

Question Paper Pattern

Maximum Marks : 100
Questions to be Set: 06

Duration : 3 Hrs.

Q. No.	Particulars	Marks
Q.1	Objective Questions (A) Select the most appropriate answer from the option given below (Any Ten out of Twelve) (B) State whether the following statements are True or False (Any Ten out of Twelve)	20 10 10
Q.2	Answer any Two of the following out of Three Questions - Module - I (a), (b) and (c)	15
Q.3	Answer any Two of the following out of Three Questions - Module - II (a), (b) and (c)	15
Q.4	Answer any Two of the following out of Three Questions - Module - III (a), (b) and (c)	15
Q.5	Answer any Two of the following out of Three Questions - Module - IV (a), (b) and (c)	15
Q6	Write Notes on Any Four out of Six	20

1. INTRODUCTION TO ADVERTISING

INTRODUCTION

Good advertising builds sales. And great advertising builds brand equity. Hence, it's not enough to come up with good advertising but with great advertising campaigns like Colgate Toothpaste, Raymond Suitings, Cadbury's Dairy Milk, Nestle's Nescafe, Fevicol, Vodafone,..... To make a great impact on the minds of the people.

Advertising that approaches the audience with **warmth, wit and wisdom** can be successful, even on a smaller budget. However, we often come across dull and boring ads created by the co-called creative people.

When you meet a new person, and you're stuck by his / her warmth and wit, you may tend to like him / her very much, whereas, if you come across dull, boring, arrogant and imposing person, you may not want to spend any time with him / her. The same is the case of advertising.

The term advertising is derived from the original Latin word 'Advocate' which means to turn attention.

INTEGRATED MARKETING COMMUNICATION (IMC)

Meaning

Integrated marketing communication (IMC) also called as integrated promotion mix. The IMC plays an important role in persuading, reminding, informing, developing image and attitudes, and educating the intended audience (normally buyers or dealers).

William Stanton defines Integrated Marketing Communication "*as the element in an organisation's marketing mix that is used to inform, persuade and remind the market regarding the organisation and / or its products.*"

What are the Features of IMC?

1. **Process:**

IMC is a process of communicating messages to target audience in order to promote firm's goods and services. The process includes the following steps:

- Identifying target audience
- Determining communication objectives
- Instituting (developing) IMC plan
- Designing communication message
- Identifying communication techniques
- Determining the budget
- Implementing the IMC plan
- Review of performance

2. **Main Objectives:**

IMC is undertaken to achieve certain well defined objectives which may include:

- Creating awareness
- Developing attitudes
- Developing brand image
- Developing brand loyalty
- Countering competitive claims

- Building corporate image
- Persuading customers to buy products
- Providing information for customers' decisions

3. Continuous in Nature:

IMC is a continuous activity. There is a constant need to undertake IMC activities to face challenges of the competitors in the market. For instance, the marketer must continuously make use of advertising to act as a reminder to the customers to buy the firm's products.

4. Elements of IMC:

IMC involves a number of elements that can be used to communicate commercial messages to the target customers. The various elements include:

- Publicity
- Advertising
- Sales promotion
- Salesmanship
- Sponsorships
- Public Relations
- Packaging
- Participation in trade fairs and exhibitions

5. Creativity:

Creativity is vital in all the elements of IMC. For instance, a good deal of creativity is required to create effective ads. Creative advertisers always make efforts to bring out creative ads, something more exciting, entertaining and effective – different from the existing ads.

6. Art and Science:

IMC is an art because it requires creative talents to produce effective commercial messages. It is a science, because commercial messages are planned and prepared after systematic study of target audience, product, competitors, etc.

7. Target Audience:

IMC is normally directed at select target audience. The marketer must select the right target audience and direct the messages to create a positive impact on them so that they buy and repeat the purchases of the marketer's brands.

8. Influences Diverse Groups:

IMC is primarily directed at the present and potential customers. However, while designing IMC, firms must also consider the various groups that IMC may have an impact. The various groups include the intermediaries, employees, shareholders and the society at large.

ELEMENTS OF IMC

There are various elements of IMC. The elements are to be coordinated in such a way to get the maximum impact.

For instance, if a firm needs to create brand awareness of a newly introduced brand, it has to undertake publicity, advertising, sponsorship, trade fairs participation, etc., so

as to create the maximum impact. The number of elements to be integrated and the money to be spent on each element depends on several factors such as nature of the product, customers, area coverage, competition, availability of funds, etc.

1. Publicity:

Publicity is a form of mass communication that can be used to promote products through news and articles carried by the mass media about a firm's products, actions, policies, awards, etc.

Publicity can be favourable or unfavourable. A firm may influence the media people to carry positive publicity, and therefore, a firm needs to maintain good relations with media.

Publicity has several advantages over advertising and other elements of IMC:

- It may reach to people, who may not pay attention to advertising, sales promotion and sales force.
- ***It is more believed as compared to advertising and other techniques, as it comes from the desk of the media.***
- It is normally free of cost. The firm need not pay for the space or time of the media.
- It can provide more information than advertising, as it can provide detailed information about the firm and its products.

2. Advertising

It is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor. The advertising messages are communicated through various media such as newspapers, magazines, radio, television, direct mail, internet, and so on.

Advertising plays important role in integrated marketing communication mix:

- It helps to create top of mind ***awareness***.
- It helps to reinforce positive ***attitude*** towards the brand
- It develops good ***brand image***.
- It may help to develop ***brand quality***.
- It counters the ***claims of the competitors, etc.***

3. Sales Promotion:

It includes various techniques that induce a desired response on the part of target customers and intermediaries.

The various sales promotion tools include:

- ***After-sale-service,***
- ***Banded or combo products,***
- ***Consumer contests,***
- ***Discounts,***
- ***Exchange offers,***
- ***Free samples and free gifts,***
- ***Guarantees or warranties, etc.***

4. Sponsorships:

A firm may sponsor sports, cultural and social events, to create a distinct image for the Organisation and for its brands. For instance, sponsorship of sports gives a high visibility for the firm. Firms also get distinct image by associating with distinct sports events like grand slam tennis tournaments, world cup etc.

For instance, Rolex – the king of luxury watches – maintains its distinct image by sponsoring Wimbledon tennis tournament – the king of grand slams in tennis. (The other three grand slams include: Australian Open, French Open, and US Open)

5. Personal Selling:

It involves face-to-face communication between the firm's representative and the prospect. It is the oldest form of promotional effort to sell products.

The basic objectives are:

- To find prospective customers.
- To persuade the prospects.
- To clarify any information regarding the products.
- To maintain good relations with the customers.

6. Public Relations:

Professional firms are concerned about the effects of their actions on the public. A firm should understand concerns of the public and communicate to them its goals and interests. Otherwise, the public may misinterpret, distort, or be openly hostile to the firm's actions.

Unlike the other integrated marketing communication mix elements, public relations is concerned primarily with people outside the target market, although it may include them.

The main objectives are:

- To communicate the firm's goals and interests.
- To correct erroneous impressions of the firm.
- To maintain good relations with the Society.
- To maintain and enhance goodwill.

7. Packaging

A properly designed package can influence or induce the prospects to buy the product. A well-designed package can communicate the type and quality of the product.

Packaging plays important roles such as:

- ***Providing information*** of the product.
- ***Protection of goods*** while transporting and handling.
- ***Preservation of quality*** of the product.
- ***Promotion of the product*** (attractively designed packages).

8. Trade Fairs & Exhibitions:

It is one of the oldest forms of promoting the sale of products. In India, the India Trade Promotion Organisation (ITPO) is set up by the Government to organize trade fairs and exhibitions. ITPO also assists Indian exporters to participate in trade fairs and exhibitions in the overseas markets. Trade fairs and exhibitions are also organised by trade associations and other groups.

Participation in trade fairs can achieve certain objectives:

- ***Demonstrating the features and operations of the product.***
- ***Observing the efforts of the competitors.***
- ***Generate a list of prospective buyers.***

9. Direct Marketing:

Direct marketing involves several techniques to sell product directly to the customers, such as yellow pages, direct mail (sales letters, brochures, catalogues), interest, and telemarketing. The main advantages are:

- It offers customer selectivity. The marketer can identify and address to the right target audience of his choice.
- The message can be specially designed to appeal the target audience.
- The message can be changed depending on the response.
- The marketer can communicate quickly the latest information of the product.

ROLE OF ADVERTISING IN IMC

Advertising plays an important role in marketing-mix as it creates brand awareness, develops brand image, develops brand loyalty, improves corporate image, gains competitive advantage, etc. Advertising also plays an important role with respect to all elements of IMC.

The role of advertising with reference to the elements of IMC is explained as follows:

1. Advertising and Sales Promotion:

Sales promotion includes various techniques such as discounts, exchange offers, free samples, gifts, etc., which induce a desired response from the target customers to buy the products, and from the intermediaries to stock the products for sale purpose.

Advertising plays an important role in sales promotion. Whenever, a Company comes up with sales promotion offers, the buyers need to be informed about the same.

2. Advertising and Sponsorships:

A firm may sponsor various events such as sports, social and cultural activities. Sponsorship aims at creating a distinct image of the organisation (sponsor) and of its brands.

For instance, Rolex – the king of luxury watches – maintains its distinct image by sponsoring Wimbledon tennis tournament. The logo of Rolex is made visible at the Wimbledon tennis courts.

3. Advertising and Personal Selling:

Advertising makes the personal selling job easier. The salesperson need not give all possible details of the products, as the customers may be well aware of such details through ads. Also, the customers may be well convinced to purchase advertised brands, as they may be influenced by the ads.

A salesperson dealing in advertised brands may be able to sell non-advertised brands as well. This is because, the customers may respect and trust the sales persons of reputed companies; as advertising creates good corporate image.

4. Advertising and Public Relations

Public relations is a strategic communication process that builds *mutually beneficial relationships* between organization and its public. It is the professional maintenance of a favourable public image by a Company.

Due to advertising, public may develop a good corporate image of professional firms. Therefore, the public relations efforts of a reputed company may be easily accepted by the members of the public.

5. **Advertising and Direct Marketing:**

Direct marketing involves various techniques to sell the products directly to the customers, such as yellow pages, internet (online), telemarketing, direct mail (sales letters, catalogues), SMS and so on.

Therefore, the direct marketing techniques may be good response from the buyers who are already aware of the brand(s) through advertising.

For instance, online (direct) marketers may place ads for special offers for a limited period in various mass media, which may induce the buyers to place orders online.

6. **Advertising and Packaging:**

A properly designed package can influence or induce buyers to buy the product. A well-designed package can communicate the type and quality of the product.

Also, the advertisers may display the packages with the brand name in the ads. Therefore, the buyers become aware of the brand, and as such the buyers may identify the package at point of purchase (PoP), and accordingly may take a purchase decision, especially, in the case of impulse purchase products.

7. **Trade Fairs and Exhibitions:**

At trade fairs, Companies can interact with prospective buyers and convince or induce them to purchase their products.

Advertising can play an important role in trade fairs and exhibitions. Advertising can inform the target audience regarding the timings, date, and venue of the trade fair and exhibition. The ads may also inform the people of the special offers at the trade fairs and exhibitions.

8. **Advertising and Publicity:**

Publicity is a form of mass communication that be used to promote products through news and articles published by the mass media about firm(s) products, actions, awards, etc. Advertising can support and complement publicity. Advertising may be able to create a favourable image of the firm and its products.

ADVERTISING AND PUBLICITY

Although advertising and publicity performs more or less the same function i.e. to inform to the public about goods, services, ideas or events but the two terms are not one and the same. The main differences are as follows:

	ADVERTISING	PUBLICITY
1.	Meaning: Advertising is a paid form of non-personal presentation and promotion of ideas, goods and services.	Publicity is a non-paid form of non-personal presentation of ideas, goods, services, events, etc.
2.	Purpose: The main purpose is to create brand awareness and to induce action on the	The main objective is only to inform the audience of the latest events, including

	part of audience:	product launches.
3.	Payment to Media: In advertising, the advertiser pays the media for the time or space used.	Publicity is not directly paid for. IT comes from the editors' desk.
4.	Public Trust: Advertising may raise doubts and suspicion regarding the authenticity of the advertising message.	Generally, publicity creates more confidence in the minds of public as compared to advertising.
5.	Commercial / Non-commercial: Advertising is a commercial communication.	Publicity can be commercial or non-commercial communication.
6.	Control: Because advertising is paid by the advertiser, the wording, placement of the ad, the timing, etc., is controlled by the advertiser.	Publicity forms part of the editorial content. Therefore, the wording and placement of the information controlled by the publisher.
7.	Class of Audience: Advertising may be designed to specific class of audience.	Generally, publicity is meant for general public or masses.
8.	Inclusive / Exclusive: All advertising is publicity.	All publicity is not advertising.
9.	Illustration / Words: In advertising, emphasis is placed on illustrations and also on words.	In publicity more emphasis is placed on words.
10.	Repetition: It is normally repeated.	Publicity is usually not repeated.
11.	Response from Audience: Every advertisement expects some desired action from prospects.	Generally, publicity is for information and not for direct action.
12.	Effect of Failure: If ad fails to achieve its objectives, it is a loss to the advertiser.	There is no loss to the publisher if the publicity is ignored.
13.	Existing / New Products: It is undertaken for new as well as for existing products in the market.	Publicity normally takes place for newly introduced products.
14.	Endorsements: Personalities can be used to endorse the product.	Publicity is not undertaken through the testimonials of personalities.

ADVERTISING

CONCEPT AND FEATURES OF ADVERTISING

The word advertising comes from the Latin word "*advertere*" meaning '*to turn the mind toward*'. This means that advertising should attract the attention of the audience, and get them involved or interested in the brand that is being advertised.

The commonly used definition of advertising is given by **The American Marketing Association**. It defined advertising as "*any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor*".

William F. Arens: *“Advertising is the structured and composed non-personal communication of information, usually paid for and usually persuasive in nature, about products (goods, services and ideas) by identified sponsors through various media”.*

The above definitions and several other authors define the term advertisement rather than advertising. **Advertising is a creative process, which involves among other things, planning, preparing and placing advertisements in the media to achieve desired objectives.**

Features of Advertising

1. Process:

Advertising is a creative and systematic process. The process of advertising involves:

- **Planning of advertising** – what to advertise, why to advertise, when and how often to advertise, where to advertise, in which media to advertise, and how much funds to be incurred on advertising.
- **Preparation of advertising** – creation of ads by considering factors like nature of the product, nature of target audience, competition, etc.
- **Placing the ads** in the appropriate media.

2. Paid / Controlled Form:

The advertiser pays for the **time and space** used in the media. Therefore, the advertiser exercises control over the advertising process – i.e., what to say in the ad, where and when to put up the ad, and so on. **This feature differentiates advertising from publicity. Publicity is not paid.**

In case of publicity, a Company may write a positive news story about its new product or performance and send it to the media for publication or for transmission. If no payment is made to the media; the published story is not advertising but publicity.

3. Non-personal Presentation:

Advertising is non-personal presentation of commercial messages through the media like press, TV, radio, outdoor, digital, etc. Generally, advertising is not done face-to-face on individual bases, except in the case of interactive advertising.

If there is personal presentation of ideas, goods and services, it is salesmanship and not advertising.

4. Ideas, Goods and Services:

Advertising is undertaken to promote ideas, goods or services.

Examples include:

- **Goods such as FMCG** like tea, toothpaste, toilet soaps etc. are promoted through advertising.
- **Services such as banking, insurance, telecom etc.,** are advertising to gain competitive advantage.
- **Ideas through public awareness campaigns** like family welfare campaigns, environment protection campaigns, etc., are undertaken by Government authorities, NGOs and others to create social awareness.

5. Identified Sponsor:

In advertising, the sponsor is always identified, either by the **firm's name and / or by brand name**. In earlier days, there was more emphasis on brand name, but now-

a-days, a good deal of importance is placed on the corporate name as well, and as such you come across the ads with both the brand name and the Company's name.

A strong corporate name often benefits the company to introduce new products, to secure funds from the capital markets, to attract and retain competent personnel, and so on.

6. Art, Science and Profession:

- Advertising is an art because it requires creative talents to produce good ads.
- It is a science as ads are planned and prepared after systematic study of the target audience, product, competitors etc.
- Now-a-days, advertising is considered as a highly specialised profession because advertising is managed by professional advertising agencies.

7. Element of Promotion-Mix:

Advertising is an important element of promotion mix. The other elements of promotion-mix include publicity, salesmanship, sales promotion, sponsorships, etc.

Advertising **creates awareness, develops brand image**, induces the people to buy the products. Advertising also strengthens the efforts of other elements of promotion-mix.

For instance, advertising strengthens the sales promotion efforts. Sales promotion (discounts, exchange offers, free gifts, etc.) with the support of advertising creates conviction in the minds of the customers, and therefore, the customers would be induced to buy the products. Without the support of advertising, sales promotion by itself may not find active support of the customers.

8. Influences Diverse Groups:

Advertising is primarily directed at the present and potential customers. However, when designing advertising, firms must also consider the various diverse groups that advertising may have an influence. The various groups include the ad critics, the distribution channels, employees, shareholders and the society at large.

9. Objectives of Advertising:

Advertising is undertaken to achieve certain objectives such as:

- To create **awareness**
- To develop positive **attitude** towards the brand / firm.
- To enhance **brand image**.
- To develop **brand loyalty**.
- To improve **corporate image**
- To face **competition, etc.**

10. Universal Usage:

Advertising can be used by any individual or by any organisation. Advertising can be used by Government authorities, NGOs, business firms and others. The organisations may be operating at local level or even at international level. Business organisations and non-business organisations can advertise to promote not only goods and services but also ideas.

11. Consumer Choice:

Advertising facilitates customer choice. It informs about the features, price, and other aspects of goods and services. This enables the customers to make a proper choice in their buying depending upon their budget, status, preferences, etc.

12. Builds image

Advertising helps to build image of the Company and that of the brand. Creative advertising, the personalities used in the advertisement, the programmes sponsored by the advertiser, etc., helps to build goodwill (image) of the organisation and that of its products and / or services.

13. Target Audience:

Advertising is normally directed at selected target audience. One cannot sell everything to everyone. The advertiser has to select the right target audience and direct messages to them. This is because; most of the times, a product is meant for a particular class of people.

For instance, one would not sell jeans to elderly people (although they may use them), but to teenagers or young adults.

14. Creativity:

A good deal of creativity is required to create good ads. Every great ad has a big idea that is creative and original, which makes the product or idea to sell.

Creative people always try to bring out creative ads, something more exciting, entertaining, and effective – different from the existing ads. For example, Amul Butter ads are highly creative effective and entertaining.

OBJECTIVES / FUNCTIONS OF ADVERTISING

Advertising is an important element of promotion-mix. Advertising is undertaken to achieve certain objectives:

1. To Create Awareness:

The main objective of advertising is to create awareness of brands. Brand awareness is vital, especially at the introduction stage. However, ads may be continued throughout the product's life cycle.

Nowadays, it is vital to create Top of Mind (TOM) awareness in the minds of target audience.

TOM awareness can be created through various techniques such as:

- Repetition or hammering of ads.
- Use of celebrity to act as brand ambassador.
- Creative advertising like that of Amul Butter, Fevicol, Vodafone, etc.

2. To Develop and Reinforce Attitude:

Advertising develops positive attitude of the customers towards the product. When advertise make honest claims in the ads, people believe them and develop a favourable attitude towards the advertised brand. Once, the attitude is developed; people may be induced to buy the brand depending on their requirement.

The positive attitude needs to be reinforced. **Reinforcement mat lead to brand loyalty.**

3. To Develop Brand Image:

It is said that advertising is a long-term investment in building brand image. **Brand image is the perception of the brand in the minds of target customers and others.** Advertiser needs to develop intended image of the brand through effective advertising.

