UG BA S6-03 (DSC)

ADVERTISING AND PROMOTION STRATEGY

SEMESTER - VI

BUSINESS ADMINISTRATION

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

Subject Experts

1. Prof. Nripendra Narayan Sarma, Maniram Dewan School of Management.,KKHSOU
2. Prof. Munindra Kakoti, V.C. ARGUCOM
3. Prof. Rinalini Pathak Kakati, Dept. of Business Administration, G.U.

Course Co-ordinator : Dr. Smritishikha Choudhury, Asst. Prof., KKHSOU
Dr. Chayanika Senapati, Asst. Prof., KKHSOU

SLM Preparation Team

UNITS	CONTRIBUTORS
1,2,,3,9,10,11,12,13,14	Dr. Smritishikha Choudhury, KKHSOU
4,6,7	Dr. Shazeed Ahmed,A.I.M
5,8	Mr. Rishi Chakravarty
15	Prof. Nripendra Narayan Sarma, KKHSOU

Editorial Team

Content :

1,2,3,9,10,11,12,13,14	Dr. Chayanika Senapati, KKHSOU
4,5,6,7,8,15	Dr. Smritishikha Choudhury, KKHSOU

Structure, Format & Graphics: Dr. Smritishikha Choudhury,KKHSOU,

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City Office: Housefed Complex, Dispur, Guwahati-781006; Web: www.kkhsou.in

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BACHELOR IN BUSINESS ADMINISTRATION

ADVERTISING AND PROMOTION STRATEGY

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COURSE INTRODUCTION

This is another discipline specific course of BBA sixth semester Programme. This course "Advertising and Promotion Strategy" of BBA 6th semester will focus on the different aspects of promotions in Marketing. In this course we have briefly discussed all the promotional mixes.

The course has 15 units and deals with the introductory concepts of advertising, integrated marketing communications, developing promotional strategies, creating advertising messages and media strategies etc. Further it, concentrates on promotional mix, tools and elements; concepts of Sales Promotion, Personal Selling, Direct marketing, ethics in advertising and cases etc.

Each unit of these blocks includes some along-side boxes to help you know some of the difficult, unseen terms. You may find some boxes marked with: "LET US KNOW". These boxes will provide you with some additional interesting and relevant information. Again, you will get "CHECK YOUR PROGRESS" questions. These have been designed to self-check your progress of study. It will be helpful for you if you solve the problems put in these boxes immediately after you go through the sections of the units and then match your answers with "ANSWERS TO CHECK YOUR PROGRESS" given at the end of each unit.

UNIT 1: ADVERTISING-BASIC CONCEPT

UNIT STRUCTURE

1.1 Learning Objectives

1.2 Introduction

1.3 Concept of Advertising

1.4 Objectives of Advertising

1.5 Scope of Advertising

1.6 Social Implications of Advertising

1.7 Concept of USP and DAGMAR

- 1.7.1 U.S.P. (Unique Selling Propositions)
- 1.7.2 DAGMAR Model

1.8 Types of Advertising

1.9 Let us Sum Up

1.10 Further Reading

1.11 Answers to Check Your Progress

1.12 Model Questions

1.1 LEARNING OBJECTIVES

After going through this unit, you will be able to -

- define the term advertising
- explain the objective of advertising
- outline the functions of advertising
- discuss types of advertising

1.2 INTRODUCTION

This unit introduces you to the basic concept of advertising. Advertising is nothing but a paid form of communication. As a consumer, you are exposed to many commercial messages every day. They may appear in the form of billboards, or in the form of newspaper ads, TV commercials, coupons, publicity, event sponsorships, telemarketing calls, or even e-mails. These are just a few of the many communication tools that companies and organizations use to initiate and maintain contact with their customers, clients, and prospects. We may simply

refer to them all as “advertising.” But, in fact, the correct term for these various tools is marketing communications. And advertising is just one type of marketing communications. Advertising provides information about products and services to the consumer. Advertising creates awareness about product or services to the consumer. Advertising is a paid form of non personal presentation about any product, services or ideas through any sponsors. There are different media involved in advertising like, print media, broadcast media and interactive multimedia. To create any advertisement, generally companies give the responsibility to some advertising agency. In this unit, we will briefly discuss basic concept of Advertising, its objective, scope, type and social implications.

1.3 CONCEPT OF ADVERTISING

Advertising plays a significant role in today's competitive and globalized business environment. It is not only used for selling products and services, but also for creating awareness, building brand image, informing consumers, educating society and influencing public opinion. Therefore, before preparing and classifying advertisements, marketers must clearly identify the purpose and direction of their advertising efforts.

Before developing an advertising campaign, the advertiser should seek answers to certain important questions:

1. What do I want my advertising to accomplish?

This refers to the objectives or goals of advertising. The advertiser must clearly specify what the advertisement is expected to achieve. Advertising objectives may include:

- Increasing sales of products or services
- Creating awareness about a new product
- Building brand image and reputation
- Informing consumers about product features

2. Who should be the target audience?

The target audience refers to the specific group of people for whom the advertisement is intended. Understanding the audience helps advertisers create relevant and appealing messages.

The target audience may be identified on the basis of:

(a) Demographic Factors

These include characteristics such as: Gender, Age, Income, Education, Occupation,

Location or region etc.

For example, advertisements for children's products are designed differently from advertisements meant for senior citizens or business professionals.

(b) Behavioural Factors

Behavioural characteristics refer to the attitudes and behaviour of consumers towards a product or brand, such as:

- Level of awareness about the business
- Buying habits
- Brand loyalty
- Frequency of purchase

(c) Needs and Desires of Consumers

Consumers purchase products to satisfy specific needs and wants. Therefore, advertisers must understand:

- The benefits consumers expect from a product
- Their preferences and expectations
- Problems that the product can solve

3. What should the advertisement say?

The advertising message is the central idea communicated to the audience. An effective advertising message should:

- Be simple, clear and attractive
- Match the interests and needs of the target audience
- Highlight the benefits of the product or service

The word ‘advertising’ originates from the Latin word ‘advertere’ which means to turn attention towards a specific thing. The dictionary meaning of the term is to give public notice or to announce publicly. Advertising has been variously defined by different experts. The American Marketing Association, Chicago, has defined advertising as “Any paid form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor.”

According to Philip Kotler, “Advertising is non-personal form of communication conducted through paid media under clear sponsorship.”

Advertising is persuasive, informative and it is designed to influence the mass population. Advertising may cost a lot of money but that cost is justified if it works effectively and economically.



Some of the examples of advertisements for different products are shown above. From the above definition of advertising, we can summarize the characteristics of advertising as:

1. It is non personal communication to specific consumers
2. It is a paid form of communication by an identified sponsor.
3. It disseminates information about products or services to the consumers.
4. It persuades people to buy a product by creating interest of the prospective buyers in the product.
5. It is an essential form of communication for introducing a new product in the market.
6. Written or oral messages are addressed to selected customers.
7. It influences the general public to buy products or services.
8. Advertising messages are identified with the advertiser.
9. It is a commercial transaction that forces the advertisers to pay the publishers whose media is used.
10. It is the promotion of ideas, goods and services.
11. It stimulates sales or patronage for the product.
12. It is salesmanship in print.
13. It is an essential form of communication for introducing a new product in the market.

1.4 OBJECTIVES OF ADVERTISING

The main objective of advertising is to sell product or services. In order to do this the advertiser has to communicate the offerings of producer to the ultimate consumers. According to Huigy and Mitchell," the purpose of advertising is to sell goods, services or ideas to a large group of prospective purchasers". The followings are the other important objectives of advertising:

- **Promoting new product:** Advertising is most essential, when a new product is introduced in the market. In this way advertisement may be used for preparing a ground for sale of new product.

- **Creating awareness:** Advertisements help in building awareness about new product or services.
- **Generating Demand:** Advertising creates a favourable atmosphere for maintaining or improving sales. The prospective customers may be induced to buy a product, by informing them about the comparative quality, price and other attributes of that product.
- **Educate the consumers and users:** Advertising provides information to the consumers, which educates them about the product.
- **Helps in building brand image and brand loyalty:** Through repetition of advertisement brand image can be built in the mind of customers, which helps in creating brand loyalty.
- **Forming attitude:** Advertisement helps in forming positive attitude towards any product or service.
- **Facing competition:** The producer informs the consumer about the price, quality and availability of the product, which helps in eliminating competition.
- **Informing about the changes to the consumers:** It informs the consumers about the changes in quality, packing, design, size, price etc.
- **Forcing middlemen to handle the product:** The objective of advertising is to force the middlemen to handle a particular product by creating popularity among customers.
- **Performing selling job:** The objective of advertising is to perform selling function, e.g. in mail order business the selling function is performed by advertisement.
- **Assisting salesman's effort:** Advertising also assists the salesman's effort in increasing sales of a product. Since the advertisement educates the customers about the product, the function of the salesman remains simply to sell the product.

1.5 SCOPE OF ADVERTISING

The scope of advertising is quite wide. It is applicable to consumer goods, durables, services like banking and insurance, ideas and almost everything that we come across. Advertising performs a number of functions, which can be categorized as follows:

1) Primary Functions:

- It attracts customers and helps the marketer in promoting new products
- It assists the dealer to sell the advertised goods effectively.
- It persuades dealers to stock advertised goods sufficiently.
- It develops brand name.
- It increases use through reputation of advertising.

- It eliminates seasonal fluctuation of sales by offering something extra.
- It also helps in improving standard of living of the customers.

2) Secondary Functions: The secondary function of advertising is

- To assist salesmen and boost their moral.
- To increase profits by increasing sales.
- To reduce production and selling cost by increasing sales.

FUNCTIONS OF ADVERTISING TO THE MARKETER

Advertising is a tool which can help the advertiser in following ways:

- To make product distinct from others.
- To communicate information.
- To push the customers.
- To expand distribution.
- To encourage brand preference.
- To reduce sales cost.

CHECK YOUR PROGRESS

Q 1: Define advertising.

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.....

Q 2: State any two objectives of advertising.

.....

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1.6 SOCIAL IMPLICATIONS OF ADVERTISING

The issues regarding social implications of advertising can be discussed under several perspectives. In the last unit of this book we have discussed these issues more elaborately. The first consideration is nature and content of the advertising to which people are exposed. We need to ask some questions.

i. Is advertising inherently unethical?
ii. Is advertisements wastage of money?
iii. Are appeals used to manipulate consumers against their will?
iv. Is advertising too repetitious?

v. Is it too preoccupied with sex?

vi. Are advertisements damaging to children?

vii. What is the effect on society's values and lifestyles?

viii. Can the power of advertising lead to the control of the market by few firms, which will weaken competition and raise consumer prices?

ix. Does advertising promote harmful products?

x. Is alcohol and cigarette advertising ethical ?

These are some of the questions which are concerned with scope and social implications of advertisements. That it fosters materialism at the expense of other basic values is highly criticized. A much wider range of ethical issues and concerns are now being addressed as packaging, professional services ads by physicians, attorneys, accountants and emerging social issues about environmental or green marketing etc.

At the same time it is also held that advertising has an effect on society's economic well-being and the efficiency of the operation of the economic system. There is considerable overlap between what many consider to be ethical issues and the issues of manipulation, taste and advertising's effects on values and lifestyles.

Does advertising manipulate? The essence of a free marketplace and a free society is the freedom to make decisions to select or not select a particular brand. Some feel this freedom is overpowered by advertising which can manipulate a buyer into making a decision against his or her will. When advertising utilizes appeals that go beyond a basic communication, the charge of manipulation via emotional appeals is raised. The implication is that with emotional appeals the consumers will make less than optimal decisions. Dishwashing liquids are advertised as 'sweeping away the dullness of life'. Bath soaps have 'rejuvenating capacity' and so on. These observations are related to issues of deception. There is also a general claim that advertisers have the raw power to manipulate consumers by their capacity to generate large numbers of ad exposures and highly sophisticated scientific techniques to make ads effective. However, the fact remains that consumer behaviour and consumer choice are determined by many factors in addition to advertising- the advice of friends, decisions and lifestyles of family members, news stories, prices and so on. Advertising is but one of many variables and it has a limited role.

In addition to the above, the discussion on the functions and concepts like USP, DAGMAR etc will substantiate that advertising serves a lot many other useful purposes like developing awareness about goods, services, ideas etc. It sustains the competitive spirit. Moreover,

advertising is an industry for which we find the sustainability of newspapers, magazines, TV programmes etc. The advertisements provide sufficient revenue for them to sustain.

1.7 CONCEPT OF USP AND DAGMAR

1.7.1 U.S.P. (Unique Selling Propositions)

The **Unique Selling Proposition** (also known as **Unique Selling Point** or **USP**) is a marketing concept that was first proposed as a theory to understand a pattern among successful advertising campaigns of the early 1940s. It states that such campaigns made unique propositions to the customer and that this convinced them to switch brands. The term was invented by Rosser Reeves of Ted Bates & Company. Today the term is used in other fields or just casually to refer to any aspect of an object that differentiates it from similar objects. The USP is the outstanding quality of a product to be stressed in its advertising. If the USP is honest enough, it is up to the copywriter skill to write convincingly and to the visualizer's responsibility to put it excitingly.

Some good current examples of products with a clear USP are:

- Head & Shoulders: "You get rid of dandruff"
- Domino's Pizza: "You get fresh, hot pizza delivered to your door in 30 minutes or less — or it's free."

1.7.2 DAGMAR Model

The full form of DAGMAR is Defining Advertising Goals for Measured Advertising Results. It is basically an approach to setting up advertising goals and using those goals to measure the advertising performance.

DAGMAR model suggests that the ultimate objective of advertising must carry a consumer through four levels of understanding: from **Unawareness to Awareness**—the consumer must first be aware of a brand or company; Comprehension—he or she must have a comprehension of what the product is and its benefits; Conviction—he or she must arrive at the mental disposition or conviction to buys the brand; Action—finally, he or she actually buys the product.

We will discuss the DAGMAR approach briefly in unit 5.

1.8 TYPES OF ADVERTISING

Following are the major types of advertising:

- **Product Advertising:** When advertising promotes the sale of a product, it is known as product advertising. It is the most common form of advertising. Suppose to sell a "Maruti-A Star" car, the promoter will give product advertisement on A-Star.
- **Institutional Advertising:** Institutional advertising is also called corporate advertising. These messages focus on establishing a corporate identity through building goodwill. Institutional advertising is done to build good public relation's image in the market for the marketer and a patronage for its products.
- **Consumer and Industrial Advertising:** When advertising is directed to attract the consumers who buy for ultimate consumption, it is called consumer advertising. For example biscuit, tea etc fall under this type of advertising. Again industrial advertising is one which is directed to attract the industrial users to purchase the product advertised.
- **National and local advertising;** National advertising is sponsored by the manufacturer or the producer and is intended to cover a wide market. On the other hand ,local advertising is sponsored by the retailer and it covers only local market.
- **Commercial and non commercial advertising:** Commercial advertising is concerned to increase the sales of commercial enterprises. The forms of commercial advertising are- industrial advertising, trade advertising, professional advertising etc. Again non commercial advertising is undertaken by non-profit organisations such as government, charitable institutions, etc. to support ideas and donations etc.
- **Rational and emotional advertising:** Rational advertising explains the reason for going to a particular product. For example Colgate toothpaste advertising is rational. On the other hand emotional advertising attracts the consumer through emotional feelings. For example, Cadbury Dairy Milk- celebration shows the emotional touch in their advertisement.

CHECK YOUR PROGRESS

Q 3: State true or false

(i) Advertising is a non-paid form of company information. (True / False)

(ii) Advertising provides information to the consumer which educates them about the product (True / False)

(iii) Advertising helps salespersons in promoting the product (True / False)

(iv) Advertising assists dealers to sell the advertised goods effectively (True / False)

(v) National advertising are sponsored by local retailers (True / False)

Q 4: What is the full form of USP and DAGMAR?

.....

.....

1.9 LET US SUM UP

In this unit we have discussed the basic concepts of advertising.

- Advertising is a paid form of non personal communication about any product, service or ideas, whose purpose is to inform potential customers about products and services and how to obtain and use them.
- Many advertisements are also designed to generate increased consumption of those product and services through the creation and reinforcement of brand image and brand loyalty.
- For this purpose advertisements often contain both informative and persuasive messages.
- The USP is the outstanding quality of a product to be stressed in its advertising.
- The full form of DAGMAR is Defining Advertising Goals for Measured Advertising Results. It is basically an approach to setting up advertising goals and using those goals to measure the advertising performance.
- Different types of advertising are:
  - Product advertising
  - Institutional advertising
  - Consumer and Industrial Advertising
  - National and Local Advertising
  - Commercial and Non commercial advertising
  - Rational and emotional advertising

1.10 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication

1.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Advertising is "any paid form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor."

Ans to Q No 2: (i) Promoting new product and (ii) creating awareness for different products.

Ans to Q No 3: (i) False (ii) True (iii) True (iv) True (v) False

Ans to Q No 4: USP: Unique Selling Proposition

DAGMAR: Defining Advertising Goals for Measured Advertising Results

1.12 MODEL QUESTIONS

Q 1: What are the different types of advertising? Explain them with examples.

Q 2: What are the objectives of advertising?

Q 3: What are the functions of advertising?

Q 4: What is USP?

Q 5: State DAGMAR approach.

*** ***** ***

UNIT 2 : INTEGRATED MARKETING COMMUNICATION AND ADVERTISING

UNIT STRUCTURE

2.1 Learning Objectives

2.2 Introduction

2.3 Importance of Business Communication

2.4 Integrated Marketing Communication

2.5 Advertising as a Communication Process,

2.6 Communication Models

2.7 Advertising as an Element of Marketing Mix.

2.8 Let us Sum Up

2.9 Further Reading

2.10 Answers to Check Your Progress

2.11 Model Questions

2.1 LEARNING OBJECTIVES

After going through this unit, you will be able to -

- define the term Integrated Marketing Communication
- explain advertising as a communication process
- outline the Communication Model (AIDA model)
- discuss advertising as an element of marketing mix

2.2 INTRODUCTION

In this unit we are going to discuss integrated marketing communication. It implies coordinating all the promotional and other marketing activities that communicate with a firm's customers and other stakeholders. Communication can only be successful if there is parity between the sender and the receiver. Advertising is a major promotional tool and it communicates to mass media. It offers planned and controlled message. In the world of advertising, a sender is the advertiser and the target audience is the receiver. In this unit we will briefly discuss communication process, barriers to communication and concept and the model of Integrated marketing communication.

2.3 IMPORTANCE OF BUSINESS COMMUNICATION

Communication is very essential in any organisation. Without communication, management cannot perform its duties smoothly. Business communication is related to the study of communication between individuals and groups engaged in the process of administration and management of an organisation. In simple term communication is interchange of thoughts, opinions of information. Communication can be of two types, *one way communication*, which informs the receivers, and in *two way communications* where sender exchange the ideas with the receiver. Business communication is characterized by a serial reproduction of messages which are sent from one person to another.

Communication process:

The communication process involves eight elements, which are discussed as follows:

- **Source:** Source or sender is a person who shares something with the other people.
- **Encoding:** Encoding is the process of translating thoughts into symbolic form.
- **Message:** The message is the symbolic expression of sender's thought.
- **Channel:** Channel is the path through which the message moves from the sender to the receiver.
- **Receiver:** Receiver is the person who gets the message from the sender.
- **Decoding:** It is the process through which receiver interprets the message.
- **Noise:** It is the external distraction which creates problem in receiving the message.
- **Feedback:** Feedback allows the source to determine whether the original message hit the target accurately or whether it needs to be modified.

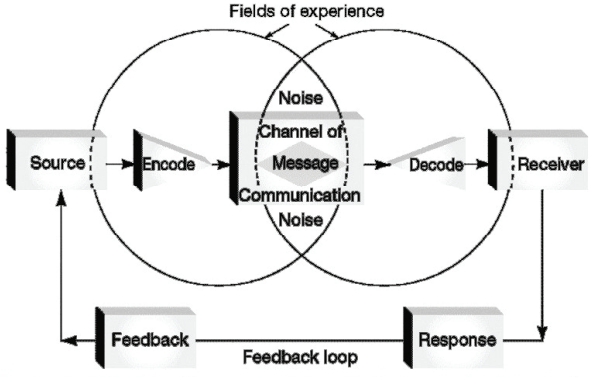


Fig. 2.1 Communication Process.

Source: google.co.in.

Barriers to effective communication:

Successful performance of an organisation depends on effective communication. The key to success is found in the manager's ability to communicate effectively. Barriers are the difficulties that come in the way of effective communication. They are physical, psychological, linguistic, and mechanical in nature, which are discussed as follows:

Physical barriers:

i) **Complete stimulus:** It becomes very difficult to pass on the message orally, if another conversation goes on simultaneously within hearing distance, sometimes loud music or traffic noise, it creates barrier in the communication process.

ii) **Environmental stress:** A high temperature, humidity, bad ventilation etc. contributes in distortions in the sending and receiving of the message.

iii) **Subjective stress:** Due to lack of sleeping, ill health, consumption of drugs, mental strain etc. communicator cannot interpret the message in desired way.

Psychological Barriers:

i) **Unjust assumptions:** The unjust assumptions are common barriers to communication which create lots of misunderstanding.

ii) **Barrier of illness:** Illness is the attitude of people with closed minds. They think that they know everything about a subject. Usually they are not prepared to accept that they could be mistaken.

iii) **Fear:** Fear is clearly destructive to communication. Generally subordinates do not ask the employer if they do not understand something because of the fear.

Linguistic barriers:

In business communication, language is the vital element. The language used in different culture takes different colours and meaning. It comes under the influence of the accent of the local language.

Mechanical barriers:

It includes any disturbances, which interferes with the fidelity of the physical transmission of the message.

CHECK YOUR PROGRESS

Q 1: What is communication?

.....

.....

Q 2: State the eight elements involved in communication process.

.....

.....

Q 3: What is a barrier to communication?

.....

.....

2. 4 INTEGRATED MARKETING COMMUNICATION

Integrated marketing communication (IMC) is a strategic-business process used to plan, develop, execute, and evaluate coordinated and measurable persuasive brand communication programmes over time with consumers, prospects, and other targeted, relevant external and internal audiences.

Till a few decades ago, in the 1980s, when the mega TV serials like the Ramayan and the Mahabharat were telecast, the entire country watched the serials. The marketing communicators could send their messages to the mass people at that time. In today's context we find media fragmentation. Mass media no longer exists. This has a problem in reaching to the huge population. At the same time our country being multilingual and heterogenous, the marketers face a lot of challenges in terms of reach. In recent years, as new media have emerged and the cost of competition has intensified, sophisticated marketers have searched for new ways to get more customers from their marketing communications tactics. In today's context, we find the existence of online media vehicles like facebook and also the out of home advertising options like product displays , hoardings and billboards etc. in many place.

Because of the changes in the marketing environment, the marketers are now forced to look at the changes from different perspectives. The result has been a growing understanding on the part of corporate management that (1) the efficiencies of mass media advertising are not what they used to be; (2) consumers are more sophisticated and distrusting than ever before; (3) tremendous gaps exist between what companies say in their advertising and what they actually do; and (4) in the long run, nourishing good customer relationships is far more important than making simple exchanges. As a result, there is now a growing movement toward integrating all the messages. It is no longer a situation that only one advertisement agency is engaged. A big company might involve several agencies for promoting different

brands under its portfolio which requires coordination. At the same time, there might exist several departments within the marketing function. These could be sales promotion, marketing research, public relations. Messages created by an advertiser's various communication agencies and sent out by various departments within the company need to be coordinated to achieve consistency. This process, is called integrated marketing communications (IMC).

Communication is the process of exchanging information, through a common system of symbols. Communication can be of variety of forms from face to face conversation to global network conversation. In the communication process the message transmits from sender to the receiver through a specific media. In case of advertising communication, this becomes a complex phenomenon as there could be a lot of differences in processing the information and arriving at the buying decision.

IMC entails for coordinating all the promotional and other marketing activities that communicate with a firm's customers and other stakeholders.

According to Phillip Kotler, modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Companies also must *communicate* with their customers, and what they communicate should not be left to chance. For most companies, the question is not *whether* to communicate, but *how much to spend* and *in what ways.*

Barriers to Integrated Marketing Communication:

Despite its many benefits, Integrated Marketing Communications, or IMC, has some barriers. In addition to the usual resistance to change and the special problems of communicating with a wide variety of target audiences, there are some obstacles which restrict IMC.

One obstacle is advertising and communication managers are preoccupied with their budgets and they find it difficult to take advantage of the new trends in media management. Some of the other obstacles are:

i. The increasing complexity of organisational structures isolates communications, data, and even managers from each other. For example, the PR department often doesn't report to marketing. The sales force rarely meets the advertising or sales promotion people and so on. Imagine what can happen when sales reps are not told about a new promotional offer! Because of these gaps marketing communications cannot be made in an integrated manner.

ii. Within the marketing set up there could be problems of internal acceptability. The sales

promotions manager may not listen to the views of the manager responsible for marketing research. Some managers may resist having some of their decisions and budgetary plans determined or even influenced by someone from some other sections in the same marketing department.

iii. Time horizons add one more barrier to IMC as different time scales affect a creative brief. For example, image advertising that is designed to nurture the brand over the longer term may conflict with shorter term advertising or sales promotions designed to boost quarterly sales. However, with the improvement of the brand and sales can be accommodated with IMC planning.

Here are two questions may arise- What should a truly integrated marketing department look like? And how will it affect creativity?

It shouldn't matter whose creative idea it is, but often, it does. Getting an idea is important. At the same time execution is also important. IMC is sometimes criticized on the ground that it may restrict creativity. No more wild and wacky sales promotions may be considered unless they fit into the overall marketing communications strategy. The joy of rampant creativity may be stifled, but the creative challenge may be greater and ultimately more satisfying when operating within a tighter, integrated, creative brief.

2. 5 ADVERTISING AS A COMMUNICATION PROCESS

Advertising is a form of communication, where it transmits the message to a mass media. Advertising creates attention and provides information through different entertaining ways. There are different models that advertisers use to communicate with the customers.

It should be noticed that while transferring message in the advertisement, various elements – such as words, views, colours, music and so on - are used. While creating the advertisement, advertisement specialists must measure how each of these elements will influence the consumer because consumers' reaction to the advertisement will depend mainly on the common operation of these elements. Knowing how communication process operates during the design and execution of advertisement, we may notice how the advertisement influences the consumer. Understanding of this process will only help us in designing appropriate research for measuring effectiveness of advertising.

There are different advertising communication effects In order to take action such as purchase of a brand, a target audience individual must: (1) have the category need, i.e., be "in the market" for the product class; (2) be aware of the brand as an option within the class; (3)

have at least a tentatively favourable brand attitude toward it; (4) intend to buy it, although this intention may be quite latent or subconscious until the individual is in the purchase situation; and (5) experience no barriers to purchase facilitation, such as distribution unavailability or inability to meet the price or pricing terms. For the purpose of buying toothpaste, say Colgate, the prospective customer must have the need for toothpaste, be aware of Colgate, should have a favourable inclination for the brand. In addition, the brand must be available.

These communication effects indicate that advertising communication is a process. There is no assumption that they occur in any hierarchical order, and indeed they may be generated simultaneously or at different times and with varying degrees of strength in a prospective buyer's mind. For example, an individual may know all about "Colgate" toothpaste, but not experience the first communication effect, category need, for a (dantamanjan) remedy till using Colgate. Similarly, an individual may have the category need and experience no barriers to purchase facilitation, but make an "impulse" selection on the brand wherein brand awareness, brand attitude, and brand purchase intention are created by point-of-purchase advertising at the last minute. A person with the intention of buying "Pepsodent" may end up buying Colgate if the advertisement is very appealing.

During an advertisement communication process the marketer gives his idea to the advertising agency. The agency encodes the idea and uses the media mix to create an ad. When the message is delivered then target audience gets the idea, understands it and gives feedback. Therefore, different strategies are used by the advertising agencies to make the communication process effective. Let us discuss this in some details.

The Advertising Communication process bears resemblance to the general communication model. Nevertheless, it has its own distinct set of attributes that make it stand apart from all conventional communication processes. It starts with the advertiser who communicates his objective to the advertising agency as to what he wants to accomplish with his brand through the advertisement. Next, the advertising agency, in the light of their client company's objective shapes the advertisement (encoding process) and incorporates certain channels of communication (the media mix) to make the advertisement go public. The last step is the receiving step where the target audience encounters the advertisement and that is what ultimately decides the degree to which the advertiser's objectives got fulfilled. There is noise, both internal and external to distort the advertising communication process, therefore the advertising agency takes specific measures to eclipse the sound of those noises and make the consumer focus on the actual advertising message. The advertiser tries to

create an opportunity to see or hear by breaking the clutter. Because we find lots of advertisements and one has to attract consumers' attention for the advertisement.

2. 6 THE COMMUNICATION MODELS

Advertising communication models are the theories on "how advertising works." These theories or models attempt to explain, at the individual buyer or consumer level, the process by which advertising communicates with and effectively persuades individuals to take action. Managers operate with these theories or models, explicitly or implicitly, whenever they create, approve, or test advertising.

SMCR Model:

One of the models which we are going to discuss is SMCR model. Mass communication is usually thought of as a process, sometimes referred to as the SMCR model of communication. It begins with a source(S), a sender who encodes a message (M), puts it in words and pictures. The model explains how communication works: The message is presented through channels of communication(C), such as a newspaper, radio or T.V. The message is decoded by the receiver (R), who is a reader, viewer or listener. Feedback is obtained by monitoring the response of the receiver to the message. And the entire process is complicated by what we refer to as noise, things that interrupt the sending as well as the receiving of the message such as a bad connection.

Again interactive communication is a form of two way communication where the source and the receiver both can exchange their views.

ACTIVITY

From any business magazine, identify five advertisements that have exceptionally high attention power. Rank them 1 to 5 and give your reasons for ranking.

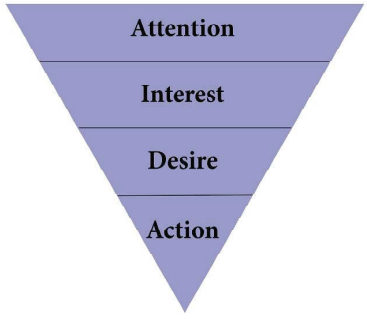
AIDA model:

One of the most common and long lasting effects is one referred to as AIDA, which stands for attention, interest, desire and action. The idea is that first an advertisement gets attention, and then it creates interest, then desire and finally stimulates action. This model identifies four effects and makes a prediction about how they are related in a hierarchy of steps. Because AIDA assumes that consumers start with attention and wind up with a decision,

it is referred to as a hierarchy of effects model.

The problem with these models is that advertisers know that people don't always proceed through steps in this predictable way. With the impulse purchase one almost works the AIDA model backward. In that case, nothing will work according to the steps. The buyer may decide about buying something without having any predispositions.

The following diagram shows the AIDA model.



