

b) Quality Product

Advertisement generally stands for a quality product. If the product is not good the customers will switch over to other brands. So producers maintain their quality to retain their market.

c) Educates the customers

Advertisement educates about the new product and new uses. While comparing advertisements of different brands and substitute products consumers can choose, the best one.

d) Reduces Price

Advertised brands lead to mass production and distribution. This Reduces the cost of production and final price.

e) Mail order Business

Some products are not available in all places. Public will know those products through advertisements and get it by post.

Disadvantages of Advertisements OR Economic Arguments for and against Advertising

1. Advertising is not productive

a) Against – The critics say that advertising does not produce any tangible goods. It simply transfers business from one producer to another.

b) For - But they forget while arguing that all productive work need not bring tangible goods. On the other hand advertising renders valuable services to various hand advertising renders valuable services to various segments of society and services are always intangible.

2. Advertisement does not create New Demand

a) Against - Advertisement takes business from one concern and gives it to another. So it does not help in expanding the market.

b) For - But this criticism is also not true. Because the total consumption level of many products like automobiles, television is continuously increasing.

3. Advertising Cost the consumer

Against - The total cost includes advertising also and the customers are charged for it. The cost is added with the final price.

For - However it is wrong to say that if advertising cost are removed completely the Goods would become cheaper. Because advertisement brings savings in distribution, production and marketing expenses through large scale production.

4. Monopoly Argument

Against - An objection generally raised against advertising is that it develops monopoly's. Advertising generally emphasis's on brand which impresses the mind of the consumers. They say this brand is superior to all other brands.

For - This argument is not true. Because as soon as the manufacturer increases the price and reduces the quality the competitors will enter with mega advertising.

5. Advertising Encourages waste

Against - People are forced to use the product as fast as possible. Since new products with improved quality may be expected very soon. Newly introduced product may lead to the waste of the existing products. It also encourages exhausting of natural resources.

For - This Blame is also not acceptable because alternatives for scarce resources are invented. E.g. Plastic and steel for wood. Solar, wind and hydro energy are used instead of oil energy.

6. Advertising forces people to buy things beyond their capacity

Against - It creates demand for non-essential things. Modernity Society has become a society of chocolates, Ice creams, Cigarettes, Alcoholic Drinks.

For - The charge can be refused easily. Because No physical force is applied on consumers to buy unnecessary things. Careful people will not fall into these advertisements.

Advertising agency

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.

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 curtail service to existing clients in the hope of netting a new account. Would you wish to join the ranks of those clients? 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. Lastly, ask yourself, and if necessary, ask the agency, too: Is the team that produced the advertising really made up of the people who are going to handle your account afterwards? Or was it produced by the agency’s star performers who spend most of their time on new business presentations and the rest of it on a few favored accounts?

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.
- (iii) 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 a 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 a 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 unfavorable. It should also be favorable.

- 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.
- The advertiser should examine the work his agency does for other parties to get new ideas.

It is about time that the top management looked upon advertising as a basic capital investment –a long-term investment –which does not necessarily always bring in immediate returns. The management should realize that advertising has two functions to perform. It has to sell products today and sell the name of the company, so that tomorrow's products, too, will sell.

Setting Advertising Objectives

For one who has no objective, nothing is relevant- Confucius. Without objectives, it is nearly impossible to guide and control decision making. Good performance occurred in the absence of objectives can rarely be sustained. The challenge today is to bring effective management to the advertising process in such a way as to provide simulation as well as direction to the creative effort. The solution is the meaningful objective. Advertising objectives, like organizational objectives, should be operational. They should be effective communication tools, providing a line between strategic and tactical decisions. A convenient and enticing advertising objective is immediate sales or market share. However, an increase in immediate sales is not operational in many cases for two reasons:

(1) Advertising is one of many factors influencing sales, and it is difficult to isolate its contribution to sales. The other forces include price, distribution, packaging, product features, competitive actions, and changing buyer needs and tastes.

(2) The second reason involves the long-term effect of advertising on sales. If advertising generates a substantial lagged effect on sales, then the impact of an advertising campaign may not be known until an unacceptable length of time has passed. For example, an important contribution of a 6-month campaign might be its impact 12 months hence. If immediate sales are not the basis of operational objectives, how does one proceed? The answer to the following questions will yield useful and effective objectives.

1. Who is the target segment?
2. What is the ultimate behavior that advertising is attempting to precipitate, reinforce, change, or influence?
3. What is the process that will lead to the desired behavior and what role can advertising play in the process?
4. Is it necessary to create awareness, communicate information about the brand, create an image or attitude, or associate feelings or a type of user personality with a brand?

- Identify the target audience. The specification of the target audience should be a part of the marketing objectives.

- The analysis of the ultimate desired behavior such as trial purchases of new customers, maintenance of loyalty of existing customers, creation of a more positive use experience, reduction of time between purchases, or the decision to visit a retailer use experience, reduction of time between purchases, or the decision to visit a retailer.

- An analysis of the communication and decision process that will affect the desired behavior. It might be that the key variable in inducing a new customer to try your brand is to inculcate high levels of brand awareness. The best way to maintain loyalty is to strengthen an attitude. Which intervening variables provide the best link to the desired behavior and which can be influenced economically by advertising are to be determined.

-An analysis of market dynamics can lead to behavioral measures that by themselves can provide the basis for operational objectives. If the advertising's target is new customers, the goal may be to get new customers to try a brand for the first time. The results would be

measured by the number of new customers attached. The use of behavioral measure as objectives is often appropriate in retailing (store traffic measures), direct marketing, and sales promotion and in lead generation for salespeople. It is useful to analyze the communication and decision process relevant to the desired behavior and to identify intervening variables on which to base objectives. Some situations could dictate the joint use of intervening and behavioral objectives.

Function of Advertising Agency

Advertising agency has different departments based on different functions. Functions like, client development, Media buying, Creative work, production work, research etc are performed by different departments. It is explained below.

1. Client or Account Development department

The word account means clients giving advertisement work to the agency. Accounts executive heads this department. Creating and Maintaining the clients are his main functions. New clients may come in the following ways.

- a) New clients may approach the agency if they are not satisfied with their present agent.
- b) Agent's present client may introduce a new client.
- c) Agent's account executive may voluntarily approach the big companies to get new business.

To maintain these clients, agents have to provide more services at a reasonable cost.

2. Media contact Department

Media functions are there by media department. This department maintains circulation and cost details of all media. It recommends the suitable media for the given product. It negotiates advertisement rates and demands prime time or space of the media. It maintains good contact with all media.

3. Copy Creation Department

Copy department creates copy. It creates advertisement message with theme and appeal. It develops layout of a rough advertisement copy with all its components, like, headline, Sub headline, body copy, slogans, logo, closing idea and illustration body copy.

4. Art Work Department

Art department has painters and writers. It prepares a neat advertisement copy from the rough advertisement copy. It brings the expected effect in the pictures and letters. This department is used only for print ad's. Some agents use outside artist for this work and supervise them regularly.

5. Advertisement Production Department

This department produces advertisement for all media. It may be print or radio or T.V. advertisement. It uses multi-media and advanced packages to create sound and visual effect. It also has singers, actors, musicians, Cameraman, produce radio and T.V. ad's. Some agents use outside experts for this service and supervise them regularly.

6. Research Department

Research department does various types of research. copy research involves pre and post test. it is done to measure the effectiveness of advertisement copy. Media Research is done to find the best media mix for a particular brand. Market Research for a specific brand is done to find the suitable market segments and the improvements needed in product, price, distribution and selling. Research work helps advertising agent to get new clients and maintain the existing one.

7. Finance Department

Finance department collects the dues from its clients, verifies the appearance of advertisement in different media for different clients, and settles the dues of media and looks after all accounting works.

8. Public Relation Department

Public Relation work is done here. Here the public means business firms, media helpers in advertisement production, like artist, actors, singers, Cameraman etc. The agency can grow and survive only if it has good relation with all these public.

Factors in selecting advertising agency

1. Growth

Growth is measured in terms of no. of clients, No of successful advertisements, man power and functions. All these should be growing at least for the past 3 years.

2. Manpower

It should have experts in a good academic and Research experience from reputed institutions. They should have produce many successful advertisements. The Employees burn over should also be low.

3. Allotted Persons

It should be willing to allot reasonable number of talented employees. The team concentrates only on the companies Campaign.

4. Response

Agency people should respond immediately, whenever the client needs their help. Otherwise the client cannot alter the advertisement copy, media and timing or space when it is urgently needed.

5. Clients History

Number, type and duration of its past and present clients should be considered. It should be serving reputed clients for a long duration.

6. Media Contact

It should have reputed contact with all media. It should have circulation and tariff details of all media. It should recommend a suitable media mix for the given product based on the Clients budget.

7. Publicity

Agents with media contact can do free publicity about the product in reputed media.

8. Creativity

It should have people with creative talents to produce creative and successful advertisements

9. Fees

Agency may charge commission or service based fees, with or without incentive for advertisement effectiveness. The fees should be reasonable in the industry and it should match with the work done by the agency.

10. Production Ability

It should have advanced equipments and talented artist to produce print, radio, as T.V. advertisement. If it does not have all these facilities, it should atleast have contact with outside special service agents with good production ability.

11. Research

It should do research on copy, Media and market. Copy Research involves pre and post test of advertisement effectiveness. Media Research is done to recommend the suitable media mix for a particular brand to reach their market segment effectively. Market Research is done to recommend improvements in product, package, price, distribution etc.

12. Campaign Planning and Doing Skill

It should have skill to analyze competitors and customers, set an advertisement objective, create the ad. , release in the right media at the right time and all these should be done within the budget limit.

13. Avoid Competitors Advertisement

It should not undertake competitor's advertisement. Otherwise it will lose the competitive spirit while making the advertisement.

Agency Remuneration/ Compensation

Companies remunerable advertisement agencies in 3 ways

1. Commission 2. Fees 3. Incentive. These are explained below.

Commission Method

Here the Media allows agencies to take a certain percentage of ad charge as Commission. E.g. If the advertisement rule is Rs.10,000 and the media allows 15% as commission, then the

agency collects Rs.10,000 from that company, takes Rs.1500 for its commission and pays the remaining Rs.8500 to the media.

Only with this commission the agency has to meet the advertisement production cash employee salary and all other expenses and should also make a profit. Sometimes it becomes very difficult to make a profit. So it charges production cost from the company in addition to the regular commission.

Merits

1. Free Service

The Company has to pay the same add. rate, though it produces the add, by itself and approaches the media directly. But, for the same advertisement, the agency produces the advertisement and provides many services, like, research and publicity at free of cost.

2. More Services

Competition is high in agency business. So agencies provide more no. of extra services than their competitors to attract their clients. So the company gets more services at the same cost.

De Merits

1. Low Profit to agency

Agency offers more services within the fixed commission to compete with other agencies. So the agencies get low profit.

2. Unreasonable Profit from Big Companies

Agencies spend a fixed amount to produce single advertisement. It is a one time investment. But it gets commission, whenever the same advertisement is released. Big companies release the same advertisement for many times. In this case, agency gets unreasonable Profit. E.g. An Agency may spend Rs.5, 000 to produce a single add. Whenever the advertisement is released it may get Rs.6000 as commission. If the same advertisement is released for 10 times, it gets Rs.60, 000 as Commission. Thus it makes unreasonable profit.

3. Size and Frequency Insisted

Agency gets more commission, (when) at the size and frequency of advertisement increases. So Agency may misguide the companies to increase the size and frequency of add's. to increase the sales.

4. Small companies are not considered

Small companies release the ad for one or 2 times. The agency gets a low commission, so small companies are not considered by the agencies.

5. Biased

Agencies are induced to recommend media's for getting more commission though they are ineffective. This against the Advertisers benefit.

Fees System

Here the agency adds fixed percentages with the total cost of ad Production to meet the overhead expenses and profit. Total cost includes cost of creating the idea and research cost and production cost. Media Rate is charged separately without commission.

Merits

i. Reasonable Profit

Since the agency charges a fixed percentage or total cost, there is no possibility to make a very low or a very high profit or as in commission system.

ii. More Service

Company can get more variety of services, if it is willing to pay for that. But it is not possible in the limited commission system, because the services are free.

iii. Un Biased

In fees system agencies, do not take commission from media. So it is unbiased in media recommendation.

iv. Size and Frequency not insisted

In Fees system the agency profit is based, only on the total cost of production and not on the size and frequency of advertisement like commission system. So the agency does not insist on more size and Frequency.

Demerits

i. Over service

Agency charges a fixed percentage on the total cost of all services. If it provides more services it gets more profit. so it offers some unwanted services. It increases the companies expense.

ii. Charge without service

Sometimes agencies may collect service charge for Research work but they do not do any field work. They just sit in the office and fill up some assumed data or they may use the data collected for some other company. It is not only waste of money for the Companies, but any decision based on this false data will be dangerous.

iii. Clients over Involvement

Companies pay for each services it gets. So it may like to supervise all the services. So the company may involve too much in all the activities of the agency. Finally it becomes a great disturbance for the agency.

Incentive System

Here in addition to Commission or Fees, the agency gets incentive, based on the effectiveness terms of brand awareness, brand preference, buying intention and sales. It is easy to measure in terms of sales. E.g. (if) the Company accepts to pay 1% incentive on sales effect of the advertisement. The company gets an additional sale for Rs.1, 00,000 after the advertisement. Then the Company pays Rs.10, 000 as incentive to the agency.

Tips to Improve Company and Advertising Agency Relationship

1. Team Spirit

Company should not consider the agent as their servant just because it pays them rather both the Company and agency people should work like a team.

2. Avoid Ego

Company should not think that, only they know about their product and customers much better than the agency. Similarly agency should not think, only they know, How to make effective advertisements for all types of products and customers. So both should not refuse to listen others idea. Both the Company and agency would have better knowledge than the other in some field. So both should listen each other without any ego.

3. Accept Mistake

Advertisement may fail due to the wrong ideas of either the company or the agency or both. In this case they should accept their mistakes without blaming each other. This Generous approach will maintain a good relationship.

4. Creative Risk

Every advertisement will have a certain idea. Some ideas will succeed and other may fail. The Company should not (mistake) hesitate too much to accept the risk of failure. Otherwise the agency cannot do any work.

5. Approval Process

Company should not have too many levels with many people and long duration to approve the advertisement for release. Each one will insist his own idea. Too many people and levels may create ego problems. All this will discourage the agency.

6. Research vs. Judgment

Company should not insist too much on research for each and every decision, like creating theme, appeal, media mix and timing. It will be time consuming and very expensive. The data may not be fully reliable. The tedious process may discourage the agency. So the Company should allow the agency to apply its judgments based on its experience.

7. Don't Interfere

The Advertiser should not interfere in the day today works of the agency. He should allow the agency to work independently.

8. Give Information

The Advertiser should provide information about its product, customers and competitors to the agency.

9. Fear of Withdrawal

The agency should be challenged to produce results. It should be very clear from the very beginning, that the agency will be withdrawn, if it does not satisfy the company.

10. Fees

The Agency should be given reasonable fees. Incentives for successful advertisements will motivate the agency to work hard.

11. Supervise

The Advertiser should supervise regularly, all the works done by the agency. This avoids difference of opinion at the last moment. Because prevention is better than cure.

Is advertising agency essential?

Introduction

Ad Agency may not be essential for big companies, but it is essential for small and medium size company.

Big companies with huge funds and managerial talent may have a full service, “in house ad. department”, to do all activities of the ad. Campaign. It is economical for them. But even big companies may not have experts in some fields. So they need help from special service agencies.

Small and medium companies may not have sufficient funds and managerial talent to own an advertisement department. So they approach advertising agencies. Ad agencies provides the following benefits.

1. Economical

Agency works on a large scale for many clients. So the production and media cost comes down. The same work becomes costly for small firms, if it is done by their own department.

2. Experts

Experts with more education and experience are available in advertising agencies. They can make creative and successful adds. But small firms cannot get experts, because salary, prestige and growth opportunities are low.

3. Media Contact

Agents can command the media by their regular business. So they can easily get prime time and space of media and alter the advertisement schedule. They negotiate and reduce the advertisement rates. It is impossible for the small firms.

4. Publicity

Agents can publish the product message at free of cost, by their regular contact with media. It is impossible for small firms.

5. Production Quality

Agents may have advanced camera, recorders, Multi-media kits and efficient artist. So the dd. Quality would be excellent. But small firms cannot have such facilities.

6. Research

Agents do pre and post test of ad. Copy, Media Research and market Research, they may have ready made data about all media competitors, different market segments. These data are very useful for the companies. Small firms cannot collect such data.

Conclusion

Considering all these, it is safe and advisable to go for an agency, than owning a department.

Steps in advertising/ad. Campaign planning process/scientific advertising

Introduction

Many Advertisements fail because they are not scientific. Advertiser should consider the following steps to make it scientific. They are as follows.

1. Aim

Aimless advertisement is a useless advertisement. Though the ultimate aim is sales, ad may have other specific goals. It may be

- a. To inform an offer or a price change.
- b. To change the habits of people. E.g. Pepsi insisting people to drink Pepsi instead of water along with food.

2. Market Segment

The seller should know his customers. Market segment may be old or young, Rich or Poor, Educated or uneducated, modern or orthodox. Advertisement copy should suit the customers segment.

3. Budget

Small companies allocate the budget based on the availability of funds or judgmental method. Big Companies may allocate based on objective and task method or fixed guidelines methods.

4. Media Selection

Big Companies prefer more than one media to advertise. Media with high effective circulation among the target audience are selected. Media should be suitable for the product and customers. Media schedules with area of coverage, length and frequency of add. are also decided based the aim and budget.

5. Advertisement Production

Theme and appeal are important while producing the advertisements, ad. should easily convince the target audience and ads for various media are prepared.

6. Pre Test

Pre test means testing the effectiveness of the advertisement before releasing it on a full scale. An Advertisement is considered effective if it reaches its aim. The Effectiveness of many advertisement copies may be tested among the customers, and the best copy is selected and improved further. Different Ad Copies may be released in 2 or 3 similar cities and the effective copy is selected and released on a full scale.

7. Execution

Advertisement schedule containing the date and time of ads. For different media is prepared. The Release of a ad is monitored regularly. During this stage the production department should provide sufficient no of products with all qualities as promised in the ad. Sales Department should ensure the availability of the products at the right time by motivating the distributors. Non-Availability of products of right quality in right quantity at the right time will make even a good ad. Utter failure.

8. Post Test

Effectiveness of an advertisement is tested after it is released on a full-scale. If it has not achieved its aim, then the defect might have occurred due to ineffective ad. Copy, improper media, length, timing and frequency. Rectification of these defects will improve the effectiveness of ad inspires of all these, noise may reduce the ads effectiveness.

ADVERTISING BUDGET

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 behavior;
- (ii) Variations in the quality of advertising;
- (iii) Uncertainly as to the time-lag effect of advertising; and

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

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

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 = % × Rs. 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-ordinate 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 competitors. 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 programme. It is a defensive approach. It assumes that the promotion needs of the organization are the same as those of its rival and makes it easy for analyzing the realities of its own competitive situation and to ignore the possibility of other strategies. But the needs will never be the same. It also assumes that budgets arrived at by competitors are correct, but they may have arrived at in a haphazard manner. Besides, their marketing strategies may also be different from our organization.

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

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

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

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

5. All the Organization can afford approach

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

6. By Using Judgment

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

To conclude, promotion may be viewed as a long-run process. Joel Dean has 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.

Conclusion:

Each medium has its merits and its handicaps. The suitability and profitability of any one type varies from manufacturer to manufacturer and may vary for a single manufacturer too. Changes are the only rule. The buyers constitute his market; they are to receive his advertising coverage consists of the advertiser's reaching the maximum number of these buyers include both his current and prospective customers. The advertiser has to determine how many there are and where they are. Then the selection process involves how to send an effective advertising message economically to the group of buyers, the length of the campaign period and the cost which he can afford-at a figure which will make the advertising effort profitable.

Questions:

1. Define Advertising.
2. Trace out the origin of Advertising.
3. Enumerate the classification of advertising.
4. Bring out the relationship between advertiser and advertising agency.
5. Discuss the process of setting advertising objectives
6. Explain the steps involved in advertising budget.

Books for further study:

1. Wells, Burnett & Moriarty – Advertising Principles and Practices; Prentice Hall
2. Wright, Winter & Zeigler – Advertising ; Tata McGraw Hill
3. J. V. Vilanilam & A. K. Varghese – Advertising Basics – A Resource Guide for Beginners: Response Books, Sage Publications.

UNIT – II ADVERTISEMENT MEDIA

INTRODUCTION

Within the last decade, the media planning function has acquired a lot of significance in developing advertising campaigns. The proliferation of media choices and their increased costs have made the task of media planners more difficult and risky. Mass media options include television, radio, newspapers, magazines, out-of-home media and others. The choice may seem to be straightforward, but it is not. The characteristics of each alternative must be considered carefully. For example, TV can show action, combining both sight and sound, and can produce an impact that simply is not possible through other media. Newspapers can carry ads containing much detailed information as compared to TV or radio. Magazines can convey detailed information, which remains available to a potential buyer for a longer time. The process of choosing between alternatives becomes even more complicated considering the wide range of alternatives within the same medium. For example, *Femina*, *Vogue*, *Reader's Digest*, *Film fare*, *Stardust*, etc., are well-known fortnightly or monthly magazines. New and evolving media have further contributed to the difficulty of planning when, where, and how the ad message will be delivered.

CLASSIFICATION AND TYPES OF 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,

- A. Pioneering Advertising
- B. Competitive Advertising
- C. Retentive Advertising

i. Pioneering Advertising:

This type of advertising is used in the introductory stages in the life cycle of a product. It is concerned with developing a “primary” demand. It conveys information about, and selling a product category rather than a specific brand. For example, the initial advertisement for black – and – white television and color television. Such advertisements appeal to the consumer’s emotions and rational motives.

ii. Competitive Advertising:

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

- A. Direct Type: It seeks to stimulate immediate buying action.
- B. Indirect Type: It attempts to pinpoint the virtues of the product in the expectation that the consumer’s action will be affected by it when he is ready to buy.

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

iii. Retentive Advertising:

This may be useful when the product has achieved a 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.

2. Public Service Advertising

This is directed at the social welfare of a community or a nation. The effectiveness of product service advertisements may be measured in terms of the goodwill they generate in favour of the sponsoring organization. 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.

3. 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. Product Advertising

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

4. Advertising based on Product Life Cycle

A. Consumer Advertising

B. Industrial Advertising

A. Consumer Advertising

Most of the consumer goods producers engage in consumer product advertising. Marketers of pharmaceuticals, cosmetics, scooters, detergents and soaps, cigarettes and alcoholic beverages are examples. Baring a few, 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 the advertiser's name on the buyer's list of sources,
- ❖ To provide support for the salesman,
- ❖ To reduce selling costs,
- ❖ To help get items in the news column of a publication,
- ❖ To establish recognition for the firm or its product,
- ❖ To motivate distributors,
- ❖ To recognition for the firm or its products,
- ❖ To motivate distributors, to create or change a company's image,
- ❖ To create or change a buyer's attitude, and

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

5. Trade Advertising

A. Retail Advertising

B. Wholesale Advertising

A. Retail Advertising

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

retailer's point of view, co-operative advertising permits a store to secure additional advertising that would not otherwise have been available.

B. Wholesale Advertising

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

6. Advertising based on Area of Operation

It is classified as follow:

- A. National Advertising
- B. Regional Advertising
- C. Local Advertising

A. National advertising

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:

Hindustan Levers

DCM

ITC

Jay Engineering

TISCO

B. Regional advertising

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

C. Local advertising

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

7. Advertising According to Medium

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

Types of Media

News Paper

Newspaper advertisements are also called press or print-advertisement. There are four types in newspaper advertising.

a) Classified Advertisement

These are Grouped advertisements. Advertisements with common theme are grouped under particular column and headings such as education. Real Estate, Matrimonial, Business offers, vacancies.

b) Teaser Advertisement

These are a series of Advertisements without any sales message in a particular place and in a particular page over a no. of days keeping the audience in suspense and creating interest to follow the series till the add appears.

c) News Type Advertisements

These advertisements appear in the form of news and at the end an indication while adding the word advertisement is shown to serve the purpose.

d) General type

These are published in any of the pages in the newspaper.

Merits of News Paper Advertisements

1. Wide Coverage

Newspapers cover all sections of society that reach even remote villages.

2. Less Expensive

The cost of Advertising is relatively small when compared to other media like Radio, T.V., and Magazines etc.

3. Continuous Advertisements

News papers are read by the readers daily. The Brand name can be retained in the consumers mind by advertising daily. It is very useful while introducing new products.

4. Flexibility

Newspaper Advertisements can be added as cancelled at a short notice. the shape and the size of the advertisements can also be changed with minimum efforts.

5. Testing Effectiveness

Newspapers can be effectively used for test camp. While publishing the advertisements in the local news paper, the effectiveness of the advertisements can be easily tested.

6. Visual Impression

News paper Advertisements can create visual appeal besides describing the important qualities of the product. This makes the prospect to understand the theme of the advertisement more clearly.

7. Suitable for All

National, Regional and local Editions are available in Newspaper. The Advertiser can choose the area according to his budget and need. So it suits from big to tiny organizations.

8. Informative

Through lengthy Advertisements more details about the product, the producer and retailer can be given in detail.

9. Assured Readership

It contains interesting matter for everybody in the family like business News for Men, Ladies page for women and sports page for youth comics and puzzles for children.

Demerits

1. Poor Quality

The Chief quality of Newspaper does not give find reproduction of the ad..

2. Short life

The life of the newspaper is very short. If the add is not seen on the same day it becomes waste.

3. Poor Reach

News Papers are read in hurry. Ad's are crowded and appear in small size in black and white without attraction. So the persons expected to read the message mastered the ad.

4. Colour Rare

Only colour advertisement's are attractive. But they are limited due to its high cost.

5. Waste Circulation

Newspapers are circulated among high, medium and low class people. But many products are not used by all class of people. So Newspapers circulated with the ads of unused product become waste.

6. It may not reach illiterate.

2. MAGAZINES

Magazine ad is also called print as press Add. There are 2 major types of magazines.

i) General Magazine

The contents of General Magazines are meant for general appeal. They are read by people of all class, age, gender and profession. E.g. Kumudham.

ii) Special Magazine

These are technical and professional journals. Technicians read technical journals. Doctors, Lawyers, Auditors Read Professional Journals. There are special Journals for Industry, Bank, Religion, and Agriculture. E.g. Business Today, Computer World.

Merits

i) Long life

The Advertisement is seen several times. Weeklies are used for 1 month. Monthlies are used for 3 months.

ii) Better Effect

Better kind of paper and use of colour increases its effectiveness.

iii) Better Targeting

The Readers of particular magazines or journals have special interest. If proper magazines are selected the ad reaches the right kind of target audience. E.g. Femina for women, Sports star for youth, Business world for Business Men, Medical Journals for Doctors.

iv) Prestigious

Advertising in prestigious magazines increases the products image. E.g. Advertising in Readers Digest, India Today, Front line, business Today etc.

Demerits

1. Long Lead Time

The impact for the ad like art work or blocks should be sent in weeks or months in advance, so it is not suitable to inform price, product or dealer charges quickly.

2. Heavy Rush

Heavy rush for booking in special pages like cover page, Centre page and pages along with popular serials.

3. Limited Circulation

Periodicals have limited circulation. So the ads are read by limited persons only. It increases the cost per reader.

4. It may not reach illiterate.

Radio

Radio Advertising is also called Broad cast advertising. It is word of mouth advertising. It is “word of mouth” advertising on about scale. It is different from other media because it appears to the ear and not to the eyes. The messages convey to the masses. Whether literate or illiterate. It shows local rather than national because language and appeal differs from region to region.

Merits

1. Human Appeal

Add. message is friendly, warm and direct. It gives a feeling of face to face communication.

2. Variety of Programmes

Radio relays music, drama, news and special social programmes for selected audience. This helps the advertiser to choose the programme based on the targeted audience.

3. Effortless Listening

Listener can easily understand the radio advertising without much effort. But print and T.V. adds need much effort and concentration.

4. Flexible

Add. message, timing and duration can be altered even an hour before the broadcast.

5. Mass Coverage

Radio reaches from metros to villages, people of all class, income, age and education. It reaches even illiterate.

6. Low Cost

Ad charged in radio is low. It also reaches more no. of people. So the cost per listener is negligible.

7. Memorizing Value

Anything learned through ear is rarely forgotten. Brand Name is deeply registered in the peoples mind by repeating the addl. daily.

Demerits

1. Perishable

If the consumer miss an ad the cost of add is lost. But in print add. a consumer has many changes to see the same add. Even it is missed once.

2. No Pictures

Visual impression of the product cannot be made. Different parts of a technically complicated product cannot be shown. So it can be used only to remain the product and brand name.

3. Needs more Repetition

Radio ads are often missed on listening carelessly. So ads have to be repeated many times for a longer period or register the brand name in the consumer mind. So it becomes costly.

4. Brief

Radio and will not be effective if it exceeds one minute. So detailed information cannot be given.

5. Irritates

More no. of continuous ad and repeating the same ad without any gap irritates the listeners. Audience feels it as a disturbance between the main programmes.

Television

It is also called Broadcast or Telecast Advertising. It has audio visual appeal. Now many satellite channels have come with 24 hours service. Some of them cover the whole world. T.V. is available even in villages. So the advertiser can reach the entire world at one shot.