These are several advertising related factors that help to develop good brand image:

- The celebrity that endorses the brand
- The creativity of advertising content
- The media used to promote the brand
- The media scheduling strategy adopted, etc.

4. To Differentiate the Product:

Advertising facilitates product differentiation. The ads highlight the special features of the product vis-à-vis competing brands. Ad may claim that the company provides a 5 year warranty on its brand of motor bike. Such ads aim at communicating the superior image of the brand that can differentiate the brand from its competitors.

5. To Persuade Customers:

Nowadays, advertiser needs to persuade customers to buy the products. Persuasion through advertising can be done in the following ways:

- **Testimonials** and celebrity endorsements.
- **Offering discounts** and special offers.
- **Product demonstration** on internet or TV ads, etc.

6. To Support Other Elements of Promotion-Mix

Advertising supports and strengthens other elements of promotion-mix. For instance, advertising develops brand image and corporate image. Therefore, sales promotion offers would be considered as genuine and customers may buy the products.

Also, in the case of salesmanship, the salesperson can easily convince the customer because of brand image developed through advertising.

7. To Promote Social Welfare:

Advertising promotes social welfare. Social advertising by the Government agencies and by business firms make people aware of the social issues or social evils. Ideas generated through social awareness campaigns such are:

- Child immunization campaigns.
- Malpractices by businessmen (Jago Grahak Jago Camapign)
- Anti-pollution campaign
- Anti-dowry campaigns.
- Anti-corruption campaign.
- Campaigns against child marriages, and son.

8. To Stimulate Demand:

Advertising stimulates demand for generic goods as well as for selective goods. The generic ads may help to increase the demand for generic (not branded) products such as milk, eggs, tea and so.

For instance, the campaign to increase eggs consumption was a big hit in India with the tag line “*Sunday Ho Ya Monday Roj Khao Ande*” (Ad by National Egg Co-ordination Committee).

9. **To Act as Reminder:**

Ads act as a reminder to the customers to buy the products Through repetition of ads, a business firm reminds its customers to continue buying its brands. If the ads are not repeated, customers may forget the brand, and they may not repeat purchases of the same.

For instance, nowadays, you may hardly come across the ads of ‘*Limca*’ the lemon soft drink, which was once the leading soft drink (in 1980s) in India. Therefore, Limca is no longer on the top of mind of the people.

10. **To Enhance Corporate Image:**

Advertising not only enhance brand image but also corporate image. The advertisers through corporate image (institutional) advertising may highlight special features of the Company thereby, building and maintaining a positive image of the organisation. Also, effective brand advertising may have positive impact on the image of the company.

11. **To Gain Competitive Advantage:**

Advertising may enable a firm to gain competitive advantage in the market. Creative ads and planned repetition of ads enable advertisers to effectively face competition in the market. For instance, Colgate toothpaste brand commands about 50% of the market share in India despite competition from several other brands mainly on account of repetition of creative ads.

OBJECTIVES / FUNCTIONS OF ADVERTISING

The *history of advertising* dates back to the early days of human civilisation. The evolution or growth of advertising can be briefly stated as follows:

1. **Early Forms of Advertising:**

Three forms of advertising existed during the pre-printing period i.e. before 15th century. The three forms are as follows:

- (a) **Trade Marks:** In olden days, artisans used to inscribe on the goods such as pots, wooden tools, etc., certain marks or symbols such as stars, moon, tiger etc. Such marks came to be regarded as trade marks.

The trade marks were treated as a form of advertising because the reputation of a particular mark spread by word of mouth. The buyers used to look for such marks before buying the product or tools at the village fairs or such other places.

- (b) **Town Criers:** Prior to 15th century, shopkeepers and other sellers appointed town criers to popularize their stores and products.

The town crier wore clowny clothes and played a musical instrument such as a drum or a flute and attracted the attention of the people at the village fairs, bazaars, etc. The town crier used to offer samples and praise the shop and the products sold by such shops.

Town criers were treated as a form of advertising as they attracted the attention of the people, and also induced or persuaded the people to buy the products popularized by them.

- (c) **Sign Boards:** Signs or sign boards have been in use for over 5000 years. In the olden days, sellers used to paint signs of the goods on rocks or boards.

People were attracted by those signs and purchased the products popularized by the signs or sign boards. For example, a sign of a cow was used for dairy products, a row of ham for a butcher's shop etc.

2. **Birth of Printing Press:**

Around 1440, Johannes Gutenberg invented the movable form of printing press.

- (a) **Handbills:** In 1477, William Caxton from London brought out the first ever printed advertisement in the form of handbill. The advertisement was for a religious look.

- (b) **Newspaper Advertising:** The Gutenberg's invention made possible the printing of a newspaper. Initially, the newspapers were published monthly, followed by weekly and later on daily.

In the 18th century, advertisements started to appear in weekly newspapers in England. These early print advertisements were used mainly to promote books. In USA, the first newspaper ad appeared in *Boston Newsletter in 1704 for the sale of estate*.

- (c) **Magazine Advertising:** Magazines were first published in the early 1700s. However, advertising in magazines gained recognition only around 1870. In those days, most of the advertisements were in the form of posters / handbills and in newspapers.

3. **Birth of Advertising Agency:**

- The first acknowledged ad agency was set up by William Taylor in 1786 in England.

- In 1843, Volney B. Palmer started the first American advertising agency in Philadelphia. In those days, ad agencies used to act as "*salesmen of space*".

The ad agencies used to sell space in newspapers and magazines on behalf of publishers to the advertisers. They used to get 25% commission for such services. The real advertising work such as copywriting, art-work etc., by the ad agencies began in the early 20th century.

- In 1877, James Walter Thompson took over an ad agency (from William James Carlton) and renamed as James Walter Thompson (JWT) Company. JWT is the oldest advertising agency that survives even today. JWT hired copywriters and artists to start the first ever creative department in an ad agency in order to get more advertising business.

4. **Radio Advertising:**

Marconi invented the radio around 1900. The radio was introduced to the public in the early 1920s. WEAF of New York is credited with airing the first paid radio commercial, on August 28, 1921, for the Queensboro Corporation, advertising an apartment complex - "*Hawthorne Court Apartments in Jackson Heights*" in USA.

Because of the invention of radio, it was made possible to advertise to the illiterates. The music and sound effects of radio advertising gave a new meaning to the field of advertising.

5. Television Advertising:

In 1930s John L. Baird invented the commercially viable television. It was the most impressive medium of all times. The television advertising combined the effect of voice and vision, music and motion. The first TV commercial appeared in USA on 1st July, 1941 for *Bulova Watches*.

6. Other Forms:

In the 20th century several other forms of advertising came into existence. It includes neon signs, sky writing, billboards, yellow pages, direct mail, digital, etc.

7. Growth of Advertising Organisations:

Several advertising organisations came into existence during the 20th century:

- In 1914, Audit Bureau of Circulation (ABC) was set up in America and later on in other countries including India in 1948.
- Advertising agencies associations were also formed in major countries of the world which include Advertising Agencies Association of America (AAAA) in 1917 and Advertising Agencies Association of India in 1945.
- In India, the Advertising Standards Council of India (ASCI) was set in 1985. The advertising organisations gave an added impetus to the progress of advertising throughout the world.

8. Internet:

An interesting form of advertising in the late 1990s is the internet. Internet can be called as electronic yellow pages. Subscribers to internet open a web site where in they provide information about the Company and the products. At present, Internet is the fastest growing medium in the field of advertising.

Various forms of internet advertising include”

- **Website** advertising - banners and pop-up ads.
- **Blog** advertising
- Advertising on **social networking sites** such as Facebook, Twitter, etc.
- **Mobile** (internet) advertising, and so on.

GROWTH OF ADVERTISING IN INDIA

The growth of advertising in India dates back to the early years of human civilization. However, it was in 18th century, advertising was officially recognised and organised as a medium of communication, when the first newspaper of India 'Bengal Gazette' was placed on the news-stand in 1780.

On July 23, 1927, the first radio station was commissioned at Bombay.

Advertising Agencies

B. Dattaram Ad Agency is the oldest ad agency in India set-up in 1905. It still exists in India and is located at Churchgate, Mumbai with branches at Fort and Nariman Point in Mumbai. It took another 20 years for the next ad agency to set office in India - L. R. Swami and Company Madras. By the 1920s, other agencies like Gujarat Advertising and Allied Advertising had come up.

Newspaper Advertising

Concrete advertising history begins with classified advertising in newspaper. Ads appear for the first time in print in James Hickey's Bengal Gazette – India's first newspaper published weekly on Saturdays in 1780.

Advertising was alien to the Indian mind. No one wanted to waste money. Incidentally, advertising rates in **The Times of India** were in the region of 4 annas to 8 annas for a column inch and even this was considered ridiculous.

Advertising Institutions:

In India, advertising gained significance only after the World War II with the setting up of various advertising institutions. The advertising organisations encouraged and improved advertising standards and growth in India. Some of these organisations are:

- Advertising Agencies Association of India (AAAI) in September 1945.
- The Audit Bureau of Circulation (ABC) was started in India in 1948.
- The Indian Society of Advertisers in 1952.
- The Advertising Club, Bombay was formed in 1954.
- The Advertising Standards Council of India (ASCI), 1985.

Television

On September 5, 1959 dawned a new era in the field of Indian mass communication, for on this day, TV was introduced for the first time in India at Delhi on experimental basis, for one hour twice in a week. The Delhi transmission was followed by Bombay transmission (Oct. 2, 1972). The first TV commercial was transmitted in 1978.

At present, there are about 850 television channels in India. Hindi language television channels have the highest market share. In addition, numerous regional channels are available in throughout India, often distributed according to languages.

ACTIVE PARTICIPANTS IN ADVERTISING

Active participants are those individuals or organisations which are actively associated in the field of advertising. Generally, the list of active participants include:

1. **Advertisers:**

The advertiser includes sellers of products, trade intermediaries such as retailers, and social organisations. It is the advertiser who makes the final decision in respect of the target audience, the media of advertising, the period of ad campaign, and the size of the ad budget.

- ***There are advertisers who run a couple of ads in a year, and there are others who may run thousands of advertising messages in a year.***
- There are advertisers who undertake only product advertising, and there are others who undertake corporate advertising as well.
- ***The advertisers may advertise throughout the country or they may advertise in a particular region or local area.***
- Some advertisers may take use of a number of media, whereas, others may use only the local media such as newspapers, or outdoor advertising.

2. **Advertising Agencies:**

The advertising agency is an independent business organisation, composed of creative people who plan, prepare and place advertising messages in

advertising media for sellers seeking to find customers for their goods and services.

- There are agencies who provide a complete package of services – advertising and other marketing services and there are others who provide only specialised advertising services.
- There are agencies who earn a couple of lakhs of rupees, and yet there are others like O&M, Lowe Lintas, McCann Erickson, J. Walter Thompson (India's top 4 agencies) and others whose annual billings run in several core of rupees.
- There are agencies who employ a few employees and others employ hundreds of people in their offices.

3. Audience:

It refers to the recipients of advertising messages, i.e. readers, listeners, or viewers. Every advertising message is directed to either mass audience or to selected class of audience. Every advertiser intends to convert audience into prospects and prospects into buyers.

4. Advertising Media:

The media are the channels of communication through which ad messages are transmitted or communicated to the target audience. There are several media of advertising. Each media has its own merits and limitations.

5. Advertising Production Firms:

These include copywriters, artists, photographers, typographers, layout designers, producers, editors and others. They may be the personnel from the ad agencies or they may be hired from outside by the Agencies on job basis.

6. Government Authorities:

The government authorities control the functioning of the entire advertising industry. The government adopt laws and regulations which have a direct or an indirect bearing on advertising. For instance, ads of liquor and tobacco products are not allowed on television, and radio.

7. Research Firms:

The market research firms also play an important role in advertising, especially in developed countries like USA, and Western Europe. In 2016, the top three market research firms in the world include Nielsen, Kantar and IMS Health. These three research firms have offices in more than 100 countries.

In India, the top three market research firms are IMRB International, RNB Research and Majestic MRSS. These three market research firms operate in several global markets.

8. Self-Regulatory Bodies:

There are various self-regulatory bodies which frame codes or standards to be followed by advertisers, advertising agencies and the media. Through the codes, these bodies regulate the content of advertising. They may also ban unethical and advertising.

In India, various authorities have laid down self-regulatory codes relating to advertising. The authorities include:

- Advertising Standards Council of India (ASCI)
- Indian Newspaper Society (INS)
- Doordarshan
- Advertising Agencies Association of India (AAAI)

BENEFITS OF ADVERTISING

Advertising works to the advantage of various parties. Advertising as a potent tool of communication is highly useful to manufacturers, retailers, consumers and the Society at large.

A. *BENEFITS TO MANUFACTURER: (BUSINESS FIRMS)*

Advertising benefits the manufacturer in a number of ways. The importance of advertising to the manufacturer can be briefly explained as follows:

1. **Introduction of Product:** Advertising helps a manufacturer at the introductory stage. Through effective advertisements, the manufacturer can create awareness in the minds of the target audience. Creative ads give a chance for a new product to face the competition from the established brands in the market.
2. **Modifies Attitude:** Advertising helps to modify attitude towards the brand. There are times when people develop either negative attitude towards a particular brand or they may have a neutral attitude towards the brand. Through special emphasis on the uses or benefits of the brand, the manufacturer can advertise the brand and develop a positive attitude towards the brand.
3. **Builds Image:** Ads can develop the right image for the brand. The right image or goodwill can be developed for the brand depending upon the choice of models or personalities used in the ads, the type of programmes sponsored, the use of the right words or language in the ads and so on.
4. **Builds Loyalty:** Ads enable the manufacturer to develop brand loyalty. Brand loyalty results in repeat purchases by the existing customers, and the existing customers may also recommend the product to their neighbours, relatives and friends. The manufacturer should make constant efforts through effective ads to develop and retain brand loyalty of the customers.
5. **Market Expansion:** Advertising enables market expansion for the manufacturer. Through effective ads, the manufacturer can sell not only in the local area, but also enter in the national market and even in the international market.
6. **Corporate Image:** Advertising can develop corporate image for the manufacturer. The manufacturer can develop corporate image through institutional advertising or public relations advertising. Even if the manufacturer is wrongly reported in the media, it can be corrected through advertising and the image of the organisation can be restored and improved.
7. **Economic of Scale:** Advertising enables the manufacturer to generate economies of scale. This is because advertising generates more demand for the product. This requires more production. More production results in economies of scale, and thus enables the manufacturer to bring down the cost of production.

8. **Improvement in Quality:** Advertising facilitates improvement in the quality of the product. Advertising can generate more sales. This brings in more sales revenue and profits. A part of the profits can be utilised for R&D. Effective and efficient R&D will not only improve the quality but also reduce the cost of production.
9. **Avoids Seasonal Sales Fluctuations:** A manufacturer can reduce seasonal sales fluctuations through effective advertising. For example, the demand for fans is more in the summer season. However, the manufacturer can generate demand in the winter season for fans by offering discounts or other offers during the winter season. Such offers can be communicated effectively through advertisements.
10. **Facilitates Distribution:** Advertising facilitates quick distribution of the products. This is because, the dealers are willing to stock advertised brands as compared to unadvertised brands.
11. **Facilitates Promotion:** Advertising is an important element to promote the product in the markets. The various promotional techniques such as sales promotion, packaging, etc. can be effectively used by the manufacturer with the support of advertising.
12. **Facing Competition:** Advertising enables the manufacturer to withstand the competition in the market. The manufacturer can effectively face the claims made by the competitors through effective advertising. For example, when Pepsodent states that it gives complete protection to teeth, Colgate states that it provides total protection to teeth and gums.

B. BENEFITS TO THE CONSUMERS:

1. **Information:** Advertising informs the consumers about the availability of products and services in the market. The consumers can also get information in respect of the features, price, operational instructions, etc. This helps them to make a proper choice of goods and services.
2. **Acts as Reminder:** The ads remind the consumers of their requirements, so that they can plan their purchases well in time. For instance, an ad of umbrella may remind the buyers to purchase umbrella well before the rains. Again, the arrival of a particular season such as Diwali or Christmas is often shown in the ads. This reminds the consumers to make purchases for the festival season.
3. **Lowers Product Prices:** Consumers can get goods at reduced prices due to economies of large scale production and distribution. The producers often pass on some of the benefits of large scale production to the buyers. Again, advertising encourages competition, as such the sellers cannot exploit the consumers by charging high prices.
4. **Better Quality Products:** Since advertising stimulates competition, every producer makes every possible effort to improve the quality of goods and services. This results in improved quality of goods and services. The consumers are at an advantage of higher quality of goods and services.

5. **Higher Standard of Living:** Consumers can improve their standard of living. This is because advertisements makes possible a wide range of products and services. Consumers can select those products and services which add to their satisfaction. This results in higher standard of living of the consumers in the Society.
6. **Guards against Substitutes:** Advertising warns against the cheap substitutes that are available in the market. Reputed companies often insert advertisements for the benefit of consumers, regarding the harmful effects of cheap substitutes. Thus, consumers are warned against the purchase of cheap substitutes.
7. **Education to Consumers:** Ads not only informs the consumers but also provides education. The ads educate the consumers regarding the handling of the product, the uses of the product side-effects of the product, if any, in case of drugs, etc.
8. **Modifying Attitudes:** Ads try to change attitudes of the consumers towards certain products. For example, many people in India have negative views on women's menstrual cycle (Period Taboos). However, social ads from brands like Whisper have broken such taboos, celebrating womanhood and changing such negative attitude.
9. **Consumer Satisfaction:** Advertising is responsible to a certain extent in respect of consumer satisfaction. This is because the consumers can enjoy better quality of goods at a good price.
10. **Saves Time in Shopping:** Advertising informs the place / store s to where the goods are available and as such the customers need not waste his time in searching for the store.

CLASSIFICATION OF ADVERTISING

Advertising can be classified in many ways. Some of the ways in which it can be classified are as follows:

I. On the basis of Geographic Area:

1. **Local Advertising:**

This is also known as retail advertising. This is undertaken mostly by retailers in a local area which can be a village, a town r a city or even in a small locality. The response expected is "**Buy at my store**".

The media used is normally the newspapers, cable network, neon signs, posters, billboards and local cinema. Local advertising builds name and goodwill of the store and bring in more sales from the local buyers.

2. **Regional Advertising:**

This type of advertising is done in a particular region, say western region, southern region, etc. There are certain marketers who concentrate their marketing efforts in a particular region and as such they concentrate their advertising effort in such region.

The media used are regional television and radio networks, regional magazines, newspapers and also outdoor media in a particular region.

3. National Advertising:

This type of advertising is undertaken by marketers who sell their products throughout the nation. Examples include Colgate Palmolive, HUL, Godrej, P&G etc. The response expected is "**Buy my brand**".

The advertisements are in respect of branded products. The media used include national network of television, and magazines. They also use newspapers, radio, etc.

4. International Advertising:

This is undertaken by MNCs, airlines, hotels and exporters who promote their products / services in different countries. Examples include advertising by Philips, Taj Hotels, Suzuki Motors etc.

The international advertisers may use the same advertising campaign worldwide or they may modify their ad campaigns depending upon the target audience in different countries.

II. On the basis of Audience:**5. Consumer Advertising:**

It is directed at the consumers. Such advertising is done to create awareness and to induce action on the part of consumers, i.e., purchase of goods and services or some other action.

The media used include television, radio, magazines, newspapers and others. Examples of such advertising include Colgate tooth-paste, Dove soap, wheel detergent etc.

6. Industrial Advertising:

It is undertaken by sellers of industrial products. They advertise to business people to purchase the products and services so that they can use such items in their business activities.

Examples of such advertising include Emco Transformers, Kirloskar Industrial Pumps, etc. The media used industrial journals and direct mail.

7. Trade Advertising:

It is undertaken by manufacturers of consumer goods as well as industrial goods. It is undertaken to influence the dealers to stock and promote their products.

