

GAUHATI UNIVERSITY
INSTITUTE OF DISTANCE AND OPEN LEARNING



STUDY MATERIALS

PGDSMM [11-PAPER-IV]

Promotion and Advertising Management

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SMM 04

Promotion

And

Advertising Management

Unit-I: Introduction to the Field of Advertising

"The simplest definition of advertising and one that will probably meet the test of critical examination is that advertising is selling in print".

- Daniel Starch

After having gone through this unit, you should be able to-

- i) Discuss the field of advertising and the institutions through which advertising works.
- ii) Describe perspectives on advertising.
- iii) Comment upon the role of the advertiser in the advertising process.
- iv) Explain the concept and role of promotional elements.
- v) Describe the planning framework for advertising planning and decision-making.
- vi) Explain the role of market structure analysis in promotional design.
- vii) Describe the communication process.

Structure

- i) Introduction.
- ii) The advertiser
- iii) Perspectives on advertising.
- iv) Planning framework for advertising planning and decision-making.
- v) Market structure analysis.
- vi) Communication.

Introduction

Marketing is based on the concept of producing and selling at a profit what people are likely to buy. It is necessary to anticipate what the market will accept. There is a difference between a marketing oriented company and a sales-oriented company. The latter seeks to sell what it has produced, without first identifying, anticipating and consequently satisfying customer requirements.

The "marketing mix" or the marketing strategy is the combination of stages or elements necessary for the planning and execution of the total marketing operation.

The "Four Ps" concept of the marketing mix, as introduced by E. Jerome McCarthy, developed by Philip Kotler, and widely adopted in marketing discipline, creates four divisions of the mix, namely, Product, Place, Price and Promotion. Advertising comes under promotion. The "Four Ps" concept is a handy, elementary version of the marketing mix. Advertising cannot be separated from the other elements of the marketing mix like price, distribution etc., which are put under different 'P' headings. Marketing comprises all the stages between creation of the product and collection of feedback, which follows the eventual sale. One of these stages is advertising. Advertising is as important as every other stage or link, and each depends on the other for marketing effectiveness.

Today, advertising has become an important area of business and our daily life as well. We encounter hundreds of messages through myriads of media and we can never remain untouched by advertising. However, for a professional, it is essential that not only the subject is learnt thoroughly, but the practical intricacies are also understood. A basic responsibility of the marketing manager is to ensure that the company's message reach its potential customers. A main method by which companies deliver their messages to groups of customers and, in fact, make their initial contact with most potential customers is through the advertising.

Advertising defined

Advertising is any paid form of non-personal communication through the mass media about a product or service or an idea by an identified sponsor. It is a powerful promotion tool which individuals, businesses and non-business organisations use for informing, persuading and reminding their target audiences.

Some definitions of advertising are stated below: -

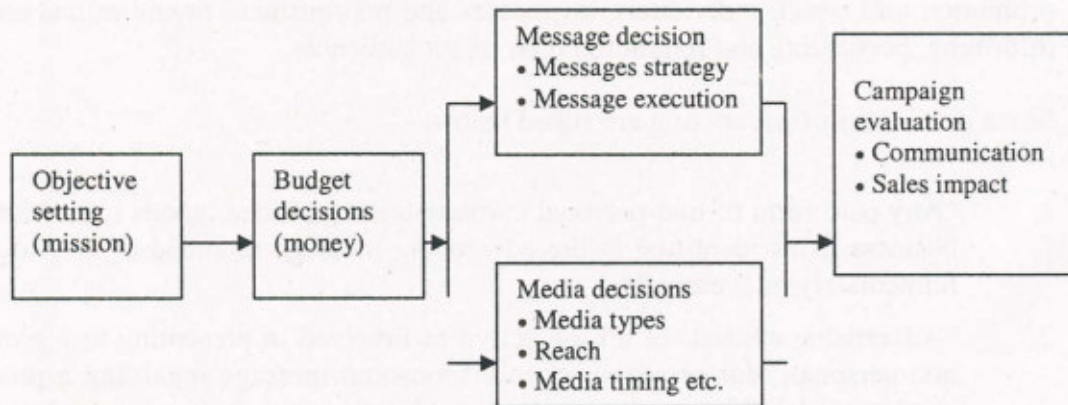
1. "Any paid form of non-personal communication of idea, goods or services by business firms identified in the advertising message intended to lead to sales immediately or eventually."
2. "Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding a product, service or idea. The message, called an advertisement, is disseminated through one or more media and is paid for by an identified sponsor" – W.J. Stanton.
3. Advertising is salesmanship without a personal salesman.
4. Advertising is salesmanship in print.
5. Advertising is the means of making known in order to sell.
6. "Advertisement, as a machine-made, mass production method of selling supplements the voice and the personality of a salesman, just as in the manufacturing, the machine supplements the hands of the craftsman" – Dr. Jones.

7. Reaching the target market segment to promote firm's brands through media, especially selected for the segment, using the creativity in language and expressions best understood by the segment when direct personal contact is not there. Naturally the identity of the advertiser and the firm's signatures become intrinsic elements of advertising.
8. Advertising is any paid form of non-personal presentations and promotion of ideas, goods, or services by an identified sponsor – American Marketing Association.
9. The Institute of Practitioners in Advertising Definition, says, "Advertising presents the most persuasive possible selling messages to the right prospects for the product or service at the lowest possible cost."

As shown in Exhibit 1.1, marketing management must make four important decisions when developing an advertising programme.

- Setting advertising objectives (Mission)
- Setting advertising budget (Money)
- Developing advertising strategy (Message decisions and Media decisions)
- Evaluating advertising campaigns (Measurement)

Exhibit 1.1: Major Advertising Decisions.



Crores of rupees are spent each year on advertising worldwide to help the sales. US advertising run up an estimated annual advertising bill of more than \$212 billion in 2001, while worldwide advertising spending exceeded \$414 billion. Although advertising is used mostly by business firms, it is also used by a wide range of non-profit organisations, professionals and social agencies that advertise their causes to various target publics. Advertising is a good way to inform and persuade, whether the purpose is to sell Coca-Cola worldwide or to get consumers in a developing nation to drink milk or use birth control methods.

Advertising may cost a lot of money but that cost is justified if it works effectively and economically. A good advertising is one, which is planned and executed well so that it achieves the desired results within an acceptable budget. We come across a good number of advertising campaigns which costs crores of rupees, but that is relative to the size of the market and the volume of sales required to maintain constant output of a factory's production capacity or to increase output.

As mentioned earlier, AMA (American Marketing Association) defines advertising as "any paid form of non-personal presentation and promotion of ideas, goods and services by and identified sponsor". Analyzing the definition we can see that –

- i) Advertising is a form of communication for which payment has to be made to the medium/media, which would carry the communication. It is directly paid for; when no payment is involved then the communication is known as publicity. It is not directly paid for.
- ii) The communication is non-personal, as nobody has personally conveyed it. Personal selling involves personal interaction between two or more people, so each person can observe the others' needs and characteristics and make quick adjustments.
- iii) Advertising involves monologue, personal selling involves dialogue.
- iv) The presentation is for promoting the ideas, goods, and services to create awareness and assist in selling the offer.
- v) Advertising is done by a known person or firm, i.e., by an identified sponsor. This becomes essential to avoid wrong messages being advertised.

Advertising can reach geographically dispersed masses at low cost per exposure, and it enables the seller to repeat a message many times. Television advertising has the potential to reach huge audiences. Beyond its wide reach, large-scale advertising says something positive about the seller's size, popularity and success. It induces credibility and reduces dissonance in consumers buying behaviour. Because of advertising's public and pervasive nature, consumers tend to view advertised products as more legitimate.

Advertising is also very expressive, it is known for its amplified expensiveness. Advertising allows the advertiser to dramatize its products through the artful use of visuals, print, sound and colour. Advertising helps in building up the image of the firms, which is also known as institutional advertising. Advertising can be used to build up a long-term image for a product (such as Coca-Cola advertising). Advertising can be instrumental in triggering quick sales too. Advertising has some shortcomings. Although it has a wider reach, it is mainly impersonal and cannot be as effective as the company sales people in persuading potential customers toward a buying decision. As mentioned earlier, it involves the monologue form of communication. For the most part, it can carry on only a one-way communication with the target audience and the audience does not feel that it has to pay attention or to respond. It is the challenge of

the advertiser to gain and hold attention of the target audience. In addition, advertising can be very costly depending upon the choice of media and style of message execution.

Major Institutions involved in the Field of Advertising

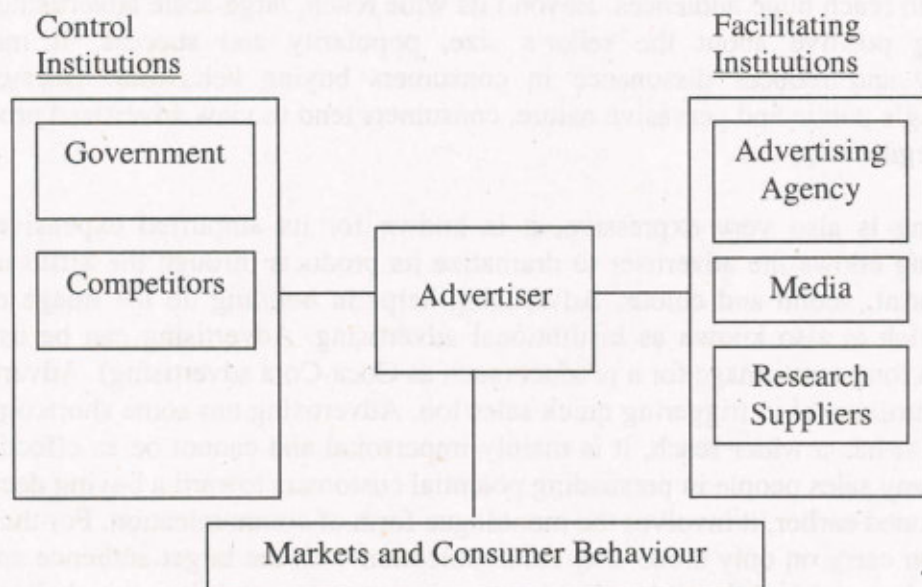
The field of advertising management is made up of a system of interacting organizations and institutions, all of which play a role in the process of advertising. The advertisers are at the core of this system. The advertisers provide the monetary resources that support advertising. They provide the overall managerial direction for the development of advertisement, campaign planning, purchase of media time and space, even though many other institutions are involved in the process.

Note:

Advertising Campaign: In cases where several different kinds of products or services are offered by the advertising organizations, a separate programme may be developed for each. The resulting advertisement is usually arrived or placed several times, and the resulting schedule of exposures is referred to as an advertising campaign.

In developing and managing an advertising campaign, the advertiser basically deals with numerous institutions as Exhibit 1.2 illustrates. The advertising process of the advertising organization is facilitated by three supporting institutions, viz. the advertising agency, the media and the research suppliers; they assist the advertising organization in analyzing opportunities; generating, screening and testing ideas; buying media time and space etc. The media supply the means and vehicles by which to advertise.

Exhibit 1.1: Major institutions involved in the field of advertising management.



The control institutions exercise control and affect the advertiser's decision-making activities in numerous ways. As shown in the Exhibit, the Government and competition are the two most important external control institutions. Various laws and regulations affect the advertisement related decisions. The competitors are also usually present. What competitors do and how they react to it is an important part of advertising management. This is much more important where the market is large and the market is dominated by few players only.

The market can be thought of another external institution that facilitates and controls advertising. A market is the set of actual and potential buyers of a product. These buyers share a particular need or want that can be satisfied through exchange and relationships. Thus the size of a market depends on the number of people who exhibit the need, have resources and willingness to engage in exchange. Marketers are keenly interested in markets. They need to develop products and services that will create value and satisfaction for customers in the selected markets resulting in sales and profit for the company. The advertising is targeted at the customers. Without an existing or potential target for advertising messages, the rationale for advertising would not exist. It is the consumer for whom ideas are created, messages are developed, media are used and need satisfaction studies are carried out. The consumer is a controlling force mainly through a whole range of behavioural possibilities, such as viewing or not viewing, buying or not buying, responding to consumer survey or not etc. The identification and understanding of markets and consumer behaviour is thus also a vital part of advertising management.

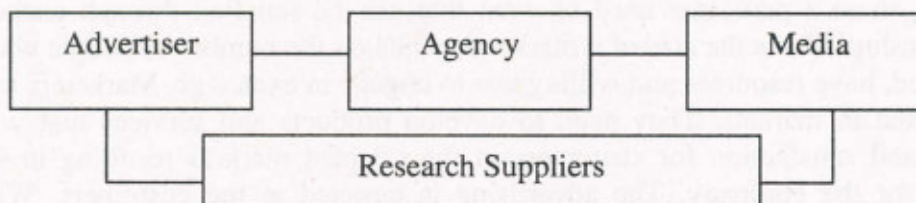
The Advertiser

The advertiser is the core institution of the field of advertising management. Advertising management is heavily focused on the analysis, planning, control and decision making activities of this core institution - the advertiser. Advertisers differ according to the markets they serve, the goods and services they produce and the media they use. Consumer advertisers are those who are mainly involved in marketing of goods and services for the consumer markets. Industrial advertisers predominantly manufacture and market products for industrial markets. And retailers often advertise locally to attract store patronage. The advertisers use different media to reach to their target segments. Retail advertisers particularly at the local level, use local level media like newspaper, cinema etc. Consumer goods and services advertisers generally make heavy use of television, radio, consumer magazines and newspaper. Industrial advertisers generally make use of trade magazines, business papers, direct mail and trade shows.

There are different types of advertisers and an equally large number of forms of advertising, including national, regional, local, consumer, industrial service, retail, nonprofit, comparative, public service advertising etc. In many instances, advertising management is done by a brand manager who is responsible for managing all marketing related aspects of the brand. The brand manager makes the advertising

policy decisions and interacts with the advertising agency. All advertisers use some form of media to achieve their marketing objectives. Where significant amount of media expenditures are involved, the advertiser will also use the services of one or more advertising agencies and research suppliers. As shown in Exhibit 1.3, together, these three types of institutions make up the primary facilitating institutions of advertising management.

Exhibit 1.3: Primary Facilitating Institutions.



The research suppliers, which could be internal, research departments or outside research suppliers will provide the research input to the system. The data could be on consumer profile, consumers' buying behaviour, environmental trends, competitive strategies and positioning etc. The advertising agency is represented in a position between the advertiser and the media. A major role of the advertising agency is the purchase of media time and space for the advertiser. A typical advertising campaign evolves from the activities of a project or planning group composed of representatives of the advertiser, the agency and the research supplier. Marketing research will provide evidence of motives, preferences and attitudes, which will influence not only the copy platform or advertising theme but the choice of media also. Naming and branding may be initiated by the advertising department or the advertising agency and this exercise plays a very important role in advertisement design. The product image is projected and augmented by advertising and public relations. Advertising research includes copy testing, circulation and readership surveys and statistics and recall tests, etc. These data provide useful insights for the advertiser in designing and executing advertisements.

In case of large-scale advertising, the advertising agency makes the creative and media decisions for the advertiser. The advertising agency often supplies supportive market research and is even involved in the total marketing plan. In some advertiser-agency relationships, the agency acts quite autonomously in its area of expertise; in others, the advertiser remains involved in creating and media decisions as the campaign progresses. An emerging trend is the partnering, where the advertiser and advertising agency jointly nurture a brand.

When advertisers grow worldwide, the agencies that hope to have a client's business worldwide must therefore create worldwide servicing networks, by owning overseas agencies or creating partnership with them. McCann Erickson, for example, has several agencies in several countries and used to service Coca-Cola in almost all of

these markets. It even has a global account director for Coca-Cola in New York, responsible for the agency's work on that account worldwide.

The advertisers do not pick agencies on the basis of size and servicing capabilities alone. Creative reputations and past experiences of handling accounts also matter a great deal. In recent years, several agencies have embraced an organisational innovation called "account planning", first developed in the United Kingdom. An accounts planner is a specialist in consumer attitudes and motivations who relies on qualitative in-depth research and who works with the account and creative teams in ensuring that the campaign is built with a deep and thorough understanding of the consumer's point of view.

Media developments have dramatically influenced the thrust of advertising over the years. Perhaps the most significant contribution to advertising was the development of the printing press by Guttenberg in 1438. The printing press made possible newspapers, magazines and other print media on which most advertising still relies. With the advent of television, the magazines industry began to feel the heavy pressure of competition. In the recent years we are experiencing the development of the so-called information highway, which will have many implications for the media industry. Some of the other developments in the recent years are addition of many more kinds of interactive services in which consumers can play games, order products, do their banking and search libraries and data bases. The sales promotion industry also has grown rapidly in recent years, faster than advertising expenditures. Various types of sales promotions can also be considered by the advertiser and represent yet another kind of media.

Recent trends

Some of the recent trends in the field of advertising are stated below: -

- i) The growth of global brands and global agency network.
- ii) The shift from mass advertising to sales promotion and direct marketing.
- iii) Increasing use of integrated marketing communication.
- iv) New developments in media environment and technology.
- v) Emergence of new independent media buying services.

Perspectives on advertising

There is an extensive literature on advertising, made up of books, monographs, reports, journal articles and speeches etc. most of which have been written since the turn of the century. Advertising has been approached through a variety of paths and traditions. These different paths partly reflect the perspectives of such various disciplines as psychology, economics, social philosophy, cultural anthropology, consumer buying behaviour and management. Advertising as a body of knowledge

has borrowed extensively from other disciplines. Because advertising is addressed to the consumers in a given market segment and the consumer's buying behaviours are influenced by several factors like culture, sub-culture, family, lifestyle, demographic variables and psychological forces like motivation, desire, etc. The multi-disciplinary approach reflects upon the intricacies associated in reaching the objectives of advertising. Although many of the paths overlap and some are ill defined, it is possible and useful to identify some of the main tracks that have been followed through the years.

- 1) The evolution of advertising as an economic force in society has continued to receive attention over the years. The economic perspective of advertising tends to deal with aggregate statistics of firms and industries and is concerned with public policy implications. Consumer decisions are taken on the basis of maximum satisfaction and maximum utility. The micro-economic theory of consumer demand stipulates on the basis of minimum acceptable psychological assumptions and how a consumer's utility maximizing choice will be effected by changes in any of these points: purchasing power, price, services offered and preference.
- 2) The writings of sociologists, religious leaders, philosophy and politicians are also extensive. Many of them reflect critical views of advertising. Advertising is a controversial subject about which scholars; intellectuals and business people tend to form strong and often contradictory opinions.
- 3) The descriptive approach to advertising typifies the introductory texts, which describe the principles of advertising evolved over the years. The writings describe such institutions of advertising as advertising agencies and the various media which often form a historical perspective. The relative importance and the operation of these institutions are of central importance. The descriptive approach generally focuses on what advertising is in a macro sense and how it works at a detailed level. The physical process of creating advertising is also described in some details while discussing the principles and practices of advertising.
- 4) There has been a good number of books and articles etc. on the behavioural approaches to advertising. This approach is largely concerned with the analysis of the communication process using behavioural science theory and empirical findings. The interest on motivation research in the 1950s and consumer buying behaviour in the 1960s intensified the development of this approach. During the recent years, an enormous amount of progress has been made in using theories and models from psychology, social psychology and sociology to help understand buyer behaviour, the communication process and the inter-linkages between the two.
- 5) The managerial tradition is really more recent in origin. The managerial approach to advertising is concerned with the viewpoint of a manager regarding the preparation of advertising budget, allocation of media budget and copy

related decisions. This approach is basically decision oriented and provides a contrast to the principles or descriptive approach, in which the nature and role of advertising institutions and advertising techniques are more important.

- 6) Another approach to advertising, which is even more recent in origin, is the model-building perspective originating from the fields of operations research and statistics. Although it had early predecessors, it really began in the late 1950s with the development of decision-models concerned with allocating the media budget, campaign planning, media scheduling and phasing of advertisement.

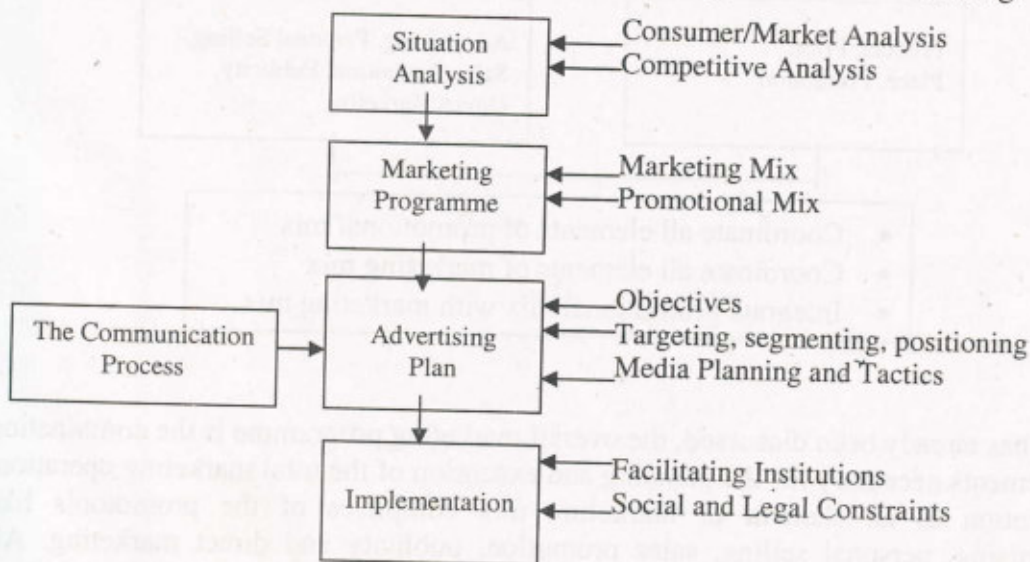
Planning Framework for Advertising Planning and Decision-Making

Planning concerns the generation and specification of alternatives, and decision-making concerns the choice processes.

The major activities of advertising management are planning and decision-making. The development of an advertising plan essentially requires the generation and selection of alternatives. The alternatives can be different kinds of advertising objectives or strategic choices; numerous kinds of options associated with copy creation and media choices, options involved with allocation of funds etc. A complete advertising plan reflects the results of the planning and decision-making process and the decisions that have been made in a particular product market situation.

The major internal and external factors involved in advertising planning and decision-making are shown in Exhibit 1.4.

Exhibit 1.4: Framework for Advertising Planning and Decision-Making.



As indicated in the diagram, the advertising plan should flow from the overall marketing programme, which should be developed following a situation analysis of the organisation's particular environment. The promotional mix is developed in light of the overall marketing mix. Once developed, an advertising plan is implemented and becomes an advertising campaign carried out in the context of social, legal forces and with the support of the facilitating institutions. We are familiar with the "4Ps" framework – the marketing mix, which includes product, price, place and promotion. A marketing plan formulates the strategy and tactics for each of these. The effectiveness of the various elements of the marketing mix with respect to the problems or opportunities should be the factor that determines what share each receives of the total marketing budget.

The promotional mix elements and marketing mix elements are interrelated and nothing, including advertising, can be considered in isolation. This is shown in Exhibit 1.5.

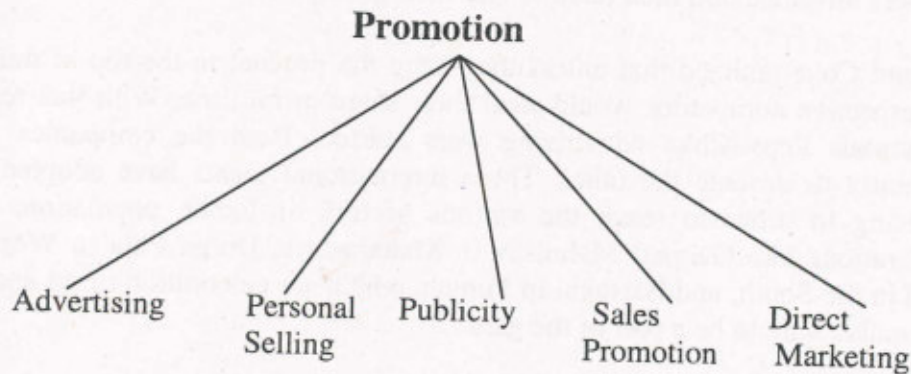
Exhibit 1.5: Inter-Linkages of Mix Elements.



As it has already been discussed, the overall marketing programme is the combination of elements necessary for the planning and execution of the total marketing operation. Promotion as an element of marketing mix comprises of the promotools like advertising, personal selling, sales promotion, publicity and direct marketing. All these promotools need to be coordinated and integrated with the marketing mix, and then only a holistic approach can be adopted towards accomplishment of marketing

objectives. Marketing communication (promotion) comprises several elements. Exhibit 1.6 represents the configuration.

Exhibit 1.6: Elements of the Promotion Mix.



Integration of the elements of both the marketing mix and the promotional mix is vital to the development of successful marketing and advertising plans. This entire process of planning and decision-making begins with a thorough analysis of the environment the marketer faces. The development of marketing strategy thus should begin with situation analysis and an analysis of the internal and external factors operating in a particular situation. This includes assessing the strengths, weaknesses, opportunities and threats (so-called "SWOT analysis") of the company involved.

Situation analysis invariably involves a systematic search for data. For advertising planning, information needs to be collected on consumer motivation and behaviour with respect to the product, service, idea or object to be advertised. Situation analysis or environmental scanning is generating the foundation for any well-developed marketing plan. Advertising planning and decision-making take place in the context of an overall marketing plan, which will spell out the strategies and tactics to reach the marketing objectives.

Market Structure Analysis

A situation analysis often begins by looking at the aggregate market for the product, service, or cause being advertised, the size of the market, its growth rate, seasonality, geographical distribution, structure of the market and the possible existence of different segments, the nature of competition, cost structure, prevailing trends etc. It is quite important to examine and understand the attitudes and behaviours of consumers and factors influencing their buying decisions. The market structure analysis involves the analysis of brand shares and development of perceptual maps of a market. This type of analysis attempts to locate the relative perceptual positions of competitive brands. The planner also has to be aware of the relative strengths and weaknesses of the different competing companies and the history of competitors' moves and objectives in the product category.