Merits

i) Salesmanship

Advertisement acts like a salesman. Attractive people appear in T.V. They show the product and tell its uses. They also demonstrate the method of using it.

ii) Interesting

Songs, music, colour, scene, action and actors makes it more interesting.

iii) Prestige

T.V. is a prestigious media. So T.V. is also prestigious.

iv) Wide Coverage

T.V. Ad in a single channel reaches all kinds of people in many parts over the world. So the cost per viewer becomes cheap.

v) Market Selectivity

Different channels and programmes reach different markets. the Advertiser can choose the channel and program according to his market. E.g. Cartoon Network for children Market. ESPN for sports products. M TV for youth market.

vi) Emotional Effect

T.V. ads are dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy.

Demerits

a) Costly

Cost of producing and relaying the T.V. ad are very high. So it is not suitable for small firms.

b) Brief

T.V. ad may not exceed 1 minute. So detailed information about the product cannot be given.

c) Ignored

During the T.V. add, adults may chat or attend house hold work or change the channel. Children may tart playing. So the ad is ignored.

d) Crowded

Too many cooks spoil the dish, too many ad's Spoil the mood. When too many ads appear continuously audience may ignore or forget the ad.

e) Needs Repetition

People ignore or forget the T.V. ads. So it has to be repeated many times through many channels. This increases cost.

Cinema or Theatre or Film Advertisement

It gives T.V. ad effect at local level to small firms at a cheaper rate. Andhra Pradesh leads in no. of theatres, followed by Tamil Nadu, Maharastra, U.P. and Kerala. Touring Theatres

are popular in Tamil Nadu, Andhra Pradesh and Kerala. Motion pictures and slides are two forms of Cinema advertising.

Merits

1. TV Effect

It brings T.V. Effect as local level for small firms at a cheaper rate.

2. Detail

Theatres provide more time at a cheap rate. so detailed information about the product can be given.

3. No Wastage

Theatre audience cannot avoid the advertisements. So it reaches all without any waste.

4. Wide coverage

All kinds of people come to theatre, so it reaches all sections of society.

5. Salesmanship

Advertisement acts like a salesman. Attractive people appear in T.V. They show the product and tell its uses. They also demonstrate the method of using it.

6. Interesting.

Songs, music, colour, scene, action and actors makes it more interesting

7. Emotional Effect

T.V. ad is dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy, Dee bears diamonds.

8. Prestige

T.V. is a prestigious media. So T.V. is also prestigious.

9. Wide Coverage

T.V. Add in a single channel reaches all kinds of people in many parts over the world. So the cost per viewer becomes cheap.

10. Market Selectivity

Different channels and programs reach different markets the Advertiser can choose the channel and program according to his market. E.g. Cartoon Network for children Market, ESPN for sports products, M TV for youth market.

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vi) Emotional Effect

T.V. ads are dramatic. Audience can feel the benefit of the products. E.g. Liril Freshness, Arun Ice creams Joy.

De Merits

1. Costly

Production costs of motion pictures are very high. Mostly theatre add, reaches few people at local or regional level. So the cost per audience increases.

2. Reaches Theatre Goers Only

Theatre ad reaches the audience of that theatre only. It misses others. To reach more audience ad has to be shown in more theatres. this increases cost.

3. Irritates

People come to theatre only to enjoy the movie and not for ad. But they are forced to see many ads continuously. These irritate and make the ad ineffective.

4. Sensor Board

The Sensor Board objects the whole or few parts of an ad the cost of production becomes waste. The cutting of the ad makes it less effective.

6. Outdoor or Mural Advertising

Types of outdoor Media

1. Poster

Posters are popular form of outdoor media. They are big in size and printed in attractive colours. They are generally pasted on the walls, street corners and crowded places. The message must be very brief because the persons looking at the posters are generally in hurry and pre-occupied. Poster advertising is suitable for small scale local merchants. E.g. Cinema posters.

2. Painted Displays

They are large size boards. the Public can see the adds. even from a long distance. It has long life from 3 to 5 years.

3. Electric Lights

These are used in cities and business centres. In this colored bulbs are used and the colours are changed at a short interval. These have high attention value. But the cost of installing is very high.

4. Field signs

They are large boards placed along the route of railways and are visible from the windows of the carriage.

5. Hand Bills

Hand bills are the cheapest and oldest form of advertising. These are distributed with the held of a paid man.

6. Traveling Display

These are also called vehicular or transit or car. Card advertising. This refers the stickers or boards fixed inside or outside the vehicles. It is seen in a car, autos, Bus, Trains etc. If the ad is placed inside the vehicle the traveling public can read the message leisurely.

7. Sandwich Men

Sandwich Men are hired persons dressed in fancy cloths. They are sending out in busy streets in a form of procession. They carry posters and boards containing the message. They play musical instruments and shouts slogans at frequent intervals.

8. Sky Advertising

Here the ad message is distributed through airplanes or Helicopter or illuminated balloons with a brand name s flown in the open sky. E.g. the textile shops balloons and circus right.

Merits

i) Attractive

Outdoor ad is colorful and large attractive art works and dramatic appeals are used. So they are attractive.

ii) Durable

This remains for man years. It conveys the message through out the day.

iii) Repetition

The public looks the ad many times. The same person may see the ad for 365 days in a year. This reduces cost per exposure.

iv) Selectivity

This type of ad can be used to cover a particular market segment like college students by computer centres, School students by tuition centres and College girls by sari shops.

V) Mass Circulation

It reaches all types of people passing outside. It covers men, women, rich, poor, old and young.

vi) Economical

Durability and High exposure of this ad reduces the cost per exposure. Printing and Distribution cost of posters and hand bills are very low.

Demerits

1. Supplementary

This medium can only supplement the major media like T.V., Radio and newspaper. So the companies cannot completely depend on this media for large scale selling.

2. Low Prestige

Posters and Bit Notice are cheap form of advertising. It reduces the image of the Company.

3. Brief

Detailed information on product cannot be given. (Short) Product models, price, use and dealers address cannot be given in detail.

4. Short-Life

Poster, news for a week and handbills, a few minutes.

5. Demand for Prime Location

It is difficult to get ad space at prime locations like railway station, bus stand and over bridge.

6. Public Objection

Public objects to paste posters on house wall and keep boards near their house. Keeping attention diverting and vulgar scenes at main places will affect the social values and cause accidents.

7. Direct Mail Advertising

It is also called direct advertising. In direct mail advertising the advertisement message is directly sent to the prospective customers by post. The Message, audience and time can be highly controlled in this type. So it is also called controlled advertising.

Types

1. Sales letters or Post Cards

It contains product and sales promotion message. It is hand written or typed or printed. It is mostly used for consumer products.

2. Catalogue

It is a detailed list of products with their price and quality. It is used for industrial products.

3. Booklets and Broachers

It contains history of the manufacturer and completes details of the product.

It may contain pictures of the product.

Leaflet, holder, Circular, House Organs are other forms of Direct Mail add.

Merits

1. Wide Coverage

Advertiser can reach anywhere in India by post at the same cost even the entire world can be covered.

2. Market Selectivity

Address of potential customers can be exactly selected for contact.

3. Personal Appeal

It is directly given to the person at home. Name and Address of the person appears on it. So it creates a feeling of recognition and personal contact.

4. Not Crowded

It is a single ad and not crowded like newspaper, radio or T.V. Advertisement.

5. Highly Flexible

Different message can be sent for different individuals. Message and audience can be changed till it is posted.

6. Economical

It is cheap and highly effective for local firms with limited audience. Remainder advertisements can be frequently made at a low cost.

7. Secrecy

Competitors may not know the add message. So it protects from their immediate reaction.

8. Detail

Complex information about the product can be given in detail in an interesting manner.

9. Help salesman

It creates interest in the new product before the salesman visits. Prospects welcome salesman. Salesman need not explain all details of the product.

10. Control

This is the only media offering high control over message, time, cost and even audience.

11. Effectiveness Measured

Add. Effectiveness can be exactly measured by including discount coupons and reply card. It can also be used for copy testing at a small scale level before going for full scale adds.

Demerits

1. Limited Coverage

Only few customers can be covered by post. It becomes very costly for a nation wide coverage. So it is not suitable for big firms.

2. Non-availability of Mailing List

Addresses of prospective customers are not easily available. It is difficult to maintain the list up to date while adding new prospects and deleting the old ones.

3. Ignored

Many Receivers ignore the mail add. Unattractive mail advertisements become ineffective even though it is noticed.

4. Short-Life

Mail ads of consumer products become waste paper as soon as it is read.

Steps In Implementing Direct Mail Advertising:

I. Preparing a Mailing List

It is the list of name and address of prospective customers. This list can be prepared from the following sources.

a) Company Record

List of present and past customers.

b) Sales man

List prepared by the sales man during the sales trip.

c) Yellow pages

List of Traders and professionals of same category.

d) Market Research Firms

They sell mailing list based on market segments. E.g. List of working women, retired people and investors.

e) Government Records

List Maintained by the office of telecommunication, income tax, RTO, Election Board and civil supplies department.

f) Social Organisation

The Address List of lions club, Ladies club, Doctor's Association, and chamber of Commerce.

II. Preparing Add. Material

Add. Material and message should be attractive and suitable to persuade the prospects. It should be colorful with the product photo and it benefits. Offer coupon and paid reply card will bring quick responds.

III. Distribution

It is posted at the right time to create the right response. It can also be distributed through retailers, salesman, messenger or package.

Specialty Advertising/Novelties

Specialty Ad means presenting useful and low cost products to customers and dealers. It generally contains the companies, name and address. Some products also contain Add. message. These items remind the brand names constantly and create Goodwill because of its use. Examples – Pen, Calendar, Diary, and Memo pads.

Point Of Purchase/Sale/Promotional/Display Add

It means advertising inside, outside or near the shop. These include wall display, neon signs, window display/dressing, counter display, show rooms, Trade Fair and Exhibitions.

Types of Point of Purchase Add.

Wall Display

These are stickers, boards, and hangings placed inside or outside the store wall.

Neon Signs

It is kept near the shop. It reminds the brand name and indicates the brand is available in that shop. E.g. Pepsi.

Window Display/Dressing

The Retailers display the product inside the glass window. People can see that from outside the shop.

Essentials of Window Display

- a. Good Lighting
- b. Decoration
- c. Movement of Articles
- d. Orderly arrangement without crowd.
- e. Frequently changing the articles.
- f. Displaying the products with brand name, model and price.

Merits

1. Reminds

It Reminds the ad message and brand name regularly. It supplements other media.

2. Helps Busy People to Buy

Busy people may not get time to visit many shops. the window display of different products with brand name, model and price helps them to make quick decisions without entering the shop.

3. Induces to Buy

Frequent exposure of attractive arrangement makes even uninterested people to buy the product.

4. Economical

Though initial investment is high the cost of maintaining it is very low, when reach and effectiveness is considered.

5. Helps to introduce new products

Attractive Display of actual product with price makes it popular within a short time.

6. Prestige

Window Display of Big shops makes the product prestigious.

Counter display

The Products are displayed inside the shop to attract the attention of real buyers. It is essential in self service Departmental stores. Sometimes producers offer prizes to retailers for best decoration. Some times a product is demonstrated and the customer is allowed to test it.

Merits

1) Reminds

Reminds the ad message and brand name regularly. It supplements other media.

2) Helps in New Product Introduction

While introducing new products counter display supported by consumer offers, product literature and a good salesman will make it more effective.

3) Induces to buy other products

Customers coming to buy certain products are induced to buy other products also.

4) Guides in Purchase

In Self-service stores related products of different brands are displayed with price weight and other details on the package. These help the buyer to choose the brand of his choice.

Show Room

In show – Room the product are exhibited for inspection and operation by consumer. Salesman clarifies consumers doubt.

Trade Fair and Exhibition

It is a Co-operative effort by the competitors to promote the sale of exhibited goods at one point. E.g. Trade Fair of Household products, computers, Books and cars.

Difficulties in Selection of Media Types

Audience Measurement:

The media sell circulation or the opportunity to develop circulation. There is a gross aspect to circulation (how many products were bought last month) and a net aspect (how many of those purchasers are prospects for the product saw the advertisement in the broadcast media). Measurement of the same is not so easy as advertisers would think.

Difficulty of Cost Comparisons:

There is a cost per thousand concept in every medium type such as cost per thousand homes or thousand viewers, cost per thousand passersby, cost per page per thousand copies sold. How does the reaction of a thousand housewives, who read a food advertisement about Maggi noodles, compare with that of a different thousand housewives who watch the same on TV?

Reliance on a Particular type of Medium:

How much of his promotion effort should a manufacturer place in magazines and how much on TV, how much in outdoor or point of purchase? Which should be dominant and which are supplementary? These factors play a key role in selection of a particular type of media. Media costs, the costs of space and time, are the largest single expense item in most advertising budgets. The selection of media types to be used in an undertaking, therefore, deserves and even demands, the very best thought and judgment of on the part of the top management. The points to be considered are:

(i) **Availability:** Regional markets may be so limited that national circulation of magazines should not be used. A product may have so slight a market that a medium such as the radio would not be indicated for use.

(ii) **Selectivity:** Some ideas demand visual presentation and others demand oral presentation. The radio cannot accommodate stories requiring a physical form, and outdoor advertising cannot accommodate long stories.

(iii) **Competition** is a matter which the advertiser cannot ignore. A company may select media types not used by its competitors, based on distinctiveness and domination.

Selection of Individual Media

Selection of individual media to carry advertising requires the consideration of the points like circulation; the quality and quantity of a medium's circulation, Prestige, Influence, Readership, etc.

The Advertising Schedule

What is the optimum schedule? There is no agreement; there is no formula: there is only judgment. It appears that more advertisers make the mistake of using too many than the mistake of using too few. The manufacturer's proposed advertising plans are consolidated into a schedule which contains the following information:

- List of publications, broadcast stations, markets ;
- Dates of appearance of advertisements ;
- Size of advertisements (space or time) ;
- Costs of advertisements.

Duplication

An advertiser must have coverage or else his message will not reach as many buyers as he must reach. As an advertiser adds magazine after magazine to his list to increase his

coverage; he finds duplication inevitable. One way of averting duplication is to use only one of the magazines; another is to run a different advertisement. The duplication limits an advertiser's coverage. The points in favor of duplication are repetition and frequency.

Frequency

The term frequency refers to the number of advertisements of the same size appearing in an individual medium for a given period such as per day, per week, per month, or per campaign. There is no formula to determine the ideal frequency. The two factors are the size of the advertising fund and the size of the advertisement to be run. If these are known, frequency can be derived. The two other factors are the number of media and the advertising period. As the number of media increases, there is pressure for a lower frequency, or to shorten the advertising period. The other possibilities are to enlarge the fund, or to reduce the size of the advertisement. Manufacturers cannot ignore the fact that what the competitors are doing in respect of frequency. The more often a message is repeated, the greater the proportion of it the consumer remembers.

Size of advertisement

The size of advertisement influences the frequency. The size of an advertisement can be derived if the advertiser:-

- Determines the size of the advertising fund,
- Decides the numbers of individual media to be used, and
- Decides the number of advertisements to appear during the advertising period.

The purpose of the advertisement may be the strongest influence in determining its size; a large space is used to announce, a small space is used to remain. The amount of copy, the number of products included in one advertisement and the illustration needs of the advertisement all help to determine size. Salesmen and dealers may also decide how large advertisements should be.

Color

Color is a factor which influences frequency. Color influences the size of the advertisement and size in turn determines frequency. Color commands a premium price.

Re-run on Advertisement

Repetition has a considerable effect on advertising costs, and its frequency. Re-run is considered unless it has performed well on its first appearance. It is most common in mail order business and advertising that uses small space. It is not common for large advertisements. Indirect action advertisements should be re-run. The reinforcement of consumer memory is another benefit of a re-run. There are savings on a re-run. New readers are added whenever an advertisement is re-run.

Timing

The crucial questions under timing is when should a campaign start, and when should it stop? For this purpose the seasonal angle and festival seasons should be considered. Advertising can be scheduled heavily just before and during the heavy buying season. Off-season advertising is used profitably during the off season to level out the. For example, tourists can be motivated through advertising to visit tourist areas during the off-season.

Positioning

It involves the development of a marketing strategy for a particular segment of the market. It is primarily applicable to products that are not leaders in the field. These products are more successful if they concentrate on specific market segments than if they attack dominant brands. It is best accomplished through an advertising strategy, or theme, which positions advertisements in specified market segments.

Factors Influencing the Media Choice or Advertising Mix

Advertising Mix means advertising through more than one media. The following factors are considered while choosing the media.

1. Size of the Organisation

Large firms want to cover more people. So they use T.V., Magazine, News Paper, Electric and Painted Display. Small firms like to cover limited area. So they prefer Cable T.V., Cinema Slide, Handbill and Poster.

2. Objective of the Add

To generate appointment for Salesman direct mail add. is suitable. To induce people within 1 or 2 days regarding 1 day festival offer or a clearance sales newspaper and radio are preferred.

3. Product Type

New and Technical product needs demonstration. So T.V. is used Radio is preferred to remind the brand name of existing product. Print Media is preferred when the product needs detailed explanation.

4. Type of people to be covered

To Reach Highly educated people English newspaper or magazines are preferred. Similarly T.V., Radio and regional magazines for house wife. Tamil dailies for lower and middle class people. Kalki for Brahmins, Femina for Highly Educated women. Posters and Hand bills for local people are general public.

5. Type of Message

News paper and magazine are suitable for lengthy message and Radio, T.V. and outdoor media for brief message are used. Magazines or Colour papers of the dailies are used for colorful and pictorial message. T.V. is to create excitement and interest in the product.

6. Competitors Media

It is less risky to use the competitor's media. If there are good reasons, different media may be used.

7. Media Circulation

Circulation means the no. of people watching the media. There are 2 types of circulation. General circulation means the no. of people buying the media. Effective circulation means total no. of people watching the media with or without buying it. So the media with large effective circulation is preferred, to reach more no. of people.

8. Duplication

When more than one media is selected for duplication that ad should be avoided. Duplication of the ad means a same person watching the same ad through more than one media in the same day or week choosing different category of media may avoid duplication.

9. Cost of Media

Cost of the media means the advertising rate charged by the media. But the cost/contact is a good calculation. It means cost of Reaching per audience. It is arrived by the following formula.

$$\text{Cost/contact} = \frac{\text{Advertisin g Rate}}{\text{Effective Circulation}}$$

Cost/Contact of T.V. and dailies are low. Direct Mail ad is high. The media with low cost/contact is preferred.

Media plan and strategy development activities:

Media Planning:

Media planning, the process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel. Media planning helps answer such questions as: What audiences do we want to reach? When and where do we want to reach them? How many people should we reach? How often do we need to reach them? What will it cost to reach them?

Media planners and creative specialists work closely to develop creative and campaigns with strong media impact. Although the creative approach often sets the direction for media planning, the reverse is also true: media planning can be used to guide creative execution. For example, the creative direction for Coca-Cola's 1993 campaign was determined only after the firm had approved the media and the vehicles to

be used to reach each target audience .“We are going to match the message to the medium to the audience,” said Peter Sealy head of Coca-Cola’s global Marketing.

ADVERTISING PLANNING FRAMEWORK

Plans are nothing, planning is everything. - Dwight D. Eisenhower

The advertising management is mainly concerned with planning and decision making. The advertising manager will be involved in the development, implementation, and overall management of an advertising plan. The development of an advertising plan essentially requires the generation and specification of alternatives. Decision making involves choosing from among the alternatives. The alternatives can be various levels of expenditure, different kinds of objectives or strategy possibilities, and kinds of options with copy creation and media choices. Thus, the essence of planning is to find out the feasible alternatives and reduce them to decisions. An advertising plan reflects the planning and decision – making process and the decisions that have been arrived at in a particular product and market situation.

Planning Framework

Advertising planning and decision making depends on internal and external factors. Internal factors are situation analysis, the marketing program, and the advertising plan. The three legs of advertising planning concern are the

- Objective setting and target market identification,
- Message strategy and tactics, and
- Media strategy and tactics.

The advertising plan should be developed in response to a situation analysis, based on research. Once developed, the advertising plan has to be implemented as an advertising campaign, in the context of social and legal constraints and with the involvement of various facilitating agencies. Let us discuss these factors one after another.

1. Situation Analysis

It involves an analysis of all important factors operating in a particular situation. This means that new research studies will be undertaken on company history and experience.

AT&T, for example, developed a new strategy for its long-distance telephone services – based on five year of research. The research encompassed market segmentation studies, concept testing, and a field experiment. The field experiment increased on testing a new advertising campaign called “Cost of Visit”. An existing “Reach Out” campaign although successful, did not appear to get through to a large group of people who had reasons to call but were limiting their calls because of cost. Research based on annual surveys of 3,000 residential telephone users showed that most did not know the cost of a long-distance call or that it was possible to make less expensive calls in off-peak periods. Five copy alternatives were subsequently developed and tested, from which “Cost of Visit” was chosen. This campaign was credited with persuading customers to call during times that were both cheaper for them and more profitable for AT&T and, overall, was more effective than the “Reach Out” campaign. One estimate was that by switching 530 million in advertising from “Reach Out” to “Cost of Visit”, an incremental gain in revenue of \$22 million would result in the first year and would top \$100 million over five years. This example highlights that a complete situation analysis will cover all marketing components and involve finding answers to many questions about the nature and extent of demand, competition, environmental factors, product, costs, distribution, and the skills and financial resources of the firm.

2. Consumer and Market Analysis.

Situation analysis begins by looking at the aggregate market for the product, service, or cause being advertised, the size of the market, its growth rate, seasonality, geographical distribution. Whereas Consumer and Market analysis is concerned with the following factors:

- * **Nature of demand**

- How do buyers (consumer and industrial) currently go about buying existing products or services?
- Can the market be meaningfully segmented or broken into several homogeneous groups with in respect to “what they want” and “how they buy”?

*** Extent of demand**

- What is the size of the market (units and dollars) now, and what will the future hold?
- What are the current market shares, and what are the selective demand trends?
- Is it best to analyze the market on an aggregate or on a segmented basis?

*** Name of competition**

- What is the present and future structure of competition?
- What are the current marketing programs of established competitors?
- Why are they successful or unsuccessful?
- Is there is opportunity for another competitor? Why?
- What are the anticipated retaliatory moves of competitors?
- Can they neutralize different marketing programs we might develop?

*** Environmental climate**

- What are the relevant social, political, economic, and technological trends?
- How do you evaluate these trends? Do they represent opportunities or problem?

*** Stage of product life cycle**

- In what stage of the life cycle is the product category?
- What market characteristics support your stage-of –life-cycle evaluation?

*** Cost structure of the industry**

- What is the amount and composition of the marginal or additional cost of supplying increased output?

Skills of the firm

- Do we have the skills and experience to perform the functions necessary to be in the business?
- How do our skills compare with those of competitors?

*** Financial resources of the firm**

- Do we have the funds to support an effective marketing program?
- Where are the funds coming from, and when will they be available?

3. Competitive Analysis:

Advertising planning and decision making are affected by competition and the competitive situation facing the advertiser. Competition is such a pervasive factor that it will occur as a consideration in all phases of the advertising planning and decision making process. It should include an analysis of what current share the brand now has, what shares its competitors have, what share of a market is possible, from which competitors the increased share of a market is possible? The planner also has to be aware of the relative strengths and weaknesses of the different competing companies and their objectives in the product category. It is important to look at competition as a precursor to the planning process.

The Advertising Plan

As pointed out earlier, advertising plan and decision making focus on three crucial areas; objectives and target selection, message strategy and tactics, and media strategy and tactics. Let us elaborate on these points:

1. Objectives and Target Selection

Objectives in advertising can be understood in many ways. An important part of the objective is the development of a precise, disciplined description of the target audience. It is often tempting to direct advertising at a broad audience; but everyone is a potential customer. It is best to consider directing the advertising to more selected groups to develop stimulating copy. It is quite possible to develop several campaigns, each directed at different segments of the market, or to develop one campaign based on multiple objectives.

2.Message Strategy and Tactics

Messages strategy must decide what the advertising is meant to communicate – by way of benefits, feelings, brand personality, or action content. Once the content of the campaign has been decided, decisions must be made on the best-most effective-ways of communicating that content. The decisions, such as the choice of a spokesperson, the use of humor or fear or other tones, and the selection of particular copy, visuals, and layout, are what we call “message tactics”

3.Media Strategy and Tactics

Message strategy is concerned with decisions about how much is to be allocated to create and test advertising copy, media strategy concerns decisions on how many media rupees to spend on an advertising campaign. Media tactics comprise the decisions on which specific media (television, radio magazines, etc.) or media vehicles (Reader’s Digest, etc.) to spend these dollars.

EXTERNAL FACTORS

The external factors in the planning framework are environmental, social and legal considerations. To a considerable extent, these exist as constraints on the development of an advertising plan and decision making. In developing specific advertisement, there are certain legal constraints that must be considered. Deceptive advertising is forbidden by law. What is deceptive is often difficult, because different people can have different perceptions of the same advertisements. Thus, an advertiser who attempts to provide specific, relevant information must be well aware of what constitutes deception in a legal and ethical sense and of other aspects of advertising regulation. Even more difficult consideration for people involved in the advertising effort is broad social and economic issues as stated below.

- Does advertising raise prices or inhibit competition?
- Is the use of sex or fear appeals is appropriate? Women and minority groups are exploited in advertising by casting them in highly stereotyped roles.
- Is it more irritating than entertaining?
- Is an intrusion into an already excessively polluted environment?
- Advertising directed at children.

Advertiser and the Advertising Agency interface

From a situation analysis point of view, the advertiser needs to know what kinds of facilitating agencies exist and the nature of the services they provide. From a planning point of view much local advertising is done without the services of an advertising agency or a research supplier. On the other hand, a national advertiser may have under contract many different agencies and research suppliers, each serving one or more brands in a product line. Many advertising decisions involve choosing facilitating agency alternatives.

What advertising agency should be chosen?

What media should be used?

What copy test supplier will be best for our particular situation?

Concerning the question of agency selection, characteristics such as the quality of personnel, reputation, integrity, mutual understanding, interpersonal compatibility and synergism were very important.

Advertising Industry

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 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:

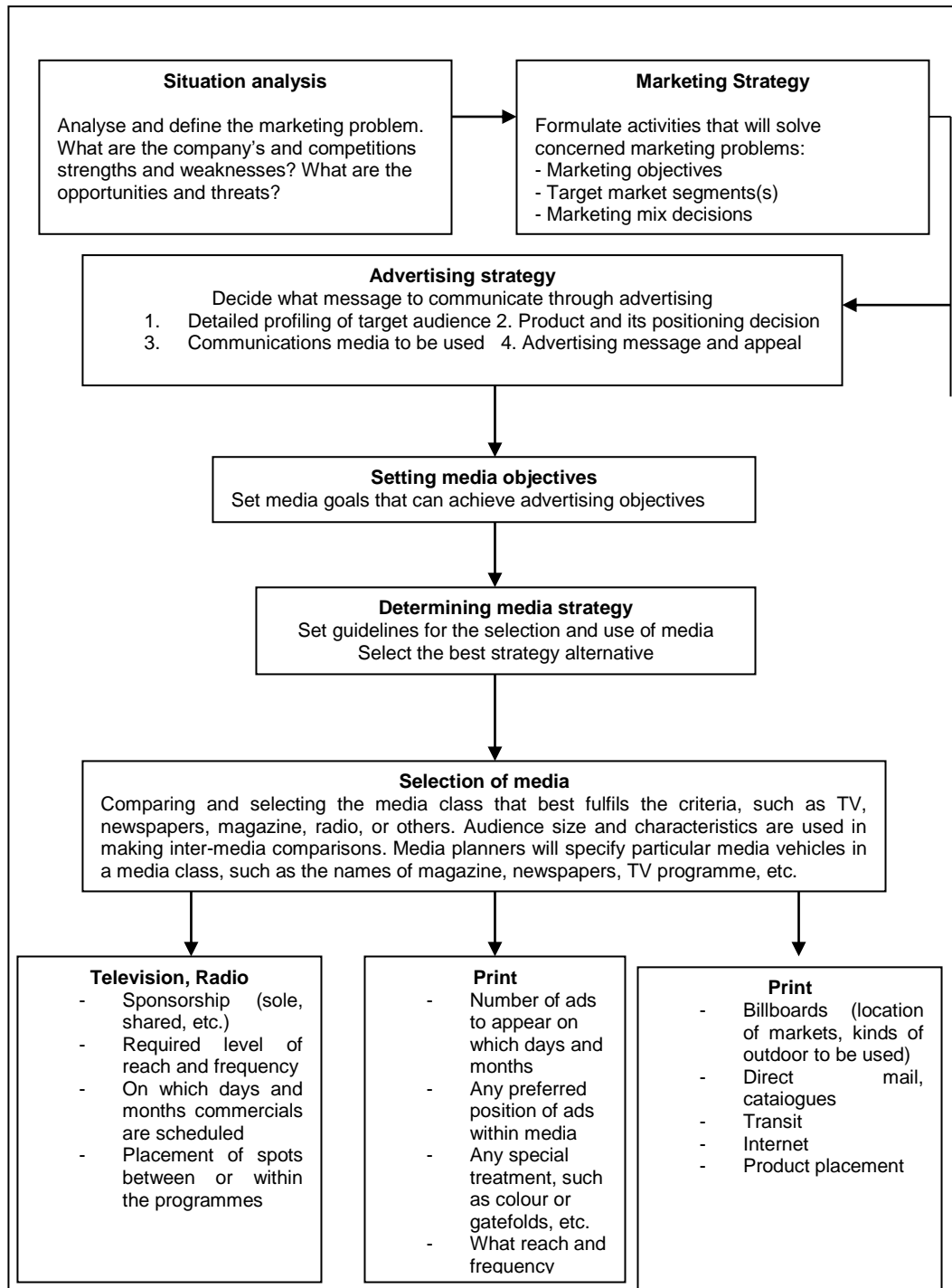
- (i) Media information, such as the availability of time and space ;

(ii) Creative skills, such as “campaign planning” and “appeal planning”

(iii) Research capabilities, such as providing brand preference data.