Through trade advertising, the advertiser expects the response "**Stock and promote the same of my products**".

The media used include brochures, folders, trade journals and direct mail.

8. Professional Advertising:

It is undertaken to influence the professionals like doctors, lawyers, architects, professors, etc. The media used can be direct mail. Mostly, the professionals are approached personally by sales representatives to prescribe or recommend the product.

The response expected from the professionals is "**Recommend or prescribemy brand**". This type of advertising is required for the promotion of college / university textbooks, medicines, building materials etc.

III. On the basis of Media:**9. Press Media:**

It includes the use of newspapers and magazines. In 2016, print media had a share of 37% of the total and spend in India. Over 90% of the print advertising is commanded by newspapers and the remaining share is that of magazines.

Print advertising can be used for future reference if so required. Also, detailed information can be provided in the print advertisements, which may not be possible in outdoor, television, and on radio.

10. Broadcasting Media:

It includes advertising on radio and on television. In India, television advertising has gained importance and is ranked second in terms of advertising expenditure after newspapers. In 2016, TV media had a share of 38% of the total advertising expenditure in India.

Radio advertising plays an important role especially in rural areas. However, its share was 4% of the total advertising expenditure in India in 2016.

Television advertising with its voice, vision, music and motion effects creates a good impact on the minds of the target audience. Radio advertising also creates a good impact, especially, in the rural areas, where some of the people may not have television sets.

11. Outdoor Media:

It includes posters, neon signs, transit, point of purchase (POP), etc. It is a good form of reminder advertising, especially, the POP advertising. Transit advertising and hoardings are the major forms of outdoor advertising. In 2016, outdoor media had a share of 6% of the total advertising expenditure in India.

12. Internet Media:

Internet as a medium of advertising is the fastest growing among the major media in India. It was growing at the rate of 50% upto 2012. In 2016, the growth rate of internet advertising was over 40% and its share in the total advertising expenditure of India was 15% in 2016.

13. Miscellaneous Media:

The miscellaneous media includes direct mail, handbills, calendars, diaries, cinema advertising and so on. These media can play supporting role to the major media such as television, and newspapers. Among the miscellaneous media, cinema advertising plays a major role.

IV. On the basis of Functions:**14. Direct Action and Indirect Action Advertising:**

Direct action advertising is undertaken to obtain immediate response or action of target audience. Examples include discount sales advertising, sale with free gift offers, use of coupons, etc. The media used is mostly newspapers, and television.

Indirect action advertising is undertaken to influence the audience towards advertiser's brand. The advertiser expects the target audience to prefer his brand as compared competitors whenever a buying decision arises in future.

15. **Primary and Selective Advertising:**

Primary advertising is undertaken by trade association or by cooperative groups. It is undertaken to create generic demand for products and services. For example, the Coffee Board may advertise to consume more coffee.

Selective Advertising is undertaken by marketers of branded products. The advertiser intends to create selective demand for his brand. Examples include Tata Tea, Nescafe etc.

16. **Product and Institutional Advertising:**

Product advertising is undertaken to promote the sale of products – branded or unbranded.

Institutional advertising is undertaken to build name and goodwill of the organisation. It is also known as corporate advertising or image advertising. It is mostly undertaken by large firms.

V. **On the basis of Stages:**

1. **Pioneering Stage:** Advertising done during the introductory stage to make the audience aware of the new brand is called pioneering type. However, in real sense pioneering advertising refers to advertising of a newly launched innovative product. Examples: ads of electric razors, electric toothbrushes, liquid tea etc.
2. **Competitive Stage:** Once the product survives the introductory stage, it has to face a number of competitors. Advertising undertaken to face competition is called competitive advertising. Most of today's advertising is competitive in nature.
3. **Retentive Stage:** It is also known as **reminder advertising**. When a brand is used by a major part of the market, the advertising is so designed to maintain brand loyalty. It is undertaken to remind the buyers to repeat the purchase of the advertised brand.

OBJECTIVE QUESTIONS

A. **Select the most appropriate option given in the bracket for each of the following statements.**

1. _____ refers to paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.
(Advertising, Publicity, Sales Promotion)
2. The word advertising comes from the Latin word _____.
(advertere, adventus, aventura)
3. Advertising is an element of _____.
(Promotion-mix, Place Mix, Market Mix)
4. Idea advertising includes _____ as an example.
(Anti-drugs campaign, Bank Promotion Campaign, Hotel Services)

5. _____ brought out the first ever printed ad in the form of handbill in 1477.
(William Caston, William Gates, William Taylor)
6. _____ is the first newspaper in India.
(Bengal Gazette, Times of India, Hindustan Times)
7. The first radio ad in USA was aired in 1921 for _____.
(Queensboro Corporation, Hershey Chocolates, Coca Cola)
8. ASCI was set up in _____ (1985, 1947, 1925)
9. _____ form of advertising appeared in the pre-printing period.
(Town criers, Radio, TV)
10. _____ is the oldest ad agency in India.
(B. Dattaram & Co., L. R. Swami, Bomas Ltd.)
11. _____ invented the movable form of printing press in the 15th century.
(Johannes Gutenberg, William Caxton, Volney Palmer).
12. The first acknowledged ad agency was set up by _____ in 1786 in England.
(William Taylor, William Caxton, William Smith).
13. _____ invented the commercially viable television.
(John Baird, John Lennon, John McEnroe)
14. The main objective of advertising is to create _____.
(awareness, brand image, brand loyalty)
15. Brand image is the _____ of the brand in the minds of target customers.
(perception, vision, proposition)
16. _____ is a form of mass communication that can be used to promote products through news and articles in the media.
(Publicity, Advertising, Public Relations)
17. _____ involves face-to-face communication between the firm's representative and the prospective buyer.
(Personal selling, Publicity, Public Relations)
18. _____ advertising is undertaken to obtain immediate response of the target audience.
(Direct action, Indirect action, Selective)
19. _____ advertising is also called as corporate image advertising.
(Institutional, Advocacy, Primary)
20. _____ advertising is undertaken by manufacturers of consumer goods as well as industrial goods. (Trade, Consumer, Industrial)

ESSAY TYPE QUESTIONS

(Attempt any 3)

1. Explain content and the features of advertising.
2. Describe the evolution of advertising.
3. Explain the benefits of advertising to manufacturers or business firm.
4. Explain the benefits of advertising to the consumers.
5. Explain the classification of advertising on the basis of stages and media.

2. ADVERTISING AGENCY

FEATURES OF ADVERTISING AGENCY

Advertising agency is one of the important components of the advertising industry. Ad agency plays an important role in the success of client's advertising efforts; as it plans, prepares and places ads of its clients in the media.

Features of Ad Agency:

1. **Independent Organisation:**

An ad agency is an independent organisation composed of creative people like art directors, copywriters, layout designers, media planners, and so on.

The ad agency performs three major tasks for its clients (advertisers):

- Planning the ad campaign
- Preparing the ad campaign
- Placing the ad campaign in the media

2. **Intermediary between Advertiser and Media:**

The ad agency acts as an intermediary between the advertiser and the media. For instance, it books time and space in the media on behalf of the client. After preparation of ad campaign the ads are placed in the media.

To get the right time and space in the media, the ad agency has to develop good media relations.

3. **Services Offered:**

Ad agencies offer a range of services to its clients to promote their products. The services of ad agencies include:

- Planning and preparing ad campaigns.
- Booking of timings / space in the media.
- Placing the ad campaigns in the media.
- Research relating to advertising and marketing.
- Sales promotion services, and so on.

4. **Size of Ad Agencies:**

The ad agencies are of varied sizes mainly depending on the business turnover. There are very large agencies that earn billions of dollars in annual revenue. There are also very small sized agencies that operate mostly in the local market and the annual revenue is very limited. For example, there are a large number of small ad agencies operating in the city of Mumbai.

5. **Contributes to Marketing Success of Clients:**

Ad agencies contribute to the marketing success of its clients. They come up with innovative ideas to advertise and promote the products. Innovative ideas create a memorable impact on the minds of target customers, which may lead to higher sales turnover.

For instance, the ad campaign of Cadbury Dairy Milk (*Kuch Meetha Ho Jaaye*) created a special space for the brand among different segments of the Society.

6. Creative Inputs:

The success of an ad agency largely depends on the creative inputs relating to client's advertising. The creative inputs are generated by its creative team consisting of art directors, copy directors and others.

Creativity is required in planning and creating innovative ads.

7. Agency Accreditation:

In India and elsewhere in the world, the ad agencies need accreditation from the association of television channels, radio stations, and print media. Only those ad agencies that undertake ethical advertising are granted accreditation by concerned authorities.

The main *purpose* of granting accreditation is to bring our professionalism in the advertising agency's conduct of business.

8. Agency Compensation:

Ad agencies get a commission from media publishers / broadcasters (which is about 15% of the bill charged for time / space used to advertise the product by the advertiser).

Apart from commission, ad agencies get fees for the creative and other services. The fees depend on the value addition which the ad agency contributes to the success of the brand. Some marketers revise the compensation of the ad agency depending on the success of the campaigns.

9. Agency-Client Relationship:

Ad agency has to maintain a good relationship with its clients. Cordial relationships are beneficial to both the parties. The agency can maintain good relationship by providing the service on time, charging the right fees, keeping confidential sensitive information of its clients, and so on.

10. Proactive in Nature:

An ad agency is proactive in nature. It comes up with innovative ideas to advertise the products of its clients. For example, the *Zoozoo ads of Vodafone* by O & M were quite innovative.

At times, an ad agency may be reactive (to competitors' ads) in generating ideas.

11. Types of Ad Agencies:

There are different types of ad agencies depending upon the type of services offered and other factors. The main types of ad agencies include:

- Full service agency
- Modular agency
- Creative Boutiques
- Specialist Agency
- In-house Agency, etc.

STRUCTURE AND SERVICES OF AD AGENCY

The Organisation structure differs from agency to agency depending upon their specialised departments. The following chart shows organisation structure of a typical advertising agency:

The structure of ad agency is explained with reference to various services and functions. The services and functions of an ad agency depend upon its organisation structure.

The services and functions of a typical ad agency can be broadly classified into five areas:

- Creative Services
- Account Services
- Media Services
- Management & Finance
- General Services

Copywriting is the act of writing text for the purpose of advertising or other forms of marketing. The product called Copy, is written content that aims to increase brand awareness and ultimately persuade a person or group to take a particular action.

I. Creative Services:

These services include copywriting, artwork and production of finished ads.

- (a) **Copy:** Most advertising people believe, that copywriting is the most important aspect of advertising. In most agencies, the copy department is one of the largest departments.

The copy department usually plans and prepares advertising copy for all media, although some agencies maintain separate sections or departments for preparing TV, radio, outdoor and press ads.

- (b) **Art:** The art department arranges for artwork, although in many cases, most of it is prepared by outside independent units.

The main function of the art department is to **design the layout for print ads**. In case of TV ads, the art department may assist in **filming the ads**.

- (c) **Production:** After the copy has been written and the layout and illustration approved, the ad is turned over to the production department. The production department prints the ad as per the layout. Before the ad is submitted to the print media, the department may offer proofs for approval of the client.

- (d) **Traffic:** Traffic is a matter of scheduling. To keep the work flowing on schedule, there is the traffic officer. His major duty is to monitor the production of finished ad so that it gets completed as per schedule.

II. Account Services:

The account services section is headed by Vice President – Account Services. He is responsible for the overall agency – client relationship. To assist the Vice President, there are account supervisors.

The account executives perform the following work:

- (a) **Advertising Plan:** The account executive studies the client's product and problems and formulates advertising plan and after the client's approval of the plan, he looks after the execution of the same.

- (b) **Budget Preparation:** the account executive may assist the media planning department in preparation of advertising budget of the client.

- (c) **Client Relationship:** The account executives support the Vice President in maintaining good rapport and relations with the client. Regular meetings are held between the account executives and the client representatives.
- (d) **Creative Pitch:** The account executive may assist the creative people to make a presentation of creative pitch to the client or prospective client.

III. Media Services:

The Vice President of Media Services is responsible for media planning, buying time and space, and media research. The Vice President of media services coordinates with the Vice President of account services, especially with reference to preparation of advertising plan and budget preparation.

- (a) **Media Planning:** This section is responsible planning and selection of the **right media-mix**. To plan and select the right media-mix, the media executives consider certain factors such as ad budget, objectives of the campaign, nature of product, nature of target audience, and so on.
- (b) **Media Buying:** This section is also responsible for **buying time and space** to run the ad campaign. The media executive prepares media schedule, relating to the dates and time / space of broadcasting or publishing the ads. The media executive may pay the media bills of the media bills may be paid by the accounting and finance section.
- (c) **Media Research:** The research section undertakes media research to find the **effectives of the media** with reference to specific products. This section may also undertake **pre-testing and post-testing of ads**. This department may also collect new facts from the market, so that the client's ads can be presented according to the changing needs of the market.

IV. General Services:

The advertising agency performs a number of other activities:

- (a) **Allied Services to the Client:** They provide a number of additional services which are related but not directly connected with advertising. These services are recommending changes in product pricing, designing sales promotion tools and techniques, advising on product distribution, conducting market research, and so on.
- (b) **Public Relations:** Agencies may have their departments specializing in public relations. This section helps the agency to maintain good relations with various sections of the Society including media. This section may also assist the client in its publicity and public relations efforts.

V. Management & Finance:

- (a) **Office Management:** The Vice President of this department is responsible for the office management and looks after personnel (HR) matters relating to selection, training, promotion, transfer etc. This department provides administrative services such as maintaining records.

- (b) **Accounting:** The accounting section looks after receipts and payments. It is responsible for collecting fees from the clients and making payment of media bills through the media section.
- (c) **Finance:** the finance section deals with internal budget, cash flow, develop investment plans. It also makes analysis of profit and loss statements.
- (d) **Attracting New Business:** Although growth often comes from increased billings of existing clients, yet it is always advisable to look in for new clients. The ad agency can directly approach new clients by making a formal presentation or can get new business through indirect contacts.

TYPES OF ADVERTISING AGENCIES

Ad agencies can be classified by the range of services they offer, the types of business they handle, the geographic location of the agency, the size of the agency, and so on.

1. **Full-Service Agency:**

A full-service ad-agency provides a **range of advertising and marketing services**. A full-service agency provides services that are directly related to advertising such as copywriting, artwork, production of ads, media planning, etc.

2. **Modular Agency:**

A modular agency is a full-service agency that sells its services on a **piece meal basis**. Thus, an advertiser may commission an agency's creative department to develop an ad campaign while obtaining other agency services elsewhere.

3. **Creative Boutique:**

It is a shop agency that provides only creative functions and not full-service. The specialised creative functions include copywriting, art work and production of ads. They charge a fee or percentage of the media expenditure. Creative boutiques find it very difficult to survive in the presence of full-service agencies.

4. **Global and Local Agencies:**

Agencies can also be classified as global and local agencies. The global agencies have branches or offices worldwide. For instance, WPP Group, and O&M have offices in over 100 countries across the globe. The global companies mostly cater to the ads of multinational firms.

5. **Mega Agency:**

A significant development of the 1980's is the development of mega agency. Agencies worldwide merge with each other to serve their clients in a much better way. It was in 1986, Saatchi & Saatchi, a small London based agency which started the movement and became the No. 1 ad agency in the world in 1990.

6. **Media Buying Agency:**

A number of ad agencies have set up subsidiary media buying agencies. The media buying agencies perform the following:

- Buys space / time slots from media owners and sells the same to the advertisers.

- Schedules slots at different television channels and radio stations.
- Checks whether the ad has been printed / telecasted at opted time and place or not.

7. **Specialist Agency:**

There are some agencies which undertake advertising work only in certain areas. There are agencies that specialize only in financial services. Agencies that advertise financial services products operate in a tightly regulated market, so their ads must comply with the current legislation. Sobhagya Advertising Agency in India concentrates or specializes in financial advertising.

8. **Interactive Agency:**

Interactive agencies offer a mix of web design, internet advertising and marketing, and such other services. Today, the most successful interactive agencies are defined as companies that provide specialized advertising and marketing services for the digital space.

The recent boost in the interactive agencies can be attributed to the rising popularity of web-based social networking and community sites such as Facebook, Twitter, LinkedIn and YouTube. Some interactive agencies are offering personal and corporate community site development as one of their service offerings.

9. **B2B Advertising Agency:**

The business-to-business ad agency specializes in advertising products to a business, as opposed to consumer audience.

B2B agencies are familiar with B2B marketing and design ad campaigns especially for internet or business journals. They help their clients to secure the customers and assist them in developing customer relationships.

10. **In House Agency:**

Companies which prefer to have closer control over advertising have their own in-house agency. This agency is owned completely by the advertiser. It performs almost all functions that an outside advertising agency would perform and that's why some people refer to it as full-service advertising department of the advertiser.

The main difference between an in-house agency and an in-house agency and an advertising department is that the in-house agency can undertake to serve several other clients, if the parent company so desires, but an advertising department solely undertakes the work of its firm and not of outside clients. Secondly an advertising department may not be equipped with the personnel and facilities which an in-house agency would possess.

Advantages:

- (a) In-house agency not only provides control over advertising schedule and costs, but also offers convenience for its owner, because it is just available in the same building as that of the head office of the advertiser.
- (b) Such in-house agency also benefits the owner as it can bring revenue through agency commissions that are offered by the media and by way of fees that are

collected outside parties for undertaking their advertising work. Such revenue increases the funds and profits of the Company.

- (c) Another major advantage is that the advertiser's own personnel have control over and knowledge of marketing activities such as product development and distribution strategies.

Disadvantages:

- (a) The in-house ad agency often lacks the breadth and depth of expertise available in an external agency.
- (b) The personnel of the in-house agency may be lethargic as compared to the enthusiasm generated by the personnel of an external agency to keep the client happy by producing quality and effective advertising work.
- (c) The in-house agency people may lack objectivity, which may affect the quality of advertising programmes.

AGENCY SELECTION CRITERIA

Selecting the right type of advertising agency is a very difficult choice. The advertiser should make a list of all possible agencies that can serve his purpose and the agency best qualified to provide the required and effective services is selected.

Following are the factors that should be considered while selecting an advertising agency:

- 1. Services Offered:**
The very important consideration in the choice of the advertising agency is the requirements of the advertiser as to the services in respect of advertising and non-advertising.
If the agency is well equipped to meet the requirements of the advertiser, then such agency can be selected.
- 2. Location:**
The location of the advertising agency is of prime importance preferably the office of the agency should be located within the same city where the head office of the client is located. Advertising problems can be done quickly and economically, if the office of the agency is within easy reach of the advertiser.
- 3. Compensation:**
Now-a-days agencies charge for entire services. There is hardly anything free. The advertiser has to pay for the copy writing, art work and other services. The rates of various agencies are not standard and they differ from agency to agency. The advertiser must check on the rates before finalising the choice of the agency.
- 4. Personnel of the Ad Agency:**
One of the main factors to select an ad agency is the quality of personnel of the agency, especially, the creative personnel. The creative personnel of the agency include copy writers, art directors and others. The success of the advertiser's campaign largely depends on the quality of the creative department.

5. **Size of the Agency:**

The size of the advertising agency must be considered. The larger the size, the more it is preferred, however, at times, small is beautiful because a small agency may give more attention to its client's work. The client must consider the quality of personnel of the small agency, as the quality of services depends on the quality of personnel.
6. **Records and Reputation:**

The past record and reputation of the advertising agency in the field of advertising must be studied. The agency-client relationship, the client turnover, the success of other clients' campaigns, the implementation of the schedule, the follow up and such other factors must be looked into.
7. **Competitive Accounts:**

The advertiser should also find out the other accounts that are handled by the agency. In no case, the advertiser must select that agency which handles competitor's advertising, because there may be suspicion of getting poor facilities and second-hand treatment. Therefore, it should be wise to discard the choice of the agency that handles competitor's account.
8. **Media Connections:**

Some agencies do have better contacts with various media owners, such as the newspaper and magazine publishers, Doordarshan, Radio, etc.. For instance, as per the survey conducted by MARG, many companies perceive that Mudra Communications has better connections with Doordarshan than other agencies.