2. 7 ADVERTISING AS AN ELEMENT OF MARKETING MIX

We have already defined in the SLM of "Marketing Management" of the BBA programme that marketing mix consists of four elements which are Product, Price, Place and Promotion. As we know that it is not enough for any business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this process is commonly known as "promotion. A company's total **marketing communications mix,** or **promotion mix,** consists of the specific blend of advertising, personal selling, sales promotion, and public relations tools which are discussed as follows:



- **Advertising:** Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- **Personal selling:** Personal presentation by the firm's sales force to make sales and build customer relationships.
- **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Public relations:** Building good relations with the company's public by obtaining favourable publicity, building up a good "corporate image," and handling or heading off unfavourable rumours, stories, and events.

Each type of promotion has its own benefits. Advertising includes print, broadcast, outdoor, and other forms. Personal selling includes sales presentations, trade shows, and incentive programmes. Sales promotion includes point-of-purchase displays, premiums, discounts, coupons, speciality advertising, and demonstrations. Because of the technological breakthroughs, marketers can now communicate through traditional media (newspapers, radio, telephone, and television), as well as its newer forms (fax machines, cellular phones, pagers, and computers). These new technologies have encouraged more companies to move from mass communication to more targeted communication and one-on-one dialogue.

Now a days, direct marketing also plays a vital role as marketing communication mix. The main tools of direct communications are the use of mail, telephone, fax, e-mail, and other non-personal tools to communicate directly with specific consumers or to solicit a direct response.

CHECK YOUR PROGRESS

Q 4: What is Integrated Marketing Communication mix?

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Q 5: What is SMCR model?

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Q 6: What is AIDA model?

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2.8 LET US SUM UP

In this unit we have discussed the following:

- Communication is basically transmission of message to consumer about any product or services.
- Business communication is related to the study of communication between individuals and groups engaged in the process of administration and management of an organisation.
- The communication process involves eight elements, which are source, encoding, message, channel, decoding, noise, feedback.
- Integrated Marketing Communication is coordinating all the promotional and other marketing activities that communicate with a firm's customers and other stakeholders.
- Mass communication is usually thought of as a process, sometimes referred to as the SMCR model of communication. It begins with a source(S), a sender who encodes a message (M), puts it in words and pictures and is communicated to the receiver.
- Then we have discussed the AIDA (attention, interest, desire and action) model to measure the effectiveness of advertising.
- At the end of this unit, we have discussed how advertising helps in stimulating marketing process.

2.9 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by, Tata McGraw Hill Publication

2.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Communication is interchange of thoughts, opinions of information.

Ans to Q No 2: Source, Encoding, Message, Channel, Receiver, Decoding, Noise, Feedback.

Ans to Q No 3: Barriers are the difficulties that come in the way of effective communication.

Ans to Q No 4: Integrated marketing communication (IMC) is a strategic-business process

used to plan, develop, execute, and evaluate coordinated and measurable persuasive brand communication programs over time with consumers, customers, prospects, and other targeted, relevant external and internal audiences.

Ans to Q No 5: Source(S), message (M), communication(C), and receiver (R).

Ans to Q No 6: Attention, Interest, Desire and Action.

2.11 MODEL QUESTIONS

Q 1: How does communication process take place? Explain the barriers of communication.

Q 2: What is Integrated Marketing Communication (IMC)? State the barriers of IMC.

Q 3: Explain SMCR model and AIDA model of advertising.

Q 4: What is marketing mix? Can we consider advertising as an element of marketing mix? Explain.

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UNIT 3 : MARKETING PROMOTION MIX

UNIT STRUCTURE

3.1 Learning Objectives

3.2 Introduction

3.3 Defining Promotion

3.4 Promotion Mix

- 3.4.1 Advertising
- 3.4.2 Objectives of Advertising
- 3.4.3 Functions of Advertising

3.5 Factors Affecting Promotional Mix and Strategies

3.6 Types of Advertising

3.7 Advertising Media

- 3.7.1 Print Media
- 3.7.2 Broadcast Media
- 3.7.3 Multi Media Advertising

3.8 Advantages and Limitations of Advertising

3.9 Sales Promotion

3.10 Publicity

3.11 Let Us Sum Up

3.12 Further Reading

3.13 Answers To Check Your Progress

3.14 Model Questions

3.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- define promotion
- describe different types of promotion
- explain the meaning of advertising, sales promotion, personal selling and publicity

- distinguish between Pull and Push Policy of sales promotion.
- explain the need for promotional strategy.

3.2 INTRODUCTION

We have been reading, watching, listening and looking at different promotion since our childhood. Promotion is one of the components of marketing mix (marketing mix-Product, price, promotion and place) which helps the marketer to promote a product in the market. Its main purpose is to inform, persuade and influence people towards a product or services. Promotion is a basic ingredient in non price competition and it is an essential element in modern marketing.

This unit introduces you to the different promotional strategies of marketing. Most of you as customers must have experienced the outcome of various promotional strategies like advertising, sales promotion (offer), personal selling (face to face interaction) and publicity etc. We are going to discuss the academic and mangerial implications of these promotional strategies.

3.3 DEFINING PROMOTION

Promotion is the aspect of selling and advertising or communicating the benefit of the product or service to the target customers in order to persuade them to purchase such product or services. Basic components of promotion are advertising, sales promotion, personal selling and publicity.

Promotional techniques are used by both industrial as well as consumer marketers. Different marketers use different advertising media (news paper, magazine, television, hoardings, radio etc).For example, a machine tool marketer can use magazine advertising, dealer sales – incentive contest, trade shows, and press release to promote the products. IBM, Apple and other computer marketers combine extensive personal selling with advertising and public relations. For expensive, complex products and systems, close interaction between buyer and seller is often required, which lead to a lot of personal selling in such markets.

Marketers' selection of advertising media reflects their overall promotional strategy for a product.

LET US KNOW

Industrial marketing is the marketing of goods and services from one business to another. In the Industrial marketing, goods are produced for the purpose of reproduction. Again consumer marketing is the marketing which focuses on the needs and wants of consumers. In the consumer marketing, goods are produced for ultimate consumption.

ACTIVITIES

Do you think promotion is necessary to sell a product? Observe the rcent advertisements in TV and see how they are used to promote products /services

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CHECK YOUR PROGRESS

Q1. Give the definition of promotion.

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3.4 PROMOTION MIX

Promotion is one of the major components of marketing mix. The purpose of promotion is to reach the desired consumers and persuade them to act positively towards purchase of the specific product or services being promoted. A company may have a well designed product offering with a price and distribution system appropriate to its target market. But if it is unable to reach that market, then all its efforts will have been in vain. Promotion is responsible for awakening and stimulating consumer demand for the product.

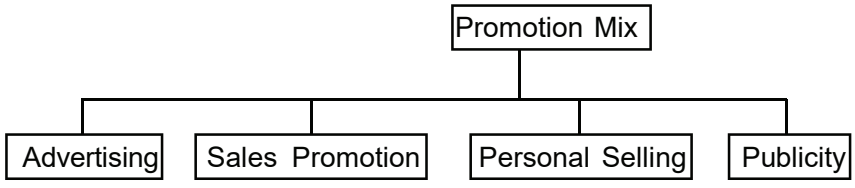
Businesses use various promotional methods to communicate with individuals, groups and organizations. Just as product, price, distribution, and promotion make up the marketing mix, so four components make up the promotion mix. The promotion mix is the specific combination of these four promotional methods- i) advertising, ii) personal selling, iii) sales promotion, and iv) publicity-that an organization uses for a specific product.

LET US KNOW

How does promotion differ from advertising?

Promotion is the broader, all inclusive term. Advertising is just one specific action you could take to promote your product or service. Promotion, as a general term, includes all the ways available to make a product or service known to and purchased by customers and clients.

The word promotion is also used specifically to refer to a particular activity that is intended to promote the business, product or service. Different forms of promotion are as follows:



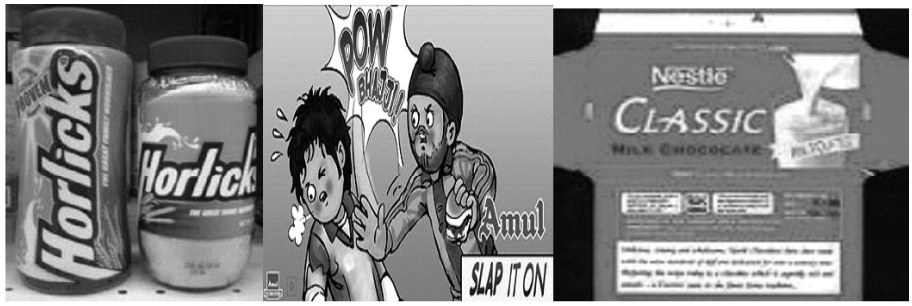
3.4.1 Advertising

Definition: Advertising is a paid form of non-personal communication about an organization, its products, or its activities that is transmitted through a mass medium to a target audience. The mass medium could be television, radio, news paper, magazine, direct mails, sign, outdoor displays, handbills, catalogues or directories.

According to Philip Kotler, “Advertising is non-personal form of communication conducted through paid media under clear sponsorship.”

Advertising is persuasive, informative and it is designed to influence the mass population. Advertising may cost a lot of money but that cost is justified if it works effectively and economically.

Some of the examples of advertisements for different products are shown below. From the above definition of advertising, we can summarize the characteristics of advertising as:



1. It is non personal communication to specific consumers
2. It is a paid form of communication by an identified sponsor.
3. It disseminates information about products or services to the consumers.
4. It persuades people to buy a product by creating interest of the prospective buyers in the product.
5. It is an essential form of communication for introducing a new product in the market.
6. Written or oral messages are addressed to selected customers.
7. It influences the general public to buy products or services.
8. Advertising messages are identified with the advertiser.For , example Citibank had introduced 24/7 by rolling out Automatic Teller Machine(ATM) with the tag line “citi never sleeps”
9. It is a commercial transaction that forces the advertisers to pay the media houses whose media are used.
10. It is the promotion of ideas, goods and services.
11. It stimulates sales or patronage for the product.
12. It is a salesmanship in print in case of print media.
13. It is an essential form of communication for introducing a new product in the market.

3.4.2 Objectives of Advertising

The following are the main objectives of advertising:

- **Promoting new product:** Advertising is most essential, when a new product is introduced in the market. In this way advertisement may be used for preparing a ground for sale of new product.

- **Creating awareness:** Advertisements help in building awareness about new product or services.
- **Generating Demand:** Advertising creates a favourable atmosphere for maintaining or improving sales. The prospective customers may be induced to buy a product, by informing them about the comparative quality, price and other attributes of that product.
- **Educate the consumer and users:** Advertising provides information to the consumers and educates them about the product.
- **Helps in building brand image and brand loyalty:** Through repetition of advertisement brand image can be built in the mind of customers, which helps in creating brand loyalty.
- **Forming attitude:** Advertisement helps in forming positive attitude and disposition towards any product or service.
- **Facing competition:** The marketer informs the consumer about the price, quality and availability of the product, which helps in combating competition.
- **Informing about the changes to the consumers:** It informs the consumers about the changes in quality, packing, design, size, price etc.
- **Forcing middlemen to handle the product:** The objective of advertising is to force the middlemen to handle a particular product by creating popularity among customers.
- **Performing selling job:** The objective of advertising is to perform selling function, e.g. in mail order business the selling function is performed by advertisement.
- **Assisting salesman's effort:** Advertising also assists the salesman's effort in increasing sales of a product. Since the advertisement educates the customers about the product, the function of the salesman remains simply to sell the product.

3.4.3 Functions of Advertising

Advertising performs a number of functions, which can be categorized as follows:

1) Primary Functions:

- It attracts customers and helps the marketer in promoting new products
- It assists the dealer to sell the advertised goods effectively.
- It persuades dealers to stock advertised goods sufficiently.
- It develops brand name.
- It increases use through repetition of advertising.
- It eliminates seasonal fluctuation of sales by offering something extra.
- It also helps in improving standard of living of the customers.

2) Secondary Functions: The secondary function of advertising is

- To assist salesmen and boost their moral.
- To increase profits by increasing sales.
- To reduce production and selling cost by increasing sales.

3.5 FACTORS AFFECTING PROMOTIONAL MIX AND STRATEGIES

There are many factors which influence promotional mix and they are known as product market factors.

1. **Nature of the product:** Different product requires different promotional mixes. Consumer goods and industrial goods require different strategies. Consumer goods are sold through advertising, personal selling and displays. But industrial good require more personal selling.
   - **(a) Product complexity:** If a product is technically sound and complex in nature then it requires personal selling. For example, industrial products. On the other hand if the product is simple we can go for advertising. For example, most of the ***FMCG*** products.
   - **(b) Brand differentiation:** Promotional mix is affected by brand differentiation

and the degree to which the brand is differentiated from competitor's brand.

(c) **Purchase frequency:** If buyers buy frequently a product, such as soap, tooth paste etc. the marketer will invest a good amount on advertising to push competitior brands.

2. **Nature of the market:** Different market requires different promotional mixes and strategies. In industrial market, advertising plays a more informative role than the persuasive role for industrial buyers. Personal selling emphasizes on two roles, i.e. information and persuasion in the industrial and consumer's market.

3. **Stage in the product life cycle:** The promotional product mix varies within stage in the product life cycle. The nature of demand varies according to the stages in the life cycle. During the introductory stage, the customers do not realize the qualities of the product. Here, information about the product and its benefits are made known to the buyers. In this stage, more importance must be given to advertisement, personal selling and trade shows. In the growth stage, customers know the qualities of the product. Hence to stimulate demand, advertising and sales promotion must be increased. In the maturity stage, sales and profits decline and hence promotional activities like advertising should be cut down. However, emphasis may be given on sales promotion tools.

4. **Market penetration:** Here the product is already known to the buyers. In that situation, a sustaining promotional strategy is suitable. A brand has insignificant market penetration means it has a small market or struggling market.In order to penetrate further, awareness needs to be created by advertisement.The demand needs to be stimulated by sales promotion.

5. **Market size and location:** Product's market size and location also influences the promotional mix. In narrow market, where the numbers of potential buyers is small, direct mail is used. In a broad market advertising is used.

6. **Characteristics of buyers:** The characteristics of prospective buyers strongly influence the promotional mix. Experienced professional buyers such as industrial purchasing agents need personal selling. Inexperienced buyers need advertising. Some buyers give importance to time, some to purchase of products, buyers act according to the influence of friend, relatives etc.

7. **Distribution strategy;** Companies fighting more through distribution for establishing their brands, invest more money on personal selling and advertising. Companies which have already established their brand in the market have to invest only a small amount in personal selling. However, they need to maintain awareness level through advertising.

8. **Pricing strategy:** Pricing strategy influence the promotional mix strategy. If the brand is priced higher than the competition, more personal selling is needed to get a middleman to stock and push the brand. If the brand is priced lower,more sales are expected to take care of the margin of middlemen.

3.6 TYPES OF ADVERTISING

Following are the major types of advertising:

- **Product Advertising:** When advertising promotes the sale of a product, it is known as product advertising. It is the most common form of advertising. Suppose to sell a "Maruti- A Star" car, the promoter will give product advertisement on Maruti 'A-Star'.



- **Institutional Advertising:** Institutional advertising are also called corporate advertising. These messages focus on establishing a corporate identity through building goodwill. Institutional advertising is done to build a good public relation image in the market

for the marketer and a patronage for its products.

- **Consumer and Industrial Advertising:** When advertising is directed to attract the consumers who buy for ultimate consumption, it is called consumer advertising. For example biscuit, tea etc falls under this type of advertising. Again industrial advertising is one which is directed to attract the industrial users to purchase the product advertised.
- **National and local advertising;** National advertising is sponsored by the manufacturer or the producer and is intended to cover a wide market. On the other hand local advertising is sponsored by the retailer and it covers only local market.
- **Commercial and non commercial advertising:** Commercial advertising is concerned to increase the sales of commercial enterprises. The forms of commercial advertising are- industrial advertising, trade advertising, professional advertising etc. Again non commercial advertising is undertaken by non-profit organisations such as government, charitable institutions, etc to support ideas and donations etc.
- **Rational and emotional advertising:** Rational advertising explains the reason for going to a particular product. For example Colgate tooth paste advertising is rational. On the other hand emotional advertising attracts the consumer through emotional feelings. For example, Cadbury Dairy Milk- celebration shows the emotional touch in their advertisement.

CHECK YOUR PROGRESS

Q 2. State true or false:-

(i) Advertising is a non paid form of company message.(True / False)

(ii) Advertising provides information to the consumer and educates them about the product. (True / False)

(iii) Advertising helps salespersons in promoting the product .(True / False)

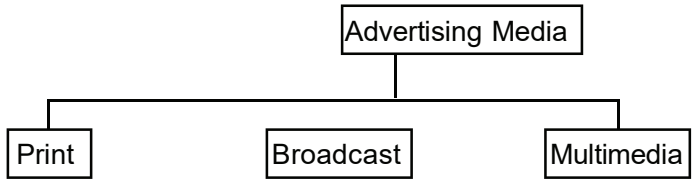
(iv) Advertising assists dealers to sell the advertised goods effectively. (True/ False)

(v) National advertising are sponsored by local retailers. (True/False)

3.7 ADVERTISING MEDIA

Advertising media can be classified under three broad categories:

1. Print and out of home media
2. Broadcast media
3. Multimedia



3.7.1 Print Media

Print advertising includes advertisement in news paper, magazines, brochures, posters etc. Print media provides more detail information, rich imagery and longer message life. But the drawback is that many readers do not read the advertisements. In case of a news paper, the raders will read the news not the advertisement.

Different forms of print advertising are discussed below -

- **Newspaper Advertising:** The news paper may be daily, weekly or fortnightly and can also be of different languages. When we consider the news paper as an advertising medium, we have to asses the advantages of the news papers as it provides more flexibility than other media do. News paper conveys messages very rapidly to the mass media. Cost of advertising is also low in case of local news papers. But the drawback here is that it has short life span and many readers do not read the advertisements.

- **Magazine Advertising:** A magazine is a periodical publication, consisting of specific information to the target group (e.g. business magazine for businessman, health magazine for health concerned people etc.).There are magazines for sports, differnt age groups and professions. Advertisers can easily target their audience and give advertisement on specific magazines. The presentation of material in a magazine is better than news paper. Both printing and paper qualities are good in magazines. Magazines have the longest life span in all media. .Moreover, magazines facilitate pass along

readership.

The picture given below shows a magazine advertisement.



Picture of Magazine Advertising

- **Packaging:** In todays marketing environment, a package is both a container and a communication vehicle. The package serves as a critical reminder of the product's important benefits at the moment the consumer is choosing among several competing brands.
- **Direct mail advertising:** Direct mail advertising is one of the media communication that brings the product message directly to the notice of the individual through mail or personal delivery.
- **Out of home advertising:** It includes everything from billboards to hot air balloons, posters on walls, hoardings, shopping mall displays, etc. Out of home advertising can target specific people with specific messages at a time when they are most interested.

3.7.2 Broadcast media

Most prominent broadcast media vehicles are radio and television advertising.

(i) **Radio advertising:** The radio is a major and one of the most popular media vehicles of advertising. Its coverage area is more than 90% of India's total land mass. The radio ads rate structure depends upon the day, date and time. There are different radio systems through which one can listen to radio. FM is an emerging example.Radio allows the listener to imagine and it has high acceptance at the local level. But the drawback is that it cannot give the visual impact. If a product needs demonstration to deliver the ad message to its target audience, radio is not the perfect medium for that product.

Merits

- It has a wide coverage.
- It easily catches the attention of the people.
- It gives message of the advertiser at the door of the prospects.
- It is quite flexible as it can be used on a national or local level according to need.

Demerits

- The message given by radio advertising is short lived.
- It is costly for national coverage at high frequency.
- There is no possibility of demonstration in case of radio advertising.
- It is a selective media of advertising.

(ii) **Television Advertising:** It is said that today television advertising is the best appealing media vehicle. It is a means of bringing actual demonstration in the homes of the prospects and therefore more effective media when compared with radio. Television makes full use of sight, sound and motion and thereby maximizes impact on audience.

Merits

- It combines the advantages of both radio and cinema. It is a powerful audio-visual medium.
- It makes the message more attractive, impressive and effective.
- It has a wide coverage.
- It is most advantageous to those advertisers whose products and service require demonstration.

Demerits

- It is very expensive.
- Television message is very short lived.
- Television advertisements are very brief due to high cost of advertising on television.
- The messages lost in the clutter of advertisements as there are so many advertisements.

(iii) Film Advertising: Today cinema is an important and effective media of advertising. Suitable short films (e.g. infomercial) may be prepared to create a lasting impression upon the audience. These may be presented in the form of a short story or cartoon. Such films may be shown before the start of the feature film or during interval. At present there are three kinds of films used as media of advertising:

a) Straight Advertising Films.

b) Documentary Films.

c) Sponsored Advertising Films.

Merits

- It has quite wide coverage.
- It is able to explain and demonstrate the use of a product quite conveniently.
- Appeal is made to all sections of the society.

Demerits

- Production cost of a film is quite high.
- The audience may not like to waste time in seeing such films repeatedly.
- The films are too short and need changes frequently.

(iv) Online Advertising : It is also called as Internet Advertising or Web Advertising. In this form of advertising internet is used as a tool to deliver promotional messages to consumers.

3.7.3 MULTIMEDIA ADVERTISING

Multi media advertising is the process of using animation and graphic design to

market product or services. It is also known as “vehicle advertising” or “mobile advertising”. It refers to moving advertisement. It consists of placing posters or play cards inside or outside vehicles, such as trams, buses, taxies, delivery vans or any other public transport.

Merits

- It is lowest cost media.
- It gives geographic selectivity and seasonal selectivity.
- It has high readership/viewership..

Demerits

- The space available is small and they can carry only short message.
- It is limited in quantity by the number of public vehicles available for promotion. Private vehicles are not used for this kind of promotion.

3.8 ADVANTAGES AND DISADVANTAGES OF ADVERTISING

Advertising is widely used. Not only the print and broadcast media, advertising is being increasingly used in internet, exhibitions and fairs, showroom, window display etc. As a component of promotion it has certain advantages and disadvantages which are outlined below:

LET US KNOW

Internet has developed as one of the important advertising media. It is known as internet advertising, e-marketing or online marketing. Now most of the companies use this media as it offers various advantages like, low cost, global audience etc. However, there are certain limitations of this media. As it requires newer technologies, it may not be possible for all people to take advantage of this media. Another limitation is the inability of buyers to touch, taste or try-on tangible goods before purchasing the goods.However, the popularity of this form is increasing very fast.

Advantages of Advertising:

i) Television ads are more attracting because it provides audio-visual representationabout the product. e.g.-Tata Sky (Isko Laga Dala To Lif Jingalala)

ii) For Radio ads the voice should be clear and interesting to listen.

iii) For News paper and Magazine ads the heading is very important. The size of the advertisement also matters, whether the advertiser is using half page or full page coverage. Big and colorful advertisement gains more attention to the customers.

iv) Advertising can be used to build up a long term image for a product (coca-cola ads) or trigger quick sales (e.g. Vishal Mega Mart's weekend ads).

v) Advertising allows the user to transmit a message for a number of times.

vi) Advertising also helps in creating brand image about a company. Advertisement permits the seller to repeat a message for many times, which will help the customer to remember the product.

This is a print advertisement of Omega Watch with sales promotion of 10% off displaying.



Limitations of Advertising:

Advertising has several drawbacks. Even though the cost per person may be low, but the total cost can be very high. Organization like Coca cola, Proctor and Gamble may spend millions of rupees to advertise a single product. These high cost can limit, and sometimes eliminate advertising as an element of the promotion mix. As advertising is a monologue, i.e one way of communication, the feedback from advertising is generally slow, if it occurs at all, and measurement of the effect of advertising on sales is difficult. Finally advertising normally has less persuasive power over customers than other forms of promotion, such as personal selling.

Note :

In audio visual representation, we can see as well as listen to the advertisement(TV).In case of audio representation we can only listen to the advertisement(Radio).In case of visual representation, we can only see the advertisement(Hoardings, news paper ads, magazine ads etc.)

3.9 SALES PROMOTION

Definition: Sales promotion is an activity or material that offers consumers, salespersons, or retailers a direct inducement for purchasing a product.
Different sales promotional tools are- coupons, contests, premiums, sweepstakes, refund, demonstration or display. Some examples are 25% off, buy one get one free, money back offer etc.

Advantages: Companies use sales promotion tools to draw a stronger and quicker buyer response. Sales promotion can be used for short run effects such as to dramatize product offers and boost sales.

Limitation: In contrast to advertising and personal selling, which are generally used on a continuous or cyclical basis, sales promotion devices get more irregular use. They are used mainly for short term gains.

PUSH VERSUS PULL:

When dividing the composition of promotion mix, marketing managers must decide whether to use Push or Pull policy.

Push marketing: Marketers develop advertising and promotional strategies geared towards the marketing and distribution channels to ***entice*** them in promoting product or services.

With a **PUSH POLICY** the marketer promotes the product only to the next member down in the marketing channel. In a consumer marketing channel with wholesalers and retailers, the producers focus the promotion efforts on the wholesalers, who is the member below the producer in the marketing channel. Each channel member, in turn, promotes or pushes the product down through the marketing channel. Marketers employing a push policy generally focus on personal selling efforts, although sales promotion and advertising may be used in conjunction with personal selling to push the product down through the channel.

Pull marketing: Advertising & promotional strategies are geared in such a way that people will get attracted to buy your product or service.

A business using a **PULL POLICY** promotes its product directly to consumers to stimulate strong consumer demand for the product. When consumers learn, through promotional activities, about a product that they believe will satisfy their needs and wants, they ask

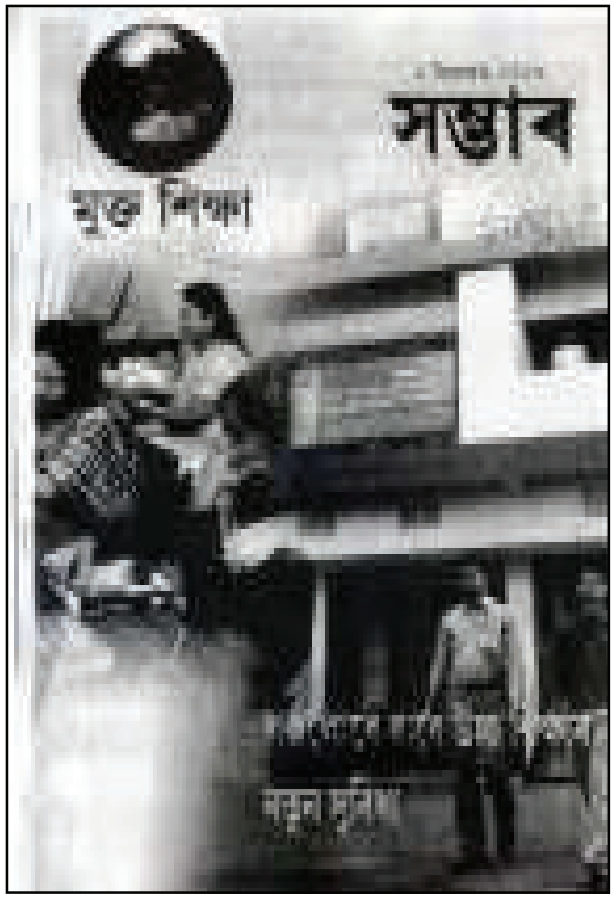
for the products in retail stores. To satisfy consumer's demand retailers in turn try to purchase the product from the producers or wholesalers. A pull policy is therefore intended to pull products down through the marketing channel by stimulating demand at the consumer level. To stimulate strong consumer demand, a marketer focuses promotional efforts on intensive advertising and sometimes on sales promotion. Many pharmaceutical companies use a pull policy in case of common products. They advertise directly to consumers and encouraging them to purchase the products without doctors' prescription.

3.10 PUBLICITY

Of the four promotional mix options available to marketers public, relations (PR) or publicity is probably the least understood and, consequently, often receives the least amount of attention. Many marketers see public relations as only handling ***rudimentary*** communication activities, such as issuing press releases and responding to questions from the news media.

But in reality, public relation offers powerful methods for convincing the customer.

Publicity is a non paid form of non personal communication about an organization or its products that is transmitted through a mass medium in the form of a news story. Examples of publicity include magazine, newspaper, radio and TV news stories about new retail stores or products, firm's personnel changes or special activities. Publicity differs from other promotion mix in that it does not directly facilitate exchanges instead, its purpose is to provide information to the general public and to create and maintain a favorable public image of the organization.It acts as an offguard. For example, many readers do not read the advertisements in the news paper, but they read the news items. Company messages published as news items are likely to read this group or readers.



This is an example of publicity of 'open education'in a Magazine

Other forms of promotion like packaging, direct mail, trade shows etc.

CHECK YOUR PROGRESS

Q.3State true or false for the following statement –

i. Advertising is a non paid form of nonpersonal presentation about an organization or its product or service. True/False

ii. Personal selling involves an immediate and interactive relationship between two or more persons. True/False.

iii. Coupons, contests, premiums are tools for personal selling. True/ False.

Q.4 Match the following:

(a) advertising (i) face to face interaction

(b) sales promotion (ii) channel members

(c) personal selling (iii) Mass media

(d) publicity (iv) attracting customers

(e) push policy (v) non paid

(f) pull policy (vi) coupon

Q.5 Which is the most costly method of promotion per person?

(a) Advertising (b) Sales Promotion

(c) Personal Selling (d) Publicity

Q.6 In which promotional method face to face interaction is possible?

(a) Advertising (b) Sales Promotion

(c) Personal Selling (d) Publicity

LET US KNOW

One way communication: One way communication is a form of communication where one party is transmitting the message.

Two way communications: Two-way communication is a form of transmission in which both parties are involved in sharing information.

Mass media/mass communication: The process by which messages are communicated to a large number of people by a mass medium.

3.11 LET US SUM UP

After going through this unit you have learnt to define promotion and its various types and how it is important for business. You have also learnt about its importance in the marketing and the different promotional mix and how to apply this promotional mix in different markets. You have also learnt which promotional tool is most cost effective and which promotional tool is applicable for mass media communication. This unit also focuses on the importance of advertising and its use to promote the product in the market.

The table below provides the summary of the key characteristics of promotional mix-

Characteristics	Advertising	Sales Promotion	Personal Selling	Publicity
Direct Coverage	Mass and Targeted	Mass and Targeted	Targeted	Mass
Message Flow	One way	One & two way	Two way	One way
Payment Model	Paid Directly	Paid	Paid	Non paid
Interaction Type	Non personal	Personal & non personal both	Personal	Non Personal
Message Control	Good	Good	Very good	Poor

3.12 FURTHER READING

1) Philip Kotler, Kevin Lane Keller, Abraham Koshy, and Mithileshwar Jha (2007), Marketing Management, Published by Pearson Education

2) V. S. Ramaswami and S Namakumari (2003),Marketing Management, Published by Macmillan India Limited

3.13 ANSWERS TO CHECK YOUR PROGRESS

Ans to QNo 1 Promotion is the aspect of selling and advertising on communicating the benefit of the product or service to the target customers

Ans to QNo 2 (i) False (ii) True (iii) True (iv) True (v) False

Ans to QNo 3 (i) False (ii) True (iii) False

Ans to QNo 4 a (iii) b (iv) c (i) d (v)
e (ii) f (iv)

Ans to QNo 5 (c) Personal Selling

Ans to QNo 6 (c) Personal Selling

3.14 MODEL QUESTIONS

1. Define Promotion. Do you think promotion is necessary to sell a product?

2. Explain the promotional strategies in different marketing conditions.
3. Explain different forms of promotion.
4. What is push and pull marketing?
5. What is the importance of publicity in business?