Media plan and strategy development activities

The ‘media class’ refers to the general category of delivery systems available to carry advertising messages to a selected audience such as print media, broadcast media, outdoor media, etc., Within these categories are media sub-classes such as newspapers, magazines, TV, radio, and so on. The ‘media vehicle’ is the specific message carrier within a medium, such as *Computer @ Home* and *Business* today magazines are vehicles in print media.



‘Reach’ is a measure of the number of different audience members exposed at least once to a media vehicle in a given period of time. ‘Coverage’ refers to the potential audience that might get exposed to the ad message through a media vehicle. Reach refers to actual audience exposed to the message and coverage relates to the potential audience likely to be exposed to the message. ‘Frequency’ refers to the number of times the audience is exposed to a media vehicle in a given period of time (usually figured on a weekly basis for ease in schedule planning).

Media planners face the essential task of ensuring optimal use of media budget while deciding about the reach, frequency, and the number of advertising cycle’s affordable cycles affordable for the year. We have seen in the hierarchy models that the first stage requires awareness of the product or brand. Obviously, if more people are aware, there is more likelihood that more of them will move to each subsequent stage and finally to purchase action. Creating awareness among audience requires reach which is exposing potential customers to the advertising message. In case of new product or brand, quite a high level of reach is needed to make almost all the potential customers aware of the new introduction.

TABLE 14.1 Media suited to create brand awareness and brand attitude

Major advertising medium	Brand awareness			Brand attitude		
	Brand recognition	Brand recall	Low involvement/informational	Low involvement/transformational	High involvement/informational	High involvement/transformational
Television	Yes	Yes	Yes	Yes	No	Yes
Cable TV	Yes	Yes	Yes	Yes	Yes	Yes
Radio	No	Yes	Yes	Visual limitation	No	Visual
Newspapers	Colour limitation	Yes	Yes	Colour limitation	Yes	Colour limitation
Magazines	Yes	Frequency limitation	Yes	Frequency limitation	Yes	Yes
Outdoor	Yes	Limited value	Yes	Limited value	Limited value	Yes

Note: Cable TV (local cable operators show movies and ads) can serve as a good medium; however, its use in India so far is limited. Outdoor media could be stationery or mobile and may have limited use because of travel frequency or processing time.

In advertising terminology, frequency refers to the average number of times audience individuals or households are exposed to a medium in an advertising cycle, not necessarily to the advertisement itself. Most advertisers agree that 1:1 advertising ratio does not exist. An ad may be placed in a media vehicle and the fact that an individual has been exposed to it does not mean that the ad has been seen. For this reason, media buyers refer to the reach of media vehicle as opportunity to see (OTS) an ad rather than actual exposure to it.

According to Joseph W Ostrow of Young and Rubicam agency. “Establishing frequency goals for an advertising campaign is a mix of art and science but with a definite bias towards art.”

$$\text{Frequency} = \frac{\text{Total exposures}}{\text{Reach}}$$

An example will illustrate the concepts of reach and frequency:

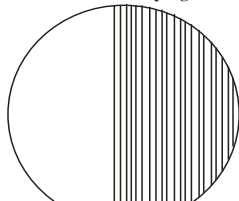
Survey sample size = 10 households with a TV
 Survey period = 4 weeks
 TV programme = S

Households owning TV											
Weeks	A	B	C	D	E	F	G	H	I	J	Total exposures
1	S	S	-	-	S	-	S	S	-	S	6
2	-	S	S	-	S	-	S	S	-	-	5
3	-	-	S	-	-	S	-	-	-	S	3
4	S	S	-	-	S	-	S	S	-	S	6
Total	2	2	2	0	3	1	3	3	0	3	20

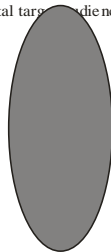
$$\begin{aligned} \text{Total exposure} &= 20 \\ \text{Households that watched TV programme S (Reach)} &= 8 \\ \text{Frequency} &= \frac{\text{Total exposures}}{\text{Reach(OTS)}} = \frac{20}{8} = 2.5 \end{aligned}$$

Reach and Frequency

A. Reach of one TV programme

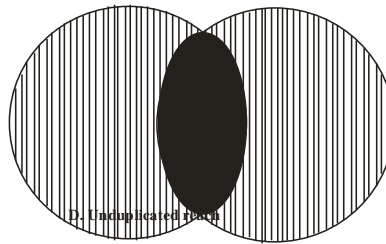


C. Duplicated reach
Total target audience reached

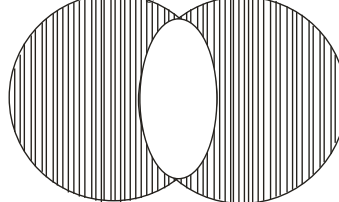


Total target audience reached with both TV programmes

B. Reach of one TV programme



D. Unduplicated reach
Total target audience reached



Total target less duplicated reach

Reach and frequency

A. Reach of one TV program:

'Program rating' is a measure of potential reach of broadcast media and is expressed as a percentage. For example, the number of households that own TV sets is 100 and a certain programme is viewed in 30 of these households, the programme rating would be 30. If 20 million households own a TV set in Indian and the program's rating 30, then we can calculate the reach

$$\begin{aligned} \text{Programme rating} &= \frac{\text{Number of Households viewing the programme}}{\text{Total number of households owning TV sets}} \times 100 \\ \text{of } \frac{30}{100} \times 100 &= 30 \end{aligned}$$

$$\text{Program reach} = 20,000,000 \times 30 = 6 \text{ million households}$$

Gross ratings Points (GRPs):

Is a numerical figure indicating how many potential audience members are likely to be exposed to a series of commercials. The combines programme cycle. It is a measure of frequency of exposure and is expressed as

$$\text{GRP} = \text{Reach} \times \text{Frequency}$$

Advertisers also use GRPs as the basis for examine the relationship between reach and frequency

$$\text{Frequency} = \frac{\text{Gross Rating Point (GRP)}}{\text{Reach}}$$

$$\text{Reach} = \frac{\text{Gross Rating Point (GRP)}}{\text{Frequency}}$$

Effects of reach and frequency

1. One exposure of an ad to a target group within a purchase cycle has little or no effect in most circumstances.
2. Since one exposure is usually ineffective, the central goal of productive media planning should be to enhance frequency rather than reach.
3. The evidence suggests strongly that an exposure frequency of two within a purchase cycle is an effective level.
4. Beyond these exposures within a brand purchase cycle or over a period of four or even eight weeks, increasing frequency continues to build advertising effectiveness at a decreasing rate but with no evidence of decline.
5. Although there are general principles with respect to frequency of exposure and its relationship to advertising effectiveness, differential effects by brand are equally important.
6. Nothing we have seen suggests that frequency response principles or generalizations vary by medium.
7. The data strongly suggests that wear out is not a function of too much frequency; it is more of a creative or copy problem.

When suitable data are available, Brand Development Index (BDI) and Category Development Index (CDI) may be used in determining where to focus the advertising efforts as the figures provide the media planner's insight into the relative value of markets.

Using BDI and CDI

Brand Development Index

	High	Low
High	High market share Good market potential	Low market share Good market potential
Category Development Index	High market share Monitor for sales decline	Low market share Poor market potential
Low		

Explanation:

1. **High DBI and high CDI** – When both are high, this usually points to good sales potential for the product category as well as the brand.
2. **High DBI and low CDI** – Low CDI means the means the category is not selling well but the brand is selling well. This is probably a good market to advertise in but should be monitored for any sales decline.
3. **Low DBI and high CDI** – There exists high potential for product category. The reasons why the brand is not doing well should be determined before making a decision.
4. **Low DBI and low CDI** – The potential for both the product category and the brand is poor. Possibly not suited for advertising.

Establishing Media Objectives

Media objectives are formulated to help accomplish the advertising communications task and marketing objectives. Media objectives are translated into specific goals for the media programme and are limited to those that can be achieved through media strategies. For example, the media objectives can be stated as

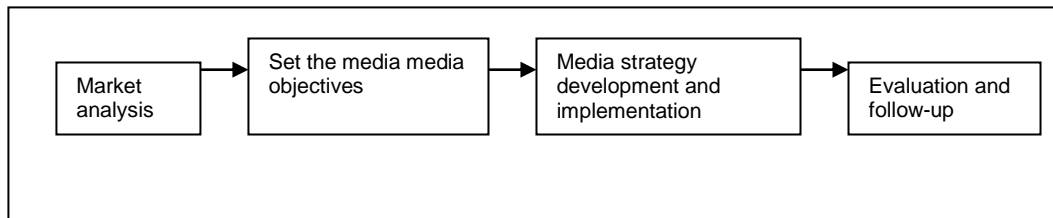
- Use print media to provide coverage of 80% of the target market over a six-month period, starting July.
- Reach 60% of the target audience at least three times (frequency) over the same six-month period.
- Concentrate heaviest advertising between October and December, with lighter emphasis in earlier months.

Market Analysis and Identifying the Target Market

While developing a media strategy, the focus of analysis is on the media and developing the message. The key questions at this stage are,

1. Who is the target audience for advertising?
2. What internal and external factors may influence the media plan?
3. Where (geographic areas) and when (timing) to focus the advertising efforts?

Four important steps in the development of media plan



The market analysis may reveal more than a few target markets. To decide which specific groups need to be addressed, the media planner works with the client, account executives, marketing department and the creative directors. Media planners are usually more concerned with the percentage figures and index numbers rather than with raw numbers. The index number is considered a fairly good indicator of the market potential.

An index number of more than 100 would indicate that the product use is proportionately more in that segment compared to the one where the number is 100 (average) or less than 100.

Internal and external factors also influence media strategies. Important internal factors that may influence the decisions are media budget, managerial and administrative capabilities of the agency personnel and the pattern of agency organization (for example, an agency may organize its media buying department on the basis of product expertise, market expertise, or media expertise). Other factors, external in nature, include rising costs of media, changes in technology, the competitive environment, etc.

When suitable data are available, Brand Development Index (BDI) and Category Development Index (CDI) may be used in determining where to focus the advertising efforts as the figures provide the media planner's insight into the relative value of markets.

$$BDI = \frac{\text{Percentage of brand's total country sales in Rajasthan}}{\text{Percentage of total country sales in Rajasthan}} \times 100$$

$$CDI = \frac{\text{Percentage of product category's total country sales in Rajasthan}}{\text{Percentage of total country sales in Rajasthan}} \times 100$$

Using BDI and CDI

Brand Development Index

	High	Low
High	High market share Good market potential	Low market share Good market potential
Category Development Index		
Low	High market share Monitor for sales decline	Low market share Poor market potential

Explanation:

- 5. **High DBI and high CDI** – When both are high, this usually points to good sales potential for the product category as well as the brand.
- 6. **High DBI and low CDI** – Low CDI means the means the category is not selling well but the brand is selling well. This is probably a good market to advertise in but should be monitored for any sales decline.
- 7. **Low DBI and high CDI** – There exists high potential for product category. The reasons why the brand is not doing well should be determined before making a decision.
- 8. **Low DBI and low CDI** – The potential for both the product category and the brand is poor. Possibly not suited for advertising.

Developing and implementing Media strategies:

Media mix and target market coverage

A number of media alternatives and media vehicle are available to advertisers. Large Company’s usually use a number of media alternatives and vehicles. For e.g.: if the nature of the product is such that it requires a visual demonstration to make the message persuasive, then probably TV is the most effective medium to accomplish this task. If the strategy calls for coupon distribution as part of the advertisement then print medium is to be used.

Market Coverage Possibilities

Total Population of Country	Full market Coverage	Partial Market Coverage	Coverage exceeding target Market
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Population excluding target market

For advertising man consumption products, man media are generally very effective in reaching large numbers of target audience. For e.g., not all the people who watch a TV Commercial of head and Shoulders shampoo will be among the targeted audience, however, for the targeted prospects the commercial will most likely be quite persuasive.

Geographic Coverage

Geography is an important consideration in the media planning process. The demand for certain types of products depends on the geographic location of the markets. The marketer would have little or no inclination to advertise such products in these geographic locations. There may be regional differences in consumption and accordingly media planners select secondary localized media to supplement their national media schedule. The use of BDI and CDI may be quite helpful in determining the media strategy for different geographic locations.

Media Scheduling

Media schedule is the calendar for advertising plan. Scheduling is concerned with timing of insertion of advertisements in the selected media. Decisions in this area are essentially based on certain assumptions regarding how the target audience will respond to the presence or absence of the advertising messages with respect to the set of advertising objectives such as product recall or attitudes.

There are 3 approaches to media scheduling.

1. Continuity:

This refers to a continuous pattern of advertising, which can mean every day, every week or every month. This strategy is suitable for those product categories that are regularly consumed on an ongoing basis without any seasonal fluctuations such as washing powders, soaps, toothpaste, soft drinks etc.

2. Fighting:

This refers to a less regular schedule of advertising messages and is quite popular. Because of the possible S-shaped function, initial advertising may require heavy expenditures on the media to bring about a desired change in attitudes and once formed, such attitudes are resistant to rapid decay. E.g.: Coolers, refrigerators, woolen products etc.

3. Pulsing:

It is a combination of continuity and fighting. The continuity is maintained as a base throughout but certain periods, the level of advertising is stepped up for example, during the period just before the last date of tax return submission, advertising for care increases to motivate customers to buy and get depreciation benefit.

Determining the Relative Cost of Media

In evaluating media alternatives, media planners must compare the costs the media and the media vehicles within these media.

- **Cost Per-thousand (CPM):** Magazine space is sold primarily on the basis of pages or some increment of a page. CPM has been used by magazine industry as a standard method to provide cost breakdowns on the basis of cost per page per-thousand circulation, and is used to compare the media costs of different vehicles.

For example, the circulation of *Reader's Digest* is 3,725,000 (national Readership Survey 1999) and if the cost per page is Rs 8,000, the CPM calculation would be

$$\text{CPM} = \frac{8000}{3725000} \times 1000 = 2.14$$

Circulation of *Competition Success Review* is 3,536,000, and if we suppose the cost per page is Rs 6000, the calculation would be

$$\text{CPM} = \frac{6000}{3536000} \times 1000 = 1.7$$

We see that (all other things being equal) *Competition Success Review* is a more cost-effective media vehicle alternative than *Reader's Digest*.

- **Cost per Rating Point (CPRP):** This is used to compare cost figures of broadcast media and is also referred to as cost per point (CPP). The calculation is based on the following formula

$$\text{CPRP} = \frac{\text{Cost of commercial time}}{\text{Program rating}}$$

For example, if the cost per spot of 10-second of Star Sports is Rs 120,000, and the programme rating is 30, the calculation would be

$$\text{CPRP} = \frac{120000}{30} \times 1000 = 4000$$

- **Million Rates (MR):** Media buyers use the million rate to compare the costs of space in newspapers. A million rate is the cost in rupees per line of standard dimensions to reach a newspaper circulation of one million. Alternatively, to calculate the cost of space, a rupee per square inch or square centimeter is used for media buying. Newspapers with higher circulation figures charge more per line or per unit space. The formula used to calculate the costs is

$$\text{CPM} = \frac{1000,000 \times \text{Rate per agateline}}{\text{Circulation}}$$

It is difficult to compare costs across various media. There is no common standard between CPM and CPRP to make a direct comparison possible. In an attempt to develop standard relative costing procedures, newspaper and broadcast media have started using the following approaches

$$\text{Television: Cost per thousand} = \frac{\text{Cost of 1 unit of time} \times 1000}{\text{Program rating}}$$

$$\text{Newspaper: Cost per thousand} = \frac{\text{Cost of 1 ad space} \times 1000}{\text{Circulation}}$$

Such a cost comparison of media is important, however, such inter-media comparisons can be quite misleading. For example, television can combine sight and sound with motion and magazines provide longevity. Attributes of different media make direct comparisons difficult. Other than cost comparisons, the advertiser must also take into account the specific characteristics of each medium.

A comparison based on cost per thousand alone has the potential of leading to over or under estimation of media cost effectiveness. In the example of two magazines already mentioned, *Competition success Review* has a circulation of 3536,000, and the circulation of *Reader's Digest* is 3725,000. Let us assume that the target market reached by the first is 20 per cent of its circulation, and the other reaches 50 per cent of the target market. The cost per page of the first is Rs 6000, and for the second it is Rs 8000.

In spite of the cost difference, and no significant difference in total circulation, if we consider the reach to actual target audience, CPM for RC will be 4.29 and for CSR 8.48. Only the consideration of cost per thousand and the circulation figures in this situation would lead to wrong vehicle choice.

	Comp. Review	Succ.	Reader's Digest
Circulation	3536,000		3725,000
Cost per page:	Rs 6000		Rs 8000
Target market covered: (25-45 years of age):	20%		505
Actual reach to households with this age group:	707,200		1862,500
Calculation of CPM:	CPM =		
	CPM = 16.96		21.47
Calculation based on actual: Reach to target audience	CPM = 8.48		4.29

Magazine publishers often argue, and it is a fact, that more than one person reads an issue and the actual reach of magazines is much higher. But trying to estimate the number of people who read a particular magazine without buying it can be highly inaccurate and somewhat difficult to determine. With time, managers develop a good idea of how great the reach of a magazine is likely to be than provided by circulation figures.

Another important aspect of different media is the 'qualitative value', which CPM figures do not reveal. CPM may be good for comparing very similar media vehicles, but has lesser value in making inter-media comparisons. Media planners need to go beyond figures alone because media planning is not only a science but also an art.

UNIT – III COMPONENTS OF ADVERTISEMENT COPY

COPY DECISION

Advertisement Layout-Meaning

Layout is the logical arrangement of components of an advertisement in the copy. It refers to the overall structure, the position assigned to the various elements of the copy and illustrations. It is deciding on the placement of headlines, copy, illustrations, marketer's name, logo and the amount of free space in an advertisement copy. Thus, the physical arrangement of all the elements of advertisement is called layout. It is concerned with placing all the elements of the advertisement more attractively within the allotted space and time. The pattern of layout varies according to the medium to be used.

Definition

According to Sandage and Fryburger, "The plan of an advertisement, detailing the arrangement of various parts and relative spatial importance of each is referred to as layout".

Preparation of a layout

A layout is a plan for the guidance of the printer in arranging the units of an advertisement. Usually the layout man or visualiser prepares a rough Layout which is submitted to the client for approval and he draws the finished layout for the guidance of the printer. In the creation of television commercials the layout is known as a '**Storyboard**' which a series of pictures is of frames that coincides with the audio or sound script. A Radio does not utilize illustrations, except those that the medium can create with a description. Television, of course makes an extensive use of illustrations. A well conceived layout can be instrumental in obtaining attention comprehension, attitude change and behavior change. Advertisers employ various layout techniques to attain their objectives.

Functions of an Advertising Layout

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

(i) **Assembling Different Parts** – The main function of layout is to assemble and arrange the different parts or elements of an advertisement illustration, headline sub headlines, slogans, body text and the identification mark etc. And boarder and other graphic materials – into a unified presentation of the sales message. In all the layouts present these elements in the same size, form, shape, position and proportion as desired by the advertiser in the final ad, proof , Thus layout gives both creative personals (copywriter and artists) and the advertiser who pays for it a good idea of how the finished ad will finally appear.

(ii) **Opportunity of Modification** - The layout offers an opportunity to the creative teams, agency management and the advertiser to suggest modification before its final approval and actual construction and production begins.

(iii) **Specification for Costs** – The layout provides specification for estimating costs and it is a guide for engravers typographers and other craft workers to follow in producing the advertisement.

Principles of Design and Layout

It is not necessary that all elements of advertisement copy must form part of the copy. They appear in today's ads with varying degree of frequency. The components of the copy must be decorated or positioned on the basis of certain basic principals regardless of the number of elements in an add. The following five principles of good composition are important to anyone who creates or evaluates the advertisement - (1) Balance ; (2) Proportion (3) Contrast and emphasis, (4) Eye –movement , and (5) Unity.

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

(2) **Proportion-** Proportion is closely related to balance since it refers to the division of space among layout elements for a pleasing optical effect. Good proportion in an advertisement requires a desired emphasis on each element in terms of size and position. If the major appeal in an advertisement is product's price. The price should be displayed in proportionate space position.

(3) **Contrast and Emphasis** – Contrast means variety. It gives life to the whole composition and adds emphasis to selected important elements. An advertiser always looks to advertisements from completion point of view and desires the policy of the most important elements to attract the attention of the people. An advertisement with good contrast may attract the attention of customers Contrast maybe visible in a number of ways. It may be witnessed through sizes, shapes and colours. Different colours sizes and shapes of elements in an advertisement add contrast. The varying directions, of design elements (Vertical trees, horizontal pavements arched rainbows) add contrast; too there must be sales communication purpose behind every layout decision made.

(4) **Eye Movement** – Eye movement is the design principle which helps move the eyes of the readers from element to element in the order given in the hierarchy of effects model for effective communication of the message in advertising. An effective ad uses movement to lead its reading audience from initial message awareness through product knowledge and brand preference, to ultimate action (intent to purchase). Direction and sequence are two terms for the same element and artists may perform it in many ways. Mechanical eye direction may be created by devices such as pointing fingers lines arrows or even a bouncing ball that moves from unit to unit. Planned eye movement should follow the established reading patterns too, such as the tendency to start to top left corner of a page and read through to the lower right corner. The eyes also moves naturally from large items to small from dark to light and from colours to not – colours.

(5) **Unity or Harmony** – Unity or harmony is another important design principle. Although each element should be considered as a separate unit in striving for balance, proportion, contrast and eye movement. The complete layout or design should appear as a unified composition. Common methods of securing unity in layouts are (i) use of consistent typographical design. (ii) repetition of the same shapes and motifs, (iii) the overlapping of elements (iv) use of a boarder to hold elements together and (v) avoidance of too much which space between various element. Although unity and contrast seem conflicting but they function quite smoothly together if they operate at cross purposes – if the artists strive for balance here too as well as in the layout overall. Unity contributes orderliness to elements – a state of coherence. And if they are properly placed. Contrasting Size shapes colors and directions can flow together beautifully.

Elements of a layout

An advertising copy is the means by which the advertiser's ideas are given expression to in a message to readers. Regardless of its length and brevity copy refers to all the reading matters of an advertisement, including the headline, sub- headlines, text or body, and the name of the firm or the standard initials of the advertiser. As we have seen that advertising has so many immediate purposes but its ultimate goal is to stimulate sales. As a reader turns the pages of a magazine or newspaper, he notices so many advertisements but a great variation in copy. Some copy may be so sticking that the reader takes immediate action and rush to the nearest dealer to purchase it while there may be some other copy or copies that he does not like or it does not click to his mind. The first copy conforms to the requisites of a good copy. A copywriter must take pains in making up a sound advertisement copy containing its various components i.e. headlines, subhead lines, illustrations etc.

The following are the main components of an advertisement copy

- | | |
|---------------|---------------|
| 1. Background | 9. Name Plate |
| 2. Border | 10. Price |
| 3. Caption | 11. Product |
| 4. Coupon | 12. Slogan |

- | | |
|-----------------|-----------------|
| 5. Decoration | 13. Space |
| 6. Heading | 14. Sub-heading |
| 7. Illustration | 15. Text |
| 8. Mascot | 16. Trademark |

1. Background

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

2. Border

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

3. Caption

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

4. Coupon

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

5. Decoration

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

6. Heading

The heading or headline is defined as the title of the advertisement. The words in the heading should be short. Its main purpose is to attract the attention, arouse curiosity, and induce further reading. There are different types of headlines as given below.

a) Label Headline

It contains brand name. E.g. Onida, Thumps up

b) Informative Headline

It provides information. E.g. Onida, Reduces price, introducing Colgate gel

c) Provocative Headline

It induces and arouses curiosity. E.g. Headache- Anacin. Increasing E.B. Bill- Voltas Ac and National AC

d) Selective Headline

It is for selected customers e.g., attention importers. Attention House Wife's.

e) Direct command Headline

It commands the audience, do or not to do something. E.g. Do not say Ink, Say quink. Do not say blue drops? Say Regal Blue drops.

Sub Headlines

It expands the head line. It carries the readers interests once step further. E.g. Trichy Sarada Advertisement – Headline – wonders of the world sub Head Line – Our least Price. In the Textile world.

7. Illustration

Illustrations are the part of layout that pictures the basic theme of the advertisement. It has the power to capture the attention of the reader. The advertisements become richer by the use of illustrations. This contains photograph, drawings, graphs and charts. Its benefits are given below.

- Colorful Scenes. Colorful scene attracts the interest.
- Add. Models express the feelings of using the brand.
- Technical Details of the products are explained.
- Method of handling the product is demonstrated.

Package photo reminds while purchase

8. Mascot

It is known as the trade character or trade figure. It is an illustration of either a real or an imaginary figure or personality given in the advertisement.

9. Name Plate (logo)

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

10. Price

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

11. Product

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

12. Slogan

Slogan is a sales argument. The arrangement of slogan in the layout is determined by the importance of its relation to the advertising message. A Slogan may be a single word or group of words, regularly used by the Advertisers to impress with the basic idea about the brand. It may contain brand name and may also refer the advertisement theme. Example, Sharp – Sharp Products for sharp minds ,BPL – Believe in the Best.

13. Space

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

14. Subheading

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

15. Text

Text or body of the advertisement refers to the general reading matter. It is the subject matter of the copy. It should be neither too wide nor too narrow. It explains why a person should buy that body copy brand. It explains the product features and benefits. It convinces its claims while explaining sales records and testimonials. The appeal of the copy may be rational or emotional. Appeal differs based on the product and the consumers buying motive. It may be one sided (only plus points of the product) or 2 sided (both plus and minus points of the product).

16. Trade mark

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

17. Identification Mark

It means trade mark. Trade mark is a registered brand name, a symbol, a word, a letter or a combination of these items. It is used to remind the brand quickly. E.g. BPL.

18. Closing Idea

It is the call for action. There are 2 types of call in closing idea.

a. Hard sell call

Hard sell call induces the potential customers to buy immediately. This can be done by the following sales promotion methods.

- Providing a offer coupon
- Announcing Clearance Sales
- Offering early Bird shopper special

b. Soft cell call

Soft cell call induces to buy, but not immediately. it is done by informing the following items.

- Retailers Address
- Warranty Period
- Finance Scheme
- Home Delivery over phone

CREATIVITY IN ADVERTISING

The creative part of advertising involves the process of selecting and presenting the messages. The business of conceiving, writing, designing and producing these messages is called “advertising creativity” and the key wordsmith is called a copywriter or copy chief or copy supervisor. The success of advertising depends to a great extent on the quality of the message or copy of advertisement rather than the money spent on advertising. The conventional theory of advertising includes the concept of AIDA (Attention, Interest, Desire and Action). Most of the advertisers believe that the message in advertisement copy must attract the attention and interest of the consumer if buying is to result. But they forget that only good advertisement copy or good message can attract the attention and interest of the receiver until and unless the much advertise product attributes have a strong impact on consumers. The consumers come to know the existence of the product only through the advertisement. Advertising tries to persuade the consumers that they need the product. But if the product attributes fail to satisfy the need of buyers, good creativity will not pay.

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

The advertising copy writer writes with a purpose to achieve client’s objectives to express features or attributes of particular products and services, presented in terms of consumer benefits and in the language most appropriate to defined target audience. Thus advertising messages should present merchandise in ways that interest people in buying. Print ads and broadcast commercials portray products as problem solvers or methods whereby wants and needs may be fulfilled. When creating, copy writer builds messages according to specific plans, to fulfill specific objectives, and he should follow a disciplined way in creating them. In the words of Alfred Polite –“Advertising creativity has to follow rules which are guided by a well defined purpose, by an analysis of thoughts supplied by imagination, by a selection of the useful ones which meet the purpose.

Activities Comprising Creative Design task Process

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

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

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

(3) Target Audience- The next step in the creative process is to make the copywriter available description of the demographic and psychographic makeup of the specific target audience for whom the ad is being created vis-à-vis the product. Quantitative data such as age, sex, marital status, occupation, income, education, place of residence, must be supplemented by information on consumer attitudes (related to advertised product, and its

competitors as well as to the types of creative claims being considered for the message) on relevant media, shopping and buying habits and on product usages. Thus any information that describes target audience is useful.

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

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

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

(7) Allocation to Creative Task- The next important task to creativity is the allocation of funds towards this task. Since there is little in the way of modeling effort to help in this decision, the allocation task is usually done judgmentally.