Agencies that have good media connections would be able to influence upon the media owners and can book prime time and space for their clients.
9. **Foreign Tie-ups:**

Firms may also consider the foreign tie-ups of the ad agency. For instance, a MNC may prefer an agency which has tie-up with reputed foreign agency. Nowadays, there is a growing trend to appoint the same agency to handle global advertising account.
10. **Other Factors:**

There are several other factors such as its experience, its history, its specialisation, etc., must be taken into account before selecting an advertising agency.

AGENCY COMPENSATION

Agencies can be compensated in the following ways:

1. **Agency Commission:**

Traditionally advertising agencies have been paid a percentage of the gross billing charged by media. The commission has been 15% of gross billing. If the agency pay media bills on time say within 10 days after running the ad, they are offered cash discount.

The agency commission can be illustrated as follows:

The gross billing is Rs. 1,00,000; Agency commission 15%

Particulars	Rs.
Gross Billing charged to client by Agency	1,00,000
Less: Payment made to Media by Agency	85,000

	15,000
	=====

2. **Agency Charges:**

There are other out-of-pocket costs to the agency beside the cost of space or time. An agency may have to buy finished artwork, comprehensive layouts, television and radio storyboards, etc.

The agency may also pay for printing plates, filming TV / Radio Commercial etc.

3. **Agency Fees:**

Agency income is also derived from the fees it charges. In a fee system, the advertiser and its agency negotiate a flat sum to be paid to the agency for all work done. The agency estimates the cost (including out of pocket expenses) of serving the client plus a desired profit or service. This total is submitted to the client who either accepts it or negotiates for a lesser amount. Negotiations continue until an agreement is reached.

4. **Cost-Plus System:**

Cost-plus system is mostly used when media billings are relatively low and a great deal of agency service is required by the client. For instance, the client may develop a new product for the market. In such a situation, the client may require additional services of the agency, which were not agreed upon earlier. This may include preparing brochures, catalogues and other non-commissionable marketing activities.

5. **Bonus / Incentives:**

The client may also give bonus or additional incentives to the agency, which were not agreed upon earlier at the time of contract. This is especially when the ad campaign has met with good success at the market place. Since, the client earns a good profit due to the effectiveness of the ad campaign, the client may reward the agency with additional incentives.

AGENCY AND CLIENT

MAINTAINING AGENCY - CLIENT RELATIONSHIP

When a new client signs up with the agency, he should be treated with utmost respect. His advertising programme must be planned and executed effectively. At the same time, the client should maintain good relations with the ad agency; to motivate the agency to put in the best efforts in creating a good and campaign.

The agency-client relationship is always a give-and-take relationship.

1. **Mutual Trust and Respect:**

The agency and the client must have concern for each other:

The agency must not disclose nay sensitive information of the client to a third party, including the competitors of the client. The client must not divulge the terms and conditions of the contract to others.

2. **Meetings:**

Regular meetings between the client and agency representatives must be held to ***chalk out plans and to resolve certain problematic issues***. The ad agency must take the initiative to hold regular meetings.

Meetings may be held to discuss the modification in the ad campaign, change in media-mix, revision in advertising budget, etc.
3. **Renewal of Contract:**

Both the parties may agree to renew the contract. Each party must not put unreasonable demands on each other. The agency must not demand unreasonable fees from the client, especially, when the previous campaign met with success. At the same time, the client must agree to reasonable terms of the agency. The client must also not change the agency for the sake of change.
4. **Rapport:**

There should be a good rapport between the representatives of the agency and that of the client. The representatives must get with each other effectively. ***Many experts consider that personal chemistry between the client's and the agency's staff is the most crucial factor in the success of an ad campaign.***

The '***wine and dine culture***' works well in cementing agency-client relationship.
5. **Sorting out Differences:**

The agency and the client must clear any misunderstanding or differences at the earliest. For instance, there may be misunderstanding relating to agency compensation. The agency must sort the differences with the client. Compensation agreement needs to be signed with clear terms and conditions.
6. **Sharing of Success:**

The credit of the success of the ad campaign goes to the agency as well as to the client. The agency gets the credit for designing innovative and effective ad campaign. When the campaign becomes a success, the client must reward the agency with additional incentives.
7. **Proactiveness:**

The ad agency and the client must be proactive to make the ad campaign successful. Proactiveness on the part of both the parties may lead to innovative and effective campaign.

The client must also be proactive to provide up-dated information to the ad agency whenever possible so that the agency comes up with effective advertising campaign.
8. **Payment on Time:**

The client make payment on time of the fees due to the ad agency. To maintain good relationship, it is always advisable to make payment on time rather than waiting for the other party to send a reminder.
9. **Avoiding Pressure Tactics:**

The client must avoid pressure tactics on the ad agency to complete the advertising work. The client must give adequate time to the ad agency to plan,

prepare and place the ads in media. If the client adopts pressure tactics, the ad agency may not be able to do justice to client's advertising, which may spoil the relationship between the two parties.

10. **Services on Time:**

A proper schedule for implementing the ad campaign must be agreed upon by the ad agency and the client. ***The agency must make every possible effort to plan and execute the ad campaign on time.*** Undue delays must be totally avoided.

REASONS OF CLIENT TURNOVER

Client turnover is a situation that arises when an existing client leaves the agency and joins another agency. At the same time new client may contract with the agency. Generally, client turnover refers to leaving of clients.

1. **Inadequate Services:** When the advertising requirement increases and if the present agency cannot satisfy the client with additional required services, the client will contract with some other agency who can provide the advertiser with adequate services and facilities.
2. **Dissatisfaction:** The client may be dissatisfied with the service and treatment received from the agency. In such circumstances, the client terminates the contract with the agency and joins some other agency.
3. **Changes in Personnel:** Changes in the creative personnel of the agency may cause concern to the client and he may follow the creative people to another agency. Also changes in the agency personnel that serve client may also result in client turnover.
4. **Change in Location:** A change in the location of the agency's office may lead to client turnover. Again when there is a change in the location of client's sales or head office may also lead to client turnover.
5. **Poor Advertising Campaign:** When the advertising campaign fails to achieve desired objectives or response from the audience, the advertiser may feel that his campaign is not properly handled by the agency and he may switch over to another agency for his further advertising campaigns.
6. **Higher Rates:** If the advertiser feels that the present agency bills high rates, the client may have some reason to contract with another agency.
7. **Reputation of a New Agency:** When a new agency with highly creative people enters the advertising scene, the client may be tempted to contract with the new agency.
8. **Differences in Opinion:** When there is a difference of opinion between the agency and the client, then it may block their relationship.
9. **Change for the Sake of Change:** At times, some clients change the agency for the sake of change. Divorce is frequent with such clients.

10. **Competing Account:** Client may change an ad agency when it represents a client's competitor without the client's consent. For instance, when Saatchi & Saatchi bought Ted Bates Agency in 1986; Baes lost Colgate-Palmolive account because of the conflict with Saatchi & Saatchi's client Procter & Gamble.
11. **Withdrawal of Product from Market:** The advertiser may withdraw the product from the market and as such there are may be no need of advertising agency for that line of product.

WAYS OF AVOIDING CLIENT TURNOVER

An ad agency must make every effort to avoid client turnover. This is because; client turnover results in loss of business, and also affects the corporate image of the ad agency.

The following are the ways of avoiding client turnover:

1. **Respect to the Client:**

The ad agency must develop trust of the client and show utmost respect to the client. The agency must not disclose any sensitive information of the client to a third party, including competitors of the client. The agency must not take up advertising work of the client's competitors.

2. **Right Compensation:**

The agency must ask for right compensation from the client. The agency should not put unreasonable demand for increase in compensation. Whenever, there is a success of the ad campaign, the agency may be tempted to ask for a hike in compensation. This may indicate that the agency is greedy, and there are chances for the client to leave the agency.

3. **Credit to the Client:**

The agency must give due credit to the client. Whenever, there is a success of the ad campaign, the credit goes not only to the agency but also to the client. The client gets the credit for providing timely information to the agency regarding the objectives of advertising, the product, the target audience, and other related information.

4. **Sorting out Differences.**

CREATIVE PITCH

Creative pitch refers to **presentation by ad agency to a client** to secure ad account. The creative pitch emphasizes on creative advertising strategy to be followed by clients (advertisers) to achieve advertising objectives.

Nowadays, ad agencies undertake presentations with a creative pitch to get clients. When the ad agency makes a creative pitch, it makes the advertiser to judge the creative capabilities of the ad agency.

The steps in preparing and presenting creative pitch involve:

1. **Identify Prospective Clients:**

The ad agency may locate the clients who are in need of advertising services. Sometimes, the clients directly approach advertising agencies for their

advertising requirements. In case of large public-sector undertakings, they may insert advertisements inviting ad agencies to make a creative presentation.

2. **Meeting with the Prospective Client:**

The ad agency may hold a preliminary meeting with the client to discuss the client's requirements in terms of creative advertising services or any other services required in relation to integrated marketing communication (publicity, public relations, sales promotions, etc.)

At times, the client may not be in a position to communicate clearly about his requirements.

3. **Preparation of the Brief:**

The ad agency must prepare a brief. The brief can be obtained from the client at the preliminary discussion. Even if the client hasn't provided the brief, it is always advisable to prepare a brief of the ad project. A brief makes clear the client's objectives.

The advertising agency must list out the objectives of advertising in order to make advertising effective. Depending upon the product, competition, customer, an advertising agency may list out the advertising objectives.

4. **Selection of Pitch Team:**

The ad agency needs to select the pitch team to make a presentation to the client representatives. Generally, two or more team members must be present during a pitch.

The pitch team may include creative director, media director, account director.

5. **Prepare an Outline of the Pitch:**

The advertising agency makes an outline of the pitch like a story board for a film – series of frames. The creative person must write the story to achieve objectives of advertising. The pitch may include the headline, the slogan, and other elements of the ad.

6. **Rehearsals:**

The rehearsals should be done before the final pitch. The rehearsal team must focus on the keywords of the ad campaign such as the headline and the tagline. After a few rehearsals, the pitch team will be able to create sentence patterns and strings of words that best articulate the proposed ad campaign.

7. **Presentation of the Pitch:**

The advertising agency makes the presentation with special emphasis on the central idea of the campaign. The ad agency must make sure that the ad campaign is creative, clear and convincing. The ad agency must make the presentation as simple as it can be.

8. **Follow-up:**

The advertising agency may follow-up the creative pitch to find out whether it has bagged the client's account or not. The ad agency must take the initiative to contact the client to know the outcome of the presentation.

9. **Additional Presentation:**

Now-a-days clients invite advertising agencies to make creative pitches and the most effective or convincing pitch is selected. The client may short list two or three ad agencies that have made the presentation. The client may hold discussion with the short-listed ad agencies and may ask them to make an additional presentation.

10. **Signing the Ad-Contract:**

If the advertiser (client) is satisfied with the presentation, the contract, of ad campaign will be assigned to the most effective ad agency. Once the ad agency secures the account, both the parties (advertiser and the ad agency) need to ink the ad contract. The contract must state clearly the terms and conditions.

CREATIVE PITCH

SKILLS REQUIRED FOR CAREER IN ADVERTISING

Every profession including advertising needs appropriate skills to be successful. Advertising people need a several skills to be effective and successful not only in the short-term but in the long-term as well.

1. **Conceptual Creative Skills:**

Advertising people, especially, the copy writers, and art work people. Conceptual skills enable people to visualise, analyse, and understand the various aspects of problems or situations.

The copywriters and art directors must have good visualisation skills. Visualisation refers to creative imagination of ideas, which are transformed into effective advertising message.

2. **Communication Skills:**

Advertising people, especially, the creative people (copywriters and art directors) need good amount of communication skills. They should know:

- What to communicate
- When to communicate
- Whom to communicate
- How to communicate

3. **Human (People) Skills:**

It refers to *interpersonal* skills. Human skills are required to lead, to communicate, to motivate, to develop team spirit, and most of all to work with people in a team.

Many experts consider that personal chemistry between the client's and the agency's personnel is the most crucial factor in the success of the ad campaign.

4. **Stress Resilience Skills:**

There are deadlines and work pressures. The advertising people have to work for long hours even during the weekends. Clients want the advertising to be completed '*day before yesterday*'. There is no tomorrow in advertising. This means there are *deadly deadliness*.

Resilience is the process of adapting well in the face of adversity, trauma, tragedy, threats or significant sources of **stress**.

5. **Time Management Skills:**

Every professional requires effective time management skills. Time management skills enable the advertising people in timely completion of ad campaign, and other related activities.

Advertising people must give priority to certain activities.

- What is important and urgent must be given the first priority.
- What is important but not urgent must be planned and executed at a later date.
- What is not important but urgent can be delegated to others.
- What is not important and not urgent can be dropped completely.

6. **Problem Solving Skills**

Advertising is a complex puzzle, which has no right or wrong answers, but there are many possible solutions to ad problems. Therefore, ad people must have right problem-solving skills to solve the puzzle and to create and implement effective advertising.

7. **Persuasion and Negotiating Skills:**

Advertising people must have a good deal of persuasion and negotiating skills. Persuading refers to convincing effectively to accept what you say or what you offer. The more persuasive you are, the more successful you will be in the field of advertising and marketing.

8. **Leadership Skills:**

The advertising managers in an ad agency must be good leaders as well. They should lead by example, and motivate the subordinates. They must have good leadership qualities such as discipline (application and dedication), honesty, punctuality, effective personality and so on. The leaders need to follow the right leadership style depending upon the situation.

9. **Administrative Skills:**

The top managers in an ad agency must have good administrative skills:

- They must have the skills to frame right **plans and policies**.
- They should be able to **organise resources and direct** the subordinates to implement the various activities.
- They should be able to **coordinate activities** of various departments.
- They must have the skills **to monitor the performance** of the employees, and to take **corrective measures**, if required.

10. **Decision Making Skills:**

Advertising executives need to make decisions regarding selection of media, selection of models or brand ambassadors, the timing of the ads, the amount of ad budget, etc. For the purpose of decision-making, ad executives need to:

- Collect the right information.
- Analyse the information
- Make systematic decisions

11. Other Skills:

There are several other skills, which are required by ad executives:

- Presentation skills.
- Critical thinking skills.
- Team building skills.
- **Conflict resolving skills, etc.**

CAREER OPTIONS IN ADVERTISING

Throughout the world, advertising continues to be one of the most *sought-after careers*. Graduates or post-graduates (including MBA) with good knowledge of mass media, graphics, software, statistics, advertising and salesmanship, can hope to start a career in advertising and related areas. Some of the career options in advertising related areas are:

I. ADVERTISING AGENCY

All over the world, advertising continues to be one of the most *sought-after careers*. Graduates and even undergraduates with diploma in computers, secretarial course, art-work etc., can hope to start career in advertising.

Advertising Agencies: The agencies are the most visible face of advertising, and the natural first choice of someone planning a career. In an *ad agency*, one can try out in the following areas:

1. **Copywriters:** Candidates with good communication skills stand a fair chance to be copywriters. One needs a good background of literature and business communication. Intelligence, visualising power and creative thinking are good qualities required by copywriters.
2. **Artists:** Agencies also employ a good number of artists on regular basis and on contract basis. Candidates with a diploma and / or natural talent in art work can qualify for the job of artists.
3. **Visualizers:** Today, visualising has become a specialised function. Those who can generate creative ideas can qualify for the job of visualising.
4. **Production Work:** The production department looks after the mechanical production of the ads. This includes typo-graphing, photoengraving, printing, etc. Normally actual production is undertaken on job or contract basis. However, there is lot of administrative work in the production department, to monitor final production of the ad.
5. **Account Executives:** A very important job is handled by account executives. They act as liaison between the client and the agency. Their job is to keep good client relations.
6. **Media Planners:** They look after the planning and selection of media, booking time and space in the media and preparation of ad budget. Commerce graduates with computer background and / or knowledge of statistics do stand a fair chance of getting the job of media planners.

7. **Research:** The agency also needs marketing research staff. Candidates with good knowledge of statistics and psychology are generally preferred.
8. **Management & Finance:** There are number of other jobs, such as office management, accounting and finance. Commerce graduates, with management background are preferred.

II. ADVERTISING MEDIA

The media employs large numbers of people to work in their advertising departments. **Selling time and space** and monitoring the running of advertisements could be the major jobs.

Audience or readership research could be another major function. One can do liaison work with sponsors, advertisers, or ad agencies. Some media companies provide marketing service to advertisers.

At present, media industry is not restricted to one field. Instead, it includes broadcasting – television, radio, online media, and print media – newspapers, magazines, books, journals, etc. All the fields have witnessed incredible growth.

III. SUPPLYING / SUPPORTING FIRMS

(A) **PRODUCTION HOUSES**

Production houses undertake the production of ads, films, serials, documentaries, etc. Some of the production houses include SRK Productions, Balaji Tele Films, Yash Raj Film Studio, Galaxy, Sai Production, Prime Focus, Lemon Tree and several others.

(B) **MARKET RESEARCH**

Market research involves collection, and analysis of data about market and customers to take marketing decisions, including advertising decisions. Market research has various elements including customer analysis, competitor analysis, risk analysis, product research, advertising research, etc.

Candidates who have the ability of interacting with people can develop career in the field of research. Candidates can join any organisation (that conducts market research) as research director, market research manager, market research executives, market analyst, and so on.

(C) **PRINTING**

The Indian printing industry experienced a major technology upgrade in the late 1990s with the electronics and InfoTech revolutions completely changing the image and profile of the industry.

Job opportunities are plenty for qualified diploma holders as the printing industry is growing all over India with Mumbai alone having about 500 to 600 printing houses and more than 100 processing units. Among the major employers are advertising agencies, the media, and print companies. The largest employer is the government which has printing presses across the country.

(D) **GRAPHICS AND ANIMATION**

Graphic designing is a process of communication through visuals. A graphic designer uses words, images, videos, pictures and graphics to convey any idea or message to the audience. A professional graphic designer creates a layout

and design for any print media organization – newspaper, magazine, journal and any other publications.

The task of designing logos for businesses and products, packaging, brochures, leaflets, banners and other promotional displays are considered to be part of a graphic designer's job. A graphic designer is expected to have proficiency in drawing, layout designing, typography, lettering and diagramming.

Animation industry in India is growing at a fast pace. Animation is emerging as a vital component of computerized games, video technology, big-budget and feature films. The animation industry has got a boost due to the convergence of the Internet and media technologies. Visualization and audio techniques are increasingly being used to interact and produce sophisticated computerized games, ad films, and motion pictures.

Animation film making involves putting together a sequence of drawings, each slightly different from the preceding one in such a way that even filmed and run through a projector, the figures in the drawings, seem to move. The stream of communication design is used to make cartoon films, for delivering social messages, and for the production of ad films.

(E) **MODELING**

Models in advertising promote products or services, so as to create interest on the part of target audience. The goods promoted by models include household items, food items, health tonics, personal care items, etc. The information provided by models facilitates consumer buying decision.

Models may be asked to do a combination of things, where they may pose for photographs, and catalogs, participate in commercials. Some models especially super models attain celebrity status, at which point their popular image is often used to sell a vast array of products and services.

Models can be shown in any media.

(F) **VOICE OVER - DUBBING**

A voice-over artist is a person, who lends his / her voice to complement visuals being telecast on the screen. Voice-over can be considered as off-camera commentary. It is a technique wherein voice is modulated in order to be broadcast along with the visuals of the tele film, documentary, advertisement, television serial or news. Radio also makes use of voice-over artists to convey important messages.

The person needs to take care of proper synchronization of lip movement, pitch of the voice, tone as well as silence, in accordance with the gestures and body language of the character. He / she would be capable of conveying all the emotions through his voice and create perfect sync with the visuals. In short, a voice-over artist should be a good voice modulator.