Life Insurance Corporation of India was never into a big time advertising. With the privatization of the insurance sector, they started advertising campaign in a big way. They also upgraded their product, made it more users friendly and improved their response time. All of which came about with big advertising splashes to keep the customers informed and motivated to buy their products.

Pepsi and Coke realized that unless they keep the product in the top of mind recall, their respective competitor would steal their share in no time. With this realization, now famous Pepsi-Coke advertising wars started. Both the companies leave no opportunity to upstage the other. These international giants have adopted regional advertising in order to reach the various sectors of Indian population. Regional considerations like Ganpati Mahotsav in Maharashtra, Durga Puja in West Bengal, Pongal in the South, and Baisakhi in Punjab, which are celebration times and the cold drink, makes sure to be a part of the gala.

In today's competitive market, profit comes from market share. Larger the share, more the profits for the business house. Sometimes this may not be entirely true. However, with the objective of maximizing market share, marketing tends to reduce price, launch promotional schemes etc. at the cost of profit margins. It is therefore important for the firms to have a balanced view of the market and market share. Brand can become the single most important factor responsible for the firm's profit, name and at times its very existence.

Most of the brands today cannot afford to just be one image and one selling message to the huge homogenous market. It is more important to target specified segments with the specific messages. Deciding which consumers the advertising campaign should be aimed at is a critical outcome of the situation analysis process. It involves considerations of market size and trends and consumer buying behaviour etc.

The identification and selection of a positioning strategy can be difficult and complex. However, it becomes more manageable if it is supported by the marketing research and decomposed into a six-step process.

- 1) Identify the competitors
- 2) Determine how the competitors are perceived and evaluated
- 3) Determine the competitors positions
- 4) Analyse the customers
- 5) Select the position
- 6) Monitor the position

In each of these steps one can employ marketing research techniques to provide needed information.

The market segment size should be worthwhile. If new buyers are to be attracted to the product class, a reasonable assessment should be made of the potential size and share of that growth area. Demographic trends are obviously very useful in marketing such forecasts. For example the shift from joint family to nucleus family have resulted in advertising campaigns from car companies, food companies and so on.

If categories are not growing and share gains are sought from other competitive brands within the category, those brands should have a large enough market share to justify the effort. Research must show that there exists a good reason why users of these targeted brands might switch. The penetration probability must indicate that there is a competitive weakness in the market or a competitive advantage is to be exploited. The service of any objective basically depends on two factors: the potential market size times the penetration probability. Unless both these factors are favourable, success will be unlikely.

Communication

Advertising is a specialized form of communication because in order to satisfy the marketing function it has to do more than making the customers aware. It has to remind and persuade people towards buying. Advertising has to influence customers' choice and buying decisions. The object of advertising is usually to change or influence attitudes. It aims to persuade people to buy Brand A instead of Brand B and to promote loyalty to a particular brand. Advertisement must do work in such an interesting original, characteristic and persuasive way that the consumer is urged to take action.

An understanding of the communication and persuasion process is a must for advertising effectiveness. An appreciation for the process by which advertising works is of great value in designing advertising plans in order to maximize the impact of advertisement on the consumer. An advertising message can have a variety of effects upon the receivers, i.e., the potential consumers. It can

- Create awareness.
- Inform the target market about special features of the product.
- Communicate information about attitudes and benefits.
- Develop or change an image or brand personality.
- Associate a brand with feelings and emotions.
- Influence buying behaviour.

Advertising communication always involves a perception process and involves four elements:

- source,
- message,
- communication channel and
- receiver.

The source of a message in the advertising communication system is the point at which the message originates. The message refers to both the content and execution of the advertisement. The channel is an advertising communication system consists of media. The impact of communication can be different for different media. The receiver in an advertising communication system is also called the target audience. It is the characteristic of the target audience that provides the basis for understanding communications, persuasion and market processes.

If the target audience misunderstands the advertising message, the campaign is a waste of time and money. In advertising, we have to be careful not to create any communication biases. Advertising as a communication process must be free from misunderstanding. A lot of time may be spent on writing advertisement copy, but most readers go for hurried readings. They are 'glancers' and get a quick impression from the large display lines. If these display lines can arouse their interests, then only they read more detailed copy in smaller type. Consequently, the shorter the copy the more likely will a correct message be conveyed - provided of course, that is free from ambiguities.

Ideas are needed in order to communicate marketing messages, and buying and planning skills are required to exploit communication media effectively. Campaigns have to be planned and executed with utmost care. They have to imbibe the blend of strategy and resources.

David Bernstein has explained the need for directness with his VIPS formula:

- Visibility,
- Identity,
- Promise, and
- Single-mindedness.

The advertisement must be visible, that is, easily noticed. The identity of the advertiser or their product or service must be obvious and not hidden by either too clever presentation or bad design. The offer (promise) must be made clearly. To achieve all these, the advertisement should concentrate on its purpose and should not be confusing by trying to say too many things.

People can communicate now through traditional media (radio, newspapers, telephone, televisions), as well as through newer media forms (fax machines, cellular phones, pagers and computers). The new technologies have encouraged more

companies to shift from mass communication to more targeted communication, direct marketing etc. At the same time, communication goes beyond the promotional tools. The product's design, its price, the shape, size and colour of its package and the outlets where the product is made available – all these communicate something to buyers. Thus, although the promotion mix is the company's primary communication activity, the entire marketing mix – promotion and product, price and place - must be coordinated for the greatest communication impact.

Summary

Modern advertising management is heavily involved with research and media developments have dramatically influenced the thrust of advertising in the recent years. The predominant perspective of advertising management is that of the advertiser. There are four major institutions – the advertiser, the advertising agency, the media and the research suppliers.

Advertising represents the perspectives of economists, social philosophers, managers, behavioural scientists and quantitative model builders.

It is vital that the advertising plan be developed so as to mix with and support the various components of the marketing and communication mix as personal selling, pricing, public relations and promotion. The advertiser also needs to know the major areas of his or her planning and decision-making responsibilities. It is also important at the planning stage to develop a good understanding of where advertising fits into the total pool of information and influence sources to which a consumer is exposed. Advertising planning and decision-making are heavily affected by competition and the competitive situation the advertiser faces. The usage of advertising and other communication elements have to be integrated in terms of the message and effect.

Discussion Questions

- 1) Define advertising. How does it differ from the other elements of promotional mix? Discuss their respective roles and importance in promotion.
- 2) Severe competition and technological advances have given rise to the importance of advertising. Discuss.
- 3) Consider the different perspectives on advertising. For each try to determine what would be regarded as the key issues.
- 4) How will the role of advertising differ when the product involved is a consumer-packaged product instead of a consumer durable? How will it differ for a retailer and an industrial advertiser? What part of the marketing programme will advertising be assigned in each case?
- 5) What are the major institutions of advertising management? Discuss the primary roles of each institution.

- 6) What do you understand by the planning framework of advertising management? What are its components and stages?
- 7) Comment upon the role of an advertising agency in modern day marketing situation.
- 8) A South-India based company, engaged in marketing coffee, and wants to tap the quality conscious market in North India. It believes that promotion is the key to its growth. Suggest a suitable strategy.

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Unit-2:

Setting Advertising Objectives.

"The advertisers who believe in selling power of jingles have never had to sell anything".

-David Ogilvy in

"Confessions of An Advertising Man".

After having gone through this unit, you should be able to:

- i) Explain the rationale of setting advertising objectives and the intricacies involved with setting advertising objectives.
- ii) Understand the factors involved in the process of setting advertising objectives – its types and functions.
- iii) Comment upon DAGMAR- an approach to set measurable advertising objectives and its usefulness.
- iv) Appreciate the factors involved with designing and communicating a positioning strategy.

Structure

- i) Importance of Advertising Objectives.
- ii) DAGMAR
- iii) Contribution of DAGMAR
- iv) Challenges to DAGMAR
- v) DAGMAR Model
- vi) Positioning Strategies for Image and Competitive Position
- vii) Determining the Position Strategies.

Introduction

As advertising is a part of marketing, naturally its objectives emerge out of the marketing objectives. In Unit-I we discussed the purpose and functions of advertising; the economical, psychological and social implications of advertising and advertising as an element of the promotional mix and to some extent about the intricacies involved in the process of advertising. We discussed about the theoretical framework of advertising in the context of the contributions of several other disciplines to the field of advertising. The evolution of advertising strategies and planning of advertising programmes marks the meeting point of advertising theory and its practice. The ultimate objective of advertising in the commercial context is the

achievement of specific marketing objectives, which could be stated in terms of achieving a certain percentage of the market share or a desired amount of sales volume etc. The effectiveness of the stated advertising depends upon the accomplishment of the stated advertising objectives.

The Institute of Practitioners and Advertising of UK launched, in 1980, a novel competition award scheme for advertising campaigns where proof of having achieved, the stated objective was available against measurable criteria. Stephen King, one of the judges, suggested that the measure of effectiveness should be in terms of business results (e.g. profits, sales, share of market etc.) and not the intermediate measures like awareness, attitudinal change, recall etc.

The place of advertising in the promotional mix has to be defined properly. Then only, one will be clear about the job of advertising in the total marketing programme. It is always necessary to undertake a careful assessment of the expected contribution of the various elements of marketing mix and the contribution of the promotional mix to the marketing mix. This will help us in developing an estimate of the weightage that may be attached to advertising. The first step in initiating the process of advertising is to set advertising objectives. The advertising objectives should be based on past experiences in respect of the decisions about the target market, positioning and marketing mix.

According to Kotler and Armstrong, an advertising objective is a specific communication task to be accomplished with a specific target audience during a specific period of time. Advertising objectives can be classified by primary purpose – whether the aim is to inform, persuade or remind. Table 2.1 lists examples of each of these objectives –

Table 2.1
POSSIBLE ADVERTISING OBJECTIVES
To inform
<ul style="list-style-type: none"> ● Telling the market about a new product ● Suggesting new uses for a product ● Informing the market of a price change ● Explaining how the product works ● Describing available services ● Correcting false impression ● Reducing buyers' fears ● Building a company image

To persuade

- Building brand preference
- Encouraging switching to your brand
- Changing customer perceptions of product attributes
- Persuading customers to purchase now
- Persuading customers to receive a sales call

To remind

- Reminding customers that the product may be needed in near future
- Reminding customers where to buy the product
- Keeping the product in customers' minds during seasons
- Maintaining top of mind product awareness

Source: Kotler & Armstrong, Principles of Marketing, 9th Edition.

Advertising results are measurable provided specific advertising objectives are formulated. Many of the advertising campaigns turn out to un-productive and ineffective for lack of clarity regarding the guiding objective of a specific campaign.

Informative advertising is used heavily when introducing a new product. In this case, the objective is to build primary demand. Thus, producers of quartz clock informed consumers of the benefits of the quartz clock. Persuasive advertising becomes more important as competition increases. Here the marketer's objective is to be build selective demand. For example once demand for quartz clock is established, then a marketer of a quartz clock brand would try to persuade consumers that his brand offered the best quality for the customers money. Similar was the case with Kellogg's Cornflakes in India. They first tried to create the primary demand for Cornflakes in India by trying to change the breakfast habits of Indians. Then they tried to popularize the Kellogg's brand.

Some **persuasive advertising** has become comparative advertising, in which a company directly or indirectly compares its brand with one or more other brands. Comparative advertising has been used for products ranging from soft drinks and computer to batteries, pain relievers, long distance telephone services etc. Because of this we come across with a good number of aggressive advertisements. The advertising wars between Coke and Pepsi, Surf and Nirma etc. are well known. In its classic comparative advertising campaign, Avis positioned itself against market leader Hertz by claiming, "We're number two, so we try harder". In case of TV advertising also, we find that various features and attributes of different brands are rated and highlighted in order to promote the demand of a particular brand. In cases of comparative advertising, often, both sides complain that the others' advertising is misleading.

Reminder advertising is important for mature product – it keeps consumers thinking about the product. Expensive Colgate advertisements on television are designed primarily to remind people about Colgate advertisements, not to inform or persuade them. It helps in reminding and retaining the top of mind awareness.

Business today is for continuous improvement in the bottom line. Advertising is a distinct aid to increasing sales. Many advertising agencies refute that advertising should directly increase sales. However, the ultimate objective of advertising must be to contribute towards improving profitable sales.

The process of advertising can be linked up with the process of buying decision-making also. The buying process starts long before actual purchase and continues long after. Marketers need to focus on the entire buying process rather than on just the purchase decision.

The marketer should research consumers to find out what kinds of needs or problems arise, what brought them about, and how they led the consumers to this particular product. By gathering the buying behaviour related information, the marketer can identify the factors that most often trigger interest in the product and can develop marketing programs that involve these factors. Marketers should study buyers to find out how they actually evaluate brand alternatives. If they know what evaluating processes go on, marketers can take steps to influence the buyer's decisions. Advertising is used as a means of communication as marketers want to provide information about all these to the target segment. Marketers also inform about new products in the pipeline, discount offers, new retail outlets and of late exchange offers.

- 1) The first step in business communication through advertising is of creating awareness; for product launches it becomes critical that target segment gets to know about the product.
- 2) Comprehension should result in the potential customer getting to know the attributes of the product.
- 3) Acceptance of the product as a means of satisfying customers' needs, whether they buy it or not.
- 4) A positive attitude and belief that it is this product only which the customer needs.
- 5) Purchase action is the next step, as the customer has fully understood value to be derived from the product after the purchase.
- 6) Use and repeat purchase result from satisfaction of the customer. If the satisfaction extends the expectations, the customer would feel delighted that would result in development of relationship marketing.

Thus the chain goes on, which starts with the customer's awareness of the products and ends with the development of relationship marketing over a period of time.

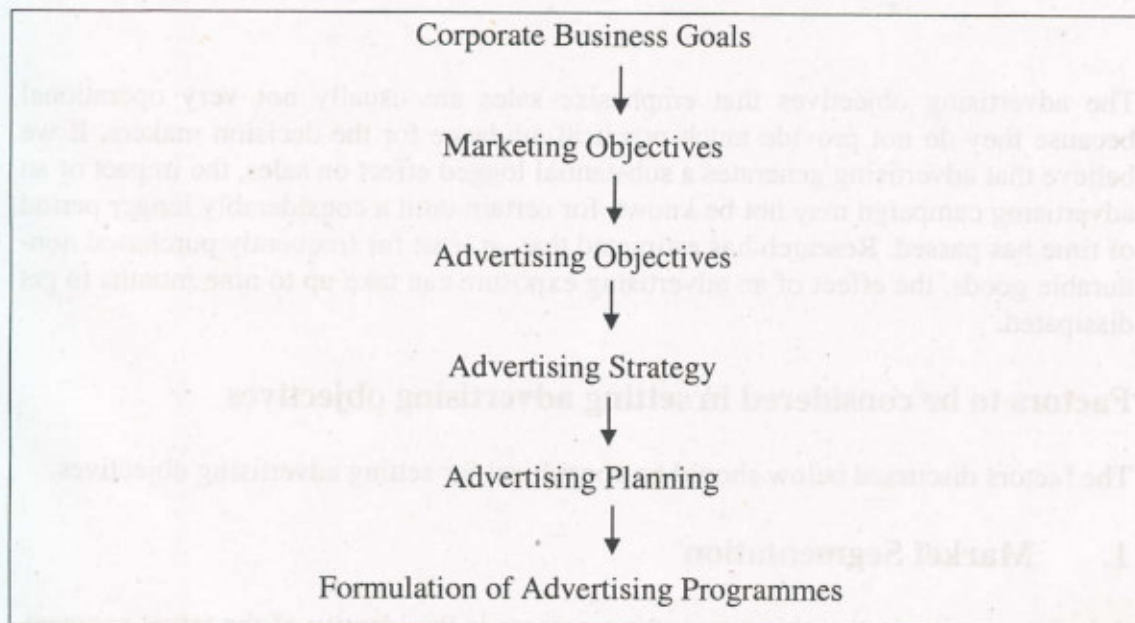
As stated earlier, the advertising objectives for a company, or a SBU or for a brand, are derived from the overall corporate goals and specific business objectives of the company. The process of goal setting at the corporate level usually extends over a period of several years and marketing objectives and plans too may relate to that period with varying degrees in detail. The basic strategic considerations should not be overlooked in setting advertising objectives. Without good objectives, it is nearly impossible to guide and control decision-making.

Objectives serve several functions in modern management. Some of them are -

- 1) Objectives operate as communication and coordination devices. Objectives act as a vehicle for the client, the agency personnel and the creative team to communicate. They also serve to coordinate the efforts of such groups as copywriters, media buyers and research specialists.
- 2) Objectives provide a criterion for decision-making. If two alternative campaigns are generated, one must be selected. For selecting the alternative, its contribution to the achievement of objective would have to be assessed.
- 3) Objectives help in evaluating results. This function implies that there need to be a measure such as market share or brand awareness associated with the objective.

Advertising objectives, like organisational objectives, should be operational. The sequence for derivation of advertising strategy should be as shown in Exhibit 2.2.

Exhibit 2.2: Sequence for Derivation of Advertising Programmes.

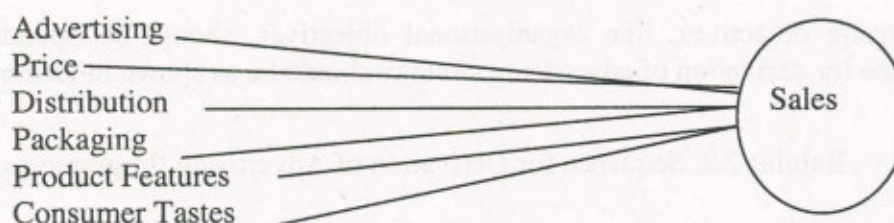


Advertising objectives should be effective criteria for decision-making and should provide standards with which results can be compared. A convenient and enticing advertising objective involves a construct like immediate sales or market share. The measure is usually readily available to evaluate the results of a campaign. There are clearly some situations when immediate sales increase is a good operational objective. In others, they can play a role in guiding the advertising campaign.

However objectives that involve an increase in immediate sales are not operational in many cases mainly for two reasons: -

- 1) Advertising is only one of many factors influencing sales as Exhibit 2.3 illustrates. The other factors include price, distribution, the sales force, packaging, product features, competitive actions, changing buyers needs and taste and it is difficult to isolate its contribution to those sales; and
- 2) The contributory role of advertising often occurs primarily over the long run.

Exhibit 2.3: Factors Influencing Sales



The advertising objectives that emphasize sales are usually not very operational because they do not provide much practical guidance for the decision makers. If we believe that advertising generates a substantial lagged effect on sales, the impact of an advertising campaign may not be known for certain until a considerably longer period of time has passed. Research has estimated that, at least for frequently purchased non-durable goods, the effect of an advertising exposure can take up to nine months to get dissipated.

Factors to be considered in setting advertising objectives

The factors discussed below should be considered for setting advertising objectives.

1. Market Segmentation

A basic question in the objective setting process is the identity of the target segment. To whom is the advertising to be addressed? The process of objective setting is intimately connected with that of setting a target segment and may involve sub

segments that are relevant to the task of communication. It is only through careful market segmentation that the target audience for advertising can be defined and identified. Failure to recognize the possible existence of significant differences in sensitivity levels of market segments to distinct advertising strategies may result in an unsatisfactory return on advertising investment. Market segmentation has to be a continuous exercise so that changes in consumer types, their buying behaviour and socio economic and other environmental parameters can be kept under review.

Segments can often be identified that are unaware of the brand, do not know or are not convinced that the brand has a key attribute, or the consumers have not yet developed a positive attitude. One or more of these segments can then be selected as the primary target. As the advertising objectives differ, such segmentation choices can make the advertising more effective.

2. Buyer Behaviour

An insight into consumer buying behaviour is always at the core of the communication objectives. Demographics, psychographics and other relevant segmentation parameters provide the foundation for studying the various factors, which lead to buying (or acceptance in the case of non-commercial goods, services and ideas) decisions. Advertising as a form of communication must consider the underlying patterns of buying behaviour in setting objectives so that campaign may be accordingly devised. By using various qualitative and quantitative measures of marketing and advertising research, the needs and motivations of the persons involved in the buying process should be probed.

3. Brand Personality and Perceptions.

It is the perception of the product and the brand in the minds of consumers that help in moulding the product personality. This can transcend mere physical properties and perpetuate itself despite changes in the product itself.

An audience's perception of the brand attributes influences the brand comprehension. The perception of the brand on that attributes could be measured by asking respondents to indicate their relative agreement or disagreement as to whether the brand has those attributes, as follows: -

Agree strongly +3+2+1 0 -1 -2 -3 Disagree strongly.

4. Situational Factors

Advertising objectives in coherence with marketing objectives may relate to short-term and long-term objectives. The objectives will be based on an ongoing assessment of the market situation, competition, price, promotion, distribution channel, personal selling offer etc. In the marketing framework, advertising strategy will be based on considerations such as the following: -

- i) Company's strengths and weakness
- ii) The nature of current competition and the expected future competition.
- iii) The use of promo tools
- iv) The nature of the product and its stage in the product life cycle.
- v) Positioning of the product.
- vi) Availability of the required media at a cost effective manner.

The different situations in which advertising may be required could be the following-

- i) Recruitment
- ii) Establishing a brand image
- iii) New application, uses or benefits of a brand
- iv) Special offers and announcement of promotional schemes.
- v) Institutional advertising
- vi) Arresting the seasonality of a product
- vii) Raising capital
- viii) Penetrating in the existing market
- ix) Upgrading a product
- x) Entering a new market etc.

Advertising objectives will be derived from marketing objectives, which will be based on an ongoing assessment of the market situation. In many situations, there are two or more advertising responses that are needed for a desired behaviour to occur. Awareness can lead to trial purchase directly or through the creation of knowledge or development of a favourable disposition or positive attitude toward buying. When the advertising campaign can focus upon a single, well-defined objective, the communication task is made easier. When several objectives are introduced, there is always the danger that the campaign may not bring the desired results with regard to the objectives.

5. Benchmarks and Norms of measurement.

A statement of advertising objectives must include the parameters and norms of measurement and benchmarks, if any, against which such measurement is intended or planned. Colley has prepared a very comprehensive task checklist, which can be utilized for this purpose. This list has been recommended for developing specific advertising objectives, for a year or longer period and for one advertisement or one campaign.

In preparing this list, the communication objectives of the advertising is attempted to be combined with the sales and marketing objectives for which the advertising is designed. Each 'task' assigned to advertising can be rated on a six-point Likert scale for importance. The relevant tasks for an advertising programme, campaign or advertisement can be prioritised.

A list of 52 tasks, which could be assigned to advertising, has been prepared and classified under the following nine categories: -

1. To what extent does the advertising aim at creating an immediate sale?
2. Does the advertising aim at near-term sales by moving the prospect, step-by-step, closer to a sale (so that when confronted with a buying situation the customer will ask for, reach for or accept the advertised brand)?
3. Does the advertising aim at building a 'long range consumer franchise'?
4. Specifically how can advertising contribute toward increased sales?
5. Does the advertising aim at some specific steps, which leads to sale?
6. How important are "supplementary benefits" of end-use advertising?
7. Is it a task of advertising to impart information needed to consummate sales and build customer satisfaction?
8. To what extent does the advertising aim at building confidence and goodwill for the company among customers, potential customers, trade, the financial community and the public at large?
9. Specifically, what kinds of images does the company wish to build?

It is pointed out that this list is by no means complete; organizations making use of such a checklist may add some more tasks and marketing goals and objectives.

DAGMAR

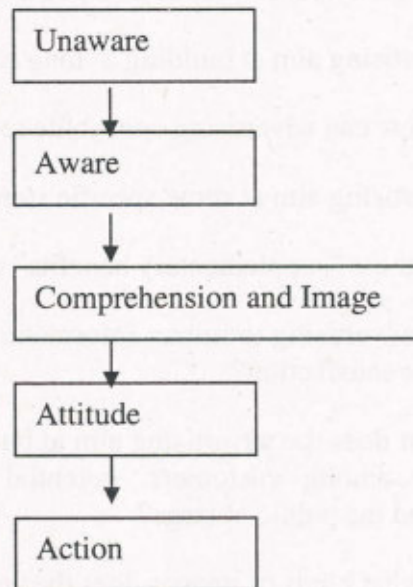
In 1961, Russell H Colley wrote a book, entitled "Defining Advertising Goals for Measured Advertising Results". The book was written under a sponsorship of the Association of National Advertisers. The advertising managers of the 1960s were constrained by the availability of tools and techniques for formulating advertising goals could be quantified. The book introduced what has become known as the DAGMAR approach to advertising planning and included a precise method for selecting and quantifying goals and for using these goals to measure performance.

The DAGMAR approach can be summarized in its succinct statement "which defining an advertising goal." An advertising goal is a specific communication task to

be achieved among a defined audience in a given time period. Here, the marketing tasks are not referred to as such, the communication tasks are emphasized. These have to be specific and to be defined in explicit and unambiguous manners.

In the DAGMAR approach, the communication task is based on a specific model of the communication process, as shown in Exhibit 2.4. The model shows that there is a series of mental steps through which a brand or objects must climb to gain acceptance. An individual may be unaware of the product category or the existence of a brand in the product category. The initial communication task of the advertiser for marketing the brand would be to increase consumer awareness of the brand. This will advance the brand one step up the hierarchy.

Exhibit 2.4: A Hierarchy of Effects model of the Communication Process.



The second step of the communication process is brand comprehension and involves the target consumer learning something about the brand. What are the attributes of the brand? What are the specific appeals? How is it different from the competitors' brand? Whom is it supposed to benefit? The third step is the attitude (or conviction) step and intervenes between the comprehension and final action. The interest in the brand has to be intensified and a strong desire has to be aroused in the minds of the buyers so that it ultimately leads to the purchase action. The action part in the model involves some overt move on the part of the buyers, such as trying a brand for the first time, visiting a showroom or requesting information.