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

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

QUALITIES OF ADVERTISEMENT COPY

The important 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
- (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 at desired effect on prospects i.e., it must creates an urge in the minds of prospects to go for the

product advertised. A good copy of advertisement should possess the following characteristics or qualities or values-

1. Attention value,
2. Suggestive value,
3. Memorizing value,
4. Conviction value,
5. Sentimental appeal value,
6. Education value,
7. Instinctive value,

1. Attention Value- An advertisement copy must attract the attention of the potential consumers. If it fails in this mission, the whole money and efforts will go waste though it possesses all other values because everything else follows this. So, it must have display value. The copy should be planned, drafted and displayed so ingeniously that it may 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 a busiest person may be drawn immediately. Various devices can be used to make the copy attractive such as:-

(a) **Use of Pictures.** Picture has the immense display and attention value.

(b) **Use of Display Type or Heading.** Use of appropriate to headings enhances the value of an advertisement copy to a great extent. To invite attention, the heading should be brief and meaningful, made up of three or four words and should be printed in emphatic bold display types.

(c) **Boarder etc.** – Attractive boarder can be used to compel the attention of the readers. The boarder must have a distinctive look so as to separate it from the rest of the setting.

(d) **Price Quotation** – Prices should not be quoted on the advertisement copy except when they are very low as in clearance sale or special offers. But if an appeal is being made to high class customers who care more for quality than for price, a price quotation should be avoided and emphasis should be laid on quality.

(e) **Reply Coupons** – Reply coupons inserted in an advertisement in an unusual setting are yet another way of attracting attention of the readers to the copy.

(2) **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.

(3) **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 memorizing value. Pictures and photographs confirming to the suggestion will have tremendous memorizing value.

(4) **Conviction Value** – An advertisement copy can prove effective and achieve the desired end when the suggestion contained in it is backed by convincing arguments. The advertiser must be careful to include the statement in the advertisement copy which does not conform to the product.

(5) **Sentimental Value** – Sentiments play a very important role in advertising, particularly in the case of food articles. Sentiments reflect 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 may prospects as possible.

(6) **Educational Value** – A good copy of advertisement must possess educative value because the object of modern advertising is not merely to satisfy the 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.

(7) **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 the other. Instincts are the underlying forces which compel the men to act in certain ways. The most important function of an advertisement copy is to induce, persuade and motivate the prospects to think well of a product and to take to its use. Advertising, essentially, is the motivation of the 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 preserve 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 etc. 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 advertise 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 they use of 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 is also using 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 and attempts 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 endeavor 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 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 hearing touch taste, and smell are used in such type of copy. Human interest copy presents the product in relation to people instead of confirming to facts about product. As emotions are many and always new it may be made more exciting an 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. It turns the reader laughter. All examples and statements in such copy are fully to make the reader smile.

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

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

(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 in institutional advertising which aims at creating an atmosphere about the product or the firm and may not directly advise the product for sale. Such a copy is occasionally used and is very much similar to the personality copy in impression which also strives to enhance the prestige of the advertising firm indirectly by visualizing the name of the eminent personality.

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 it expository copy. It does not conceal anything about the product but exposes. The message is quite clear and it needs no inference, no taxing on mind, no thinking, Even a cursory glance makes it quite easy to remember or to pick – up.

13. **Questioning copy** – Questioning copy as the term suggests. In Corporate a series of questions expected to be answered by them readers. The advertiser puts no narration, statement or reason of its own in order to pursue the readers to buy the product. The question arouses the curiosity in the minds of the readers and makes them think of it. Thus there are various types of copies of advertisement on the basis of their style of presentation.

14. Scientific Copy

Technical details of the product are given here. it is used for electrical, electronics, automobiles, Food and Medicine products. E.g. a) Complian has 23 vitamins, Bajaj major technical details-cc, Rpm.

15. Topical Copy

It links the ad theme with some current events. It is widely used with cricket match. E.g. using sandalwood Veerappan. b) Popular Cinema songs.

16. Personality or Celebrity Endorsement Copy

This copy shows sport stars, Film stars, or professionals. Endorsing the brand E.g. a) Sachin In Boost b) Simran and Jothika in Himami.

17. Question Copy

Here the brand benefit is conveyed in a question copy. E.g. Do you want sound sleep? Invests in ICICI Bonds.

18. Colloquial/conversation Copy

Here brand benefits are conveyed through an informal conversation. Words, like, I and you are used. It is widely used for agricultural products in regional language. E.g. SPIC Urea.

19. Comparative OR Competitive Copy

It means explaining brand superiority by comparing with competitors. It may be direct or indirect comparison. E.g. BPL TV, Surf ad.

20. Educational/Missionary/Pioneering Copy

It tries to change the habits of people. It informs about new products, new uses and change in the existing products. e.g. Benefits of Microwave oven over gas stove, Vimal shirting add. Sales change your back to ordinary. (To change the back Flea of the shirt), Family planning advertisement says. Small family is a happy family.

21. Suggestive or Reason – Why Copy

Directly or indirectly suggest the reasons to buy the product. E.g. Complan helps to grow healthy, Pepsodent for day long freshness.

22. The Expository Copy

It expresses all facts of the brand in detail readers can easily understand the product without much effort. Product facts, like construction, Operation, benefits, superiority over other price schemes and distributors address are clearly exposed.

23. Wordless or Non-verbal Copy

It is used in Television. The Brand name, or Slogan, or Logo of the product or movie appears silently. E.g. Brand Name appears just before the news, Cable TV Scrolling. Axe effect perfume adds.

24. Descriptive Copy

It describes the brand in a simple and non-technical way. It is not very attractive e.g. classified ads.

25. Human Interest Copy

It is emotional and not rational. it sells the product by touching a human feeling. It may be humorous copy, fear copy or story copy. These are explained below

a) Humorous Copy

It makes the readers happy through jovial or sentimental appeal. E.g. LML vespa Scooters comfort and safety is highlighted by showing a young pregnant lady traveling in the back seat of vespa.

b) Fear copy

It tells the product should be used to save predicament a dangerous situation in their life. It is widely used by LIC, GIC, Food and Health products. E.g. Saffola Oil to save from Heart Attack, No vacancy Board add of NIIT.

c) Story or Narrative Copy

It narrates the benefits of the product in a story form. Experience of customers can also be narrated. E.g. Chandrika Soaps. Ayurvedic story, Vim Bars customer experience.

26. Institutional Copy

It is also known as prestige or corporate copy; it does not try to sell a particular brand. The aim of this copy is to create a favorable image towards the institution among the share holders, employees, suppliers, government and the General Public. There are 2 types in institutional copy.

a) Public Relations Add. Copy

This creates a favorable image of the firm among employees, investors and general public. E.g. Advertisement showing, employee welfare scheme, quality control awards and directors speech in Annual General Meeting.

b) Public Service Advertisement Copy

This changes the behaviour of the people to the welfare of the community. E.g. Ad Encouraging Blood donation and road safety.

Message: Definition:

The message is the thought, idea, attitude, image or other information that the advertiser wishes to convey to the targeted audience.

Message development:

There so many media that carry the ad messages. There are so many products which are advertised in these media. A number of companies advertise their products. We have therefore a lot of communication in all direction – direct, indirect, zigzag and all sided .Perhaps, there is over communication .This leads to the concept of clutter and how to overcome it.

The Problem of Clutter

The numbers of messages being beamed at us are far more than the audience can absorb. The individual, therefore, subjects the messages through filtration process. The message must get through this is the challenge to the planners and creative persons.

The following factors can be helpful:

- (i) impact and memorability
- (ii) great ideas rather than mere techniques
- (iii) creative strategy, creative differential
- (iv) copy platform
- (v) visual style
- (vi) innovative space buying: freak positions and shape
- (vii) 'how to say' is as important as 'what to say'
- (viii) use of white space, slice-of-life photography
- (ix) communication style that stops, intrigues and then informs
- (x) Production quality.

Visualization and Development of Advertisement

Visualization in the simplest words is the process of designing the advertisement. The ultimate outcome of the process of visualization is the layout.

The basic elements with which a visualizer works are:

1. Headline, subheads
2. The body copy
3. the illustration
4. Logo signature

There may be elements like:

1. Slogans
2. Coupon
3. Price
4. Package
5. Seal of approval
6. Border
7. Quality marks etc.

The visualization process is shared by the copywriter and the creative director of visualization. They decide whether product should be featured; whether people should be featured; what they would be doing; will there be a background? Which type? Should photos be used? Or line illustrations and sketches? How large the headline should be? What components should make the final copy; the product? The address and name of the company? The picture?

Visualizer operates under certain constraints: the space available, the type of paper on which advertisement will be printed, whether it is black and white or colour advertisement, the printing technology employed etc.

Transformation from Visualization to Layout

Once a visualizer exercises himself mentally and puts his pencil to paper, the shape of layout begins to emerge. It is very difficult to say where the process of visualization ends and where the shape of layout begins. Roughs give an exact idea about the proportions and placement of elements.

Visualization and Creativity

In the visualization process, we require a flow of ideas – those ideas are obtained from many sources and using many techniques. We can employ Osborn's Brainstorming technique. We do meditation from analysis and synthesis of ideas.

Creative Process in Visualization

The following are the five principal stages in creative process:

- i) Saturation: The manager becomes very intimate with the problem and its environment.
- ii) Deliberation: A perfect knowledge of the environment and attendant data is essential for creativity.
- iii) Incubation: The subconscious activity precedes a fresh approach. The creative mind forms a pattern of the problem by combining the scattered data.
- iv) Illumination: Here an idea actually flashes across the mind of the decision – maker. Very often this happens while sitting in a cafeteria, driving a vehicle, strolling in a leisurely fashion or in some such state of relaxation.

- v) Accommodation: The original idea is modified, reframed or polished and made to practical use.
- vi) Creative process demands free exchange of ideas, application of imagination to problems, group understanding and lack of conditioned thinking.

Size and Shape

Different sizes in the print media are possible, the budget being the major constraint. Within the given size, we get allotted certain space which can take many steps, each shape being a device of non-verbal communication the shape should be consistent with the message.

Curves show elegance and beauty. Triangles have a combination of both dynamic and static and can also communicate caution against danger. Circles are likened to planets. They show continuity, eternity and peace.

Visual Thinking

What is visual thinking? It is a language whose effectiveness depends upon its flexibility and willingness to experiment. Copywriters can do a little drawing, sketching, doodling or thumb-nailing. In other words, we are recording mind's perceptions by doing so.

Use of Similes and Metaphors

Thought process is transformed by figures of speech like similes and metaphors into more articulate information. These tools help us to organize our complex thoughts into definite message.

Theme and Appeal

While theme means what is said, Appeal means how it is said: The message may be said, rationally or emotionally.

Rational Appeal influences the mind through benefits of the products like quality, price, durability, and performance, easy to use. Resale value etc.

Emotional Appeal influences the heart, prestige; love, sex, and joy are positive appeals. Sorrow and fear are negative appeals.

1. Rational Theme and appeal (Product oriented appeal)

a) Performance

It tells how efficiently the product works. Pulling power, Pick up of two wheelers. Anti-Bacterial performance of close up.

b) Low Price

It appeals through low price, discounts and monthly installment. E.g. AIWA TVS low price, APTECH computers Merit scholarship, TV' 50'S installment schemes.

c) Long Life

Sharp TV claims its long life through 7 years warranty.

d) Easy to use

Videocon Automatic washing machine rinses and dries. Kinetic Honda's Auto start, Automatic gear. So it is easy to use.

e) Resale Value

Hero Honda, Maruti, have good resale value.

f) Low Maintenance

Bajaj scooters, Tata van Kinetic v2 claim low maintenance.

2. Emotional Theme and Appeal

This appeal influences our feelings than logic. People have different motives. People want to be different, to confirm with their group, attract opposite sex, to be recognised to live longer etc. These needs may be appealed in a negative or positive way.

a) Positive Emotional Appeal

This appeal says, using these products brings prestige, affection, joy, E.g.

- i). Prestige appeal, Onida TV, Raymond's clothing, Visa Card, Appeals prestige motive.
- ii) Affection appeal Vicks, Titan watch, appeals affection, motive.
- iii) Joy appeal- Coke, Pepsi, Arun Ice Cream, appeals joy motive.

b) Negative Emotional Appeal

This appeal tells, if the product is not used people will lose their health, recognition or Job and make them sad. E.g.

- i) **Recognition Appeal** – Close ups bad breath appeals recognition

ii) Security Appeal – NIIT's No vacancy add. appeals Job Security Motive.

3) Moral Appeal

These appeal our sense of judgment between the right and the wrong. These are mostly used in social awareness advertisement. Examples. Ads against Child Labor, and Dowry. Ad in favour of Road Safety, eye donation and Blood Donation.

Values of a Good Advertisement Copy

Essential qualities or A Good Ad Copy should have the following values

1. Attention Value

Unattractive add. is waste. So the following devices can be used to make it attractive. They are

a) Pictures

Pictures of attractive persons with emotion, beautiful scene and product are used for attraction.

b) Headlines

It is the bold line in the add. It may be a brand name, slogan, brand benefit or a question. E.g. 50% Aadi Discount.

c) Borders

Decorated or Novel types of borders or small add, message with a huge gap inside a big boarder may be used.

d) Price

If the brand competes with a low price, price tag is very important. E.g. AIWA T. Life Buoy Soap.

e) Colours

Color makes the ad more attractive. Colour is essential in dress, paints, floor tiles add.

f) Topical

Using current topics makes the ad more attractive. It may be regarding politics, Sports, and Science.

g) Celebrity Endorsement

Popularly celebrated persons in the field of sports, Cinema, Science and technology.

2) Suggestive Value

Products are bought for its use. So suggesting the use of the product attracts them with the purpose. E.g. Surf Excel removes tough stains, Good knight mat protects from mosquito till morning.

3) Conviction Value

People believe the suggestions easily if they are supported by convincing argument. E.g. Suggestion – Surf Excel removes tough stains, conviction surf excel has oxygenated formula.

4) Memorizing Value

Attractive Logo, Slogan, Celebrities ad, Repeating the ad's, helps to memorize the ad for a long time. E.g. Idhayam Oils.

5) Sentimental Value

Using family, Religious, local and national sentiments make people sensitive towards the ad. It suddenly creates brand loyalty. E.g. Hamara Bajaj, TVS Excel.

6) Educational Value

The Advertisement should educate the method of using a new product and new uses of old product. Example. Franch Oil Add. For Multi use, Vicco Turmeric.

7) Instinctive Value

People have various instincts (needs). Different products satisfy different (needs). Different products satisfy different needs by matching the appeal with the buying motive the add, can be made more attractive

a) Health Instinct

Our Anxiety to preserve our health, family and belongings. Products like medicines, health drinks and hair oil appeals health instinct. E.g. Arokya Milk.

b) Saving Instinct

This is a name to save for the future. Banks, Chits, finance companies and insurance companies use this motive. E.g. Karur Vysya Banks, Thirumagal Thirumana Plan.

c) Parental Instinct

It takes the form of love and affection for the children. Ad of child product like Toys, Baby food, E.g. Hamam and Horlicks Add.

d) Self-Display Instinct

This instinct is used for cloth and jewelers Ad. Advertisements showing happy and attractive people in attractive dress and Jewels. E.g. Raymond's Add, Lalitha Jewellery Add.

e) Free Instinct

Everybody likes to get something without paying money. Add. Copies with free offers.

Copy Testing or Advertisement Effectiveness Test or Criteria To Measure the success of an advertisement

Introduction

The Effectiveness of the advertisement is measured after the release on a full scale. Here the ineffective advertisements are improved after the test. Different criteria are used to measure the effectiveness. The criteria may be recognition, recall, reability, believability, product personality etc. These are explained below.

1. Recognition Test

How many have noticed the advertisement is tested here. The Reader (Respondent) goes through every page of the magazine or newspaper and points out all the advertisements noticed by him. If majority of the respondents has seen the test advertisement, then the advertisement is effective. This technique was introduced by "STARCH ORGANISATION". So it is called starch test.

2. Recall Test

It is a memory test. How many people remember the advertisement is tested here. People Remember only effective advertisements creating good impression. The test advertisement is not shown during the survey. Aided and unaided recalls are of 2 types in recall test.

a) Aided Recall

In aided recall the brand names of all the advertisements appeared in the shown media are given to the readers. Respondents explain the advertisement message of remembering advertisements. If the majority remember the test advertisement, then it is effective. It is also called "Gallop Robinson Test".

b) Unaided Recall

Here, the respondents are not given any clues like the brand name, or advertisement message. The Product name may be given if necessary. The Respondent has to tell all the advertisements he remembers in the show media. If he remembers the test advertisement, then it is effective. This technique is used to test news paper and T.V. Advertisements on the very next day, which is called D. A. R. Test. Day after Recall)

3. Readability Test

The Readers are asked many questions about the advertisement to know how deep the audiences have read the advertisement. If it is not read deeply by the majority, then the advertisement has to be made interesting.

4. Believability Test

How for the audience believe the promises made in the advertisement is tested here. If most of the promises are rated favorably by the audience the advertisement has believability. If not the copy is improved.

5. Product Personality Test

How the audiences have assumed about the personality type of the product user is tested here. Several questions like suitable age, income, education, status, and life style about the assumed product user are asked. The answers revealed the attitude towards the product. If it is understood wrongly then the advertisement is to be improved.

6. Brand or Theme Association Test or Theme Penetration Test (TAT)

Whether the audience could relate the advertisement theme to the brand name is tested here. If they cannot relate, then the advertisement copy is modified.

7. Hierarchy of Communication Effect

Many advertisements cannot create sale with one or two exposures. The Advertisement has to be exposed several times to create a sale. First, an advertisement creates brand awareness, then brand preference, next buying intention and finally purchase. This test measures at which level the majority of the audience remain. Repeated Advertisements also create brand loyalty.

8. Coupon Return Analysis

a. Open Coupon offer

The offer coupon can be easily seen in the advertisement. Number of coupons received indicates the advertisement

b. Hidden Offer Technique

Here the full advertisement is to be read to identify the offer coupon. Number of coupons received indicates the number of people read the full advertisement.

9. Sales Result Test

If the sales increase after the advertisement, the advertisement is effective.

Advertising Appeals and Execution Styles

The advertising appeal is the central message to be used in the ad. Human beings have in-born instincts such as fear (self-preservation), hunger (food and drink), sex (love), and rage (anger) and nature has given them five senses: sight, sound, smell, taste and touch. These instincts and senses are often the basis for developing advertising appeals.

William Weilbacher says

“The appeal can be said to form the underlying content of the advertisement, and the execution the way in which that content is presented. Advertising appeal and executions are usually independent of each other, that is, a particular appeal can be executed in a variety of advertising appeals. Advertising appeals tend to adapt themselves to all media, whereas some kind of executional devices are more adaptable to some media than others.”

Different Kinds of Appeals

Different appeals can be used as the basis for advertising messages.

Rational/Informational Appeals

These appeals address the consumer’s self interest and focus on negatively originated motives problem removal or problem avoidance as happens when we run out of something and experience a negative mental state. To relieve those feelings we actively seek a new or replacement product. These are also referred to as informational motives because to consumer actively seeks information to reduce the mental tension.

William Weilbacher has identified several types of rational/informational appeals. Some of them are

- Feature appeal
- Competitive advantage appeal
- Favorable price appeal
- News appeal and
- Product/service popularity appeal.

The focus of ‘feature appeals’ is on major traits of the product or service. Such ads are usually rich in information content and communicate, to the target audience, a number of important attributes of the product or service that may develop favorable attitudes and influence rational/information purchases.

Advertisers make use of ‘competitive advantage appeal’ when they directly or indirectly compare their brand to other brand(s) and claim either all round superiority or at least on major attributes.

Price appeal is not limited to retail advertising announcing special offers but national advertisers too use this appeal, particularly during festive seasons such as “special Diwali offer.”

‘News appeals’ are usually used for a new product or service to inform consumers about important improvements or new breakthrough introductions. For example, the print ad of Maruti Alto, “Alto makes its debut outside Japan for the first time-in India,” is making the use of news appeal.

Popularity of a producer or service among large number of consumers becomes the basis of 'product/service popularity appeal.' The implied meaning communicated is that wide use of the brand proves that consumers are satisfied with the quality or value of the product or service and others should use it.

Emotional/Transformational Appeals.

Emotional appeals relate to the customers' social and psychological needs and stir up positive or negative emotions that can motivate purchase of a product or service. Bases fir emotional/transformational appeals

Personal bases of feelings	Social bases of feelings
<ul style="list-style-type: none"> • Safety, security • Love, affection • Joy, happiness • Sentiment • Excitement • Sorrow, grief • Pride, achievement • comfort, pleasure • Ambition 	<ul style="list-style-type: none"> Approval, recognition Respect, status Embarrassment, rejection Affiliation, belonging Acceptance Tastefulness

Emotional / transformational appeals can be used in many ways in the creative strategy. Emotional / transformational appeals are used to evoke positive feelings that may get transferred to the brand.

The concepts of emotional bonding, developed by McCann-Erickson Worldwide and Professor Michael L. Ray, uses the premise that consumers develop three levels of relationships with brands.

1. Consumers 'think' about brands with respect to product benefits.
2. Consumers assign a 'personality' to a brand.
3. Consumers develop 'emotional bonds' with brands.

The third level of consumer's relationship with brands develops on the basis of emotional attachments. They develop powerful emotional bonds with certain brands.

Advertising Execution

There are many ways in which an advertising message can be presented.

- Factual message or straight sell
- Testimonial
- Comparison
- Life-style
- Animation
- Humor
- Scientific or technical evidence
- Demonstration
- Slice of life
- Fantasy
- Dramatization
- Combinations

Factual message or straight sell:

The ad message is based on factual information about the product or service and this approach is often used with rational / informational appeals. The main focus is on the product or service and the ad attempts to communicate its specific attributes and / or benefits to the target audience. Such ads are seen in print and also used on TV.

The print ad of Gillette Gel puts across a straightforward message “One drop for smoothest shave”. Similarly, motor oil ads often use the straight sell approach by communicating the benefits. Industrial goods, as well as business-to-business products, generally use the factual or straight sell message format.

Scientific or technical evidence:

This approach is often used to introduce new products and describe technical products. In highly competitive situations, ads include technical information, scientific evidence and endorsements by well-known agencies or scientific bodies to support the product or service claims.

Testimonial:

To present an advertising message, some advertisers prefer to use a satisfied customer who praises the product or service based on personal experience. The familiar ad of an excellent example. Dove ad has used this approach to communicate its effectiveness in improving the freshness of complexion.

Demonstration:

The product or service may be demonstrated while in actual, use, or it may be shown in some sort of staged demonstrations with the explicit purpose of highlighting its key advantage. To demonstrate the product in action, TV is the most suitable medium as the benefits can be shown right on the TV screen with movement.

Comparison:

Comparing features, performance, reputation and other characteristics of two or more brands is a popular basis for advertising execution.

Slice of life (Problem solution):

Slice-of-life commercials dramatize real life situations. Professional actors in the commercial play the role of pain people and discuss some problem of issue. Some such ads are those designed to protect a person from loss of health, against smoking, AIDS, wearing helmets, drug abuse, etc. They all focus on the fear of losing life.

Life-Style:

Advertisers use the life-style approach to present the user rather than the product or service. Many ready-to-wear garment ads address the message to young, contemporary and outdoor type characters. Likewise, advertisers of beer and soft drinks usually direct their message to active, young, fun-loving and ambitious people. The focus is on who uses the brand rather than any product attributes or benefits.

Fantasy:

This approach is based on the need of consumers to find emotional escape to offset daily routines. This is fairly popular for emotional types of appeals. Certain cosmetics ads often use fantasy appeals to create pleasant images and symbols those consumers associate with the product or service.

Animation:

This execution approach has gained popularity in recent times. Cartoons, puppet characters and demonstrations with computer generated graphics are some of the techniques used to communicate difficult ad messages and reach certain specific target groups, such as children.

Dramatization

In this technique, the focus is on telling a short story with the product or service as the hero, involving the use experience. Humor has long been a popular technique in ad execution as it makes the print ad or the commercial more interesting.

Humor evokes feeling of amusement and pleasure and may favorably affect information processing by the audience. An excellent example of effective humorous execution is that of Fevicol and Fevi Kwik commercials using humor very effectively.

Creating Print Advertising

The key format elements in print advertising are headline, subheads, body copy, slogans, seals, logos, signatures, visual elements, and layout.

Headline

The ‘headline’ is the words in the leading position in the advertisement. These are the words that will be read first or are positioned with the intent to draw the readers’ immediate attention. The headlines are almost invariably set in larger, dark type and generally set apart

from body copy to make them prominent. The headline is considered as the most important part of a print ad by most advertising professionals.

Advertisers use ‘benefit headlines’ to promise the prospects some rewarding experience with the product or service. Such headlines are just simple statements of the product’s most important benefit. For example.

Guard Your Data
(Iomega)

No side effects. Brilliant effects.
(EPSON Ink Cartridges)

The above headlines focus on the benefit of using the product, not the features of the product itself. Readers often pay attention to command headlines that order them to do something. The Matiz ad headline read, “GET YOUR MATIZ TODAY!” Sometimes a command headline is used as a request.

Copywriters use selective headlines to attract particular group(s) of customers. For example, ularntoday.com is aimed at CBSE, ISC, ITT and JEE students. Probably, no body other than the target group would pay attention to this ad.

Many headline types are easily combined. Copywriters must always write with a style, to please the readers, and not for their personal pleasure.

Subheads

Most ads have only one headline but one or more secondary heads, called subheads, are also common. A subhead is an additional smaller headline that may appear above or below the headline. Subheads are longer than the headline, more like a sentence, and serve as a stepping stone from headline to body copy.

Body Copy

The main text portion included in the advertisement is called the body copy. The body copy contains the complete sales story and is the logical continuation of the headline and subheads. It covers the attributes, benefits and the utility of the product or service, but getting the audience to read the body copy is often difficult. The copywriter must speak to the prospect’s self-interest, explaining how the product or service will satisfy the consumer’s need.

Slogans (theme lines, or taglines)

Many slogans are used as successful headlines. Slogans provide continuity to a series of ads in a campaign and also help in creating a positioning statement. DeBeers use the slogan, “Diamonds are forever,” Nike uses the slogan, “Just do it,” and Philips slogan is, “Let’s make things better.”

Seals, Logos, and Signatures

A seal is awarded when a product meets the standards established by a particular agency or institute, such as ISI mark, ISO 9002, or Energy Star, etc. These seals provide an independent, valued endorsement to the advertiser’s product.

Logotypes and signatures are special designs of the advertiser’s company or the product name. They appear in all the company ads, are immediately recognized and give the product individuality at the point of sale, such as Kellogg’s, Intel, hp, etc.

Types of body copy

Approach	Description
Straightforward	It is factual copy, usually written in the words of an anonymous or unacknowledged source.
Narrative	This type of copy tells the story in first person.
Dialogue	The copy lets the reader “listen in” on a conversation.
Explanation	Copy explains how something works.
Translation	Presents technical information such as that written for high technology and medical industries must be defined and translated into understandable language.

Visual Elements

Visual elements are a major component in print advertising and are the responsibility of artists and/or photographers. The purpose of visual elements is to.

- Capture the reader's attention
- Clarify claims made by the advertising copy
- Identify the subject of the advertisement
- Show the product in actual use situation
- Convince the readers about copy claims
- Arouse the reader's interest in the headline
- Emphasis the brand's unique features
- Create a positive impression of the brand or advertiser
- Qualify readers by stopping those who are legitimate prospects.

Checklist for writing effective copy

- Get to the main point-fast.
- Emphasis one major idea simply and clearly.
- Be single-minded. Do not try to do too much at a time.
- Position the product clearly.
- Keep the brand name up front and reinforce it.
- Write with the consumer's ultimate benefit in mind.
- Write short sentences. Use easy, familiar words and themes that people can understand.
- Don't waste words. Say only as much as you have to, nothing more, or less.
- Avoid bragging and boasting. Write from the reader's point of view. Avoid using "we", "us", "out".
- Avoid bright, surprising words and phrases perk up readers and keep them reading.
- Write with flair, Build up excitement. Make sure the copy reflects your own enthusiasm.
- Use vivid language. Use action verbs and adverbs.
- Write in the present tense, active voice. Exceptions should be deliberate, to create special effect.
- Use personal pronouns. You are talking to an individual, a friend. Use "you" and "your".
- Use contractions. They are personal, natural, and fast. People use them while talking.
- Don't use excessive punctuation. Too many comas kill the copy.
- Read the copy aloud and listen. Written word is considerably different from spoken word.
- KISS (Keep it short and simple). Edit mercilessly. Tell the whole story and no more. Stop, when you are finished.

Layout

A layout is an orderly physical arrangement of headline, subheads, body copy, slogan, seal, logo, signature and the visual elements into a finished advertisement. It shows where each component of the ad will be placed and gives guidelines to people working on the ad creation. Copywriter learns how much space is available to work with and how much copy should be written. It helps the art director in determining the size of the visuals. Layouts are usually done as rough and presented to the advertiser to get the preliminary approval.

Types of layouts

Type	Description
Picture window	This is one of the most common layout formats. It has one single dominant visual that occupies about 60 to 70 percent of the area. The headline and copy may appear above or below the “window”. The logo or signature signs off the message at the bottom.
Panel or grid	This type of layout uses a number of visuals of matched or proportional sizes.
Dominant type or all copy	Sometimes there are layouts that emphasise the type rather than the art or an all-copy ad in which the headline is treated as type art. An ad that is all copy-dominant may have art, but it is either embedded in the copy or positioned at the bottom of the layout.
Silhouette	Irregular shaped white space surrounds the main elements in the ad creating a silhouette effect.
Frame	The copy is surrounded by the visual. Or the visual may be surrounded by the copy.
Circus	This type of layout combines lots of elements to bring the ad alive and make it interesting – art, type and colour. It is done to deliberately create a busy, jumbled image.
Non-linear	This is contemporary layout style that can be read starting at any point in the image. The direction of viewing is not ordered.
Grunge	This type of layout reflects what is presumed to be a generation X-inspired lack of concern for the formalities of art, design and legibility.