Career Prospects: There are ample opportunities for a good voice-over artist. He / she can provide his / her voice in video and radio programs, documentaries, presentations, jingles for advertisements, sports, phone software, multimedia and news. Media channels and production houses are always in search of good voice-over artists. One can utilise the talent by working as a narrator or a dubbing artist. A person with good voice modulation can even try radio jockey as career option. Radio constantly looks for good announcers. Documentaries are always open for talented voice-over artists.

FREELANCING AS A CAREER OPTION IN ADVERTISING

Freelancing is a good option for persons wanting to earn a flexible income and to work from home. The popularity of freelancing stems from the fact that it allows you to work at your own time and pace and place.

In advertising, freelancing can be done for copywriting, artwork (including graphics and animation), filming the ad, ad research, and so on.

Freelancing is a good choice for those of you who do not want to be bound by one boss and a monotonous job.

Following are some tips that will open doors to a host of freelancing opportunities:

1. **Discover your area of interest and proficiency:** Before making a start at freelancing, identify your area of interest as well as expertise. Many of you are capable of penning down your thoughts well. You can consider being freelance copy writing as an option. Freelance photography or filming is also an excellent option. Some may be god at research work.

2. **Approach the right people:** After having identified the area you want to get into, it is important to let people know about it. It is only through adequate networking that you get freelancing opportunities. It takes a lot of patience to do so but once you made the right contacts, you get good opportunities.

To be a freelancer, it is very important to promote yourself outside. This can be done by contacting the ad agencies where your friends or relatives work.

3. **Use Social Media:** Social media is also a great tool for networking. Social networking sites like Twitter, LinkedIn, YouTube and Facebook are very popular and can be used to find opportunities. Set up your account, make contacts and interact with them. You may be able to attract firms looking for freelancers.

4. **Emailing:** You can get in touch with multiple companies direct through e mails. You can compose a message to them, write about what you are looking for and send it. You may also compose some headlines or taglines for certain products and mail it to them. This is a quick and easy way of contacting professionals.

5. **Search Online:** Using search engines on the internet is one of the most common ways to find companies hiring freelancers. The internet will give you a list of places you can consider working for.

Now-a-days, organisations create websites which offer such opportunities.

6. **Price Your Service:** Since your services are valuable, you must take to price it appropriately. Learning to make money is a core freelance skill. One of the basics while pricing is to know your experience and level of expertise. As a beginner, you would be expected to charge slightly lower rates but as you go higher up in terms of experience and work, you can gradually increase the rates. Always think long-term while pricing your services.

India's leading advertisers in 2013 by Media Spend

1. Unilever India – Lux, Surf, Dove, Axe
2. Procter & Gamble – Ariel, Gillette, Oral-B

3. Samsung
4. GlaxoSmithKline – Boost, Crocin, ENO, Iodex
5. Cadbury – DairyMilk
6. Aditya Birla Group – Idea, Grasim, Ultratech Cement
7. ITC – Mangaldeep, Savlon, Fiama, Sunfeast
8. Tata Motors
9. Reckitt Benckiser – Dettol, Harpic, Mortein
10. PepsiCo – Pepsi, Mirinda, Lipton Tea, Starbucks

OBJECTIVES

A. Select the most appropriate option from the bracket and rewrite the statements:

1. In India, ad agencies get accreditation from _____ (INS, AAI, IMRB)
2. Generally, ad agencies get commission from media of _____ percent. (10, 15, 20)
3. Creative pitch is prepared by _____ to secure advertising account. (advertiser, salesforce, Ad agency)
4. _____ agency provides services on a piece meal basis. (In-house, Modular, Mega)
5. _____ agency provides all advertising services to the client. (Full service, Creative boutique, Specialist)
6. _____ agency operates like an ad department of an advertiser. (Full Service, Global, In-house)
7. _____ is the official recognition given to an ad agency to conduct business on professional basis. (Compensation, Client Relationship, Accreditation)
8. An advertising agency is an _____ organisation composed of creative people. (Independent, dependent, supporting)
9. _____ department looks after scheduling of advertising production in an ad agency. (Media, Traffic, Production)
10. _____ agency is formed after a merger of two or more large agencies. (Specialist, In-house, Mega)

Ans: (1) INS (2) 15 (3) Ad agency (4) Modular (5) Full service (6) In-house (7) Accreditation (8) Independent (9) Traffic (10) Mega

EASY TYPE QUESTIONS

1. Explain the features of ad agency.
2. What are the factors to be considered in selecting an ad agency?
3. Explain in brief the various career options in an ad agency.
4. Discuss the various skills required to develop career in advertising.
5. What are the different ways of maintaining agency-client relationship.

3. ECONOMIC AND SOCIAL ASPECTS OF ADVERTISING

ECONOMIC IMPACT OF ADVERTISING

Advertising does have impact on various economic issues. It affects the value of the products, the price of goods and services, the competition in the market, the business cycle and the consumer choice. The economic impact of advertising is explained as follows:

1. **Effect on the Value of Products:**

In Consumer's mind advertising can give added value to the brand.

By making the product better known, advertising can make the product more desirable by the consumer. That is why people have more faith and confidence in advertise brands.

2. **Effect on Profits:**

Advertising may lead to higher demand. Higher demand leads to large scale production and distribution. The large-scale production and distribution bring economies of scale. Therefore, the profits of the firm may increase on account of economies of scale.

3. **Effect on Prices:**

Some advertised products do cost more than unadvertised products, but the opposite is equally true. This is because; when advertising leads to increase in demand, producers go for large scale production and distribution. As such, they get economies of large-scale. These economies are passed on partly to the consumers in form of reduced prices.

4. **Effect on Product Life Cycle:**

Advertising may extend product life cycle. For instance, due to heavy advertising, the growth stage may get extended. For instance, Colgate Palmolive with its heavy advertising have extended the growth stage of its toothpaste brand in India.

5. **Effect on Production Costs:**

Advertising has an *indirect* effect on production costs. Due to advertising, the firm may get higher demand, which may lead to economies of large scale production. Thus, the cost of production per unit may decline.

6. **Effect on Distribution Costs:**

Advertising has a *direct* effect on distribution costs. Advertising generates demand, which leads to increase in production, and consequently increase in distribution. The increase in distribution may lead to economies of large scale distribution. Thus, the distribution cost per unit may decline.

7. **Effect on Consumer Demand:**

It is true that the promotional activities including advertising g affects consumer demand. But, it is also true that many social and economic forces like

technological advances, increase in educational level, changes in lifestyles etc., are equally significant to affect consumer demand.

8. **Effect on Competition:**

Some critics are of the view that advertising restricts competition, because small firms or newcomers find it difficult to compete with the huge advertising budgets of large firms. However, advertising by big companies often has only a limited effect on small business firms, because a single advertiser is rarely large enough to dominate the whole market.

9. **Expansion of Markets:**

Advertising helps to expand the markets. For instance, a local advertiser may expand to regional markets and from regional to national and international markets. For instance, Rohit Surfactants Limited, a Kanpur based Company that started in 1987 on regional basis, now sells in national markets its famous brand of washing powder '*Ghari*' – now market leader in India.

10. **Effect on Economic Growth:**

Advertising increases economic growth of a nation. Effective advertising may lead to higher demand. Increase in demand leads to higher production of goods and services. Increase in production leads to higher GDP or economic growth of a nation.

11. **Effects on Standard of Living:**

Advertising may lead to higher standard of living of the Society, which is stated as follows:

(a) Effective advertising generates higher **demand** for products.

(b) Increase in demand leads to higher **production**.

(c) Higher production increases **employment** opportunities.

(d) Increase in employment results in increase in **purchasing power**.

(e) Increase in purchasing power enables people to increase **consumption** of new and better goods and services.

(f) Consumption of new and better goods leads to **higher standard of living**.

12. **Effects on Brand Image:**

Advertising creates impact on brand image. Due to heavy advertising, customers' perception about the brand changes. Customers develop a favourable perception or brand image of the brand that are frequently advertised.

13. **Effect on Brand Loyalty:**

Advertising also leads to brand loyalty. The repetitive advertising creates '**top of mind**' awareness, which initially leads to trial purchase in the case of FMCG products. If the customer are satisfied, they may go for repeat purchases and may even recommend the brand to others.

14. **Effect on Consumer Choice:**

Advertising generates competition in the market. To compete effectively, business firms come up with new brands and modify and improve the existing ones. Therefore, one comes across several competing brands of varied products

in the market. Therefore, it can be concluded that advertising gives consumers wider choices.

EFFECT OF ADVERTISING ON CONSUMER DEMAND

Advertising can have a range of impacts on consumer demand for a product or service. An advertising campaign can have different influences on demand, depending on its target audience. Effective advertising aims at influencing customers to purchase the advertised brand.

1. **Primary and Selective Demand:**

Advertising can create primary demand for generic or new products. For instance, an ad may provide information and make people aware of the benefits of generic products, which may increase primary demand. For example, the Tea Board may advertise to consume more tea by highlighting the benefits of tea.

In competitive markets, advertisers can create selective demand, i.e., demand for a particular brand. To increase selective demand, advertisers may highlight special features of their brand. For instance, Tata Tea advertises to increase demand for Tata Tea brands.

2. **Evolving Experiences:**

Effective advertising creates an emotional experience for the consumers that induce them to increase demand for the advertised brand. For instance, a health drink ad which dramatizes fit and fine or healthy people may induce existing consumers (occasional users) to increase the demand for that health drink. The ad may also induce non-users to buy the advertised product.

3. **Social Media and Demand:**

Social media may also help the advertisers to increase the demand for their products. Online audiences have a more direct and interactive experience with marketers.

Social networks such as Facebook, LinkedIn, Twitter, Whatsapp, etc., can help to increase demand for goods. People may provide review or comments of the products which they have purchased and used. If the reviews or comments are very positive and convincing, other people may also go for purchase of such product. Therefore, it is vital for the advertisers to create a favourable impression on the minds of the people so that they comment favourable on the social media.

4. **Professional Advertising:**

Some business firms depend largely on professional people to increase the demand for their products. Therefore, advertisers must undertake professional advertising or influence the professionals by personally approaching them for their recommendations.

The professional advertising is undertaken to influence the professionals like doctors, engineers, professors, architects, and others. If the professionals are convinced, they may prescribe or recommend the brand. Such recommendations help to increase the demand for the brand.

5. **Creativity in Advertising and Demand:**

Advertisers need to come up with creative ads to influence and induce people to buy the products. Creativity is an on-going process. For instance, Amul Butter comes up with creative ads based on current events. Such ads act as a reminder to existing buyers to continue using the brand, and on the non-users, the creative ads create 'top of mind' awareness, which may influence the demand for the brand from non-users.

6. **Effect of Advertising on Competition and Demand:**

Advertising may stimulate increase in competitive activities. Advertising makes competitors active and alive. Due to stiff competition, the competitors may come up with sales promotion techniques such as special discounts, free samples, gifts, extended warranties.

The competitors may be forced to come up with new brands with innovative features, and improve the quality of existing brands.

7. **Demand from Market Segments:**

Demand can be increased from certain segments of the markets by creating a new ad campaign that suits or influences the specific type of market segment. For instance, young adults are influenced by pop music, and therefore, the advertiser may use pop music in the ads to influence the young adults. If the advertisers want to influence senior citizens, who may be influenced by classical music, the advertiser may use classical music in the ads to influence them to make a buy decision.

8. **Temporary Increase in Demand:**

Advertising may help to increase the demand temporarily. For instance, if a firm wants quick infusion of cash or wants to quickly liquidate old stock to make room for new stock, advertising can come to the rescue of the firm. The firm may advertise for special time-bound incentives, such as special discounts. The ad may state the last date on which the incentive offer ends to create a sense of urgency amongst the buyers. The buyers may take advantage of the offer, thereby, increasing the demand for the firm's brand temporarily.

9. **Increase in Specific Product's Demand:**

A firm having a broad product line and usually advertises the business in general, rather than specific goods or services; the firm can increase the demand for a specific brand through specific brand's advertising. For example, if a firm wants to increase the demand for a specific brand of toilet soap, it may focus its advertising effort on only that specific brand. In such a case advertising may be able to increase the demand for that specific brand.

10. **Advertising and Decrease in Demand;**

Advertising may lead to decrease in demand or sales. If advertising gets backfired, the firm may lose the demand in the market. For instance, controversial ads may lead to decrease in demand. Also, if the brand ambassador does something of disrepute, the sales of the endorsed brand may decrease. Poor brand extension may also affect the demand for the flagship brand of the Company.

EFFECT OF ADVERTISING ON MONOPLOY AND COMPETITION

Monopoly means a complete or a very substantial hold over a market in respect of one or more products by one seller. Critics, often claim that advertising contributes and strengthens brand monopolies by reducing the opportunity for new products to enter the market, whereas, supporters of advertising assert that advertising helps to face competition.

Critics of Advertising:

Some even claim that big advertisers drive out small-scale advertisers by achieving economies of large scale. They cite the examples of those very large advertisers who have the strongest positions in the market.

- ***The large company has the power of the large purse, which enables it to spend substantial sums on advertising, particularly to implement varying degrees of product differentiation which enables a company to pre-empt part of a market.***
- ***Advertising thus creates a barrier to new firms entering an industry or a product market.***
- ***The result is high economic concentration.***
- ***Because of their protected position and because of product differentiation these firms can charge monopolistic prices which are too high. Moreover, they can recover the cost of the advertising by charging higher prices.***

Thus, it can be concluded that advertising need not develop monopolies, but it can be used creatively to generate competition in the market, and that huge advertising by existing firms need not act as an entry barrier for new players in the market.

EFFECT OF ADVERTISING ON CONSUMER PRICE

The Consumer price is the final price which the consumers pay for goods and services. The consumer price is comprised of:

- Production Cost
- Distribution Cost
- Profit Margin of the Seller

Advertising may help to reduce the production cost and the distribution cost per unit produced due to large scale production and distribution on account of increase in demand on account of advertising. The consumer price can decrease provided the seller passes on the benefits of large scale production and distribution (either partly or wholly) to the consumers, without increasing the profit margin.

Impact of Advertising on Production Costs

The cost of production is comprised of three basic costs-

- (a) Material Cost;
- (b) Labour Cost; and
- (c) Overhead Costs

Advertising is a selling and distribution cost and it does not form part of production cost. As such it will not add to the cost of production and hence, it will never increase the cost of production.

However, advertising may indirectly reduce or bring down the cost of production per unit produced (*assuming that the firm is operating below optimum production capacity*). This is possible, provided advertising generates demand upto the firm's optimum production capacity.

Advertising can lower the cost of production per unit produced can be justified from the fact that the overhead cost may remain the same upto the optimum point. The same idea could even apply to material and labour costs. Increased demand could make it feasible to install a labour saving machine and bring down labour cost per unit or it might enable buying raw materials in bulk instead of in smaller lots, thereby, getting the benefit of large scale purchasing.

Impact of Advertising on Distribution Costs

Selling and Distribution costs generally includes –

- (a) Advertising;
- (b) Sales Expenses;
- (c) Other Distribution Costs, etc.

Since advertising is a part of selling and distribution costs, it will naturally add to the total selling and distribution costs. However, advertising may reduce the cost per unit distributed, provided *the benefit of large scale selling (due to advertising) is more than the amount spent on advertising*.

The above claim i.e. advertising can reduce the cost per unit distributed may be justified from the fact that the sales force required may remain the same, since advertising does the additional job of sales promotion. However, it may be noted that incentives of the sales force and other selling expenses may increase to some extent.

It is to be noted that distribution cost per unit sold will go up when the advertising costs are more than the benefits of large scale distribution.

Impact of Advertising on Consumer Price

It is observed from the above two tables that advertising brings in economies of large scale production and distribution to the manufacturer-advertiser.

In case the advertiser transfers these benefits to the consumer either in part or in full, then the consumer stands to gain as he has to pay a lower price than otherwise.

It is also to be noted that large scale production enables the manufacturer to go for **Research & Development**, which not only brings in new and improved products but also production takes place at reduced costs.

The seller partly transfers the benefits of economies of scale to the consumer.

It is to be noted that there will be no effect on consumer price, if the advertiser does not pass on the benefit of large scale production and distribution to the consumers. The consumer price will also increase, if the advertiser increases the profit margin, apart from enjoying the total benefit of large scale production and distribution.

ETHICAL ISSUES IN ADVERTISING

Ethics is a branch of social science that deals with moral principles and values. It differentiates what is good and what is bad. What is good should be followed and what is bad should be discarded or avoided.

There are various ethical issues in advertising ranging from the question of validity of claims made in the ads to the matter and manner of presentation. Often vital issues are raised such as:

- Advertising of harmful products,
- Advertising to children,
- Ads in poor taste,
- False claims made in the ads,
- Excessive use of exaggeration,
- Unhealthy brand comparisons,
- Use of Testimonials, etc.

Although advertisers face ethical regulations, every issue is not covered by a clear written rule. Many advertising issues, such as brand comparisons, use of personalities, statistical claims, degree of exaggeration, etc., are left to the discretion of the advertiser.

Advertisers must address themselves the following few questions:

- Who should and should not be advertised to?
- What should and should not be advertised?
- What should and should not be the content and tone of the advertising message?
- Where should and should not be advertised?

Forms of Untruthful Advertising

There are several forms of untruthful advertising practiced by unscrupulous and unethical advertisers such as:

1. **Exaggeration:**

Some advertisers make tall claims in their ads about their products. Tall claims are often made in case of detergents and washing powder, cosmetics and toiletries. For instance, you must have come across such ads of detergent powder claiming that it can wash whitest a dozen of clothes with just a teaspoonful powder. A good example of exaggeration is that of Colgate toothpaste "**No germs, no cavities**". The ad has been withdrawn as required by ASCI.

2. **Misuse of Testimonials:**

Testimonial is a statement given by a popular personality or any other person claiming the superiority of the brand. In fact, many advertisers pay handsome amounts of money to extract the statement from a personality even though he / she may not be the user of the product. Take the example of ads of soaps, cosmetics, foods products, etc. You will come across a personality praising the product so much, but in reality she / he must not have used the product at all.

3. **Pressure Tactics:**

Some firms use pressure tactics to persuade customers to buy the products or services. For instance, certain private institutions may state the last date for enrolment. After some days again they extend the last date and continue to do so to fool the students.

4. **Misrepresentation:**

You must have come across competing brands with similar names, such as **Lux Les, Bata and Bala, Sintex and Suntex**, etc. Also some sellers may state that their product is '**made as Japan**'. All this is done to fool the customers.

5. **False Statistics:**

There are also advertisers who make use of false statistics to substantiate the superiority of their brands. For instance one magazine stated '**One lakh copies already sold**' but hardly few copies may be actually sold. Also, unethical educational institutions – (Indian as well as foreign ones) – state fake statistics such as rankings, placements, etc. to induce students to join their institutions.
6. **Free Gifts, Discounts and Contests:**

You must have come across such ads as '**Pay for two and take three**' or **upto 50% discount or enter into a crossword puzzle** or some other contest **and win handsome prizes**. Most of such advertising is another trick to fool the innocent customers. Even if the advertiser gives free gifts, they may not be worth the name and if there is discount sale, the product may be damaged or of old stock or of inferior quality. And there are contests in which the decision of the judges is final in favour of their known contestants.
7. **Total Lies:**

There are also cases of advertisers presenting total lies in their ads to trick the customers. For instance, one ad said 'You can reduce your weight **'no dieting, no drugs, no exercise, no fasting**'. And some of those who responded to this ad landed in the hospital.
8. **Poor Taste:**

At times some advertisers present vulgar scenes involving sexual innuendo, nudity and double meaning. For instance, Rotomac Pens ad with the words "**Sub kuch dikhta hai**" was in poor taste. The ad had been withdrawn subsequently as directed by ASCI.
9. **Erroneous impressions:**

There are cases of erroneous impressions. For instance, there was an ad that said, '**Three yards of pure silk for a dollar**' and those who responded got three yards of silk thread.
10. **Claims of Winning Awards:**

Advertisers make claims that they have won international awards for their excellence in quality. They may have won such awards, but many a-times, the awards may be consolation ones. Again, the quality that they have presented may be far superior than what they sell in the local market.
11. **Unhealthy Brand Comparisons:**

Now-a-days, advertisers are engaged in unhealthy brand comparisons with the help of advertising. Such comparisons create problems and confusion for the right choice of products as far as audience is concerned. Examples can be cited that of Colgate toothpaste, and Pepsodent toothpaste.
12. **Surrogate Advertising:**

Some marketers who are not allowed to advertise their products in certain media undertake surrogate or back-door advertising. You must have come across ads for packaged water, music CDs, club glasses, cards etc., bearing the names of alcoholic drinks and cigarettes. However, there is debate on this aspect, as

supporters of advertising claim that there should be no restriction to advertise products like alcoholic drinks, provided they are done in a good taste.