Advertising is one of several communication forces, which are acting singularly, or in combination. As it has been outlined, these forces move through successive levels of the communication spectrum, namely, awareness, comprehension, attitude (conviction) and action.

Advertising performs the role when it contributes to moving the consumer through one or more levels in the spectrum of awareness of the existence of the brand, comprehension of the brand attributes and rational or emotional advantages and the image associated with the brand, conviction of the benefits and finally the action leading to a sale. Rarely, does a single force move a prospect through the entire spectrum. The buying behaviour is subject to several forces and countervailing forces like comprehension, memory lapse etc. A diagrammatic presentation of the marketing communication spectrum is given in Exhibit-2.5.

Exhibit 2.5: Marketing Communication Spectrum.

Marketing Forces (Moving people towards buying action)	Countervailing Forces
Advertising Promotion Publicity User recommendation Product design Availability Display Packaging Exhibits	Competition Memory lapse Sale resistance Market attrition (death etc.)
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Action Conviction Compensation Awareness Unawareness </div>	
<p>Source: Russell H Colley, Defining Advertising Goals for Measured Advertising Results, Association of National Advertisers Inc., New York, 1961, P.55.</p>	

A communication model such as the DAGMAR model, which implies that the target audience will sequentially pass through a set of steps, is known as hierarchy of effects model. Some other similar models also have been developed. The AIDA model, developed in 1920s, suggested that an effective personal sales presentation should have the stages like

1. Securing attention,
2. Arousing interest,
3. Kindling desire and
4. Inducing action.

The new adopter hierarchy model, conceived by rural sociologists, postulated five stages:

1. Awareness,
2. Interest,
3. Evaluation,
4. Trial and
5. Adoption.

Another hierarchy model includes six stages:

1. Awareness,
2. Knowledge,
3. Liking,
4. Preference,
5. Conviction and
6. Purchase.

The DAGMAR approach emphasizes the communication task of advertising not the marketing objectives of the firm. The second important concept of the DAGMAR approach is that the advertising goal should be specific. It should be a written, measurable task involving a starting point, a defined audience and a fixed time period. For example, when brand comprehension is involved, it is to be communicated among the target audience. The specification should include a description procedure.

A basic aspect of establishing a goal and selecting a campaign to reach is to know the starting conditions. The selection of an awareness-oriented goal might be a mistake if there is high awareness already. Likewise, it would be useful to know whether the existing image of the brand needs to be changed, reinforced, diffused, modified, upgraded or sharpened. A benchmark is important for the ultimate measurement of results in the DAGMAR approach. In fact, the key to the DAGMAR approach is probably the generation of well-conceived benchmarks before advertising goals is determined. For example, if the goal is to increase awareness, it is essential to know the target audience precisely. It could be to increase awareness among the heavy user segment from 25 percent to 60 percent in one-year period of time. The goal should involve a particular time period. In the given time frame, a survey to generate a set of measures can be planned and anticipated. The length of the time period must fit into various constraints involving the planning cycle of both the company and the advertising agency. In order to ensure that the advertising goal contains the crucial aspects of the DAGMAR approach, it is essential that the advertising goal is committed to paper. In doing this, the basic shortcomings and misunderstandings of the goal get exposed.

As it has been discussed already, a checklist of promotional tasks has to be developed. In the DAGMAR book, a copy of this checklist has been given. The suggestion was to rate each of the promotional tasks in terms of its relative importance in the context of the product situation involved. The intent was to stimulate ideas or decision alternatives, often the most difficult and crucial part of the decision process.

Challenges to the DAGMAR Approach

Advertising objectives can be formulated in terms of awareness, knowledge or comprehension of benefits and the degree of conviction or buying intention for the brand. This is basically the DAGMAR model. Colley has given several hypothetical examples and one of them is cited below.

One of the smaller overseas airlines, based in the USA, set itself the target of increasing passenger loadings by 10%. To this end, the advertising goal was defined as communicating the image of a luxury airline to an additional 20% of target prospects in one year. Benchmark and post campaign surveys revealed the following:

	Before ad. campaign	After 6 months	After 12 months
Awareness (have heard of Co.)	38%	46%	52%
Image (luxury, all jet overseas service)	9%	17%	24%
Preference (would seriously consider for next trip)	13%	15%	21%

The DAGMAR model for testing before and after comprehension of the brand is useful. It can provide guidelines for advertising research. But it does not give adequate clues about the relative position of the brand vis-à-vis the competitors' brands. It fails to track the movement of the brand in relation to competing brands.

DAGMAR approach was really instrumental in changing the way the advertising objectives were set and the way that advertising results were measured. The emphasis was made on the communication objectives like awareness, comprehension, conviction etc., rather than on sales, etc., which may have several causes. The approach encouraged managers to set specific and measurable objectives. In the process the ambiguities were reduced and the communication between the creative teams and the advertisers became clear. There have been six different kinds of challenges to the DAGMAR model.

1) Sales Goal

Some experts believe that only a sales measure is relevant rather than awareness etc. According to them, if awareness does not affect sales, the relevance of measuring it does not arise. This argument has received strength in recent years for the development of some tools and techniques by which advertising effects on short term sales can be measured with precision. However, the ambiguity aspect cannot be ruled out completely. It cannot typically yield unambiguous estimates of the long-term effects of advertising. Another criticism is that of sales effects measures are flawed, the use of intermediate communication objectives has serious flaws. The assumption that there is a positive relationship between sales and intermediate objectives is questioned.

2) Practicability

Developing a campaign to achieve a level of the communication hierarchy is really difficult. There is a criticism that the checklist Colley has prepared is not full with sufficient details to implement the DAGMAR approach.

3) Measurement Problems

The third problem is with regard to the difficulties involved in measuring awareness, attitude, brand comprehension, etc. Substantial conceptual and measurement problems underlie all these constructs.

4) Noise in the System

The hierarchy model is not free from the noise. There are many causal factors besides advertising that determine awareness or any other level of the model. For example, variables such as competitive promotion or unplanned publicity or event also can affect an awareness campaign.

5) Inhibiting the Great Idea

The DAGMAR approach is basically a rational and planned one, which inhibits great advertising by emphasizing tests in recall, communication and persuasion etc. The measurement tools may not be compatible with the great idea. Sometimes for testing the advertising, research flexibility also is required. When the creative approach of copywriters and art directors is inhibited, there is less likelihood that they will come up with great idea.

6) Hierarchy Model of Communication Effect

There is another criticism against the DAGMAR approach. It is about the basic hierarchy model, which postulates a set of sequential steps of awareness, comprehension, attitude and action. All these do not follow the sequence always. For example, action can precede attitude formation and even comprehension with an impulse buying of a low involvement product. However, the basic thrust of DAGMAR – the use of advertising response measures, as the basis of objectives and the focus on measurement does not depend upon the DAGMAR hierarchy model. So this issue is not that crucial.

Positioning Strategies

Once a company has decided which segments of the market it will enter, it must decide what position it wants to occupy in those segments. According to Kotler and Armstrong, a product's position is the way the product is defined by consumers on important attributes – the place the product occupies in consumer's minds relative to competing products. Positioning involves implanting the brand's unique benefits and

differentiation in customer's minds. Thus Dabur Chawanprash is positioned as a product, which develops the immuno system of the body and helps the body in fighting the diseases.

In today's context we find a clutter of advertising. Consumers are overloaded with product related information. To simplify the buying process consumers organise products into categories – they 'position' products, services, and companies in their minds. A product's position is the complex set of perceptions, impressions and feelings that the consumers have for the product compared with competing products. Consumers may or may not depend upon the marketer's inputs for positioning the products. This does not mean that the marketers will keep themselves aloof. They must plan positions that will give them the best possible advantages in the selected target markets and they must design marketing mixes to create these planned positions. For a product to exist, it must find a place in an individual consumer's perceptions of the world of products around him or her. This perception is subjective governed by the individual consumer's values, beliefs, needs, preferences, past experiences and the environment to which he or she belongs.

Prof. Philip Kotler says, "Once the core product concept is chosen, it defines the character of the product space in which the new product has to be positioned. An instant breakfast drink means that this product will compete against bacon and eggs, breakfast cereals, coffee and pastry, and other breakfast alternatives....." A product-positioning map can be shown where an instant breakfast stands in relation to other breakfast products, using the two dimensions of cost and preparation time. An instant breakfast drink stands in a distinct part of the market..... its nearest competitor is cold cereal; its most distant competitor is bacon and eggs. Similarly, he goes on to say, a brand-positioning map can be drawn using the concept of perceptual distance to show the similarity or dissimilarity between several brands of instant breakfast alternatives as perceived by consumers.

As marketers and advertisers how do we gain a particular position? It is the sum total of availability, price, product features and advertising effort which goes into the product. Product positioning is therefore attempted by the marketer, but actually it is the market, which places a product in its position. Positioning strategy starts with the prospect consumer's mind.

Al Ries and Jack Trout, the authors of the famous treatise, "The Positioning Era Cometh", emphasize that positioning is the battle for a place in the consumer's mind. They quote the example of that that all time classic in positioning strategy viz. the announcement of 7-Up as the "Un-Cola" soft drink.

Originally, 7-Up had a steady volume as a mixer to be taken with hard drinks. The market was very small compared with the soft drink market in USA. 7-Up was seeking for a niche position in the consumer's mind. Using colas (dominated by Pepsi and Coke) as a frame of reference, 7-Up advertising announced itself as the Un-Cola soft drink. An unfamiliar concept was related with a familiar one and the

advertisement gave clues to the consumer to form a position in his mind, which was, at once,

- (i) As a soft drink,
- (ii) Different from colas and
- (iii) Intriguing (a curiosity is developed to know what is a un-cola?).

This new 'un-cola' position brought 7-Up a sales increase of 10% in the very first year. It became the third largest selling soft drink after Coke and Pepsi.

In this context, Al Ries and Jack Trout have said, "To find a unique position you must ignore conventional logic. Conventional logic says you find your concept inside yourself or inside the product. Not true. What you must do is look inside the prospect's mind. You won't find a 'un-cola' idea inside a 7-Up can. You find it inside the cola drinker's head".

The concept of perception space forms the theoretical basis for positioning. The advertiser's main concern should be with that subjective perception of his brand as seen by the target consumers. Creating the designed perception and occupying a particular place in the consumer's mind is the essence of positioning or repositioning. This is how an article in the Journal of Advertising Research defines positioning.

Product position refers to a brand's objective (functional) attributes in relation to other brands. It is a characteristic of the physical product and its functional features. Position, on the other hand, refers to a brand's subjective (or perceived) attributes in relation to competing products. This perceived image of the brand belongs not to the product but rather is the property of the consumer's mental perceptions and in some instances, could differ widely from a brand's true physical characteristics.

According to another definition, "Positioning is the art of selecting out of a number of unique selling propositions, the one which will get you maximum sales".

Aaker writes, "Product positioning is so central and critical that it should be considered at the level of a mission statement.∴ it comes to represent the essence of a business".

Subroto Sengupta in his book "Brand Positioning – Strategy for Competitive Advantage" regards positioning as the fountainhead decision from which flow all other marketing and advertising decisions. It becomes the task of the marketing planner and advertising strategist to design and engineer each element of the marketing mix to serve the positioning objective of the brand. A brand cannot be distinctly positioned if it tries to be everything to everyone. This is achieved mainly through marketing communication, although its distribution, pricing, packaging and actual product features also can play major roles. As it has already been stated, positioning is not what you do to the product, but what you do to the consumer's mind through various communications. A positioning strategy is vital to provide focus to the development of an advertising campaign. The strategy can be conceived and implemented in a variety of ways that derive from the attributes, competition, specific

applications, the types of consumers involved or the characteristics of the product class. Each of these represents a different approach to developing a positioning strategy, but the end objective of all of them is same, i.e., to develop or reinforce a particular image for the brand in the mind of the consumer.

We can discuss seven approaches to positioning strategy-

1) Using product characteristics or customer benefits.

A new product can be positioned with respect to a product characteristic that competitors have ignored. Sometimes advertiser may attempt to position a product along two or more product characteristics simultaneously. However, advertising objectives that involve too many product characteristics can be most difficult to implement. The result can often be a blurred, confused image, which usually hurts a brand.

2) Positioning by Price and Quality

There are many products that deliberately attempt to offer more in terms of service, features or performance. Manufactures of such brands charge high price, partly to cover higher costs and partly to help communicate the fact that the product is a high quality product.

3) Positioning by use or application

Another positioning approach is to associate the product with a use or application. Milkmaid is positioned as an ingredient to be used for preparing different milk based receipies.

4) Positioning by product user

Another way to communicate an image of the product is to associate a product with a user or a class of users.

5) Positioning by product class

We have already discussed the 'un-cola' example of 7-Up, a soft drink which was regarded as a mixer beverage.

6) Positioning by cultural symbols

In this approach, the marketing tries to identify something that is very meaningful to people that other competitors are not using and associate that brand with that symbol. Marlboro cigarettes chose the American cowboy as the central focus to help differentiate its brand from competitors and developed the Marlboro man.

7) Positioning by competitor

In most positioning strategies, an explicit or implicit frame of reference is one or more competitors. The most famous positioning strategy of this type was the Avis car rental "We're number two, we try harder" campaign. The message was that the Hertz company was so big that they did not need to work hard, as if they had become complacent.

Choosing a Promotion Strategy

The positioning task involves the following: -

- i) Identifying a set of possible competitive advantages upon which to build a position;
- ii) Choosing the right competitive advantages;
- iii) Selecting an overall positioning strategy;
- iv) Communicating and delivering the chosen position.

i) Identifying possible competitive advantages

If a company can position itself as providing superior values to the target market, the company will enjoy competitive advantages. The company will have to identify the differentiating factors in the areas of product, services, channels, people or usage. The differentiating factor for Captain Cook brand is the free flow of salt. Companies can differentiate their products on such attributes as durability, consistence, serviceability, reliability, etc. All the products are a combination of tangibles and intangibles. Differentiating factors can be identified in the service delivery process also. Firms that practice channel differentiation gain competitive advantage through the way they design their channel's coverage, expertise and performance. Caterpillar's dealers worldwide are renowned for their top-notch service. Image building is a delicate and time-consuming process. It requires creativity, hardwork and committed people. Singapore Airlines enjoys an excellent reputation largely because of the grace of its flight attendants. To identify these types of differentiation, the marketers must think through the customer's entire experience with the company's product or service. The company's marketing offer has to be differentiated from the competitors. The offer will have to give consumers more value than the competitors' offers do.

ii) Choosing the right competitive advantage

After identifying the possible competitive advantages, the company has to choose the ones on which it will build its positioning strategy. Many experts suggest that companies should concentrate on only one benefit for aggressive promotion to the target market. Rosser Reaves said a company should develop a unique selling proposition (USP) for each brand and stick to it. Thus Pepsodent toothpaste consistently promotes its bacteria fighting capacity. Dabur Chawanprash promotes its contribution to the development of the immono system. Some others believe that

companies should go for more than one differentiating factors. In today's context because of the market fragmentation, many small segments have emerged. They suggest for broadening the positioning strategies so that they appeal to more segments. The company will have to be careful in selecting meaningful differentiator(s). A difference is worth establishing and worth promoting if it satisfies the following criteria: -

- **Important and superior:** The difference delivers better benefits and higher customer value than the competitors.
- **Distinctive and preemptive:** Competition does not offer the difference: And if they decide to offer, they cannot easily copy the difference. The company should offer the difference in a distinctive way.
- **Communicable:** The difference is communicable and visible to buyers.
- **Affordable:** Buyers can afford to pay for the difference.
- **Profitable:** The difference can be introduced by the company profitably.

Choosing competitive advantages upon which to position a product or service can be difficult, yet such choices may be crucial to success.

iii) **Selecting an overall promotional strategy**

The full positioning of a brand is called the brand's value proposition – the full mix of benefits upon which the brand is positioned. This provides the rationale for the customer's basic purpose of buying. Based on price-quality combinations, several positioning strategies can be contemplated. It could be a high price-high quality premium product or a low quality low price cheap product. Of course, the winning value proposition would be to offer 'more for less', although it is difficult to sustain such best-of-both positioning. Each brand must adopt a positioning strategy designed to serve the needs and wants of its target market. In any market, there is usually room for many companies, each successfully occupying different position. The challenge for the company is in developing own winning positioning strategy.

iv) **Communicating and delivering the chosen position**

Designing the marketing mix usually involves working out all the details so that it is compatible with the positioning strategy. The marketing mix must support the positioning strategy. Establishing a position or repositioning usually takes a long time. In contrast positions that have taken years to build can quickly be lost. Once a design position is built, it needs to be maintained through consistent performance and communication. In order to meet the requirements of the ever-changing marketing environment continually, the company should closely monitor and adapt the positioning strategies over time.

Colley's definition of advertising states that advertising is mass, paid communication, the ultimate purpose of which is to impart information, develop attitude and induce action beneficial to the advertiser – generally the sale of product or service. Advertising has one overriding task – to position the brand in the prospect's perception or perceptual space, in relation to competitors so as to create distinctness and preference. The principal role of advertising is to influence positioning and to see to what extent positioning has been accomplished.

Summary

Operational objectives provide the standards against which performance can be evaluated. Short-run sales usually do not provide bases for operational objectives for two reasons:-

- 1) Advertising is usually one of many factors influencing sales and
- 2) The impact of advertising often occurs primarily over the long run.

The development of operational objectives requires an in-depth understanding of the consumers' buying behaviour in terms of the variables like usage pattern, benefits sought, attitudinal dispositions to the brand etc. The DAGMAR approach defines an advertising goal as a specific consideration task to be accomplished among a defined audience in a given time period. This communication task is based on a hierarchy model of the communication process involving awareness, comprehension attitude, and action. The goal is specific, with a definite measure, a starting point, and a defined audience under a defined time period. The model provides a framework for the development of more operational objectives. The DAGMAR theory needs constant updating and vigilance to be of real value. A positioning objective like any advertising objective, should be operational. There are a variety of positioning strategies, to evaluate the advertising and to generate diagnostic information for the future advertising strategies. It is necessary to monitor the positioning strategies over a period of time. Once a desired position is built, it needs to be maintained through consistent performance and marketing communication.

Discussion question

- 1) Why might advertising have an impact many years after it appears?
- 2) Distinguish between a communication objective and a marketing objective.
- 3) Does awareness have a close relationship to sales?
- 4) Explain the DAGMAR approach.
- 5) What are the different tasks of advertising? How can we categorise these tasks?
- 6) Is the DAGMAR approach inconsistent with generation of great creative ideas?

- 7) Select five TV advertisements and five print-advertisements of a small car. Find out how the cars are positioned.
- 8) Advertising objectives can be classified by primary purpose to inform, to persuade or to remind. Using your local newspaper, find advertisements pursuing each of the above objectives.

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Unit-3

The Advertising Communication Process

“When executing advertising, it is best to think of yourself as an uninvited guest in the living room of a prospect who has the magical power to make you disappear instantly”.

- John O'Toole in
“The Trouble with Advertising”

After having gone through this unit, you should be able to -

- i) Discuss the process of communication and the intricacies of advertising as a means of communication.
- ii) Explain the importance of perception and its process.
- iii) Appreciate the factors involved with the design and execution of messages, including source credibility, consultancy etc.
- iv) Understand the finer aspects of buying behaviour in terms of attitudinal changes and measures adopted to resolve conflicts.
- v) Describe the learning and consumer information processing.

Structure

- i) Advertising communication
- ii) Perception
- iii) Source factors
- iv) Message factors
- v) Cognitive consistency
- vi) Conflict and attitude change
- vii) Low involvement
- viii) Learning
- ix) Consumer information system

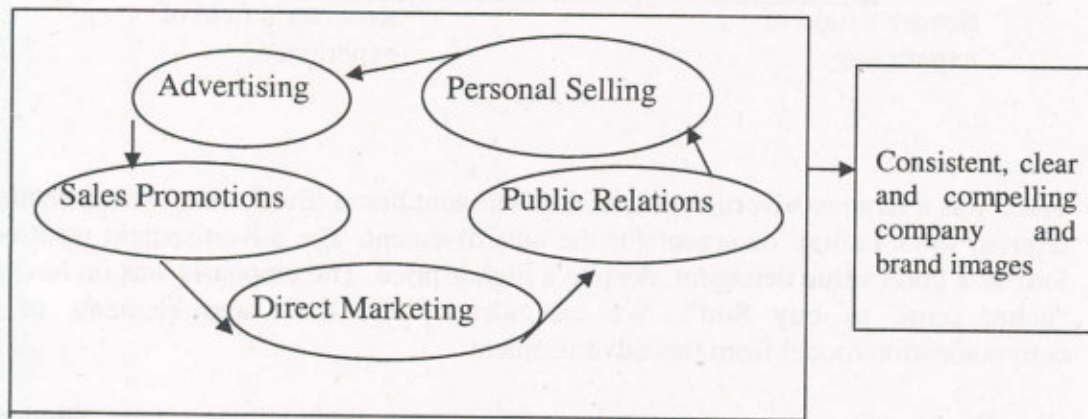
The Advertising Communication Process

A company's marketing communication mix consists of the specific blend of advertising, personal selling, sales promotion, public relation, direct marketing etc. It

comprises marketing tools that the company uses to pursue its advertising and marketing objectives. Each category involves specific tools. For example, advertising includes print, broadcast, outdoor, and other forms. At the same time communication goes beyond these specific promotional tools. The product's design, its price, the shape and colour of its package, the size of the product, the brand name and the outlets where the product is made available, all these communicate to buyers. Thus although the promotion mix of the company communicates primarily, the entire marketing mix – promotion, product, price and place communicates. In order to have the greatest communication impact, coordination of all these is quite important. The components have to be coordinated in a synergistic manner. Consumers are being exposed to a wide variety of marketing communication about the company from different sources. Messages delivered via different promotional means such as advertising, personal selling, sales promotion, public relation or direct marketing - all become part of a single message about the company and the products. Conflicting messages from these sources may result in a confused and blurred image of the company and its products. As shown in Exhibit 3.1, under the concept of integrated marketing communications, the company carefully integrates and coordinates its many communication channels to deliver a clear, consistent and compelling message about the organization and its products.

Exhibit 3.1: Integrated Marketing Communications

Blending of Promotools

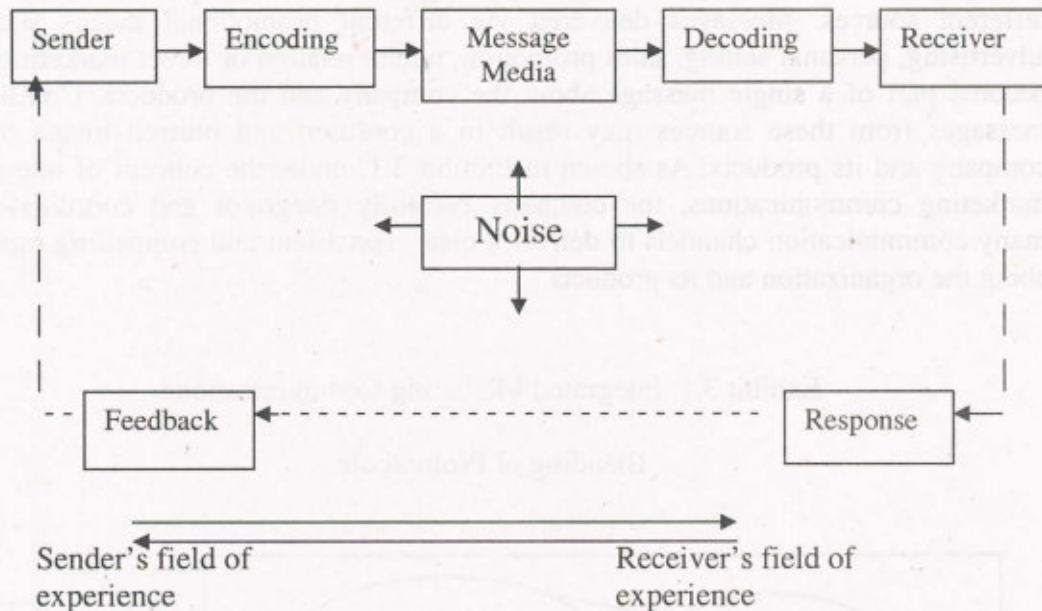


Integrated marketing communication involves identifying the target audience and shaping a well-coordinated promotional programme to elicit the desired responses from the target market. Managers have to increasingly consider communication as managing the customer relationship overtime during the pre-selling, selling, consumption, and post-selling and serving stages. To communicate effectively, the marketers need to understand how communication works.

The Communication Process

Communication involves nine elements as shown in Exhibit 3.2. Communication takes place between the sender and the receiver with the communication tools - the message and the media. Communication is effected by noise and it involves four functions encoding, decoding, response and feedback.

Exhibit 3.2: Elements, Tools and Functions in the Communication Process.



There was a famous advertisement of the detergent brand 'Surf' which was sometimes referred to as Lalitaji detergent for the advertisement. The advertisement positioned Surf as a good value detergent, despite a higher price. The emphasis was on having a "better sense to buy Surf". We can identify the tools and elements of the communication model from this advertisement.

- i) **Sender:** The company sending message to the target audience-here, Hindustan Levers Ltd.
- ii) **Encoding:** The process of puling thought into symbolic form. Hindustan Lever's Advertising Agency Lintas assembles, develops the text of the advertisement with questions and answers, imbibing the endorsement of Lalitaji and the illustration into the advertisement for conveying the intended message.
- iii) **Messages:** The set of symbols that the sender transmits-the actual Surf advertisement.