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UNIT 4 : DEVELOPING EFFECTIVE PROMOTION

UNIT STRUCTURE

4.1 Learning Objective

4.2 Introduction

4.3 Identifying the Target Audience

4.4 Determining the Promotional Objectives

4.5 Designing the Promotion and Selecting the Channel

4.6 Push vs. pull Strategy

4.7 Establishing the Promotional Budget and Implementing Promotional Strategy

4.8 Let Us Sum Up

4.9 Further Reading

4.10 Answers to Check Your Progress

4.11 Model Questions

4.1 LEARNING OBJECTIVE

After going through this unit, you will be able to-

- know what is the concept of target audience
- explain the process of determining the promotional objectives
- explain promotional activities are designed
- know the concept of push vs. pull strategy
- discuss promotional budget

4.2 INTRODUCTION

In the earlier units we have broadly discused about promotion mix.

In this unit, we will briefly discuss the objectives of Promotion and designing and budget for promotional strategics.

4.3 IDENTIFYING THE TARGET AUDIENCE

Any product or service that is or will be launched in the market will have an intended population. This specific intended population in the market is known as the target market. In other words it can be defined as the most likely group of people to the products, services, and

promotions of the company. For instance if a company is looking to promote the concept of old age homes, then the target market of the company will be the senior citizens of the population. Any company that has a product or service to offer in the market is required to have a target market. This is essentially due to the uniqueness of language, type of information and channels that are to be used to communicate with each target.

On the other hand a target audience is the intended audience of a publication, readership, advertisement or any other message. In the parlance of marketing target audience is the group of prospective customers in the target market who are identified as the target or recipient for a particular advertisement or message. Each target market has a different set of demographic profiles and consequently marketing communication has to vary accordingly to fit to the profile of the target audience. The target audience gives the company a track towards which all the marketing activities will revolve. At the same time it provides consistency in messaging and further helps in reaching the customers in a more intimate way.

THE PROCESS OF DEFINING THE TARGET AUDIENCE

For adopting a promotional campaign, the target audience has to be well identified. This is because only after identifying the target audience, the nature of promotional that is to be adopted can be determined and developed. In such a process, the target audience has to be well defined by the marketer to efficiently market to the people to create significant impact. There are three steps to take that will help one define the target audience. They are;

(i) *Identify problems and needs:* The first step in defining the target audience is to determine the target audience in terms of what problem the business product or service solves or what need or want the product fulfils. The problem must be one which the consumers are experiencing or are aware of and consequently have a desire to solve it. For example, a problem can be lack of pure raw milk in the market. If the marketers find that the solution can be reached and can make available pure raw milk in the market, then customers may purchase the new product. The problem that the business solves can be identified by searching for similar businesses or business ideas. If the search is unsuccessful, then there remains a problem that the business can solve.

(ii) *Looking at competitors:* The next step is to look at the way the competitors are looking at the problem. The business has to see that steps and processes the competitors have adopted to solve the problem that has been identified. Going through this process will enable the marketers to know and get a thorough idea about the type of customers they will be targeting and the best way that can be adopted to communicate the message

to the target audience. Knowing about the competitors will also help to create differentiation of the advertisement created by the company marketer in comparison to its competitors so as to get a competitive advantage in the marketing campaign.

(iii) *Creating the content for communication*: After the first two steps, the third step is to create the content for the campaign. The campaign has to be such that it is compatible with the profile of the target audience and the communication is effective. Marketers have to ensure that the content of the promotional campaign has to be high in quality. Sufficient copy test has to be done before final execution to see that the message is understood in the way it is intended to be understood by the audience.

4.4 DETERMINING THE PROMOTIONAL OBJECTIVES

An important task of a marketer is to increase the popularity and consequent sale of products. In the process various promotional measures are used to ensure its sale. Normally it is seen that any product or service offered in the market do not necessarily have its ready customers. In fact marketers have to use various advertising and promotional measures to imparting knowledge and interest for the products, create positive attitudes along with image and further purchase intentions. As such advertisements and sales promotion are regarded as the key determinants of enhancing market share of a brand. Today marketers have certain promotional objectives. Basically there are three main objectives of a promotion. They are;

(i) *Increase demand*: An important objective of sales promotion is to increase demand for products. These measures are used during the product life cycle in order to increase sales. At one point of time, a product will reach the point of saturation. At such a situation, investment in sales promotion basically tries to see that the message stimulates the recipients to take action for purchase.

(ii) *Providing information about the product*: A second important objective of promotion is to make customers understand about the functional benefit and general usage of the product. Customers are also required to know the purpose for which a product is used. Information about the product will differ depending on the specific target market that is to be served by the product.

(iii) *Create product differentiation*: The third important objective of promotion is to create differentiation of the product. This aspect becomes more relevant when there are multiple players offering the same product in the market. It is intended that the audience

understands the message of the advertiser.

4.5 DESIGNING THE PROMOTION AND SELECTING THE CHANNEL

The process of designing a sales promotion strategy requires proper planning. At the time of deciding about the sales promotion strategy, it has to be seen that it gives the best return on investments and there is a good marketing exposure for the products and services. At the time of deciding the promotional strategy, the marketer has to consider various issues for the decision in adopting the right promotional strategy. The important issues are:

(i) *Short or long term duration*: The first step is to determine whether sales promotion decision is for short duration or long duration. For products that are in the introductory phase, the sales promotion has to be for long duration, as the products will undergo various phrases of the product life cycle. On the other hand, for products that are in the declining phrase, the promotional exercise will be for shorter duration.

(ii) *Motivation for sales representatives*: There has to be the right motivational tool to be used to impress sales representatives to carry out the sales promotional work. The sales people has to be enticed with a clear formula like commission per unit sold or commission per sales value which the representative want to push.

(iii) *A registration system*: The sales promotion framework should have a registration system by means of which the sales people who take part in the promotional process are well recorded and accounted for. The registration process should have an inbuilt system which can tract the volume of sales by each enrolled representative and other details of his or her personal profile.

(iv) *A marketing plan*: The system of sales promotional framework should be properly available as a document in black and white so that anybody interested to know about the sales promotion policy can have access. It should also provide the information about the eligibility criteria to be a representative, details of registration process and knowledge of the product that is to be sold.

(v) *Periodic monitoring*: Lastly there should be a mechanism by means of which the entire sales promotion activities can be monitored. There should be a well knit network where any representative can have access to the reporting officer for clarification and having updates about the performance of each representative in the market.

PROMOTING TO RETAIL CUSTOMERS

At the time of promoting the products to the retail customers, certain issues are required to be considered by the marketers. They are;

(i) *Promoting one product at a time*: At the time of promoting products, marketers should promote one product or one family of products at a time. This is essentially to avoid clutter effect and confusion in the mind of consumers.

(ii) *Determine the type of sales promotion strategy to be used*: Marketers has to take a decision on the type of sales promotion strategy that is to be used. The type of promotional strategy that will be used varies from product to product.

(iii) *Framing rules and regulations for promotion*: Certain clear cut rules and regulations have to be formulated for promoting and should be made readily available before the customers. Sometimes advice needs to be taken from the company's legal department to see that rules and conditions are complete and free from error.

(iv) *Help desk for registering customers eligible for promotional rewards*: There should also be provision of a well documented process either offline or online so that customers can register to avail promotional rewards and get more information about the various promotional schemes.

(v) *Creating a display of promotional offers*: The promotional schemes should be clearly put on display in the high visibility areas and flashpoints so that the prospective customers have access to it and easily get the required information

For the success of any promotional scheme, the marketers has to properly identify the target customers, devise suitable methods to reach them and use the best media to disseminate information to them.

STEP IN THE PROMOTIONAL STRATEGY

(i) *Identify the target audience*. As a first step marketers are to identify what is to be promoted and to whom it is to be promoted. In the identification of the target audience, important demographic variables like age, gender, profession, social class, income level and other have to be taken into account.

(ii) *Determine what you want from your promotional strategy*. As a second step, marketers need to take into consideration what is to be expected result from the promotional campaign. The promotional strategy should have a well-defined goal. Some prominent goals may be (i) Creating customers awareness about products and services (ii) Motivating customers to buy (iii) bringing home to customers about the functionality and features of the product (iv) Highlighting the unique selling proposition of the product (v)

Creating brand image

(iii) *Understand the ideal customer's preferences*. The next step is to know other aspects of the target group like their ideals and important aspects of a company which they seek. Knowledge has to be also gathered about the company culture of the competitors who are successful in the market.

(iv) *Match media channels to those used by the target audience*. As a fourth step, the marketer has to take a decision on the type of media channel that will be used. For that, a decision has to be reached to match a suitable media channel with the profile of the customers. For instance online advertising is a suitable way to reach customers. However, this is not true for products that are targeted for the rural consumers.

(v) *Assess your promotional budget*. An important aspect to be taken into consideration is about the promotional budget. However novel the promotional campaign may be, if the budget does not finally support it, then it is of no use. Therefore based upon the allocated budget, decision has to be taken.

(vi) *Think about the timing of your promotion*. Lastly marketers have to keep tract of the timing of the promotional campaign. Often it is seen that there are certain products that are seasonal in nature. For instance, the demand for woolen clothes is basically during the winter season. Therefore there is no point of promoting woolen clothes during the summer season with exceptional discounts and offers. Therefore the timing of a promotional campaign can impact the success or failure of a campaign and the ultimate sale.

SELECTING THE PROMOTION CHANNEL

Determination of the right promotional channel is an important task of marketers for the successful sale of products and services. This calls for the planning and implementation of the right promotional mix. Promotion is a novel way used by the marketer to assist in the dissemination of integrated marketing communication so as to enhance the value of the brand in the mind of the consumers. Basically there are broadly five types of promotional channels. They are (i) Personal Selling (ii) Advertising (iii) Sales promotion (iv) Public relations and (v) Event marketing, exhibitions and trade shows.

(1) Personal Selling: For the sale of products and services of the company, the company employs various sales people. They sale the company products and services through direct face to face interaction with the customers. These sales people can be used as a promotional channel. The way the sales people talk, the way they dress up, the way

they behave in the public and the way they communicate all tells us something about the brand or the company they represents. In fact they are sometimes called as walking billboards of the company. The greatest advantage of using the method of personal selling is that here there is direct selling and the feedback from the customers is also immediate.

(2) **Advertising:** Advertising is a paid form of non-personal communication. For advertising the marketer has to buy space and time for the message to be advertised. For advertisement, various media may be used like television, radio, internet, mobile phones, newspapers, magazines, billboards and the like. Advertisement helps in the process of introduction of new products in the target market as well as creating awareness about the existing products along with its features and benefits. Advertisements can help in increasing the credibility, awareness and brand value of what the company markets. But the cost involved in advertising may be high and there is lack of immediate feedback. Today in the age of digital marketing, various modern platforms for digital marketing are used like (a) paid listing (b) Pay-per-click links (c) Pay-per-sale advertising (d) “Opt-in” e-mail advertising.

(3) **Sales Promotion:** Marketers resort to various promotional exercises like discount offers, buy two and get one free, bulk purchase discounts, sponsored trip for the lucky draw winner to markets their products and services. These sales promotion tactics are used as agents to entice customers to try out for products.

(4) **Public Relations:** Public relations are another form of promoting company products and services. By using it, one can increase the sale of company offerings through favorable, nonpaid media coverage and this helps in enhancing the brand image of the company. Public relation is a way to increase the image of the company in the eye of the public. Publicity about the company can be carried out using various platforms like press releases, special events, sponsorships, newsletters and community activities. Sometimes improvement of the company image can be done before the public by sponsoring a charitable event.

(5) **Event marketing, exhibitions and trade shows**: Modern day marketers use events, exhibitions and trade shows as platforms to market products and services. These occasions in the forefront have events (like Music Orchestra, DJ Night and the like), exhibitions (like regional exhibitions, collage shows, traditional handloom and handicraft exhibitions and the like) and trade shows (like car rally, regional expo, international expo

and the like), but at the background marketers use as a platform to promote and market their products and services.

4.6 PUSH VS. PULL STRATEGY

In the promotion of products and services, marketers use two types of strategies. They are the push strategies and the pull strategies.

In push strategy, the company pusher the products towards the customers by making them aware of it, at the point of purchase. On the other hand, pull strategy, relies on the notion, that to get the products sold in the market, customer has to come to you". The push strategy is basically manufacturer dominated. Here the manufacturer has to adopt ways and means to sell the product to the customers. Among the series of activities, the manufacturer has to see that the distribution mechanism is sound and efficient. Further middlemen and retailers are motivated to stock the products. Push strategy are more suitable for low value items like fast moving consumer goods (FMCGs) and products where the chances of impulse buying is more. Push strategy is often used for new products to generate awareness and popularity among the mass. Pull strategy is a situation where customers and retailers directly demand the products and services from the manufacturer. Such kind of strategy often works for products and services which are highly visible and popular brands. Such brands are being built based upon excessive mass media advertising whereby customers directly come to the retailers in search of the product. In turn retailers are forced to stock the products as required by the customers. In pull strategy, the simple principle is 'create the demand and customer will follow you".

1. **Push strategy:** A push promotional strategy is the process by means of which the product is directly taken to the customer to attract them towards the products and services. In the process various means are used to ensure the reach of the product to the customer like;
   (i) Use of trade shows to promote products, so as to encourage direct demand of the products by the customers
   (ii) Selling products to the customers directly by means of face to face interaction or in the showroom
   (iii) Point of sale displays and promotional offers to motivate customers
   (iv) Use of attractive packaging to attract customers
   (v) Giving concessions to retailers to stock the product of the company

(vi) Operating an efficient supply chain mechanism to entice customers

(vii) Point of sale displays

2. **Pull strategy**: A pull strategy on the other hand is the process of inspiring customers to look for the products and services of the company in an active search process. This is possible when advertisement and good word of mouth is spread in the market so as to create a favourable image of the company and the products. It is basically the use of efforts to make the customers come towards the products and services. Pull strategies include;

(i) Spread of good word of mouth (WOM)

(ii) Use of advertisements and mass media for promotions

(iii) Offering discounts to motivate customers to buy

(iv) Use of attractive unique selling propositions (USP)

(v) Having an efficient customer relationship management schemes

DIFFERENCES BETWEEN PULL STRATEGY AND PUSH STRATEGY

Criteria of comparison	*Push Strategy*	*Pull Strategy*
Orientation	Towards the channel members	Towards the customers
Thrust areaMiddlemen	stock the products	Customers demand the products
Objective	Create customer's awareness	Create customer demand
Time lag	Long	Short
Tools used	Trade promotion, salesmanship	Advertising, promotion
Stresses on	Allocation of resources	Customers attraction
Suitable for	Low brand loyalty	High brand loyalty

For the successful sale of products and services, it the combination of both push and pull strategy that will work for the company. Both are complementary to each and well balanced at the optimum level.

4.7 ESTABLISHING THE PROMOTIONAL BUDGET AND IMPLEMENTING PROMOTIONAL STRATEGY

The act of determining the amount of money that is to be spent for promotion of the identified product or service and its consequent accounting is known as establishing the promotional budget. At the time of taking decisions on the promotional budget, various factors

are to be taken into account which has an influence on the amount of money that is to be allocated to be spent for promotions. They are as follows.

- **Percentage of Sales:** In this method, the budget is decided as a percentage of past sales. The logic behind the use of this method is that since advertising is based on sales, therefore it is way to spend money for promotions based upon sales figures. This method also helps to keep a direct tract of the amount expended for promotions and sales.
- **Affordability:** Since all the companies vary in terms of sales, profits and scale of operation, therefore the ability of the different companies to spend for promotions and advertisements also vary accordingly. Therefore another way or determining the advertising budget is to set an amount on the basis of what the company can afford. At the same time the amount can vary from time to time for the same company as per requirement and affordability.
- **Competitive parity method:** In this method, the budget is fixed based upon similar budget that is adopted by the competitor of the company. Since the budgets are similar among the firms, it removes promotional price competition. This method is simple as the amount is simply decided by comparison. But it is very hard to determine the logic behind the determination of the budget by the competitor.
- **Objective and task method**: In the objective and task method, the marketers take into account the specific objective, determine the task to be performed to attain the objectives and estimate the cost to be incurred to execute these tasks identified. This method is logical in the sense that the budget is determined based upon the objectives of the company.

CHECK YOUR PROGRESS

Q 1: State the objectives of Promotion

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4.8LET US SUM UP

In this unit, we have discussed the following:

- Any product or service that is or will be launched in the market will have an intended population known as the target market. There are three steps to define the target audience. They are (i) Identify problems and needs (ii) Looking at competitors (iii) Creating the content for communication
- The objectives of promotional are to increase demand, providing information about the product and create product differentiation
- At the time of deciding the promotional strategy, the marketer has to consider various issues for the decision in adopting the right promotional strategy.
- At the time of promoting the products to the retail customers, certain issues are required to be considered by the marketers. They are promoting one product at a time, determine the type of sales promotion strategy to be used, framing rules and regulations for promotion, help desk for registering customers eligible for promotional rewards and creating a display of promotional offers.
- There are various steps in the promotional of products and services. They are to identify the target audience, determine what you want from your promotional strategy, Understand the ideal customer's preferences, matching media channels to those used by the target audience, assess your promotional budget and thinking about the timing of promotion.
- Basically there are broadly five types of promotional channels. They are (i) Personal Selling (ii) Advertising (iii) Sales promotion (iv) Public relations and (v) Event marketing, exhibitions and trade shows.
- In the promotion of products and services, marketers use two types of strategies. They are the push strategies and the pull strategies. In push strategy, the company pusher the products towards the customers by making them aware of it, at the point of purchase. On the other hand, pull strategy, relies on the notion, that to get the products sold in the market, customer has to come to you.
- The act of determining the amount of money that is to be spent for promotion of the identified product or service and its consequent accounting is known as establishing the promotional budget. For determining the promotional budget, various factors are taken into account. They are percentage of sales, affordability, competitive parity method and objective and task method.

4.9 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008
2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education
3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication

✓ 4.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: *(i)Increase demand*

(ii) *Providing information about the product*:

(iii) *Create product differentiation*:

? 4.11MODEL QUESTIONS

Q 1: Define the concept of target audience in promotion

Q 2: How are promotional objectives determined and designed? Discuss

Q 3: What steps would you take in promoting to retail customers?

Q 4: What are promotional channels? Discuss

Q 5: Discuss the concept of PUSH and PULL STRATEGY in promotion

Q 6: Compare and contrast between pull and push strategy on promotions.

Q 7: How would you establish the promotional budget? Discuss.

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UNIT 5 : MANAGING ADVERTISING - I

UNIT STRUCTURE

5.1 Learning Objectives

5.2 Introduction

5.3 Developing and managing advertising program

5.4 Setting advertising objectives

5.5 DAGMAR

5.6 Deciding on advertising budget

5.7 Let Us Sum Up

5.8 Further Reading

5.9 Answers to Check Your Progress

5.10 Model Questions

5.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- define the process of developing and managing advertising program
- explain the way of setting advertising objectives
- explain the DAGMAR approach to advertising
- describe the process of setting advertising budget.

5.2 INTRODUCTION

In this unit we will briefly discuss how to manage advertising program. We will also discuss concepts like DAGMAR and its application in Advertising.

5.3 DEVELOPING AND MANAGING ADVERTISING PROGRAM

The concept of managing and developing an advertising program vary from one organization to another. Advertising, as we already know is any paid form of non personal presentation and promotion of ideas, goods or services by an identified sponsor therefore there will be significant variations in the way organization carry out their advertising campaign. Not only is advertising confined to the business establishments but is also equally apparent in

other non profitable and charitable organizations that aims at directing the message to its target audiences. That advertisement is a way to propagate messages is the ultimate reality for any organization irrespective of the services provided by them. Though the process of developing an ad for a multinational corporation like Pepsi or for a Government campaign like eradicating polio are different, but the prime motive is the same, i.e. to create awareness in its respective target group.

Having the right product at the right place and at the right time does not guarantee its sale unless the information about it availability, its utility and price are effectively communicated to the right target audience. Therefore, companies have their own separate advertising department whose job is to propose a budget, develop advertising strategy, approve ad campaigns and handle direct mail advertising. It is important for marketing managers to identify the target market and buyer motives prior to developing an advertising program. Only then they should take up the major decisions in developing a program which is commonly known the “five Ms” viz; Mission, Money, Message, Media and Measurement.

Mission: It states the objectives of the advertising. It also includes the sales goals of the company.

Money: It gives an idea that what amount of money should be spent by the business firm for its advertisement. Factors to be considered here are the stages of product life cycle, the market share and consumer base, competition, advertisement frequency and product substitutability.

Message: Message includes what information should be conveyed by the organization to its target audience. Message generation, message evaluation and selection, message execution and social responsibility review form the overall message.

Media: The selection of the appropriate media is an essential part of developing an advertisement. The type of media so selected should be able to reach a wide audience base effectively and efficiently.

Measurement: It is the evaluation of the result. It measures if the information has been communicated properly which will be reflected in the overall sales of the organization.

5.4 SETTING ADVERTISING OBJECTIVES

An advertising objective can be defined as a specific audience response a marketer anticipates from a particular advertising message. Marketers have developed a number of methods to set advertising objectives. The “hierarchy-of-effects model” is one such model

that helps set advertising objectives as marketers can gauge the impact an advertising message will have on consumer decisions. Creating awareness, generating knowledge about the product, liking, preference, conviction and purchase are the steps in the hierarchy of effect model. In general, marketers prefer to set sales-oriented advertising objectives as increasing sales or profitability is the ultimate objective of any advertising effort. While sales are an inevitable objective, the campaign should also work towards achieving other objectives that influence a customer to purchase a product. Some of these objectives are as follows:

i) **Creating awareness and encouraging information search:** Creating awareness about the firm, its products and their capabilities is the first step towards influencing the customer's product preference. The advertisement promotes the product and also creates awareness about the company. These advertisements describe the main features or characteristics of the product, its price and place of its availability. If a new product is being launched or re-launched, marketers have to modify the objectives accordingly. Marketers cannot assume that a customer will purchase a product based on the information provided in the advertisement. So, advertisements also have to serve as prompts, encouraging viewers or readers search for more information.

For example, some advertisements end with an appeal to visit websites, call up toll free numbers or avail free samples. The effectiveness of such advertisements can be measured by counting the number of incoming calls requesting for information, or the number of clicks received on the website.

ii) **Persuading/Prompting direct action:** An advertisement, which has persuasion as the objective, aims at encouraging the target audience to buy the product. It also attempts to make the target audience switch brands and also create a preference for the advertised brand. The objective of persuasion is generally used in a very competitive market.

For example, Procter and Gamble in the advertisement of "Tide" detergent, uses the tag line *"white hein to tide hein* (if it's white than it's tide)". It emphasizes that its own brand of detergent gives spotless white and thereby persuades customers to buy it if they want brighter clothes. This advertisement is aimed at direct action to persuade the customers to make a purchase decision.

iii) **Reminding or reinforce attitude :** Established brands also advertise with the aim of maintaining interest and awareness of the product. This is for product in the mature or decline stage of the product life cycle. Reminder advertising, also known as retentive advertising, tells the customer that the product is still available.

For example, the ads on Colgate toothpaste.

iv) **To relate the products to needs :** Advertisements having this aim try to establish a link between the needs of the target audience and product usage.

For example, people need protection from mosquitoes during evening hours and especially at night. Godrej, in its product 'Good Knight', a mosquito repellent, uses this information and assures in its advertisement that its product gives protection from mosquitoes all night.

v) **To modify attitudes :** If a company's product has somehow developed a bad image or reputation in the market, then it needs to urgently alter this, by changing the attitude towards the product.

For example, after ruling the market for decades, Nestle's 'Maggi noodles' had a bad reputation and image of the presence of lead that made it risky to consume and thereby exit the market for quite some time. However, the company in its aggressive marketing campaigns like "We Miss You too", "Nothing like Maggie", "Welcome back Maggie" had changed the attitudes of the people.

Even if a company is introducing a new product category in the market, a change in attitude is required.

Sales Oriented Objective

Advertising objectives that are aimed at immediate sale or increasing market share are called sales objectives. Many marketers prefer to set advertising objectives in terms of sales, as increasing sales in the ultimate objective of any organization. Sales-oriented objectives are not appropriate if the sale of a product is affected by factors other than advertising.

CHECK YOUR PROGRESS

Q 1: State the five Ms of developing an advertising program.

Q 2: "Hierarchy-of-effects model" help set .....

Q 3: State three objectives of developing an advertising program.

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Q 4: Give an example of "relating product to needs advertising".

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Q 5: Advertising objectives are also aimed at sales because.

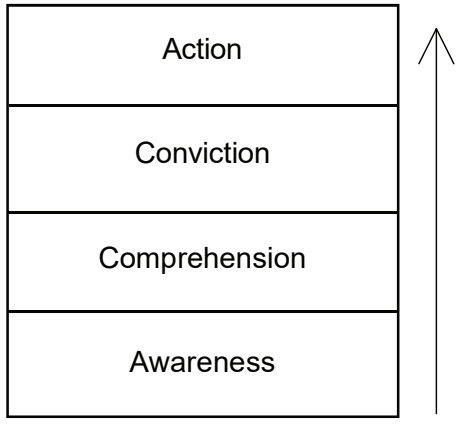
.....

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5.5 DAGMAR

"Defining Advertising Goals for Measured Advertising Results", abbreviated to DAGMAR, was proposed by Russell H. Coney in 1961. Coney suggested that achievement of a hierarchy-of-communications objectives leads to actual purchase. He suggested that marketing goals and advertising goals were different. Marketing goals are measured in terms of sales whereas advertising goals are measured in terms of the customers' movement along the hierarchy.

Figure 1: The DAGMAR Model



In the above figure,

Awareness: In this stage, the customer becomes aware of the product.

Comprehension: The customer is aware of the product characteristics and its uses. He is also familiar with the brand name and brand logo.

Conviction: This stage refers to the emotional decisions of preferring one brand to the other.

Action: In this stage, the purchase is made.

The DAGMAR model assumes a high involvement "learn-feel-do" hierarchy. As advertising and marketing goals are deemed distinct, advertising goals can be specifically tracked and measured. With the help of DAGMAR model, the effectiveness of the advertisement can be measured in terms of its ability to move the customer along the hierarchy. This approach

defines an advertising goal as a specific communication task, based on a hierarchy model of the communication process involving awareness, comprehension, attitude and action. The goal is specific, with a definite measure, a starting point, a defined audience and a fixed time period. As goals are specific in DAGMAR, therefore advertising of a particular brand must indicate exactly what image or appeal is intended to be communicated. For example, if a health drink is trying to increase the brand comprehension amongst the target customers, then the advertising should specifically focus on the availability of the protein content and its benefit. Benchmarking is another aspect of determining a specific goal. Without a benchmark, it is difficult to determine the optimal goal. For example, it is very important for any company to reinforce and sharpen its existing image and thereby redefine its goal. Another important of DAGMAR that all organizations should follow is to define its target customers precisely. If the target customers are not properly defined, then the results from advertising will be ineffective. Thus the DAGMAR approach to advertising planning is a precise method for selecting and quantifying goals and or using those goals to measure the performances.

5.6 DECIDING ON ADVETISING BUDGET

Advertising budget is the amount of money allocated by a firm for its advertising campaigns for a specific period of time. It is influenced by various factors like the type of products advertised, the size of the market, the geographic distribution of customers within the market and the sales volume as compared to the competitor's sales volume. Marketers believe that advertising helps in increasing the demand for a product in the market. The amount of money spent on an advertising campaign should be in accordance with the sales it generates. The budget of an advertisement varies depending on the stage of the life cycle of the product. For example, a new product may need a larger share of the advertising budget, as the advertising has to create awareness about the product and encourage the potential customers to buy it.

Setting the advertising budget is a difficult task because marketers cannot quantify the benefits accruing from the advertisement or determine the exact sales an advertisement has generated. However, businesses often use the thumb rule (like **advertisement/sales ratio).** Some of the common methods are: i) objective and task method, ii) percentage of sales method, iii) affordability method, and iv) competitive parity method.

i) Objective and task method : Objective and task method is considered as one of the

rational approaches to setting advertising budget. This method calls upon the advertisers to develop their advertising budget by: (a) defining their specific advertising objective, (b) determining the tasks that must be performed to achieve those objectives and (c) estimating the cost of performing those tasks. The sum total of all these costs determines the advertising budget.

The major disadvantage of using this method is that marketers cannot accurately estimate or quantify the efforts required to achieve an objective. For instance it is very difficult to set the advertising budget for Packaged Mass Consumption Goods products, since it is not easy to calculate the response rates to advertisements on soaps, detergent, toothpastes etc.

ii) **Percentage of sales method :** Percent of sales method is used quite often by companies to determine their advertising budgets. The percentage of sales method can be expressed by the formula:

(Spending on advertisements in rupees/Sales in rupees) x 100

This method can developed by studying the past sales figures and relative budget allocations. Allocating the budget on similar lines without any major changes would be assuming a repetition of the past performances. However, it may be necessary to increase or decrease the budget to attain a projected sales figure. Projecting the product's sale for the current year is very important and for doing so, understanding the market scenario and predicting competitor strategies is vital.

iii) **Affordability method :** In this method, a marketer after allocating all other expenses in his budget, allocates the remaining funds to advertising. This method of budget fixing is followed by small scale enterprises which have limited funds and also by companies whose management give least importance to marketing activities.

iv) **Competitive parity method :** Companies sometimes determine their advertising budget by comparing with competitor's advertising budget. The advertising budget of the company may match with that of a competitor either in rupee terms or in terms of percent-of-sales. It is based on the fact that if a company follows this method, it is using the collective knowledge of the industry to arrive at a figure for its advertising budget. However, companies need to be careful when they allocate their advertising budget on the basis of competitors' expenditure or budgets because their objectives and resources may be totally different.

CHECK YOUR PROGRESS

Q 6: DAGMAR means.

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Q 7: Who proposed the concept of DAGMAR?

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Q 8: State the steps of DAGMAR model.

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.....

Q 9: State the methods of advertising budget.

.....

Q 10: State the formula for percentage of sales method.

.....