13. **Advertising to Children:**

Advertisers try to exploit the young kids by advertising products which are not conducive to their health. This includes the ads of chocolates, soft-drinks, etc. Quite often such products lack nutritional value. However, they make believe the kids that such products are healthy for their mind and body, and as such the kids demand such products from their parents. There are cases where ads created inferiority complex if they do not use the advertised products.

Importance of Truth in Advertising

Truth refers to facts, complete facts and actual facts. In law, truth refers to **truth, the whole truth and nothing but the truth**. Truth in advertising may have a narrow connotation, for the advertisers are supposed to tell the truth – the facts, features, merits of the product, but no advertiser will advertise – what the product cannot do or what it does not have.

The importance of truth in advertising is stated as follows:

1. **Survival of the Ad Industry:**

High ethical standards are vital for the long run health of advertising itself. If people are confronted with growing unethical ads, they will lose confidence in advertising and advertising itself will surely die. However, in spite of so many unethical ads, advertising business progresses and prospers mainly due to the ethical advertising done by a vast majority of advertisers.

2. **Survival of the Firm:**

An advertiser to be true should follow certain ethical guidelines in advertising his products. One can never expect to gain from false advertising. An advertiser with false claims may succeed in making short term gains, for he can fool people for some time, but not all the time, for there is a saying – ***you can fool all people for some time, some people all the time but not all people all the time.***

For long term survival, a business firm should not resort to false advertising.

3. **Corporate Image:**

An advertiser who states true facts about his product will not only build confidence in the minds of the buyers, but it will bring name and goodwill to the firm and its products. False advertising may succeed for some time, but truth will ultimately prevail. Therefore, to build a good corporate image, a firm should come up with ethical advertising.

4. **Competitive Advantage:**

Firms that adopt ethical practices including advertising gain competitive advantage in the market. For instance, Tata Group of Companies enjoy's competitive advantage in the market on account of ethical practices. Customers trust those companies that are honest and ethical in business dealings.

5. **Customer Loyalty:**

Ethical advertising may generate customer loyalty. Satisfied customers not only go for repeat purchases but also recommend favourably the products to others.

Therefore, to ensure customer loyalty, business firms must resort to truthful advertising.

6. Brand Image:

Ethical ads help to build brand image. Customers develop a favourable perception of the brand vis-à-vis those brands that resort to unethical advertising. Brand image helps a firm to gain customer trust and loyalty.

7. Business Expansion:

Truthful ads may enable a firm to expand the business not only in the domestic market but also at the international level. Throughout the world, customers respect those companies that are honest in business practices including ethical advertising. The increase in customer trust and support helps a firm to expand its business form local level to national level and from national level to international level.

8. Brand Equity:

Ethical ads may help a firm to enhance brand equity. Brand equity is the incremental value of the brand over and above its physical assets. This is because; ethical advertising adds value to the brand, and therefore, the brand may command strong brand equity.

SOCIAL AND CULTURAL ISSUES IN ADVERTISING

Culture is a way of life of a particular society. It is a combination of tangible aspects and intangible aspects of a Society. The tangible aspects include music, architecture, buildings, literature, clothing, etc., and the intangible aspects include ideas, knowledge, skills, morals, laws and customs.

Critics of Advertising

The critics of advertising point out that advertising degrade cultural values. They cite the following instances to support their point of view:

1. **Materialistic Values:** Advertising finances and supports mass media. The *mass media* such as magazines, television, etc., *encourages what is popular rather than what is good*. This results in materialistic values rather than cultural values.
2. **Violence:** *Advertising sponsors serials or programmes which depict scenes of crime and acts of violence*. This influences the audience, especially, the younger generation and they too get involved in such crimes and violence.
3. **Vulgarity:** *In advertising, there is a good deal of vulgarity*. Some of the ads depict nudity and use double meaning language. Such vulgarity is against the norms or culture of the Society, especially, in India.
4. **Surrogate Advertising:** *Ads promote the sale of harmful products such as tobacco products, and alcoholic drinks* in a good number of countries. The ads

of such products dramatize in a glamorous manner the use or consumption of such products.

5. **Undue Influence: *Unethical and uncultured marketers take the advantage of untruthful advertising*** and lure the people to buy the products or services offered by them.

Ads try to create complexes among the people. They often show people using the advertised product as superior as compared to the non-users. Such ***ads do affect children and other members of the Society in a negative way.***

6. **Unhealthy Competition: *Ads create unhealth competition among the marketers.*** The marketers get involved in unhealthy marketing practices to lure the customers to buy their products.

7. **Passive Role of Women: *Ads depict woman in a passive role,*** as that of a mere housekeeper or as a servant of the family. This further conforms to the belief of some narrow-minded people that women are meant to play a passive role in the family.

Supporters of Advertising

The supporters of advertising claim that advertising is not responsible to degrade cultural values, but it upholds and improves cultural values. They cite the examples of the following instances:

1. **Concern for Girl Child: *Some ads show the girl child in a positive role;*** such as in the ads of Rasna, Complan, Nescafe, etc. This generates concern for the girl child in an Indian society where more importance is given to boys.
2. **Social Awareness:** The public service ads such as family planning, literacy campaigns, health and safety campaigns, etc., ***makes the people aware of the importance of a healthy culture.***
3. **Sponsorships: *Advertisers sponsor sports programmes, and variety of cultural programmes.*** Without the support of advertising such programmes would not have seen the light of the day. This helps the growth of culture and sports in a big way.
4. **Customs and Traditions:** Advertising highlights ***customs and traditions*** of India such as strong family ties. For example, ***Ads develop family ties as a good number of ads show family in a very happy environment,*** eating together, living together and enjoying the life together. This definitely goes in a long way to strengthen the family relations.
5. **Respect for Women:** Now-a-days, ads depict women in a positive and active role. The good example is that of Havells Appliances. In 2014, Havells Appliances came up with a series of ad films depicting '***Respect for Women Empowerment***'. Such ads give a new meaning to the roles of women in our Society.

6. **Caring Males: Ads depict males not only in macho roles, but that of a good father, or a good husband.** The best of the example, is that of Nivea (Cream for Men) which depicts a man carrying a bay on his back indicating that men too care.
7. **National Integration: There are ads on national integration,** which brings people of different castes, religions, culture, etc. together. This generates peace and harmony in the society.
8. **Advertising generates employment** either directly or indirectly. This increases the purchasing power of the people, and as such improves standard of living, not only on the economic front but also on the education and cultural front.

POSITIVE AND NEGATIVE INFLUENCE OF ADVERTISING ON INDIAN VALUES AND CULTURE

Advertising can influence Indian values and cultures both in positive and negative manner. The positive and negative effects of advertising on Indian values and culture are explained as follows:

I. **Positive Impact**

Supporters of advertising advocate that advertising has **positive effects** on the society, which can be economic and / or social.

- (a) **Economic Effects:** Advertising can generate positive economic effects on the society such as:
 - Advertising may help to **reduce consumer price** due to the benefits of large scale production and distribution. The large scale production and distribution takes place due to increase in demand on account of advertising.
 - Advertising **promotes competition**, and therefore, consumers can get quality products at right prices.
 - Advertising helps to **expand business** and therefore, consumers in different markets get goods of their choice.
 - Advertising **generates higher economic growth** due to increase in production of goods and services, and therefore, employment level goes up.
- (b) **Social Effects:** Advertising may also help to generate positive social effects on the society such as:
 - It raises **higher standard of living** due to availability of new and better type of goods and services.
 - Advertising can help to **upgrade cultural values** through dramatization of family ties, respect for elders, etc.
 - Advertising can **promote communal harmony** and other social issues such as concern for girl child through public service advertising.
 - Advertising helps to **promote social welfare** through various campaigns undertaken by business organisations, NGOs, and Govt. Organisations, such as anti-drugs campaigns, child immunization campaigns, etc.

II. Negative Impact

Critics raise certain issues relating to negative economic and social effects of advertising on the society such as:

(a) Economic effects

- Advertising may lead to **concentration of economic power** in the hands of large firms.
- Advertising may **increase consumer prices**.
- Advertising may lead to **unproductive use of funds**.
- Advertising may **affect economic well-being** of the society, because it promotes harmful products (indirectly in India) like cigarettes, liquor etc., and people waste lot of money on such products.

(b) Social Effects

Critics also raise certain issues relating to the social effects of advertising such as:

- Advertising may **degrade cultural value** due to undue emphasis on individualism and overemphasis on vulgarity.
- Advertising may **create material values** rather than spiritual and social values.
- Advertising may **create social or racial discrimination** by overemphasis on well-off sections of the society.
- Advertising of harmful products may also **affect social wellbeing** of the society in terms of literacy, life expectancy, etc., and people may waste money on such products rather than on education and health.

PRO BONO / SOCIAL ADVERTISING**PRO BONO ADVERTISING**

Social advertising is also called as **Pro Bono** advertising. Pro Bono is a shortened version of Latin Phrase – **Pro Bono Publico** – which means ‘For the Good of Public’.

Social advertising is also referred to as Public Service Advertising. Any advertising done for the social welfare of the society can be considered as social advertising.

Aspects of Pro Bono Advertising:

1. **Purpose:** The social advertising is undertaken to create awareness among the masses in respect of various social issues and concerns that affect the welfare of the society. The social campaigns make an attempt to educate the public about the negative effects of certain issues. It makes an attempt to highlight the ways and means to overcome the negative tendencies prevailing in the society, which in turn may lead to welfare of the society.
2. **Area Coverage:** The pro bono advertising can be done through the nation. It can be also done in a particular region or area depending on the nature of the campaign.
3. **Target Audience:** The prop bono campaigns are targeted to the masses. The social advertising campaigns can be targeted to all members of the society belonging to different age groups, gender, income, occupation, cultures, etc.

4. **Type of Copy:** Mostly hard sell copy is used to convey the social message to the audience. The ad may highlight the negative aspects of certain customs, traditions, or practices. For instance, an anti-noise pollution campaign can highlight the negative aspects of noise on the society and on the environment.
5. **Personalities:** The advertisers may use personalities or celebrities to create a better impact on the audience. For instance, the Govt. of India selected Mr. Amitabh Bachchan for the '*Pulse Polio Campaign*'.
6. **Sponsors of Social Advertising:** Anyone who has the funds and the inclination towards social good can undertake social advertising. Normally, large business firms like the Tata Group of Companies undertake social advertising. Also NGOs and Govt. organisations undertake public service advertising campaigns.
7. **Media Used:** Any media can be used that can reach the target audience. For instance, a campaign on "Don't Drink & Drive" can be placed in any possible media such as radio, newspapers, magazines, TV, outdoor, etc. The media-mix depends on the availability of funds with the sponsor.
8. **Types of Advertising:** The social advertising can be classified into two groups as follows:
 - (a) **Public Service Campaigns:** Public service advertising deals with social and cultural issues. Such issues are dealt with the intention of improving public welfare. Examples of such public welfare campaigns include:
 - Anti-drugs / anti-smoking campaigns.
 - Literacy campaign.
 - Anti-noise or dirt pollution campaign.
 - Family planning / welfare campaigns.
 - Concern for the girl child campaign.
 - Anti-dowry and anti-child marriages campaign.
 - Child immunization campaigns, etc.
 - (b) **Social cause Advertising:** Advertising facilitates cause-marketing. Cause-marketing attempts to link a company to some social or charitable cause. Advertising can help to promote the cause-marketing efforts. For example, a business firm may be concerned with the development of education in tribal area, and a part of its profits may be spent on such development. Advertising can promote the cause-marketing by highlighting that a part of its profits will be utilised for such social cause activity.
Mumbai Indians – EFA

MGNREGA – Mahatma Gandhi National Rural Employment Guarantee Act is an Indian job guarantee scheme enacted by legislation on August 25, 2005. The scheme aims all enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to rural household whose adult members volunteer to do unskilled manual work.

SOCIAL ADVERTISING BY GOVERNMENT THROUGH DAVP

Directorate of Advertising and Visual Publicity (DAVP) is the nodal agency of the Government of India for advertising by various Ministries and Organisations of Government of India including public sector undertakings and autonomous bodies.

Vision of DAVP

To communicate important social advertising messages in an effective manner, to empower the lives of the country's citizens, and the one-step agency for the advertising needs of all Central Government bodies all over the country, be it print, audio-visual, outdoor or emerging media, and to provide services in a professional, responsive and quality-driven manner, at media-buying rates which are the most competitive in the market.

Role of DAVP

At DAVP, we provide solution for the paid publicity requirements of all Central Government organizations, PSUs or Government Societies. Depending on the Client's target audience, and his budget, a range of media are used, ranging from the conventional, like newspapers, TV and radio channels, or Outdoor publicity options such as hoardings, messages on Railway Platforms, etc.

DAVP undertakes various social awareness campaigns under the series titled as "**Bharat Nirman**". The various campaigns focused on the following aspects:

- Children Immunization
- Right to Education
- Drinking Water
- Empowerment of Scheduled Castes
- Mahatma Gandhi National Rural Employment Guarantee Act
- Integrated Child Development Scheme

Benefits of DAVP Campaigns:

The DAVP campaigns bring certain benefits to the member of the society:

1. **Awareness:** The DAVP campaigns create awareness of the various facilities provided by the Government to the public such as drinking water facilities, employment facilities under MGNREGA etc. They also highlight certain issues or concerns which the society needs to pay attention.
2. **Social Development:** The DAVP campaigns can bring about social development in the country. For instance, the campaigns on health and education can improve literacy rate, life expectancy and also result in family welfare. Education and life expectancy are the two main indicators of social development.
3. **Empowerment of Weaker Sections:** The DAVP campaigns may highlight the special facilities and benefits available to the weaker sections such as scheduled castes, scheduled tribes and others. Therefore, these campaigns bring out social empowerment of the weaker sections.

4. **Standard of Living:** DAVP campaigns highlight the employment facilities available under MGNREGA and other schemes. Therefore, people in villages and in semi-urban areas get employment. Increase in employments result in increase in income level. The increase in income leads to higher purchasing power. The higher purchasing power facilitates higher consumption of goods and services, which in turn results in improvement in standard of living.

SELF-REGULATION LAWS

Self regulations laws refer to standards and / or codes that provide guidelines for ethical and professional conduct of advertising.

The codes / standards have been laid down by various authorities such as:

- Advertising Standards Council of India (ASCI)
- Indian Newspaper Society (INS)
- Doordarshan
- Advertising Agencies Association of India (AAAI)

The Standards or Codes have been adopted in order to guide the following:

- The advertisers
- The publications / media
- The advertising agencies

MAIN HIGHLIGHTS OF SELF-REGULATION LAWS:

- Unethical ads to be done away with.
- Those who do not follow the code / standards are at a disadvantage. The member publishers of INS lose their accreditation. The advertising agency has to withdraw the campaign and so on.
- Consumers are protected against the misuse of untruthful ads.
- Decency is generated as offensive and vulgar ads are done away with.
- Generates health and fair competition in the market among different sellers.
- Advertisers cannot make statements directly or indirectly about competitors or their products that may mislead or confuse consumers.
- Indiscriminate use of advertising for the promotion of products which are regarded as hazardous to society are not accepted by media. For instance DD does not allow to advertise liquor and cigarettes on TV.
- Advertisements which might result in mental, physical or moral harm to children are banned.
- Self-regulation laws make the advertisers, ad. Agencies and the media more responsible in carrying out their duties in the field of advertising.

ROLE OF ASCI

The Advertising Standards Council of India (ASCI), established in 1985. The ASCI was formed with the support of all four sectors connected with Advertising.

The ASCI is not a Government body, but it is a voluntary self-regulatory council, registered as a not-for-profit Company under section 25 of the India Companies Act.

Its main objective is to promote responsible advertising; thus enhancing the public's confidence in Advertising. ASCI thus aims to achieve its overarching goal i.e., ***to maintain and enhance the public's confidence in advertising.***

Objectives of ASCI

- To monitor, administer and promote standards of advertising practices in India.
- To codify, adopt and modify the code of advertising practices in India and implement, administer and promote and publicize such a code.
- To give wide publicity to the Code and seek adherence to it of as many as possible of those engaged in advertising.
- To print and publish pamphlets, leaflets, circulars or other literature or material, that may be considered desirable for the promotion of or carrying out of the object of the Company.

Role of ASCI

The ASCI was set up to perform the following tasks:

1. Truthfulness in Advertising:

ASCI performs its role through its Consumer Complaints Council. The CCC ensures the truthfulness and honest of the claims made by the advertisers in the advertisements. It safeguards the consumers against misleading advertisements. The code framed by ASCI clearly states:

- (a) Advertisements must be truthful. All descriptions, claims and comparisons which relate to matters of objectively ascertainable fact, should be capable of substantiation.
- (b) Where advertising claims are expressly stated to be based on, or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
- (c) Advertisements shall not be so framed as to abuse the trust of consumers or exploit their lack of experience or knowledge. No advertisement shall be permitted to contain any claim so exaggerated as to lead to grave or widespread disappointment in the minds of consumers.
- (d) Advertisements shall not distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentations, which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised.

2. Non-Offensive Ads:

The CCC ensures that advertisements are not offensive to generally accepted standards of public decency. The ASCI Code clearly states "Advertisements should contain nothing indecent, vulgar or repulsive, which is likely in the light of generally prevailing standards of decency and property, to cause grave or widespread offence."

3. Safeguards Against Indiscriminate Use of Advertising:

The ASCI safeguards against indiscriminate use of advertising in situations or for the promotion of products, which are regarded as hazardous to Society or to individuals.

The ASCI code clearly states:

- No advertisement shall be permitted which:
 - (a) Tends to incite people to crime or to promote disorder and violence or intolerance.
 - (b) Derides any race, caste, colour, creed or nationality.

- (c) Adversely affects friendly relations with a foreign country.
- Advertisements addressed to children shall not contain anything, whether in illustration or otherwise, which might result in their physical, mental or moral harm or which exploits their vulnerability.
 - Advertisements shall not, without justifiable reason, show or refer to dangerous practices or manifest a disregard for safety or encourage negligence.
 - Advertisements should contain nothing, which is in breach of the law, or omit anything which the law requires.
 - Advertisements shall not propagate products, the use of which is banned under the law.
4. **Fairness in Competition:**
The ASCI ensures fairness in competition. The ASCI ensures that the consumers are informed on the choices at the market place. IT also ensures that business firms follow the canons of generally accepted competitive behaviour and not adopt unfair practices.
5. **Responsibility of the Advertisers:**
The ASCI has fixed responsibility of advertisers to observe its code. As the advertiser initiates the advertising brief and sanctioned its placement in the media, the advertiser carries full responsibility for the observance of the ASCI Code. The advertiser is responsible for the entire content of the ad. Therefore, the ASCI performs an important role to ensure that the advertisers are held responsible if anything is misleading or unethical in their ads.
6. **Responsibility of the AD agencies:**
The ASCI has fixed responsibility of the ad agencies to observe its code. Ad agencies are made responsible to ensure the observance of ASCI Code in as much as the facts are know to them, i.e., to advise their clients in accordance with the code.
7. **Responsibility of Media Owners:**
ASCI has fixed responsibility of the media owners to observe its code. Media owners must view each ad offered to them for publication from the viewpoint of the code. IF any ad is considered by the media owners to be in contravention of the code, the media owner shall refer the matter to CCC of ASCI. Ads found by the CCC to be in violation of the code shall be refused for publication by media owners.
8. **Responsibility of Celebrities:**
The Advertising Standards Council of India (ASCI) issued a series of sweeping guidelines in *April 2017* on celebrity advertising. The guidelines are aimed to finally claim down on random or exaggerated claims made by celebrity advertising. The guidelines must be strictly followed by actors, sports people, doctors, authors, activists and educationists.