Design principles

Ads must be designed to attract consumer attention immediately as the advertiser has only a second or two to capture the reader’s attention. Good design not only commands attention but also holds it and communicates as much information as possible in the shortest amount of time and makes the message easier to understand. The basic design rules include the following.

Unity

Unity is considered as the most important design principle. All creative advertising has a unified design. The complete layout (copy, visual, headline, logo, etc.) should appear as a single unified composition. If the ad does not have unity, it falls apart and becomes a visual confusion. Unity contributes orderliness to the elements.

Balance

There is a belief among many designers that balance is a fundamental law of nature. Balance means controlling the size, tone, weight and position of the elements in the ad. It occurs when equal weights or forces are equidistant from a reference point, which is the imaginary vertical line drawn from the centre of the advertisement. One can test the balance by examining the relationship between the right and left halves of the ad. When the weight of all elements on both sides of the vertical centre line is equal, the layout has formal balance. Such symmetrical ads give an impression of stability and conservatism.

Contrast

Contrast means variety. It imparts life to a layout and adds emphasis to selected elements. Variations in the size, shape and colour of layout elements create contrast. Altering

type to bold or italic brings attention to a word or phrase and creates contrast between type elements.

Sequence eye movement

The ad should be arranged in an orderly manner so that consumers can read it from left to right and top to bottom. Arrangement of elements in a sequence helps direct the reader's eye in a structural motion. The elements should be placed in a manner that the eye starts where the advertiser wants it to start and traverses its course throughout the ad. The more common arrangements are "Z" and "S".

Emphasis or proportion

Emphasis refers to division of space among layout elements that is, accentuating or focusing on an element or group of elements so that they stand out among elements of layout for pleasing optical effect. The designer decides whether to put more stress on illustration, headline, the logo, or the copy. If all the elements get equal emphasis, the ad ends up with no emphasis at all.

Using Colour

Colour is another physical element of layout and can be used with impact only if its dimensions are understood. The use of colour directly influences the cost of the advertisement but also offers significant advantages.

- It adds attention-capturing value to the advertisement
- It can help in imparting emphasis to important elements in an ad
- It can add a sense of realism or atmosphere
- It can help easy identification of brand name, package, and trademark
- It imparts a feeling of quality and prestige to the advertisement.

Print advertising has the potential to compete with television. It has the ability to generate astonishing, eye-catching colours in advertisements. Use of colour suits many product categories, such as food items, fabrics, fashion items, etc.

National origin or culture can play a role in colour preferences. Colours have a symbolism of their own that can influence the communication process. Greens and blues are perhaps associated with grass, trees, sea, and sky; they are cool and restrained colours. At the other end of the spectrum are red and orange. These are warm colours, suggesting fire, stimulation, passion, action and excitement. Yellow is viewed as a bright and cheerful colour and suggests warmth without heat.

Creating a Television Commercial

Television is a powerful advertising medium and has the unique ability of combining visuals, words, sounds, motion and technology. There are two basic components of a TV commercial: the video and the audio.

- Video elements: The visual elements generally dominate the commercial and include all those elements that are seen on the TV screen. It is important that these visual elements are successful in attracting the viewer's attention and communicate the desired image, idea, or message. It may be necessary to carefully combine a number of visual elements to produce an effective commercial. For example, the decisions may concern the product, the presenter, action sequences, close-ups, customer interview, humor, comparison, graphics, characters, colour, symbols, lighting, etc.
- Audio elements: This part includes accompanying music, voices and special sound effects. The voices could include two or more persons appearing in the commercial, who are involved in a conversation, or it could be a single individual appearing as a spokesperson, or it could be a voiceover the message is delivered or the action sequence is described by an unseen presenter.

In many commercials, background music helps create a pleasant mood among audiences. In many other commercials, music is used to breakthrough the advertising clutter and attracts audience attention, evoke feelings and communicate the ad message. There is enough evidence to suggest that the creation of a positive mood proves favourable in making consumers more receptive towards the advertising message.

Planning and Production of a TV Commercial

Television is the most versatile medium and suits rational, emotional, and moral or a combination of these appeals.

Most TV audiences watch TV programmes for their entertainment value and so commercials that are capable of primarily entertaining and providing information are more successful.

A written down version of a TV commercial is called a script. It brings together various elements of a commercial and provides detailed description of its video and audio portions. The video portion covers the camera actions and angles, scenes, special techniques and other important descriptions.

After developing and finalizing the basic elements of the script, the art director and the writer together create the 'storyboard'. It is a series of drawings to show the layout or visual plan of the proposed commercial. The storyboard presents the drawings of different video scenes and the detailed description of the audio part that is associated with each scene. Those involved in the production and approval of the commercial get a clear picture, from the storyboard, of what the finished commercial will look like. An 'animatic' is the videotape of storyboard along with the soundtrack. This is sometimes used for client presentations or pre-testing the commercial.

The production phase of the commercial starts after the client approves the storyboard or 'animatic'. There are three phases involved, and the activities of each stage are shown in the following figure.

Stages and activities in the production of a commercial

Pre-production phase	Production phase	Post-production phase
All the work and activities undertaken before the actual shooting/recording of the commercial	Period during which filming and videotaping of the commercial is done	Work and activities undertaken after the commercial has been filmed and recorded
- Selection of a director		- Editing
- Choose a production company		- Processing
		- Recording and sound effect
- Cost estimation and timing	- Location or set shoots	- Mixing of audio and video
- Production schedule	-Night/day, weekend	- Optical
- Set construction		
- Location	- Talent arrangements.	
- Agency and client approval		-Client/agency approval
- Casting		
- Wardrobes		- Duplicating
- Pre-production meeting		- Release/shipping

Creating Radio Commercial

Radio advertising is difficult and different because it requires awakening images in the listener's mind by using sound, music and voices. There is no visual or colour to attract the audience attention, except the sound. There is opportunity to play with the listeners' imagination, often referred to as 'the theatre of the mind'.

The scriptwriter has to be sure that the listeners will believe the message. It must deliver the right words to the right audience and must ask herself/himself if the message strongly communicates the brand position. Sound has an extraordinary ability to enter the listeners' minds and create mental pictures. The copywriter uses words, sound, and music to create images, influence recall and kindle emotions.

The warmth of the human voice is an important factor in communicating the ad message. Carefully selected words describe the product, arrest the attention, generate interest, and build desire among listeners that can lead to desired behavior.

Music has been called as the universal language. Different type of music appeals to different emotions and is a powerful source of grabbing the listener's attention and

generating, feelings. Jingles are a popular means of helping listeners to remember a slogan.

The basic ingredient in a radio commercial is the promise of an important and persuasive benefit from the listener's point of view. After determining the key promise to be communicated, the writer uses selected words and sounds to communicate the product message. Some ways to put the punch in the copy are as follows.

- Keep it simple and short (KISS). Build the commercial around one central idea. Too many copy points can confuse the listener. Write for the ear and not for eyes. Use simple words and short sentences. The copy needs to be conversational.
- Maintain clarity. At the end of the commercial, the listener should understand the message points. The message facts must communicate the big idea. Delete unnecessary words and any side issues. The message should flow in logical sequence.
- Create rapport. The tone of voice should be warm and personal as if talking to a friend, or just one or two people. Frequently address the listeners as you. That is how they address their friends.
- Make it believable. Each product has its good points, but avoids making overstatements and obvious exaggerations. Listeners are not fools. Tell the truth; be straightforward and convey the impression of being a trusted friend.
- Make it interesting. A boring commercial is the surest way to make listeners indifferent to it. It is the manner of presentation that makes the products or services interesting or fascinating. Reward the listeners with some useful information.
- Create distinctiveness. Give the commercial a distinct character. The first few seconds are critical in capturing or losing the listener's attention. While concluding the message, repeat the product promise and register the brand name. Urge the listener to act now.

The first step in preparing the radio commercial is to appoint a producer who prepares the cost estimates and selects a recording studio

Advertising:

The Advertiser, facilitating institutions and control institutions are involved in advertising. These are explained below.

1. Advertiser

Advertiser is the firm giving the advertisement. The firm may be large or small. Large firms need many services from ad agencies. They buy time and space from various media. But small firms need few devices and buy time and space from one or two media. Advertiser may belong to consumer product, industrial product or services.

2. Facilitating Institutions

Facilitating institutions support the Advertiser in analyzing, planning and developing ad Campaign. They are ad. Agency, media and research suppliers. These are explained below.

a. Advertisement Agency

The modern ad. agency employs 3 kinds of people. The first group is creative service group. It includes copy writer, Artist and other producers. They prepare theme and appeal of advertisement. The second group is market service group. It buys media and the market research. The third group is client service group. It maintains contact with the customers. An agency providing all these services is called full service agency. Agencies providing selected services like media buying as research or production are called special service agency.

b. Media

Television, Radio, Newspaper, Magazine are advertisement medias. T.V. is used by large firms. Radio and Magazines are used by medium firms. Radio is used by local and small firms. News paper is used by all types of firms. Trade journals are used by industrial Advertisers.

c. Research Suppliers

Research agencies conduct Research in various means such as media research, copy testing, copy research, consumer research. They supply different types of information to advertisers and agencies. They help in media selection, copy creation and product modification.

3. Control Institutions

Control institutions affect the advertisers in decision making by numerous ways. Government competition and the consumers are the 3 main external control institutions.

a. Government

Wide Range of regulations concerning advertisers product and advertising affect the advertisers product and advertising affect the Advertisers to a great extent. In USA Federal Trade Commission Act of 1914 ASCII, controls misleading Acts.

b. Competition

Direct and Indirect competition is usually present. The Advertisers will have to think over, what competitors do, while developing the advertisement campaign and adopt a suitable strategy. Advertiser should also know the competitors reaction.

c. The Consumer or the Market

Appeal of the advertisement and media choice are influenced by consumers. Advertisements are influenced by the consumers by watching or not watching, liking the ads and buying or not buying the product. The identification and the understanding of markets and consumer behaviour are important parts of advertisement management.

Role of Advertising in Marketing Mix

Marketing mix includes product, price, place and promotion mix. Promotion includes advertising, sales promotion, personal selling, publicity and public relations. Advertising is only one element in promotion.

Advertisement informs about the product, price, and place of availability. Advertisement creates interest in the brand, induces to buy and maintains the rupee purchase by reminding the brand continuously. This is the General Role of advertising.

But the Role of advertising differs based on the product type, price level, and distribution system and promotion activities.

1. Role of Advertising in Product

Industrial Goods and Consumer goods are two types of products.

For industrial products direct mail advertisement and trade journals are used. Rational appeal is mostly used. But less advertisement and more personal selling, and high trade commission are used.

Consumer goods include convenient goods, shopping goods and specialty goods.

i. Convenience Goods

Convenience goods like, soap, powder are regularly purchased. Consumers are already familiar. They know all details about the product. It has low price and available every where. Consumers make fast decisions about the purchase. Here the advertisements frequently remind the brand name, shows the actual product with package. Rational and Emotional appeal are used. All types of media are also used.

ii. Shopping Goods

Shopping goods like Readymade dress; furniture, shoes, watch etc. are occasionally purchased. These are fashion oriented goods. Here consumers don't have deep knowledge about all the brands. These have high price. Consumers consult their friends and visit many shops before buying such brands so the advertisements should give full details about the product and compare its prize and quality with competing brands. to justify its superiority and create confidence rational and emotional appeal are used. All types of media are used.

iii. Specialty Goods

Specialty Goods are products with high brand value, such as Ray ban cooling glass, Reebok shoes, shirts. It may also be highly priced products such as Car, T.V., and Washing Machine. These goods are rarely bought. Before buying it consumers analyzed deeply and consult many friends.

These goods are available only in selected shops. The Advertisement uses emotional appeal to create high brand image and justify its abnormal price. Prestigious Media like T.V., English dailies and journals are used to Advertise.

2. Role of Advertising in Price

Role of advertising differs based on the price level of the product.

If the producer wants to compete with other brands with a low price then the advertisement informs the price of the product as a major selling point. Installments, zero percent interests and discounts belong to this type. They use rational appeal.

If the product is highly priced than the other brands, then the high price is justified by highlighting the superior quality, service warranty and replacement guarantee. Rational appeal is used here. Reduces comparative advertisements.

Specialty Goods are heavily priced because of their brand image. Advertisements of these brands use prestige emotion to link the product coin high sections of society like executives, Company owners and VIP's.

3. Role of Advertising in Place (Distribution)

Role of advertising differs based on the type of distribution system.

a. Intensive Distribution

Convenience Goods of daily use are distributed widely and intensively. Branded soap, paste, powder are available in all retail shops. Such products are advertised over a large area and frequently in several media through out the year.

b. Selective Distribution

Shopping goods are also distributed widely, but, through selected shops only. BPL TV is available all over India, but in selected Electronic shops only. It is not available in all retail shops like soap and paste. Products such as Air cooler, Dress Material and furniture belong to shopping goods. These products are bought during seasons or festivals. Such products are heavily advertised during the right season or festivals through several media in all areas.

c. Exclusive Distribution

Products with a very high price and prestigious brand image such as Ray Ban Sun Glass, Parker Pen, And Peter England Shirts are available in very few exclusive show rooms, all over the India or World. These products are advertised through prestigious media, to reach in selected market segments.

4. Role of Advertising in Promotion

Promotion includes advertisement, sales promotion, personal selling and public relations.

i. Advertising and Sales Promotion

Advertisement informs the sales promotion scheme to consumers and induces them to buy immediately. Some Advertisements carry offer coupons also sales promotion will be ineffective if it is not supported by the advertisement.

ii. Advertising and Personal selling

If the people are not aware of the brand name and its benefits they do not even open the door for sales people. Advertisement makes people open their door and even listen to them, by informing the brand benefits before the sales people to meet them. All kinds of media are used for convenience goods. Direct mail advertising is most effective for tough selling goods such as water filters, Vacuum cleaner, Insurance and chit Companies.

iii. Advertising and Public Relation

Companies send festival greetings and informative news letters through direct mail. Companies view social service advertisement such as blood and eye donation advertisement, Earth quake relief fund advertisement etc. They also maintain roads, parks, with their company name board as form of outdoor advertisement. All these will increase image of the company among the general public.

Ensuring Quality in Advertising Research

The fundamental components of research quality are validity and reliability.

Research exhibits validity to the degree that it presents an accurate picture of reality. Research exhibits reliability if you or someone else can repeat the research and reach the same answer.

The factors that cause reliability and validity problems can be divided into five categories: mistakes in preparing or implementing the study, problems with sampling, mistakes in measuring (such as not recording answers or entering them into computers incorrectly), mistakes in choosing the appropriate questions (so that they somehow distort responses), and mistakes in interpreting the answer. The term often used to describe distortion in research is bias, which simply means that what you measure doesn't reflect reality. Some of the most

common sources of bias in advertising research are preconceptions, sample problems, interviewer bias, questionnaire bias, and misinterpretation: Preconceptions Simply having an open mind when you start a research project is one of the most important factors in research quality. To reach unbiased conclusions, you must approach the research task recognizing that you may not like the answer.

Sample problems: The distortion that results when a sample does not accurately represent the target population is sample bias. When you hear about a survey that turns out to be wildly at odds with reality, sample bias is usually the cause.

Sample error reflects the differences in answers that result from the fact that you didn't query an entire population. In one sense, sample error is easier to avoid than the other quality problems described here because the larger your sample, the lower your sample error.

When someone is involved in questioning a respondent, either in person (individual or focus group) or on the phone, the interviewer can bias the results. Carefully selecting and training interviewers (or carefully choosing a research firm if you're hiring out the interviewing work) is the best way to avoid these biases.

The questions you use in both qualitative and quantitative research can bias answers in two ways. First, the type of question you use can introduce bias. Second, the way questions are worded can introduce bias. Leading questions are almost sure to generate bias. Threatening questions that ask a person to reveal intimate or potentially embarrassing information can bias answers because some people won't answer honestly.

It is possible for a research task to be on track right up to the point at which you interpret the results. Interpreting research data requires judgment, common sense, and in many cases a fair amount of statistical skill.

The Potential for Bias in Commonly Used Question Types

Various question types can generate bias both because of the form that each question takes and because of the way each is worded.

Question Type and Example	Example of Form Bias	Example of Content Bias
Dichotomous: "Do you own a car?"	What if the respondent leases a car and isn't sure whether to answer yes or no to this question?	Would someone who owns a minivan answer yes or no to this question?
Multiple choice: "Which of these cars is the best Ford, Toyota, Chevrolet, or Honda?"	What if the respondent thinks the best car is a Pontiac?	Respondents can have different ideas of what "bst" means – fastest, cheapest, most stylish, more reliable, etc.
Rating: "Rank these companies' ads in terms of which are most persuasive: Ford, Toyota, Chevrolet, or Honda."	What if the respondent thinks two are equally persuasive or that none is persuasive?	Is the respondent supposed to rank them from most to least or from least to most?
Open-ended: "Which brand of potato chip have you eaten the most of in the last six months, and how many bags of them have you eaten?"	What if the respondent needs to be reminded of the various brand names?	People aren't likely to remember how many bags of potato chips they've eaten in the last six months.

That research presents quite a few opportunities for going astray. By planning your research carefully, recognizing where problems can crop up, and taking active steps to ensure quality, you stand a much better chance of producing insightful, cost – effective research.

MEDIA RESEARCH

Media Research concerns information about the circulation of newspapers and magazines, broadcast coverage of television and radio, and audience profiles.

Conducting Research:

Depending on your organizational position and responsibilities, you may be involved in all these steps or in only some of them

STEP 1: Define the problem and set research goals!

In many advertising research projects to be investigated is quite clear. In other cases, though, the problem is difficult to define! Your questions may be too vague, you may have only a hunch about what needs to be investigated, or you may recognize the symptoms of a problem without understanding the cause. One good way to help define the problem is to identify the specific advertising decision (s) that must be mad as a result of the research and then focus on the pieces of information needed to make those decisions.

STEP 2: Identify sources of information:

The next step is to identify where you might be able to find the information you need. In some cases, the answers to your questions can be found among sales records, customer service reports, or other internal secondary sources.

When research projects need more than secondary information, researchers collect primary data. Some advertisers choose to obtain these data themselves, others rely on the research departments in their advertising agencies.

STEP 3: Analyze secondary data:

The next step is to analyze any secondary data you were able to obtain. Even if you plan to continue with primary data collection, analyzing secondary data is a key step that shouldn't be skipped. Depending on the types of data that are relevant to your research efforts, secondary data can provide a tremendous amount of insight into both your overall advertising challenges and the particular (Problem you're researching at a moment.

STEP 4: Identify the sample:

When research plans call for primary data, the first things to do is choose the people who will participate. For research purposes, the entire group you want to learn more about (Whether a particular group of people or a group of organisations) is called the population, or universe. (If you were to ask questions of every person in the research population, you would be conducting a census) However, researches rarely use the entire population; doing so would be quite expensive and time consuming in most cares. Besides, accountably precise results can usually be obtained by questioning only a part of the population, called a sample. With a good sample, you'll get opinions from people who love your product, from people who cannot stand it, and from a whole range of people in between. Then you can project those results across the entire population.

STEP 5: Collect Data:

With a sample identified, you can begin to collect data. All the various techniques of data collection fall into one of two categories, qualitative or quantitative.

Qualitative Techniques:

The sort of research tries to explore respondents attitudes, beliefs, motivations, and behaviors.

In-depth interviews:

The in-depth interview is the interviews that may last as several hours. The point of in-depth interviewing is not to have people answer lots of yes / no questions but to get them to open up and discuss their attitudes and opinions.

Focus groups:

The focus groups is much like an in depth interview in that the emphasis is on probing questions and thoughtful, reflective. Answers; the difference is that the interview takes place with a group of respondents from the sample.

Sentence completion and word association tests.

Researchers ask subjects to complete sentences. (“The song walkman makes people feel -----“) or to say the words that come to mind when a brand or ad is described.

Picture drawing:

Researchers ask respondents to draw store interiors, typical uses of a brand, or other representations that express how they feel about an organization or a product.

Thematic Apperception Test (TAT):

Researchers show subjects a collection of photos or cartoon drawings and ask them to describe what has happened or what will happen. This technique is the most common projective technique used in marketing research.

Quantitative techniques:

In contrast to qualitative research quantitative research tries to translate responses into numbers and statistics.

Surveys:

A survey is a method of gathering data directly from members of a sample. Surveys can be conducted through the mail, over the phone, in person, and on computer. Regardless of a form, surveys involve some sort of questionnaire.

Observation:

Measuring audience and buyer behavior by recording what people do is called observation. Methods of observation can include observing consumers in their homes (With their knowledge and permission), watching shoppers in action.

Experiments:

An advertising experiment follows the same pattern as any scientific experiment. Laboratory tests also include a wide range of physiological tests such as measuring people’s eyebrow tension, eye movement, and perspiration in response to changes in emotion.

STEP 6: Analyze the data and present the results:

Many aspects of marketing and advertising research are extremely complex and technical, and the advertisers that pay for research rarely have the detailed knowledge that researchers have. So research reports should avoid complex statistical calculations as much as possible, and researchers should provide concise, logical recommendations.

The checklist for planning research projects:

- 1) Set realistic expectations for the research.
- 2) Understand the research methods that will be used.
- 3) Make sure you’re not collecting more data than you need.
- 4) Set your research budget appropriately.
- 5) Involve everyone who must live with the results.
- 6) Before you spend the time and money, make sure the research results will be used.

Types of Research:

Exploratory Research:

Research that’s used to help clarify the definition of a problem and to lay the ground work for more advertising research is called exploratory research.

Descriptive research:

Much of the research conducted by advertisers is descriptive research, which attempts to characterize conditions in a market, attitude of audience members.

Causal research:

The third research category is causal research, which identifies the factors responsible for a particular effect in the marketplace.

Measuring Advertising Effectiveness

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in to this 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 is generally arisen 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' behavior 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 test pretests and post tests- can be undertaken. Pretests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy.

The effectiveness of advertising in a particular media may also be measured in any of the following ways – (a) by giving different addresses to different media, (b) different newspapers may be selected for advertisements of different departments, (c) coupon blank etc. May be provided with the advertisement or (d) enquiry from consumers should mention the name of the source of information. The technique is known as keying the advertising. Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media. This chapter deals these three problems.

Importance of measuring the Effectiveness of Advertising

(1) It acts as a Safety measure

Testing effectiveness of advertising helps in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and result oriented. Thus waste of money in faulty advertising can be avoided.

(2) Provides feed back for remedial measures

Testing effectiveness of advertising provides useful information to the advertisers to take remedial steps against ineffective advertisements.

(3) Avoids possible failure

Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectiveness helps in estimating the results in order to avoid complete loss.

(4) To justify the Investment in Advertising

The expenditure on advertisement is considered to be an investment. The investment in advertising is a marketing investment and its objectives should be spelt out clearly indicating the results expected from the campaign. The rate and size of return should be determined in advance. If the expected rate of return is achieved in terms of additional profits, the advertisement can be considered as effective one.

(5) To know the communication Effect

The effectiveness of the advertisement can be measured in terms of their communication effects on the target consumers or audience. The main purpose of advertising is communicated the general public, and existing and prospective consumers, various information about the product and the company. It is therefore desirable to seek post measurements of advertising in order to determine whether advertisement have been seen or heard or in other words whether they have communicated the theme, message or appeal of the advertising.

(6) Compare two markets

Under this procedure, advertising is published in test markets and results are contrasted with other. Markets – so called control markets – which have had the regular advertising programme. The measurements made to determine results maybe measurements of change in sales, change in consumer attitudes, changes in dealer display and so on depending upon the objectives sought by the advertiser

METHODS OF MEASURING ADVERTISING EFFECTIVENESS

Advertising is aimed at improving the sales volume of a concern so its effectiveness can be evaluated by its impact on sales. Most of the managers believe that the advertisement directly affects the sales volume and hence they evaluate the effectiveness of the advertising campaign by the increase in the sales volume. There may be two types measures (i) Direct measures: and (ii) Indirect measures.

(1) Direct Measures of Advertising Effectiveness

Under direct measures, a relationship between advertising and sales is established. A comparison of sales of two periods or two periods or two markets may be done and the corresponding changes may be noted. The following are some of the methods that are generally used in measuring that advertising effects.

(a) Historical Sales Method

Some insights into the effectiveness of past advertising may be obtained by measuring the relationship between the advertising expenditure and the total sales of the product. A multiple regression analysis of advertising expenditure and sales over several time periods may be calculated. It would show how the changes in advertising expenditure have corresponding changes in sales volume. This technique estimates the contribution that advertising has made to explaining in a co relational manner rather than a casual sales, the variation in sales over the time periods covered in the study

(b) Experimental Control

The other measure of advertising effectiveness is the method of experimental control where a casual relationship between advertising and sales is established. This method is quite expensive when related to other advertising effectiveness measures yet it is possible to isolate advertising contribution to sales. Moreover this can be done as a pre-test to aid advertising in choosing between alternative creative designs. Media schedules expenditure levels or some combination of these advertising decision areas. One experimental approach to measuring the sales effectiveness of advertising is test marketing.

(i) Before-after with Control Group Design

This classic design uses several test and control cities in this design two types of cities are selected. Cities in which advertising campaigns are affected may be named as test cities and other cities may be called central cities. First of all, the normal sales level is calculated for both type of cities prior to advertising campaign, and then the advertising campaign is presented to the test cities and not the central cities. The effect of advertising campaign, can then, be measured by subtracting the amount of post campaign figure of sale from the pre campaign sale figures in test cities.

A Before-after with Control Group Design for Measuring the Effectiveness of Advertising Campaigns

Test cities Control cities

Pre-campaign measure of sales	Yes	Yes
Advertising campaign	Yes	No
Post-Campaign measure of Sales	Yes	Yes

The difference of post and pre campaign sales in cities is the result of advertising and all other factors that affect the sales.

(ii) Multivariable Experimental Designs

While the experimental design discussed above yields a reasonably accurate estimate of the effects of the advertising on sales, it is not successful in explaining the success or failure of the campaign itself. Multivariable designs Produce these explanations and are, therefore used

by some very large firm because of their diagnostic value. The power of this multivariable factorial design is explained by G.H.Brown, former Fords Director of Marketing Research. For any single medium, eight possible geographic areas have been exposed and eight have not been exposed. Thus, in this experimental model it is possible to evaluate how each individual medium behaves alone and in all possible combinations with other media.

(2) Indirect Measures

As it is very difficult to measure the direct effect of advertising on company's profits or sales, most firms rely heavily on indirect measures. These measures do not evaluate the effects of advertisements directing on sales or profits but all other factors such as customer awareness or attitude or customer recall of advertising message affect the sales or profits or goals of the business indirectly. Despite the uncertainties about the relationship between the intermediate effects of advertising and the ultimate results, there is no other alternative but to use indirect measures.

The most commonly used measures are –

(1) Exposure to Advertisement

In order to be effective, the advertisement must gain exposure. The management is concerned about the number of target audiences who see or hear the organization message set in the advertisement. Without exposure, advertisement is bound to failure. Marketers or advertisers may obtain an idea of exposure generated by the medium by examining its circulation or audience data which reveal the number of copies of the magazine, newspaper or journal sold the number of persons passing the billboards or riding in transit facilities, or the number of persons living in the televiewing or radio listening area, and the number of persons switching on their T.V. and radio sets at various points of time. This number can be estimated by interviewing the numbers of the audience for different media.

(2) Attention or Recall of Advertising Message Content

This is one of the widely used measures of advertising results. Under this measure, a recall of the message content among a specified group or groups or prospective customers is measured within 24 hours of the exposure of the advertisement.

Attention value is the chief quality of the advertising copy the advertisements cannot be said to be effective unless they attract the attention of the target consumers. There are two methods for evaluating the attention getting value of the advertisements. One is pre-test and the other is post-test. In a pre-test evaluation, the consumers are asked to indicate the extent to which they recognize or recall the advertisement, they have already seen. This test is conducted in the laboratory setting. Here consumers read, hear or listen to the advertisement and then researchers ask question regarding the advertisement just to test the recall and then evaluate it. In post-test method, the consumers are asked questions about the indication of recognition or recall after the advertisement has been run. These measures assume that customers can recall or recognize what they have viewed or listened to. Various mechanical devices are being used in the western countries which provide indices of attention such as eye-camera etc.

(3) Brand Awareness

The marketers who rely heavily on advertising often appraise its effectiveness by measuring the customer's awareness about the particular product or brand. The assumption of this type of measure is that there is a direct relationship between the advertisements and the awareness. This type of measure is also subject to the same criticisms as is applicable to direct measures of effectiveness (sales measures because awareness is also not the direct result of the advertisements. It is also affected by many other factors. But, for new products, changes in awareness can often be attributed to the influence of advertising.