- iv) **Media:** The communication channels through which the message moves from sender to receivers, in this case the cinema magazines were the main channels.
- v) **Decoding:** The process by which the receiver assigns meaning to the symbols encoded by the sender - the consumer and the prospective consumer receives the Surf advertisement and interprets the message.
- vi) **Receiver:** The party receiving the message sent by another party - the prospective customer or the user who could be playing a role in buying Surf.
- vii) **Response:** The reactions of the receiver after being exposed to the message. It could be one or more of the several possible responses-like being aware of the brand, developing a favourable perception of the brand, recommendation of the brand etc.
- viii) **Feedback:** The part of the receiver's response communicated back to the sender. The research on advertising effectiveness indicated that consumers could recall the brand and shared the same type of feelings, and
- ix) **Noise:** The unplanned distortion during the communication process, which results in the receiver's getting a different message than the one the sender sent to the customer. The message is distracted while the receiver reading the advertisement and misses the key points of the advertisement.

For a message to be effective, the sender's encoding process and the receiver's decoding process must be compatible. To communicate effectively, the marketing communication must understand the consumer's field of experience. They must send messages through media that reach the target audiences and they must develop the feedback channels so that they can assess the impact of their messages in terms of audience response.

Advertising as a form of mass communication has the following challenges: -

- i) The advertiser is dealing with a large number of individuals who are unknown to him or her;
- ii) Generally the advertiser has no control of the circumstances under which the message will be received;
- iii) There is no opportunity for immediate feedback. The advertiser has no immediate opportunity to determine if the message is getting through and to change the message if it is not serving the purpose.

However, the advertiser has the advantage of reaching large numbers of people at far less cost per impression. He can deploy several tools and techniques to make the message attractive like using cartoons, using music, using celebrities.

The communicator has to consider audience traits that correlate with persuadability and uses them to guide message and media development. People with rich experiences, high consideration and variety of exposures are thought to be less

persuadable, but we do not have conclusive evidences. The people, who have low self-confidence and a weak self-concept, appear to be more persuadable. They are likely to be influenced by external influencers. Fiske and Hartley have outlined some general factors that influence the effectiveness of a communication: -

- i) The greater the influence of the communication source over the recipient, the greater the recipient's change or effect is in favour of the source.
- ii) Communication effects are greatest where the message is in line with the receiver's existing opinions, beliefs and dispositions.
- iii) Communication can produce the most effective shifts as unfamiliar, lightly felt, peripheral issues that do not lie at the core of the recipient's value system.
- iv) Communication is more likely to be effective if the source is believed to have expertise, high status, objectivity or likeability, but particularly if the source has power and can be identified with.
- v) The social context, group or reference group will mediate the communication and influence whether or not the communication is accepted.

Perception Process

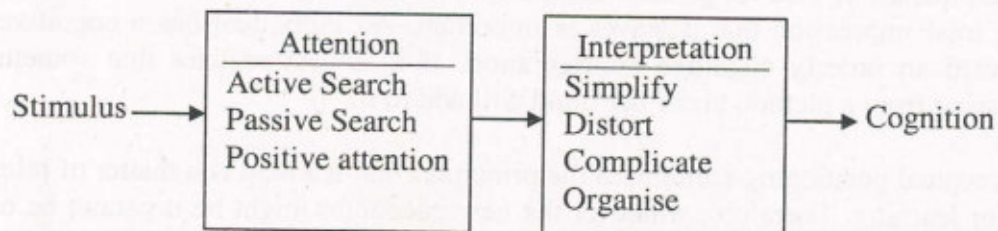
Studies have found that ads are fully or partly miscomprehended between 20 to 30 percent of the time. If the communication is misinterpreted or miscomprehended, the advertisement is unlikely to lead to the kind of attitudinal change that the advertiser seeks. An advertisement has to be seen first, then only a consumer can interpret and comprehend it in the way advertiser intended it to be interpreted. For the advertising clutter and channel surfing habits of the viewers etc, there have been a large number of barriers in receiving the advertisement. There have been perceptual barriers through which many advertisements fail to pass. Some advertisements cannot stimulate sense organs to create interest. Some advertisements may result in distortion of communication.

Perception has been defined as the process whereby an individual receives stimuli (which could be a campaign, an advertisement or a portion of it) through the various senses and interprets them. All of us learn by the flow of information through our five senses: sight, hearing, smell, touch and taste. However, each of us receives, organizes and interprets this sensory information in an individual way. Perception is the process by which people select, organize and interpret information to form a meaningful picture of the world. People can form different perceptions of the same stimulus because of three perceptual process –

- (i) Selective attention;
- (ii) Selective distortion; and
- (iii) Selective retention.

People do not pay equal attention to all the exposures. They screen out information. If the buyer is interested in buying a computer, the buyer would be specially interested in the computer advertisement. Selective distortion describes the tendency of people to interpret information, which supports their beliefs. Smokers will not interpret the statutory warning part in the desired manner. If the belief on the quality of the product is very strong, the consumer may distort the high price factor of the brand to conclude that higher price indicates higher quality. People tend to retain information that supports their attitudes and beliefs. They are likely to remember good points made about their preferred brands. Marketers must try to understand the mind-sets of consumers and how these will effect interpretations of advertising. Because of selective attention, distortion and retention marketers have to work hard to get their messages through. The process as shown in Exhibit 3.4 includes two stages – the first one is attention and the second one is the interpretation process.

Exhibit 3.4: The Perception Process.



An individual organizes the stimulus content into his or her own modes of thinking and processing. This may vary from individual to individual. In interpreting, the persons often simplify, distort, organize, complicate and even create stimuli. Because of the cluttered advertising environment and noises in the advertising communication process, it is not easy to create an advertisement that stands out enough to get noticed, processed and remembered. Television advertisers today have to cope with the phenomena of zapping (switching across programmes using a remote control device and that is why remote controller is sometimes referred to as the biggest enemy of television advertising) and zipping, i.e., fast forwarding the advertisement in a VCR. In order to design advertisement to maximize attention, the advertiser has to understand why the prospective buyer obtains information. Sometimes, the prospective buyer may actively seek out information from advertising in special interest magazines by soliciting opinions from others, or by reading technical reports. Sometimes the receivers will seek information from sources to which he or she is exposed (passive search). And finally, the receiver makes no effort to obtain the information (passive attention); but some information would enter the receiver's information processing system.

Several studies have indicated that people are more apt to look at and remember things in which they are interested than things in which they are not. People are interested in information concerning benefits that they feel are important in a product.

Marketers have to work hard to attract consumers' notice. The real challenge is to explain which stimuli consumers will notice. Following are some findings -

- i) People are more likely to notice stimuli that relate to a current solution in a brand of hair oil; a hair fall problems;
- ii) People are more likely to notice stimuli that they anticipate. A person having hair fall problems is likely to notice the hair oil brands in the retailers' shelves; and
- iii) People are more likely to notice whose deviations are large in relation to the normal size of the stimuli. An advertising offering a Rs.100 discount will be noticed more than one which would offer much less discount.

The task of the advertiser is not merely to create advertisements that evoke attention but also to ensure that comprehension occurs. That is why, the second perceptual step, i.e., the interpretation and comprehension of stimuli is quite important. Good interpretation is vital for persuasion to occur. In the interpretation of an advertisement, the total impression that it leaves is important. An individual has a cognitive drive toward an orderly cognitive configuration. If a subject realizes that something is missing from a picture, his or her mind will add to it.

Perceptual positioning epitomizes the principles that learning is a matter of relating to prior learning. Therefore, whatever the new encounter might be it cannot be entirely new because we can explain it only in terms of that we already know. Consumers tend to relate new products with existing products. The motor vehicle, when introduced, was naturally related to horse-powered transportation. The consumers may perceive a new brand of detergent as being more like one or more likely substitute to an existing one.

Persuasion

Persuasive advertising becomes more important as competition increases. Once the demand for generic product becomes established, the company would like to build selective demand. Some persuasive advertising has become comparative advertising in which a company directly or indirectly compares its brand with one or more other brands. The method in which advertising is presented has a lot to do with the persuasiveness of the advertisement.

In high-involvement buying situations, open-ended advertisements (i.e., the advertisement that do not draw explicit conclusions) are more effective in terms of creating positive brand attitudes and purchase intentions. Some of the techniques on communication, which can be used to make a message more memorable and persuasive are as follows: -

- i) Create the opportunity to see/hear the advertisement;
- ii) Give the audience a reason for buying;

- iii) Use questions to generate involvement;
- iv) Use the thematic organization – tie material together by a theme and present in a logical and familiar manner;
- v) Repeat/emphasize key points; and
- vi) Ensure audience participation.

The recall of an advertisement's content is a necessary but not sufficient condition for persuasion. Recall is typically a more important advertising objective in low involvement situation. In high-involvement situations, consumers typically use more brand-attribute information in deciding which brand is better for them, so persuasion becomes very important. Still recall is necessary as it influences brand choice. In both the situations, an advertisement has not only to attract attention, but also to communicate the brand have and brand name and brand benefits in a memorable way.

What makes one source more effective in persuasive communications than another? There are three characteristics that contribute to persuasiveness.

- i) **Credibility:** The extent to which the receiver perceives the source to be truthful or believable is called source credibility. Highly credible sources tend to create an immediate change in attitude. Credibility depends upon the expertise attributed to the source;
- ii) **Attractions:** The greater the perceived attractiveness of the source, the more persuasive the message. Source attractiveness is the extent to which the receiver identifies with the source. It results from similarity, familiarity or likeability.
- iii) **Power:** In addition to credibility and attractiveness, power can make a source attractive. Power depends on the receiver's perception that the source has the ability to administer rewards or punishment. In case of the informative advertising, the marketers can exercise this power over the prospective buyers.

Source Factors

The target audience views the content in advertisement as coming from a source. Different consumers attach different degrees of credibility to these sources. As stated earlier, the more credible the source, the more persuasive the marketing communication would be in getting the target audience to accept the message of the advertisement. Although the advertisements are meant either to promote a brand, a concept or a corporation etc., the credibility depends upon the image of the sponsor in the target audience, the endorser, the type of media used etc. A famous study by Theodore Levitt found that the better the company's reputation, the better were the salespeople's chances of getting a first hearing for a new product and early adoption of a new product. Another study found that an advertiser could successfully make a stronger claim in an advertisement if it already had a very positive reputation; a firm

with a negative prior reputation could not successfully make the same claims, because it lacked the necessary credibility.

A key source component is the endorser, who could be a person, celebrity, spokesperson, announcer and so on who endorses or who demonstrates the product. When Kapil Dev and Sachin Tendulkar, both of them say that "Boost is the secret of our energy", it has a lot of implications as far as the source component is considered. In case of the advertisement for the brand 'Vim' we find extensive use of common person endorsement, which has different types of implications. If the endorser's image is compatible with the target audience in terms of attitudes, opinions, activities, background, social status or lifestyle etc., the advertisement's receptivity will be high. The persuasive impact also will be stronger. Amitabh Bachhan and Parker Pen; Govinda and Himani Navaratna hair oil; the doctor and Horlicks, etc. are some examples which indicate about the credibility aspects of source components. Large segments of the target audience can instantly recognize and identify with the celebrity and the attraction and goodwill associated with the celebrity can be transferred to the product. But celebrities cost a lot and are hard to get. If popularity of the celebrity reduces, this will have an adverse affect on the associated brand as well. Examples include Azharuddin and allegation against him regarding match fixing, Magic Johnson disclosing that he had AIDS etc.

Research shows that the effectiveness of an endorser is related to the type of product being endorsed. The key criterion in selecting an endorser must be the appropriateness of the match or the compatibility between the needs of the brand and the characteristics and image of the endorser. That is why experts, not celebrities are likely to be more appropriate for rational and high involvement purchase decisions. When the purchase is based most strongly on a brand's awareness and/or likeability, a celebrity endorser will be more appropriate. These are usually low involvement purchase decisions. If the purchase is driven by logical reasons and rational appeals, a celebrity may be a wastage of money, a non-celebrity or common person endorsement would be more effective. A celebrity may be overexposed in an advertisement. This will detract the main points of copy from communication. An advertisement with a celebrity endorser may communicate less about the brand characteristics.

Message Factors

Once the target market has been identified and communication and positioning objectives are set, decisions must be made about the content of the advertising message. This is called message strategy. Should the message focus on communicating product benefits, on developing/ reinforcing brand image or on arousing specific feelings and emotions or on developing a combination of these? The first step in creating advertising messages is to decide what general message will be communicated to consumers. Message strategy statements have to be plain and clear outlines of benefits and positioning points that the advertiser wants to stress. The specific elements, used to communicate an idea and the way these elements are organized constitute the message variables. The overall context and readability of the

message provide its structure. Aspects of message structure include whether it is verbal or non-verbal, its readability, and the order of the ideas, repetition, and the presence or absence of counterarguments. Research suggests that repeating a message increases its believability, regardless of its content. However, the optimum number of repetitions is still being debated. There is a general agreement that one exposure is ineffective and that three may represent the maximum number, with effectiveness quickly falling off beyond these. According to another study, repetition actually reduced comprehension.

The specific words, pictures and other devices employed in a message, along with the overall appeal, reflect the content of the message. Messages can be divided into two categories – rational appeals and emotional appeals. A rational appeal tends to be factual and follows a prescribed logic. In contrast an emotional appeal is directed toward the individual's feelings. The choice of appeals is limitless. No one type of content is always persuasive, each choice brings potential risks and benefits.

Since brands of many product classes like cigarettes, beer, detergent, etc. are virtually identical in terms of their physical properties, the differences that people experience with their use is strongly influenced by the packaging, advertising images and other product features. Once the brand is established in the consumer's consciousness, smaller competitors with good products find it much more difficult to compete. In such case, the creative strategy has to come up with a purchase proposition. A convincing presentation will strengthen the impression of the brand name and make the advertising claim more relevant. The impact of execution becomes extremely important for advertising quality, especially for products in which brands are less differentiated in what they offer to consumers. Advertising can succeed only if they gain attention and communicate well. Good advertising messages are especially important in today's costly and cluttered advertising environment. For gaining and holding attention, today's advertising messages must be better planned, more imaginative, more entertaining and more rewarding to the consumers.

The purpose of advertising is to make consumers to react to the advertisement in a certain way. The people will react if they see some benefits in it. Thus, developing an effective message strategy begins with identifying customer benefits that can be used as advertising appeals. As it was stated earlier, advertising message strategy will follow directly from the company's broader positioning strategy. The advertiser has to develop a 'big idea' – that will bring the message strategy to life in a memorable and distinctive way. At this stage simple advertising messages become great advertising campaigns.

Brand names such as Coke, Pepsi, Lux, Xerox, Lifebuoy, Avis, etc. can provide useful tips to the advertisers. Some advertisers have utilized the relatively entrenched positions of number one to their advantage. They associate their brand with the reference point, i.e., the established brand. Thus 7-Up positioned itself as the "Un-Cola" and so on. This strategy seems likely to succeed when –

- i) Competitor's stature is much greater;
- ii) There is a big segment of indecisive consumers and they have little brand loyalty; and
- iii) The brand to be advertised can benefit the customers.

Message generation has linkages with the overall marketing strategy and the marketing environment. The marketer has to turn the big idea into an advertisement and execute the message in such a manner so as to capture the target market's attention and interest. The advertising team will have to find the best style, tone, words and formats for executing the message.

It is essential that the reception of the message must be reinforced. The same audience may have to be exposed to a message more than once and that too in different media vehicles for reinforcing the message. A message may change character completely depending on its environment.

In low-involvement buying situations, it may be more appropriate to create advertisements that raise awareness and change brand attitudes through credible endorsement and likeable advertisements. But in high-involvement decisions, it may be better for advertisers to provide strong reasons why the brand is superior and why should the buyers buy the brand.

Cognitive Consistency

Research in the late 1960s and early 1970s indicated that there was a weak relationship between what a consumer could recall about the content of a message and that consumer's attitude toward the brand in the message. The nature of the thoughts that went through the consumer's head as the advertisement was shown, appeared to be more influential in determining consumer attitudes. The consumer processed the input, i.e., incoming information through the message in context of past knowledge and attitudes. These thoughts that the consumer has when viewing an advertisement are called cognitive responses. Research into cognitive response usually involves asking audience members during the exposure to the advertisement or just after it to write down all the thoughts that occurred to the consumer during the exposure. The message must be considered useful by the consumer in making a choice in order to have an impact and it must show the brand to be competitively superior. In low-involvement buying situations, brand recall itself is often a major determinant of choice. But in high involvement buying situation recall could be a necessary condition for persuasion but not a sufficient condition. Involvement in an advertisement could be either cognitive ("the advertisement makes me think") or affective ("it makes me feel deeply"); both or neither.

Conflict and Attitude Change

Through doing and learning people acquires beliefs and attitudes. These, in turn, influence buying behaviour.

A belief is a descriptive thought that a person has about something. A consumer may believe that BPL is a very good quality TV with great pictures. The consumer 'believes in the best'. These beliefs may be based on real knowledge, marketing communication, opinion, others' usage experiences, faith on indigenous manufacturing capabilities etc. These beliefs may or may not carry an emotional charge. These beliefs make up the product and brand images in the minds of the consumer and thus affect buying behaviour. The advertisers have to take interest in the beliefs that people frame on specific products and services. If some of the beliefs are wrong and may not lead to purchase behaviour, the marketers are supposed to initiate remedial measures by correcting the advertising campaigns, may be by incorporating new messages or by bringing in new endorsements, etc.

People have attitudes towards almost everything that they come across. People have attitudes regarding religion, politics, clothes, music food, etc. etc. Attitude describes a person's relatively consistent evaluations, feelings, and tendencies towards and object, service or idea. Attitudes put people into a frame of mind of liking or disliking things. Attitudes make people to shift their preferences. A consumer believes in the best quality products and hold attitudes towards buying the best. For that consumer, BPL may be a relevant brand. Indians also can make best quality products - with this attitude, the BPL will be a more relevant brand. Having the right type of edutainment (education and entertainment) through the good colour and sound enriches life - the BPL television would likely to fit well with the existing attitudes of the consumer.

Compared to knowledge about the product, attitudes toward the product are difficult to change. Attitudes do not form in isolation. They fit into a pattern in the overall personality of the person and that is why changing of attitudes may require different adjustments in many others. Thus an advertiser should usually try to fit its offerings within the framework of existing attitudes, rather than trying to change the attitudes. This does not mean that attitudinal change is impossible. This requires massive efforts and the cost involvement also would be too high. There are exceptions in which the great cost of trying to change attitudes may pay off handsomely.

Marketers become involved in the need recognition stage in two ways: -

- i) First, if they know what problems consumers are facing they will develop a marketing mix to solve them. This will be helpful in deciding about the primary appeals and the message of the advertisement or for deciding about the promotional schemes like trial offer, coupons, etc.
- ii) Second, marketers may themselves activate a problem situation. In an advertisement for cosmetic surgery, the advertiser tried to activate recognition of

a problem by highlighting “Not Everything You Inherit From Your Family Is Worth Keeping”.

The potential influence of an advertisement on need definition and shaping solutions is high. The consumers normally react for the rational and emotional motives. Advertisements often appeal to both type of motives.

People often experience not just multiple motives but conflicting motives. Until people resolve these conflicts, they cannot arrive at purchase decision. In such situations, advertisements and promotions can be instrumental.

Three types of conflicts are relevant to advertising and promotion.

- i) **Approach–Approach Conflict:** When consumers face a choice between two attractive options, they have an approach – approach conflict. The more equal the option, the greater is the conflict. A prospective buyer is confronted with two alternatives – whether to avail of an European tour or to buy a new car. A well-designed and well-executed advertisement in the appropriate medium at the appropriate time may be instrumental in pushing the prospective consumer toward a particular alternative.
- ii) **Approach–Avoidance Conflicts:** This type of conflict arises when an alternative had both positive and negative consequences. If a consumer loves ice creams but is worried about weight-gain, the person faces an approach-avoidance conflict when deciding whether to buy the ice cream. Low calorie and low sugar varieties will try to offer the consumer a solution to this type of conflict. Because approach-avoidance conflicts are difficult to resolve, anxiety and buying dissonance may remain after the buying tension is made.
- iii) **Avoidance–Avoidance Conflict:** Sometimes consumers may face two undesirable alternatives. The consumer wants to buy a new car as his old car is out of condition. But the new one is not affordable. An advertisement of a good scheme of car financing may lead the consumer towards a buying action. When a problem is recognized, the buyer goes through a state of anxiety and tension. Buyers seek relief from this state. The buyer searches for information that will help him in decision-making.

Learning

Learning describes changes in an individual’s behaviour, arising from experience. Learning theorists say that most of the human behaviours are learnt. Learning is a relatively enduring change in behaviour due to experience. From a marketing perspective consumer learning can be said to be the process by which persons acquire the purchase and consumption knowledge and experience that they apply to future related behaviour. Learning occurs through the interplay of the following: -

- i) Drives
- ii) Stimuli
- iii) Cues
- iv) Responses; and
- v) Reinforcement.

Suppose a business executive has a strong drive for self-fulfillment and esteem. A drive is a strong internal stimulus that calls for action. His drive will become a motive when it is directed toward a particular stimulus object. Suppose that he would like to be the proud owner of a 'Maruti Esteem'. His response to the idea of buying the car is conditioned by surrounding cues. Cues are minor stimuli that determine when, where and how the person responds. Seeing the Maruti Esteem cars on the road and the advertisements, learning of the free insurance cover as a promotional scheme for the product, receipt of some bonus or arrears, the support of his wife in his purchase decision etc. could be all clues to his interest in being the owner of a Maruti Esteem car. If the usage experiences are rewarding his belief on the brand will be reinforced.

The practical significance of learning theory for advertisers is that they can build up demand for a product by associating it with strong drives, using motivating cues, providing positive reinforcement and reassurance. The stability of learned behaviour maintained by the individual over a period of time is called retention. Retention is a well-learned response, which is achieved under repeated conditions of positive reinforcement. There is a tendency for the conditioned response to continue for a long period of time and will result in stronger belief on the brand.

Learning processes can be of two types – routines and more elaborate learning process. Many of the consumer behaviour occurs without the involvement of extensive considerations. Many of the purchase situations are low involvement situations. Impulse buying is also a factor, which has a lot of implications in consumer buying behaviour. There are different learning processes, which influence purchase behaviour. One such well-known type of learning is conditioning, here the behaviour becomes dependent on certain stimuli in the environment. Understanding of the learning process will help the advertiser in designing the advertising communication.

Low Involvement and Learning

Do consumers learn anything from the advertisement, where there is no involvement from their side? Do the advertisements have any educative value? It is difficult to answer these questions in an explicit manner. The television advertisements will not provide detailed information for the consumer to process and arrive at a buying decision. Within the few seconds of the commercial, the advertiser tries to develop the brand awareness and preference. Still, learning may take place either noticeably or even unknowingly also.

Many advertisers believe that a minimum of three exposures are required to evoke the desired response. In the first exposure, attempt is made to form an identification and

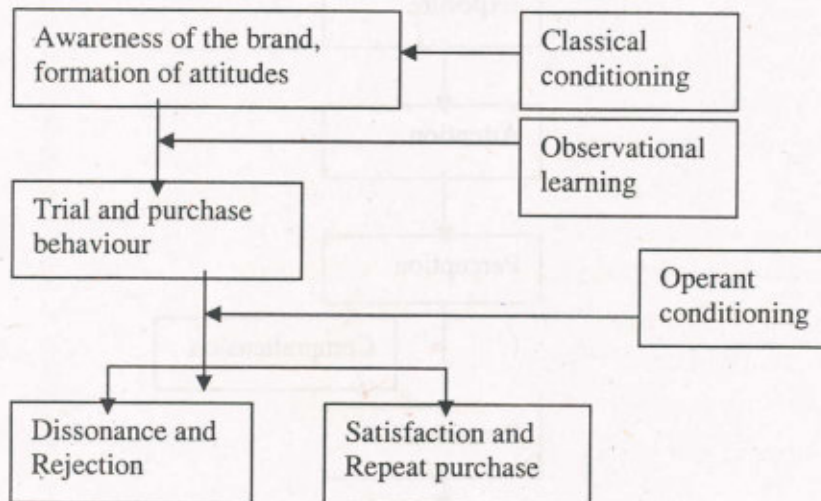
assign the message to the product category. In the second exposure, attempt is made to develop a favourable disposition to the brand. Third exposure should help the consumer to get the real meaning or message of the advertisement. After this, further exposures serve as reminders. A lot many things depend upon the phasing and sequencing of the advertisements.

The Elaboration Likelihood Model suggests that during message processing, the level of involvement of a person will help in understanding which route of communication or persuasion would be more effective. In high involvement buying situations, consumers will follow the central route and will form the attitudes based on the processing of information themselves. In case of low involvement buying situations, consumer will adopt the peripheral route and rely on more other message sources to form attitudes and to make the purchase decisions.

Consumers are normally interested in the messages, which they find relevant. Irrelevant advertising is usually ignored unless they provide entertainment. The commercial messages, which may not have any immediate bearing, may be relevant for future buying.

There are different theories and approaches to understand learning; classical conditioning model explains the use of advertising for creating positive attitude. One of the effects of low involvement learning is that it may attain a passive registration in the mind. The consumer may not recall the advertisement, but may recognize the brand. If the consumer decides to buy, further learning will take place after product usage. If positive usage experience takes place, than it can be called as operant conditioning. It could be consumer dissonance too. Considerable amount of learning takes place because of the consumer's thoughts and involvement in the problem solving process. According to observational learning approach, a lot of emphasis is based on the imitation of the behaviour of a model. Instruction on how to use the product or demonstration suggests the following or imitation of the behaviour of a person demonstrating or suggesting the usage requirements. The principle of identifying oneself with the model buying observed is a part of the observational learning process. In many advertisements like Fair and Lovely, Vicco Turmeric etc. etc. the results of usage experiences are demonstrated. If the usage experiences are rewarding, this will lead to repeat purchase. If there is dissonance, the consumers will discontinue the product. These relationships are shown in Exhibit 3.5.

Exhibit 3.5: Learning Hierarchy Under Low Involvement.



The low involvement theory is also known as ATR Hierarchy (Awareness, Trial, Reinforcement/Repeat).