OBJECTIVE QUESTIONS**A. Select the most appropriate option given in the bracket:**

1. False statistics is a form of _____ advertising.
(Unethical, ethical, social)
2. Surrogate advertising is undertaken for products which are from advertising.
(restricted, deleted, canalized)
3. _____ is a combination of tangible and intangible aspects of a society.
(Culture, Advertising, Ethics)
4. Advertising has _____ effects on the society.
(Positive and Negative, Only Positive, Only Negative)
5. Advertising Standards Council of India ensure _____ in ads.
(truthfulness, untruthfulness, misrepresentation)
6. ASCI code is applicable to misleading ads on _____.
(All Media, TV and print, TV and Magazines)
7. _____ advertising is also known as pro bono advertising.
(Primary, Selective, Advocacy)
8. Generic advertising is also known as _____ advertising.
(Primary, Selective, Compative)
9. DAVP is the nodal agency of the Government of _____ for advertising.
(India, Maharashtra, Goa)
10. The goal of ASCI is to enhance _____ confidence in advertising.
(Public, Advertisers, Ad Agencies)

ESSAY TYPE QUESTIONS

1. Explain the economic impact of advertising.
2. Discuss the effect of advertising on consumer demand.
3. Explain the effect of advertising on monopoly and competition.
4. Discuss the effect of advertising on consumer price.
5. Explain the forms of untruthful advertising.
6. Discuss the importance of truth in advertising.
7. Discuss the social and cultural issues in advertising.
8. What are the positive and negative influence of advertising on Indian values and culture.
9. Write a detailed note on pro bono advertising.
10. Discuss the social advertising by Government of India through DAVP.
11. Explain the role of Advertising Standards Council of India.

4. BRAND BUILDING AND SPECIAL PURPOSE ADVERTISING

BRAND BUILDING

COMMUNICATION PROCESS

Communication comes from the Latin '*Communis*' which means common. When we communicate we are trying to establish '*commonness*' with someone. So to say, we are trying to share information, an idea or an opinion.

Communication always requires at least four elements the source (sender) the message, the medium, and destination (receiver). Advertising is a form of communication. It takes the form of – *who says what, in what channel, to whom and with what effect*.

This can be explained as follows:

- **Who** - refers to the advertiser (sender of message).
- **Says what** – refer to the advertising message (advertisement).
- **In what channel** – refers to the media channels such as TV, radio etc., through which messages are transmitted.
- **To whom** – refers to the audience who receives message.
- **With what effect** – signifies the response that is desired from the audience. For instance, the retailer may expect response as '*Buy at my store*'. A national advertiser of branded product may desire response as '*Buy my brand*'.

Elements of Advertising Communication

The elements in the advertising communication process are explained as follows:

1. **The Sender (Encoder)**

The sender of advertising message is the **advertiser** who wants to communicate commercial messages to the target audience. The sender encodes the ad messages and transmits them to the target audience through selected media.

- Nature of Product
- Ad messages by competitors
- Nature of customers
- Objectives of advertising, etc.

2. **The Message:**

The advertiser with help of ad agency comes up with creative advertising message. Through the advertising message, the advertiser aims to achieve the following objectives:

- To create **awareness**.
- To build or reinforce **attitudes**
- To create **brand image**.
- To develop **corporate image**.
- To counter **competitors' claims**.
- To **expand** markets.
- To **educate** customers.
- To **provide information**.
- To **persuade** buyers.

3. Medium:

The medium of communication refers to the *media of advertising*. The media are the channels of communication through which ad messages are transmitted by the advertiser to the audience.

The most frequently used media are newspapers, TV, internet, magazines, and radio and Outdoor media.

4. The Receiver (Decoder):

The recipients or *audience* of advertising messages include readers, listeners and / or viewers. The recipients may decode the ad message to understand it.

Advertising message is directed to either mass audience or to class audience.

The audience also includes *dealers* with whom the advertiser communicates to stock and promote the sale of his product. At times, the advertisements are directed to *professionals* like doctors, architects, professors, etc., so that they prescribe or recommend the products promoted by the advertiser. The advertiser may also communicate with the *general public* and other stakeholders.

AIDA MODEL

The AIDA formula was popularised by **E. K. Strong** in his book '*The Psychology of Selling*'. The AIDA formula stands for:

A	-	Attracting Attention
I	-	Arousing Interest
D	-	Creating Desire
A	-	Securing Action

Advertising seeks to inform, remind and persuade target audience about the organisation and its products. In order to inform, remind or persuade target customers, the advertisement must get their attention. Furthermore, if they get attracted toward the ad, it is also necessary to develop interest, arouse desire and generate action on their part. This *attention - interest - desire - action* sequence is often referred to as **AIDA** process. It not only guides the development of ads but it also helps to make effective sales presentation.

1. ATTRACTING ATTENTION:

The primary purpose of any ad is to attract the attention of the audience. The headline and the illustration are the two important elements of an ad that attract the attention of the readers.

- (a) **Attractive Headline:** The headline usually states the ad's central idea, elicits an emotion, or poses a question. It must attract attention and develop interest, so the reader will look at the rest of the ad.
- (b) **Beautiful Illustration:** The illustration should also attract attention. There are several ways to make the illustration beautiful and attract the attention of the readers.
 - (i) **Cartoons:** The use of cartoons in the ad has a fair chance of attracting attention.

- (ii) **Natural Scenes / Wild Life :** Natural scenes such as landscapes and wild life like lions, tigers, birds and even domestic animals like cats and dogs attract the attention of the readers.
- (iii) **Personalities:** When you are walking down a busy road, you see so many others also walking along the road, but your eye sight may gaze on a beautiful face or someone known to you. In the same way popular personalities do attract attention of the readers.
- (iv) **Motion:** Printed ads expressing some kind of action like excitement, happiness attracts attention.
- (v) **Colours:** Coloured illustration attract more attention as compared to black and white ads, but at times, as black and white ad may stand out if it is surrounded by a host of colour ads.
- (vi) **Contrast:** The advertiser may include contrasting illustrations to make the ads more attractive. Contrast not only attracts attention but also generates interest.
- (c) **Bold Letters:** Bold letters often attract attention. Look at the headlines on the front page of the newspaper. They are the lines that attract your attention when you glance over the newspaper.
- (d) **Size of the ad:** Generally, the larger the size of the ad, the more it has the attention attracting value. At times, small is beautiful, especially, if the ad is properly presented and placed among all large ads.
- (e) **Position:** The ads on the back page, centre page and on the pages near the editorial content / index are definitely costly as compared to ads on the other pages in the magazine because of their special attention getting value. Again, when the ad is placed near a relevant and interesting news story, it will attract more attention of the readers. For instance, an ad for a tennis racquet near an interesting report on a tennis match.
- (f) **White / Blank Space:** If there is good amount of blank space with some few words of advertising copy may attract the attention of the readers. When you read continuously, your eyes need some rest so that they are diverted toward the white / blank space.
- (g) **Unique layout:** Layout needs to attract the attention of the readers. The layout must be an unique one. This could be done by unusual placement of elements of the ad, bleed borders, use of pointed devices.

2. AROUSING INTEREST:

Once the attention is attracted the ad should arouse interest in the mind of the readers to read the advertising message and slowly develop an interest toward the product that is advertised.

The advertiser can exploit such *buying motives* such as:

- Love and affection.
- Pride and Possession.
- Comfort and Convenience.
- Sex and Romance, etc.

The advertiser should exploit buying motives by making use of the selling points such as:

- Special features of the product.
- Uses of the product.
- Company name and reputation.
- Price of the product, etc.

3. CREATING DESIRE:

The advertising copy usually expands on the idea of the headline and illustration and provides facts and anticipates action on the part of the readers. The objective is to create desire for the product. The desire can be created in the following ways:

- Highlighting product's special features and uses.
- Presenting negative effects for not using the product.
- Showing proof of performance.
- Giving guarantee / warranty.
- Money back guarantee.
- Offers like trial, discount, free gifts.
- Use of testimonials from reputed personalities.
- Effective after-sale-service.
- Emphasising manufacturer's reputation, etc.

4. SECURING ACTION:

The ultimate purpose of the ad is to secure a favourable response or action on the part of the readers. An effective ad is the one that moves the prospect to some action, usually a purchase. The desire created by the ad should generate into action. This can be done in the following ways:

- (a) The ad should provide necessary instructions as to the availability of the product and other specific instructions.
- (b) The ad should end on an active note, such as '*Get one today*', '*Contact your nearest dealer, today*', '*Hurry up, the last date....*' '*Don't delay*', '*Order today*', or such words or phrases that impel action.
- (c) The advertiser should have a planned repetition schedule of the same ad because the repetition of ad often results into a trial purchase which may follow repeat purchases.

ROLE OF ADVERTISING IN DEVELOPING BRAND IMAGE

A major objective of advertising is brand building. Brand building involves developing brand's core values in the minds of target audience.

The brand image concept is the brain work of David Ogilvy, who is considered as the father of image advertising.

What is Brand Image?

Brand image is a mental picture or perception of a brand in the mind of the consumers.

Sometimes or the other, someone must have asked you – How's the product? And your reply was either positive or negative. The moment you say the product is really good – this means you have a good image of the product, at least for the time being.

Consumers make their buying decision on the images they form of the different brands. Even when the competing brands look the same, buyers may perceive a difference in the company or brand images.

Ways of Developing Brand Image:

Marketer can develop brand image of the product through several ways. The various *factors* that play an important role in building brand image are as follows:

I. ADVERTISING RELATED FACTORS:

1. Creativity in Advertising:

The advertiser must come up with creative ads to develop a good brand image. Therefore, the advertiser or the ad agency must be selective in respect of various element of an ad such as headline, copy text, slogan, colour combination, etc.

2. Brand Ambassadors:

The personality of the person endorsing the brand must match with the personality of the brand. Therefore, the advertiser must be selective to choose the right personality to endorse the brand. Also, a sports star of a short stature may not be used to promote luxury products.

3. Media Selection:

The quality of media or programmes sponsored may influence the brand image. Raymond Suitings may advertise in Business Magazines, but not in cheap local magazines. Advertising in cheap media or by sponsoring cheap or silly programmes may adversely affect the rich image of a brand.

4. Media Scheduling Strategy:

Advertiser needs to adopt appropriate media scheduling strategy. At the product launch stage, the advertiser may adopt bursting, flighting or pulsing strategy. However, over repetition of ads must be avoided. Too much repetition of ads irritate the audience and they may ignore such ads and may even develop a negative image.

5. Symbols:

The Symbols / *logos* should be so designed to create a distinct image of the brand. The symbols or logos also facilitate instant brand recognition and recall.

Some of the famous logos include:

- *McDonalds -two golden arches* which signify warm welcome or hospitality.
- *Mercedes - three-pointed star* which signifies sign of luxury.
- *MRF Tyres - muscled man* which signifies strength or durability.

6. Sponsoring of Events:

The events sponsored by the brand / company can affect its image. Therefore, brands having rich image sponsor prestigious events. For instance, top tennis tournaments are sponsored by reputed brands such as Mercedes and Rolex Watches.

7. Size / Length of Ad:

The full page in the magazine or newspaper can create better impact. However, in case of newspaper, it may be advisable to insert half page ad alongside the matter of interest to the readers. This will create more impact in terms of noticeability of the ad. While reading the interesting matter, the reader may also glance at the ad.

8. Humour in Advertising:

Humour may be used in advertising depending upon the nature of the product.:

- If the product is a FMCG, and if **popular brand image** needs to be developed, the advertiser may use good or witty humour but not cheap humour.
- If the product is luxury one, and if **premium brand image** is to be developed, the advertiser may not use humour, but instead the ad must be highly creative.

II. NON-ADVERTISING RELATED FACTORS:**1. Distribution:**

The type of distribution undertaken by a company can affect the image of the brand. For instance, Tanishq Jewellery is available at select stores in India, so that the brand get rich image. Also, Rolex Watches are marketed through a couple of stores in Metro cities to convey a distinct image.

2. After-Sale-Service:

Prompt and effective after sale service helps to develop a good image of the brand in the market.

For instance, Suzuki Motors enjoys a good image in India because of its after-sale-service network, and other factors. Due to its image Suzuki Motors still commands about 50% of market share of the Indian car industry.

3. Product Performance:

The product itself is an important factor for developing brand image. The brand should perform well. It must generate customer satisfaction.

4. Price:

The price factor can generate image for the brand. For example, the premium pricing by Mercedes-Benz, BMW, Volkswagen, etc., has developed a rich image not only for the company but also for its brands.

5. Company:

The image of the company can influence the image of the brand. For instance, companies like Tata Group, P&G etc., which enjoy goodwill in the market can generate favourable image for their brands.

6. Packaging:

The package is the face of the product. Therefore, it must be properly designed in order to give a rich image to the brand. The material, colour, shape, size, etc., of the package can affect the image of the brand.

BRAND EQUITY

Meaning:

Every brand has a value, and the value of a brand is brand equity. Brand equity must not be confused with brand personality or image. **Edward Tauber** defines brand equity as *“The incremental value of a business above the value of its physical assets due to the market position achieved by its brand and the extension potential of the brand.”*

Factors Influencing Brand Equity:

The factors influencing brand equity are as follows:

1. **Brand Loyalty:**

Customer's brand loyalty is the vital base of a brand's equity. It is true that it is expensive to gain new customers and relatively inexpensive to keep existing ones – provided the existing customers are satisfied with the brand. Satisfaction of customers results in brand loyalty. Satisfied customers continue to use the brand, even though competitors make enough efforts to win them over.

2. **Brand Name Awareness:**

Brand awareness is the ability of a potential buyer to recognise or recall that a brand belongs to a certain product category. In other words, it is a process of linking product class and brand.

Buyers often buy a known brand. Familiarity of a brand makes it more reliable in the minds of the buyers.

3. **Perceived Quality of the Brand:**

Perceived quality is the customer's perception of the overall quality or superiority of a product as compared to other competing brands.

Perceived quality directly influences purchase decisions and brand loyalty, especially when a buyer is not motivated or able to conduct a detailed analysis of the product's actual or manufacturing quality.

4. **Brand Associations:**

A brand association is anything *“linked”* to a brand. The underlying value of a brand name often is based upon associations linked to it. Like perceived quality, brand associations do influence purchase decisions and brand loyalty. Nike brand is associated with sports. Goa is associated with beautiful beaches.

5. **After-sale-service:**

The after sale-service provided by the company can make a difference in brand equity. Nowadays, most of the durable products are more or less standardised. To provide effect after-sale-service, firms need to:

- Select the competent and committed after-sale-service staff.
- Train the service staff to improve their knowledge, attitudes, skills and social behaviour.
- Motivate the service staff with monetary and non-monetary incentives.

6. Brand Ambassadors:

Some marketing experts claim that brand ambassadors can enhance brand equity. For instance, the Lux soap is associated with female film stars and positioned as the beauty soap of film stars.

Some marketing experts do not agree that brand ambassadors enhance brand equity. Creative advertising does the trick such as that of *Zoo zoos of Vodafone*.

7. Brand Patent:

Companies can obtain brand patents for new and innovative products. They need to register under the Patent Act of respective countries where they want to patent it.

Patenting the product gives exclusive marketing rights for certain number of years. Other companies cannot sell similar product in the market without the permission of patent holder. For instance, pharma companies get exclusive marketing rights for at least 15 to 20 years.

8. Brand Logo:

Brand logo can enhance brand equity. The brand logo like brand names facilitates instant identity of the brand. Some of the brands that have unique logo include Apple, Nike, McDonalds, Mercedes, Audi (4 rings), Reebok, Pepsi, and so on. It has the letter "a" in lowercase, forming a swoosh mark for the brand and *airtel* written in lowercase under it.

Advantages of Brand Equity

Brand equity can provide value to customers as well to the firm.

Brand equity provides value to customers by:

- Helping them to interpret, process and store huge quantities of information about products and brands.
- Enhancing their confidence in the purchase decision, due to either past-use experience or familiarity with the brand.
- Enhancing customer satisfaction with the use experience.

Brand equity provides value to firm by enhancing:

- Efficiency and effectiveness of its **marketing programs** – it can enhance programs to attract new customers and to hold on with existing ones.
- **Brand loyalty** – The perceived quality, well – known name of the brand, brand associations and other proprietary brand assets can make customers more brand loyal.
- **Price and Profit Margins** – Well-known brands can command premium price and as such higher margins.
- **Brand Extensions** – It can help to introduce new products under existing brand names.
- **Trade Leverage** – A strong brand can gain support from dealers or stores.
- **Competitive Advantage** – A strong brand equity presents a real barrier to competitors.

MANAGING BRAND CRISIS

Brand crisis takes place when certain negative event(s) centers on one particular brand or a set of brands belonging to the same company. When a brand crisis breaks out, consumers and other stakeholders (employees, shareholders, customers, the media, regulators and the Society) are likely to raise questions about the affected brand and why the crisis happened. Questions may be raised such as:

- Who is to blame?
- What would be the effect on company's corporate image?
- What would be the effect on the company's stock prices?
- What would be the future of the company?
- What would be the penalty or loss to the company?

Short-term effects of a crisis are lost sales and the costs associated with product recalls. In the long term, the incident can severely damage the affected brand's reputation. The key challenge for companies faced with a crisis is to restore consumer trust in the brand. For competitors, the crisis is often a great opportunity to steal consumers away from the affected brand.

Examples:

1. **Toyota Motors:**

For many years, Toyota enjoyed a stellar reputation in the US and Europe as a maker of high quality, reliable cars. That reputation was seriously dented in 2010 when the company faced a severe crisis. A spate of negative reports of sudden acceleration incidents in 2009 and 2010 led to a massive recall worldwide of Toyota and Lexus cars suspected of potentially sticky accelerator pedals or out-of-place floor mats. Several of the incidents involved accidents with serious injuries, some of them fatal. The media were harshly critical of the company; top Toyota executives had to appear in front of US Congress investigation panels; many consumers filed class action suits against the carmaker.

2. **Volkswagen Crisis**

Problem: The Company put software called a "defeat device" on millions of its diesel-powered cars. That software can tell when a car is going through an emissions test, making the vehicle appear more environmentally-friendly than it actually is. The problem came to light in September 2013.

When West Virginia University researchers' road-tested VW models equipped with the 2-liter turbocharged 4-cylinder diesel engine, some cars emitted almost 40 times the legal levels of nitrogen oxides.

The deception has massive environmental and health implications. Increased levels of nitrogen oxides emissions can be deadly, as shown by a study conducted by MIT which found that the excess pollution emitted by affected Volkswagen models in the U.S. will lead to approximately 60 deaths 10 to 20 years premature.

Reason for Cheating: The U.S. has tougher diesel emissions standards than Europe, where such cars are far more common. Meeting those steeper requirements can mean reductions in fuel efficiency and performance, making it tougher for an automaker like VW to advertise their diesel cars against more typical vehicles in the U.S.

Effect: The VW brand posted a loss of 127 million euros (\$144 million) in the final three months of 2015 from a profit of 780 million euros a year earlier.