5.7 LET US SUM UP

- Advertising is imperative in any form of business establishment whether profit or non-profit.
- Communicating the right message to the right customer at the right place is the essence of effective advertising campaign.
- Marketing managers always identify the target market and buyer motives prior to developing an advertising program.
- "Hierarchy-of-effects model" help set advertising objectives as marketers can gauge the impact an advertising message will have on consumer decisions.
- Russell H. Coney had proposed the DAGMAR in 1961.
- Awareness, Comprehension, Conviction and Action constitute the DAGMAR model of advertising.
- Objective and task, percentage of sales, affordability and competitive parity are the methods for setting the advertising budget.

5.8 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication

5.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Mission, Money, Message, Media and Measurement.

Ans to Q No 2: "Hierarchy-of-effects model" help set advertising objectives.

Ans to Q No 3: Three objectives of developing an advertising campaign are creating awareness and encouraging information search, persuading/prompting direct action, reminding or reinforce attitude.

Ans to Q No 4: 'Harpic' in its advertisement assuring of a clean and germ-free toilet to the people is an example of relating product to needs advertising.

Ans to Q No 5: Advertising objectives are also aimed at sales because sales is the ultimate objective of any organization.

Ans to Q No 6: DAGMAR means 'Defining Advertising Goals for Measured Advertising Results'.

Ans to Q No 7: Russell H. Coney had proposed the DAGMAR in 1961

Ans to Q No 8: Awareness, Comprehension, Conviction and Action are the steps of DAGMAR model of advertising.

Ans to Q No 9: Objective and task, percentage of sales, affordability and competitive parity are the methods for setting the advertising budget.

Ans to Q No 10: The percentage of sales method can be expressed by the formula:
(Spending on advertisements in rupees/Sales in rupees) x 100

5.10 MODEL QUESTIONS

Q 1: Define DAGMAR.

Q 2: Why the processes of developing an advertising program differ from one organization

to another?

Q 3: Why the 5Ms are considered important while developing an advertising program?

Q 4: Discuss the different objectives of setting an advertising program.

Q 5: Why DAGMAR is considered as an important model in advertising?

Q 6: Discuss the various methods of setting advertising budget.

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UNIT 6: MANAGING ADVERTISING-II

UNIT STRUCTURE

6.1 Learning Objectives

6.2 Introduction

6.3 Developing the Advertising Message

6.4 Role of Music in Advertising

6.5 Role of Humour in Advertising

6.6 Factors Considered while Developing the Advertising Copy

6.7 Creativity in Advertising

6.8 Let Us Sum Up

6.9 Further Reading

6.10 Answers to Check Your Progress

6.11 Model Questions

6.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- define advertising
- explain the process of developing the advertising message
- explain the role of music in advertising
- appreciate the role of humour in advertising
- Identify the important factors considered while developing the advertising copy
- specify the importance of creativity in advertising.

6.2 INTRODUCTION

Advertising is a non personal way of communication about products and services. In the process of deciding about the communication, there is a need for creating an advertising message. Message creation requires creativity and a sense of originality on the part of the advertiser. At the same time in developing the advertising message, it requires imagination of those responsible for developing the message. This unit will briefly explain role of humon and music in advertising.

6.3 DEVELOPING THE ADVERTISING MESSAGE

In the process of developing an attractive structure in the advertisement message, there are some common elements within the message. They include;

(i) **The message theme or appeal** – the message theme (or appeal) is the basic idea that tries to attract the attention of the intended message receiver. The message should essentially have some attractive power so as to entice the target customer to the product or service. Message appeal can be emotional, fearful, humorous and sexual.

(ii) **Value proposition** – The advertising message should possess a rationale for which customers will be interested in the product or service. The advertiser should highlight essentially the benefits obtained from using the product or the service under consideration.

(iii) **Slogan** – In order to position the product in the mind of the customer and make it unique in comparison to that of the competitor, the advertisements will contain a unique phrase or group of words known as slogan. Slogan is used in promotional message and is repeated across several different messages in the media.

While developing an advertisement message, an advertiser is required to consider several important factors in the process of advertising. They are;

(i) **Aim of the advertisement** – Before developing the advertising message, the first step is to know the objective of the advertisement campaign. The objective of the advertisement will influence the type of advertisement that is to be designed. For instance an advertisement with the aim of affecting immediate sales of an already existing product will be different from that of an advertisement which is developed with the aim to create awareness of a new product.

(ii) **Nature of the target audience** – The next step is to know the profile of the target audience. The profile is in terms of age, gender, social class, literacy level, geographical location, lifestyle, attitudes and other variables. The task is to identify the target consumers who are likely to consume the product. For instance if the product is a chocolate for small children, then the target customers will be the parents who would buy and not the children who is going to consume it.

(iii) **Nature of product –** The nature of product will influence the advertisement message that is to be formulated. Products that are a bit complicated with essentially need a different tone of message than ordinary products. As a result the advertisement message will be different for the same product at different phases of the product life cycle. At the

same time the level of familiarity of the product in the target market will influence the message.

(iv) Type of media to be used – As a forth step, the type of media to be used for the advertisement will influence the nature of the advertisement message. The advertiser has to have an idea about the various types of media and their corresponding advantages and disadvantages that are associated with each one of them. The nature of advertisement messages for each type of media like television, digital, print, outdoor, mobile phones, multimedia and the like will vary accordingly.

(v) Designing and creating the advertisement - The next step is designing the outline of the advertisement on papers. It is made by the copywriters, art directors and other creative personnel. It is further reviewed to make it perfect. The advertisement is then tested using focus groups to get feedback.

6.4 ROLE OF MUSIC IN ADVERTISING

Music and humour plays an important role in the field of advertising. Today marketers use music and humour as an attractive way to draw attention and entice customers towards products and services. The use of music and humour in advertising is nothing new and has been in use since the beginning of the era of advertising.

The use of music in advertisement is the process of putting together music with electronic advertisement. Use of music in advertisement enhances the brand values of a product. It upgrades the way consumers perceives the brand and interprets it. Use of music in advertisements fulfills certain promotional goals of advertisements. Besides entertainment, it makes the advertisement more interesting by giving an aesthetic sense to advertisements. Secondly music adds a structure and continuity. By accompanying a commercial, it structures the narratives in the advertisement and adds continuity by bridging the gap between incomplete images with the use of melodies and harmonies. Thirdly music can aid in the memorability of advertisement by helping for product recall. Attractive music lingers in the memory of the viewer and makes a permanent impression. Fourthly music is accompanied by speech and songs that provide the sponsor for using both logical and factual appeals. Fifthly music helps for targeting the intended population. The type of music used may be similar to the one liked by the target audience. The moods, lifestyle and attitude of the target group are well aligned by the music used.

The use of humour in advertisement is another way to make an advertisement attractive

and memorable. Normally people have a tendency to put more attention to advertisements that are projected in a humorous way to the audience. But at the same time, it has to be seen that there is a balance between humour and actual purpose of the advertisements that often turns to be delicate.

PURPOSE OF USING MUSIC

(i) **Entertainment**: Use of music is a form of entertainment. It is a normal human tendency to be attracted towards various forms of entertainment. A good music can contribute a lot to make the advertisement attractive.

(ii) **Structure and continuity**: Music provides a structure to the advertisement. It helps in establishing the linkage between two sequences of visual images or verbal narratives to establish a continuity of a particular video or episode.

(iii) **Memorability**: Music helps in enhancing the memorability of the advertisement and the product that is advertised. Consumers are enticed towards products on which they have some degree of familiarity.

(iv) **Lyrical language**: The use of meaningful lyrics in music helps in the spread of verbal messages in a non spoken way. Important product attributes and unique selling propositions can be conveyed using spoken language in the form of memorable lyrics to advertise products.

6.5 ROLE OF HUMOUR IN ADVERTISING

Humour in advertisement helps in the process of brand recognition rather than improvement of product recall or message credibility. For the successful use of humour in advertisement campaigns, there should be a variety of themes in the humour.

There are various ways through which humour is created. They are as follows;

(i) **Comparison**: Putting two things together for compare and contrast is a good way to use humour in advertisements. Here the superior product of the advertiser is kept along the side of the inferior competitive brand and the consumer is allowed to make a judgement and take decisions.

(ii) **Personification**: It is a process of using human attribution to animals, plants and objects to make the advertisement funny and attractive. When animals, plants and other objects act like human beings, it creates humour in the mind of the audience and increases the interest for a particular advertisement.

(iii) Exaggeration: It is a process of making big or overstating something out of proportion. In other words it is a way by which something is magnified that the usual and normal size that is within the grasp of the audience. This makes the object unusual and funny for the audience.

(iv) Pun: Here elements of a language are used to make new meanings before the audience. This is often used in societies with multicultural environment. The culture of one community may be humourous for the culture of another community to accept. This results into the creation of the sense of humour when used in advertisements.

(v) Sarcasm: The use of sarcastic comments or situations can also create humour. Sarcastic comments are quite unusual and their use has the ability to grab attention. People are often attracted by the unusual wars or sarcasm.

(vi) Silliness: In the situation of silliness, various creative ideas are used like making of funny faces to create comical situations.

(vii) Surprise: Here humour is created from unexpected situations and it consequently leads to surprise.

They should be changed frequently with different variants so as to keep up the interest of the target audience intact. Consequently humourous advertisement campaigns turns out to be expensive. With the passage of time the social norms and life style changes and so also the type humour that are used in advertisements. Therefore there should be parity between what is seen in the humourous advertisements and what is the reality prevailing in the target society. Therefore advertisers have to be fully aware of the reality.

6.6 FACTORS CONSIDERED WHILE DEVELOPING THE ADVERTISING COPY

The message that is to be delivered to the audience is included in the advertisement copy. Whether the advertisement is for print media, audio, audio-visual or digital media, the copy of the advertisement includes some reading, talking or a combination of both. But irrespective of its nature, the copy that is used for advertisement in all the cases is on the basis of certain basic principles. They are as follows;

(i) *Simple message*: The advertisement message should be simple, lucid, brief and complete. The information that is to be conveyed through advertisement should use words that are familiar. At the same time, the message should give complete information

(ii) *Specific objective*: The advertisement copy should have a specific objective rather than

a generalized version. When the objective becomes specific and clear, the message accordingly can be framed in a way that can pinpoint the objective.

(iii) *Keeping the interest of the consumers:* The message should be framed in such a way so as to keep and retain the interest of the consumers on the product that is advertised. This will ensure support of the target consumer on the product. At the same time it will boost the confidence of the consumers for the product that is advertised.

At the same time there are certain behaviors of the consumers that can lead to loss of interest on the advertisement that is repeatedly been aired before the audience. An advertiser has to ensure that these barriers are removed in formulating an advertisement copy. They are:

Clutter: The process of overcrowding the advertisement with too many elements is known as clutter affect. It the clutter is more in an advertisement, consequently the advertisement recall is less and the goal of the ultimate message of advertisement is lost. Therefore advertisers should try to reduce the clutter affect.

Zapping: It is the tendency of the advertisement viewers to move across to other channels or programmes during advertisement break using remote control devices. In such a way the target audience move away from the advertisement and the opportunity of the advertiser to grab the attention of the consumer gets lost. Therefore advertisement should placed in the beginning or the end of commercial breaks.

Zipping: This is the process of fast-forwarding the pre-recorded programme through the commercial break just to avoid the advertisement. This basically happens when consumers see video cassettes or video files. It is the task of the advertisers to provide the facility of early or late advertisements or even providing scrolling advertisements to get rid of zipping.

ELEMENTS OF ADVERTISING COPY

Any advertising copy broadly has two elements. They are advertising theme and advertising layout.

(A) *Advertising Theme:*

Theme is the basic idea by means of which the message is intended to be conveyed to the public. Advertising themes are based on rational appeal based upon the desire and sentiments of the public. Today advertisers use various themes in advertisements and the use of the particular theme is based upon the type of the product to be advertised. They are as follows.

(i) The theme of beauty: The theme of beauty is basically used to cater to the aesthetic

sense of the consumers. They are used for personal care products like cosmetics, toiletery and perfumery products.

(ii) **The theme of pride:** The theme of pride is used for lifestyle or luxury products to cater to the pride need of consumers. They are used for products like ornaments, motor cars, fabrics and other high values items.

(iii) **The theme of health:** The theme of health is used to cater to the reliance aspect of the products for a healthy body. Such themes are used for food products, drugs and other health care items.

(iv) **The theme of comfort:** The theme of comforte is used to cater to the need of giving comfort while using the product whether at home or at work. Products like electric fans, refrigerators, furniture and the like use the theme of comfort.

(v) **The theme of fear:** The theme of fear is used to cater to the need for products that provides protection in danger. The theme of fear is often used for insurance products, safety-vault, fire extinguishers that can provide hope for protection and rescue at times of adversity.

(vi) **The theme of affection:** The theme of affection is basically used to cater to the need of parental love and affection to the near and dear ones. Such themes are used for products like baby foods, toys, and product for elderly people, diapers, walking sticks and the like.

(B) *Advertising Layout:*

Layout is the arrangement of compo-nents of an advertisement in a logical manner in the copy. It also deals with the process of judicious presentation of the message. The basics of layout vary based upon the medium used for advertisements. For print media, the presentation of the message is seen in written words and pictures; in audio the presentation is heard in spoken words and sound effects; and in video, both audio and visual presentations are used. In all the cases, there has to be a balance and symmetry of the elements.

The Visual layout in any publication can be divided into three parts. They are;

(a) **Headlines:** Headlines are basically in bold letters for drawing atten-tion of the audience. The size and length of the headline must match with the size of the page of publication. Normally short headlines are used in stressing some facts, suggestions, arguments or propositions.

(b) **Illustrations:** Illustrations are the various pictures, photographs or symbols that are used for bringing attention, creating interest and stimulating desire. It is said that a good

illustrations may worth a thousand words in the process of enticing the public towards the product.

(c) Texts: The central theme of the advertisement is provided by the text and is considered to be the heart and soul of the message of advertisements. Varied forms of practices are found in the advertisement world that advertised products and services. Sometimes the reader is asked a question by the test. Sometimes a solution is given to a problem. Sometimes factual information is given for consumers to take decisions in buying a product.

CHECK YOUR PROGRESS

Q1: State two purpose of using music in advertising

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6.7 CREATIVITY IN ADVERTISING

Creativity is the art of doing something in an innovative and novel way. Advertising cannot sustain without the element of creativity therefore it is known as the heart and soul of advertising. The field of advertising needs creative people and it is creativity that gives new life to the messages that are used to promote products and services.

There are several dimensions in the field of creativity that is used for advertisements. They are

Creativity has Originality: Creativity is synonymous with the term originality. The elements in a creative advertisement are quite rare or surprising. The focus is on the uniqueness of the ideas or features contained in the advertisements. A creative advertisement moves away from common norms by applying abstract visual or verbal solutions.

Creativity has Flexibility: The other side of creativity is flexibility. The flexibility aspect of creativity brings a relationship between the product and a host of varied uses and ideas. When the flexibility aspect is kept high in the advertisement, it provides the audience with a wide range of choice and alternatives to take their own decisions.

Creativity has Elaboration: Creativity includes elaboration of the theme of the message in a simple manner. Here the complex matter is made simple so that people can understand the intended message in the way it is expected to be understood.

Creativity has Synthesis: Creativity blends multiple ideas or objects into one to make

the message more vivid and appealing. It tries to connect unrelated objects or ideas in the message. The intention is to create a divergent story line so that people are attracted towards the advertisement with interest.

Creativity has Artistic value: Creativity involves a high level of artistic content. They try to cater to the aesthetic sense of human beings through visual, verbal and sound elements. The content is created in such a way that the advertisement has a high level of quality, communication is unique, involving well thought out colour contrast and which is accompanied by a memorable music.

THE CREATIVE TEAM FOR MAKING ADVERTISEMENTS

Advertisements are created by creative people who work in a team. The creative team comprises of people with varied profiles and work through an advertisement agency. The creative team includes art directors or designers, copywriters and account planners. The various roles played by each one of them are as follows;

Account Planner: The account planner acts as the interface between the client and the advertisement designer. The account planner first understands the need and requirement of the client and then conveys them to the advertisement designer.

Copywriter: The copywriters provide the original text or verbal copy of the advertisement. They prepare the content of the message in a meaningful manner as per the requirement of the client and based upon the feedback as given by the account planner. It has to be seen that the copy and visual components are well balanced to ensure creative cohesion in the message.

Art Director:The art director provides the visual element of the advertisements. They take decisions regarding the type of illustrations to be used in the advertisement and the corresponding design. They make a holistic combination of the design and the illustrations with the necessary background themes to convey the message to the audience.

6.8 LET US SUM UP

- Advertising is a non personal way of communication about products and services. In the process of developing an attractive structure in the advertisement message, there are some common elements within the message. They include the message theme or appeal, value proposition and the slogan.
- While developing an advertisement message, an advertiser is required to consider several

important factors in the process of advertising. They are aim of the advertisement, nature of the target audience, nature of product, type of media to be used and designing and creating the advertisement

- Music and humour plays an important role in the field of advertising. Humour in advertisement helps in the process of brand recognition rather than improvement of product recall or message credibility.
- The copy that is developed for advertisement in all the cases is on the basis of certain basic principles. It should have simple message, specific objective and be able to keep the interest of consumers.
- Any advertising copy broadly has two elements. They are advertising theme and advertising layout.
- The field of advertising needs creative people and it is creativity that gives new life to the messages that are used to promote products and services.
- The Creative Team makes advertisements.

6.9 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008
2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education
3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by, Tata McGraw Hill Publication

6.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1:

Entertainment and**Structure and continuity**:

6.11 MODEL QUESTIONS

Q 1: Discuss elaborately the process of developing the advertising message.

Q 2: What role does music play in advertising? Discuss.

Q 3: Discuss the significance of use of humour in advertising.

Q 4: What are the important factors you would consider while developing the advertising copy? Discuss in details.

Q 5: Discuss the role of creativity in advertising.

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UNIT 7 : MEDIA STRATEGIES

UNIT STRUCTURE

7.1 Learning Objective

7.2 Introduction

7.3 Media Planning and Objectives

7.4 Deciding on Media

7.5 Criteria for choosing major media types

7.6 Different types of media and their advantages and disadvantages

7.7 Media Schedule Decisions

7.8 Media buying process

7.9 Let Us Sum Up

7.10 Further Reading

7.11 Answers to Check Your Progress

7.12 Model Questions

7.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- define media planning and objectives
- know the process of deciding on media
- explain different types of media and their advantages and disadvantages
- describe major media types
- explain media schedule
- describe the concept of space and time buying.

7.2 INTRODUCTION

In this unit we will discuss media planning, its objectives, media types and different aspects associated will media strategies.

7.3 MEDIA PLANNING AND OBJECTIVES

Media Planning is the art of taking decisions on advertisements regarding the delivery of

a message to the target audience. Whenever there is a new product to be launched in the market, there is a requirement of creating an advertisement for the product. And to complete this task, there is a requirement to go through the media planning process. The process of media planning involved certain steps. The important steps in media planning includes;

(i) **Analysis of the market**: Market analysis basically deals with the determination of the nature of audience who is going to be the target for the product. In this step, the demographic profile of the audience is to be studied. Further information of the target audience in terms of psychographic variables may be collected to take important decisions related to cost and most appropriate media that is to be used for the advertisement.

(ii) **Establishing media objectives:** Media objective is the ultimate aim of the media planning. Here important decisions have to be taken in terms of media reach, frequency, cost, circulation and penetration.

a. *Reach* is the total number of people who will be covered by the advertisement.

b. *Frequency* is the total number of times the message is circulated over a period of time.

c. *Cost* is the amount of money incurred per thousand and the cost per thousand.

d. *Circulation* is the term used for printed advertisements that are developed and sent.

e. *Penetration* is the actual number of people who have been reached by the advertisements.

(iii) **Formulation of the strategies:** Formulation of the strategies involved taking decisions on the type of media that is to be used. Various modes of media are available and they include radio, television, internet, newspapers, multimedia, trade journals, lifestyle magazines and the like. Decision has to be taken for the right selection of media based upon criteria like total number of people it can cover, available budget, accessibility and availability.

(iv) **Implementation:** In the implementation phase decision has to be taken related to hiring of space in the selected media. Here commitment is given to the media provider, submit the advertisement and make payment of the bill.

(v) **Follow-up and control:** This is the last task done in the media planning process. After the advertisement is aired or given in the selected media, it has to be evaluated. Evaluation is done in terms of whether the advertisements have been able to deliver what was

intended. From follow-up if there is any deviation, corrective measures are adopted so that the things are on the right tract.

7.4 DECIDING ON MEDIA

The basic idea behind the development of a media plan is to decide on the best possible way to send across the message to the target audience. The media plan comprises of a number of individual elements that contribute to the successful implementation of the media plan. The entire media plan comprises of a total of five steps. They are analysis of the market, determining the market objectives, formulation of the media strategies, implementation and evaluation cum follow up.

Today in the modern world, there are various advertising media that are at the disposal of the marketers. Each mode of media has itheir own unique features and marketers have to take a judicious decision on the selection and use of the suitable advertising media that serves the specific purpose. In taking a decision, several factors are considered. They are

7.5 CRITERIA FOR CHOOSING MAJOR MEDIA TYPES

In any professional media plan decision has to be taken regarding the type of media that is to be selected. Today we have television, direct mail, radio, internet, newspapers, magazines, digital boards and the like. Important criteria have to be considered before choosing among major media type. They are;

Target audience media habits: Marketers have to take an important decision on type of media to be used. This is based upon the target audience media habits. For promoting the product, the advertiser has to use that particular media which the target audience frequently uses. For instance if the marketer is promoting building material, it may use a magazine read by the architects.

Nature of product to be advertised: The nature of the product to be advertised also influences the type of media that will be used. If the advertisement is for the promotion of a financial instrument, the information has to be very exhaustive and for it print media may be an important option. If the product is washing machine, it required an audio visual media and for it television may be a suitable option.

The type of message to be conveyed: The type of message that is to be conveyed to the audience will influence the selection of the media. If the advertisement is to promote

technical information, the marketer may choose a specific magazine. If the advertisement is for the promotion of special discount schemes of woolen clothes of the general people, the marketer may go for advertisement in the local newspaper.

Cost factor or the budget: The cost that will be incurred in the advertisement in the media will be dictated by the available budget. Different forms of media have different cost structures and tariff. Therefore while using the media for the product, the cost factor also has to be taken into account.

7.6 DIFFERENT TYPES OF MEDIA AND THEIR ADVANTAGES AND DISADVANTAGES

Marketers have various types of advertisements media available through which they can advertise products and services. They include

(i) Newspapers
(ii) Magazines
(iii) Radio
(iv) Television
(v) Telemarketing
(vi) Specialty Or Surrogated Advertising
(vii) Social Media Advertising
(viii) Banner Advertising
(ix) Direct Mail Marketing
(x) Internet Advertising

Among the many some of the prominent ones are discussed below.

NEWSPAPERS

Newspaper is one of the most traditional and popular form of print media. This medium of advertisement is the most widely used print media and is used both by big and small houses for advertisements.

The use of newspapers has many advantages. It helps to cover a huge group of people in an identified geographical area. The marketer has the advantage to decide the size of the advertisement and placement in the newspaper. It is a cheap form of accessing information from the point of the consumer and easily available without any hassles. Photo and text quality of newspapers may be poor quality. It is a generalized form of advertisement and the real target may not be reached. With the growth of internet, a substantial base of previously avid

newspapers has shifted to online version of newspapers that are available over the net.

MAGAZINES

The magazines are more focused and normally the focus on a particular area of interest to a group of people. Compared to newspaper advertising, advertising through the magazines are expensive. But it allows reaching very specific group of people with specially targeted messages. Good quality of paper and with good colour contrast provides advertisement that looks quite attractive.

Advertising through magazines has various advantages. It allows for the dissemination of customized messages to the intended group of people. With magazines there is normally high involvement of the people and therefore more attention is paid to the matter that is advertised through the magazines.. But magazines are by people who have patience and have adequate free time. It is a traditional medium of advertisement and today major part of the earlier customer base has shifted to online and web version of magazines.

RADIO

Radio is a highly popular medium of communication for the common mass. It is traditionally a universal medium that sends only verbal messages.

Radio advertising has a lot of advantages. It is a cheap medium of mass media and is accessible to anybody, if he or she has a radio set. Radio helps in the dissemination of information to specific targets. The rates of advertisement can be negotiated. It has varies types of program for all section of listeners. But radio listeners are spread across a lot of stations and therefore if the advertiser has to advertise something on a pan nation basis it has to approach each station separately. Pacing of radio advertisements are not at the control of the listeners and therefore the listener has to hear the message with undivided attention. Often people use radio program for background entertainment while doing some other major works. Therefore listener may overhear important messages.

TELEVISION

Television is the most popular medium of mass communication. In televisions, audio, visual and movement element is combined together. Therefore is evokes more sense organs of human beings and has the capacity to activate the viewers more.

Television has many advantages. It helps in the dissemination of information to a wider group of audience. Messages can be send at the local, regional, national or international level based upon the requirement of the advertiser. Local independent stations also help for sending targeted messages. But in television, the message is for a short period of time only because

the message cannot be retained. It is an expensive medium for advertisement. The advertiser may not be sure whether the message has been seen by the target audience. This is because the message can seen only when the viewer switch on and sits before the television.

TELEMARKETING

Telemarketing is the process of using telephones for advertising and communication about product and services. Telemarketing is often used by sales people for the introduction of products and services to the prospects and taking appointments for product demonstration and clarifying queries related to products and services.

Telemarketing has certain advantages. It provides the scope for deciding about the venue where one can interact with the prospect and answer to questions and clarify doubts. This method is cost effective when compared to direct sales and at the same time it saves energy and time. There can be instant feedback. Telemarketing helps in the generation of lot of information and also helps in meeting those who are physically inaccessible. But telemarketing has certain disadvantages. Lot of prospects reacts negatively to telemarketers. If telemarketing works are assigned to outsourced employees by the company, there is lesser control and it may be at the cost of company's brand image.

SPECIALTY OR SURROGATED ADVERTISING

Sometimes companies instead of directly advertising and communicating about its products and services use other promotional objects to tell indirectly. This form of advertisement is also sometimes known as surrogated advertisements. Companies circulate new-year calendars, pen stand, paper weight, diaries, key chain mugs and the like where the brand name of the company is printed with the logo. It basically creates a good impression about the company. Such kind of articles are distributed free of cost. Such kind of advertisement is known as specialty advertising or surrogated advertisements.

Specialty advertising has certain advantages. It is a flexible method and an indirect way of advertising that strikes the prospect at the cognitively level. If the free products are of quality, people keep the items and thus it promotes long retention and is an advertisement to others as well. Such advertisements generate goodwill of the company and can supplement other promotional efforts. But specialty advertisement has certain disadvantages. It cannot be used for target advertisements. It is not a suitable medium of promotion for all businesses. Further if the gift material used is of poor quality, it may create a poor brand image.

SOCIAL MEDIA ADVERTISING

Social media are platforms by means of which information can be created and shared.

The information may be related to ideas, issues and matters related to the polity, economy, sociology, technology and the like which are shared and discussed by means of interactive computer-aided technologies through virtual communities and *networks*.

Social media has certain advantages. Social media is an important platform used by marketers through which customer relationship can be built. It enables wider reach on to a larger audience. It has the potential for viral marketing. Social marketing can be more targeted and they are less expensive. On the other hand, members of social media are spread across diversity and breadth of profiles. Here the messages may be a bit impersonal and the audience main goal may be to socialize rather than read advertisements.

BANNER ADVERTISING

Banner advertising is a method of advertising by which graphic display is made on rectangular surfaces that are spread across the top, bottom or sides of a website. They are also known as display advertisements and consist of static or animated images. It is normally placed in high visibility areas of websites. Banner advertising has the power to attract the attention of the audience in the sense that it creates brand awareness, provides better leads. It is a very attractive form of online advertising today. They are basically to entice the visitor of a host website to the advertisers' website to promote a brand. There are two forms of banner advertising. They are cost per impression and cost per click.

Banner advertisements have certain advantages. They are image based rather than text-based and therefore have a higher level of power to attract people. Banner advertising is a strong tool for brand building. It can help in targeted dissemination of information. It is also cheap cost wise. The disadvantage of banner advertising is that repeated advertisements may lead to clutter effect in the mind of the consumers. Poor banner advertisements may lead to lowering of interest for web users.

INTERNET ADVERTISING

Today internet advertising has assumed significant importance. It is a cost cost-effective medium for advertising the products and services of a company. In the internet, messages are easy to handle and the matter can be advertised on a real time basis. It provides the scope to small and large scale businesses increase the visibility of products and consequent sales. It further helps in increasing the client base, ensure proper marketing reach, generation of fruitful lead, entice customers and further sales.

Internet advertising has many advantages. Through this platform, customers can be reached on a real time basis and available any time. It can target the customer effectively. It

can very meticulously monitor advertisement spending and can also keep track of the results. But it has disadvantages as well. It is a complicated mode of communication and a lot of intricacies are involved. During internet advertising, if mistakes are commited, it can be very costly as the message goes viral. Further the competition is very high among competitors and sometimes it may lead to clutter effect.

DIRECT MAIL MARKETING

Direct mail marketing is also known as direct marketing or direct response marketing. It is a form of marketing procedure through which the seller sends messages pertaining to marketing of products and services directly to the consumers on a one to one basis. In direct mail marketing various forms are used like the distribution of catalogs or other forms of product literature with the scope ordering opportunities, circulation of sales letters with promotional materials, circulation of leaflets and other form of communication matter.

7.7 MEDIA SCHEDULE DECISIONS

Media schedule decisions is the art of deciding about the most suitable time at which the advertising is to be given in the selected media so as to get the maximum coverage and response from the target audience. It is the task of each marketer to judiciously decide on the media timings as it is an important component of any advertising programme. Media scheduling is basically the time frame which helps the advertiser to decide on three fundamental aspects. They are decisions related to;

(i) **Time frame** (i.e. when to advertise): Media scheduling decision tells us when to advertise in the media so that it can get the highest level of mileage from the intended or target audience. The appropriate timing is determined based upon various considerations like seasonal variation of the product.

(ii) **Duration of advertisement** (i.e. time span for each advertisement): Media scheduling decision also tell the total duration for which a particular advertisement has to be aired or broadcasted in the selected media. Consequently the most effective time duration is determined for the most suitable media opted for.

(iii) **Frequency of advertisement** (i.e. how many times the advertisement is given in different forms of media throughout the year). Media scheduling decision further tell us the frequency of advertisement that is to be conducted through different media. In other words, how many times, the message has to be advertised in a year or at certain frequency.

The task related to determination to time frame is very important in the decisions related to media scheduling. When the decision related to time is taken, one has to consider various factors to set the most suitable timing of the media that is to be used. This is essentially due to the variation of demand for products and services throughout the year which may be cyclic or seasonal in nature. And in the process of taking decision related to the timing schedule the following factors are taken into consideration. They are;

(i) *Buyer Turnover*: It is basically the rate at which new buyers starts entering the market. The thumb rule is that if the rate of conversion is higher, the advertisement should also be continuous.