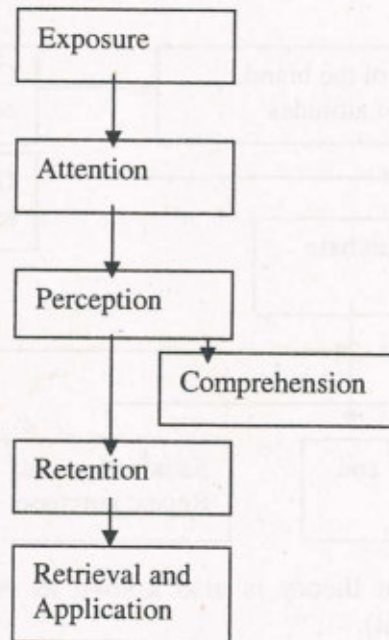
Information Processing

When a problem has been recognized, the buyer becomes desperate to resolve the problem. The buyer makes a search for information. The buyer becomes involved in two types of information search,

- i) **Internal:** The buyer attempts to resolve problems by recalling previously stored information. People having a problem of hair fall, would easily recall their earlier experiences with other brands.
- ii) **External:** When problems cannot be resolved through an internal search, people make searches for additional information from the external sources. These sources may include family, friends, neighbours, professionals, colleagues, advertisement, samples, product displays etc. The intensity of the search effort will vary with the kind of involvement in the purchase decision.

Understanding the process people go through, when they receive information and use information, is quite important for the advertising communication. Assessing how a person processes information is not an easy task. Often the communications have to rely on observations. Yet there are some theories as how this process takes place. Exhibit 3.6 shows one widely accepted outline of the information processing sequences. It includes five steps:

Exhibit 3.6: Five Steps in Information Processing.



Exposure: In order to start the process, marketers must attract consumers to the stimulus. Thus celebrity endorsements are made to attract consumers. The Opportunity To See (OTS) is created. A media mix is designed with the right phasing of advertisements in order to create the desired exposures.

Attention: Exposure alone does little unless people pay attention to the stimulus. People are influenced by all sorts of stimuli, and the advertising clutter. They have limited capacity to process the different types of inputs. They must pay attention i.e., they have to devote mental resources to stimuli in order to process them. The prospective consumers do not have the cognitive capability or the interest to pay attention to all the advertising messages. Some stimuli can arouse more attention than others. For example, bright colours and movement, both attract attention.

People normally pay selective attention and if attention is not paid, no further information processing takes place. That is why advertisers have to be careful. Several attention-enhancing methods have been identified. For example, advertisements that are positioned first in a series of advertisements are more likely to gain attention. The humorous advertisements also evoke interest.

Perception: Perception involves assigning meaning to incoming symbols and stimuli received through the senses. Perceptions are shaped by –

- i) The physical characteristics of the stimuli,
- ii) The context, and
- iii) The individual perceiving the stimuli.

The senses transmit signals about the shape, colour, sound and feel of stimuli, but each individual perceives those stimuli within a particular context shaped by the person's own frame of reference. Thus a person's past learning, attitudes, personality, current state of mind, self-concept, beliefs and emotion influence the perception. The state of mind of a person gets reflected in the perception. A person's past experience also influences interpretation. A person believes that Japanese cars are best and he has some personal experiences also in respect of this belief - this person will tend to discount or distort perceptions that challenge this view.

Comprehension: Comprehension is a part of the perceptual process, but goes beyond labeling and identification to produce a more thorough evaluation of the perceived stimuli. A person's first exposure to a battery may simply provide the perceptual reaction, "This is a red battery". In the second exposure the person may see the brand name "Eveready". The person combines the two and comprehends Red Eveready and then associates the brand with its functional images.

Retention: Storage of information for later reference, or retention is the fourth step of the information processing sequence. Memory stores information for later use. Memory itself is a process. The message has to be encoded, and repeated. A person might remember a name if he simply repeats it to himself, but he is more likely to remember it if he also thinks about the name and associates it with something else.

Retrieval and Application: The process by which information is recovered from the memory storehouse is called retrieval. Combined with application, retrieval represents the final stage in information processing. In case of buying situations, the consumer can retrieve information and can make use of it. The marketer has to communicate about the product attributes with consumer benefits in order to establish a strong connection between them.

There will be wide variations in the information processing sequence. When the flight attendant reads safety measures to be adopted, there will be different variations of the sequence for different persons. It could be an elaborated processing of information or could be low involvement listening.

A very useful way has been developed for understanding why variations in elaborations occur and how they influence communication. It is known as the Elaboration Likelihood Model or ELM.

According to ELM, elaboration varies with involvement. Elaboration will depend upon the degree of relevance of the message, when persons are highly involved persuasion is likely to depend on the cognitive content of the message. When involvement is low, elaboration is minimal. The best way to influence passive consumers is through creative use of colour, music, sound, etc.

Summary

The most important factor to be considered in planning advertising is an understanding of the communication and persuasion process. Advertising communication always involves a perception process and it involves elements like source of information, endorsement, message design and execution, communication channel, noise and receiver related factors. The impact of communication can be different for different media. Of, particular interest might be the receiver's involvement in the product and the extent to which the receiver would be willing to search for and process information. The source credibility has a bearing on the comprehension and impact of the advertisement to affect the ultimate buying behaviour of the target audience. Cognitive or affective, or feeling, or information processing that occur between exposure to advertisements and ultimate buying or consuming behaviour are some other important considerations. Repeat exposures can lead to increase familiarity with the brand and creation of favourable image of the brand and induce the prospect to try or continue using the brand. All these can affect brand attitude and ultimately purchase behaviour.

Discussion Questions

- i) Outline the basic aspects of advertising communication
- ii) "Every advertisement should generate sales" – comment on this statement.
- iii) Select an advertisement (or public service announcement) that has recently been attempting to change consumer behaviour and discuss its strengths and weaknesses. Why is it usually so difficult for such messages to succeed in such objectives? How would such messages be better designed?
- iv) For each of the following products, indicate under what circumstances, if any, an audience member would engage in active search, passive search or passive attention –
 - a) Automobiles
 - b) Toothpaste
 - c) Sugar
 - d) Cement mixers
- v) In one study, it was found that recent car purchasers tended to read advertisements for the brand they bought. How would you explain this finding?
- vi) What are some advertisements that you liked? Why? What makes an advertisement well liked?
- vii) Under what circumstances an advertisement be effective even if it is disliked?

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Unit-4:

Copy Decisions

"Advertising is the greatest art form of the twentieth century".

- Marshall McLuhan.

After going through this unit, you should be able to: -

- i) Understand the various approaches and styles for copy development;
- ii) Explain the importance of appeals and basic selling ideas in copy development;
- iii) Explain the various tactics and alternatives used for creating the appeal;
- iv) Comment upon the blending of verbal and visual elements in copy design and execution;
- v) Understand the elements of the creation and production process; and
- vi) Explain the factors to be considered in pre-testing and post testing of advertisement.

Structure

- i) Copy alternatives and creative styles
- ii) Creative approaches and styles
- iii) The creation and production process
- iv) Rationale for copy testing
- v) Selection copy tests.

Advertising does not work in isolation. In this perspective the important point is that developing a creative concept only occurs after it is determined what role (if any) advertising will play to further the best interests of the advertiser. It is, thus, useful to focus on the motivating force behind advertisements by thinking of advertisements as marketing messages. This perspective and the relationships are shown in Exhibit 4.1.

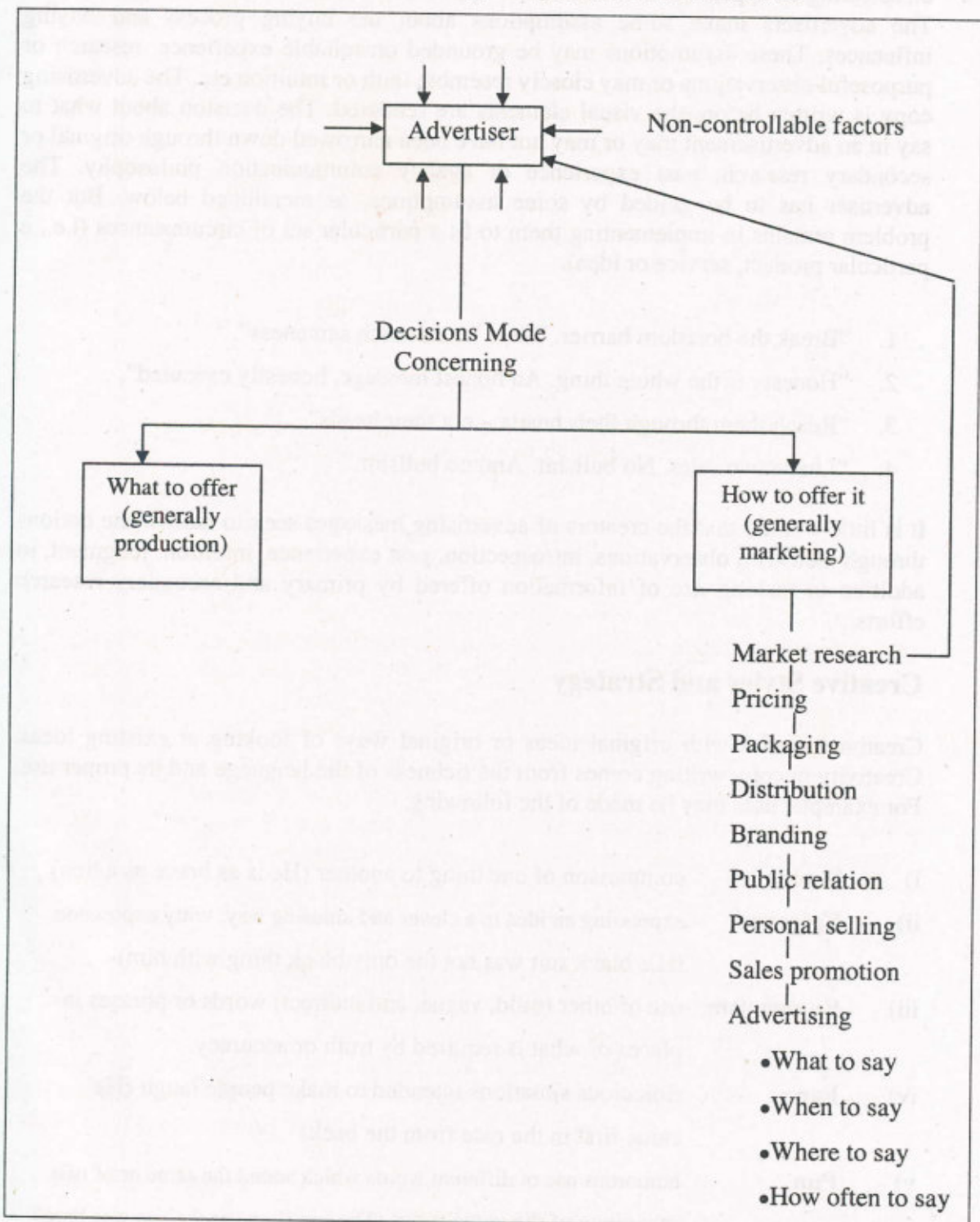
A number of factors are beyond the control of the advertiser. Certainly competition is a formidable uncontrollable factor. Change in technology can drastically change the opportunities for certain products, services and firms. As stated earlier government regulations concerning tobacco, alcohol etc. can make decision easier for some and difficult for some others. The advertiser has to take two important sets of decisions.

- i) What to offer?
- ii) How to offer it?

Advertiser is interested in the functional analysis of the product. If the product has a functional superiority, it becomes easier for the advertiser to communicate about the functional benefits. Market research basically functions to gather, sort, distribute relevant, reliable and timely information of the target market so that better decisions can be made. Attempting to determine the level of competition, the current buying habits of customers, their demographic and psychographic profile, ongoing and likely fads and fashions etc. can be useful for advertising decision-makers. These information are certainly essential for a well-conceived marketing message. Along with the other components of the marketing mix, the advertising is properly

considered as a part of marketing. How the advertising will be used is strongly influenced by other factors of the marketing mix as well.

Exhibit 4.1: Decision-Making Perspective of the Advertiser



Creative Style

Undoubtedly, the appeal of central idea of an advertisement is its most important element. In advertising literature, we find that much thought and efforts are focused on selecting an appeal (or combination of appeals) that will elicit the desired response. The advertisers make some assumptions about the buying process and buying influences. These assumptions may be grounded on reliable experience, research or purposeful observations or may closely resemble faith or intuition etc. The advertising copy is written before the visual elements are rendered. The decision about what to say in an advertisement may or may not have been narrowed down through original or secondary research, past experience or agency communication philosophy. The advertiser has to be guided by some assumptions, as mentioned below. But the problem remains in implementing them to fit a particular set of circumstances (i.e., a particular product, service or idea).

1. "Break the boredom barrier. There is too much sameness".
2. "Honesty is the whole thing. An honest message, honestly executed".
3. "Reach them through their hearts – not their heads".
4. "I have two rules. No bullshit. And no bullshit."

It is little wonder that the creators of advertising messages seek to narrow the options through their own observations, introspection, past experience, intuition, judgment, in addition to making use of information offered by primary and secondary research efforts.

Creative Styles and Strategy

Creativity comes with original ideas or original ways of looking at existing ideas. Creativity in copy writing comes from the richness of the language and its proper use. For example, uses may be made of the following: -

- i) **Similie:** comparison of one thing to another (He is as brave as a lion)
- ii) **Epigram:** expressing an idea in a clever and amusing way, witty expression (His black suit was not the only black thing with him)
- iii) **Euphemism:** use of other (mild, vague, and indirect) words or phrases in places of what is required by truth or accuracy.
- iv) **Farce:** ridiculous situations intended to make people laugh (He came first in the race from the back)
- v) **Pun:** humorous use of different words which sound the same or of two meanings of the same word (The sun shone as the son was born)

- vi) **Irony:** the expression of one's meaning by saying which is the direct opposite of one's thoughts, in order to make one's remarks forceful.
- vii) **Onomatopoeia:** formation of words in imitation of the sounds associated with the thing concerned (as cuckoo for the bird that utters this cry); connecting sounds with human behaviour, words like buzz, murmur etc.
- viii) **Aphorism:** short, wise saying; better a living dog than a dead lion, or a simple home than a palace in dreams.

The Design Concepts

The design concepts as suggested in copy writing are as follows: -

- i) **Unity:** In headline of the advertisement, art, copy, logo, and signatures.
- ii) **Innovation:** Variety as it is said as the essence of advertising.
- iii) **Balance:** The advertisement should look balanced.
- iv) **Rhythm:** It should have a natural flow, lucidity.
- v) **Harmony:** It should be pleasing to the reader's eyes.
- vi) **Emphasis:** It should provide stress at the right places.
- vii) **Excitement:** It should arouse the urge and curiosity and stir up the feelings.
- viii) **Repetition:** Repetition helps in customer retention and top of mind recall.

Creative Approaches and Styles

Objectives provide direction for the creative effort. The actual translation is contained in the copy platform, or a blueprint, which is a document that outlines the creative approaches and the strategy. It includes elements like objectives, target audience, a statement of the advertising problem, the product positioning considerations, the psychological appeal, the creative approach, the selling premise etc.

Most of the advertisements are the results of sweat, tears, dedication commitment and persistence. There are no scientific formulas. The creative process is not necessarily systematic, but it appears to contain common components. The creative process involves the following steps:-

- i) **Orientation:** pointing up the problem.
- ii) **Preparation:** gathering pertinent data.
- iii) **Analysis:** breaking down the relevant material.
- iv) **Ideation:** piling up alternative ideas, which can be facilitated through study, gathering information, talking with people and so forth.

- v) **Incubation:** putting the problem aside to invite spontaneous ideas at some later, unguarded time.
- vi) **Synthesis:** putting the pieces together.
- vii) **Evaluation:** judging the resulting idea.

A campaign and its individual advertisements should be guided by an overall creative approach. The creative strategy follows on the message itself – what is said and how it is said. There are basically five basic strategies employed in advertising.

- i) **Information:** A straightforward statement of fact using news announcements and assertions. The information strategy is used to introduce new products to describe the technical features of a product and in highly competitive situations.
- ii) **Argument:** Argument is a rational appeal that uses logic to develop a reason, benefit or position. This is effective in which products have distinct technological differences.
- iii) **Image:** It uses the process of association to establish identification of a brand or identification with lifestyle. The emphasis is on psychological association rather than the rational ones. Companies that have achieved substantial market leadership use this strategy to maintain a positive, self-enhancing image.
- iv) **Emotion:** Emotion tries to stir up feelings such as love, anger, hate, fear, sorrow or humour. An emotional appeal is useful for differentiating products.
- v) **Entertainment:** It helps in holding attention by presenting amusing and interesting messages. Entertainment is used primarily with me-too, parity products (products having low differentiation among themselves) and relatively inexpensive, low involvement products. It helps in breaking through the clutter and creating and sustaining an opportunity to see.

These five strategies are not mutually exclusive. Although one tends to dominate, combination strategies are also deployed.

Once the general strategy has been selected, the next step is to identify the basic appeal, the central message to be used in the advertisement. No rules can specify which appeal to use in order to arouse a certain need. To a great extent, the effectiveness of an appeal depends upon the product and the situation. The most common appeals used in advertising are listed below: -

- i) **Projected Savings:** This appeal provides an opportunity to save time, money or energy.
- ii) **Self-Enhancement:** Many personal care and image products, for example, deodorants, perfumes, clothes, automobiles, etc. are promoted through this appeal – helping the consumers feel better about themselves. These advertisements normally suggest that the products deliver value not because of

their functional benefits but because of their ability to add a personal dimension to users.

- iii) **Unique Product Feature:** Finding out the uniqueness of the product and promoting it. This can help in positioning competitive advantages.
- iv) **Sales Promotional Schemes:** These schemes have the capability of creating interest and arousing curiosity. These can be used as convincing appeal to attract deal-prone customers.
- v) **Change or Breakthrough:** Major change or breakthroughs can be communicated to customers to increase their awareness and to actuate their thought process to develop favourable disposition to the product.
- vi) **Creating Fear:** In a fear appeal, an advertisement presents a threatening situation that is resolved through the use of the product or service. Social anxiety appeal is successfully used by deodorant advertisers who caution about the personal embarrassment from not using the prescribed deodorant. There is a belief that the fear appeal will have a negative impression on the consumer. But no empirical evidence supports this concern.

The selected appeal has to be transformed into an actual advertisement. The number of tactics available is vast and more than one tactic can successfully initiate the same appeal. Some of the tactics are mentioned below: -

- i) **Product Comparison:** Comparing characteristics, performance, reputation and other characteristics of two or more products are an increasingly popular tactic. Sometimes the comparison is made without brand names,
- ii) **Statement of Fact:** Advertisement for industrial and technical products generally use a straightforward, unemotional discussion of salient facts about the product,
- iii) **Association:** Association is used in advertisement for highly personal products such as perfumes and colognes in which a sensuous woman suggests that using the product will make the consumer beautiful and irresistible,
- iv) **Demonstration:** The product may be demonstrated in actual use, or it may be shown through partial demonstration with the intention to highlight a particular competitive strength in terms of product performance,
- v) **Humour:** Using humour as a primary tactic helps in attracting attention. But humour may overwhelm the selling message,
- vi) **Hyperbole:** Hyperbole is exaggeration. It may amuse the audience. But its primary purpose is to present some facts about the product in a form that is larger than life,
- vii) **Spokesperson:** Either a common person or a celebrity may present the message. This tactic is often combined with some other tactic such as product comparison, demonstration or hyperbole,

- viii) **Testimonial:** In a testimonial, the assertions made are based on the person's own experience with the product, and
- ix) **Borrowed Interest:** The focal point of the advertisement is highly interesting, but it has no direct relation to the product advertised. For example, Coke and Pepsi both have employed homecoming and family reunion themes in several advertisements.

The final consideration in designing the creative strategy is how to blend the verbal and visual elements in an advertisement. There are no precise guidelines for this. However, in case of technical products, the basic facts need to be highlighted. Honda has been extremely successful in filling the consumer's mind with positive facts about its products. The newer the product, the more likely that verbal elements will be more effective. Because people have questions and curiosity about the product. For establishing emotional associations, visual aspects are normally emphasized. Words are more effective than pictures in advertisements that suggest certain action to be taken by the consumer. Making such types of considerations, the advertiser has to determine the combination of the verbal and visual elements.

The creation of an advertising copy obviously commences with the overall marketing and advertising goals and more specifically the campaign objectives. The end product of advertising planning and creative strategy and its execution is the form on which an advertisement appears.

An advertising message is targeted at the potential consumers as characterized by their disposition to the likely acceptance of that message. The saree is a very common form of attire for Indian women. In advertising Vimal sarees made by Reliance Textiles Limited, the advertising message dwelt not merely on the product as depicted in the visual but on self-expression.

"A women expresses herself in many languages. Vimal is one of them".

Unique Selling Proposition (USP)

In the process of creative copy design, the advertiser has to come up with a purchase proposition. He has to put himself in the shoes of the prospective buyer and tries to look at the product/service/idea offered for sale or acceptance from the consumer's viewpoint. Rosser Reaves, the famous copywriter and founder of the USP (Unique Selling Proposition) said that it may not be possible for an advertising agency to get a readymade USP. The USP has three major features: -

- i) Each advertisement must make a proposition to the consumer. The advertisement must say to its readers, "Buy this product and you will get this specific benefit".
- ii) The proposition must be one that the competition cannot or does not offer. It must be unique.

iii) The proposition must be so strong that it can move the mass customers.

Accurate positioning is the most important step in effective marketing. Positioning should be decided before advertising is created. The determination of advertising positioning is not a mechanical exercise. The identification of positioning parameters has to be given due attention.

Creative Execution

The process of creative execution begins in the advertising agency. Creative execution involves artwork, size of typeface in the case of print media or the type of animation as for audio-visual media etc. Based on the complete brief by the client, the agency would have to decide about the substance, style and forms of message. The creative team in the agency must have full familiarity with the buyer behaviour for the product and the brand.

Many companies and advertising agencies have their own set of criteria that they consider for message generation and message execution. For example, one advertising agency requires that all advertising the agency produces for the clients should have a Unique Selling Proposition (USP).

Generally, although many advertising agencies claim particular philosophies, most are not rigid in their development of creative concepts.

Since the appeal is the link between the advertising message and the consumer's basic want, the appeal must above all convey the promise of reward. Whether it does this directly or indirectly is not so important, but the closer it comes to a direct guarantee of the immediate and maximum satisfaction of an important human want, the more effective it will be. Buyers are influenced by the rational and functional aspects of a brand and the emotional aspects as well. In designing the advertisement, sometimes the rational reasoning process is employed, as in the how-to and reason-why approach. Sometimes the emotional channel is used; and sometimes a combination of both. Also if the appeal can promise inner satisfaction as well as practical reward, the effectiveness of the appeal will enhance further.

What is there in a name? Amul, BPL, Rasna, etc. are well known in India to millions of consumers. They mean much more than the mere identification products. Each name signifies a unique set of properties, which are planted firmly in peoples' thoughts and feelings. These help in forming a mental picture, which is referred to as the brand image. Thus a product may be viewed as modern or old fashioned, feminine or masculine, trustworthy or questionable, etc. The ideal brand image is a distinctive one that helps in establishing a product in competition.

The brand image is created through the product's quality, its package, its brand name, its colour, shape, size etc.; the media in which it is advertised, the television or radio

shows with which it is identified and the content and style of its advertisement including pictures, layout, art of forms etc.

The Layout

The composition of a print advertisement, the arrangement of illustration, headline, body, copy, colour and identifying names into a unified message, is referred to as the layout. The layout is intended to provide a logical, clear, unified presentation of the advertising message. Elements that are expected to attract attention and stimulate interest are prominent in the layout. The layout artist and copywriter work closely together to ensure that the symbol package of the advertisement achieves maximum communication potential.

Components of Message

The major components of a typical print advertisement are headline, body copy, memory line, visual, logo or trademark, name of the manufacturer and the brand/product and visual and sometimes a sub-headline. The detailed guidelines regarding the need of the various components and relative emphasis are of special relevance to advertising agency functionaries like the creative director, copywriter, visualiser and supporting staff like photographer and other artists.

Ogilvy considers the headline the most important element in most advertisements. The headline normally presents the basic selling idea and induces the prospect to reading of the advertisement. The body copy refers to the text, box, caption, panel, etc. which are placed in such a manner so as to maximize impact. A symbol of the company name, seal or trademark (sometimes referred to as signature of advertising) help in quick recognition of an advertisement and in creating familiarity for the audience.

Creating a Copy

Whether creating an advertisement for a magazine, newspaper or in the form of a direct mail piece, the message creator chooses form a substantial array of verbal and non verbal symbols, i.e., words, pictures, colours, graphics and white space. Usually the copy is written first and the visualisation and execution part follows. The copywriter usually conceives at least an idea of one entire advertisement in the process of creating its verbal structure.

Headline

When asked, which, if any elements of a print advertisement are more important, renowned researcher, Alfred Politz said "*Headlines are important, because some people read headlines only. The text is important too, of course. It is there that the thought in the headline can be developed in a believable way. And the longer the text,*

the more important the headline becomes. Headline is the vital factor. The product and the main sales points are to be associated in the headline." In case of headlines also, experts suggest certain guidelines. A few of them are as follows: -

- 1) Make your headline suggest to the reader that here is something he wants.
- 2) If you have news, such as a new product, or a new use for an old product be sure to get that news into your headline in a big way.
- 3) Try to suggest in your headline that here is a quick and easy way for the reader to get something he wants.

Colour

Colour is an important factor in increasing the attention value of an advertisement. The primary value of colour in an advertisement seems to be aid in a more effective interpretation or translation of the want satisfying qualities of the product. The qualities of many prints cannot be adequately portrayed in black and white. Today's advertisers are often involved in multinational advertising and promotional efforts. Particular care needs to be taken to make certain that colours used in products and services have the same meaning in other cultures as they do in the originating country. The possible functions of colour include the following

- i) Attracting attention.
- ii) Assisting in the interpretation of the product.
- iii) Giving life to an otherwise bleak-looking advertisement.
- iv) Emphasizing or highlighting a distinctive framework or symbol.