(4) Comprehension

Consumers generally use advertisements as a means of obtaining information about the product, brand or the manufacturer. They cannot be informed unless they comprehend the message (grasp the message mentally and understand it fully). Various tests for valuating

comprehension are available – One is recall tests – an indicator of comprehension because it is evident that consumers recall what they comprehend. Another measure of the variable is to ask questions about subjects how much they have comprehended a message they have recently heard or seen. One may employ somewhat imprecise test of the comprehension of a newspaper and radio advertisement. One may ask typical target consumers from time to time such questions like ‘what did you think of our new commercial?’ and ‘Did it get the message across?’ The answers of these questions will provide sufficient insight into advertising decision making.

(5) Attitude Change

Since advertising is considered to be one way of influencing the state of the mind of the audience towards a product, service or organization, the results are very often measured in terms of attitudes among groups exposed to advertising communication. Several measures are used ranging from asking the questions about willingness to buy the likelihood of buying to the measurement of the extent to which specific attributes (such as modern or new) are associated with a product.

(6) Action

One objective of advertisement may be assumed to be to stimulate action or behaviour. The action or intention to take an action may be measured on the intention to buy measuring instrument. Under this type of measure, consumers are asked to respond why they are interested in purchasing the product or brand. One type of action that advertisers attempt to induce is buying behavior. The assumption is that if an increase in sales follows a decrease in advertising expenditure, the change in sales levels are good indicators of the effectiveness of advertising. Logic suggests that measurement of sales is preferable to other measurements.

Thus, these above measures (direct or indirect) are used to evaluate the effectiveness of advertisements. It seems from the analysis of the above methods of measuring effectiveness that directly or indirectly changes in sales or profits are taken as the measuring rod of the effectiveness of the advertising.

PRE-TEST AND POST-TEST OF ADVERTISING COPY

Almost every firm spends thousands of rupees on advertising every year; it is very much pertinent to know the effectiveness of the advertisement copy. The main purpose of every advertising is to arouse the interests of the people in the firm’s product can everyone be perused by the same advertisement? Or will the same advertisement satisfy all types of people? The simple answer is in negative because people differ so greatly in their wants, in the economic and other motives which actuate them, and in the various ways by which their interest is aroused. It is why some advertisements are more effective than others. The amount is spent on advertising not only because the advertisement does not get to the right people but because it carries an appeal which does not interest those to whom it goes. An often quoted remark about advertisement is that half the money spent on advertising is wasted; but no one knows which half. For this purpose, advertising copy research is done to see how will an advertisement succeeds in attracting the attention and stimulating the desire and action of the people for whom it is made and how will it delivers the intended message about a product or an idea. Advertisement copy is done to be sure of its effectiveness.

2.4.4 Copy Testing

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 advertisements that makes up an advertising campaign create the desired interest level and image?
- (c) Will an individual advertisement attract the attention of the audience?

2.4.5 Types of Tests

The various methods of testing advertising copy are

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

1. 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 to be simple and effective to the advertiser or advertising agency. It may be difficult from the layman's point of view. All the elements in the advertising copy requires careful pre-testing to see that the matter it intends to be conveyed has been really conveyed, 'prevention is better than care'. Pre testing methods are adopted on this basis. The following are some of the pre-testing methods.

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

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

c. Sales Area Test

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

d. Questionnaire Method

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

e. Recall test Method

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

f. Reaction test

The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil 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 and advertisement is read.

h. Eye movement test

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

2) 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

An advertisement message effectiveness can be measured by the degree of credibility the readers have in the product. A scale technique is generally employed to measure the credibility by putting several statements or product claims before the consumers and is created by them. The statement or product Claims gets the highest priority votes may be taken as the most effective statement or claim.

©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.

(a) **Triple Hostility Tests** – these ties in advertising with recall by seeking to learn the extent of the consumer 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.

3) 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 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. Then collects facts regarding sales from these sub-areas This 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.

Keying the Advertising

It is a fashion to advertise. Every advertiser wants to assess the effectiveness of advertising. The problem of assessment becomes more complicated when advertiser advertises through various media. Selection of media is not an easy job. Which media responded to the

satisfaction of the advertiser? Is not an easy question to be answered? In other words there arises the problem of choosing how to advertise? and through which media? Naturally one would select a media – mix that would serve one purpose the most. This can be easily done by keying the advertising. Keying means to adopt such methods at the time of advertising so that results may be very easily assured and to do so either of the following may be adopted.

1. Different address may be given to different media, so that enquiries received may be scrutinized to find out which media, responds the best. The best media may be selected and continued for advertisements and the rest may be stopped to avoid unnecessary waste of time and money.

2. Different papers may be selected for the advertisement of different departments. so as to know which paper suits the requirements and of which department.

3. A coupon, blank order or space may be provided with the advertisement paper with a request that all requires should be media along with the coupon, or blank order or space duly filled in.

4. A request can be made to the enquirer or the prospective buyer, along with the advertisement that he should mention the name of the particular media which is the source of his information while making any enquiry. A scrutiny of all those inquiries may give an idea which paper or media is the best suited.

COMMUNICATION EFFECTS OF ADVERTISEMENT

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

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

In a very real sense the integrity of promotional activities rests on how well those activities work. An advertising budget that is spent on some poorly defined task or on undefined tasks may be regarded as an economic waste as compared to that spent to achieve the well defined objectives for which the results can be measured. Any social institution upon which a significant portion of our total productive efforts is expended should be able to point to its specific accomplishment. Indeed, it is a source of discomfort that specific results of advertising activities have not always been subject to precise measurement. Both practitioners and critics feel that promotional activities should only be accepted as socio – economic – institution with full right and privileges “when the means exist to prove that advertising super are productive rupees’ It is undoubtedly a source of embarrassment that we cannot exactly measure the effectiveness of advertising in definitive terms. The exact result of advertisement expenditure is very difficult to predict because.-

(a) The reaction of consumer – buyers to the advertising efforts cannot be known in advance.

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

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

If we take a hypothetical case of a retailer who contract to spent Rs.5000 on advertisement with a local newspaper for a special sales even. The advertisement is seen and the response is much grater than it is anticipated. What caused the success of sale? They message theme colors etc., of the advertisement or the low prices quoted during the sale of the superior quality of the product or absence of competition

in the market on the day or the favorable. Weather conditions or the goodwill of the firm etc. The overwhelming success of the sale is the joint result of all the above variables and it is quite impossible to isolate the role of any one variable. It is so because the cause and effect – relationship cannot be established in advance when a multitude of variable impinge upon a particular event. It is entirely possible that a poor advertising support may push up the sale because everything else falls into its proper place or the reverse may be possible. But it does not mean that that we cannot measure the effects of particulars advertising effort.

The advertising executives are much concerned about the assessment of the effectiveness of the advertising efforts. For this purpose, the management needs answers to such questions as: was the advertising campaign really successful in attaining the advertising goals? Were our T.V. commercials as good as those of our competitors? will the print advertisement, which we have designed, make consumers aware of our new product? To get answers of these questions, various tests of effectiveness (Pre- tests and post – tests) are decided to determine whether proposed advertisement should be used, and if they are not satisfactory how they might be improved, and whether on going campaign should be stopped continued or changed. Pre- tests are conducted before exposing target consumers to the advertisements and post tests after consumers have been exposed to them.

As indicated earlier, the advertisers are interested in knowing what they are getting for their advertising rupees, So they test the proposed advertisement with pretest and measure the actual results with a post test. In the past, protesting was done by the advertising agencies but now the advertisers have been taking an increasingly active role in protesting process. Pretest may be done either before an advertisement has been designed or executed after it is ready for public distribution or at both points.

During protesting there is often research on three vital questions:-

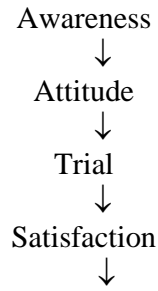
- (i) Do consumers feel that the advertisement communicates something desirable about the product?
- (ii) Does the message have an exclusive appeal that differentiates the product from that of the competitors?
- (iii) Is the advertisement believable?

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

- (i) There is a need produce more effective advertising by retaining the good and removing the bad.
- (ii) The advertising executives can prove to the satisfaction of the management that a higher advertising budget will benefit the firm.
- (iii) There is a need for measuring the results to determine the level of expenditure that is most promising.

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

Communication Effect on Sales



Purchases or repurchase

Awareness builds a favorable or at least a curious attitude towards the product which leads to experimentation. If consumer is satisfied with the trial he may decide to purchase the product. There are many critical and unresolved issues in determining how to test the communication effects of advertising. Among these are:-

- (1) Exposure Conditions – Should advertising be tested under realistic conditions or under more controlled laboratory conditions?
- (2) Execution – Prototyping a finished advertisement as an expensive and time consuming. Does prototyping a preliminary execution produce accurate and useful data?
- (3) Quality Vs. Quantity Data- Quantitative data are the easiest and the almost precise measurement. But qualitative data collected through interviews may provide information that short answer questions never can.

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

UNIT – IV SALES PROMOTION

Definition of Sales Promotion

Sales promotion means those sales activities that supplement both personal selling and advertisement and co-ordinate them and help to make them effective such as contest, discount, displays, shows demonstrations and other non-securing selling efforts, not in the ordinary routine.

Sales promotion is those marketing activities other than advertising, personal selling and publicity.

Scope and Role of sales promotion

Sales promotion can be defined as “a direct inducement that offers an extra value or incentive for the product to the sales force, distributors or the ultimate consumer with the primary objective of creating an immediate sale.

- 1) It involves some type of inducement that provides an extra incentive to buy and this is the key element in a promotional program. This incentive may be a coupon or money back, or price reduction etc. Sales promotion appeals more to the pocketbook and provides an incentive for purchasing a brand.
- 2) It is an acceleration tool designed to speed up the selling process and maximize sales volume.
- 3) Sales promotion activities can be targeted to different parties in the marketing channel may be consumer oriented or trade oriented sales promotion.
- 4) It can also provide an inducement to marketing intermediaries such as wholesalers and retailers.

Aggressive Selling (OR) Sales Promotion Tools – Types or Techniques or Methods or Strategies

1. Consumer Promotion Tools or Consumer Premiums or suction strategy

This strategy induces the consumers to buy more. Here the product pulls the consumers towards it. Hence it called pull or suction strategy. Types of consumer sales promotion are given below.

a. Direct Premium

It is a gift with a product. The gift may be kept inside or outside the package.

b. Self-Liquidating Premium

An extra product is offered at a low price along with the main product. Example. Plastic Bucket at a low price with surf washing powder.

c. Re-Usable Container

Container of the product can be used after using the product. The producer charges for the product but not for the container. eg. Horlicks Re-usable Jar.

d. Additional weight

Additional product is given without additional charges. Powder, Paste, Cool drinks follow this technique.

e. Multiple Packs

Similar or Related products are offered at a discount. Free soaps or paste and brush together at a discount. Example- Sakthi Masala Powder for Rs.50.

f. Trading stamps

Different gifts are offered for different quantities of product wrapper or bottle covers/cap. These wrapper or bottle covers are called trading stamps. E.g. Pepsi offered a cooling glass for 4 bottle covers and jeans pant for 8 covers.

g. Exchange Offer

Value of the old product is deducted from the new products price. Many electronic Goods and two wheelers follow this method.

h. Honey Refund Offer

Seller Refunds the price if the buyer is not satisfied with the product.

i. Coupon

Coupon offers discount (Price-off) or free sample or gift. Coupons are supplied through advertisement or package of the product.

j. Rebate

Consumer sends a copy of purchase bill to the manufacturer. Then the manufacturer sends a cash discount by mail. This discount is called Rebate.

k. Contest

Buyers fill up the quiz answers or advertisement slogan or product suggestions asked in the contest form and send it to the seller. Attractive prizes are awarded for the good answer.

l. Sweep stakes

Buyers send their name with a proof of purchase. Lucky names are selected on lottery basis and awarded prize.

m. Sample

A small quantity of the product is given free to the potential customers. This technique is used at the introduction and growth stage of the product.

2. Trade Promotion or Channel Oriented Promotion or Retailer or Wholesaler Oriented Promotion or Merchandising Allowances or Push Strategy

This induces the traders to buy more. The traders push the product towards the buyers. Hence it is called push strategy or pressure strategy. The types of trade promotions are given below.

i. Dealer Sales Contest

Retailer or wholesaler showing maximum sales in a particular area within a particular time wins the contest and gets the prize.

ii. Push Money or Premium

Money or Gift is paid to the traders to push the product. It is given on piece rate system.

iii. Buy-back allowance

Certain percentage of total purchases made during previous trade promotion is deducted from the new purchase bill. This avoids the sudden sales decline after the end of a trade promotion.

iv. Display Allowance

Producers pay allowance to retailers to display their products inside or outside the store.

v. Display Loaders

Retailers are given the displayed articles free of cost. If they buy the specified amount of Goods.

vi. Pop or PoS from Materials

Point of purchase materials like, posters, hanging, sign Board, stand and coolers with the brand name are given to the retailers to promote the sale.

vii. Store Demonstration

Producer's sales people demonstrate the product to the general public, from inside or outside the retailers shop. This technique is used to promote new and slow moving goods.

viii. Trade Fair Exhibitions

Many whole sale traders of related products gather at one place and put temporary Stalls to push their products. Manufacturer pays rent and other expenses of the stock. Eg. Home Needs Exhibition and Computer Fair.

ix. Sales Meeting

Producers conduct meetings for wholesalers and Retailers to discuss market problems, to announce new selling terms, new product introduction and to explain new promotion programme. This encourages Traders to sell more.

x. Co-operative advertising

In this method producer and retailer share the cost of advertising. In such ads. producers Brand name and retailer shop address appear.

3. Sales Force Promotion

This induces the companies sales force to sell more.

i. Bonus

Annual Bonus is paid to sales people if they exceed their annual sales target. It may be individual or group bonus.

ii. Premium

Premium is paid for special efforts such as, creating new customers, reducing sales expenses, collecting competitor's information.

iii. Contest

Sales man selling maximum goods in a particular area is awarded. The Area may be a district or a state or the whole nation.

iv. Meetings

Meetings are conducted for sales force to discuss the market problems, to announce new selling terms, new product introduction, new promotion programme, to train them and to award best sales man.

v. Supportive Materials

This supports the salesman while selling. Product sample, Photo, audio visual tools and sales manual with product details and selling terms are examples of supportive materials.

PLC And Sales Promotion

Product life cycle

1. Introduction stage

i. Consumer Promotion Tools

- a. Sample
- b. Money Refund Offer
- c. Direct Premium
- d. Coupon

ii. Trade Promotion Tools

- a. Display Allowance
- b. Pop Materials
- c. Store Demo
- d. Push Money

iii. Sales Force Promotion

- a. Meeting
- b. Supportive Materials

2. Growth/Maturity Stage

i. Consumer Promotion Tools

- a. Additional Weight
- b. Multiple packs
- c. Trading stamps
- d. Contest
- e. coupon

ii. Trade promotion Tools

- a. Display Allowance
- b. Display Loaders
- c. Sales contest
- d. Trade show
- e. Co-operative Advertising

iii. Sales Force promotion

- a. Contest – Bonus
- b. Premium – Meetings

3. Decline Stage

i. Consumer Promotion Tools

- a. Exchange offer
- b. Direct Premium
- c. Self Liquidatory
- d. Reusable Container
- f. Sweep container

ii. Trade Promotional Tools

- a. Display Allowance
- b. Pop Material

- c. Store Demo
- d. Push Money
- iii. Sales force Promotion
 - a. Bonus

Refer, Types of sales promotion tools

Objectives of Sales Promotion

Promotion for Demand Simulation

1. Induces Present Customers to buy more

Many products are sold through multiple pack, trading stamps, direct premium and self liquidating premium.

2. Attract Competitors, Customers

Competitors, Customers are induced to use our brand for a long period till they forget the competitor's brand. it is done through trading stamps and extended premium.

3. Introduce New Products

Sample, Free trials, demonstrations and exchange offers are used to introduce new products.

4. Clear old stocks

Out of fashion and slightly damaged goods are sold through heavy discount and additional product premium.

5. Sell during Non-Season

Discount, Additional Product premium, direct Premium, is used to sell during non seasons.

6. Use festival opportunities

People buy many items during Deepavali, New Year and Ramzan. Discount, Premium, Loan, Exchange offer and multiple product premiums are mostly used.

7. Face Competitors

When Competitors announce consumer offer we should also announce consumer offers to retain our present customers. Otherwise they will buy competitors brand.

8. Induce Traders to Sell More

Retailers and wholesalers are induced to sell more through push money offer, display loaders and sales contest.

9. Get Displays Base

Producers offer Pop materials, display allowance and contest to display their products attractively.

10. Support Traders

Producers conduct meetings, offer advertisement and trade show allowance, conduct sales demonstrations to encourage the traders.

11. Maintain Sales after Promotion

Buy back allowance is given to traders to avoid sudden sales decline, after a trade promotion.

12. Induce Sales People to sell more

Annual Bonus, Sales contest and sales meetings induce company sales force to sell more.

13. Supports Advertisement and Personal Selling

Advertisements with consumer promotion offer are noticed by many people. Similarly personal selling with free sample distribution, product demonstration makes selling more effective.

Benefits of Sales Promotion

I. Benefits to Producers

1. Induces Present Customers to buy more

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7. Face Competitors

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II. Benefits to Traders

1. Get Extra Incentive

In addition to regular commission traders get extra incentive through push-money offer display loaders and sales contest.

2. Get Display Materials and Allowance

Retailers get Pop materials like racks, Coolers, Name Boards and low cost from producers. They also get display allowance for displaying the products.

3. Support from Producers

Producers conduct meetings, offer advertisement and trade show allowances, conduct sales demonstrations to support the traders.

III. Benefits to sales People

i. Simplifies selling

Discounts and Premium help sales people to sell easily.

ii. Hard work Recognized

Hardworking Sales people get bonus, premium and contest award.

IV. Benefits to Consumers and Society

a. Educates Consumer

Sample, Trail and Demo use a chance to use the product and realise its benefits. So the consumers can buy useful products.

b. Reduces Price

Discount, Premium reduces the product price. So the consumers can buy more products at a lesser price.

c. Increases Standard of Living

Discounts and Loan Schemes, reduces the product price. Hence even lower and middle income people buy luxury products, and live comfortably.

d. Employment Opportunity

Sales Promotion increases sales and production. This creates job vacancies in marketing and production field and reduces unemployment problem.

Evaluating or Measuring the Effectiveness of Sales Promotion Programme (Campaign)

Effectiveness is measured through the following methods.

1. Sales Data Method

Sales Volume before, during and after the sales promotion campaign are measured. An increase in sales after closing the campaign indicates, new and competitors customers have started to buy our brand.

2. Consumer Panel Data

Consumer Panel is a group of consumers maintained by the market research agency to collect data regularly. From them Panel helps to collect data quickly with a low expense panel's opinion on promotion campaign reveals its positive and negative aspects.

3. Consumer Survey

When more information is needed from different types of people a survey is conducted. Survey reveals how many, remember, the campaign, bought the product, permanently switched over to our brand. Their opinion about campaign helps to improve the effect of next campaign.

4. Experiment Method

Two similar cities with similar sales volume are selected for experiment. Sales promotion offer is announced in one city. Sales difference between the two cities indicates the effectiveness of sales promotion campaign.

Difference between Advertising and Sales Promotion

	Criteria	Advertising	Sales Promotion
1.	Aim	To inform, to change the attitude, to remain, and to sell	To sell
2.	Response	Gradual	Immediate
3.	Sales after completion	Increase	May not Increase
4.	Frequency	More	Less
5.	Timing	Long Before Purchase	Just Before Purchase
6.	Size of the Organization	Mostly by large organizations than small organizations.	Done by small and large Organisation. Small Organisation prefers sales promotion than advertising.
7.	Brand Image	Increases	Decreases
8.	Measuring Effectiveness	Tough	Easy
9.	Control	By Advertising Agency and Media	By the Company and Distributors.
10.	Media	Newspaper, Magazine, Television, Radio etc.	Product, Retailers, salesman and Advertising medias are used.

Difference between Promotion and Sales Promotion

Promotion includes advertising, sales promotion, personal selling, publicity. So sales promotion is only a part of promotion.

Types of Promotion

1. Advertising

It means any paid form Non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

2. Sales Promotion

It means the marketing activities other than advertising, personal selling and publicity. It includes consumer promotion like, Coupon, Sample trade promotions like dealer sales contest, push money and also sales force promotion like, bonus, premium.

3. Personal Selling

It means oral presentation in a conversation with one or more prospective buyers for the purpose of making sales.

4. Publicity

It denotes information appearing about a company or a product through non-personal means like, newspaper, radio and T.V. at free of cost.

Types of Sales Promotion (To explain the following points refer types of sales promotion)

Consumer Promotion

1. Coupon
2. Sample

Trade Promotion

1. Dealer sales contest

2. Push Money

Sales force Promotion

Bonus, Premium

UNIT – V PERSONAL SELLING AND PROMOTION

- * Definition Process of Personal Selling.
- * Demand Creation by Personal Selling.
- * Improving the Effectiveness of Personal Selling.
- * Need for Sales Department
- * Difference Between Advertisement and Personal Selling
- * Difference Between Sales Promotion and Personal Selling
- * Measuring the effectiveness of the promotion Campaign
- * Demand creation by promotion
- * Communication Process in promotion
- * Formal and Informal Communication In Promotion
- * Difference between publicity and advertising

PERSONAL SELLING

Definition

According to Philip Kotler, Personal selling means oral presentation in a conversation with one or more prospective buyers for the purpose of making sale. The Buyer may be a household or a trader or a producer. Personal selling is also called oral advertising.

Personal Selling Process

1. Prospecting

A prospect means a possible buyer. Prospecting means searching for prospectus. Prospects are located through advertising enquiries and present customers or cold calls.

2. Price Approaching

It means understanding the needs, problems and personal characters of the prospects. This help to easily convince the prospect.

3. Approaching and Presenting

Salesman approaches the prospect. Tells the benefits of the product create an interest in the product by giving samples, showing pictures and demonstration.

4. Handling objections

Interested prospects raise objections. They ask questions about the product's price worthiness, durability, after sales service and superiority over competitor's product. Satisfactory reply to the se questions converts the prospect into a buyer.

5. Closing the sale

Here the buyer talks about terms of payment, duration of supply, mode of transport, quantity and models. Finally the buyer places order.

6. Follow up

Product is supplied as per the terms of order problems in using the product are solved. After sales service are done as per schedule.

Types of Sales man or Demand Creation By Personal Selling

1. Demand Creation By Creative Salesman

They create demand for new products or new market for an old product. They call on dealers, retailers, customers to educate, train and induce them to buy and promote the product. They sell aggressively. They Travel a lot and do door to door selling.

2. Demand Creation By Dealer Servicing Salesman

They Retain and Expand the present market. They call regularly the dealers and get large orders on every visit. They are not aggressive sales man.

3. Demand Creation by Detail Salesman

They do not contact consumers or retailers to sell their products. They contact that person who recommends their product final consumers. For example. Medical Representative contacts the doctors and book sellers contact teachers to induce them to recommend their product.

4. Demand Creation by Merchandising Salesman

Their main job is not order taking, but assisting and advising the dealers. They advice on display, advertising, credit policies and service facilities. They also assist wholesaler's salesman and solve the problems between the dealer and retailers.

5. Demand creation by Wholesaler's Salesman

Wholesaler's Salesman is appointed by the wholesalers to create demand among retailers. They sell many products of different producers. They regularly meet retailers to collect orders, supply goods, collect the dues and insist them to display their brands. They note consumers expectations and competitors action and inform these to the whole sellers and producers.

6. Demand Creation by Retailer's Indoor Sales Man

They work inside the shop and sell the goods to the consumers visiting the shop. They are order filling salesman. They maintain the products in the racks in an attractive manner. They know about the available products and its prices. They help the consumers to choose the products quickly.

7. Demand Creation By Retailer's Outdoor Salesman

He travels continuously. His main job is to convert a prospect into a customer. He is a creative salesman. He also visits regular customers.

8. Demand Creation By Stable Salesman

Low priced goods of daily use such as, stationary, and food items are called staple Goods. Staple Salesman sells staple goods. He works in a limited area. The Market is highly competitive and he has to sell more goods in a short period.

9. Demand Creation By Specialty Salesman

They sell expensive durable goods by like furniture, washing machines and automobiles. People buy such products after personal and careful examination. They ask many questions. So this salesman should have more knowledge and ability to convince people.

10. Demand Creation By Industrial Salesman

They sell raw materials, machines and office equipments business organizations. They must have technical knowledge. Their job is providing solutions to the business organizations through their products.

Methods to Improve Personal Selling Effectiveness

Personal selling can be made more effective by training the sales people. In sales training programme salesman are taught about the company its product, competitors, buyers, selling techniques and duties. The Buyers, producers and the salesman are benefited by this training programme. The content and its benefits are given below.

a. Knowledge about the Company

History of the firm, organization structure, key persons, its products, territories, market share, short and long term objectives and selling terms are explained to the salesman. Knowledge of selling terms helps the salesman to avoid misunderstanding with dealers and consumers.

b. Product knowledge

Preparation of raw materials used, manufacturing process, quality control methods, merits and limitations of the product, maintenance cost durability, warranty period and after sales services offered are taught. It helps the salesman to convince the prospects can also make quick and satisfactory decision about the purchase.

c. Knowledge about Competitors

History of the Competing Company, their territories, market share, selling terms, manufacturing process, merits and limits of their products and their customers are explained. This helps the salesman to capture the competitor's customers by highlighting the merits of their products and limits of competitor's product.

d. Knowledge about Customers

A prospect may be silent or talkative or disbelieving or nervous or friendly or rude or Argumentative. Each one needs a different sales approach. This has to be taught to the salesman. The customers feel comfortable, if the salesman adjust according to their nature. Thus it also benefits the customers.

e. Sales Techniques

Sales techniques include method of approaching a consumer, demonstrating the product, presenting the sales talk and handling objections. This helps the salesman to sell more in a short period. It develops a good relation between salesman and consumers.

f. Non-selling Duties

Salesman are also trained about journey planning, servicing the old customers, credit collection, data collection about consumers need and competitors actions, sending regular reports

on sales made and expenses incurred. This helps the company to control the salesman, take remedial actions against competitors and improve the product to satisfy to consumers need.

Need for Sales Department

Sales Department is needed to do the following functions.

1. Sales forecasting

Sales forecasting is made considering various factors influencing the sales such as demand, competition, market conditions, quality and price of the competitors and consumers psychology.

2. Formulating Sales Objectives

The main object is to increase sales by increasing the market share by using effective promotion measures.

3. Formulating Sales Plan

Under this sales area, sales quota, salesman's requirements, and necessary promotion materials are determined.

4. Deciding the selling Terms

Decisions relating to credit sale, dispatch schedule, payment terms, return of unsold goods, brokerage etc. are taken at this stage.

5. Preparing Sales Budget

Sales Budget supports marketing Budget. It becomes the duties of sales management to prepare the budget of sales department. Sales Manager presents the budget estimates of sales force management before the top management for approval.

6. Creating Sales Organisation

The sales manager creates the organization structure of his departments. For this purpose he distributes (sales) responsibilities to sales employees and prescribes the authority relationship between them. He then co-ordinates the activities of other departments.

When the Company sells one product line many locations the company would use territorial structure of sales organization. If the company sells many products it may need the product structure of sales organization.

7. Co-coordinating

Sales manager co-ordinates with other departments such as purchase, production, finance, transport, warehousing and personnel department. It also coordinates with customers, distributors, Government and general public to promote the business.

8. Satisfying the customers

Customers are satisfied by providing good products at reasonable price at the right time with all necessary information.

Difference between Advertisement and Personal selling (Salesmanship)

1. Meaning

a. Advertising

It is a paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.

b. Personal Selling

It is a oral presentation in a conversation with one or more prospective uyers for the purpose of making sale.

2. Aim

- Advertising – To inform, to remind or to change the attitude about the product.
- Personal selling – To sell the product.

3. Audience

- Mass Audience is approached at the same time through mass media like T.V., Radio, Newspaper.
- Individuals or a small group of audience are approached personally.

4. Approach

- Impersonal approach is used to communicate the ideas through mass medias.
- Salesman personally approaches the prospects to communicate the idea.

5. Differentiation

- Theme and Appear cannot be differentiated to match different persons.

- Theme and Appeal can be differentiated according to the individual needs.

6. Doubt Clarification

- Doubt of the audience cannot be clarified immediately while watching the advertisement.
- Doubts of the prospects are clarified immediately by the salesman during the conversation.

7. Control

- Advertisement copy preparation is controlled by the agency and release timing and positions by the media people.
- Sales Area, timing and methods of selling are fully controlled by the seller.

8. Cost per audience

- Cost of communicating to a single person is low due to mass coverage of audience.
- Cost of communicating to a single person is very high due to individual coverage. More time and many sales people are needed to contact the individuals one by one.

Differences and Relation between Sales Promotion and personal selling

1. Meaning

a. Sales Promotion

It means those marketing activities other than advertising, personal selling and publicity. It includes consumer promotions like coupon, sample and trade promotions such as dealer sales contest, push money, and also sales force promotion such as Bonus, Premium.

b. Personal Selling

It means oral presentation in a conversation with one or more prospective buyers for the purpose of making sale.

2. Nature

- It attracts the consumers towards the product.
- It pushes the product towards the consumers.

3. Incentive

- It gives incentives such as premium and discount to the buyers.
- Normally incentives are not given i.e. personal selling.

4. Essentiality

- It is not essential to sell. Many products are sold without any sales promotion methods.
- It is essential. Either Door to Door selling or retail selling are essential to sell the product.