(ii) *Purchase Frequency*: Purchase frequency is the number of times during the identified time period, the product is purchased by the consumers. The higher the frequency of purchase, the more the frequency should be for advertisements.

(iii) *Forgetting Rate*: This is the rate at which buyers have a tendency to fail in recalling the brand. If the rate of forgetting is higher, the rate of advertisement should be consequently increased.

(iv) *Budget position*: Budget position is the financial position in terms of amount allocated for advertisement. If the budget is quite big, so also the frequency should be increased.

(v) *Degree of Competition*: The degree of competition faced by the company in the market is also important in taking a decision on advertisements. The more competitive the environment is, the more amount of money can be invested for advertisements.

Consequently the people who are responsible in the task of advertising has to face two challenges in scheduling. They are macro-scheduling and micro-scheduling.

(i) ***Macro-scheduling***: The challenge of macro-scheduling arises due to the variation of demand for the products and services to be advertised. The variation is due to changes in demand on account of seasonal variations or business cycle fluctuations. Suitable time gap has to be identified in between variations of demand so as to create awareness of products and stimulate positive inclination towards products.

(ii) ***Micro-scheduling***: The challenge of micro-scheduling arises when the decision has to be taken in regard to the number of times the advertisement has to be given. The challenge arises basically with the task of decisions related to allocating expenditure and the frequency within a short time span for advertisement that is to be identified.

7.8 MEDIA BUYING PROCESS

Media buying is the process of buying the media space and specific time frame to put on show the creative advertisements of the identified sponsor. As there are multiple platforms for the display of advertisements, decision has to be taken for selecting the most suitable place, time and the contextual background against which the advertisement has to be delivered to the intended audience. Media buying is basically done with a series of objecties like creating awareness about the products and brands, add on to the conversion rates of customers, spread of relevant cum favourable information about the products and the like. The process of media buying in brief comprises of a set of futuristic and comprehensive ways of taking decisions on the intention to purchase, making discussions for making the deal to procure and making arrangement with a view to find the right place of advertisement at the right price. The entire media buying process comprises of three broad steps or stages. They are;

(i) **Pre-launching:** This is the first stage in the media buying process. As an initial phase of the entire process, ground work is done on what is to be advertised and where it has to be advertised. For that decision is taken by keeping the objectives of the advertisement in mind with careful planning. In this pre-lunch phase the main thrust is to ensure that the media platform used is in total match with the objectives. And to execute this phase, quite a lot of initial research is required to execute is properly. Important steps in this phase are;

(i) Identification of the target audience

(ii) Study relevant policies of competitors

(iii) Design of the media buying plan

(iv) Media choice and price negotiation

(v) Budgeting decisions

(ii) **Launching:** This is the second stage in the media buying process. In this phase the task is to go for effectualisation of the first stage by launching the campaign. Here delivery of the advertisent takes place in a suitable media and ensuring steady observation of the performance of the advertisement campaign. Necessary care is taken to see that the advertisement takes as per plan in the right place before the right audience. Steps are taken to track the reaction of the audience critically when they see and hear the advertisement. In is also seen that customers could derive value from the advertisement. Consequently as per requirement modification may be also required to be done if any.

Consequently if things do not go in the right direction, re-evaluate has to be done on the original plan. For that the advertisement plan has to be sometimes flexible enough so as to adapt as per requirement.

(iii) Post-launching stage: This is the third stage in the media buying process. In the post launcing phase a thorough analysis is done on the effectiveness of the advertisement and whether is has been able to send across the message to the target audience in the way as was decided earlier. Here the target audience is studied to see whether they interacted positively or negatively on the product and consequently assess consumer behaviour in terms of their engagement with the advertisement. This is necessary so as to ensure that negative impact due to errors if any are not repeated in the future advertisement campaigns.

CHECK YOUR PROGRESS

Q 1: What is media buying?

.....

Q 2: State two criteria for choosing major media type

.....

7.9 LET US SUM UP

- Media Planning is the art of taking decisions on advertisements regarding the delivery of a message to the target audience. The important steps in media planning includes analysis of the market, establishing media objectives, formulation of the strategies, implementation and follow-up and control
- Important criteria have to be considered before choosing among major media type. They are target audience media habits, nature of product to be advertised, the type of message to be conveyed and the cost factor or the budget
- Marketers have various types of advertisements media available through which they can advertise products and services. They include newspapers, magazines, radio, television, telemarketing, specialty or surrogated advertising, social media advertising, banner advertising, internet advertising, direct mail marketing and many.
- Media schedule decisions is the art of deciding about the most suitable time at which

the advertising is to be given in the selected media so as to get the maximum coverage and response from the target audience.

- Media buying is the process of buying the media space and specific time frame to put on show the creative advertisements of the identified sponsor.
- The entire media buying process comprises of three broad steps or stages. They are pre-launching, launching and post-launching stage.

7.10 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication

7.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Media buying is the process of buying the media space and specific time frame.

Ans to Q No 2: Nature of product to be advertised and Cost factor or the budget

7.12 MODEL QUESTIONS

Q 1: Define media planning. What are its objectives?

Q 2: What are the important decisions one has to consider while deciding about the media to use?

Q 3: What are different types of media available? Briefly discuss their advantages and disadvantages.

Q 4: What are media schedule decisions? Discuss.

Q 5: Discuss the concept of space and time buying.

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UNIT 8 : EVALUATING ADVERTISING EFFECTIVENESS

UNIT STRUCTURE

8.1 Learning Objectives

8.2 Introduction

8.3 Deciding on Reach, Frequency and Impact

- 8.3.1 Advertising Reach
- 8.3.2 Advertising Frequency
- 8.3.3 Advertising Impact

8.4 Copy Testing

8.5 Advertising Recognition and Recall Tests

8.6 Issues in Assessing Impact of Advertising

8.7 Measuring the Performance of an Advertising Agency

8.8 Let Us Sum Up

8.9 Answers to Check Your Progress

8.10 Model Questions

8.1 LEARNING OBJECTIVES

By the end of this unit, you will be able to:

- define the reach, frequency and impact of advertising
- explain copy testing
- explain the advertising recognition and recall tests
- discus the issues in assessing impact of advertising
- describe the performance of an advertising agency.

8.2 INTRODUCTION

An advertisement, in order to be effective, must be designed keeping in mind the age group of the targeted customers, the geographic location and also the cultural aspect. In this unit we will discuss briefly, reach, frequency, copy testing, performance of advertising agencies etc.

8.3 DECIDING ON REACH, FREQUENCY AND IMPACT

8.3.1 Advertising Reach

It is important for an advertiser to understand his target segment of customers before advertising the product or service. In marketing, the concept of segmenting, targeting and positioning are important and need to be constantly taken into consideration by the advertiser. It is important for the advertiser to know the probable customers for whom the product will be advertised. An advertisement will be effective only when the advertiser have knowledge of the demographic, cultural and geographic segments of the target customers.

For example, in terms of age, Pampers, a baby product is advertised in a manner keeping in view the requirement of the baby. Similarly, HFDC Life insurance in its advertisement had advertised its post retirement plans with the tag “jiyo sar utha ke”.

Also, we have seen that “Coke” had involved film star Aamir Khan in its earlier advertisement to market its product in a unique way for the rural customers. Moreover, in order to ensure that its product reaches the rural customers, “Chota Coke’ was introduced.

Advertisers therefore must understand the customers and thereafter try to position their products or services in the minds of their targeted segments.

8.3.2 Advertising Frequency

It is indeed important for the advertiser to know when and how often he should advertise the product. For example, some household products are advertised during the day, preferably during noon so that the homemakers may be targeted. However, most products are advertised during the prime time, i.e. preferably during the evening hours so as to attract most of the customers. Moreover, there are certain products that are advertised only on popular sports channels so as to target mostly the young customers who are attracted towards sports or adventure. Also products advertised in certain magazines in the business class inside flights are not found in other common magazines. The reason is to attract the HNI customers.

In advertising, we know are familiar with the three concepts of selective attention, selective distortion and selective retention. Every moment the customers come across

different types of advertisements. Certain advertisements are able to attract them while most are avoided. In order to sustain in the competition, advertisers must frequently advertise their products in such a way so that it can attract the customers. However, it must be ensured that the products so advertised should be in such a way that it is able to meet the customers' expectations or else the amount invested will be wasted.

8.3.3 Advertising Impact

That the advertisement has been able to create an impact can be judged by the number of preferences it got from the customers. That means customer response for the product. In order to gain a positive and wide response from the customers, the advertiser must create an ad that is able to satisfy the most unmet need of the customer.

For example, Reliance Jio has been able to meet the most unmet need of the customers. It is a perfect example of advertising reach, frequency and impact. Standing on the Digital India campaign, the company has reached the targeted customers in a significant way which is highlighted in the high and positive response from the customers.

8.4 COPY TESTING

Copy testing refers to checking the effectiveness of an advertisement in terms of recall, content and how well the message was comprehended. As the company has to bear a huge advertising expense therefore the ad should be such that the targeted audiences are persuaded to buy the product or service being advertised. Therefore, copy testing is a tool to check the effectiveness of an advertisement. Copy testing can be performed before and after releasing the advertisement in the media. In the first case, it is termed as pre testing and in the second case it is termed as post testing. The results obtained in the pre-tests are used to make improvements if required in the final advertisement. Post-tests, on the other hand, reveal how the advertisement was perceived by the target audiences, i.e. whether it was successful or not. In copy testing, the advertisement is shown to the audience and their reactions are studied. This helps in evaluating the appeal of the advertisement to the target customer and whether the message was communicated properly.

8.5 ADVERTISING RECOGNITION AND RECALL TESTS

Recognition test is a special type of tests in advertising that is used to measure the awareness level of the target audience regarding an advertisement to which he has been exposed to. In this an advertisement is shown or described to the respondents and his verbal responses are noted. If the respondent has seen the advertisement, then he is asked questions regarding the copy of the message, name of the brand etc. Tests which are used to check the recognition are:

a) **Mail Survey:** In this a questionnaire containing the description of an advertisement and a few questions regarding the advertisement is mailed to the target audience. The brand name is not revealed and the respondents have to identify it. Respondents are then required to fill up the questionnaire and mail back the filled up forms. Such surveys are also conducted to measure the recognition for radio and TV commercials.

b) **Starch Tests:** This test is intended to find out whether a reader has observed a particular advertisement in a magazine. Daniel Starch, a psychologist had invented this test in 1923 to measure the effectiveness of print ads. The pre-condition for such a test is that the respondents should have already read the same issue of the magazine in normal conditions as a regular reading. During the test, the respondents are asked whether he has seen or read the advertisement before. Depending on the responses, the advertisement in the magazine are divided into three categories:

   i. **Read Most:** The respondents read half or more of the copy.

   ii. **Seen Associated**: The respondents read only that part of the advertisement which describes the brand or service.

   iii. **Noted:** The respondents remember seeing the advertisement.

Starch scores obtained in such a manner are found to be highly reliable. This test also reveals that the recognition of an advertisement also depends on the product class, variable of the copy (size, colour, etc) and media used.

Recall is defined as the process of remembering something or recovering information by mental effort. It is based on the theory that the commercial leaves an impression on the mind of the person who has seen it. Recall tests are designed to measure an advertisement's impact by asking respondents to recall particular components of an advertisement.

Depending on the amount of help given to the respondents to recall the advertisement, the recall is classified as unaided recall and aided recall. In unaided recall the respondent is

not prompted with any elements of the advertisement. He is given only the name of the product or service. It involves the respondent questions like 'name the soft drinks he knows'. In aided recall, the respondent is prompted with the brand name or some pictures of a commercial. It involves questions like 'have you heard of a soft drink called Mountain dew?'

Day-After-recall tests

Day-after-recall (DAR) test was designed by George Gallup in 1940. This test is conducted 24 hours to 72 hours after the telecast of the commercial. The respondents are selected randomly and are contacted by telephone. They are asked if they remember watching any advertisement of the product category. If the respondent replies with the correct brand name, then the response is called unaided recall. Otherwise the respondent is given some more information about the commercial.

CHECK YOUR PROGRESS

Q 1: An advertisement will be effective only when the advertiser have knowledge of the ....., ... and ..... segments of the target customers.

Q 2: In advertising, we know are familiar with the three concepts of ....., ... and .....

Q 3: Define Copy testing.

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Q 4: What is Recognition tests?

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Q 5: What is Recall tests?

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8.6 ISSUES IN ASSESSING IMPACT OF ADVERTISING

Advertising today have become a part of our day to day lives. This 21st century can be rightly called as the age of advertising. Advertising has been able to cast a deep impact in the social as well as the economic aspect of our day-to-day activities.

Social Aspect of Advertising

Though the main aim of advertising is to enhance the sales and generate profit for the organization yet today with the passage of time, it has become an indispensible part of our modern society. Some people are of the opinion that advertising has both positive as well as negative impact on the society. That advertising have had a positive and effective role in the society can be assessed by whether the advertisement has any message for the welfare of the society or whether it is able to improve the standard of living of the people, has been able to highlight the cultural values of the society etc. A society consists of people with diverse habits, customs, attitudes, beliefs, rituals and values. An advertiser must understand these factors well before advertising a product or a service. Similarly, advertising and culture are indispensible. An advertisement must be able to link the product or the service with the culture, values and customs of a society. It will not be entirely wrong to say that the cultural norms, beliefs and values are the basis for selecting and evaluating the goods and services.

Economic aspect of advertising

Sahni, N.K., and Gupta, M., (2011); "Advertising and Sales Management (Text and Cases)", have mentioned that advertising is a sub-system of the economic system. It is indirectly the backbone of any economic activity as it touches and influences the life of each and everyone within the society. Not only that advertising has an impact on the production and distribution costs but also on the consumer prices of various products as well. It is indeed true that the prices of different goods and services would have been otherwise low if there would have no advertisement at all. The expenditure incurred on advertising the products and services are in some way passed on to the customer who will have to bear the burden of it in the form of high cost of the products. But it is also known that effective advertising will also enhance sales volume and will therefore indirectly lead to reduction in cost of production and distribution.

8.7 MEASURING THE PERFORMANCE OF AN ADVERTISING AGENCY

An advertising agency is an integral part in the world of advertising. It is bestowed with the responsibility of creatively designing an ad to its successful implementation so as not only to persuade the target customers towards the products but also to enhance the sales volume and net profit of the respective company. A company has to make significant investment for the success of an ad campaign. Here, the role of an agency is significant. In order to stand up

to the high customer expectations and also to sustain in the cut throat competition, an advertising agency has to come up with some sort of inquisitiveness in designing an ad. The effectiveness of an agency can be measured and known by the number of responses that the ad campaign receives. From the company's point of view, the success of an agency would be highlighted if there is a significant rise in the sales volume of the product. Its performance becomes even more prominent during the festive season, when they come up with much more creativity in the ads that they design for the company because it is mostly during such times that there is a possibility of high sales.

For example, most of the ads in case of consumer durables companies are prepared by the advertising agencies wherein the names of the dealers and distributors of the company are incorporated so that the customers can contact them regarding product related information. Therefore the company sales people often visit the dealers to know about the status of their products in terms of the sales volume. Moreover, an advertising agency must also take into consideration that the ad is cost effective as well.

Overall, the work of an advertising agency will be considered successful, if it is able to attract the target customers well and is able to generate greater awareness about the products through the ad which will bring in more revenue for the company and is cost effective.

8.8 LET US SUM UP

- An advertiser to understand his target segment of customers before advertising the product or service.
- Selective attention, selective distortion and selective retention are the three concepts of advertising
- Advertisers must frequently advertise their products in such a way so that it can attract the customers.
- A good advertisement is one where targeted audiences are persuaded to buy the product or service being advertised.
- Recognition and Recall tests are used to measure the effectiveness advertisement.
- The main aim of advertising is to enhance the sales and generate profit for the organization
- Advertising has both positive as well as negative impact on the society.
- Advertising has an impact on the production cost, distribution cost and on the consumer prices of goods and services.

8.9 FURTHER READINGS

1) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

8.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: An advertisement will be effective only when the advertiser have knowledge of the demographic, cultural and geographic segments of the target customers.

Ans to Q No 2: In advertising, we know are familiar with the three concepts of selective attention, selective distortion and selective retention.

Ans to Q No 3: Copy testing is a process to check the effectiveness of advertisements in terms of recall, content and how well the message was comprehended

Ans to Q No 4: Recognition test is a special type of tests in advertising that is used to measure the awareness level of the target audience regarding an advertisement to which he has been exposed to.

Ans to Q No 5: Recall test is defined as the process of remembering something or recovering information by mental effort. It is based on the theory that the commercial leaves an impression on the mind of the person who has seen it.

The effectiveness of an advertising agency can be assessed by the increase in the sales volume of the products, customer response, revenue generation for the company and cost effectiveness.

811 MODEL QUESTIONS

Q 1: Discuss the concept of advertising reach, frequency and impact with examples.

Q 2: Why Copy testing is important?

Q 3: Explain Recognition and Recall test of advertising.

Q 4: “Advertising has both positive and negative effect on the society”-Explain.

Q 5: How can the performance of an advertising agency be assessed?

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UNIT 9 : SALES PROMOTION

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Meaning and importance of Sales Promotion

- 9.3.1 Components of Promotion Mix
- 9.3.2 Defining Sales Promotion

9.4 Tools and Techniques of Consumer Sales Promotion

9.5 Difference between Sales Promotion and Advertising

9.6 Trade Promotions

9.7 Organising Sales Promotion Campaign

9.8 Let Us Sum Up

9.9 Further Reading

9.10 Answers To Check Your Progress

9.11 Model Questions

9.1 LEARNING OBJECTIVES

After reading this unit, you will be able to –

- define promotion mix
- define Sales Promotion
- describe Tools and Techniques of Consumer Sales Promotion
- explain Trade Promotions
- explain Sales Promotion Campaign.

9.2 INTRODUCTION

In the earlier units, we have discussed briefly about different promotional mixes. In this unit, we will be discussing about one of the important components of promotion, that is sales promotion.Sales promotions are incentives to consumers or trade that are designed to stimulate purchase. The promotions typically last for a set period of time and are used to achieve a specific purpose, such as increasing market share or unveiling a new product.

It can be of different forms. Different sales promotional tools are- coupons, contests,

premiums, sweepstakes, refund, demonstration or display. Some classic examples are 25% off, buy one get one free, money back offer etc. Companies use sales promotion tools to draw a stronger and quicker buyer response. Sales promotion can be used for short run effects such as to dramatize product offers and boost sales. In contrast to advertisingand personal selling, which are generally used on a continuous or cyclical basis, sales promotion devices get more irregular use. Generally, the promotional activities are for short duration. At the end of this unit, we will discuss about trade promotion and how to organise Sales Promotion Compaign.

9.3 MEANING AND IMPORTANCE OF SALES PROMOTION

Promotion is one of the major components of marketing mix. The purpose of promotion is to reach the desired consumers and persuade them to act positively towards the specific product or services. A company may have a well-designed product offering with a price and distribution system appropriate to its target market. But if it is unable to reach that market, then all its efforts will have been in vain. Promotion is responsible for awakening and stimulating consumer demand for the product. Basically, promotional mix is the use of different advertising and communication channels in a coordinated way to run an effective marketing campaign. These coordinated campaigns are part of an effective integrated marketing communications plan. The most important factor in determining the optimal mix is identifying the target market. Once a company knows its target market, it can then research its use of various media outlets in order to come up with the best combination of marketing materials to reach the defined target.

9.3.1 Components of Promotion Mix

Businesses use various promotional methods to communicate with individuals, groups and organizations. Just as product, price, distribution, and promotion make up the marketing mix, so four components make up the promotion mix. The promotion mix is the specific combination of these four promotional methods-advertising, personal selling, sales promotion, and publicity- that an organization uses for a specific product. The word promotion is also used specifically to refer to a particular activity that is intended to promote the business, product or service.



Fig 9.1: Different components of Promotion Mix

9.3.2 Defining Sales Promotion

Sales promotion consists of different activities used to sell products. They are activities that give consumers a short-term incentive to make a purchase.Many of us occasionally delay a purchase until the wanted item “goes on sale.” Sometimes we make an unplanned purchase because of a coupon. Perhaps our loyalty to some brands we use now began with a free sample. If any of these are true for us, then we took advantage of an extra incentive to buy broadly known as “sales promotion.”

Definition: Sales promotion is an activity or material that offers consumers, salespersons, or retailers a direct inducement for purchasing a product. Different sales promotional tools are- coupons, contests, premiums, sweepstakes, refund, demonstration or display. Some classic examples are 25% off, buy one get one free, money back offer etc.

Different types of sales promotion are discussed as follows:

Basically, sales promotion is of two types, one is consumer-oriented sales promotion and the other is business oriented sales promotion.

In consumer-oriented sales promotion, when any benefit is provides by the manufacturer to the customer, it is called as ***consumer promotion***. Again, when any benefit is provides by the retailer to the customer, it is called as ***retail promotion***.

There are three types of business-oriented sales promotion. ***Trade promotions*** are some benefits offered by manufacturers to wholesalers and retailers. ***Industrial promotions*** are benefits offered by and to raw materials suppliers’ component parts manufacturers, and final producers or manufacturers. And ***business promotions***

are benefits offered by business product suppliers to any other business or organization.



Fig 9.2: Types of Sales Promotion

Advantages of sales promotion:

- Companies use sales promotion tools to draw a stronger and quicker buyer response.
- Sales promotion can be used for short run effects such as to dramatize product offers and boost sales.
- Excellent approach for short term price reductions for stimulating demand.
- A large variety of sales promotion tools to choose from.
- Can be effective for changing a variety of consumer behaviours.
- Can be easily tied in with other promotional tools.

Limitations of sales promotion:

- Sales promotion devices get more irregular use.
- They are used mainly for short term gains.
- May influence primarily brand-loyal customers to stock up at lower price but attract few new customers.
- May have only short term impact.
- Over use of price related sales promotion tools may hurt brand image and profits.
- Effective sales promotions are easily copied by competitors.

Objectives of sales promotion:

Sales promotion aims at enhancing sales by giving customers an extra value. Some of the objectives of sales promotion are:

- Fast sales boost.
- Encourage trial purchase
- Encourage repeat purchase

- Stimulate purchase of larger stocks
- Gain distribution and shelf space

9.4 DIFFERENCE BETWEEN SALES PROMOTION AND ADVERTISING

Sales promotion includes all those activities which promote sales such as distribution of samples, discount coupons, contests, display of goods, fairs and exhibitions, etc. Advertising, on the other hand, is any paid form of non- personal presentation and promotion of ideas, goods and services. Some of these differences are highlighted below.

i) Permanent vs temporary strategy

Advertising is a permanent strategy that involves marketing and sales, whereas sales promotions have a limited time frame.

ii) Different end goals

Advertising appeals to the wants and needs of a target audience, and seeks to persuade prospective customers that your company is worthy of their attention. The end goal with advertising isn't always to make a sale; in some instances, it's to set the stage for a sale in the future by introducing prospects to your company's products and services. In contrast, sales promotions are strictly about moving products and services, and are designed solely to appeal to the financial consideration of a prospect.

iii) Indirect vs direct appeal

Advertising can involve a number of indirect methods to create the desired effect in a target audience, whereas sales promotions are not subtle or meant to be hidden in any way. For example, a skateboard company that's involved in advertising might talk about the type of material used to make the board, the rotational capabilities of the board's wheels, and the different types of jumps that skaters can attempt with the board.

Defference between Advertising and Publicity

Advertising	Publicity
1. Paid form- paid by the sponsor	1. Non paid form.
2. Presentation is programmed.	2. Presentation is non programmed.
3. Marketers exercise control.	3. Marketers have less control.
4. Advertising is positive.	4. Publicity may be positive or
negative.	

Source: https://cdn.businessmanagementideas.com/wp-content/uploads/2016/11/image-61.png

9.5 TOOLS AND TECHNIQUES OF CONSUMER SALES PROMOTION

Sales promotion includes techniques like free samples, premium on sale, sales and dealer incentives, contests, fairs and exhibitions, public relations activities, etc. Sales promotions are those activities, other than advertising and personal selling that stimulate market demand for products. The basic purpose is to stimulate on the spot buying by prospective customers through short-term incentives. These incentives are essentially temporary and non-recurring in nature.

Some of the important ***consumer sales promotion*** techniques of sales promotion are as follows:

(1) Rebate: Under it in order to clear the excess stock, products are offered at some reduced price. For example, giving a rebate by a car manufacturer to the tune of 12,000/- for a limited period of time.

(2) Discount: Under this method, the customers are offered products on less than the listed price. For example, giving a discount of 30% on the sale of Liberty Shoes.

(3) Refunds: Under this method, some part of the price of an article is refunded to the customer on showing proof of purchase. For example, refunding an amount of 5/- on showing the empty packet of the product priced 110/-.

(4) Product Combination: Under this method, along with the main product some other product is offered to the customer as a gift.

(5) Quantity Gift: Under this method, some extra quantity of the main product is passed on as a gift to the customers. For example, 25% extra toothpaste in a packet of 200 gm tooth paste.

(6) Instant Draw and Assigned Gift: Under this method, a customer is asked to scratch a card on the purchase of a product and the name of the product is inscribed there upon which is immediately offered to the customer as a gift. For example, on buying a car when the card is scratched such gifts are offered – TV, Refrigerator, Computer, Mixer, Dinner Set, Wristwatch, T-shirt, Iron Press, etc.

(7) Lucky Draw: Under this method, the customers of a particular product are offered gifts on a fixed date and the winners are decided by the draw of lots.

(8) Usable Benefits: Under this method, coupons are distributed among the consumers on behalf of the producer. Coupon is a kind of certificate telling that the product mentioned

therein can be obtained at special discount. It means that if a customer has a coupon of some product he will get the discount mentioned therein whenever he buys it.

(9) **Full Finance @ 0%:** Under this method, the product is sold and money received in installment at 0% rate of interest. The seller determines the number of installments in which the price of the product will be recovered from the customer. No interest is charged on these installments.

(10) **Samples:** Under this method, the producer distributes free samples of his product among the consumers. Sales representatives distribute these samples from door-to-door.

(11) **Contests:** Some producers organise contests with a view to popularizing their products. Consumers taking part in the contest are asked to answer some very simple questions on a form and forward the same to the company. The blank form is made available to that consumer who buys the product first.Result is declared on the basis of all the forms received by a particular date. Attractive prizes are given to the winners of the contest.

(12) **Free Trial:** A free trial is a way for a consumer to try a new product while eliminating risk. It may be used when a product is unique to the marketplace, which can make consumers leery of trying it out.

The techniques of sales promotion used by business houses are discussed below:

1. **Distribution of Samples:** Many big businessmen distribute free samples of their products to the selected people in order to popularise their products. Distribution of samples is popular in case of books, drugs, cosmetics, perfumes and other similar products. As the distribution of samples is very costly, this system is confined to those products of small value which have often repeated sales.

2. **Rebate or Price-Off Offer:** In order to increase sale, many producers introduce price off offer to the customers. Under this, the product is offered at a price lower than the normal price. For example, during off season (winter), ceiling fans, coolers and refrigerators may be offered at 20 to 30% off price.

   Rebate offer is given for a limited period only, for example, Khadi Gram Udyog offers rebates on Khadi cloth and readymades to coincide with the month of Gandhi Jayanti every year.

3. **Partial Refund:** A firm may use the strategy of refunding a part of the price paid by the customer on the production of some proof of purchase of its product. For instance, the

buyer of two cakes of a branded soap may be refunded Rs. 5 on returning the empty packages to the dealer.

4. **Discount Coupons:** A discount coupon is a certificate that entitles its holder to a specified saving on the purchase of a specified product. Coupons may be issued by the manufacturers either directly by mail through sales-force or through the dealers. The coupons are also issued through newspapers and magazines. The holders of coupons can go to the retailers and get the product at a cheaper price.

   The retailers are reimbursed by the manufacturer for the value of coupon redeemed and also paid a small percentage to cover handling cost. But many retailers do not patronise this method because it involves financial and accounting problems for them.

5. **Packaged Premium:** Under this, the seller offers premium to the buyer by way of supplying a gift along with the product or inside the product package. Premium on sales helps the salesman to make effective presentation, stimulate sale in a particular area, lead to enlistment of new customers and have the way for introducing new brands in the market. Premiums are generally given in the case of customer convenience goods such as packed tea leaves, blades, tooth-pastes and toilet soaps.

6. **Container Premium:** Several firms use container premium to push the sale of their products. For instance, Taj Mahal tea leaves, Ariel detergent powder, Bournvita, Kissan jams, etc. are made available in special containers which could be reused in kitchens after the product has been consumed. The reusable containers for packaging often have special appeal to the consumers who don't have to pay anything extra for the product.

7. **Contests:** There may be consumers' contests, salesman's contests and dealers' contests. Contests for salesman and dealers are intended for inducing them to devote greater efforts or for obtaining new sales idea in the task of sales promotion.

   Contests for consumers may centre around writing a slogan on the product. Such slogan centres around the questions as to the liking of a customer for the product, or formulation of new advertising idea for the product. Such contests are held through radio, T.V., newspapers, magazines, etc.

8. **Public Relations:** Public relations activities strive for creating a good image of the enterprise in the eyes of the customers and the society. These activities are not aimed at immediate demand creation. It is very common that big business enterprises convey their greetings and thanks to the people through newspapers and other media.

9. **Free Gift:** The customer does not get any benefit at the time of purchase, rather he gets it through mail. For this he has to send the proof of purchase (e.g., cash memo and wrapper) to the manufacturer to claim the gift which might be a diary or book or any other item. The gift is sent by the manufacturer by mail or through courier.

11. **Exchange Offer:** It means exchange of an old product with the new one after payment of the exchange price fixed by the manufacturer. Such offers are very common these days in case of electric irons, TVs, refrigerators, scooters, gas stoves, washing machines, etc.

11. **Product Combination or Gift:** It refers to giving a free gift on purchase of a product. Generally, the free gift is related to the product but it is not necessary. For example, Mug free with Bournvita, Toothbrush free with Toothpaste, DVD free with TV, Vacuum cleaner free Fridge, etc.

12. **Instant Draws and Assured Gifts:** Some sectors offer instant draws and assured gifts to their customers when they make purchases. The scheme may be like – "Scratch a card (or burst a cracker) and instantly win a car, A.C., fridge, T.V., computer or electric iron on the purchase of a T.V."

13. **Full Finance @ 0%:** Manufacturers of durables like bikes, T.V., A.C., etc. offer easy financing schemes even at 0% rate of interest e.g., "Pay Rs. 11,000 in cash and Rs. 30,000 in 12 equal instalments of 2,500 each by post-dated cheques and get a bike on the spot." This tool of promotion misleads the customers and so should be avoided by the marketers.

CHECK YOUR PROGRESS

Q 1: Define Sales Promotion.

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Q 2: State two advantages of Sales Promotion.