Challenges

The challenge of copy design is that advertisers are dealing with people. They communicate with verbal symbols of words and a whole lot of nonverbal symbols as well. Because of different experiences on the part of the senders and the receivers, these symbols can mean different things to different people at different times under different conditions. Advertising response is inexact and that is one of the factors that make advertising so challenging yet so interesting.

Production Process

Advertising Agencies have been defined as "*independent business composed of creative and business people who develop, prepare and place advertising in media for clients seeking to find customers for their goods and services.*" Basically, agencies offer potential clients a collection of specialists. For example,

1. Copywriters,
2. Art directors
3. Television and radio producers
4. Media buyers
5. Specialists in mechanical reproduction, selection of printing and broadcasting processes, type selection and the like
6. Researchers
7. Advertising planners
8. Public relations experts
9. Merchandisers.

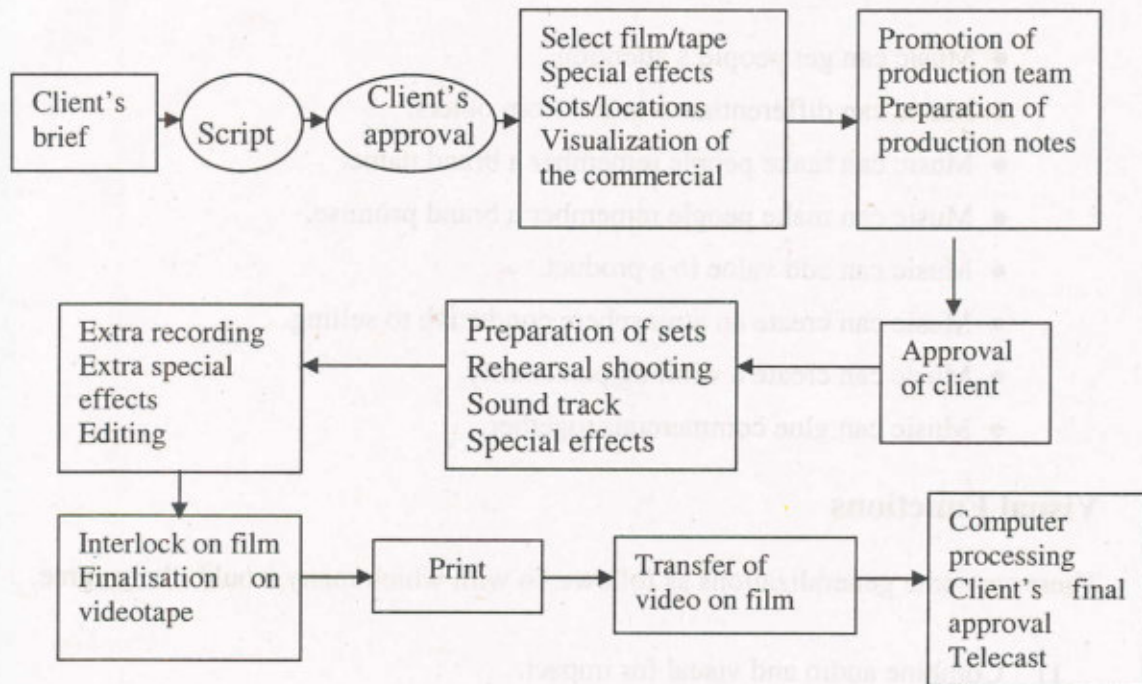
Some agencies specialize in particular types of accounts. Virtually, all of the advertising that we see on network television and in the pages of the major newspapers and magazines, have been prepared and placed by advertising agencies on behalf of their clients.

After having received the brief from the client, the advertising agency is to prepare a script of a story board (graphic scenes in sequence). The script is sent to client for initial approval. After the approval is received, the followings are done normally: -

- i) Select film or video tape.
- ii) Plan special effects to be used in the advertisement.
- iii) Select indoor sets or outdoor locations.
- iv) Identify the models and properties to be used in the advertisement.
- v) Visualize the entire commercial.

At this stage a production team is arranged and production notes are made. These notes are designed to guide the production teams in the process of shooting the advertisement. The production team reviews the production notes, which are then sent to the client for acceptance. These are modified at this stage if needed as per client's wishes. Then pre-production meeting of the team takes place and with it ends the pre-production phase of the advertisement. The next phase, i.e., the production phase starts with preparation of sets or locations, rehearsals, shooting and recording the sound track. At this stage special effects are also developed. After making the extra recording, and extra special effects and the editing, the film is printed and transferred on video for further processing by computer. Final print is to be approved by the client and then sent to the media for telecasting in a phased manner. Exhibit 4.2 attempts a graphic representation of the production process.

Exhibit 4.2: Production Process of TV Advertisement



There are many persons behind the typical advertisement than simply a writer and an art director. Modern advertising - particularly television advertising often calls for a highly complex cast of specialists not employed by either the advertiser or the agencies. Specialists in casting, cinematography, film/tape editing, sound effects, musical scoring etc. are common fixtures in the production of many radio and television commercials, as are photographers and artists in the print media of magazines, newspapers and direct mail advertising.

One view is that writing for television is easy because there is so much to work with: sight, sound, motion and sequential development of an idea. Another view is that such writing is difficult because there are so many variables to learn how to use. Easy or not, writing for television demand far too specialized knowledge and skills.

The camera is very versatile. It serves as the eyes of the viewing audience, looking where the writers want the audience to look, seeing what they want them to see. The TV medium is incredibly versatile. We may find ample reason for disagreement of how a television message should be crafted.

Music

The television and radio advertisement use the human voice and the full dimensions of instrumental and vocal music. Computers, copywriters, music directors, engineers,

studio musicians and single singers, all are involved in the creation of music and jingles. Keith Reinhardt of the advertising agency Needham, Harper and Steers, notes the following reasons for music's popularity as an advertising vehicle:

- Music can get people's attention.
- Music can differentiate a brand from others.
- Music can make people remember a brand name.
- Music can make people remember a brand promise.
- Music can add value to a product.
- Music can create an atmosphere conducive to selling.
- Music can create a winning personality.
- Music can glue commercials together.

Visual Functions

There are some generalizations as follows, to which many would likely agree.

- 1) Combine audio and visual for impact.
- 2) Demonstrate and describe at the same time.
- 3) Compare result of use and nonuse.
- 4) Keep it simple.
- 5) Summarize to increase remembrance.
- 6) Make the sales points strong and quick.
- 7) Use a person compatible with the product as presenter of the commercial.
- 8) Avoid a presenter who distracts

An examination of the way advertisements use nonverbal elements in the symbol package called an "advertisement" suggests the following: -

- i) Display the product in a setting, or in use, focus on the package or the label.
- ii) Demonstrate how the product works.
- iii) Highlight a product feature or features.
- iv) Portray the users, the kind of people who use the product, their lifestyle, and the user image.
- v) Build the image of the maker, the store or service institution, the corporate image.

As might be expected, there are a variety of opinions concerning the selection of illustrations for advertisement. Photographs are attractive, believable, and better remembered. Illustrations are very important, more important when they have a headline effect. But too many pictures in advertisements may not bring out an effective sales point. With ample room for disagreement, advertisers generally believe that illustrations and other nonverbal elements in advertisements should: -

- i) Be keyed to the self-interest and understanding of the readers or viewers.
- ii) Include all or some detail of the product or service.
- iii) Be relevant to the product/service and copy them.
- iv) Be plausible.

Facilitatory Factors

W.A. Evans has suggested that an effective advertisement must have the following features:

- i) **Impact:** The advertisement must attract attention
- ii) **Relevance:** It must be relevant to the needs of the target audience
- iii) **Specificness:** It must concentrate on a single selling proposition.
- iv) **Reason:** Its selling message must be backed by an authentic justification.
- v) **Capability:** It must carry conviction.
- vi) **Tropically:** It must be appropriate in respect of place (environment) or time (in tune with current thinking).
- vii) **Identity:** The identity of the product, service, idea or the company advertised must be clearly, quickly and easily indicated.

Obstructive Features

There are several factors, which come in the way of congenial reception of an advertising message. W.A. Evans has attempted to enumerate these as follows: -

- i) **Apathy:** Laziness, indifference or inertia of audience.
- ii) **Hostility:** Rejection or antipathy of audience to the proposition presented.
- iii) **Incomprehensibility:** Lack of understanding of the purchase proposition or its relevance.
- iv) **Forgetfulness:** Loss of memory of the proposition.
- v) **Competitive Activity:** More convincing proposition presented by competitive advertising.

- vi) **Unfavourable Market Conditions:** Change in the structure and character of the market.
- vii) **Product Similarity:** Too many similar products with indistinguishable advertising claims in the same market.

Copywriting-Creative approach

Creatively is of paramount importance in initiating the process of writing a copy, especially in evolving the basic approach. This has to be combined with purposeful thinking. George Clarke has envisaged the following phases of purposeful thinking: -

- i) **Abstracting:** Relevant data are obtained from the market situation, prospects and relevant media.
- ii) **Synthesizing:** Elements are blended and combined; ideas and approaches are accepted, modified or rejected.
- iii) **Hypothesizing:** Formulated ideas are culminated in a working statement.
- iv) **Gestation:** Objections and difficulties involved are resolved in consultation with others.
- v) **Coalescence:** Discussions are made for physical expression i.e. writing.
- vi) **Performance:** Action is taken in the form of actual writing.

Pre-Testing

Advertising practitioners and theoreticians have highlighted the importance of testing concepts and ideas before they are formulated as messages. One of the tests refers to the question of the basic selling idea: *"Is the quality of the basic selling idea and the quality of copywriting commensurate with high production costs?"*

How many alternative advertisement themes should the advertiser create before making a choice? The more advertisements that are independently created, the higher is the probability of finding an excellent one. But higher would be the cost and more would be the time. The agency does not like to go for extensive creation and pre-testing. The expense of creating rough advertisement is rapidly falling due to computers. An advertising agency's creative department can compose many alternative advertisements in a short time by drawing from computer files containing still and video images. Dik Twedt suggested that message be rated on desirability, exclusiveness and believability. The advertiser should conduct market research to determine which appeal works best with target audience. After deciding about the effective appeal, the creative brief elaborating the positioning, key message, target audience, communication objectives, benefits etc. is prepared. The team members should agree to the brief.

There has never been any real certainty regarding the effect of the copy upon its target audience. Audience reactions to advertisements are variable. Copy research is concerned with development of methodology for measuring the copy's effectiveness. There are three factors that have to be addressed in copy testing: -

- i) Whether or not to test,
- ii) What and when to test, and
- iii) What criteria of test to use.

i) Whether to copy test?

Most local advertising is not tested and there are many cases in national advertising where copy is not tested. If the advertising budget is a large one, relying solely on the judgments of a creative team or intuition of someone is very risky as the stake is high. It is important to have a credible and effective copy testing system.

ii) What and when to test?

Copy testing can be done at the following stages: -

- a) The beginning of the creative process,
- b) The end of the creative process,
- c) The end of the production stage, and
- d) After the campaign has been launched.

In general, test at the first three stages are called pretests and those at the final stage are called post-tests. Various types of tests can be used at any of the four stages and will differ by whether broadcast or print advertising is involved. Testing at the beginning of the creative process mostly involve qualitative research like focus group discussion etc. These are helpful to test the alternative strategies.

iii) What criteria should be used?

There are five basic criteria or category of responses that are widely used in advertising research.

- a) **Recognition:** It refers to whether a respondent can recognize an advertisement as one he or she has seen before. Recognition is necessary condition for effective advertising
- b) **Recall:** Recall refers to measures of the proportion of a sample audience that can recall an advertisement. There are two kinds of recall- aided and unaided recall. In aided recall, hints are given. The best-known recall method in television, interviewing viewers within twenty four to thirty hours after the

commercial is aired, is called day-after-recall method. High recognition scores are easier to achieve than high recall scores as recognition does not require as much retrieval of information from memory as is required by unaided recall task.

- c) **Persuasion:** Several tests are there to measure the preference of buyers and attitudinal dispositions toward the brands and their advertisements. The respondents are shown several advertisements and then diagnostic questions are asked to elicit information on several aspects, which include-
- Brand preference, indifference etc.
 - Comprehension of message.
 - Evaluation of demonstration, spokesperson, message etc.
 - Perception of brand uniqueness/brand differentiation,
 - Irritating (confusing elements).
 - Viewer involvement.
- d) **Purchase behaviour:** The fourth criterion is actual brand choice in an in-store, real word setting. These tests focus on the effects of exposure to shifts in actual purchase behaviour.
- e) **Increase in loyalty and consumption frequency:** In recent years more and more advertisers have begun to create advertising that aims not at creating mere brand preference or favourable attitudes. Many copy-testing services have modified their standard methods to capture these types of effects of an advertisement.

Standardized copy-test measures are useful and reliable too as they are based on past experiences. However, some objectives, particularly communication objectives may require brand specific information. An entire category of advertising research methods is designed primarily not to test the impact of the complete advertisement but to help the creative people to assess its impact. Many copy tests add a set of open-ended questions to elicit audience's impressions of the theme of the advertisement, ideas etc. One goal is to detect the possible misperceptions. The copy testing practices differ with advertising agencies. Several kinds of physiological measures like eye camera, electro encephalography (EEG) etc. are also used to observe reaction to advertisements. In general, these instruments attempt to capture changes in the nervous system or emotional arousal during the exposure to the advertisements. During a campaign, the impact of the campaign is often monitored. Among the measures that are often tracked are advertisement, awareness, awareness of elements of the document, brand awareness, belief about brand attributes, brand image ratings, occasions of use, brand preference etc. Here the focus is on to know effect of the campaign on the brand, rather than how the advertisement is communicating.

A very wide range of copy testing alternatives has been developed. The basic question in test selection is how to ensure validity and reliability. The validity of a particular copy test will depend upon the advertising response that is desired. A campaign that is desired to gain awareness may not best be measured by a test that focuses on immediate behavioural response. Total advertising evaluation is not always necessary and may not be feasible too. Ideally, samples should be selected randomly and the sample size should be a valid one. Research has shown that consumers expecting to be quizzed on advertisement recall or recognition performed better on such tests than consumers not expecting these tests. Such reactions can distort the results. When a respondent is in a test situation, he or she tends to act differently. There are techniques to minimize the reactive effect. For example, the respondent's attention can be diverted from the experiment. In addition to reliability and validity, Joseph Plummer recommends that test should be assessed on five other criteria: -

- i) **Sensibility:** The test should be able to discriminate between different commercials within brand group.
- ii) **Independence of Measures:** The different test measures should have little interrelationship across many testing experiences.
- iii) **Comprehensiveness:** The test should provide, in addition to basic evaluative scores, some information that will indicate the reason for the levels of the evaluative scores.
- iv) **Relationships to other Tests:** The test should provide similar results for the same stimuli tested by a similar but different measurement system.
- v) **Acceptability:** The test must have some acceptance by those responsible for decisions in terms of a commitment to work with the test findings.

In choosing a research supplier also several considerations like cost, past experience, credibility etc. have to be made.

Summary

Before advertising design is handed over to the advertising agency and actual creative work begins, it is important to consider the broad framework and creative approaches. The creative process concerns the translation of a marketing proposition into the verbal and visual devices that will communicate the essence of that proposition in an effective and convincing way. There are different approaches and styles for execution of messages. Many factors are considered for deciding about the message and its execution. During and after the creation and production process the advertiser must decide on the usage of copy testing methods in terms of their reliability, and validity etc.

Review Questions

1. What criteria can you use to select the most effective appeal?

2. Explain the difference between creative strategies, creative appeals, creative tactics and creative mix.
3. In what circumstances should you stress on the verbal and visual elements of copy?
4. Select a print advertisement for a brand of perfume and automobile. Analyze it in respect of rational appeals, emotional appeals, creative tactics and creative strategy.
5. Select two print advertisements one you consider 'good' and the other one you consider to be a 'bad' advertisement. Write an assessment on each justifying your position.
6. Make a list of factors you would consider in deciding for copy testing.
7. Explain the rationale for undertaking copy testing exercises.
8. Collect the print advertisements of the following brands and analyze their advertising appeals.
 - a) IBM PCs
 - b) Cerelac
 - c) IDBI Suidha (or any other fixed deposit scheme of IDBI).
9. An advertising agency is in the process of arranging research services to assess advertising effectiveness for two clients: one advertising campaign is for unique financial service that advertised with a number of specific selling points; the other campaign involves a very touching family scene used to advertise a food product. The agency proposes that day after recall tests be conducted for both clients. Comment.

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Unit 5:

Media Decisions and Strategy

"Advertising is salesmanship mass produced. No one would bother to use advertising if he could talk to all prospects face-to-face. But he cannot".

- Morris Hite

After going through this unit you should be able to: -

- i) Explain the concept of media planning and the role of media in overall marketing and advertising plan.
- ii) Describe the factors involved with media plan.
- iii) Explain the importance of scheduling overtime, reach, frequency and impact.
- iv) Understand the concept of advertising effectiveness and its measurement problems.
- v) Discuss the types and techniques of advertisement evaluation.

Structure

- i) The importance of media strategy
- ii) Parameters of the media plan
- iii) The concept of primary and secondary media
- iv) Concept of effective frequency in media scheduling
- v) The purchase cycle
- vi) Estimation of minimum effective frequency
- vii) Geographic scheduling
- viii) Scheduling overtime
- ix) Advertising research and evaluation.

Media Decisions and Strategy

Advertising media consist of any means by which sales messages can be conveyed to potential buyers. Media has a vital role in the process of advertising communication. Regardless of how well designed an advertisement, its success ultimately depends on whether it is transmitted through the most appropriate medium. Success requires that the message is delivered through a medium that complements the presentation, is used

- iii) Choices of media and the media vehicles should be made in such a manner that the desired exposure is obtained. Advertiser would be spending hard earned money. So, advertising efforts have to be highly cost effective. The advertising has to see that optimum value for the money spent is obtained.

The Four Ws in Media Planning

A useful model for building a media plan centres on four questions: -

i) Who do we want to reach?

Everyone at the same rate consumes no product or service. Some people are better prospects than others. The media planner selects media with audiences that best fit the target market description. Magazines are much more selective than general category newspapers. Likewise radio and television stations also have their own types of audience.

ii) Where to advertise and how to reach to the prospect?

Local and regional advertisers confine their media choices to choose that best cover their particular areas of operation. National advertisers select national media whose coverage best fits the geographic distribution of the firm's sales.

iii) What message is to be communicated and which media to use?

A particular copy approach or technique of presentation requires a particular medium for proper expression and presentation. Product demonstrations, amplified expressions are uniquely suited to television. If the advertisement is designed to build and sustain a certain brand image or product personality, it should be placed in media with personality traits that complement and reinforce the desired image.

iv) When to advertise?

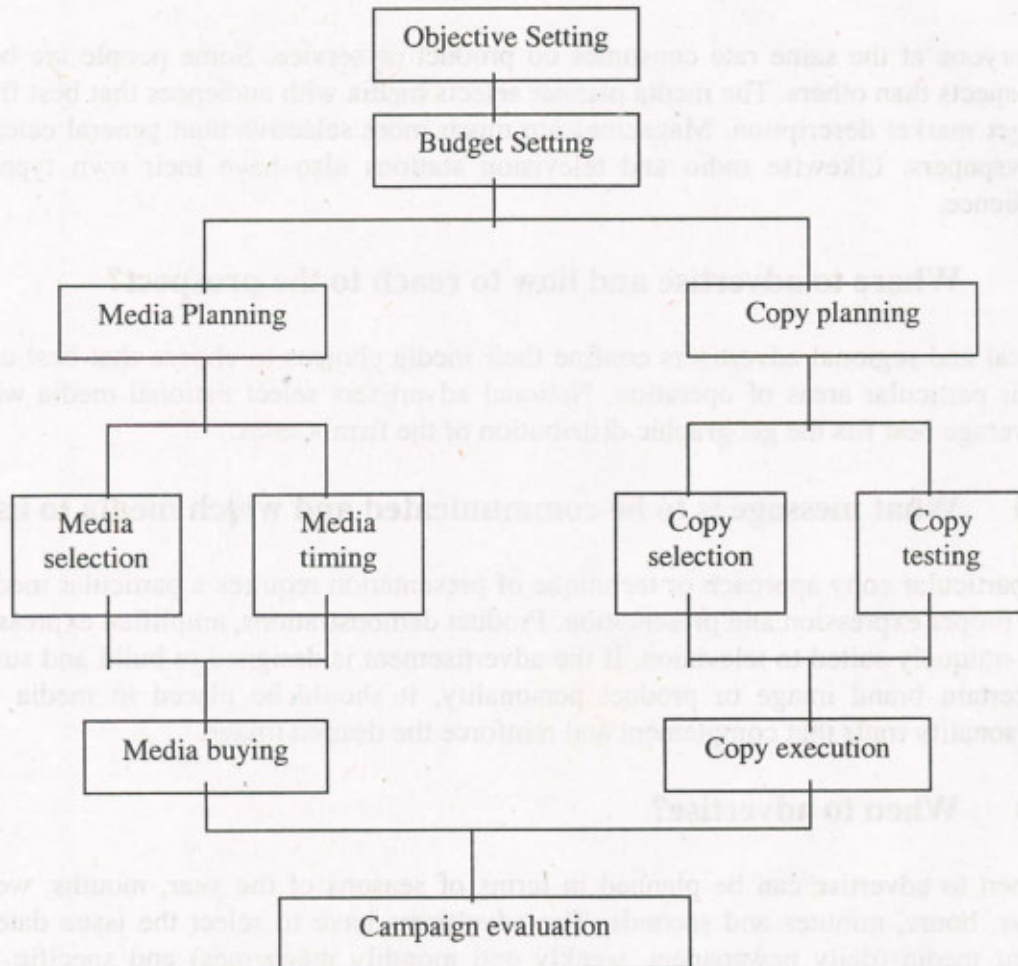
When to advertise can be planned in terms of seasons of the year, months, weeks, days, hours, minutes and seconds. The advertisers have to select the issue dates of print media (daily newspapers, weekly and monthly magazines) and specific time units (on radio and television), when the messages of the advertisers would be seen, read or heard by the prospects.

To answer the four Ws, media planners require much information about the many media alternatives. Such information includes circulations, audiences, costs, and competitive activities. Planners require a conceptual framework for developing and executing media strategy.

Developing the Media Plan

Media planning is an integral part of the advertising plan. It involves selection of the advertising vehicles, the number of advertisements to be placed in each of these and the timing of their insertions. Exhibit 5.1 depicts the position of media planning within the framework of the advertising campaign. The Exhibit shows the specific tasks involved in media planning and shows how this function is related to the elements of budget setting and copy strategy within the campaign planning process.

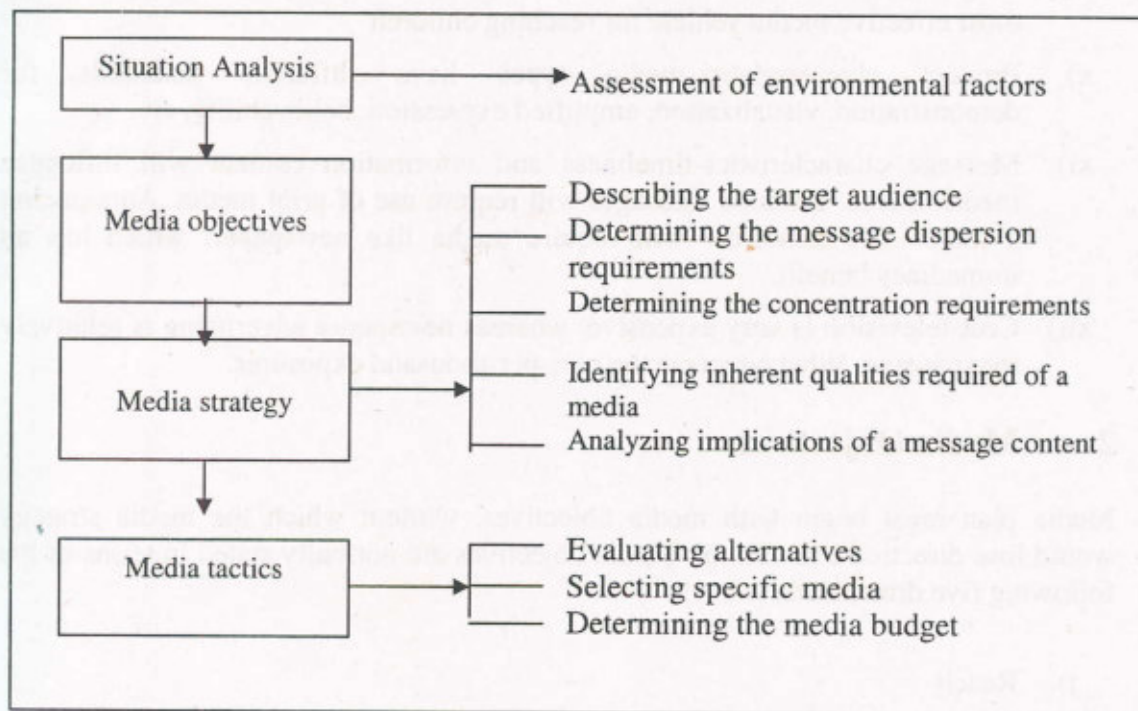
Exhibit 5.1: Campaign Planning.



The importance of a well-developed media plan cannot be underestimated. It begins with a situation analysis that assesses the environmental factors that have an important bearing on media planning. Determining the media objectives comes next. Media objectives lead to media strategy, which in turn provides direction for media tactics. The media strategy encompasses several different activities like, describing the target audience, determining the message dispersion requirements, determining concentration requirements, identifying inherent qualities required of the media and

analyzing implications of message content. Media tactics deal with decisions like evaluating media alternatives, selecting specific media and determining the media budget, etc. The steps are outlined in Exhibit 5.2.