5. Continuity

- It is not used continuously. It is used occasionally or rarely to increase the sales for a short time.
- It is used continuously.

6. Independence

- It cannot act independently. It needs advertising to inform the offer and personal selling to support it.
- It can act independently without the support of Advertisement and sales promotion.

7. Control

- It is not fully controlled by the seller. Because offer schemes are announced by advertisement media and handled by retailers.
- Sales people are fully controlled by the producer or Retailers.

Measuring the Effectiveness of Promotion Campaign

Introduction

Promotion Campaign includes advertising, sales promotion, personal selling and publicity campaign. The methods of measuring these campaigns are given below. The Effectiveness of the advertisement is measured after the release on a full scale. Here the ineffective advertisements are improved after the test. Different criteria are used to measure the effectiveness. The criteria may be recognition, recall, reliability, believability, product personality etc. These are explained below.

1. Recognition Test

How many have noticed the advertisement is tested here. The Reader (Respondent) goes through every page of the magazine or newspaper and points out all the advertisements noticed by him. If majority of the respondents has seen the test advertisement, then the advertisement is effective. This technique was introduced by “STARCH ORGANISATION”. So it is called starch test.

2. Recall Test

It is a memory test. How many people remember the advertisement is tested here. People Remember only effective advertisements creating good impression. The test advertisement is not shown during the survey. Aided and unaided recalls are of 2 types in recall test.

a) Aided Recall

In aided recall the brand names of all the advertisements appeared in the shown media are given to the readers. Respondents explain the advertisement message of remembering advertisements. If the majority remember the test advertisement, then it is effective. It is also called “Gallop Robinson Test”.

b) Unaided Recall

Here, the respondents are not given any clues like the brand name, or advertisement message. The Product name may be given if necessary. The Respondent has to tell all the advertisements he remembers in the show media. If he remembers the test advertisement, then it is effective. This technique is used to test news paper and T.V. Advertisements on the very next day, which is called D. A. R. Test. Day after Recall)

3. Readability Test

The Readers are asked many questions about the advertisement to know how deep the audiences have read the advertisement. If it is not read deeply by the majority, then the advertisement has to be made interesting.

4. Believability Test

How for the audience believe the promises made in the advertisement is tested here. If most of the promises are rated favorably by the audience the advertisement has believability. If not the copy is improved.

5. Product Personality Test

How the audiences have assumed about the personality type of the product user is tested here. Several questions like suitable age, income, education, status, and life style about the assumed product user are asked. The answers revealed the attitude towards the product. If it is understood wrongly then the advertisement is to be improved.

6. Brand or Theme Association Test or Theme Penetration Test (TAT)

Whether the audience could relate the advertisement theme to the brand name is tested here. If they cannot relate, then the advertisement copy is modified.

7. Hierarchy of Communication Effect

Many advertisements cannot create sale with one or two exposures. The Advertisement has to be exposed several times to create a sale. First, an advertisement creates brand awareness, then brand preference, next buying intention and finally purchase. This test measures at which level the majority of the audience remain. Repeated Advertisements also create brand loyalty.

8. Coupon Return Analysis

a. Open Coupon offer

The offer coupon can be easily seen in the advertisement. Number of coupons received indicates the advertisement

b. Hidden Offer Technique

Here the full advertisement is to be read to identify the offer coupon. Number of coupons received indicates the number of people read the full advertisement.

9. Sales Result Test

If the sales increase after the advertisement, the advertisement is effective.

Measuring the Effectiveness of Sales Promotion campaign :

Effectiveness is measured through the following methods.

1. Sales Data Method

Sales Volume before, during and after the sales promotion campaign are measured. An increase in sales after closing the campaign indicates, new and competitors customers have started to buy our brand.

2. Consumer Panel Data

Consumer Panel is a group of consumers maintained by the market research agency to collect data regularly. From them Panel helps to collect data quickly with a low expense panel's opinion on promotion campaign reveals its positive and negative aspects.

3. Consumer Survey

When more information is needed from different types of people a survey is conducted. Survey reveals how many, remember, the campaign, bought the product, permanently switched over to our brand. Their opinion about campaign helps to improve the effect of next campaign.

4. Experiment Method

Two similar cities with similar sales volume are selected for experiment. Sales promotion offer is announced in one city. Sales difference between the two cities indicates the effectiveness of sales promotion campaign.

Demand Creation by Promotion

Demand Creation

Means inducing new and competitor's customers to buy our product and existing and personal selling are major promotional tools used for demand creation.

I. Demand Creation By Advertising

(Primary Demand) Demand can be created by the following methods of advertising.

- Primary Demand Advertising
- Selective Demand Advertising
- Informative Advertisement
- Persuasive Advertisement.
- Reminder Advertisement.

II. Demand Creation By Sales Promotion

Demand can be created by the following methods of sales promotion.

- a. Sampling
- b. Coupon
- c. Rebate
- d. Price-off Promotion
- e. Premium offer.

III. Demand Creation by Personal Selling

Demand can be created by the following methods of personal selling.

- i. Demand creation by creative salesman.
- ii. Demand Creation by Dealer servicing salesman
- iii. Demand by merchandising Salesman
- iv. Demand by Detail Salesman
- v. by wholesaler's Salesman
- vi. by Retailers Indoor Salesman
- vii. by Retailers Outdoor Salesman
- viii. by industrial sales man.

COMMUNICATION PROCESS IN PROMOTION

There are 6 elements in communication process. They are source, Encoding, Channel, Receiver, Decoding, and Feedback. These are explained below.

Source

Source means the sender of the message. The Effect of the source depends on its attraction and believability.

a. Advertising

In advertising the company and the persons appearing in the advertisement tells the message. So they are the source.

b. Personal Selling

The Salesman sends the message so he is the source.

Encoding

Here the sender converts his ideas into words, symbols and movements.

a. Advertising

Encoding means converting the advertisement theme into advertisement copy method of encoding depends on media choice such as print, radio, or television.

b. Personal Selling

Encoding means salesman converting his ideas into sales talk. He uses words and movements based on the nature of the prospect.

Channel or Transmission

Channel means the media used to send the message. It is also called transmission stage. The impact of message depends on the media.

a. Advertising

Advertisement media includes newspaper, magazine, radio, television, posters, banners and direct mail. Media choice depends on the customer's media watching habit, product time and advertisement budget.

b. Personal Selling

Salesman uses product photo, video tape, overhead projector to explain different models of the product, parts of the product, product handling methods. These media are used in selling technical products.

Receiver

Receivers are the listeners of the message, receiver may be rich or poor, youth or old, men or women, angry or politeness. The Message should be suitable to the type of receiver.

a. Advertising

Receivers are advertisement watchers. They may watch the advertisement through news paper, magazine, radio, television, etc.

b. Personal selling

Receivers are the listeners of sales talk. Salesman can modify the message according to the type of receivers to make it more attractive.

Decoding

Decoding means understanding the message by the receiver. Sometimes the message may be misunderstood by the receivers.

a. Advertising

In Bajaj M80 Advertisement a milk man drives in a rough village road to show that it is a strong and safe vehicle. But some may misunderstand it as milk mans vehicle. This may spoil it's sales.

b. Personal Selling

The Salesman wears neat dress, uses English words and shows catalogues to create a good image. But the prospect may think the Salesman behaves likes this to cheat the public.

Feed Back

It means the response to the message. The Message should create the aimed response. If not the mistakes are to be corrected to create the response.

a. Advertising

Advertisement may aim to create buying intention or to inform product improvements or to inform product improvements or to remove wrong impression of the brand. If the advertisement fails to create the aimed response the mistake ma be in advertisement theme, appeal, media, timing or frequency. This mistake should be corrected.

b. Personal Selling

It may aim to create buying intention. This fails due to salesman's poor appearance or sales presentation. The Real mistake should be corrected.

Noise

Any disturbing element in the communication process is noise. It may be improper sponsor, encoding, channel, or decoding. Noise may also arise from other media or other channels or competitors promotion. It is difficult to control these elements.

FORMAL CHANNEL AND INFORMAL CHANNEL OF COMMUNICATION

1. Formal Channel

A formal channel is established intentionally. The communicator has a choice and control over the channels. Thus an advertiser has the formal channel to a target audience. It is also called a mass media or direct exposure channel.

Informal Channel

It is opposite to formal channel. An informal channel is not intentionally established and not under the control of communicator. It is also called word of mouth advertising or interpersonal channel or indirect exposure channel. although an advertiser has no direct control over informal channels, he can attempt to influence it in other ways.

Informal channel may be vertical or horizontal.

a. Vertical Channel

A vertical channel exists if there is meaningful difference in the interest, social status, demographic and economic characters of the communicating troops.

b. Horizontal Channel

If the Communication flows among members of the group with similar interest social status, demographic and economic characters. It is horizontal channel. It may be the social group, work group, professional group, neighbors group etc.

Difference between Advertising and Publicity

1. Nature

a. Advertising

It means any paid form of non-personal presentation and promotion of Ideas, goods and services by an identified sponsor.

b. Publicity

It means information appearing above a company or a product through non-personal means like newspaper, radio and television at free of cost.

2. Payment

- Advertiser pays the cost of Advertisement to the media.
- Company does not pay for the information appearing in the media.

3. Initiator

- It is initiated by the Company.
- It is initiated by the media.

4. Aim

- The Company aims to earn profit by increasing sales.
- The Media aims to provide information to its audience.

5. Believability (Credibility)

- People feel advertisements are given with a profit motive. So they may not believe advertisements, till they use the product.
- People feel publicity information are made by the media for social benefit. so they believe publicity information.

UNIT -VI Sales promotion Campaign

Introduction:

Sales promotion consists of marketing activities that add to the basic value of the product or service for a limited time and directly stimulate consumer purchasing. For example, coupons and product sampling stimulate the distributors to carry the product and/or promote the product or service (for example, trade deals), or stimulate the effort of the sales force (for example, contests, and meetings).

ESTABLISHING THE SALES-PROMOTION OBJECTIVES:

Sales-promotion objectives are derived from broader promotion objectives, which are derived from marketing objectives developed for the product.

The specific objectives set for sales promotion will vary with the type of target market.

For consumers, objectives include encouraging purchase of larger-size units, building trial among nonusers, and attracting switchers away from competitors brands.

For retailers, objectives include inducing retailers to carry new items and higher levels of inventory, encouraging off-season buying, encouraging stocking of related items, offsetting competitive promotions, building brand loyalty of retailers, and gaining entry into new retail outlets.

For the sales force, objectives include encouraging support of a new product or model, encouraging more prospecting and stimulating off-season sales.

Objectives of sales promotion.

Promotion for Demand Simulation

1. Induces Present Customers to buy more

Many products are sold through multiple pack, trading stamps, direct premium and self liquidating premium.

2. Attract Competitors, Customers

Competitors, Customers are induced to use our brand for a long period till they forget the competitor's brand. It is done through trading stamps and extended premium.

3. Introduce New Products

Sample, Free trials, demonstrations and exchange offers are used to introduce new products.

4. Clear old stocks

Out of fashion and slightly damaged goods are sold through heavy discount and additional product premium.

5. Sell during Non-Season

Discount, Additional Product premium, direct Premium, is used to sell during non seasons.

6. Use festival opportunities

People buy many items during Deepavali, New Year and Ramzan. Discount, Premium, Loan, Exchange offer and multiple product premiums are mostly used.

7. Face Competitors

When Competitors announce consumer offer we should also announce consumer offers to retain our present customers. Otherwise they will buy competitors brand.

8. Induce Traders To Sell More

Retailers and wholesalers are induced to sell more through push money offer, display loaders and sales contest.

9. Get Displays Base

Producers offer Pop materials, display allowance and contest to display their products attractively.

10. Support Traders

Producers conduct meetings, offer advertisement and trade show allowance, conduct sales demonstrations to encourage the traders.

11. Maintain Sales after Promotion

Buy back allowance is given to traders to avoid sudden sales decline, after a trade promotion.

12. Induce Sales People to sell more

Annual Bonus, Sales contest and sales meetings induces company sales force to sell more.

13. Supports Advertisement and Personal Selling

Advertisements with consumer promotion offer are noticed by many people. Similarly personal selling with free sample distribution, product demonstration makes selling more effective.

PUSH AND PULL STRATEGY

Push Strategy

It is generally used in industrial product marketing. Industrial products have high unit value. It is aimed at the middleman with a high trade commission. This strategy induces traders to push the product. This strategy can be used when consumers believe the advice of retailers for purchase. In this strategy personal selling and trade promotion offers are used instead of advertising.

Trade Promotion or Channel Oriented Promotion or Retailer or Wholesaler Oriented Promotion or Merchandising Allowances or Push Strategy

This induces the traders to buy more. The traders push the product towards the buyers. Hence it is called push strategy or pressure strategy. The types of trade promotions are given below.

Trade Promotion Strategies

- a. Dealer Sales Contest
- b. Push Money
- c. Buy back allowance

i. Dealer Sales Contest

Retailer or wholesaler showing maximum sales in a particular area within a particular time wins the contest and gets the prize.

ii. Push Money or Premium

Money or Gift is paid to the traders to push the product. It is given on piece rate system.

iii. Buy-back allowance

Certain percentage of total purchases made during previous trade promotion is deducted from the new purchase bill. This avoids the sudden sales decline after the end of a trade promotion.

iv. Display Allowance

Producers pay allowance to retailers to display their products inside or outside the store.

v. Display Loaders

Retailers are given the displayed articles free of cost. If they buy the specified amount of Goods.

vi. Pop or PoS from Materials

Point of purchase materials like, posters, hanging, sign Board, stand and coolers with the brand name are given to the retailers to promote the sale.

vii. Store Demonstration

Producer's sales people demonstrate the product to the general public, from inside or outside the retailers shop. This technique is used to promote new and slow moving goods.

viii. Trade Fair Exhibitions

Many whole sale traders of related products gather at one place and put temporary Stalls to push their products. Manufacturer pays rent and other expenses of the stock. Eg. Home Needs Exhibition and Computer Fair.

ix. Sales Meeting

Producers conduct meetings for wholesalers and Retailers to discuss market problems, to announce new selling terms, new product introduction and to explain new promotion programme. This encourages Traders to sell more.

x. Co-operative advertising

In this method producer and retailer share the cost of advertising. In such ads. producers Brand name and retailer shop address appear.

Sales Force Promotion strategies:

This induces the companies sales force to sell more.

Sales force Promotion Strategies

- a. Bonus
- b. Premium
- c. Contest

i. Bonus

Annual Bonus is paid to sales people if they exceed their annual sales target. It may be individual or group bonus.

ii. Premium

Premium is paid for special efforts such as, creating new customers, reducing sales expenses, collecting competitor's information.

iii. Contest

Sales man selling maximum goods in a particular area is awarded. The Area may be a district or a state or the whole nation.

iv. Meetings

Meetings are conducted for sales force to discuss the market problems, to announce new selling terms, new product introduction, new promotion programme, to train them and to award best sales man.

v. Supportive Materials

This supports the salesman while selling. Product sample, Photo, audio visual tools and sales manual with product details and selling terms are examples of supportive materials.

Pull Strategy

This is mass communication directed towards the consumers. Here the advertising and consumer sales promotion are used. Here the induced consumers demand the product from the retailers. Then the Retailers demand from wholesalers. Then the Retailers demand from whole sellers. Then the Retailers demand from whole sellers. Then the wholesalers demand from the manufacturers. Thus the product is pulled step by step starting from the consumers. This strategy is mostly used fast moving consumer goods with a low unit value. Pull strategy reduces distributors commission, salesman salary and also creates goodwill for the company. Some examples are given below.

Consumer Promotion Strategies

Consumer Promotion Tools or Consumer Premiums or suction strategy

This strategy induces the consumers to buy more. Here the product pulls the consumers towards it. Hence it called pull or suction strategy. Types of consumer sales promotion are given below.

a. Direct Premium

It is a gift with a product. The gift may be kept inside or outside the package.

b. Self-Liquidating Premium

An extra product is offered at a low price along with the main product. Example. Plastic Bucket at a low price with surf washing powder.

c. Re-Usable Container

Container of the product can be used after using the product. The producer charges for the product but not for the container. e.g. Horlicks Re-usable Jar.

d. Additional weight

Additional product is given without additional charges. Powder, Paste, Cool drinks follow this technique.

e. Multiple Packs

Similar or Related products are offered at a discount. Free soaps or paste and brush together at a discount. Example- Sakthi Masala Powder for Rs.50.

f. Trading stamps

Different gifts are offered for different quantities of product wrapper or bottle covers/cap. These wrapper or bottle covers are called trading stamps. E.g. Pepsi offered a cooling glass for 4 bottle covers and jeans pant for 8 covers.

g. Exchange Offer

Value of the old product is deducted from the new products price. Many electronic Goods and two wheelers follow this method.

h. Honey Refund Offer

Seller Refunds the price if the buyer is not satisfied with the product.

i. Coupon

Coupon offers discount (Price-off) or free sample or gift. Coupons are supplied through advertisement or package of the product.

j. Rebate

Consumer sends a copy of purchase bill to the manufacturer. Then the manufacturer sends a cash discount by mail. This discount is called Rebate.

k. Contest

Buyers fill up the quiz answers or advertisement slogan or product suggestions asked in the contest form and send it to the seller. Attractive prizes are awarded for the good answer.

l. Sweep stakes

Buyers send their name with a proof of purchase. Lucky names are selected on lottery basis and awarded prize.

m. Sample

A small quantity of the product is given free to the potential customers. This technique is used at the introduction and growth stage of the product.

2. Advertising Strategies

Informative Advertisement.

Persuasive Advertisement

Reminder Advertisement

Conclusion

Most of the companies use both strategies in different proportions. Push strategy is used in the introduction and decline stage. Pull strategy is used in growth and maturity stage.

Integrated Promotion

This includes the more traditional marketing elements of trade promotions, consumer promotions and personal selling. When marketing managers carefully design all of the steps taken up to this point, the firm is in a better position to integrate consumer and trade promotion in conjunction with personal selling tactics. Messages presented in the advertisement campaign can be reinforced in the trade and consumer promotions. Trade promotion includes contests, incentives, vendor support programs and other fees and discounts that help the retailer to promote the product. Consumer promotions are directly oriented to end users and include coupons, contests, premiums, refunds free samples. The goal is to fully integrate all communications so that advertising messages are repeated and reinforced by sales staff.

IMC is the coordination and integration of all marketing communication folds, and sources with in a company into a seamless program that maximizes the impact of consumers and other end users at a minimal cost. The top level of IMC program includes all of the integration tools needed to make sure all customers are effectively being served. All of the IMC tasks are included in managing a small business; however the emphasis changes due to special challenges such as limited funds for promotions.

Promotional Strategies

The sales promotion strategy is an important element in the overall marketing strategy. It involves, Communication, Objectives and tasks, media, budgets, promotional mix, strategic approach, evaluation and control.

(a) Communication:

Sales promotion should attract the attention of target audience. Different audiences perceive the same message in different ways and interpret it differently. The communication process has five elements namely encoding, message channel, decoding and receiver. The source delivers the message in different ways and an expression or word may convey different meaning in different part of the country. An action oriented model (CAIDA) is employed to create interest

among the existing buyers and potential buyers because it aroused attention, holds interest, arouse desire and obtain action. The Communication process varies in accordance with each adoption stage.

Sales Promotion Media:

Sales promotion may involve different methods of approaching people. Strategic variables are taken into account while deciding a particular method of sales promotion. Consumer promotion has been considered a very effective mode of sales promotion. The point of purchase display, show room display, in store display makes it easy for buyers to familiarize themselves with the different features of the product. Trade promotions through buying allowances, free goods, merchandise allowances the help to enhance sales by retailer and traders. Sales force promotion has motivated the sales person to enhance then sales quota and get the benefits of bonus on additional sales. Special premiums have attraction for the people.

Budgets:

It is very essential to determine sales promotion budgets before resorting to sales promotion activities. The resources and sales potentials are estimated before the formulation of budgets. Sales promotion budgets should be adequate so that they might achieve promotion objectives. Some marketing managers use arbitrary methods based on trial and error eg. Percentage of sales technique is used to determine the sales promotion budget. A formula is framed to fix the budget level, which is generally 0.5% of the sales. This may increase to 1% in a competitive atmosphere. Setting tentative marketing communications and allocate tentative budget to achieve sales promotion objectives.

Promotional Mix:

The term promotional mix refers to the combination, types and amount of promotion used by the marketing manager. This can be accompanied by publicity advertising a personal selling or coordination may be more effective than an individual approach to promotion. This promotional mix depends upon on the notion that promotion elements are interchangeable and some promotion mixes are more suitable for the attainment of certain objectives. The promotional mix is a variable in the marketing strategy. It should be clearly decided row for a particular element should be used in combination with other promotional methods.

Strategic Approach:

The kind of promotional mix employed determines the promotional strategy.

1. Push and Pull strategy

The push and pull promotional strategies may be used to enhance sales. The push strategy (consumer promotion) concentrates on middlemen or retailer who push the sale of their product to the final consumers. The pull strategy (trade promotion) is directed towards the final buyers and it persuades the buyers to go to the sellers to buy. The marketing manager has to adopt both these strategies to promote sales.

2. Sustaining Promotional Strategy

Sales promotion may require a sustaining of the markets. At a laggard stage, the markets may shrink. But this strategy is adopted only after the penetration strategy. To sustain promotional strategy, steps and taken to present the sales force from going across to the competitors. Brand loyalty of customers is fostered and reinforced. An appropriate promotional mix may contain the market.

3. Developmental Promotional Strategy

The introduction of new products may require expansion of the market. Innovators need to have a developmental strategy. The new consumers are given several after sales services. Consumer franchise building is done with developmental promotional strategy. The promotional mix for a brand with insignificant marketing penetration may require emphasis on both personal selling and sales promotion.

4. Promotional Appropriation

Promotional objectives determine promotional appropriations. The forms of promotion, the costs of each component of promotion, the activities to be performed and appropriations on personal selling, Sales promotion, advertising and publicity are determined under this strategic approach.

Product attributes, brand differentiation, purchase frequency, the nature of the market, the size of the market and its location, the nature of prospective buyers, purchase frequency

distribution and price strategies are evaluated before the formulation of an appropriate sales promotion strategy.

Evaluation and control of sales promotional strategy

It should be evaluated at the stages of implementation and 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. Consumer experiments show how for the sales promotion techniques have been effective in increasing sales through motivating. Consumers and sellers and point the way to improvements in sales promotion.

Design of Sales Promotion Campaign

There are a number of internal and external factors that influence sales promotion design. These factors include (1) place of sales promotion in marketing strategy (2) allocation of budget (3) present and expected competitive moves and (4) significant external macro-environmental factors. The starting point in developing the promotional design is to specify the sales promotion objectives. The range of sales promotion objectives is fairly large because the target groups involved can be consumers, trade and sales force. Once the objectives are set, there are six decision areas concerning the promotion design that must be taken up one after the other, in a sequential manner.

Promotion choice

There are three types of promotions that can be used, singly, or in combination

- Consumer promotion
- Trade promotion, and
- Sales force promotion

There are two major approaches for consumer and trade promotions

- Same for less, and
- More for the same

The types of promotions for consumers and the trade can be usefully put under the headings, 'immediate value offer in delayed value offer' and 'price-cut vs. extra value offer'

Immediate Value Offer vs. Delayed Value Offer

In case of sales promotions that offer immediate value to consumers or the re-seller, the incentive is offered right at the time of purchase, such as a discount, extra goods, or a premium. For example, there is significant brand switching in toiletries, laundry products, soft drinks and cooking oils, etc.

Delayed value offer produce a weaker response compared to immediate value offers because the reward for behaviour is not at the time of purchase. These promotions are often used to reinforce and reward the loyalty of regular users of the product.

Price – cut vs. Extra Value Offer

One important feature of sales promotion is that there is an incentive associated with purchase of the product or service. The manufacturer or the retailer may offer 'same for less' in the form of a price discount on the promoted product. On the other hand, there could be an offer of extra value, which would be 'more for the same'. For example, a special bonus-pack that contains more quantity of the same product without any increase in the price, or a premium offered free with the purchased product. This extra value offered is independent of the promoted product and has more value to the customer than the cost to the marketer. For brands having smaller market share, large price cuts are required to make the offer appear attractive to customers.

In case of low-involvement products, major portion of the sales promotion budget is allocated to rewarding the consumers at the time of purchase by cutting the price or offering extra quantity of the product (immediate value offer).

Product Choice

This step focuses on choosing the products for sales promotion, their pack sizes, or models and different variations of the product, etc. For example, Hindustan Lever Ltd markets many brands of toilet soaps and detergents; VIP bags are available in different sizes, quality and price range. Sales promotion planners have to decide whether to run promotions on the entire

product-line, or only selected items in the line? Should the promotion be run on higher priced or lower-priced products, the products that contribute more to sales or those that contribute less? In case of consumer non-durable products, would it be advantageous to come out with special promotion packs, or the promotions should be regular packs? Answers to these questions are likely to be significantly influenced by considering consumer and trade behaviour, competitive situation and coordination with advertising and personal selling.

Some brands enjoy high awareness and loyalty. In promoting such strong brands, it is preferable to offer price discount to traders as they are more likely to pass through part of the benefit to consumers. If price cuts are offered in the form of coupons to consumers, it is advantageous to mail coupons to non-users rather than existing users.

Brands, which are weak, do not have many options. Promotions requiring trade 'push' are generally not available for such brands. It is a good idea to go for in promotion with a strong brand that can attract greater consumer and trade attention. Sales force is also unlikely to pay much attention to weak brands unless they are offered some incentive sales force promotion.

Choice of Market Areas

Promotion planners have the option to select national or regional markets. When promotion programmes are developed for regional markets, they provide some degree of protection from competitive moves. However, developing different regional promotional deals can complicate sales forecasting, production scheduling and physical distribution. This may also lead to cost escalation. In case of strong high involvement category brands, such as computers or entertainment electronics, etc, promotion managers should observe caution about deal variations in different regions on nationally distributed brands.

Promotion Timing, Duration and Frequency

When product or brand inventories are less than normal in trade channels, the objective of the promotion would be to build inventories but when inventories with unders are high, then the objective would be to clear the inventories. If the product use were linked to weather conditions (such as creams and lotions used during winters to protect the skin from dryness, or woollens, etc.), then this factor would affect consumer demand and the timing of promotion.

Ideally some manufacturers plan their promotions when annual marketing plans are developed. Sometimes marketers face compulsions to announce sales promotion in an emergency as a result of unexpected slow sales. As promotions grow complexity and creativity with producers desiring more support from trade, trade cooperation in planning has become more important.

How long should a particular sales promotion last? There are no precise answers to this. The duration of consumer promotion should be such that a larger percentage of customers get exposed to the promotion offer. Low-involvement products are usually purchased more frequently and hence the duration of the deal for this category can be shorter.

In case of high-involvement category products, to induce a sense of urgency, the duration of the offer can be short. To attract the second wave of customers, it may prove to be advantageous to announce the extension of the deal period. If the brand is weak, then the deal period is usually longer.

Frequency of promotion depends on the competitive situation, deal sensitivity of customers, the interest of the trade and the complexity of the promotion offer. However, if the high-involvement purchases relate to think category such as real estate, then promotions are unlikely to have any impact on price quality relationship.

Rate of Discount, Terms and Conditions

Except for some interest promotions, such as contests and sweepstakes or free samples, where no purchase is involved, marketers offer either a straight price-cut or extra value ('same for less' or 'more for the same' planners have to ascertain and answer this question.

If the proportion of goods, which is sold through trade at list price, were low, then resellers would want a deeper discount to 'push' the product.

Except in the event of a clearance sale, the rate of discount of expensive, high-involvement products generally should not be as high as on low-involvement products. A smaller discount figure on high priced products would translate into a high monetary figure and would appear significant enough to attract customer attention and is likely to influence purchase behaviour. In case of low priced products, a higher percentage figure can be associated with the

purchase of multiple units of the product (for example, detergent bars and ready so wear garments), which looks attractive but in real monetary terms would be low. Generally, the price elasticity of low priced products is high because consumers do not mind swishing to another brand. Customers can also stock more units of low priced and low bulk products in response to a promotion offer. To achieve large short-term sales, managers responsible for low priced products consider higher discounts.

On items of high inventory risk, deeper discount attracts re-sellers. Strong brands, in general, do not involve any inventory risk, serve as traffic bounders and would no require higher discounts.

In case of trade promotion, the producer man specifies the minimum purchase value or the quantity of product to avail the benefit of promotion. Payment terms may be specified, or the terms may be related to display arrangement and as timing. Consumer promotion may require coupon expiry date, or rebate claim date. Contests and sweepstakes would require spelling out the conditions of participation, etc. Depending on the specific type and technique of promotion, market conditions and consumer response pattern. There would be different terms and conditions associated with sales promotion.