VW could face billions of dollars in fines from the Environment Protection Agency (USA) and, potentially, other government agencies around the world. Customers who were cheated were likely to file civil lawsuits against the company. The projected costs of litigation and compensation are between \$18 billion and \$21 billion.

Management of Brand Crisis:

Brand crisis is a serious issue. It needs to be managed as a top priority. **Warren Buffett** once said *“It takes 20 years to build a reputation and 5 minutes to ruin it. If you think about that, you will do things differently.”* Brand crisis can severely affect the reputation of the firm, and may even result in its demise. Therefore, brand crisis needs effective management.

1. Crisis Management Team (CMT):

Professional firms must set up a crisis management team to deal with brand crisis. The CMT team members may include representatives of various departments such as PR, HR, Legal, Marketing, Production, Purchase, and other departments.

The crisis management team may check on negative chats, or review by customers and others.

2. Crisis Management Plan:

The management must be proactive in drawing a CMP. The plan will list down various alternatives to face the crisis.

Also, as and when specific crisis strike, the top management of the company must draw immediately a plan to address and resolve the crisis. The plan may include apologizing to the customers and to the public for the mistake, and take immediate steps to overcome the crisis rather than wait and watch for the steps to overcome the crisis rather than wait and watch for the crisis to die down. IF plan is not put into action, the crisis may blow up and the company may come in deep problems.

3. Social Media:

Nowadays, business firms must keep in touch with social media networks to know if there are any comments of their brands and / or of the company.

Social media monitoring makes it easier to keep track of all mentions of your brand, competitors, important news and industry updates in real-time.

4. Public Relations Campaign:

A brand crisis demands a public apology and public cation. Public apology must be instant, which can be undertaken through a well-designed public relations campaign. It is equally important to follow the words with action to overcome the brand crisis.

5. Media Relations:

When brand crisis strike, media gets an opportunity to sensationalize the issue. The media make disparaging remarks against the brand and the company, which further worsens the crisis. Even when the company is not a fault, the media may

project the company and its brand as a culprit. Therefore, the top management of the affected company must develop good relations with the media.

6. **Recall of the Product:**

Firms must immediately recall the product from the dealers and from the buyers, if certain defects are identified. Recall must be done from all the countries in which the company has sold the brand. There are cases, when firms recall the defective product only from developed countries for the fear of being penalized heavily and to protect their brand name.

7. **Compensate the affected Buyers:**

A company affected by brand crisis must immediately make efforts to compensate the affected buyers. They may recall the defective product back and replace with a new one if possible. They may also compensate the affected buyers for the problems faced by them. If the buyers are not adequately compensated, they may resort to law suits and the courts may impose hefty penalties on the company.

8. **Consultants:**

An affected company (on account of brand crisis) may appoint worthy consultants to advise them to resolve the crisis. It is not that the top management of the affected company cannot come up with a good plan to overcome the crisis, but at times outside help may be an advantage. The consultants (outsiders) may come up with alternative crisis management plans, which may work well for the company. Therefore, it would be worth to hire consultants to overcome the brand crisis.

SPECIAL PURPOSE ADVERTISING

RURAL ADVERTISING

India has a population of over 1250 million, 70% of which lives in rural areas. The sheer number of the rural population necessitates that marketers reach out to them through advertising and other means of marketing communication.

Advertising Media for Rural Markets:

Advertising media can be divided into two variables:

1. **Traditional Media:**

- Puppetry, dance-dramas, rural specific art forms are performed at village meals and temple festivals.
- Word of mouth.
- Mike announcements, processions.
- Caparisoned (decorated with ornaments) elephants and decorated bullock carts carrying ad panels.
- Folk theatre.
- Demonstration, house to house campaigns by special promotion teams.
- Advertising in fairs and melas through puppets, posters, etc.
- Information centres for company's products.
- Wall paintings and posters at prominent places.
- Ads on delivery vans.

2. Mass Media:

- Television, especially Doordarshan and regional channels.
- Press and other print media including local / regional magazines.
- Radio
- Cinema Halls
- Point of Purchase ads.

Strategies for Rural Advertising:

The marketers may use the following strategies to advertise in the rural areas:

1. Influencer Strategy:

Advertising under this strategy actually depend on the convincing power of influential people and / or events in the villages to communicate the commercial messages to the rural customers.

The marketers may utilise the services of influential people in the village such as the local Panchayat leaders, local priests or poojaris, influential landlords, and even the school teachers.

2. Participatory Strategy:

Events like different festivals and different games and sports competitions actually have a high participation level in the rural India.

The local events and shows offer great opportunity to effectively reach to rural masses. Firms can sponsor different events and shows in rural villages which is usually a cost-effective way to advertise with the participatory strategy.

3. Show-N-Tell Strategy:

Several firms are venturing into different ways to educate the rural consumers about their brands and their usage through different shows and events. This kind of initiatives actually creates huge awareness about the brand among the interested people in the rural India.

4. Product Demonstration Strategy:

Marketers may also use product demonstration strategy to communicate the merits and features of the product. The product is demonstrated by trained and tactful persons conversant with the local language.

The promotion team members demonstrate the process of using / operating the product and highlight special benefits of using the product. The promoters may also provide free samples to the villagers.

POLITICAL ADVERTISING

Political advertising refers to advertising on the part of political parties, local Govt. bodies, State Governments, and Central Government.

Contents: Political advertising may include the following contents:

- Achievements in terms of educational levels and health standards of a particular local area, state or even nation.
- Developments in the field of infrastructure such as irrigation projects, roads, power generation, water supply etc.
- Special schemes introduced specially to uplift weaker sections.
- International agreements signed and implemented (in case of Central Government)

- Increase in economic growth.
- Number of jobs created during certain period, and so on.

Purpose: The main purpose of political advertising is to create a favourable image on the minds of public by highlighting their achievements – past, present and potential. At the time of election, the political parties urge the voters to vote for their candidate.

Media Used: Generally, the media used include newspapers and outdoor. But sometimes, some political parties may also use radio and magazines. Nowadays, SMS (cell phones) is also used especially at the time of elections.

Timing of Advertising: Normally, a bulk of political ads appears during the time of elections. The political ads may also appear after completion of 1 year or so by the Government at the Centre or at the State Level. The political ads may be also displayed during important festivals or such other cultural activities.

Code for Political Advertising: Political advertising is subject to a code laid down by Govt. authorities with respect to the content of advertising, and also the amount of funds to be spent on advertising especially during elections.

Advantages of Political Advertising

1. Political advertising influences the voters to vote for a particular candidate or the party at the time of elections.
2. Political advertising helps to enhance the image of the political party, as it may highlight special achievements, and the promises that may fulfilled after coming to power.
3. It helps to create awareness among the masses regarding the problems or defects of the opposition parties or candidates at the time of elections.

ADVOCACY ADVERTISING

It is a kind of corporate advertising, which is presented in an aggressive manner. This type of advertising is usually argumentative and controversial in nature. A company can advocate its arguments on several issues ranging from government policies to employee related issues such as strikes.

Reasons for Advocacy Advertising

At times, a company may not get favourable reporting in the media due to poor public relations. In order to counter such unfavourable reporting, a company may resort to advocacy advertising. For instance, during employees' strike, media may report negatively against the company and in support of the employees. In such situation, the affected company may present its viewpoint through the ads.

Media Used

Generally, the media used for advocacy advertising is newspapers. This is because; the wrong reporting or rumours mostly originate through the press. Secondly, the firm can provide detailed facts and arguments. In media like radio, TV, outdoor, and magazines, it is difficult to present the advertisement with details. Secondly, newspaper advertising gives the benefit to highlight current topics.

Undertaken by:

This type of advertising can be undertaken by person or party or organisation. It can be undertaken by organisations to present their point of view. Individuals may also resort to such ads to present their views on certain issues such as lack of empathy on the part of Government authorities towards social problems. The Government may also undertake such advocacy such as advertisement condemning bandh by opposition parties.

Advantages of Advocacy Advertising:

- Advocacy advertising helps to **correct negative attitudes** of the general public towards the firm and its policies.
- It helps to maintain or **improve the image** of the firm in the minds of stakeholders.
- It helps to develop good **relations** with the members of the public.
- It develops a sense of **security and confidence** in the minds of employees and shareholders.

CORPORATE IMAGE ADVERTISING

Meaning and Purpose

It is also known as institutional advertising. It is undertaken to build, maintain and improve good image of the firm in the minds of general public. The emphasis in the ads is placed on the company rather than its products or services.

Who Undertakes?

Normally, large firms undertake institutional advertising. Small firms may not be able to afford the cost of institutional advertising. Normally, newspapers or magazines are used to advertise institutional ads. At times, television may be used.

Nature of Corporate Image Advertising

This type of advertising is non-controversial and non-argumentative in nature. Through institutional ads, a firm seeks to communicate positive attributes about itself and presents itself in a favourable way.

Aspects

The following aspects are normally included in institutional ads:

- Research & Development of the firm.
- Number of factories or branches of the firm.
- The number of employees and facilities provided to them.
- Foreign collaborations, if any.

- Distribution network of the firm.
- Market position of the firm.
- Products or services offered by the firm.
- Social welfare programmes undertaken by the firm, etc.

CORPORATE IMAGE ADVERTISING V/S PRODUCT ADVERTISING

CORPORATE IMAGE ADVERTISING	PRODUCT ADVERTISING
1. Emphasis: Emphasis is placed on the achievements or history of the company.	Emphasis is placed on the features or image of the brand.
2. Purpose: The purpose of corporate image advertising is to build name and goodwill for the company.	It is done to inform about the product features and other aspects so as to induce prospects to buy the product.
3. Use of Personalities: Normally, firms do not make use of personalities in Corporate Image ads.	Firms may make use of personalities to endorse the product.
4. Words / Illustration: There is more emphasis on words or written text.	There is more use of illustrations, in the case of product ads.
5. Public Trust: Corporate Image advertising is more believable.	Public may be suspicious about the authenticity of product advertising.
6. Controversial Nature: Corporate Image advertising is more straight forward and non-controversial in nature.	It may be controversial in nature and certain details may mis-guide the audience.
7. Media Used: It is mostly done in press media.	It can be done in media.
8. Who does it: Generally, well established firms undertake corporate image advertising.	It can be undertaken by well-established firms and by new firms.
9. Frequency of Advertising: Corporate Image ads are not repeated frequently.	Product ads may be repeated frequently, especially in case of FMCG.
10. Advertising Budget: In Corporate Image advertising, the budget amount may be less.	In product advertising, ad budget may be quite high due to the frequency.

GREEN ADVERTISING

The concept of green advertising has come into existence on account of green marketing initiatives. Green marketing refers to marketing of eco-friendly products. Thus, green advertising refers to promotional campaigns relating to eco-friendly products. It also includes the green initiatives undertaken by business and non-business organisations to protect the environment.

According to green environmentalists, a green advertising campaign has to inspire a movement among buyers. Firms that produce green (eco-friendly) products need to highlight the same in their promotional campaigns. They should make people aware of the benefits of eco-friendly products. They need to highlight the fact that they invest a good amount of money on R&D to design eco-friendly products.

Common Green Marketing / Advertising Claims:

The following are some of the common green marketing / advertising claims made by sellers, especially in developed countries like USA, UK, Japan and so on:

1. **“Free Of” Claim:**

Companies may make a point to let the consumers know that their products are “free of” any harmless chemical or other ingredient that poses a risk to their health or lives.

2. **VOC-Free:**

Some products are labelled and “low-VOC” or “VOC-free”.

VOCs (Volatile Organic Compounds) which are found in paint, household cleaning products, floor polishes, charcoal lighter fluid, windshield wiper fluid, and some hair styling products, among other products.

VOCs are emitted as gases, and may cause smog by contributing to ground-level ozone formation, or have negative effects on the health of users.

3. **Non-Toxic:**

Marketers may state that their products is “*non-toxic*” – safe for both humans and environment.

4. **Ozone-Friendly:**

The Ozone layer in the upper atmosphere prevents harmful radiation from the sun from reaching the earth. But ozone at ground level forms smog and can cause serious breathing problems for some people.

A company may state that its products are “Ozone-friendly” or “Ozone-safe” – its products do not harm the upper ozone layer and the air at ground level.

5. **Biodegradable:**

A company may state that its product or packaging is biodegradable Something that’s biodegradable, like food or leaves, breaks down and decomposes into elements found in nature when it’s exposed to light, air, moisture, certain bacteria, or other organisms.

6. **Recyclable and Recycled Products:**

A company may say that its products is recyclable or recycled. Recyclable products are those which people can recycle the package or product after use.

Recycled products are made with content that was kept out of – or delivered from – the trash either during the manufacturing process or after people used a product.

7. **Carbon Offset Claims:**

A company can make claims that it takes action to reduce greenhouse gasses, like planting trees, or using green technology and can get credits for those “carbon offset” activities.

8. **Renewable Claims:**

A company make claims that it uses Renewable Materials and Renewable Energy.

TRENDS IN ADVERTISING

TRENDS IN INDIA

1. **Convergence of Media:**

Advertising industry is witnessing convergence of media. In advertising convergence, and more appropriately digital convergence, refers to a growing trend for using computer technology to deliver media programming and information.

Convergence allows one media outlet to take advantage of features and benefits offered through other media outlets. For instance, there is convergence of television and internet. In the case of some television programmes, one see the same programme on the television, and another person can see it on the internet.

2. **Interactivity:**

Interactivity means that audience can send messages back and forth to the media and vice versa. This is a significant change, until recently, most advertising was a one-way media, where the audience only viewed or listened or read. Now the audience can respond, ask questions, or even place orders for products and services.

For instance, one can respond to a digital ad to a toll-free number or otherwise. The advertiser reverts back to the respondent through the telephone, and both the parties can interact further for clarifications.

3. **Trends towards Non-traditional Media:**

Nowadays, firms are making use of non-traditional media to support the traditional media campaign for a brand. In 2003, an interesting use of a new medium employed by Reebok was the *tattoos on the forehead of college students*. Reebok hired 500 college students to wear temporary tattoos containing the Reebok logo and the slogan ‘*The plain train is coming*’ on their foreheads. These students were strategically placed around the 26.2 mile course of the Boston marathon in an attempt to take away attention from the official sponsor of the event – Adidas.

4. **Audience Tracking:**

Now-a-days, technology has made it possible for audience tracking. Downloading entertainment from the Internet, such as games, video and software, may contain a hidden surprise – *internet spy-ware*. Spyware is a special program that runs in the background of a user’s computer and regularly forwards information over the Internet to the spyware’s company operating the spyware. In some cases spyware keeps track of websites the user has visited. The information is then

used to gain an understanding of the user's interests, which then results in delivery of special ads when a user visits a certain site.

5. **New Media Options:**

Today, the media options available to supplement an advertiser's primary vehicles have grown dramatically. The introduction of vehicles such as the internet, video catalogues, mobile and interactive television has brought major changes to the job of the advertising and media professionals.

For instance, the media planners have created new ways to view the media function and media buyer. Media planners are forced to go beyond costs in developing plans.

6. **Unbuilding of Media Services:**

The split between creative agencies and media agencies is often referred to as 'unbundling'. The idea of breaking away the media function (From the ad agency) as a separate business has become an important reality in the last two decades. Upto the late 1990's, media buying was generally carried out by the media department of an advertising agency.

The unbundling of media independents has opened the doors of to the outside clients as well i.e. clients other than own agency affiliation are now pitched for as new business.

7. **Trends Towards Internet Advertising:**

There is a growing trend towards internet advertising. Internet advertising includes banner ads, online classified advertising, etc. Advertising through **social networking sites** like *Facebook*, *Twitter*, and many others have also started gaining importance in India.

TRENDS IN AD SPENDS

The Indian advertising market is expected to grow by 13.5 percent to Rs. 56,152 crore in 2017 from RS. 49,480 crore in 2016 says Madison Media Group in its report titled. Pitch Madison Advertising Report 2017, which was published in February 2017.

As expected, the growth for the ad industry came mainly from digital, which grew by 40 percent to Rs. 7,315 crore from Rs. 5,120 crore in 2015, and now claims 15 percent of the total market. The growth for all other media – television, print outdoor, radio and cinema slowed down to 8.5 percent.

Share of Media in Ad Expenditure:

- Digital media share in ad expenditure grew by over 40% in 2106. IT generated Rs. 7,315 crore with a total media expenditure share of 15%.

Category Wise Ad Expenditure (AdEx):

- Close to 50 percent of print's growth of RS. 1,216 crore is accounted by only four categories, namely FMCG, auto, education and BFSI.

TRENDS IN AD AGENCIES

1. **Trends towards Global Joint Ventures:**

In India, there is a growing trend of Indian ad agencies having a tie up with global agencies. Due to globalisation of business, it gives a big advantage for Indian ad agencies to have a tie-up with foreign ad agencies. At present, most of the top 20 agencies in India have a global partner or owner, which provides an immediate link to global markets.

2. **Media Buying Agencies:**

There is a growing trend to set up media buying agency. A number of ad agencies have set up subsidiary media buying agencies, and several other agencies will do so in the near future.

The media buying agency perform certain functions:

- Buys space / time slots from media owners and sells the same to advertisers.
- Schedules slots at different television channels and radio stations.

3. **Smaller Niche Ad Agencies:**

Clients (Advertisers) in developed countries like USA have also started moving away from agency giants, instead opting to bring work in-house or use a raft of smaller agencies.

P&G has reduced the number of PR and advertising agencies it works with by around 50% over the past three years.

4. **Less Investment by Ad Agencies:**

Ad agencies are investment less in people, marketing and sales. Recruitment in ad agencies has slowed down especially in advanced countries. This may be due to the shift towards inhouse agencies and small creative boutiques.

TRENDS IN EXECUTION OF ADVERTISEMENTS

1. **Live streaming of Ads:**

The user base of all the big social networks (Facebook, Instagram, LinkedIn, Twitter) have grown considerably in the past few years. The live streaming services of all the big social networks grow further their user base and the concept of live streaming has gained acceptance among consumers.

Facebook went in hard with a multimedia advertising campaign to promote its Facebook Live Service in December 2016, while its sister company Instagram added live video functionality in November 2016.

2. **Participatory Strategy:**

Events like different festivals and different games and sports competitions actually have a high participation level in the rural India.

The local events and shows offer great opportunity to effectively reach to rural masses. Firms can sponsor different events and shows in rural villages which is actually a cost-effective way to advertise with the participatory strategy.

3. **Show-N-Tell Strategy:**
Several firms are venturing into different ways to educate the rural consumers about their brands and their usage through different shows and events. This kind of initiatives actually creates huge awareness about the brand among the interested people in the rural India.
4. **Influencer Strategy on Social Media:**
Influencer strategy on social media has become a buzzword among advertisers. The concept of influencer marketing is straightforward – to reach new audiences on social media, brands pay “*influencers*” (social media personalities and celebrities with massive follower counts) to post about the products, which they use.
5. **Augmented Reality and Virtual Reality:**
A trend that may emerge in 2017 is augmented reality (AR) and virtual reality (VR). The launch of *PokemonGo* was a wakeup call to many businesses who haven't explored this option. The mainstream shift toward AR and VR provides new ways to connect with customers and offer unique, memorable interactions.

ESSAY TYPE QUESTIONS

1. Explain the communication process in advertising.
2. Discuss the elements of AIDA Model.
3. Describe the role of advertising in developing brand image.
4. Explain the factors influencing brand equity.
5. What are the techniques of managing brand crisis?
6. Discuss the different aspects of rural advertising.
7. Write a note on political advertising.
8. Discuss the various aspects of advocacy advertising.
9. Explain the features of Corporate Image advertising.
10. Write a note on Green Marketing.
11. Write short notes on:
 - (a) Trends in Advertising Media
 - (b) Trends in Ad spends in India
 - (c) Trends in Ad Agencies
 - (d) Trends in execution of advertisements.