Exhibit 5.2: Steps in Developing a Media Plan.



In this section we shall examine the above steps in developing the media plan.

1. Situation Analysis

The process of media planning begins with a situation analysis and proceeds to the establishment of media objectives. Once these objectives are set, planners can devise a strategy to reach the objectives. It is vital that a thorough analysis of the situation is made before engaging in the subsequent steps of media planning. The situation analysis requires gathering information about the environmental forces and trends. A great deal of information may be available with the marketing department. However, sometimes, specific studies may be conducted to elicit specific information. Types of information that would be useful to the media planner include the following: -

- i) Company and its brands – history and image
- ii) The corporate objective and the marketing objectives
- iii) Proposed target market
- iv) Distribution network
- v) Competitive situation

- vi) Promotional initiatives in the past and their effectiveness
- vii) The other environmental forces like economic situation, regulatory situation, cultural and social factors, etc.
- viii) Resource situation.
- ix) Target audience media habits - for example cartoon serials in television are the most effective media vehicle for reaching children
- x) Product characteristics-media types have different potentials for demonstration, visualization, amplified expression, believability, etc.
- xi) Message characteristics-timeliness and information content will influence media choice. Detailed messages will require use of print media. Announcing a major sale tomorrow will require media like newspaper, which has an immediacy benefit.
- xii) Cost-television is very expensive, whereas newspaper advertising is relatively inexpensive. What counts is the cost-per-thousand exposures.

2. Media Objectives

Media plan must begin with media objectives, without which the media strategy would lose direction and control. Media objectives are normally stated in terms of the following five dimensions -

- i) Reach
- ii) Frequency
- iii) Continuity
- iv) Costs and
- v) Impact

Reach is the number of people or households exposed to a particular media vehicle or schedule at least once during a specified time period, usually weekly or monthly. If a serial X is seen at least once in a four-week period by six out of ten homes, the reach is 60 percent.

Frequency is the number of times within a given period that an average person or household is exposed to a message, usually figured on a weekly and/or monthly basis. If an advertisement is given a total 21 exposures during a week, the total frequency is 21 and the average frequency is 3 exposures per day. Determining reach and frequency is highly complicated. A variety of guide manuals and mathematical techniques are there to help the advertiser in making the necessary calculations. Normally, high reach goals are appropriate to generate consumer attention, awareness or knowledge. If the promoter wants to change attitudes and behaviour, the advertiser needs to consider high frequency goals. The two measures, reach and frequency can be combined to reflect the total weight of a media effort. The combined measure is

called Gross Rating Point (GRP), which is derived by multiplying reach times frequency. Gross Rating Points do not account for the varying impact of ensuing exposures of an advertisement. We have to consider effective frequency, i.e., a number of advertising exposures needed for a message to have its desired effect on individuals. Although no one knows exactly what the optimum number of exposures is, there are three general approaches to the problem.

- i) The linear approach suggests that each exposure adds as much purchase probability as the one preceding it. This approach calls for higher frequencies.
- ii) The decreasing return approach assumes that the first exposure is the most powerful and each ensuing exposure is less effective. Advocates of this approach would opt for low frequency but high impact initial exposures.
- iii) The learning curve approach suggests that effectiveness of each exposure increases more than an equal amount upto a certain point and then the subsequent exposures would add little, not that much.

Impact is the qualitative value of an exposure through a given medium. Impact is the intrusiveness of the message.

Continuity is the objective regarding the timing of media insertions. It refers to the scheduling of messages throughout a campaign. Typically four continuity options are considered,

- i) Continuous
- ii) Intermittent
- iii) Rising
- iv) Falling

Cost considerations represent a final media objective. The media planners have to be aware of the production cost, scope for cost reduction, and the various trade offs between cost, production quality, size, location. As a bottom line cost figure, the media planners normally use the cost per thousand indicators. This analysis allows the planner to compare vehicles within a media or to compare vehicles across media. To calculate the costs per thousand, two figures are needed - the cost of the unit (for example cost per second in television or cost per centimeter column in newspaper) divided by the estimated reach.

The media planner can use reach, frequency, impact, cost and scheduling of messages as a basis for expressing goals and media objectives.

3. Designing the Media Strategy

This steps call for developing a comprehensive strategy that details how the media objectives would be reached. This requires consideration of the following aspects –

i) Describing the target audience:

In light of the overall marketing plan and the target audience, the media strategists should see that a particular media audience matches the intended target audience. They need to select these media vehicles that are compatible with delivering messages to the target audience and to avoid media vehicles that would deliver the messages mainly to the non-prospects.

ii) Determining Dispersion Requirements:

Dispersion refers to a media policy that places the messages in as many different programmes and slots as possible to avoid the repetition and duplication of efforts. The belief here is that reach may be accorded a priority over frequency. Using different shows increases the opportunity for different or unduplicated audiences.

iii) Determining Concentration Requirements:

Promoters have to concentrate their messages at a particular time of the year or in a particular geographic location. Under these considerations, the media planner must deal with the following types of questions: -

- a) When should the promotional campaign start?
- b) When should the campaign be allowed to reach its peak?
- c) How should the promotional budget be allocated?
- d) Can the same campaign be run in different geographic areas?

The answers reflect not only the buying patterns and characteristics of the consumers but also pressures from the sales organisation and intermediaries, availability of the required media vehicles etc.

iv) Identifying inherent qualities required of the media:

Promoters of high fashion women's clothing may feel it is critical that their messages appear in fashion magazines. The perceived quality of these publications by the target audience should enhance the message. A promoter can place a message on the sides of the abandoned buildings, taxicabs or other forms of transit advertising. The qualitative effect of media is that aspect what the medium does to enhance or duplicate the message after the medium has delivered it.

v) **Analysing Implications of a Message Content:**

Creative copywriters design specific messages with a variety of factors in mind. The resulting message content has a bearing on the medium selected to deliver it. Messages that carry a great deal of detailed information suggest print medium over television. Messages with a strong emotional appeal suggest broadcast over print. The tender advertisements require print medium whereas soft drink advertisements may require more of audio-visual medium.

4. Media Tactics

The time and space buyers in the media department of advertising agencies carry out most of the tactics. The process of selecting tactics usually consists of three stages.

- i) Media evaluation
- ii) Media selection
- iii) Media budget formulation

i) Media Evaluation

A detailed evaluation of all the media relevant to a particular strategy is an important aspect of any media plan. Each media has its own advantages and disadvantages. There are various factors to be considered with each media in terms of their reach, cost, impact, etc. Some of the important objective considerations are the following: -

- a) Matching media type with market characteristics
- b) Matching media type with media objectives
- c) Determining the relative cost of reaching a particular prospect with a particular message through a particular medium
- d) Determining the effect of competition on the media choice

Some of the subjective factors to be considered are the following: -

- a) Judging the consumers' perceptions of various media
- b) Matching the creative approach and the capabilities of various media to implement that approach
- c) Evaluating the media's environment in respect to editorial policy, information and entertainment value and so on.

While evaluating media, media planners must understand the difference between exposure opportunity and actual exposure. They have to consider the effectiveness of reach. For evaluating the media, relevant information need to be collected.

ii) Media Selection

Once media planners have considered the media objectives and the qualitative and quantitative characteristics of various media, they must make several important decisions. These decisions can be divided into two categories: -

- a) Media mix decisions; and
- b) Timing decisions.

The media planner faces a series of decisions when deciding about the media or a combination of different media. Each poses different alternatives in terms of their reach, impact, strengths and weaknesses. The timing of media refers to the actual placement of promotions. If the media objectives indicate that the target audience receives the message at a particular time or with a certain level of impact, timing decisions are at issue.

iii) Media Budget Formulation

The budgetary approach used by a particular advertiser varies with the product, the size of the appropriation and tradition. Some of the budgetary techniques are as follows: -

- a) **Percentage of sales:** This approach is based on a fixed percentage of sales of the previous year of an anticipated year or on an average of several years.
- b) **Competitive Parity:** Many promoters base their allocations on competitors' expenditures. This method recognizes the importance of competition in promotion.
- c) **Affordability Method:** Under this method, also called all-you-can-afford method, the amount left over after all the other relevant company expenditures are made is allocated to advertising. It is particularly popular when introducing new products.
- d) **Objective and Task Method:** After setting the promotional objectives, in terms of awareness change, attitudinal change etc. in a particular time period, the promoter has to decide about the budget. This method emphasizes development of the budget based on the tasks to be accomplished.

Choosing Among Major Media Types

The media planner has to know the reach, frequency and impact of each of the media types. As summarized in Exhibit 5.3, the major media types are newspapers, television, direct mail, radio, magazines, outdoor and the internet. Each medium has advantages and disadvantages.

Exhibit 5.3: Profiles of Major Media Types

Medium	Advantages	Disadvantages
Newspapers	Flexibility, timeliness, geographical selectivity, high credibility, immediacy	Short life, poor reproduction Hurried reading Small pass along readership
Television	Good mass market coverage, low cost per exposure, audio-visual effect, appealing to the senses, geographic selectivity, colour advantage	High clutter High absolute costs Fleeting exposure Low audience Selectivity in mass coverage
Direct mail	High audience selectivity, flexibility, personalization	Relatively high cost per exposure Junkmail image Limited reach
Radio	Geographic selectivity, high credibility, low cost	Audio only Listening accompanied by other Activity
Magazines	Geographic selectivity, Special interest compatibility, High credibility, High quality reproduction for the colour advantage, High pass along readership	Long ad purchase lead time High cost
Outdoor	Flexibility High repeat exposure Low cost Geographic selectivity	Creative limitations Low audience selectivity
Internet	High selectivity Low cost Immediacy Interactive power	Small limited reach Relatively low impact Audience controls exposure

Primary and Secondary Media

Primary media are those, which spearhead a campaign and secondary are those, which provide support. The choice of these media will depend on what is being advertised.

Each media vehicle has relative advantages and disadvantages. Television could be a primary medium for a brand of shampoo, hoardings for vests, direct mail for subscription to a magazine and banners offering a discount sale. One advertiser may advertise on television and another may decide for hoardings and banners. Secondary media are those, which back up the main thrust of the campaign. While deciding about the media-mix, the advertiser has to blend the media vehicles in such a manner so as to gain the greatest impact and response.

The terms above-the-line and below-the-line although usually applied to agency and non-agency work, were actually created by Procter and Gamble to separate their different kinds of advertising. Originally, the above-the-line meant the five media, which paid commission to advertising agencies, namely, press, radio, television, outdoors and cinema. The rest, which usually paid no commission were referred to as below-the -line media. They included direct mail, exhibitions, point-of-sale, display aids, print and sales literature and all kinds of miscellaneous media, With the changes in the commission system, the terms above-the -line and below-the-line have lost more of their original significance. However, below-the-line media are not necessarily secondary media. For some advertisers, they may be more effective than the above-the -line media. It is upto the advertiser to decide whether a media provides value for money and fits the campaign.

The Purchase Cycle

Some researchers conclude that three exposures within a purchase cycle are all that are needed to induce attitudinal or behavioural change. Herbert Krugman, an advertising theorist, suggests that each of the first three exposures has a different purpose.

- i) The first exposure elicits a "what is it" response.
- ii) The second exposure continues the evaluation and information gathering process.
- iii) The third exposure provides a reminder that the audience member has not acted on the message.

According to him exposures beyond the third simply repeat the process and serve no real benefits.

Purchase frequency is the number of times during a period that the average buyer buys the product. The higher the purchase frequency, the more continuous the advertising should be.

Scheduling Over Time

The timing of media refers to the actual placements of promotion. Timing decisions are arrived at after considering the media objectives. The effectiveness of a media schedule depends to a large extent on the following considerations: -

- i) **Exposure:** It involves counting the number of exposures that can be obtained through a given media.
- ii) **Segmentation:** Delivering messages to people who are not in a target segment have little value. It requires estimation of segment in terms of demographic, lifestyle profiles and product usage.
- iii) **Media option source effect:** This requires consideration of the impact of exposure in one vehicle than exposure in another.
- iv) **Repetition effect:** This requires consideration of the relative impact of successive exposures to the same person.

Detailing the schedule takes place after assessing these types of considerations. The schedule should show specific vehicles carrying messages on particular data and at particular lines.

Timing of the media effort also involves determining the size and position of a particular promotion within a medium. We know that simply doubling the size of an advertisement does not double its effectiveness. Although a larger promotion creates a higher level of attraction and greater opportunity for creative impact, the extent is still undermined. Depending on what advertisers have to say and how well they can say it, a thirty second commercial may do the job much better than a sixty second commercial. Bigger or longer may not be always better.

A media planner has to decide the scheduling of advertisement on the media in reference to its periodicity in a day, hour, month, and year. Scheduling an advertisement in respect of the media time and the periodicity would be helpful in media buying. An example may be mentioned of scheduling an advertisement of breakfast foods during the breakfast hours on the media, which will have an effective impact than releasing it in the late night slot of the media. Scheduling should be done in width and length of the media buying as shown in Exhibit 5.5.

Exhibit 5.5: Media Scheduling Chart for Merchandise Advertising.

Media buying	First Quarter														
	Months	January					February				March				
	Weeks	1	2	3	4	5	1	2	3	4	1	2	3	4	5
Television time breakfast	x	x	x	x	X	x		x			x	x	x		
Afternoon			x						x					x	
Evening	x	x	x	x			x	x		x				x	x
Late night			x		X		x				x	x	x	x	x
Household magazines one col. Page	x				X		x			x					x
Newspapers (col. half page)	x	x	x	x	X		x	x		x	x			x	x

Source: *Marketing Management – Text and Cases by Raja Gopal.*

The media planner needs to develop a media time flow chart once the scheduling exercise is completed.

Effective Frequency in Media Scheduling

Dividing the total number of homes reached by a media plan by the net coverage (actual number of people exposed to the message) of that plan produces the average frequency of contact. Estimation of the average frequency of contact provides media planners with tool for comparing plans. Suppose in one plan, the number of total homes reached is 51.5 million, and in another plan, say 43.6 million. But the net coverage is 12.8 million in Plan-1 and 16.5 million in Plan-2. The average frequency of contact would be as follows: -

Plan-1: Average frequency of contact = $51,500,000/12,800,000=4.2$

Plan-2: Average frequency of contact = $43,600,000/16,500,000=2.6$

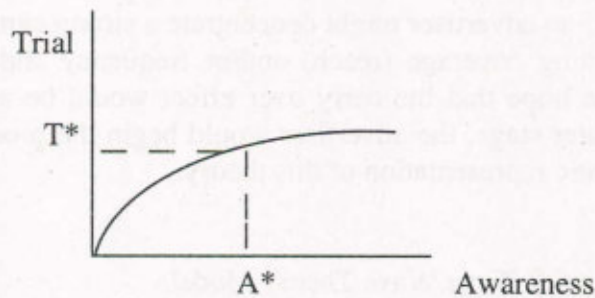
The smaller the number, the better the coverage of the plan. Therefore Plan-2 is a better plan. The effective distribution of frequency is also another important consideration. Research results indicate that the most effective media plan tends to concentrate message delivery at the middle of the frequency range rather than at the extremes. Rather than achieving one exposure to many people and many exposures to a few

people, it would be best for the majority of the households to receive two or three advertising exposures, with the balance receiving only one or two.

Deciding on Reach, Frequency and Impact

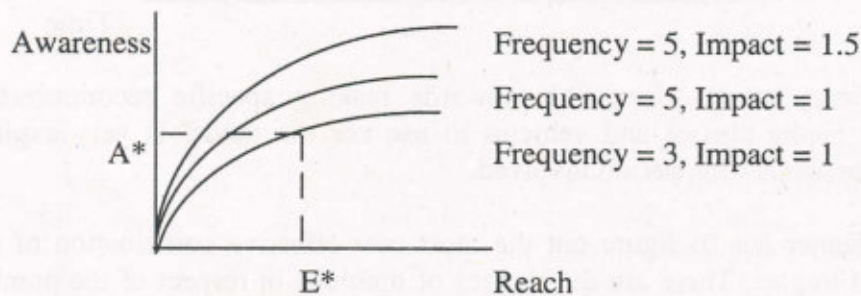
Media selection is the most cost effective media to deliver the desired number and type of exposures to the target audience. Supposing that an advertiser is interested to have a target level of product trial, he would have to emphasize on generation of brand awareness. Because the rate of product trial will depend, among other things, on level of brand awareness. As shown in Exhibit 5.6, the rate of product trial increases at a diminishing rate with the level of audience awareness. If the advertiser is interested in having a product trial rate of T^* , it would be necessary to achieve a brand awareness of A^* .

Exhibit-5.6: Relationships Between Product Trial Rate and Audience awareness Level.



The next task is to find out how many exposures E^* will produce a level of audience awareness of A^* . The effect of exposures on audience awareness depends on the reach, frequency and impact. As shown in Exhibit 5.7, audience awareness will be greater if the exposures' reach frequency and impact are higher.

Exhibit 5.7: Relationships between Reach, Frequency, Impact and Awareness.



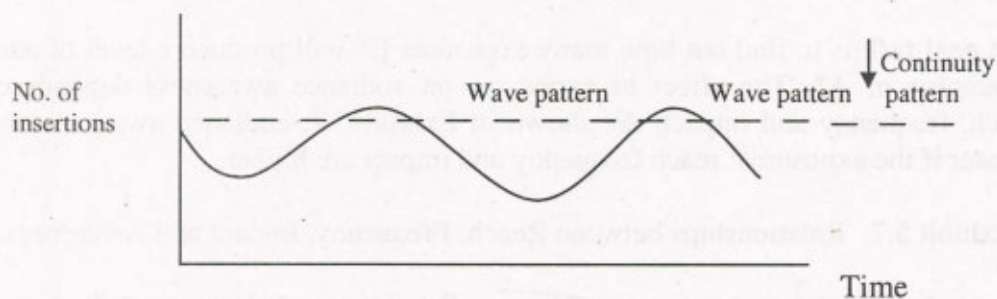
There are important tradeoffs among reach, frequency and impact. Suppose the media planner has an advertising budget of Rs.10 lakhs and the cost per thousand exposures of average quality if Rs.5. With the given amount, suppose the advertiser can buy 200 million exposures. If the advertiser seeks an average exposure frequency of 10 then the advertiser can reach 20 million people. But for a high quality media with a high cost per thousand exposures the reach will be low.

The relationship between reach, frequency and impact can be found in the following concepts: -

- **Total number of exposures:** This is the reach times the average frequency that is, $E=R \times F$. E is referred to as gross rating point. If a given media schedule reaches 80 per cent of homes with an average exposure frequency of 3, the media schedule is said to have a GRP of 240 (80×3)
- **Weighted number of exposures (WE):** This is the reach times average frequency times average impact. ($WE=R \times F \times I$), i.e., Reach x Frequency x Impact.

The need for media data and models to aid in media decision-making has long been recognized. Some qualitative media models were/are based on specific theories of consumer response to advertising and on the concepts of reach, frequency and continuity. The Wave Theory Model involves a sacrifice in continuity of advertising in order to build up coverage and frequency within specified periods of time. For example, with a given budget, an advertiser might concentrate a strong campaign into a relatively short period gaining coverage (reach) and/or frequency and then stop advertising for a while in the hope that the carry over effect would be adequate to cover the next period. At a later stage, the advertiser would begin the process again. Exhibit 5.8 provides a schematic representation of this theory.

Exhibit 5.8: Time Wave Theory Model.



The wave theory model does little towards making specific recommendations regarding the media classes and vehicles to use nor the model is very explicit in spelling out the actual time period involved.

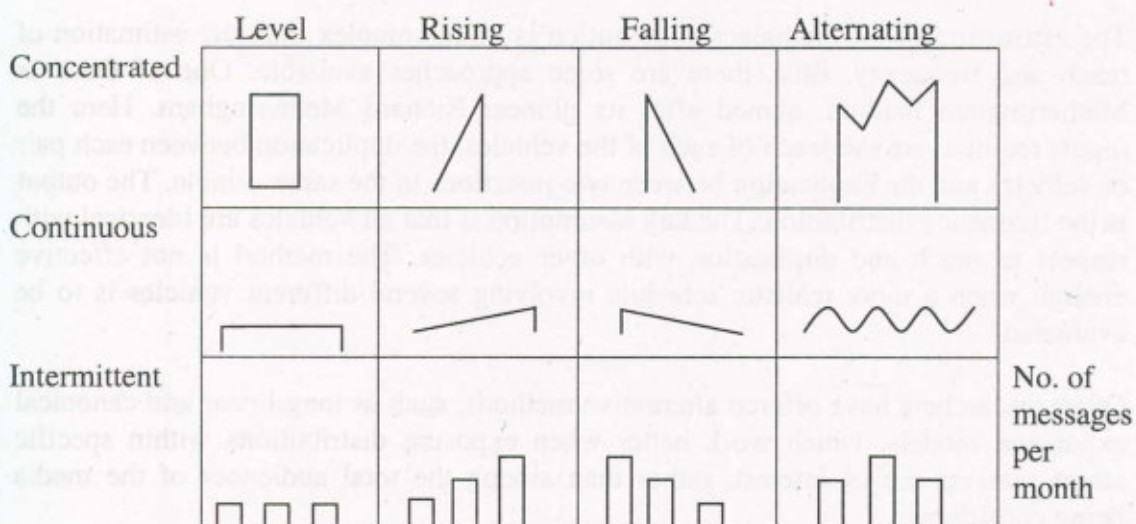
The media planner has to figure out the most cost effective combination of reach, frequency and impact. There are differences of opinions in respect of the number of frequencies. The purchase cycle, consumer resistance, newness of the product, etc. are several factors which will influence the decisions regarding media buying in terms of reach, frequency and impact.

Deciding on Media Timing

In choosing media, the advertiser faces both a macro scheduling and a micro-scheduling problem. The macro-scheduling problem involves scheduling the advertising in relation to seasons and the business cycle. The paint companies normally schedule their advertisements around Dewali. They pursue a seasonal policy. Some companies may oppose the seasonal pattern or may decide to be constant throughout the year.

The micro-scheduling problem calls for allocating advertising expenditures within a short period to obtain maximum impact. Exhibit 5.9 shows several possible patterns. The left side shows that advertising messages given during a month can be concentrated, dispersed continuously throughout the month or dispersed intermittently. The topside shows that the advertising messages can be beamed with a level, rising, falling or alternating frequency.

Exhibit 5.9: Micro-Scheduling Patterns.



The most effective pattern depends on the communication objectives in relation to the nature of the product, target customers, distribution channels and other marketing factors.

Estimation of Minimum Effective Frequency

The exposure-counting approach to media decisions implicitly assumes that all exposures to an individual will have an equal impact. Thus ten exposures to one individual are as desirable as two exposures to each of five people or one exposure to each of ten people. Clearly, there may be a need to achieve some minimum level (threshold level) of frequency against every reached individual, below which that

person would not have been effectively reached. Such a frequency level is often called effective frequency.

Many advertising agencies in the USA and Canada, for example, use three or four exposures per four-week planning cycle as their effective frequency level for TV; it is often higher (12 exposures per month) for outdoor and lower (three or four per quarter) for magazines.

In a given time period, the value of successive exposure will eventually diminish at the higher end of the frequency scale. With excessive exposures, the audience may become irritated and annoyed. In such cases the impact of future exposures may actually be negative (called wear-out-also). Because of the need to consider both the minimum threshold exposure levels needed and the maximum exposure levels that should not be exceeded, the media planner needs not just an average frequency number but also an entire frequency distribution or exposure distribution. Such a frequency distribution specifies the exact number (or percentage) of people exposed once, twice, thrice, four times and so on.

The estimation of the frequency distribution is more complex than the estimation of reach and frequency. Still, there are some approaches available. One of these is Metheringham method, named after its pioneer Richard Metheringham. Here the inputs required are the reach of each of the vehicles, the duplication between each pair of vehicles and the duplication between two insertions in the same vehicle. The output is the frequency distribution. The key assumption is that all vehicles are identical with respect to reach and duplication with other vehicles. The method is not effective enough when a more realistic schedule involving several different vehicles is to be evaluated.

Other researchers have offered alternative methods, such as long-linear and canonical expansion models, which work better when exposure distributions within specific target markets are of interest, rather than among the total audiences of the media being considered.

The frequency distribution provides a much more detailed portrayal than reach and average frequency. The implicit assumption behind the consideration of frequency distribution is that the number of exposures that an individual receives, matters. It is often helpful to make that assumption explicit by specifying the value of successive exposures.

Deciding on Geographical Allocation

A company has to decide how to allocate its advertising budget over space as well as over time. The company may decide about mass marketing and may choose mass media. It may decide to go about selecting national media and going national. The company may make 'spot buys' when it buys TV time in just a few markets or in regional editions of magazines. In light of the advertising policies, the company may

make local buys when it advertises in local newspapers, radio, hoardings and other outdoor sites.

Geographic Scheduling

The marketers of national brands seek to reach the masses. Obviously, they will choose national network of television and national newspapers and magazines as the key media vehicles. In the case of national brands and regional brands, media strategists seek to cover effectively the key markets rather than spread over the entire market. This plan becomes more relevant at the introduction stage of the product life cycle. It is also required for those products that have regional formulations to suit regional climatic conditions. Regional newspapers would be the major media vehicles under this plan.

A brand's sales pattern would differ from market to market. Certain markets are higher in priority either due to their status as being large volume markets, having considerable competitive activities or being developing markets. Media planners need to collect information for specifying the increased impact/weight planned for such markets. The information requirements could be as follows: -

- i) **Market performance:** comparative market share in terms of value and volume.
- ii) **Advertising performance:** comparative brand awareness and recall by market.
- iii) **Comparative advertising:** strategy and activity by market.

Some examples are given at Exhibit 5.10.

Exhibit 5.10: Geographic Scheduling.