Protection from Competition

Sales promotions, in general, are easily imitated by competitors and legally there is nothing that any manufactures can do about such moves. The very purpose of gaining short-term competitive advantage is lost to the manufacturer. For example, in a certain price range of toilet soaps, if a marketer announces ‘one cake of soap free with three cakes purchased’ and other competitors announce the same or some similar deals on their brands, then the advantage is likely to be lost. Another way is to join hands with other well-known non-competing firms and develop an exclusive joint promotion (tie-in promotion) that cannot be imitated in a hurry. For example, Ariel and Vimal Suiting developed a joint promotion. With a free sample of Ariel detergent a coupon was distributor which entitled the customer to a discount of 15% on Vimal fabrics within a specified period. A & M magazine announced an offer on subscription. Those customers who would subscribe for one, two or three years would be entitled for a specified gift and also would participate in a draw. The participants had a chance of winning a Hands City car, 450 lit refrigerator, air-conditioner and washing machine from Videocon; LML Vespa scooter, colour television; holiday package from Club Mahindra, etc. These two examples show that joining hands with two or more non-competing companies cannot be copied in a hurry.

Outsourcing sales promotion:

Over 80 percent of internet traffic comes solely from search engines. Effective web promotion through search engine puts your website in front of your most qualified customers. Results continue to show internet search engines and directories to be the most popular and cost-effective way to increase online visibility with your potential customers.

Top ways websites are discovered

Banner ads	1%
Targeted email	1.2%
TV spots	1.4%
“By accident”	2.1%
Magazine ads	4.4%
Word-of-mouth	20%
Random Surfing	20%
Search Engines	46%

With out top rankings in major search engines for words and phrases related to your products and services, you are missing the bulk of your potential customers.

It is widely felt that any ranking outside of the top 20 is virtually worthless, and anything outside the top 50 completely useless.

If you're listed but not within the first two or three pages of results, you lose, no matter how many engines you submitted your site to.

Weblinedia's search engine optimization and web promotion services are designed to help you uncover your websites' most valuable content and find new customers through cutting-edge research and analysis.

Web Promotion

- Web page tune up
- Search engine Submission

Example of outsourcing sales promotion

Outsourcing your IT projects will save more than 50% on your project cost. Why outsource your IT projects?

- Allows you to concentrate on your core business
- Reduce operating cost and reduce project overheads
- Savings on skilled manpower, IT infrastructure and technology
- Availability of skilled professionals and infrastructure as per your projects
- Completion of project in time and within budget
- More than 50% saving on project cost.

Benefits of Outsourcing in India

- Large pool of computer literate and English speaking professionals
- Well recognized Information technology skills
- Wide gap between personnel costs in India and developed countries
- Combination skill sets easily available (For example computer and legal or commercial skills)
- Government supportive of such activities
- Excellent training infrastructure
- Excellent Telecom infrastructure in major cities

Weblinedia Advantages

- Experience professionals having various skill sets
- Experience of 200 plus projects
- Competitive price at no compromise approach
- Ability to quickly understand your needs
- Flexible project cost options – Fixed price OR hourly price
- Completion of project within given time frame and budget
- Experience of communicating and working with global clients
- Transparent approach and long term relationship

Online sales promotion

Activities, materials, devices, and techniques used to supplement the advertising and marketing efforts and help coordinate the advertising with the personal selling effort through internet, email, instant messaging etc. Sweepstakes are among the best-known sales promotion tools, but other examples include special displays, coupons, promotional discounts, and gift offers. Casually, combined activities employed to sell a product or service through online.

Example – Internet Marketing

Internet marketing is the use of the Internet to advertise and sell goods and services. Internet Marketing methods include search engine marketing (both search engine optimization and pay per click advertising), banner advertising, e-mail marketing affiliate marketing interactive advertising, and email advertising.

Internet marketing is a component of electronic commerce. Internet marketing can sometimes include information management, public relations, customer service, and sales. Electronic commerce and internet marketing have become popular as internet access is becoming more widely available and used. Well over one third of consumers who have internet access in their homes report using the internet to make purchases (Devang, 2007)

Business models

Internet marketing is associated with several business models. The main models include business-to-business (B2B) and business-to-consumer (B2C). B2B consists of companies doing business with each other, whereas B2C involves selling directly to the end consumer. When Internet marketing first began, the B2C model was first to emerge. B2B transactions were more complex and came about later. A third, less common business model is peer-to-peer (P2P), where individuals exchange goods between themselves. An example of P2P is Kazaa, which is built upon individuals sharing files.

Internet marketing can also be seen in various formats. One version is name your-price (e.g. Price line.com). With this format, customers are able to state what price range they wish to spend and then select from items at that price range. With lowest prices on items. A final format is online auctions (e.g. Ebay.com) where buyers bid on listed items.

It should be noted, however, as described above, under history, that current use of the term internet marketing commonly refers to the use of direct response marketing strategies, that were traditionally used in direct mail, radio, and TV infomercials, applied to the internet business space. When professionals and entrepreneurs commonly refer to ‘internet marketing’ it is this model that they are often referring to.The theory was that broadcaster would begin transmitting digital signal in this new band and then the analog signal would be discontinued when consumer penetration of the new technology was deemed sufficient.

Benefits: Some of the benefits associated with Internet marketing include the availability of information. Consumers can log onto the Internet and learn about products, as well as purchase them, at any hour. Companies that use Internet marketing can also save money because of a reduced need for a sales force. Overall, Internet marketing can help expand from a local market to both national and small players. Unlike traditional marketing media (like print, radio and TV), entry into the realm of Internet marketing can be a lot less expensive.

Furthermore, since exposure, response and overall efficiency of digital media is much easier to track than that of traditional “offline” media, Internet marketing offers a greater sense of accountability for advertisers.

Compared to the other media marketing (like print, radio and TV), Internet marketing is growing very fast. It’s also gaining popularity among small business and even consumers when trying to monetize their website. The measurability of the internet as a media makes it easier to experience innovative e-marketing tactics that will prove a better Cost of Acquisition than other media. However, in most developed countries, internet marketing and advertising spending is around 5% only, while TV, radio, and the print are more.

Limitations: Limitations of Internet marketing create problems for both companies and consumers. Slow Internet connections can cause difficulties. If companies build overly large or complicated web pages, Internet users may struggle to download the information. Internet marketing does not allow shoppers to touch, smell, and taste or try on tangible goods before making an online purchase. Some e-commerce vendors have implemented liberal return policies to reassure customers. Germany for example introduced a law in 2000 (Fernabsatzgesetz – later incorporated into the BB), that allows any buyer of a new product over the internet to return the product on a no-questions-asked basis and get a full return. This is one of the main reasons why in Germany internet shopping became so popular. Another limiting factor, particularly with respect to actual buying and selling, is the adequate development (or lack thereof) of electronic payment methods like e-checks, credit cards, etc.

Security concerns in online sales promotion: For both companies and consumers that particular in online business, security concerns are very important. Many consumers are hesitant to buy items over the Internet because they do not trust that their personal information will remain private. Recently, some companies that do business online have been caught giving away or selling information about their customers. Several of these companies have guarantees on their websites; claiming customer information will be private. By selling customer information, these companies are breaking their own, publicized policy. Some companies that buy customer information offer the option for individuals to have their information removed from the database (known as opting out).

However, many customers are unaware that their information is being shared and are unable to stop the transfer of their information between companies.

Security concerns are of great importance and online companies have been working hard to create solutions. Encryption is one of the main methods for dealing with privacy and security concerns on the Internet. Encryption is defined as the conversion of data into a form called a cipher. This cipher cannot be easily intercepted unless an individual is authorized by the program or company that completed the encryption. In general, the stronger the cipher, the better protected the data is. However, the stronger the cipher, the more expensive encryption becomes.

Effects on industries: Internet marketing has had a large impact on several industries including music, banking, and flea markets – not to mention the advertising industry itself.

In the music industry, many consumers have begun buying and downloading MP3s over the Internet instead of simply buying CDs. The debate over the legality of duplicating MP3s has become a major concern for those in the music industry.

Internet marketing has also affected the banking industry. More and more banks are offering the ability to perform banking tasks online. Online banking is believed to appeal to customers because it is more convenient than visiting bank branches. Currently, over 50 million U.S. adults now bank online. Online banking is now the faster-growing Internet activity. The increasing speed of Internet connections is the main reason for the fast-growth. Of those individuals who use the Internet, 44% now perform banking activities over the Internet.

As Internet auctions have gained popularity, flea markets are struggling. Unique items that could previously be found at flea markets are being sold on Ebay.com instead. Ebay.com has also affected the prices in the industry. Buyers and sellers are putting their items up for sale online and running their business out of their homes.

The effect on the Ad industry itself has been profound. In just a few years, online advertising has grown to be worth tens of billions of dollars annually. As Advertisers increase and shift more of their budgets online, it is now overtaking radio in terms of market share.

ORGANISING SALES PROMOTION CAMPAIGNS

Though almost all companies resort to sales promotion techniques, only some of them go about the job in a planned way. Others mostly view sales promotion as a weapon that can be taken out just like that and used in an emergent situation. Sales promotion yields the intended results only when it meets certain basic requirements that are discussed below.

Identifying the Basic Requirements

The first step is to identify the specific requirement of the firm in resorting to sales promotion. Earlier in this chapter, we identified the broad contexts in which sales promotion techniques can be employed. The firm finds out its need: Is it to enhance the dealer's off-take of the product? Is it to bring in substantial extra sale immediately? Is it to offload accumulated stocks? Is it to regain losing consumer interest in the product? Is it to enlist some support for the advertising effort that is already on?

Identifying the Right Promotional Programme

The next step is to identify the apt programme. Earlier, we discussed the type of different tools available for sales promotion. The firm has to select the programme suitable to the current need and the current situation. Should it go in for product demonstration? Or free samples of the product? Or should it go in for a large scale consumer contest? The choice of the programme will be primarily decided by the resources available to the firm. A big consumer contest cannot be organized and implemented unless the firm can command substantial resources and organizing capacity. It should have the capability to ensure that it gets back more than what it incurs on the sales promotion programme.

Enlisting the Support and Involvement of Salesmen

Often, sales promotion programmes are conceived and planned at the head office of the firm and implemented in a hurry without enlisting the cooperation and involvement of the field sales people. For campaigns to succeed, it is essential that salesmen are: (i) briefed on the context and content of the programme, (ii) informed of their roles in the

conduct of the programme, and (iii) given detailed information/working guides, explaining what they are expected to do at different stages of the campaign.

Enlisting the Support of Dealers

It is also essential to enlist the support of dealers in any large scale sales promotion venture. This is because a major part of the activity has to take place around the dealer shop, and if the dealer is not motivated to support the campaign, the campaign may flop. The POP materials on the campaign and the product under campaign will get required prominence only if the dealer so desires. While organizing consumer contests several companies incorporate a dealer prize whereby the dealer who submits the winning entry is given a percentage of the prize money.

Enlisting the Agency's Support

The ad agency's support is also essential for successful working of sales promoter campaigns. Carrying out a sales promotion campaign is as challenging as conducting an advertising campaign. In fact for an ad campaign, quite often the results do not lead to immediate measurement. In a sales promotion campaign, the results are readily available to be measured. So companies while committing heavy funds for sale promotion make it a point to ensure that they derive maximum benefit from the experience and expertise of their ad agency.

Launching and Follow Up of Campaigns

Sometimes the sales promotion campaigns are launched with great publicity and fanfare. But subsequently the tempo of the programme is allowed to die out. It is essential that the initial tempo built around the programme is maintained during the entire period of the campaign, through advertising and POPs. Some companies even make announcements of prizes won from weekly draws! The 'Thrill' contests use hoardings to declare winners each week. Such creative handling of the contest ensures that excitement is generated and maintained around the contest throughout the contest period. The campaign tempo can also be kept up by suitably instilling a spirit of competition into salesmen and dealers.

Timing of the Campaign

Timing of the campaign is another factor that decides its success. The sales needs of the company are of course the prime factor that decides the timing. But the firm also has considered factors like seasonality of purchase of the product, climate conditions, festival seasons, etc., in timing the campaign.

Coordination with Other Elements of Promotion

Sales promotion programmes yield the best results when they are well coordinated with other elements of Promotion — Advertising, Personal selling and Publicity. Sales promotion programmes cannot run independent of these major promotion variables when used in combination with promotion variables, sales promotion programmes stand a better chance of meeting their aims.

Sales Promotion, the internet, and New Media Sales promotion has entered the era of new media as well. Marketers are expanding their use of sales promotion techniques in the consumer, trade, and business markets by using the Internet and other net media options. In a recent survey, 49 percent of advertisers said they used Internet—based promotions. There are two parts to the issue of sales promotion in new media applications. First, there is the use by Internet and new media companies of sales promotion techniques. Second, there is the use of the Internet and new media to implement various sales promotion techniques.

The Use of Sales Promotion by internet and New Media Organizations. The new titans of technology—AOL, Earth Link, Linux—have discovered a new way to generate revenue fast: They give their products away. More specifically, they have discovered the power of sales promotion in the form of distributing free samples. These fast—growing, highly successful companies have discovered an alternative to advertising—sales promotion.

Of course, giving away free samples, as we have seen, is not a new sales promotion technique. But giving away intellectual property, such as software, is new and America Online is the king of giveaways. With each new release AOL blankets the United States with diskettes and CD—ROMs offering consumers a free trial of its Internet services. No distribution channel is left untapped in trying to reach consumers with the free diskettes. They have been stashed in boxes of Rice Chex cereal, in United Airlines in-flight meals, and in packages of Omaha Steaks—not to mention inside the plastic sack along with your local Sunday paper that the neighborhood kid delivers. -.

What makes sampling so attractive for AOL is that it helps take all the risk away from consumer trial. Consumers with computers can give AOL a try without investing a penny or making a long—term commitment to a piece of software. If they like what they see, they can sign up for a longer period of time. The technology companies have embraced the concept and accepted the main abilities of sampling— cost and time.

But sampling is not the only sales promotion tool discovered by the dotcoms. In their desire to create “sticky” Web sites, Internet firms have relied heavily on incentives as a way to attract and retain Web surfers. Many of them are offering loyalty programs, and others have devised offers to make members out of visitors. In an attempt to make the incentive programs more interesting, many of the Web companies allow participants to review their standings in contests and then take a virtual tour of prizes—including the classic grand prize, an exotic travel destination.³⁶

These technology companies have discovered that sales promotion can be a valuable component of the overall promotional program—and that the potential impact of sales promotion is quite different from advertising. Internet and new media companies have invested heavily in advertising as a way to develop brand recognition. Now they have discovered sales promotion as a way to help drive revenues.

It is interesting to see Internet and new media companies rely on traditional sales promotions. But it is also interesting to see how companies of all types are learning to use the Internet and new media to implement sales promotion techniques. In a survey of firms using various promotional techniques, over half responded that the Internet and new media were having a large impact on their promotional planning.

There are a variety of ways in which the Internet is being used to implement sales promotions.

First, companies like Sweeps Advantage (www.sensadyatittrc.com) are emerging to provide widespread visibility and access to company sweepstakes,

Second, the Internet is being used as a distribution system for couponing.

In the packaged goods area, Internet “triggered” coupons (either printed from the site or requested online for mail delivery) have become so popular that a printable-coupon Web site, cool.savings.com, now boasts over 11 million members.

Sites like coolsavings.com allow you to print coupons for savings on pet products, beauty items, and baby products. Rebates are also being distributed through the Internet as a way to expand access to this sales promotion option. And sweepstakes are simply

highly popular on the Web. A General Motors game for the Chevy Tracker drew 1.3 million Web-based entries.

While the Internet attracts most of the attention for sales promotion implementation, new media applications are also taking hold. The CD-ROMs distributed by AOL represent one form of new media application. In-store coupon dispensers are another.

Finally, interactive kiosks are being developed that provide both information and incentives in retail locations.

The Risks of Sales Promotion.

Sales promotion can be used to pursue important sales objectives. As we have seen, there are a wide range of sales promotion options for both the consumer and trade markets. But there are also significant risks associated with sales promotion, and these risks must be carefully considered.

Creating a Price Orientation.

Since most sales promotions rely on some sort of price incentive or giveaway, a firm runs the risk of having its brand perceived as cheap, with no real value or benefits beyond low price. Creating this perception in the market contradicts the concept of integrated marketing communication. If advertising messages highlight the value and benefit of a brand only to be contradicted by a price emphasis in sales promotions, then a confusing signal is being sent to the market.

This was a risk run by Schick and Gillette as their “razor wars” continue to escalate. At one point, both Finns were giving away razors that cost \$10 and including a \$2 coupon to try to stimulate repeat purchase. The cost of this one “skirmish” in the ongoing air was \$40 million to Gillette and somewhere between \$40 million and \$70 million for Schick.³⁹ Clearly the ongoing risk here is that men will simply take both free razors and wait to see which firm offers the next deal.

Borrowing from Future Sales.

Management must admit that sales promotions are typically short-term tactics designed to reduce inventories, increase cash flow, or show periodic boosts in market share. The downside is that a firm may simply be borrowing from future sales. Consumers or trade buyers who would have purchased the brand anyway may be motivated to stock up at the lower price. This results in reduced sales during the next few time periods of measurement. This can play havoc with the measurement and evaluation of the effect of advertising campaigns or other image-building communications. If consumers are responding to sales promotions, it may be impossible to tease out the effects of advertising.

Alienating Customers.

When a firm relies heavily on sweepstakes or frequency programs to build loyalty among customers, particularly their best customers, there is the risk of alienating these customers with any change in the program. Airlines suffered just such a fate when they tried to adjust the mileage levels needed for awards in their frequent-flyer programs. Ultimately, many of the airlines had to give concessions to their most frequent flyers as a conciliatory gesture.

Time and Expense

Sales promotions are both costly and time-consuming. The process is time-consuming for the marketer and the retailer in terms of handling promotional materials and protecting against fraud and waste in the process. As we have seen in recent years, funds allocated to sales promotions are taking dollars away from advertising. Advertising is a

long-term, franchise-building process that should not be compromised for short-term gains.

Legal Considerations.

With the increasing popularity of sales promotions, particularly contests and premiums, there has been an increase in legal scrutiny at both the federal and state levels. Legal experts recommend that before initiating promotions that use games, sweepstakes, and contests, a check into lottery laws, copyright laws, state and federal trademark laws, prize notification laws, right of privacy laws, tax laws regulations. The best advice for staying out of legal trouble with sales promotions is to carefully and clearly state the rules and conditions related to the program so that consumers are fully informed.

INTEGRATED PROMOTION – COORDINATION WITHIN THE VARIOUS PROMOTION TECHNIQUES

The Coordination Challenge:

Sales Promotion, Point of Purchase Advertising, there is an attraction to sales promotion that must be put into perspective. Sales promotions can make things happen—quickly. While managers often find the immediacy of sales promotion valuable, particularly in meeting quarterly sales goals, sales promotions are rarely a viable means of long-term success.

But when used properly, sales promotions can be an important element in a well-conceived IBP campaign. Key to their proper use is coordinating the message emphasis in advertising with the placement and emphasis of sales promotions. When advertising and sales promotion are well coordinated, the impact of each is enhanced—a classic case of synergy. When advertisers were surveyed about their perspective on sales promotion, 57 percent said that they employed a mix of brand building and sales incentives in the promotional process. Similarly, the majority of respondents indicated that sales promotion was an ancillary part of their 'Till' campaigns rather than a core component or the key component.

The effectiveness of coordination was demonstrated dramatically by *magazine*. The magazine ran a contest designed to prove to advertisers that the magazine's readers do buy advertisers' brands. Readers who wanted to participate in the contest collected the UPC codes of specified brands from their purchases and entered them on the magazine's Web site. This coordinated effort was a huge success, attracting 51,543 Web contest entries and 37 new ad pages from advertisers.

The typical sales promotion should either attract attention to a brand or offer the target market greater value: reduced price, more products, or the chance to win a prize or an award. In turn, this focused attention and extra value acts as an incentive for the target market to choose the promoted brand over other brands. One of the coordination problems this presents is that advertising messages, designed to build long-term loyalty, may not seem totally consistent with the extra-value signal of the sales promotion.

This is the classic problem that marketers face in coordinating sales promotion with an advertising campaign. First, advertising messages emotional attractions. Then, the next contact a consumer may have with the brand is an insert in the Sunday paper offering cents-off coupon. These mixed signals can be damaging for a brand. Increasing the coordination between advertising and various sales promotion efforts requires only the most basic planning.

First, when different agencies are involved in preparing sales promotion materials and advertising materials, those agencies need to be kept informed by the advertiser regarding the maintenance of a desired theme.

Second, simple techniques can be used to carry a coordinated theme between promotional tools. The use of logos, slogans, visual imagery, or spokespersons can create a consistent presentation.

A good example of coordinating the message across all forms of communication is the M&M “Great Color Quest” promotion. Master foods USA introduced bold new colors for the old M&M brand but first turned all the candies black and white for a period. The release of the new colors was coordinated with print ads, billboards, coupons, and a new package.

Another key in coordination involves timing. Remember that the success of a sales promotion depends on the consumer believing that the chance to save money or receive more of a product represents enhanced value. If the consumer is not aware of a brand and its features and benefits, and does not perceive the brand as a worthy item, then there will be no basis for perceiving value—discounted or not. This means that appropriate advertising should precede price—oriented sales promotions for the promotions to be effective. The right advertising can create an image for a brand that is appropriate for a promotional offer. Then, when consumers are presented with a sales promotion, the offer will impress the consumer as an opportunity to acquire superior value.

Integrated brand promotion involves a strategic coordination of multiple communication tools to promote products and services. Instead of viewing advertising, public relations, sales promotions, and other marketing functions as separate, the IBP approach aims to streamline them together to execute campaigns with a clear, consistent, and persuasive message. Large corporations such as Disney use the IBP approach for the promotion of their brands on a global level.

Concept several considerations are necessary when designing advertising for other Review nations.

1. Overall factors to consider:

- a. Role of advertising
- b. Availability of media
- c. Government regulations
- d. Competitive situation
- e. Quality/availability of advertising agencies

2. In selecting the message, the promotion manager must:

- a. Accurately reflect language, values, and attitudes
- b. Understand how the product is used and what motivates purchases
- c. Identify appropriate decision makers
- d. Understand cultural mores
- e. Attempt to identify market segments

3. Considerations in selecting the medium:

- a. Assess the availability and standardization
- b. Assess technical limitations

Personal Selling

Personal selling is the most common promotional tool used in foreign markets. It may be the dominant mix element under at least two conditions:

(1) When the use of advertising or media is restricted, and (2) when the wage scale is so low as to allow the employment of a large local sales force.

The international marketer must first determine the role personal selling should play in each market compared with the other mix elements. Once this decision is made, the day-to-day administration of the sales force begins. Administration entails many of the same basic tasks associated with managing the domestic sales force: recruitment, selection, training, motivation, compensation, and evaluation.

Recruitment and Selection Salespeople are usually recruited and selected within the local market by individuals who know the market best. Two other sources of salespeople are also available: expatriates, people who are not natives of the local country but who take a two- or three-year assignment in a particular foreign market; and cosmopolitan personnel, people who are familiar with numerous foreign markets and work in several countries simultaneously. It is becoming increasingly difficult to find high-caliber expatriates who are willing to live abroad for extended periods, and it is very expensive to hire cosmopolitan personnel. 16

There are some restrictions on recruiting and selecting salespeople in foreign countries. Most notable is the negative view in many countries of sales as a career. This attitude may cause the best candidates to shy away from sales. The number of people with the desired characteristics and educational background may also be limited. Furthermore, many countries impose sanctions on the hiring of expatriates and cosmopolitans. In Argentina, for instance, foreign companies must make every effort to hire a local salesperson before they are allowed to bring in an outsider. Even then, a limit is imposed. Dealing with these restrictions has forced many international marketers to design sales positions to fit the strengths and weaknesses of specific countries. Thus the responsibilities of the job vary from market to market. In Spain, for example, IBM has a Spanish salesperson who deals with the technical selling issues.

Training:

Training location and content depend on the nature of the job and the previous preparation of the sales force. For local salespeople, training usually occurs in the host country and concentrates on information about the company and product. For expatriates, training is done initially at home with a focus on the customs and special problems in the host country. For both types of personnel, sales training must cope with problems that may be caused by long-established behaviors and attitudes. Americans, in particular, often think there is little to be learned from a foreign culture or a different way of doing things. This attitude is a mistake.

Since there is often a physical separation between the international marketer and the local sales force, continuing training is very important. Home office personnel should frequently check on the effectiveness of the training effort and assess the level of retention.

Motivating and Compensating Techniques of motivation and compensation must be designed to meet local needs. In many foreign countries, selling is a low-status job, and the proper cultural behavior is not to talk to strangers. In countries where selling has low status, superior training, titles, and financial rewards are all helpful. In the end, each method used to motivate a foreign salesperson should be examined for cultural compatibility.

Controlling and Evaluating the Sales Force The control and evaluation techniques used in the United States are also applicable to foreign markets. However, the manager must learn about the local market in order to appraise its potential and assign territories and sales quotas. Comparison of markets is an additional task; it gives the manager a better idea of the possible range of performance.

Dealing with multiple markets that have very different sales potential makes evaluation a trying task. Should salespeople be evaluated on individual performance, or should they be compared to salespeople in other markets? Evidence supports comparison.

INTERNATIONAL PROMOTION STRATEGIES

The decision to use sales promotion internationally is normally the third choice after due consideration is given to personal selling and advertising. Nevertheless, sales promotions are often more attractive than other promotional elements. Consumers in less wealthy countries tend to be especially interested in saving money through price discounts, product sampling, premiums, or contests. Furthermore, sales promotion may provide a strategy for bypassing restrictions on advertising. It is also a way of reaching people who live in rural and less accessible parts of the market.

	U.K.	Ireland	Spain	Portugal	Greece	France	Italy	Netherlands	Denmark	Belgium	Luxembourg
In-pack premiums	■	■	■	■	■	●	■	●	●	●	▲
Multiple-purchase offers	■	■	■	■	■	■	■	■	●	●	▲
Extra product	■	■	■	■	■	■	■	●	■	●	■
Free product	■	■	■	■	■	■	■	■	■	●	■
Free mail-ins	■	■	■	■	■	■	■	■	●	●	●
With-purchase premiums	■	■	■	■	■	■	■	●	●	●	▲
Cross-product premiums	■	■	■	■	■	■	■	●	●	▲	▲
Collector devices	■	■	■	■	■	●	■	●	●	●	▲
Competitions	■	■	■	■	■	●	■	●	●	■	●
Free drawings	■	■	■	■	■	■	■	▲	▲	▲	▲
Share-outs	■	■	■	■	■	●	●	▲	▲	▲	▲
Sweepstakes/lottery	●	●	●	●	●	●	●	●	▲	●	▲
Money-off vouchers	■	■	■	■	■	■	●	■	●	■	●
Money-off next purchase	■	■	■	■	■	■	●	■	▲	■	▲
Cash backs	■	■	■	■	■	■	▲	■	■	■	▲

■ Permitted ● May be permitted ▲ Not permitted

Both Coca-Cola and PepsiCo set aside part of their Latin American advertising budget for carnival trucks that make frequent trips to isolated villages to promote their products. These trucks provide free entertainment, including movies, and distribute free products along with coupons for additional products. Product samples may also be left with local stores, as well as premiums such as clock signs, clothing,

and temperature gauges. For example, laws may not permit promoters to give premiums or gifts. Even when they are permitted, the value of the premium may be limited to a percentage of the value of the product purchased, or the premium may have to be directly related to the product purchased (for example, a decanter given with a salad dressing mix). In France, promoters are required to keep records of their sales promotion expenditures and the dollar amounts are limited. In many Spanish-speaking countries, the typical inexpensive toys and games found in children's cereals have been banned because of lack of value. Yet Procter & Gamble Co. successfully included a free nativity scene in each box of one of its detergents. Again, the influence of culture is evident.

Coupons, the most frequently used tool in the United States, are prohibited in many countries and tend to play a minor role in countries such as Sweden or the United Kingdom where they are used. In most overseas markets, price reductions in the store are the most important sales promotion tool, followed by reductions to wholesalers and retailers. Also of importance in some countries are product samples, double-packs, and in-store displays. Distrust of foreign marketers makes warranties mandatory in some countries.

Problems in gaining the involvement and cooperation of resellers represent a very serious barrier to sales promotion in foreign markets. Wholesalers and retailers often lack

the appropriate facilities to properly process or merchandise promotional materials. They may not understand the sales promotion or be able to explain how it works to their customers.

If the promotion manager can overcome such constraints, the opportunities for sales promotion in foreign markets are impressive. This is particularly true when the company has a competitive edge in a particular market. Since sales promotion tends to enhance the basic value of a product, products that are highly regarded will benefit most from sales promotions, regardless of the country.

Public Relations

To a large extent, public relations are the international marketer's attempt to create a positive image of itself in the host country. PR is a vital part of any international marketing program.

Public relations play both a proactive and a reactive role for most international marketers. It is proactive in the sense that an international company develops a PR strategy specifying a promotional mix, including scheduling and budget allocations. The strategy might include press releases, news conferences, plant tours, and sponsored events. Reactive public relations refer to how the international marketer plans to respond to unplanned events such as product failures, catastrophes, and personnel misbehaviors. Since host countries are very sensitive to the indiscretions of foreign visitors, reactive public relations must be particularly responsive.

Effective international public relations begin with primary research. This research should (1) identify the relevant publics in each market, (2) assess how various public relations events or issues will affect the various publics, and (3) determine the most effective public relations strategy to use in presenting or responding to these events or issues. Too often, public relations practitioners fail to conduct this research.

Armed with this information, however, public relations practitioners can anticipate potential problems and react appropriately. Many international marketers have come to the realization that they cannot always give in to government or public demands. To illustrate an exception, however, Anheuser-Busch agreed to sponsor an educational program about drunk driving in conjunction with its entry into Taiwan.