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9.6 TRADE PROMOTIONS

While consumer sales promotions help pull a product through a marketing channel by

increasing the consumer's demand for a product, trade sales promotions have the opposite effect. They work to push a product through the channel by increasing a retailer or other intermediary's demand. **Trade sales promotion** is a promotional incentive directed at retailers, wholesalers, or other business buyers to stimulate immediate sales.

Some of the important trade-oriented promotion tools are as follows:

1. **Cash bonuses:** It can be in the form of cash discounts or straight cash payments to encourage volume sales, product display, or in support of a price reduction to customers.
2. **Stock return:** Some firms take back partly or wholly the unsold stocks lying with the retailers, and distribute it to other dealers, where there is a demand for such stocks.
3. **Credit terms:** Special credit terms may provide to encourage bulk orders from retailers or dealers.
4. **Dealer conferences:** A firm may organize dealer conferences and dealers may be given information of the company's performance, future plans, and so on.
5. **Push incentives:** It is a special incentive given to the dealer in the form of cash or in kind to push and promote the sale of a product, especially a newly launched product.

9.7 ORGANISING SALES PROMOTION CAMPAIGN

As in the case of advertising, effective sales promotion involves an on-going process with a number of stages. The main stages which is involved in sales promotion planning are mention below:

1. **Establishment of objectives:** Sales-promotion objectives vary according to the target market. If the target is the customer, objectives could include the encouragement of increased usage or the building of trial among non-users or other brand users. For intermediaries, objectives could be to encourage off-season sales or offsetting competitive promotions. Sales-promotion activity could also be aimed at internal personnel, making up part of the reward system.
2. **Selection of promotional tools:** Promotional objectives form the basis for selecting the most appropriate sales-promotion tools. The cost and effectiveness of each tool must be assessed with regard to achieving these objectives in respect of each target market. The tools available to the service marketer are described in more detail in the next section.

3. **Planning the sales-promotion programme:** The major decisions that need to be made when designing the sales-promotion programme relate to the timing of the promotion and how long this tool is to be used. Also important are the size of incentive, rules for eligibility and, of course, the overall budget for the promotion.

4. **Pre-testing:** This needs to be undertaken to ensure that potentially expensive problems are discovered before the full launch of a promotion. Testing in selected market segments can highlight problems of ambiguity, response rates and give an indication of cost effectiveness.

5. **Implementation:** The programme for implementation must include two important time factors First, it must indicate the 'lead time'- the time necessary to bring the programme up to the point where the incentive is made available to the public. Second, the 'sell in time' which is the period of time from the date of release to when approximately 90-95 per cent, of incentive material has been received by potential customers.

6. **Evaluation:** The performance of the promotion needs to be assessed against the objectives set. If objectives are specific and quantifiable, measurement would seem to be easy. However, extraneous factors could account for the apparent success of many sales-promotion activities.

   For example, competitive actions or seasonal variations may have influenced customers' decision making. It can also be extremely difficult to separate out the effects of sales-promotion activity from other promotional activity-or indeed from other marketing-mix changes.

Evaluating sales promotion:

The evaluation of an effective sales promotion program is generally divided into three phases:

1. Pre-testing: Before a sales promotion is offered.
2. Concurrent testing: When the sales promotion is operational i.e. when it is going on.
3. Post-testing: At the end of the sales promotion event.

Pre-testing

We can pre-test what a sales promotion would be communicating and how it would communicate with the target group of customers. We would like to know whether the customer here is at risk of buying an unfamiliar brand. Using "Focus Groups" and "Consumer Panels", we can conduct a pre-test to analyze these factors.

At times, it is advisable to gather and assess the responses of resellers before launching a promotion program. The best way is to visit certain retailers, dealers and wholesalers, discuss the program with them and ask for their valuable suggestions. This is of paramount importance when the reseller's support is very important in making the promotional campaign a success.

Concurrent testing

This phase of testing takes place during the promotion program i.e. when it is in progress. It allows the manager to make necessary changes to the program whenever and wherever requires. Sales data is used to carry out this kind of test; this data should be collected on a weekly or monthly basis. For e.g. the promotional tool used is a "Contest". In that case, the promotional response can be assessed on the basis of entries received and requires the manager can also extend the contest period. We can have another example here. If "Coupons" are being used, the response can be evaluated on the basis on number of coupons redeemed by customers.

Post-testing

Post-testing is conducted after the promotion program has come to an end. Here, customers are contacted telephonically, questionnaires are also mailed to them, and personal interviews are also conducted to evaluate any change in their attitude towards or awareness of the brand. Personal Interview is the most expensive method here. Mail is the least expensive one.

To assess the effect of sales, one must take into account the sales level prior to the promotion period and compare it with the sales level that exist at the end of the promotion period. It must also be compared with the sales figure of the period one month after the promotion has ended.

CHECK YOUR PROGRESS

Q 3: State two difference between Sales promotion and advertising.

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Q 4: What is Trade Promotion.

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9.8 LET US SUM UP

- In this unit we have discussed different promotional strategies, which can be summarized as follows:
- Sales promotions are incentives given to consumers to make them believe that they are getting more value for the money they are spending. It also encourages trial and repeat purchases.
- There are different sales promotional strategics for consumers and for business.
- Sales promotion is applied for short duration of time.
- The effectiveness of sales promotion can be measured through three phases ie. Pre testing, concurrent testing and post testing.

9.9 FURTHER READING

1) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education.

https://www.businessmanagementideas.com/sales-promotion-2/sales-promotion-objectives-importance-techniques-examples-methods-types-and-tools/18225.

9.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Sales promotion is an activity or material that offers consumers, salespersons, or retailers a direct inducement for purchasing a product.

Ans to Q No 2: Advantages of Sales Promotion:

- Companies use sales promotion tools to draw a stronger and quicker buyer response.
- Sales promotion can be used for short run effects such as to dramatize product offers and boost sales.

Ans to Q No 3:

i) Advertising is a permanent strategy whereas Sales promotion is for a short time frame.

ii) The end goal of Sales promotion is to make a sale whereas the advertising has other goals like awareness generation, competition oriented etc.

Ans to Q No 4: Trade sales promotion is a promotional incentive directed at retailers, wholesalers, or other business buyers to stimulate immediate sales.

?9.11 MODEL QUESTIONS

Q 1: Define Sales Promotion.

Q 2: Discuss the components of promotion mix.

Q 3: What is consumer oriented sales promotion and business oriented sales promotion.

Q 4: Discuss different tools and techniques of sales promotion for both consumer and business.

Q 5: Discuss how to organize a sales promotion campaign.

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UNIT 10: PERSONAL SELLING

UNIT STRUCTURE

10.1 Learning Objectives

10.2 Introduction

10.3 Concept of Selling

10.4 Personal Selling

- 10.4.1 Objectives of Personal Selling
- 10.4.2 Functions of Personal Selling
- 10.4.3 Advantages and Disadvantages of personal Selling

10.5 Selling Process

10.6 Types of Sales person

10.7 Let Us sum Up

10.8 Further Readings

10.9 Answers To Check Your Progress

10.10 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to :

- define the concept of Selling
- discuss Personal Selling
- describe the objectives and Functions of Personal Selling
- identify the advantages and disadvantages of Personal Selling
- discuss the Selling Process

10.2 INTRODUCTION

Selling is a very important concept of marketing. Personal selling is one of the oldest forms of promotion. we have already got a fair idea about personal selling in BBA 5th semester. So, in this unit, we are going to discuss the concept of personal selling. The main aim of personal selling is to introduce a product or the company in the knowledge of the prospective buyers.

In this unit you we will discuss on the objectives, advantages and disadvantages of

personal selling, functions of personal selling, and selling process.

10.3 CONCEPT OF SELLING

According to Australian Institute of sales and Marketing Executive's Journal, Selling, has been defined as "Persuading People to want, what we have to sell". The person who does this act, is called as the "Salesman", the result of this action as 'Sales', while these activities of the person, are supervised and controlled by "Sales-Management" .The quality of 'selling' is referred to as "Salesmanship".

Also we can say that selling is the art of convincing the consumer that buying the product or service will benefit him or her. Whatever product or service we're selling, we need to focus our selling efforts and tell about the benefits of our product or service to the consumer. The benefits may be different for different product, but unless the individual consumer is convinced he or she will not buy the product.

10.4 PERSONAL SELLING

Personal selling is a method in which salesperson uses his skills and techniques for making personal relationships with the customer. According to *American marketing Association*, "Personal Selling is an oral presentation in a conversation with one or more prospective purchaser for the purpose of making sales".

Personal selling involves personal contact, face-to-face meetings or via a telephone conversation, Internet including using video conferencing or text messaging (e.g., online chat).

Examples of Personal Selling are as follows:

1. **Retail selling:** Retail Selling means selling in a retail counter or a shop
2. **Field selling:** Field Selling means Selling of product by going outside in the market
3. **Telemarketing:** Use of the telephone as an interactive medium for promotion and sales is known as Telemarketing.
4. **Inside selling:** Selling of product without going out in the market is called inside selling.

10.4.1 Objectives of Personal Selling

1. **Product Awareness**: Building awareness using personal selling is most important. A common job of salespeople is to educate customers on product offerings and discuss about new product launch and making aware of them about the new technologies and benefits.

2. **Creates Interest:** Personal selling involves face to face communication and makes the customer feel and touch the product which result in building interest about for the product. It gives an experience of the product for the first time. Creating interest goes hand-in-hand with building product awareness as sales person can often accomplish both objectives during the first encounter with a potential customer. For example, Free test drive of a car.

3. **Provide Information**: In Personal selling large part of the conversation focuses on product information. Marketing organizations provide their sales staff with large amounts of sales training and technical support through product brochures, research reports, computer programs and many other forms of informational material which should be provided to a customer.

4. **Causing Demand:** Once customer is aware of the product, showing interest and has sufficient information then most important objective of personal selling is to convince customers to make a purchase.

5. **Reinforcing the Brand:** A strong relationship can only be built over time and requires regular communication with a customer. Personal selling is intended to build long-term relationships with customers, Meeting with customers on a regular basis allows salespeople to repeatedly discuss their company's products and strengthen customers' knowledge of what the company has to offer.

6. **To increase the volume of Sales:** The objective of a sales person to increase the volume of sales through its customers.

10.4.2 Functions of personal selling

Following are the major functions of personal selling:

1. To Make Sales to both old and new customers.

2. Service to customers and remove doubts.
3. Keep Sales Record.
4. To give presentations.
5. Develop goodwill of the company.
6. To achieve sales target.

10.4.3 Advantages and Disadvantages of Personal Selling

Advantages of Personal Selling

1. It's a two-way form of communication which helps customer to fully understand and clear doubts about the product or the services with the salesperson
2. Builds strong long-term relationship with customers.
3. Personal selling is the most effective promotional option for reaching customers who are not easily reached through other methods.
4. Personal selling helps in getting reference and building strong database.
5. Personal selling is more flexible.

Disadvantages of Personal Selling:

1. Personal selling is more expensive because cost of maintaining efficient sales force is high.
2. Customer may misunderstand a sales person by his behaviour and can face some bad experience with them.
3. Its not easy to recruit right kind of a salesman who has the ability and potential to sell a product or service.
4. Once a salesperson leaves the jobs then all the good relationship of customer with which has been built gets along with him.

10.5 SELLING PROCESS

The personal selling process goes through six phases, which are discussed below:

1. Identifying Potential Customers:

Selling begins by finding potential customers. A potential customer or "prospect" is first identified as a sales lead. Salespeople may receive a list of sales leads based on inquiries through the company's website .However; Sales leads can come from many sources including:

1. Websites
2. Reference from previous customer
3. Newspapers, Internet, corporate press release
4. Cold call(contacting someone without pre-notification)
5. Corporate database
6. Personal and professional contacts.
7. Sales promotions and advertisement.

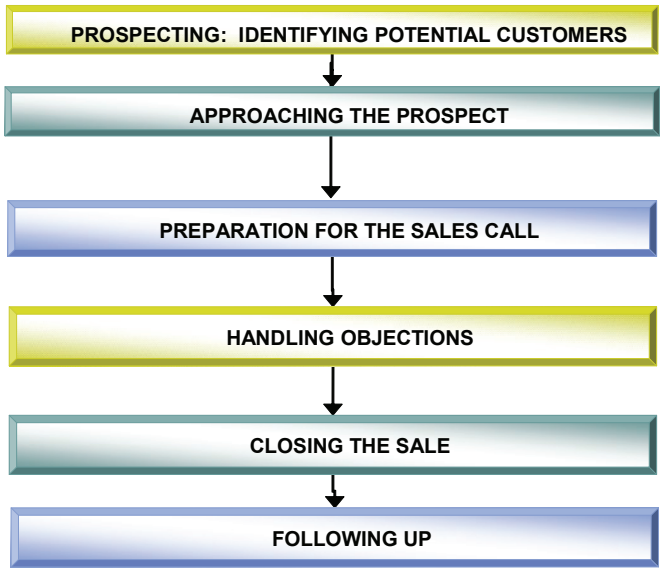
2. Approaching the Prospect:

This is the process of how to approach a customer. The salesperson needs some preparation before he meets the client, for example he may send an e-mail, make a telephone or post a letter.

- Before meeting with the client, sales person should set some objectives for the sales call.
- To save time, send some information before visit.
- Keep a set of samples at hand, and make sure that they are in very good condition.
- Within the first minute or two, the purpose of the call should be stated so that time with the customer gets maximized
- The salesperson should demonstrate to the client that they are not wasting his or her time.

3. Preparation for the Sales Call:

Now the next task is to prepare for an ultimate sales call. Before sales call, salesperson has learn more about the Customer. More information about a prospect allows the salesperson to be more confident in his/her presentation and, consequently, come across as more knowledgeable when meeting with the prospect. Sales person will use their



research skills to learn about such issues as:

- who is the key decision maker
- what is the customer's organizational structure
- what products are currently being purchased
- how are purchase decisions made

Salesperson can attempt to gather this information through several sources including:

1. Corporate research reports, information on the prospect's website,
2. Conversations with non-competitive salespeople, who have dealt with the prospect,

Gaining this information can help prepare the salesperson for the sales presentation that compares the seller's products against products being purchased by the prospect. Additionally, having more information about a prospect allows the salesperson to be more confident in his/her presentation and, consequently, come across as more knowledgeable when meeting with the prospect.

Meeting is not just about the seller discussing the product, rather much more takes place during this part of the selling process including

- Establishing Rapport with the Prospect
- Gaining Background Information
- Listening and understanding Prospect responses

- Presenting the Product
- Assess the Prospect- to gauge the prospect's understanding and acceptance of what is discussed.

4. Handling Objections

It is a rare instance when a salesperson does not receive objection from a prospect. By objection we are referring to a cause of concern prospect has regarding the product (or company) and how it will work for their situation. To overcome objection, salespeople are trained to make sure that they clearly understand the prospect's concern. Salespeople are rarely able to make the sale unless objection is overcome.

Steps of handling objection:

- Listen carefully to the objection (don't interrupt or anticipate).
- Ask permission to completely understand the issue.
- Ask questions, restate or clarify the objection.
- Choose the response carefully and keep it short.
- Propose the resolution to overcome the objection
- Ask whether the answer or proposed solution will satisfy the objection.

5. Closing the Sale

After handling the objections that the customer presents, the sales person musts ask for their business.

There are many techniques that can be employed in closing the sale, and we need to find the techniques that we can use comfortably. The close is not the end of the selling process but is the beginning of building a relationship.

6. Following up

Following up is the final activity in the selling process. It is maintaining relationship and beginning of the next sale cycle by repeat purchasing. Following up with a customer is important to build a long-term relationship.

Salespeople should work hard to ensure that customer is satisfied with the purchase and find other ways by which the salesperson can help the customer be even more

satisfied with the purchase.

10.6 TYPES OF SALES PERSONS

1. Order Takers

Order takers are repeat sales seeker who does not require more sales effort. They arrange displays, restock, and answers phone call. Order Takers can be classified as:

- Inside Order Takers: Who receives orders by mail/phone, sales person in a retail store.
- Field Order Takers: Who travel to customers place and close the order. Some sale person use laptop computers to improve tracking of inventory and orders etc.

2. Order Getters

Order getters sell to new customers and increase sales to present customers; sometimes they are called creative selling. Generate customer leads, provide information, and convince customers and close sales.

3. Support Personnel

Support personnel are those people who facilitate the selling function. They distribute information regarding new goods or services, describe attributes and leave materials, but do not close sales. They spend much time helping customers, especially retail stores, to promote the product. Restock the shelves, set up displays. Technical Salespersons offer technical assistance to current customers. Service Salespeople interacts with customers after sale is complete.

CHECK YOUR PROGRESS

Q1. Define personal selling.

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Q2. Write the functions of personal selling.

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10.7 LET US SUM UP

In this unit, we have discussed on the various aspects of personal selling and

direct marketing.

- Personal selling involves personal contact between buyers and sellers. The contact may be face to face, over telephone, through e-mail etc.
- Personal selling is two way communication, which is very flexible, convincing and expensive.
- There are different types of sales persons like order taker, order setters & support personnel.

10.8 FURTHER READING

1. Kotler, Keller, Koshy and Jha (2008), *Marketing Management,* 13th Edition by Pearson Education, 2008
2. Wells, Moriarty and Bumett (2007), *Advertising-Principle and Practice* Seventh Edition, Pearson Education
3. Rajan Sexena (2007) *Marketing Management* 3rd Edition by, Tata McGraw Hill Publication

10.9 ANSWERS TO CHECK YOUR PROGRESS

Q1: Personal selling is a conversation with one or more prospective buyer for the purpose of making sales.

Q2: (i) To make sales to both old and new customer.
(ii) Service to customers and remove doubts.
(iii) To achieve sales target.

10.10 MODEL QUESTIONS

1: What is personal selling? Write advantage & disadvantage of personal selling.
2. Explain the selling process.
3. Explain different types of sales persons.

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UNIT 11 : PROMOTION MIX AND ELEMENTS

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Defining Promotion

11.4 Promotion Mix

11.5 Factors Affecting Promotional Mix and Strategies

11.6 Forms of Promotion

- 11.6.1 Advertising
- 11.6.2 Sales Promotion (push versus pull)
- 11.6.3 Personal Selling
- 11.6.4 Public Relation

11.7 Let Us Sum Up

11.8 Further Readings

11.9 Answers To Check Your Progress

11.10 Model Questions

11.1 LEARNING OBJECTIVES

After reading this unit, you will be able to -

- define promotion
- describe different types of promotion
- differentiate between promotion and advertisement
- explain the meaning of advertising, sales promotion, personal selling and publicity
- explain the need for promotional strategy.

11.2 INTRODUCTION

In the earlier units you have obtained a fairly good insight into marketing and its implications. We have been reading, watching, listening and looking at different promotion since our childhood. Promotion is one of the components of marketing mix (marketing mix- Product, price, promotion and place) which helps the marketer to promote the product in the market. Its main purpose is to inform, persuade and influence people towards the product or

services. Promotion is a basic ingredient in non-price competition and it is an essential element in modern marketing.This unit introduces you to the different promotional strategy of marketing.

11.3DEFINING PROMOTION

Generally, promotion is communicating the benefit of the product or service to the target customers in an attempt to influence them toward buying the products services on offer.

The marketers should provide information to the customers about its products and services and motivate customers to buy. Advertising, personal selling, publicity and other sales promotional programes are the various promotional activities. All these activities increase the volume of sales by expanding as well as retaining the market share for the products. Basically, promotion deals with no price competition in the market. Promotion is done for three purposes – (a) informing, (b) persuading and (c) influencing consumers.

Promotional techniques are used by both Industrial as well as Consumer marketers. Different marketers use different advertising Media (newspaper, magazine, television, hoardings, radio etc.).For example, a machine tool marketer can use magazine advertising, dealer sales – incentive contest, trade shows, and press release to promote the products. IBM, Apple and other computer supplier combine extensive personal selling with advertising and public relations. For expensive, complex products and systems, close interaction between buyer and seller is often required, which lead to a lot of personal selling in such markets.

Marketers' selection of advertising media reflects their overall promotional strategy for a product.

11.4 PROMOTION AND ITS MARKETING IMPLICATIONS IN BUSINESS

Promotion is an important element of the marketing process. It refers to communicating the benefits and value of products or services to target customers with the objective of influencing them to purchase the offerings. Through promotional activities, marketers provide information, create awareness and motivate customers to buy products and services.

In modern business, promotion plays a significant role in establishing communication between the organization and consumers. It helps businesses attract new customers, retain existing customers and strengthen brand image in the market.

Promotion mainly serves three important purposes:

1. **Informing -** Providing information about products, services, prices, features and availability.
2. **Persuading -** Encouraging customers to prefer and purchase a particular brand or product.
3. **Influencing -** Creating a favourable attitude and motivating consumers towards buying decisions.

Promotional Activities

Marketers use different promotional activities to communicate with customers. Major promotional tools include:

- Advertising
- Personal selling
- Sales promotion
- Publicity
- Public relations
- Direct marketing
- Digital and social media marketing

These activities help organizations increase sales volume, expand market share and maintain customer loyalty. Promotion generally focuses on non-price competition, where businesses compete through communication, quality, branding and customer relationships rather than price reduction alone.

Marketing Implications of Promotion in Business

Promotion has several important implications for business organizations and marketing success. These are discussed below:

1. **Creates Product Awareness**

Promotion helps businesses introduce products and services to potential customers. Through advertising and publicity, consumers become aware of product availability, features and benefits.

2. **Increases Sales and Revenue**

Effective promotional activities encourage customers to purchase products, leading to higher sales volume and increased revenue for the organization.

3. **Builds Brand Image and Reputation**

Consistent promotional efforts help create a positive image of the brand in the minds of consumers. A strong brand image improves customer trust and loyalty.

4. Enhances Market Share

Promotion helps businesses attract new customers and retain existing ones. This contributes to the expansion of market share in competitive markets.

5. Supports Product Differentiation

Promotion highlights unique product features and benefits, helping businesses differentiate their products from competitors' offerings.

6. Encourages Customer Loyalty

Regular communication and relationship-building activities help maintain customer satisfaction and loyalty over the long term.

7. Facilitates Market Competition

Promotion enables firms to compete effectively without relying solely on price reductions. Businesses can compete on quality, innovation, service and brand value.

11.5 FACTORS AFFECTING PROMOTIONAL MIXES AND STRATEGIES

There are many factors which influence promotional mix and they are known as product market factors.

1. **Nature of the product:** Different product requires different promotional mixes. Consumer goods and industrial goods require different strategies. Consumer goods are sold through advertising, personal selling and displays. But industrial goods require more personal selling. Based on the following attributes, the promotional strategy may vary.
   - **(a) Product complexity:** If a product is technically sound and complex in nature then it requires personal selling. For example, Industrial products. On the other hand if the product is simple we can go for advertising. For example, most of the FMCG products.
   - **(b) Brand differentiation:** Promotional mix is affected by brand differentiation and the degree to which the brand is differentiated from competitor’s brand.
   - **(c) Purchase frequency:** If buyers buy frequently a product, such as soap, tooth paste etc. the marketer will invest a good amount on advertising to push competition brands.
2. **Nature of the market:** Different markets require different promotional mixes and strategies. In industrial market, advertising plays a more informative role then the

persuasive role for industrial buyers. Personal selling emphasizes on two roles, i.e. information and persuasion in the industrial and consumer's market.

3. **Stage in the product life cycle:** The promotional product mix varies within stage in the product life cycle. The nature of demand varies according to the stages in the life cycle. During the introductory stage, the customers do not realize the qualities of the product. Here, information about the product and its benefits are made known to the buyers. In this stage, more importance must be given to personal selling and trade shows. In the growth stage, customers know the qualities of the product. Hence to stimulate demand, advertising must be increased. In the maturity stage, sales and profits decline and hence all the promotional activities should be cut down.
4. **Market penetration:** Here the product is already known to the buyers. In that situation, a sustaining promotional strategy is suitable. A brand has insignificant market penetration means it has a small market or struggling market.
5. **Market size and location:** Product's market size and location also influences the promotional mix. In narrow market, where the numbers of potential buyers is small, direct mail is used. In a broad market advertising is used.
6. **Characteristics of buyers:** The characteristics of prospective buyers strongly influence the promotional mix. Experienced professional buyers such as industrial purchasing agents need personal selling. Inexperienced buyers need advertising. Some buyers give importance to time, some to purchase of products, buyers act according to the influence of friend, relatives etc.
7. **Distribution strategy;** Companies fighting more through distribution for establishing their brands, invest more money on personal selling and advertising. Companies which have already established their brand in the market have to invest only a small amount in personal selling and advertising.
8. **Pricing strategy:** Pricing strategy influence the promotional mix strategy. If the brand is priced higher than the competition, more personal selling is needed to get a middleman to stock and push the brand. If the brand is priced lower, little promotion is needed.

CHECK YOUR PROGRESS

Q 1: Give the definition of promotion**.**

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Q 2: State any two factors which influence promotional strategies.

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11.6FORMS OF PROMOTION

In this section we will discuss about different promotionalforms and corresponding marketing strategies. Different forms of promotion are as follows:

- Advertising
- Personal Selling
- Sales promotion
- Publicity and public Relation

11.6.1 Advertising

Advertising provides information about product and services to the customer. It is a medium of mass communication to convey the benefits about the products and services. Advertising can enhance sales only if they promise a benefit to the customer.

Definition: Advertising is a paid form of non- personal communication about an organization, its products, or its activities that is transmitted through a mass medium to a target audience. The mass medium could be television, radio, newspaper, magazine, direct mails, sign, outdoor displays, handbills, catalogues or directories.Advertising can be used to build up a long term image for a product trigger quick sales.

Advertising is one of the most cost efficient methods because it can reach a large number of people at a low cost per person. Advertising also helps in creating brand image about a company. Advertisement permits the seller to repeat a message for many times, which will help the customer to remember the product.Advertising also has several drawbacks. Even though the cost per person may be low, but the total cost can be very high. These high cost can limit, and sometimes eliminate advertising as an element of the promotion mix. As advertising is a one way of communication (generally), the feedback from advertising is generally slow, if it occurs at all, and measurement of the effect of advertising on sales is difficult.

Developing the advertising strategy:

1. **Identify and understand the target audience:** The target audience is the group at which the advertising is aimed for. The target market should be selected very carefully and it should comprise the best prospects that would buy the product. The target market may be defined in terms of the socio economic group, age, gender, buying frequency and lifestyle for consumer markets. In business markets, the target market may be defined in terms of the industry, order size, product specifications and buyer seller relationships.

   After the identification of the target audience, next step is the analysis of the buyers' choice. Different factors based on which buyers make their purchase decisions are : external factors (such as income, social class, reference group influence, culture, buy situations) and psychological factors (such as perceptions, attitude, involvement levels).

2. **Advertising objectives:** All advertisement should enhance sales. Some may induce purchase action immediately, while some may stimulate demand for a later period. The objective of the advertising can be framed under following headings:
   - **Position the offering:**Advertisements are primarily used for positioning products in the mind of target audience.
   - **Create awareness:** When awareness is created, it legitimizes a company, its representatives and products in the eyes of customers.
   - **Stimulate trial:** Advertising stimulates trial purchase among the target customers.
   - **Remind and reinforce:** After the customers have become aware of the brand, its advertisement should keep reminding the customers of its existence until the brand image sticks to the minds of the targeted customers.
   - **Provide support for sales force:** Advertising helps the sales force in convincing the customers.
   - **Correcting misconceptions:** Advertisements can also be used to correct misconceptions which consumers hold against brands.
3. **Methods of setting the advertising Expenditure :** The advertising expenditure is a part of the total communications spends of a company. The company must

therefore decide the percentage of advertising spend as one of the components of its integrated communication campaign.

Though there are several methods of arriving at the budget, the individual brand budget will depend upon several factors such as profitability, marketing objective and competitor's position. The various methods, which are used, for setting advertising budgets are:

- PERCENTAGE OF SALES METHOD: The percentage of sales method is the most widely used method of setting the appropriation. The percentage is based on the past years' sales or on estimated sales for the coming year or on some combination of these two. This is simplest method, as it requires little decision making. But this method suffers from a basic drawback in that it does not take into account any specific need of the market situation which may change rapidly.
- UNIT OF SALES METHOD: In this approach, a percentage of the price of each unit of the item sold is allocated to advertising. This approach is useful as it links the price of a brand with its advertising expenditure. This approach is simple to plan and execute. However, it does not lead to efficient marketing since past sales determine how much a firm should spend on advertising, when in fact advertising is a tool to create sales and expand markets.
- TASK OBJECTIVE METHOD: The objective task method concentrateson the marketing/advertising objectives that are pre-decided. Thus under this method a company launching a new product will decide to spend more money as it has to create immediate awareness amongst consumers.
- THE COMPETITIVE PARITY METHOD: In this approach an advertiser bases his budget decision primarily on the expenditures of competitors. That is they tryto keep pace with their competitor's advertising budgets. This method could be useful in deciding individual brand ad expenditures. It has the advantage of recognizing the importance of competitors and ensures that the competitors do not increase their ad expenditure to a level that affects the advertiser's sales.
- AFFORDABILITY METHOD: This approach means that the advertising budget will be decided on the basis of whatever money is left after all other fixed and unavoidable expenses have been allocated.
- THE BREAK EVEN METHOD: The break even or the marginal analysis method attempts to quantify the advertising spending level that will offer an organization

the highest additional gross profits. That is the firm continues to spend on the advertising as long as the incremental expenditure are exceeded by the marginal revenue they generate, thus maximizing the gross profits of the firm.

This method has an advantage because it helps in diagnosing any problem, that is when the company is overspending or under spending. But it suffers from the disadvantage of limited research techniques that cannot isolate the effect of advertising on marginal revenues and gross profits.

Some specific factors that should be considered when setting the advertising budget are:

1) Stage in the product life cycle. New products typically need large advertising budgets.
2) Market share. High-market share brands usually need more advertising.
3) Competition and clutter. More advertising is usually required in a market with many more competitors and their advertising clutter.
4) Product differentiation. When a brand closely resembles other brands in its product class, more advertising (and therefore budget) is needed

4. Message decisions:

Advertising strategy consists of two major elements:

a) Creating advertising messages

b) Selecting advertising media

a) Creating advertising messages: No matter how big the budget, advertising can succeed only if commercials gain attention and communicate well. Good advertising messages are especially important in today's costly andcluttered advertising environment.

The first step in creating effective advertising messages is to decide what general message will becommunicated to consumers— to plan a message strategy. Developing an effective messagestrategy begins with identifying customer benefits that can be used as advertising appeals. Ideally, advertising message strategy will follow directly from the company's broader positioning strategy. Message strategy statements tend to be plain, straightforward outlines of benefits and positioningpoints that the advertiser wants to stress.

b) Selecting advertising media: In order to decide the media vehicle the marketers choose from the following: Print media (news paper, magazine, Hoardings,

posters etc), Broadcast media (Television, Radio and online media). More than creativity considerations of cost per thousand customers reached is more dominant. This requires readership and viewership figures.

Different types of media are discussed as follows:

(i) Print Media: Print advertising includes advertisement in newspaper, magazines, brochures, posters etc. Print media provides more detail information, rich imagery and longer message life. But the drawback is that many readers do not read the advertisements. In case of a news paper, the readers will read the news not the advertisement.

Different forms of print advertising are discussed below -

- **News paper advertising:** The news paper may be daily, weekly or fortnightly and can also be of different languages. When we consider the news paper as an advertising medium, we have to asses the advantages of the news papers as it provides more flexibility than other media do. News paper conveys messages very rapidly to the mass media. Cost of advertising is also low in case of local news papers. But the drawback here is that it has short life span and many readers do not read the advertisements.
- **Magazine Advertising:** A magazine is a periodical publication, consisting of specific information to the target group (e.g. business magazine for businessman, health magazine for health concerned people etc.). Advertisers can easily target their audience and give advertisement on specific magazines. The presentation of material in a magazine is better than news paper. Both printing and paper qualities are good in magazines. Magazines have the longest life span in all media.
- **Packaging:** In today's marketing environment, a package is both a container and a communication vehicle. The package serves as a critical reminder of the product's important benefits at the moment the consumer is choosing among several competing brands.
- **Direct mail advertising:** Direct mail advertising is one of the media communication that brings the product message

(ii) Broadcast media:

Radio advertising: The radio is a major and one of the most popular media vehicles of advertising. Its coverage area is more than 90% of India's total land

mass. The radio ads rate structure depends upon the day, date and time. There are different radios systems through which one can listen to radio. FM is an emerging example. Radio allows the listener to imagine and it has high acceptance at the local level. But the drawback is that it cannot give the visual impact.

Television advertising: It is said that today television advertising is the best appealing media vehicle. It is a means of bringing actual demonstration in the homes of the prospects and therefore more effective media when compared with radio. Television makes full use of sight, sound and motion and thereby maximizes impact on audience.

Online advertising: Internet is another media that is being used by advertisers. With the advent of the internet, distance is no longer an obstacle for commerce. It is inexpensive, but getting the attention of the viewers is difficult.

5. **Message Execution :** The advertiser now has to turn the big idea into an actual ad execution that will capture the target market's attention and interest. The creative people must find the best style, tone, words, and format for executing the message. Any message can be presented in different execution styles, such as the following:

   Slice of life: This style shows one or more "typical" people using the product in a normal setting.

   Lifestyle: This style shows how a product fits in with a particular lifestyle.

   Fantasy: This style creates a fantasy around the product or its use.

   Mood or image: This style builds a mood or image around the product, such as beauty, love, or serenity. No claim is made about the product except through suggestion.

   Musical: This style shows one or more people or cartoon characters singing about the product.

   Technical expertise: This style shows the company's expertise in making the product.

   Scientific evidence: This style presents survey or scientific evidence that the brand is better or better liked than one or more other brands.

   Testimonial evidence or endorsement: This style features a highly believable or likable source endorsing the product

6. **Evaluating advertising effectiveness:** Effective advertisements have a

positive impact on the sales of a product. The three relevant questions about measuring effectiveness are what, when and how to evaluate advertising. There are different tests and several techniques in each of the test to evaluate advertising effectiveness. Based on Philip Kotler's views, let us discuss different measures to evaluate advertising effectiveness.

Pre-test and Post Test:

Pre-test implies testing advertising message before it is sent to specific media. Post test implies testing impact of advertising message after it is published in any of the media.

Communication and Sales Effect Test: Communication test measures communicability (ability to communicate) of the message, whereas sales-effect test measures advertising impact on sales volume.

Laboratory and Field Test:

Clearly, a laboratory test is conducted in a controlled environment in a limited scale. Respondents are invited in a laboratory to state their response. Quite opposite, a field test is conducted in original setting, artificial climate is not created. It is similar as conducting survey to measure what customers think about company's advertisement.

Experimental and Survey Test:

Experimental test involves testing advertising effect by conducting test by manipulating independent variable (i.e., advertising efforts) and measuring the effect of the manipulation on other dependent variables like sales, profits, consumer satisfaction, etc. Experimental test may be laboratory or field test. Survey test involved knowing consumers' view's through a survey method.

Message and Media Effect Test:

While message test involves measuring clarity, contents, believability, action ability, etc., of the message, the media test measures effectiveness/ suitability of one or more media.

7. **Organising campaign development:** An advertiser has four options when organizing for campaign development. These include:
   - One can tie up with different agencies to develop an advertisement. Small companies develop the advertising in cooperation with people from the media.

- The companies may have their own advertising team. Thus advertising function is conducted in house by creating an advertising department staffed with copy writers, media buyers and product personnel.
- The company can involve a reputed advertising agency for developing its advertising campaign. The professionally run agencies have varied experience of working with different companies, therefore, a company can expect good results from these agencies.
- Some companies organizes their advertising campaign by using a mix of services from in house personnel and those from specialized agencies because of their experience in some of the particular activities.

CHECK YOUR PROGRESS

Q 3: Define advertising.

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Q 4: State two methods for setting advertising budgets.

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Q 5: State two measures for evaluating advertising effectiveness.

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11.6.2 Sales Promotion in the Digital Age

We have already discussed about Sales promotion in earlier units. In this section we will discuss Sales Promotion in the Digital Age. Sales promotion refers to short-term marketing activities designed to encourage customers to purchase products or services immediately. In the digital age, sales promotion has evolved significantly with the growth of the internet, mobile technology and social media platforms. Businesses now use digital tools and online platforms to attract customers, increase sales and build long-term customer relationships.

Digital sales promotion combines traditional promotional techniques with modern communication technologies to reach customers quickly, efficiently and interactively.

Features of Sales Promotion in the Digital Age

1. Wider Reach

Digital platforms enable businesses to reach customers across different geographical locations instantly. Online promotions can target both local and global markets.

2. Real-Time Communication

Businesses can communicate promotional messages instantly through emails, mobile notifications, websites and social media platforms.

3. Interactive Communication

Digital promotion allows two-way interaction between businesses and customers through comments, feedback, chats and online reviews.

4. Personalization

Modern digital tools help marketers customize promotional messages according to customer preferences, behaviour and purchase history.

5. Cost-Effectiveness

Compared to traditional advertising media, digital promotional methods are often more affordable and provide better return on investment.

6. Measurable Results

Digital platforms allow marketers to measure the effectiveness of promotional campaigns through data analytics, click rates, conversion rates and customer engagement metrics.

Digital Tools and Techniques Used in Sales Promotion

1. Social Media Promotion

Businesses use social media platforms such as Facebook, Instagram, YouTube and X to promote products through advertisements, contests, influencer marketing and live interactions.

2. Email Marketing

Organizations send promotional emails containing discounts, coupons, product updates and personalized offers directly to customers.

3. E-Commerce Promotions

Online shopping platforms provide:

- Discount offers
- Cashback schemes
- Flash sales

- Festival offers
- Free delivery
- Buy-one-get-one-free offers

These promotional activities encourage online purchasing.

4. Mobile Marketing

Mobile applications and SMS marketing help businesses send promotional messages and notifications directly to customers' smartphones.

5. Influencer Marketing

Companies collaborate with social media influencers and content creators to promote products and services among followers and online communities.

6. Search Engine Marketing

Businesses use online advertisements through search engines to increase product visibility and attract potential customers.

11.6.3 Personal Selling in Digital Age

Features of Personal Selling in the Digital Age:

1. Use of Digital Communication Tools

Salespersons now use:

- Video conferencing
- Emails
- Live chats
- Mobile applications
- Social media platforms
- Customer Relationship Management (CRM) software

These tools enable faster and more effective communication with customers.

2. Virtual Selling Environment

Face-to-face meetings are increasingly replaced or supported by virtual meetings through platforms such as Zoom, Microsoft Teams and Google Meet.

Virtual selling reduces travel costs and allows businesses to connect with customers across different geographical locations.

3. Personalized Customer Interaction

Digital technologies help salespersons understand customer preferences, purchase history and behaviour patterns. This enables customized communication and personalized product recommendations.

4. Faster Access to Information

Sales representatives can instantly access product catalogues, pricing information, customer data and market reports through digital devices and cloud-based systems.

5. Integration with Social Media

Salespersons use professional networking and social media platforms such as LinkedIn, Facebook and Instagram to interact with potential customers and generate leads.

Digital Tools Used in Personal Selling

1. Customer Relationship Management (CRM) Software

CRM systems help businesses manage customer data, sales activities and communication records efficiently.

2. Video Conferencing Platforms

Virtual meetings allow real-time interaction and product demonstrations.

3. Artificial Intelligence and Chatbots

AI-powered systems assist salespersons by handling routine customer queries and generating sales leads.

4. E-commerce Integration

Sales representatives often support customers through online shopping platforms and digital payment systems.

5. Data Analytics

Businesses analyse customer data to identify buying patterns and improve selling strategies.

11.6.4 Publicity in the Digital Age

Features of Publicity in the Digital Age

1. Rapid Dissemination of Information

Digital platforms enable information to spread instantly across different regions and audiences through websites, social media and online news portals.

2. Wide Audience Reach

Businesses can communicate with millions of users globally through digital media

platforms.

3. Interactive Communication

Unlike traditional publicity, digital publicity allows audiences to comment, share, react and participate in discussions.

4. Low Cost

Digital publicity often requires lower expenditure compared to traditional advertising campaigns.

5. High Speed of Virality

Positive or negative information can become viral within a short period through online sharing and social media engagement.

Digital Platforms Used for Publicity:

1. Social Media Platforms: Organizations use platforms such as Facebook, Instagram, YouTube and LinkedIn to share updates, announcements and public messages.

2. Online News Portals: Digital newspapers and news websites provide publicity through articles, interviews and press releases.

3. Blogs and Content Marketing: Organizations publish blogs, expert articles and informative content to improve public image and awareness.

4. Influencer and Creator Platforms: Public figures, influencers and content creators help businesses gain visibility and public attention.

5. Podcasts and Webinars: Companies use online discussions, webinars and podcasts to engage with audiences and create publicity.

CHECK YOUR PROGRESS

Q 6: State any two techniques of sales promotion.

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Q 7: Define Personal Selling.

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11.7 LET US SUM UP

In this unit we have discussed different promotional strategies, which can be summarized as follows:

- Promotion is communicating the benefit of the product or service to the target customers in an attempt to influence them toward buying your products services.
- The promotion mix is the specific combination of four promotional methods-advertising, personal selling, sales promotion, and publicity or public relation that an organization uses for a specific product.
- An advertising strategy involves identifying a target audience, defining the objective, the budget and the message, depending on this the media through which the message will be communicated is decided.
- Sales promotions are incentives given to consumers to make them believe that they are getting more value for the money they are spending. It also encourages trial and repeat purchases.
- Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action.
- Public Relations are a strategic communication process that builds mutually beneficial relationships between organizations and their publics."

11.8 FURTHER READING

1. Kotler, Keller, Koshy and Jha (2008), *Marketing Management,* 13th Edition by Pearson Education, 2008
2. Wells, Moriarty and Bumett (2007), *Advertising-Principle and Practice* Seventh Edition, Pearson Education
3. Rajan Sexena (2007) *Marketing Management* 3rd Edition by, Tata McGraw Hill Publication

11.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Promotion is the aspect of selling and advertising on communicating the

benefit of the product or service to the target customers.

Ans to Q No 2: Two factors which influence promotional mix are:

1. Nature of the product
2. Market size and location

Ans to Q No 3: Advertising is a paid form of non- personal communication about an organization, its products, or its activities that is transmitted through a mass medium to a target audience.

Ans to Q No 4: Two methods for setting advertising budgets are:

1. Percentage of sales method
2. Unit of sales method

Ans to Q No 5: Two measures for evaluating advertising effectiveness are:

1. Pre-test and Post Test:
2. Communication and Sales Effect Test

Ans to Q No 6: Two techniques of sales promotionare Rebate and discount.

Ans to Q No 7: Personal selling is the most effective tool at later stages of the buying process, particularly in building up buyer preference, conviction, and action.

? 11.10 MODEL QUESTIONS

Q 1: Define Promotion. Do you think promotion is necessary to sell a product?

Q 2: Explain promotional mix and its strategies in different marketing conditions.

Q 3: Explain different forms of promotion.

Q 4: Elaborate on the steps to be followed to develop an advertising strategy.

Q 5: Explain how the effectiveness of an advertisement can be measured.

Q 6: Discuss different techniques of Sales promotion.

Q 7: Discuss the functions of Public relations.

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UNIT 12 : PROMOTION TOOLS

UNIT STRUCTURE

12.1 Learning Objectives

12.2 Introduction

12.3 Elements of Promotional Tools

12.4 Factors Affecting Promotional Mixes and Strategies

12.5 Methods of Setting the Promotion Budget

12.6 Let Us Sum Up

12.7 Further Readings

12.8 Answers To Check Your Progress

12.9 Model Questions

12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to –

- identify the elements of promotional tools
- identify Factors considered in deciding promotional tools
- describe the methods of setting the promotion budget
- explain Budgeting consideration for Promotion.

12.2 INTRODUCTION

In the earlier unit we have discussed about promotion mix and elements of promotion. In this unit we will be discussing briefly the factors influencing promotion tools and budgeting consideration for promotion. When we discuss about promotion tools it consists of promotion mix and we also considered direct marketing and internet marketing as tools for promotion.Promotion mix is the fourth element of the Marketing program or Marketing mix – Product, Price, Place, and Promotion.An organisation reviews and studies the target market. Basis the study promotion tools are introduced to convey the message for information, persuasion or reminder from the manufacturer to the customer. The tools of promotion mix provide different advantages and disadvantages over each other. The marketing managers decide on the most effective blend of these tools for the target market. Integrated Marketing communications involves conveying a consistent message to the buyers through all its

promotion tools. In this unit we will discuss all these aspects.

12.3 ELEMENTS OF PROMOTIONAL TOOLS

In this section we will discuss briefly different elements of promotion tools.The **promotion mix** is the blend of different methods and tools of communication the marketeruses in presenting products or services to target customers. Effective **promotion** is a **key** component of the marketing **mix**, and it helps to attract customers, persuade them to buy, and generate loyalty.

In the earlier units we have discussed promotional mixes like advertising, sales promotion, personal selling and publicity and public relation. Other than these four elements, direct marketing and internet marketing is also considered as elements of promotional tool.*Direct marketing* is a promotional method that involves all the marketing activities directly to the customers without the use of a middleman. Again, internet marketing is the marketing activity which uses internet or web to perform it's marketing task. Internet marketing is also referred as online marketing, web marketing or e- marketing.



12.4 FACTORS AFFECTING PROMOTIONAL MIXES AND STRATEGIES

There are many factors which influence promotional mix and they are known as product market factors. These factors are discussed below-

1. **Nature of the product:** Different product requires different promotional mixes. Consumer goods and Industrial goods require different strategies. Consumer goods are sold through

advertising, personal selling and displays. But Industrial goods require more personal selling. Based on the following attributes, the promotional strategy may vary.

(a) **Product complexity:** If a product is technically sound and complex in nature then it requires personal selling. For example, Industrial products. On the other hand if the product is simple we can go for advertising. For example, most of the FMCG products.

(b) **Brand differentiation:** Promotional mix is affected by brand differentiation and the degree to which the brand is differentiated from competitor's brand.

(c) **Purchase frequency:** If buyers buy frequently a product, such as soap, tooth paste etc. the marketer will invest a good amount on advertising to push competition brands.

2. **Nature of the market:** Different markets require different promotional mixes and strategies. In industrial market, advertising plays a more informative role then the persuasive role for Industrial buyers. Personal selling emphasizes on two roles, i.e. information and persuasion in the industrial and consumer's market.

3. **Stage in the product life cycle:** The promotional product mix varies within stage in the product life cycle. The nature of demand varies according to the stages in the life cycle. During the introductory stage, the customers do not realize the qualities of the product. Here, information about the product and its benefits are made known to the buyers. In this stage, more importance must be given to personal selling and trade shows. In the growth stage, customers know the qualities of the product. Hence to stimulate demand, advertising must be increased. In the maturity stage, sales and profits decline and hence all the promotional activities should be cut down.

4. **Market penetration:** Here the product is already known to the buyers. In that situation, a sustaining promotional strategy is suitable. A brand has insignificant market penetration means it has a small market or struggling market.

5. **Market size and location:** Product's market size and location also influences the promotional mix. In narrow market, where the numbers of potential buyers is small, direct mail is used. In a broad market advertising is used.

6. **Characteristics of buyers:** The characteristics of prospective buyers strongly influence the promotional mix. Experienced professional buyers such as industrial purchasing agents need personal selling. Inexperienced buyers need advertising. Some buyers give importance to time, some to purchase of products, buyers act according to the

influence of friend, relatives etc.

7. **Distribution strategy;** Companies fighting more through distribution for establishing their brands, invest more money on personal selling and advertising. Companies which have already established their brand in the market have to invest only a small amount in personal selling and advertising.
8. **Pricing strategy:** Pricing strategy influence the promotional mix strategy. If the brand is priced higher than the competition, more personal selling is needed to get a middleman to stock and push the brand. If the brand is priced lower, little promotion is needed.
9. **Promotional Budget:**Total budget set for the promotional activities also influences in deciding promotional tool.

CHECK YOUR PROGRESS

Q 1: State the elements of promotional tools.

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Q 2: State any two factors which influence promotional strategies

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12.5 METHODS OF SETTING THE PROMOTION BUDGET

The advertising expenditure is a part of the total communications spends of a company. The company must therefore decide the percentage of advertising spend as one of the components of its integrated communication campaign.

Though there are several methods of arriving at the budget, the individual brand budget will depend upon several factors such as profitability, marketing objective and competitor's position. The various methods, which are used, for setting advertising budgets are:

- **PERCENTAGE OF SALES METHOD:** The percentage of sales method is the most widely used method of setting the appropriation. The percentage is based on the past years' sales or on estimated sales for the coming year or on some combination of these two. This is simplest method, as it requires little decision making. But this method suffers from a basic drawback in that it does not take into account any specific

need of the market situation which may change rapidly.

- **UNIT OF SALES METHOD:** In this approach, a percentage of the price of each unit of the item sold is allocated to advertising. This approach is useful as it links the price of a brand with its advertising expenditure. This approach is simple to plan and execute. However, it does not lead to efficient marketing since past sales determine how much a firm should spend on advertising, when in fact advertising is a tool to create sales and expand markets.
- **TASK OBJECTIVE METHOD:** The objective task method concentrates on the marketing/advertising objectives that are pre-decided. Thus under this method a company launching a new product will decide to spend more money as it has to create immediate awareness amongst consumers.
- **THE COMPETITIVE PARITY METHOD:** In this approach an advertiser bases his budget decision primarily on the expenditures of competitors. That is they try to keep pace with their competitor's advertising budgets. This method could be useful in deciding individual brand ad expenditures. It has the advantage of recognizing the importance of competitors and ensures that the competitors do not increase their ad expenditure to a level that affects the advertiser's sales.
- **AFFORDABILITY METHOD:** This approach means that the advertising budget will be decided on the basis of whatever money is left after all other fixed and unavoidable expenses have been allocated.
- **THE BREAK EVEN METHOD:** The break even or the marginal analysis method attempts to quantify the advertising spending level that will offer an organization the highest additional gross profits. That is the firm continues to spend on the advertising as long as the incremental expenditure are exceeded by the marginal revenue they generate, thus maximizing the gross profits of the firm.

This method has an advantage because it helps in diagnosing any problem, that is when the company is overspending or under spending. But it suffers from the disadvantage of limited research techniques that cannot isolate the effect of advertising on marginal revenues and gross profits.

Some specific factors that should be considered when setting the advertising budget are:

1) Stage in the product life cycle. New products typically need large advertising budgets.
2) Market share. High-market share brands usually need more advertising.

3) Competition and clutter. More advertising is usually required in a market with many more competitors and their advertising clutter.
4) Product differentiation. When a brand closely resembles other brands in its product class, more advertising (and therefore budget) is needed

CHECK YOUR PROGRESS

Q 3: State two methods of setting the promotion budget

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12.6 LET US SUM UP

In this unit we have discussed different promotional tools and techniques, which can be summarized as follows:

- Different factors which influences Promotional tools are:
  1. Nature of the product
  2. Nature of the market
  3. Stage in the product life cycle
  4. Market penetration.
  5. Market size and location
  6. Characteristics of buyers
  7. Distribution strategy
  8. Pricing strategy
  9. Promotional Budget
- Methods for setting promotion budget are
  1. Percentage of sales method
  2. Unit of sales method
  3. Task objective method
  4. The competitive parity method
  5. Affordability method
  6. the break-even method.

12.7 FURTHER READING

1) Kotler, Keller, Koshy and Jha (2008), *Marketing Management*, 13th Edition by Pearson Education, 2008.

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education.

3) Rajan Saxena (2007), *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication.

12.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Elements of promotional tools are: advertising, sales promotion, personal selling and publicity and public relation, direct marketing and internet marketing.

Ans to Q No 2: Nature of the product and stages in Product Life Cycle.

Ans to Q No 3: Affordability method and Break even method.

12.9MODEL QUESTIONS

Q 1: Discuss briefly the elements of promotional tools.

Q 2: Discuss how nature of product influences in promotion mixes.

Q 3: Explain the percentage sales method.

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UNIT 13: DIRECT MARKETING

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 Meaning and importance of Direct Marketing

13.4 Strengths and limitations of Direct Marketing

13.5 Products suitable for direct Marketing

13.6 Customer Relationship Management

13.7 E-commerce marketing

13.8 Let Us Sum Up

13.9 Further Reading

13.10 Answers to Check Your Progress

13.11 Model Questions

13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to

- state the meaning and importance of Direct marketing
- discuss the strength and limitations of Direct marketing
- describe the products suitable for direct marketing
- explain the emerging trends in CRM
- discuss the emerging trends in E-commerce marketing.

13.2 INTRODUCTION

The first two decades of 21st century have changed the ways and means of conducting marketing activities. There have been paradigm shifts in marketing mainly because of the advent of the digital modes and the changes in the environmental forces. The changes have been all pervasive. The product life cycles are getting shorter. The rate of introducing new products in the market has gone up. Prices have become more competitive. Even the buyers are in apposition to decide on the prices that they will pay. In the distribution and logistics scenario lot of changes have taken place because of the advent in ICT and supply chain management. Likewise, digital advertising and out of home advertising etc. have changed the

landscape of marketing. These changes instigate the evolution of Direct marketing and digital marketing.

In this unit we will briefly discuss Direct marketing and different aspects related to direct marketing.

13.3 MEANING AND IMPORTANCE OF DIRECT MARKETING

Direct marketing is the process of selling products or services to the customers directly. Kotler et. al.(2013) has defined direct marketing as "Direct marketing is the use of consumer direct channels to reach and deliver goods and services to customers without using marketing middlemen". Direct marketers can use a number of channels to reach individual prospects and customers through: direct mail, catalog marketing, telemarketing, interactive T.V., radio, web sites and mobile marketing etc. The following figure shows some of the channels of Direct marketing.



Fig. 13.1 Channels of Direct marketing

Source: www.google.co.in

13.4 STRENGTH AND LIMITATIONS OF DIRECT MARKETING

Good direct marketing campaigns focus on promoting a specific product or service, and call the customers to act - to receive further information, register their interest, visit your

website, make a booking or a purchase.

Direct marketing gives the opportunity to promote the products and services directly to the customers who most need them. A good direct marketing campaign will:

- help the company to build relationships with new customers
- test the appeal of the product or service
- tell the suitable marketing approaches reach the target market
- provide customers with compelling content they can share with potential customers
- increase sales.

However, direct marketing campaigns require careful planning and a clear understanding of responsible direct marketing practice.

Strength of direct marketing

Some of the strengths of direct marketing include:

- **Targeting:** If the marketers do the direct marketing to their specific targeted customers, the chances of success is higher. The marketers can send specific messages to particular groups of customers and potential customers based on demographics and buying behaviour. The more targeted the campaigns, the more successful they are likely to be.
- **Personalisation:** Direct mail or email can be addressed to a specific person, and even include details like past orders, which will definitely impress the customers. A phone call can engage a customer in conversation to start building a relationship with the business.
- **Affordable:** Tactics like email marketing or leafleting can be very cost effective. Most direct marketing will be more cost effective for small and medium enterprises than mass media advertising campaigns.
- **Measurable:** If the marketing messages ask the recipient to take a particular action or use a specific voucher code, then the marketer can easily track the success of campaigns. This can help the company to plan future campaigns.
- **Informative:**Company can deliver detailed information about their products, services and prices unlike other forms of advertising.

Limitations of direct marketing

Some of the downsides and hurdles to overcome when using direct marketing include:

- **Intrusive:** Many people find direct marketing annoying and intrusive. This is especially true of telemarketing and door-to-door sales. Some people dislike marketing mail and consider it to be ‘junk mail’. If consumers find your marketing tactics annoying it can

create a negative brand association and make them less likely to buy. This is more likely with less targeted campaigns.

- **Environment:** Using leafleting or paper-heavy direct mail campaigns can be bad for the environment. To avoid this, and any negative impact on your brand image, use recycled materials or try email campaigns.
- **Low response rates:** direct marketing response rates tend to be around 1-3%.When you reach a consumer who isn't interested in your products of services, it wastes money and they are likely to find it irritating. Use more targeted lists as opposed to sending out mass messages to minimise this.
- **Competition:** It can be hard to make your messages stand out when the recipient receives high number of marketing emails or direct mail.
- **Cost:** Tactics like telemarketing and direct mail may have high financial and resource costs.
- **Legal issues:** There are laws relating to privacy and data protection in direct marketing. You must ensure that your mailing list only contains individuals who have consented to receive marketing messages from you.

Types of direct marketing

Different types of direct marketing techniques are discussed below-

Direct mail

Direct mail is posted mail that advertises your business and its products and services. There are several different types of direct mail (e.g. catalogues, postcards, envelope mailers). Direct mail campaigns are usually sent to all postal customers in an area or to all customers on a marketing list. Learn more about direct mail.

Telemarketing

Telemarketing involves contacting potential customers over the phone to sell products or services. It is capable of generating new customer prospects in large volumes and is also a useful tool for following up on direct marketing campaigns. However, a successful telemarketing involves planning and using accurate and well-researched customer data to match customer profiles to product profiles. Find out about telemarketing.

Email marketing

Email marketing is a simple, cost-effective and measurable way of reaching your customers. It can include enewsletters, promotional emails to generate new leads or offers for existing customers, or ads that can appear in other business's emails. Learn more about

email marketing.

Text (SMS) marketing

Text messaging allows businesses to reach individual customers and send messages to large groups of people at a low cost. You could use short message service (SMS) messaging to send customers sales alerts, links to website updates, appointment or delivery reminders, or personalised messaging. Find out about text (SMS) marketing.

Leaflet marketing using letterbox drops and handouts

Distributing well-designed leaflets or flyers through letterbox drops and handouts can work well for a local business whose products or services appeal to a broad audience. It is a simple, inexpensive and effective way of reaching customers, although it is a less targeted form of direct marketing. Learn more about leaflet marketing using letterbox drops and handouts.

Social media marketing

Social media can be used effectively as a marketing tool for business as it gives you the opportunity to interact directly with your customers and regularly share relevant product or service information. Social media platforms also make it very easy for your customers to share your content with their entire network, increasing your reach exponentially. Consider developing a profile for your business that allows you to promote your products and services while also encouraging customers to provide feedback by leaving comments. Find out about social media marketing.

Direct selling

Direct selling is an effective way to grow a flexible, low-cost business. Direct selling involves an independent salesperson selling products or services directly to customers, often at a customer's home or workplace. Traditional direct selling methods include door-to-door sales, party plans and network marketing. Learn more about direct selling.

CHECK YOUR PROGRESS

Q 1: State any two channels of Direct marketing.

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Q 2: State any two points regarding the benefits of Direct marketing.

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13.5 PRODUCTS SUITABLE FOR DIRECT MARKETING

Industrial goods are traditionally sold through the company's own sales force. In case of high-value Industrial products, such as machines, equipment, high-tech engineering goods, and projects where long-term standing in the market and one-to-one relationship with the customers are both important, direct marketing may produce better results as compared to other approach.

Direct approach is also being used extensively in the marketing of financial products such as new issues of share, fixed deposits schemes and mutual funds.

The next category of products suitable fro direct marketing is high value, high involvement consumer products such as expensive cars, jewellery, designer watcher and furniture, some specialty products that have a small customer base, such as medical equipment, health care products and special application gadgets may also be marketed by making direct contract with prospects.

Direct marketing is also effective where the firm has a family of products to offer to the same person or household. It is far more economical and makes better business sense to sell to the known customers rather than finding a new customer every time.

13.6 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

CRM is the process of carefully managing detailed information about individual customers and all the interaction points (touch points) to maximize loyalty. It has been stated that CRM trends will give marketing and sales professionals all the required data inside their inbox.

CRM software helps businesses to manage customer relationship and enhance customer loyalty. With the help of CRM, marketing programs can be optimized. There is a new trend in CRM which exploits the power of internet. Electronic Customer Relationship Management (ECRM) aims at developing and integrating all CRM functions with the use of digital communication tools. These tools are Email, chatrooms, instant messaging, forums, etc. ECRM is facilitated by the ease of internet access from various computing devices such as desktops, laptops, tablets, and smartphones.

Features of CRM:

Following are the some of the features of customer relationship management.

- It enables the businesses to interact with their customers and employers using internet.
- ECRM offers seamless integration of CRM processes.
- ECRM is speedy and reliable.
- It is highly secured from threats.

13.7 E-COMMERCE MARKETING

E-commerce uses a Web site for transaction and facilitation of sale of products and services online. As we all know, online sales have exploded in the last few years. Because of online marketing, different types of consumers can avail convenient, informative and personalized experiences. Cost of retail floor space, staff and inventory can be reduced. The widespread penetration of cell phones and smart phones allows people to connect to the Internet and do online shopping. In India, where financial inclusion is not there to the desired extent, mobile phones may serve as an alternative. Prominent service providers are partnering with various banks and financial institutions to provide such services. ICICI iMobile is a mobile phone based banking application. It allows users to access a host of banking services like fund transfer and shopping like booking air tickets. Because of the personalized approach, there are some privacy issues. Location based services may enable a company using GPS technology to know the private matters of the customers. M-commerce has a strong foothold in many countries.

Companies like Procter & Gamble, which used traditional physical channels of distribution for years has embraced e marketing. They are selling some big brands like Tide, Pampers Olay etc. online. This enables them to track online habits of customers. With the traditional big players in physical distribution, managing online and offline channels has become a big priority. In today's context, the emerging question is how to sell both through intermediaries and online.

No business is restricted to one place, one city or even one country anymore. Everything is global. E-commerce industry has taken a ride and has come to become the need of the hour. There are new trends emerging in this space, such as:

i. **Moving to Mobile Commerce:** E- commerce stores must fit in all screens in order to enhance customer experience. As per recent Forbes study, 87 % of the gen-X people spend most of their time on digital devices every day than ever.

ii. **Options in payment:** New payment modes are emerging to enhance online shopping

experience with increased payment security for both buyers and sellers. Many new models and gateways have emerged like e-wallets, Chip card readers, magnetic cards, EMV and cashback services.

iii. **Multi-Channel Model: I**t has been observed that many customers may surf net all day but at the end do need a brick and mortar store to make the final purchase. In store digital services are emerging to make the physical store experience better. Marketers need to strike the balance between online and offline presence.

iv. **Seamless Shopping experience:** Easy wallets with discounts and coupons or unique store debit cards, recharge vouchers etc. facilitate smooth experiences in shopping.

v. **Social E-commerce:** Social media is increasingly being used as lead sales medium.

vi. **Quality rather than quantity: C**ustomised shopping experiences are being enhanced by introducing new features. The emphasis is now being laid on unique online features like virtual trial rooms, zoom in pictures, 360-degree image view.

vii. **Customer Relationship:** It requires well integrated technology supporting easy payments and high tech shopping experience. The focus is now being shifted from discounts to better integrated technology services.

viii. **Customer service:** With the increasing online shopping, customers can choose amongst great variety at the comfort of their own space anywhere, anytime 24/7. new facets of customer service are emerging.

With more shopping and payment options than ever, customers have become more informed and empowered. The marketers are facing the need to merge online and offline systems to facilitate easy working. It is the need today to stay upbeat with the changing trends and technology to stay long.

CHECK YOUR PROGRESS

Q 3: Define CRM.

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Q 4: State the concept of e- commerce marketing

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13.8 LET US SUM UP

In this unit we have discussed the following:

- Direct marketing is the use of consumer direct channels to reach and deliver goods and services to customers without using marketing middlemen.
- Direct marketers can use a number of channels to reach individual prospects and customers through: direct mail, catalog marketing, telemarketing, interactive T.V., radio, web sites and mobile marketing etc.
- Some of the strengths of direct marketing include:
  - Targeting
  - Personalisation
  - Affordable
  - Measurable
  - Informative
- Some of the limitations of using direct marketing include:
  - Intrusive
  - Environment
  - Low response rates
  - Competition
  - Legal issues
- Types of direct marketing
  - Direct mail
  - Telemarketing
  - Email marketing
  - Text (SMS) marketing
  - Leaflet marketing using letterbox drops and handouts
  - Social media marketing
  - Direct selling
- CRM is the process of carefully managing detailed information about individual customers and all the interaction points (touch points) to maximize loyalty.
- E-commerce uses a Web site for transaction and facilitation of sale of products and services online.

13.9 FURTHER READING

1) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/direct-marketing/using/types

13.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Direct mail and mobile marketing.

Ans to Q No 2: Helps in reaching the targeted customers at affordable cost.

Ans to Q No 3: CRM is the process of carefully managing detailed information about individual customers and all the interaction points (touch points) to maximize loyalty.

Ans to Q No 4: E-commerce uses a Web site for transaction and facilitation of sale of products and services online.

13.11MODEL QUESTIONS

Q 1: Define Direct marketing

Q 2: State the strength and weaknesses of Direct marketing.

Q 3: Discuss where Direct marketing is more suitable.

Q 4: Discuss the concept of E-CRM.

Q 5: Write a brief note on e- commerce marketing.

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UNIT 14: ETHICS IN ADVERTISING

UNIT STRUCTURE

14.1 Learning Objectives

14.2 Introduction

14.3 Advertising Ethics

14.4 Social and Legal Factors in Advertising

14.5 Advertising in India

14.6 Let us Sum Up

14.7 Further Readings

14.8 Answers to Check Your Progress

14.9 Model Questions

14.1 LEARNING OBJECTIVES

After going through this unit, you will be able to -

- discuss the laws and acts concerning advertising
- explain the importance of ethics in advertising
- outline the Social and Legal factors associated with advertising
- discuss the advertising process in India

14.2 INTRODUCTION

The term “ethics” has been derived from the Greek word “ethos” which means custom, habit or character. Ethics may be defined as the actions an individual takes on himself to ensure his continued survival across the dynamics. It is a personal thing. When one is ethical, it is something he does himself by his own choice.” Ethics is a choice between right or wrong. Ethics is also called the moral philosophy. The world of advertising has its own set of stories about the good and the bad, truth and dishonesty. In this unit we will discuss in details the ethical issues involved in advertising.

The advertising industry has grown very rapidly in the last decades of the previous century. The same trend has continued in the current century also. In India from a mere 14 agencies in 1940, the number of accredited agencies increased to 695 in 1997.

Like any other proffession, the advertising field is also governed by the laws and

enactment governing the mass media. There are, however, certain laws and specific legislative enactments that are directed specifically at the industry which helps in determining framework under which the advertising industry has to function in a regulated manner. However, there are differences between legal and ethical aspects. Legal aspects are clearly defined and interpretations are left to judicial experts.

14.3 ADVERTISING ETHICS

Many ads with explicit scenes and double meaning words make it an embarrassment for families to sit and watch the TV together. It is a fact that advertising agencies tend to go overboard, when it comes to selling a product. For parents and teachers, the greatest worry pertains as to how children will perceive and incorporate the meaning of these ads in their young minds. Advertisers should ensure that their ads are not offensive or violating the laws.

Advertising ethics is a system of moral principles applied to the commercial advertising world. An ethical approach is necessary for the success as well as for creating a brand image of the product. A consumer oriented advertisement should be truthful and ethical. It should not mislead the consumers.

Some of the ethical objections which arise in the field of advertising are discussed below:

- **Consumer's Deficit:** Advertising is many times blamed for creating demand for products which are normally not required**.** It is argued that people with less purchasing power cannot afford the advertised product, which creates frustration in their mind.
- **Birth to social evils:** Advertisement gives birth to social evils. They appeal people to buy such articles which are injurious to their health. For example- cigarette, wine, potato chips etc. Unwholesome demands are created for these products by advertising heavily. There may be some ban on advertisement of some of these products directly,but the marketers have found out legal ways of indirectly promoting their products.
- **Moral degrading:** Nowadays, advertisements contain excessive use of outraging sentiments, exciting emotions, nude poses of beautiful girls etc., which affect badly the younger generation. Vulgarity and exaggeration have become quite a common place in many of the advertisements.

  In order to control unethical advertising, advertiser should obey the following things:

  1. The advertisers should not make any false statement in their advertisement.

2. Goods should be advertised in such a way that they do not call forth complaints.
3. The claim for a product in advertising must be modest.
4. The advertiser should know that products sold on the basis of false advertisements are short lived only.

So, combining all we can say that, ethics is a set of moral principles that guide actions and create a sense of responsible behavior. It is about being able to analyse ethical questions and dilemmas in professional decision making in terms of the concepts of right and wrong to determine one's obligation and responsibility to do the right thing.

John Burnett, William Wells and Sandra Moriarty in **"Advertising Principles and Practice"** have raised six key issues related to advertising, which are discussed as follows:

- **Poor taste and offensive advertising:** Claiming that a product can do something that it cannot is a clear-cut case of deception. Saying that a package is one and one-half times bigger than another (if it is!) is a clear-cut case of telling the truth. But in the real world of advertising, the issues are seldom so clearly demarcated. Again, some advertisements may not be appropriate for all age groups. For example, one advertisement may not bother an adult when alone but would make that person uncomfortable if children were watching. Also questionable ads become offensive in the wrong context. Advertisers and media outlets must try to be sensitive to such objections.
- **Sex in advertising:** Unnecessary exposure to sex, particularly if sex is not relevant to the product is unethical. In some advertisement in India, it is seen that the advertiser tries to attract customers by showing women in the ad, where there is little use of that product by woman. For example, in many of the man's deodorant and motorbikes advertisement such kind of visuals are displayed.
- **Reinforcing stereotype:** A stereotype is a representation of a cultural group that emphasizes a trait or group of traits that may or may not communicate an accurate representation of the group. Advertisers have the responsibility to ensure that what is portrayed is accurate and representative. They should not wrongly stereotype any character in the advertisement.
- **Body image and self image:** Advertising has been criticized for glorifying glamorous looks in both man and woman. For example, some advertisers show in their advertisements that, by using their fairness cream how a girl having dark complexion becomes fairer within weeks. Or sometimes the advertisers show some very beautiful

model and claim that they have become such beautiful by using their company products. Some critics charge that because of persuasive communication of marketers, some women place their health at risk in order to cultivate an unrealistic or even unhealthy physical appearance. Responsible advertisers have therefore begun using models of more normal size and weight as a way to reduce the pressure on young people who seem to be the most open to the message about cultural standards of beauty and physical attractiveness.

- **Targeting children:** Is it ethical to advertise for children? Some people think not, but advertisers continue to do so. The central question here is whether children should be treated like other consumers, or whether they deserve special treatment or should not be advertised to at all. Advertising for children continues to be one of the most controversial topics in the industry.
- **Misleading claims and other message strategies:** Advertising claims are considered to be unethical if they are false, misleading or deceptive. The large grey area that exists between truth and deception contains ads that people often consider misleading. The ads are misleading because they depart from literal truth and fact. For example, if an ad for Brand X soap claims "You can't buy a better deodorant soap than Brand X," how are consumers to understand this? If asked to paraphrase the meaning of such a claim, how many of them will say that it means *Brand X is the best*? What if the company made the claim on the basis of its studies that every deodorant soap has about the same germ-killing abilities as all the others? Are those who draw the inference that Brand X is the best being misled because of an inference they made? Where does responsibility lie for how an ad gets interpreted—with the advertiser or with the consumer?

While discussing the issues as mentioned above we should not develop an opinion that all advertisements are unethical, misleading, vulgar and exaggerated. Aberrations are there. Exceptions are also there.

ACTIVITY 1

Randomly select a few copies of some Newspapers and magazines. Then you select some advertisements published in those media vehicles. This also can be done randomly. Analyse these advertisements and develop your opinion whether advertisements are unethical, misleading, vulgar and exaggerated. Also comment on

the informative and persuasive aspects of advertising communication.

CHECK YOUR PROGRESS

Q 1: What is ethics in advertising?

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Q 3: State two ethical issues associated with advertising. .

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Q 3: Explain what is moral degrading advertisement?

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14.4 SOCIAL AND LEGAL FACTORS IN ADVERTISING

Advertising has played a major role in consumer marketing, and has enabled companies to meet communication and other marketing objectives. Typically, advertising is used to inform, persuade, and remind consumers. It importantly reinforces their attitudes and perceptions. While doing so, the advertisers should guide themselves ethically and legally. But on many occasions the advertisers are not doing so. Advertising has been a target of criticism for decades. It is crticised for causing economic waste to surveying of harmful products, from sexism to manipulation, from triviality to moral pollution etc.

Advertising needs to work within the legal framework and certain rules have been laid to protect the consumer interest. The legal implications on advertising are largely dealt in the law of consumer protection. Consumer Protection Act 1986 outlines the major responsibilities of marketers towards society to protect the interest of consumers. It attempts at convenient, inexpensive,effective and faster approaches to solve consumer problems including the damage caused by misleading and false advertisement.

The advertising industry needs to be guided by codes. Besides, the general code for commercial advertisement, there should be codes of standards to the advertising of medicines, standardize practice for advertising agencies and code of ethics for food and trade industry. Advertising is considered unethical when it degrades rival's product or substitute product, gives misguiding information, gives false information, conceals information that vitally affects

human life (e.g., side effects of drugs), makes exaggerated claims, is obscene or immoral or is against broad national interest. While comparative advertising may be considered legal and its widespread use may have granted acceptance, the debate on whether or not it is ethical, still continues. However, all agree to one aspect that while considering the question of unethical practices, the focus must be to safeguard the interest of buyers and the society.

The positive side of advertising is that it makes the target consumers and benificiaries aware that a product or service is available. New and improved products are developed all the time and the society is informed of the developments through advertisements. The advertisement will inform this in a variety of ways like :

i. better than the competitor's product
ii. cheaper than the competitor's product
iii. easier to use than the competitor's product
iv. has more prestige value than any similar product
v. lasts longer than the competitor's product
vi. it is made of superior parts or ingredients
vii. it is wholly organic
viii. it is stronger, faster acting, larger, shorter etc,and so forth.

It depends on what messages are given and how credible the messages are. Despite the criticism, it may be commented that advertisements keep the society up-to-date on the improvement of existing products and the creation of new ones. Unfortunately, many advertisements, despite rigorous guidelines, rules, laws and consumer magazines and organisations, tell us a product or service is good only to find out after purchase that it is not good at all.

14.5 ADVERTISING IN INDIA

So far as India is concerned, advertising is a fast growing business and is gaining importance more and more. Advertising plays an important role in planning the quantity, quality, variety, size and shape of production as well as to move the same from the producer to consumer by advising the prospect to purchase the best out of the variety of products offered in selection. In India, in order to attract the rural consumers , the advertiser prefers to give more pictorial form of advertisement than scripts. Broadcast advertisements are also more popular. In India, certain ethics must be followed while creating ads. Legal actions are called

for against advertisements that:

- ridicule caste, race, nationality, colour and creed.
- go against any provision of the Indian Constitution.
- incite people towards criminal activity, provocative, cause disorder and/or violence in the country.
- breach laws and/or glorify obscenity or violence in any form.
- glorify terrorism, communal massacres, criminality and so on.
- ridicule the father of the nation, the national emblem, part of Constitution or the image of a national leader or a state dignitary.
- depict women in a deprecating manner. Females should not be portrayed in a manner that is obscene, exploitative or vulgar.
- display distasteful visual content that goes beyond the established norms of good taste and decency.

Here are some more ethics and standards to be followed in advertisements:

1. Permission should not be granted where objects are completely or largely religious or political in nature. Advertisements cannot be directed towards any religious or political end, or to gain mileage of any form.
2. Any goods or services that are advertised should not have any defect or deficiencies of any form declared in the Consumer Protection Act 1986.
3. Products should not be portrayed in a way that misleads the public to infer that the item has some special, miraculous or a supernatural quality, which is anyways difficult to prove.
4. Picture and the audible matter of the advertisement video should not be excessively 'loud'.
5. Advertisement should not endanger the safety of children or produce any sort of perversion or interest that prompts them to adopt or imitate unhealthy practices.
6. Any type of offensive, indecent, suggestive, vulgar, repulsive themes and/or treatment must be avoided under all circumstances.

Good creative advertisements will always attract people's attention, but they should have meaningful visual content. One shouldn't have an attitude to play with people's sentiments and emotions.

If you ever wondered why some ads or television commercials simply disappeared or changed, well, it's because some enterprising soul complained. Here is a small list of some

of the ads which can be categorized under the headings of 1) unsubstantiated ads, 2) ads which lie, 3) ads which mislead 4) ads which offend the sensibilities of people and 5) ads which can be dangerous.

(1) Unsubstantiated claims (Claims need to be substantiated by trials from independent and recognized institutions)

- The Dettol Soap TV commercial (TVC) had said that their product "eliminates the organisms [of cough and cold] ten times faster than other soaps" and that it also eliminates "organisms that cause gastrointestinal diseases". Neither of these claims could be substantiated by the company and they were forced to modify their ad.

(2) The VLCC Shape Up Anti-Cellulite Oil and Gel made the unsubstantiated claim that "It reduces flab and firms skin. Beautiful arms and legs in just 14 days." By the time the ASCI (Advertising Standards Council of India)demanded that the ad be withdrawn, the ad campaign had already concluded.

(3) Deliberately confusing and misleading

- Alapatt Jewellers which was advertising its 16 Gold & Certified Diamonds in a print ad, stated that "916 purity should be there not only in the advertisement but also in the gold ornament". This was considered to be vague and confusing and the advertiser had to withdraw this line. Their other claims that "without hall marking there is no purity and will not get good price when exchanged" was considered misleading as 916 hallmarked gold is sold by almost all jewellers! And in any case, the exchange price is at the discretion of the jeweller and also depends on the market price.(Source: Google.co.in).

(4) Ads offending the sensibilities of people

- The Sisley Fall Winter Collection promotional e-mailer was found to be offensive by some. The headline said: – "You'll melt once inside" and this was accompanied by a picture of a woman in a seductive pose. This, a complainant said, it was nothing but pornography. The advertiser had to withdraw this mailer.
- the AXE deodorant (Dark Temptation) TVC which showed a man covered with chocolate being licked and bitten by girls. This ad had to be modified. Several complaints were received against this commercial.

(5) Dangerous ads

- Godrej's television commercial showed a person happily inhaling the fumes of

Good Knight Maha Jumbo Mosquito Coil! This ad was considered harmful for public health as these fumes contain insecticide. This TVC was withdrawn.

- There were some TV commercials which came under fire for showing dangerous driving, with warnings too, fine to be noticed by consumers. One was for Thums Up, one for Kentucky Fried Chicken and one for Bajaj Pulsar. All these TVC's had to be modified by the advertisers.

CHECK YOUR PROGRESS

Q 4: Which Act of 1986 spells out the major responsibilities to protect the interest of consumers?

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Q 5: What is an unsubstantiated claim?

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ACTIVITY 2

Collect two advertisements in which you think that either facts are presented in a distorted manner or the copy is misleading. Give your explanation.

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Case1: Case on Fair and Lovely:

Fair & Lovely, the largest selling skin whitening cream in the world, was first launched in India in 1975.Fair & Lovely held a commanding 50-70% share of the skin whitening market in India in 2006. One TV commercial aired in India "showed a young, dark-skinned girl's father lamenting he had no son to provide for him, as his daughter's salary was not high enough – the suggestion being that she could not get a better job or get married because of her dark skin. The girl then uses the cream [Fair & Lovely], becomes fairer, and gets a better-paid job

as an air hostess and makes her father happy".

Q.1 Do you think this advertisement is ethical? Can a dark complexioned human become completely fairer using a cream? Give your explanation.

14.6 LET US SUM UP

- Ethics in advertising, as in other aspects of social life, is a complex issue. What one person considers ethical, another may consider unethical. Every day advertising professionals must make complex decisions about what can and ought to be said in advertisements. Clients want to make the strongest claims possible for their brands, but the border between the possible and the unethical must be constantly negotiated.
- In this unit, we discussed the ethics and social responsibility of an organization. When the advertisers do not keep their promise, then it is called as unethical. Then we discussed ethical issues in various marketing communication instruments like advertising, sales promotions, etc. The main ethical issues in advertising are puffery, bad taste, stereotyping, targeting children, promoting unhealthy products and subliminal advertising. Puffery refers to making exaggerated claims about the product, which cannot be proved. Advertisements are said to be in bad taste when they offend people. Stereotyping refers to portraying men or women in a particular role, with a negative image. Advertisements targeted at children are considered unethical as children are not capable of processing the given information. Consumption of unhealthy products like fast food and tobacco products lead to bad health. So promoting such products is not good. In subliminal advertising, the viewer is exposed to product messages and pictures in such a way that he is not aware of watching them.
- Ethical issues may also be discussed in areas like sales promotion, advertising research, advertorials and infomercials etc. Issues like misleading claims, exaggeration etc are relevant in these areas also. We went into some regulations and advertising codes applicable to the advertising industry. The self-regulation and regulatory bodies operating in India were also discussed.
- Finally, we discussed the economic effects of advertising on consumer choice, competition and product cost & prices are also discussed in light of the points raised. Advertising influences people to buy heavily advertised products and pay more, as advertising costs are often passed on to the customers.

14.7FURTHER READINGS

1) Kotler, Keller, Koshy and Jha (2008),*Marketing Management*, 13th Edition by Pearson Education, 2008

2) Wells, Moriarty and Burnett (2007), *Advertising- Principle and Practice* Seventh Edition, Pearson education

3) Rajan Saxena (2007) *Marketing Management* 3rd Edition by , Tata McGraw Hill Publication

14.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Advertising ethics is a system of moral principles applied to the commercial advertising world. A consumer oriented advertisement should not mislead the consumers.

Ans to Q No 2: Poor taste and offensive advertising and sex related messages in advertising.

Ans to Q No 3: Advertisement which contains excessive use of outraging sentiments, exciting emotions, nude poses of beautiful girls etc., affects badly the younger generation.

Ans to Q No 4: Consumer Protection Act 1986

Ans to Q No 5: Claims which are not substantiated by trials from independent and recognized institutions.

14.9MODEL QUESTIONS

Q 1: What is advertising ethics? Give one example of unethical advertisement which you have noticed in any media.

Q 2: Discuss the important issues related to advertising ethics.

Q 3: State a few ethical standards which need to be followed in India.

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UNIT 15 : ADVERTISING

Case Studies

Case Study 1

The 2019 Cricket World Cup

Indians are crazy about cricket. Indians' passion for the game of cricket is increasing. Indians watch the cricket matches and engage in conversations about the happenings on the pitch. Marketers take advantage of love and passion for cricket.In one Cricket World Cup, Coca Cola was the official sponsor. However, in the advertising war, Pepsi took maximum advantage by a campaign on 'Nothing official about it'.

In the 2019 Cricket World Cup, Tiktok videos and WhatsApp memes were being generated before brands could derive any marketing advantage. The Cricket World Cup comes every four years. During this period, many changes take place in the realm of consumer behaviour, business environment and media landscape. However, each Cricket World Cup provides many opportunities to the brands. The Cricket World Cup is a long tournament. Entertainment has to be at its best.Teams win or lose. However, advertisements cannot get irritating. Winning is a joy, Indians celebrate every moment of India winning. India exited in Semi Final – an unexpected event almost for all supporters.Once the team exited, the brands could not connect with their fans. An early exit implies many foregone opportunities.

The advertisements may not have direct relationships with any sport including cricket in particular. However, the media spots during Cricket World Cup provide opportunities to create high recall advertisements and engage the customers in conversation about brands.Even without having cricket celebrity endorsement, mileage may be gained from the colour of jerseys the cricketers use. Swiggy took advantage of colour blue (the colour of the jersey of the Indian cricket team) to drive home their product attributes. Critical frequency of the advertisements and timing of the advertisements before after duringa Cricket World Cup match is important.

Questions:

Should the brands stay away from the run of the mill 'cheering the team' kind of advertising during Cricket World Cup? How can the brands maximise 'moment marketing' (like a six, an out, a win, a catch in a match) to their advantage?

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Case Study 2

Millennial Friendly Brands

The Indian laundry market is a big market. The size of this market is pegged at over Rs. 29,000 crore. The growth rate in the market is 9.8 per cent. The market is a busy market populated by brands like Rin, Wheel, Ghadi, Ariel, Ujala, Nirma, Sunlight, Surf Excel among others. The products and pack sizes are placed across price spectrums. In this market, regional brand like Ghadi has moved up and now regarded as a national brand. We find a number of advertisements being aired for the laundry products. However, excitement is not at a high end. According to Harish Bijoor (brand specialist), the laundry category seeks little in terms differentiation. The segment is at the risk of becoming a branded commodity as if branded detergent is commoditized.

Many years ago (about four five decades back), Lalitaji (played by actor Kavita Choudhury) tried to promote Surf by instilling a bit of 'samajhdari' in the Indian buyers and users. The benefits of paying a little more for Surf was well presented. We find many advertisements trying to address the need gap of offerings around the planks like 'doodh si safedi' and 'stain removal'. In the last few years, 'daag' has been a major plank for the detergent brands to capitalise.

Recently Kishore Biyani led Future Consumer launched a detergent liquid brand called Voom. Their understanding of the market is that young buyers of laundry related products have different needs and their top on mind worries are different. The new age buyers attach priorities on factors like colour protection, anti-shrinkage etc. The Future Group is of the view that the new product in the laundry segment should be fashion first fabric wash.

FMCG (Fast Moving Consumer Goods) giant Hindustan Unilever Ltd. (HUL) also would launch a plant based fabric wash called 'Love Home and Planet' in the premium segment. The company has a number of largest selling detergent brands. With the 'Love Home and Planet', HUL is attempting to 'veganise' and 'premiumise' the laundry category. The selling price of the product would be around Rs. 350/ while Voom's price is Rs. 150 for a litre pack.

The players in the market believe that creating the niche products will certainly grab the interest of the young buyers.

In the above regard, the question arises regarding what could be the promotion strategies of the new age brands in laundry segment.

(Adapted from the Brand Equity, the Economic Times, July 31-August 6, 2019)

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Case Study 3

S Commerce

We all know about e commerce. Places like Aizawl, Kohima etc. in Northeast have become hub of e-commerce activities. In semi-urban, mofussil areas all over the country, the consumers avail the facilities of Internet and e-commerce activities. Commercial transactions conducted electronically by mobile phone (m-commerce) also growing at a phenomenal rate. Another important trend is emerging. S-commerce is the next generation trend. Brands need to be more proactive in tapping into the potential of s-commerce.

e-tail platforms are used for shopping. Social media platforms like Facebook and Instagram are used for social interactions. The trend is from social to commerce. The convergence is evident. Apps like WeChat are used for social interactions and shopping. S-commerce is emerging as 'commerce and social' are intertwined.

India is a different kind of market in the world with a population of over 1.2 billion with different castes, languages and beliefs. Social media platform and online product/ service reviews are quite common with the new age Indian Consumers. The online reviews influence the purchase decisions. The new age consumers stay updated on brands through social media. Most of the marketers have online presence now. Healthcare, fashion, personal care and cosmetics, women and childcare, etc. are the different categories of products that are gaining prominence on social networking sites. The new age consumers spend time on streaming music and videos. Social networking companies can study online behaviour of customers. With the help of these studies and review comments, the marketers can augment products. They can use the online channels to address consumer feedback and grievances.

Select any brand and a social networking site (say Lakme and Facebook) and see whether and how the brand is being promoted; and how the brand is talked about. Comment on the S-commerce implications in respect of your observations.

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Case Study 4

The 55+ Generation

The 55+ generation make up 18%of the world's population. The size of this demographic segment is growing further. The 'aged' customers are much more tech savvy than they are 'perceived to be'. The marketers may not give due credit for this segment as their promotional campaigns are mostly targeted at young consumers only. Half of the 55 + customers are globally connected. They use social media frequently. According to a survey, they are increasing

their purchase online amounting to $7 billion a year. In the USA, they have 70% of the available disposable income. Only 13% of brand marketers think that they address the needs of the 55+ generation effectively.

They are more loyal in their consumption habits. They are more likely to share their brand experiences with others.They are mature. They know what they want from their brands. They are concerned about the quality of life. They expect that their prescribed brands play a role in their lives.

For the 55+ segment, the advertising messages should be informative. A sportsperson sponsoring a brand of a milk product and a likeminded 55+person sharing the nutritional benefits of the milk product- the 55+ generation may find the later one more credible. The 55+ generation has clear priorities as regards life. They want to stay healthy and connected. They want to love and be loved. They want to experience new things and travel.

Select a few chronological issues of a national magazine and look for advertisements targeted at 55+ generation. Comment how the advertisements address the needs of the changing profile of 55+ segment. You may develop similar observation by carefully watching the advertisements shown 'before-during-after' of a mega serial of your choice.

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Case Study 5

Rupa and Jocky

Sir Edmund Hilllary, the New Zealand mountaineer and the Nepalese Sherpa mountaineer Tenzing Norgay became the first climbers confirmed to have reached the summit of Mount Everest on May 29, 1953, Sir Edmund Hillary was born on 20th July, 1919. The year 2019 is the 100th birth anniversary of the explorer.

Rupa, the innerwear brand, got a team of climbers to scale Mount Everest and unfurl the brand's flag on the world's roof. This was the hosiery industry player's anniversary climb in 2019.

Brands are now possibly planning to plant their flags on the moon.

Business anniversaries are special occasions. The brands celebrate it in various ways. Some companies release anniversary campaigns. Some companies release new varieties of products. Rupa celebrated its 50 years of making in a different way. They decided to pick the highest place on the Earth.

Jocky, a brand of underwear and apparel is also in the list of reaching high altitude. NASA commissioned Jocky to design undergarments for the first manned mission to the moon, Apollo II. The brief was to engineer and design suitable cloths, which can remain unaffected by gravity. A specific technical term emerged; Constant Wear Garments. Neil Armstrong, the American astronaut walked on the moon with Jocky space underpants. One cannot wash laundry in space stations. One cannot carry a number of pantries for everyday spent in orbit. Jocky provided the constant wear garments.

Brands have histories. They create history.

Question

How can advertising take mileage of the episodes of the likes of Rupa and Jocky?

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Case Study 6

Message Design for Tourism

Indians travel a lot now a day. Not all the travellers are same in terms of tourist behaviour. They can be grouped into different types. Some of them are indicated below.

i. A traveller type travels with family (mostly spouse and kids) every year. They take at least one international vacation every year. They plan their tour covering all the details. They want to extract the most out of travel. They want to cover every destination even if it leaves them exhausted.

ii. A traveller type wants everything to be planned. They want to keep it simple. They value convenience and ease. They want transparent deals from the tour operator. Instead of going for extensive research themselves, they may even largely depend on the advice of the tour operator.

iii. A traveller type wants flexible itinerary. They want to have local experiences. They would like to taste the ethnic food and beverages. They are not interested in night life tourism or mainstream tourism. They would like to spend time with nature. They are conscious of their privacy.

iv. A traveller type in the age range of 25-35 or 45-60 wants to avail vacation without children. They want to relax and enjoy. They do not want to experience anything that may be casual.

v. A traveller type is the 55+ who have good income and have considerable amount of free time. They want to relax with the company of others. They prefer safety and security.

Suppose that you are the promotional manager of a tour company. You have been asked to design some outdoor campaigns to reach to the above types of prospective tourists for various destinations that your company is covering. In this regard, what would be your primary considerations to message design?

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Case Study 7

Pusti brand of Mustard Oil

Kamrup Agro Processing Cooperative Federation Ltd. Of Guwahati, Assam is engaged in marketing of oil, ghee, and spices. Pusti is the brand name of its mustard oil.

The cooperative is facing a problem in promoting its brand 'Pusti'.

The Guwahati market is dominated by well established national, regional and local brands of mustard oil. Mustard oil is not sold in loose. Sachets are available even for 100ml. pack size.

A wide majority of the customers use other forms of edible oil like refined oil, sunflower oil, olive oil etc. Coconut oil is not used in Assam for cooking purpose. Health consciousness among the general public is improving. To a majority of customers, there is an emerging perception that all oils are bad. Oil is not good for heart. It helps in the growth of bad cholesterol. In this context, the brand "Pusti' may not be perceived as a "Pustikar" brand. However, despite the emerging perceptions, the sale of mustard oil is not decreasing. For many customers in Guwahati, it is an essential commodity.

Mr. Binoy Saikia, the Secretary of Kamrup Agro Processing Cooperative Federation Ltd., is contemplating an idea to promote the brand 'Pusti' on the planks of purity and nutritional benefits of Pusti.

Questions:

Will it be a right proposition for Kamrup Agro to promote its brand 'Pusti' on the planks of purity and nutritional benefits? Will the emerging negative perception of all oils (including mustard oil) adversely affect the promotional campaign?

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2) Ruchi Gupta (2012); *Advertising Principles and Practice: With 17 recent Indian Case Studies 1st Edition;* S. Chand Publisher ,India

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