Market Shares – Bangalore								
Brand	2001				2002			
	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4
X								
Y								
X								

Advertising Recall – Bangalore 2002				
Brand	Jan	Feb	March	April
X				
Y				
X				

Comparative Advertising – Bangalore 2002		
Brand	No. of spots	Expenditure
X		
Y		
X		

Advertising Evaluation

Any evaluation of an advertising campaign will depend on the objectives of the campaign. Lack of clarity in setting advertising objectives may arise due to the following factors: -

- i) Problem in stating objectives in quantifiable terms
- ii) Apparent failure in realizing that advertising effectiveness cannot be measured through sales figure.
- iii) Inability of identifying the target audience
- iv) Inadequate information about media, its qualitative focus and reach.

A meaningful measurement of the effectiveness of advertising will be possible only by disaggregating the entire gamut of advertising into distinct areas and relating them to the various stages in the preparation of advertisement and to the hierarchy of its possible effects. Research techniques may accordingly be applied at four stages: -

- i) A continuous analysis of past advertising experience in search of guidelines for any analytical framework.
- ii) Surveys of buyer behaviour and consumer preferences are helpful in developing advertising objectives and strategy.
- iii) The third area involves pre-testing advertisements before their release. Pre-testing provides an indication of the likely acceptance of an advertisement or a campaign by the target audience. Based on the findings, low impact advertisements may be dropped, better ones may be accepted or necessary modifications may be made. This is diagnostic and is concerned with evaluation of noticeability, recognition recall, comprehension, and behavioural changes.
- iv) The post-test research involves testing of the reach and impact of advertising after it has been released. Post-testing aims at ascertaining the extent to which advertising achieves its specified objectives following its release. The common practice of treating incremental sales during the period of advertising as being the result of advertising is not valid in most of the cases. The factors effecting sales are so numerous that they defy measurement. Post-testing may be conducted in respect of the various stages of buying process, such as creation of awareness of a brand, development of favourable attitudes towards a brand or changes in

knowledge about an organisation or developing a favourable disposition towards an organisation.

Different advertisements can have different objectives. For example –

- Reinforcing current perceptions
- Encouraging trial of a product or service
- Encouraging new uses of a product or service
- Providing greater emphasis on a brand name or a company name
- Changing perceptions
- Announcing new features and benefits.

Thus, the approach of evaluating advertisement is influenced by what the advertiser wishes to accomplish; first with his marketing goals and then with the advertising.

A good copy testing system should answer a number of questions. An indicative list of these types of questions is given below: -

Reception

- Did the advertising 'get through'?
- Did it catch the consumer's attention?
- Was it remembered?
- Did it catch his eye? Ear?

Comprehension

- Was the advertising understood?
- Was the message identified with the brand?
- Was anything confusing or unclear?

Response

- Did the consumer accept the proposition?
- Did the advertising affect attitudes towards the brand?
- Did the advertising affect perceptions of the brand?
- Did the consumer respond to direct action appeals?

In pre-testing, the consumer feedback method asks consumers for their reactions to a proposed advertisement. They respond to such questions as follows: -

- i) What is the main message you get from this advertisement?
- ii) What do you think they want you to know, believe or do?
- iii) How likely is it that this advertisement will influence you to undertake the implied action?
- iv) What works well in the advertisement and what works poorly?
- v) How does the advertisement make you feel?
- vi) Where is the best place to reach you with this message? Where are you when you make decisions about this action?

Often the ideas are put into tentative form—sketches, headlines, questions and so forth and then subjected to more testing to determine the best of the lot. It is difficult to decide on the criteria to be adopted for evaluating. An advertisement designed to produce the high level of awareness may not do well at all in registering some emotional association. Likewise an advertisement emphasizing on brand image may do poorly in transmitting information and so on. Different tasks then requires different definitions of what is best. If additional research is used at this stage, it may take the form of –

- Paired comparisons
- Simple rankings
- Adjective checklists
- Semantic differential tests
- Verbal or numerical rating scale etc.

All these require in-depth interactions with customers for making a judgment on which tentative approach or approaches would achieve the purposes of the advertisement with greatest efficiency.

Recognition and Recall Tests

Recognition is simply a matter of identifying something as having been seen before. To determine whether or not people saw or read a given advertisement, they are shown the advertisement and asked if they had previously seen or read any part of it. As a test of memory, recall is more demanding than recognition. Recall involves questioning the respondents about what they have seen or read without having the advertisement in front of them while they are answering. Recall level indicates an advertisement's ability to stand out and to have its message understood and remembered.

Laboratory tests use equipment to measure psychological reactions – heartbeat, blood pressure and perspiration etc. to an advertisement. Consumers may be asked to turn a knob to indicate their moment-to-moment liking or interest while viewing

sequenced material. These tests measure attention-getting power but reveal nothing about impact on benefits, attitudes, preferences or buying intentions.

The advertising programme should evaluate both the communication effects of advertising regularly.

Measuring the communication effects of an advertisement tells whether the advertisement is communicating well. Copy testing is done to see the impact of the copy. Copy testing can be done before or after an advertisement is released. Before the advertiser finalises the advertisement. The advertisement can be shown to consumers. As it was stated earlier, the advertiser can ask the consumers how they like the advertisement and measure recall or attitudinal changes resulting from it. After the advertisement is released and run, the advertiser can measure how the advertisement affected consumer recall or product awareness, knowledge and preference.

The sales effects of advertising are often harder to measure than the communication effects. Sales are affected by many factors besides advertising – such as product features, availability, price and consumers' affordability, action of competitors, favourable environmental forces etc. If the brand awareness is increased by 20% and brand preference by 10% because of the advertising initiatives, it is difficult to attribute or assess the impact of advertising on increased sales.

Advertising may examine the history of past sales and advertising expenditures and may arrive at some pattern on how advertising is impacting sales over the past years. Advertisers may go for conducting experiments also by varying the amount spent on, say three similar markets and then assessing the contribution of advertising to sales in these markets. If other marketing efforts are same, then differences in sales in the three market areas may be related to the advertising. More complex experiments could be designed to include other variables, such as difference in the size of advertisement, timing and frequency of advertisements, media usage etc.

Summary

A media plan evolves from and is fully integrated with the marketing, advertising, and creative objectives. The selection of the type of medium such as television, radio or magazines will depend in part upon the number of people in the target audience that the medium can deliver, as well as compatibility with needs of the creative message, needs regarding timing, flexibility and so on. Setting media objectives is essentially laying guidelines as to who the advertising must reach, when, how, how many, how often, how long, in what locations and in what environment etc. Decisions regarding media alternatives have to be taken. Media planners have to consider which media are available and what role they could play in the coverage of the target audiences. Media planners have to decide about the media mix and arrive at decisions regarding reach, frequency and impact. The advertiser has to decide about copy testing before and after the creation, production and release of the advertisement. Post-testing techniques, on

the other hand, measure the contribution made by advertisement in the form of incremental sales, more favourable attitudes, pull effect etc. No one test or method is sufficient to satisfy all the needs of advertising research. The research should be governed by the objectives of the advertising.

Questions for Discussion

1. Assume that you are a marketer of a cough syrup. For advertising, would you -
 - a. Use a magazine?
 - b. Use television?
 - c. Use direct mail media?

Justify your selection with logical reasons. Make necessary assumptions and justify.

2. Discuss the various steps involved in media planning.
3. Examine pros and cons of evaluating advertisements. What major difficulties may arise in the task of measurement?
4. "It is always better to pre-test an advertisement than to post-test it". Do you agree? Explain.
5. There is no single best medium for all advertising situations. Explain and give examples to demonstrate the point.
6. Speculatively answer the four Ws (Who, When Where, What) if you were planning media strategy for advertising the following: -
 - a) A fortnightly general interest magazine.
 - b) A brand of shampoo
 - c) A brand of steel furniture.
7. Under what circumstances would you recommend higher reach at the expense of frequency? Higher frequency at the expense of higher reach?
8. You are an advertising manager for a new line of package marketing devices for use by retail food stores. Your advertising is designed to create awareness among chain store managers. Two schedules with equal cost are proposed. One uses many trade journals and will reach 10,000 store managers with a frequency of 1.1. The other reaches fewer journals and will reach 4,000 with frequency of 8.4.

Which of these two alternatives is superior? What other factors should be considered?

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===X===

Unit-6:

The Social and Economic Effects of Advertising

"Advertising is legalized lying" – H.G. Wells.

"Advertising is the art and sole of capitalism. It captures a moment of time through the tense of commerce, reflecting and affecting our lives, making us laugh and cry, while simultaneously giving traction to the engine that propels the force of market economy toward the future".

- Jef L. Richards.

After having gone through this unit, you should be able to -

- i) Give a complete overview of the structuring of issues in advertising.
- ii) Discuss the issues involved with nature and content of advertising.
- iii) Describe the effect of advertising on values and lifestyles.
- iv) Describe the economic effects of advertising.
- v) Discuss the interrelationships of advertising and competition.

Structure

- i) Structuring of the issues in advertising.
- ii) Nature and content of advertising.
- iii) Effect of value and lifestyles.
- iv) Economic effects of advertising.
- v) Advertising competition.

Introduction

The growth of advertising is one of the most significant achievements in contemporary business era. Advertising is identified as one of the most visible aspects fabricated with the values in modern society. Advertising as a part of firm's marketing effort operates in the society. It therefore abides by the social norms. Some firms go out of their way in educating the society about what benefits the target audience can get by certain actions, all of which are not connected to the sale of products concerned. Some of the examples are –

- i) Car advertisers asking the motorists to look at the conditions of the car tyres before the onset of monsoon to avoid getting skids.
- ii) Grow-more-trees advertisements.
- iii) Get your car checked for pollution.
- iv) Give your child the vaccinations in time.
- v) Eat healthy foods, eat eggs.
- vi) Say no to drugs every time.
- vii) Cigarette smoking is injurious to health.
- viii) Don't mix drinking and driving.
- ix) Drink sensibly.
- x) Mother's milk is best for your baby.
- xi) Exercise your right to vote.
- xii) Pay your taxes in time

- xiii) Together we can change things – American Red Cross.
- xiv) Alcoholism – a treatable disease. You don't have to die for a drink.

Social awareness about health issues, legal issues, availability of counselling facilities, consumer education, etc. is surely needed to help the masses of the country and they need to be advertised. Advertising helps building public awareness towards social issues. We have all seen advertisements, which propagate cleanliness, pollution control, small family norms, anti-dowry messages, etc. Such advertisements help in building consciousness among the public towards the cause. This in turn proves effective in eradicating or minimizing the problem. Healthcare products, feminine hygiene products and their advertisements – improve the general awareness of buyers about health consciousness and the overall well-being.

Advertising creates value systems as people buy advertised products, which establishes a particular lifestyle for the users of the products. Such products are, at times, purchased only to become a member of that particular elite set. This tendency is more visible in the younger set and newly rich crowd. Advertisement helps buyers realize their lifestyle through the information provided in the advertisements.

Advertising, when takes the role of puffery, then it becomes misleading and hence harmful to buyers. Puffery means exaggeration about the benefits of the product, which gives a wrong picture to the buyers. The temptation to use superlatives to describe an ordinary product is possibly so overwhelming that we see many advertisements using puffery to attract the target audience towards buying. But, it should be remembered that such advertisements are like the bucket with a hole and they cannot carry any water in them.

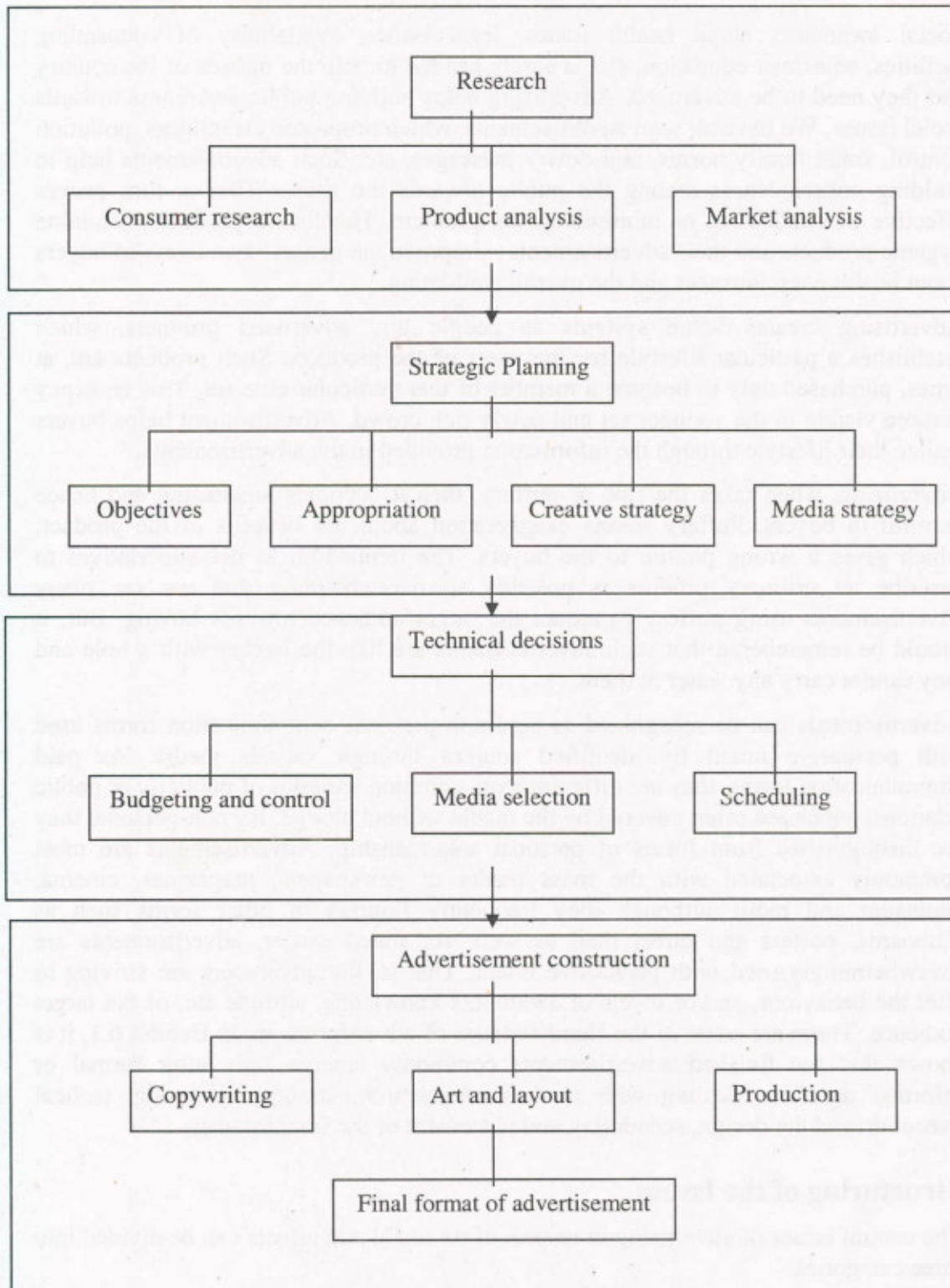
Advertisements can be recognized as paid non-personal communication forms used with persuasive intent by identified sources through various media. As paid communication forms, they are different from common varieties of publicity or public relations, which are often covered by the media without charge. By non-personal they are distinguished from forms of personal salesmanship. Advertisements are most commonly associated with the mass media of newspapers, magazines, cinema, television and radio, although they frequently flourish in other forms such as billboards, posters and direct mail as well. As stated earlier, advertisements are overwhelmingly used with persuasive intent. That is, the advertisers are striving to alter the behaviour, and/or levels of awareness knowledge, attitude etc. of the target audience. These are some of the characteristics of advertisements. In Exhibit 6.1, it is shown that the finished advertisements commonly emerge only after formal or informal decisions dealing with matters of research, strategic planning, tactical execution and the design, scheduling and placement of the final message.

Structuring of the Issues

The central issues of advertising in respect of its social and effects can be divided into three categories: -

- i) The first category represents the nature and content of the advertising. Questions, which are probed in this category, include the following: -

Exhibit 6.1: Some Components of Advertising

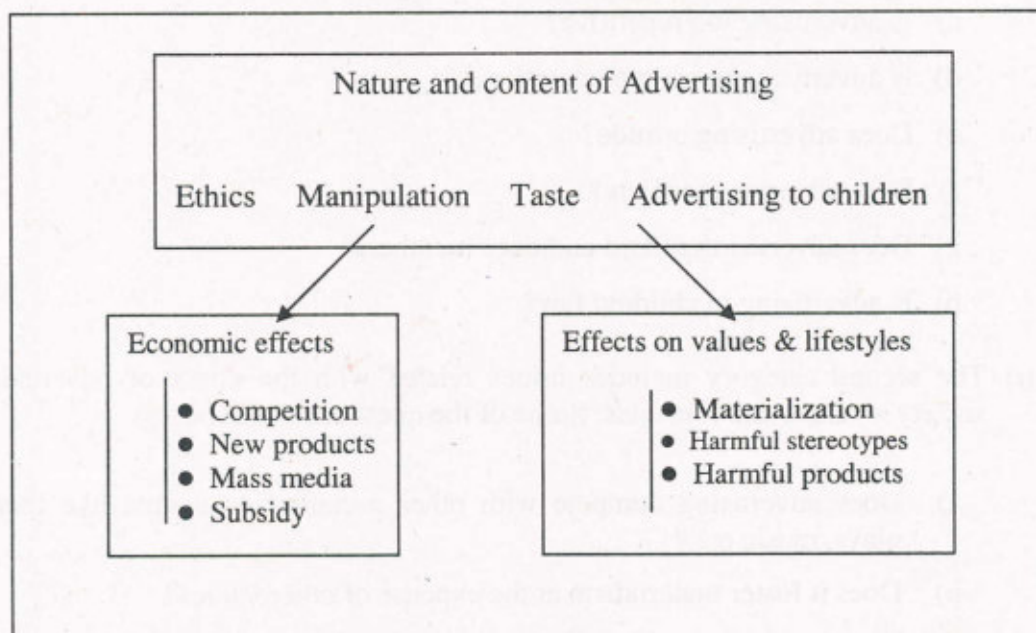


Source: *Advertising Theory and Practice* by Fryburger and Rotzoll, P.6

- a) Is the practice of advertising inherently unethical?
 - b) Are appeals used which manipulate consumers to act against their wills?
 - c) Is advertising too repetitive?
 - d) Is advertising preoccupied with sex?
 - e) Does advertising intrude?
 - f) Does advertising irritate?
 - g) Does advertising offend audience members?
 - h) Is advertising to children fair?
- ii) The second category includes issues related with the effect of advertising on society's values and lifestyles. Some of the questions could be -
- a) Does advertising compete with other socialization agents like literature, plays, music etc.?
 - b) Does it foster materialism at the expense of other values?
 - c) Does it reinforce sexual discrimination?
 - d) Does it promote harmful products?
- iii) The third category assesses the effect of advertising on society's economic well-being and on the efficiency of the operation of the economic system. The questions in this category include-
- a) To what extent can the power of advertising lead to control of the market by a few firms, which will weaken competition and raise consumer prices?
 - b) What is the economic value of advertising as an efficient mechanism for communicating the existence of new products?
 - c) To what extent advertising subsidize mass media?

The first category considers the means rather than the ends of advertising, the means being the copy and the media tactics used. The second and third category represents the aggregate effects of advertising on society as a whole. These are often called secondary consequences or effects.

Exhibit 6.1: Structuring of the Issues in Advertising – the categorization.



Source: *Batra, Myers and Aaker, Advertising Management, Prentice Hall of India, 2000, P-669.*

Nature and Content of Advertising

Advertisers are a varied lot – producers, retailers, wholesalers, service organisations, distributors, associations, educational institutions, government, political parties, individuals, and many more. The basic forms of advertising can be stated as follows: -

- i) Advertising by producers of consumer goods and/or services to reach individuals for selling purposes.
- ii) Advertising by producers of consumer goods and/or services to reach retailers and wholesalers for selling purposes.
- iii) Advertising by producers of business goods and/or services to reach other businesses for selling purposes.
- iv) Advertising by producers of consumer and/or business goods and/or services to reach individuals, groups and their own employees for public relations purposes.
- v) Advertising by retailers to reach individuals for selling and/or public relations purposes.
- vi) Advertising by individuals to reach other individuals for selling or buying purposes.

- vii) Advertisement by governments, organisations and special interest groups to reach individuals and groups for selling and/or idea purposes.

Garbett has defined public services advertising as that kind of advertising, either government or association sponsored which promotes causes and activities generally accepted as desirable. By its nature, public service advertising is usually non-controversial. It is associated with 'good works', about which there is general consensus.

Advertorials are print advertisements that offer editorial content and are difficult to distinguish from newspaper or magazine contents.

Infomercials are TV commercials that appear to be 30 minutes TV shows but are advertisements for products.

Whatever be the form, basically the function of advertising is to interpret or translate the need/want satisfying qualities of products and services in terms of consumer needs, wants, desires, and aspirations. The variety of types of advertising, their different intents, the multiplicity of media and message forms and ultimately the complexities associated with consumer buying behaviour make advertising a complicated subject.

If one were to raise the question: Is advertising informative, not? The answer would depend to a great extent on just what the individual chooses to pattern.

- i) Looking at industrial advertising, one would likely to say, "Certainly".
- ii) Listening to a radio jingle, the answer could be negative.
- iii) Encountering a classified advertisement, one would assert, "of course".
- iv) Confronted with a typical television commercial, one may respond, "Not at all".
- v) Addressed by a direct mail offering, one might conclude, "Very much so".

So, there are different responses. Because of its complex and ambiguous nature and the uncertainty of its effects, one can process the things in different ways and arrive at different conclusions as to what advertising does.

Much advertising criticism, assertion and defence can be better understood by thinking of advertising as an ambiguous stimulus field.

Because of the complexities of advertising, due to its source, medium, message intended effects, as well as the difficulty of sorting out it from a host of other possible factors (cultural, social, economic, psychological influences) advertising can be seen as ambiguous, dynamic and lacking clear structure. Different individuals look at the 'same' thing and come to totally different conclusions about it. Thus one individual can regard the advertising of children's cereals as manipulative attempt, while another

may see it as a legitimate communication attempt for a beneficial product to a receptive audience.

Much advertising criticism, assertion and defense can be better understood as a clash of philosophies about the market system.

In free market system consumers tell the system what to produce. Consumer choices guide the allocation of resources. It is assumed that all consumers acting in their own self-interest not only advance their own welfare but also collectively advance the welfare of society. In a free market system there are many suppliers competing for consumer responses. As each supplier seeks to offer a better value (that is a better product at the same price or the same product at a lower price – the total supply of products at the same price or the same product at a lower price), the total supply of product is supposed to increase as quality improves and costs decrease. Thus, consumers are in a better position to influence the system, not only through the choices they make, but also the prices they pay. Advertising, as a part of the system, can be expected to be the beneficiary or the victim of the set of assumptions toward the market system. Individual decision-making may not be always well informed in terms of its consequences for individual and for society.

Ethics has received increased attention in recent years because of the prevailing practices. Many are challenging the ethics of agency executives who accept commissions for developing advertising to sell cigarettes; they are mainly concerned with their relations with client and the message effectiveness. There is considerable overlap between what many consider to be ethical issues in advertising and the issues of manipulation, taste, and the effect of advertising on values and lifestyles.

Manipulation: There is an argument that advertising is so powerful and effective that it can manipulate buyers into making decisions against his or her will or at least against his or her best interests in allocating the financial resources. The communication of factual information about a product's primary function is usually accepted as being of value to the consumer. However, when advertising utilizes appeals or associations that go beyond such a basic communication task, the charge of manipulation via emotional appeals is raised. There is another issue that consumers' needs do not correspond to product's primary function. The advertiser takes a much broader view of consumer needs considering any product attribute or appeal on which real product differentiation can be based reflecting the legitimate needs that can influence purchase decisions. Many advertisers have the capacity to generate large number of advertising expenses and there is a general claim that they can manipulate buyers. But we should remember that advertising is one of many variables that influences sales.

Taste: Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. Many times advertisements are considered as too loud, too long and repetitious. Many people complaint of advertising for its intrusiveness. Geysler postulate a life cycle wherein an advertising campaign moves with repetition from a period of effectiveness and presumably audience acceptance to a period of irritation. The cycle contains the following stages: -

- i) Exposure to the message on several occasions point to serious attention (given some basic interest in the product).
- ii) Interest in the advertisement or either substantive (informative) or stimulus (enjoyment) grounds.
- iii) Continued but declining attention to the advertisement on such grounds.
- iv) Mental tune out of the advertisement on grounds of familiarity.
- v) Increasing awareness of the advertisement, now as a negative stimulus (on irritant).
- vi) Growing irritation.

Advertising to Children: Advertising to children has been a major focus of public policy and concern for many years. The pre school children cannot understand the selling intent of commercials and cannot distinguish between fantasy and reality. Experiments confirm that advertising can influence children to select the advertised product over more nutrition product.

Advertising and the Modern World

Marketing comprises all the stages between creation of the product and marketing research, which follows the eventual sale. One of these stages is advertising. The stages like links in a chain and the chain may break for poor linkages. Advertising is therefore considered important as every other stage or link and each depends on the other for success. Without advertising the products or services cannot flow to the distributors or other intermediaries and ultimately to the consumers or end users. A successful national economy depends on advertising promoting sales so that factory production is maintained, people are employed and have purchasing power and the money goes round and round. When this process stops, there is a recession. Similarly, prosperous countries are those in which advertising does its job. In third world countries, economies are poor and advertising is minimal. Although the extent of advertising tends to reflect the prosperity and standard of living of a country, there are many critics of advertising. It is often criticized of being an immoral and parasitical force, which dignifies false values and encourages people to buy things they either do not need or cannot afford. It induces people to buy. It creates expectations. It creates tensions to fill up these expectations. In fact, in Indonesia, TV commercials were banned because they were thought to increase the expectations of poorer people. There are advertisers who abuse or misuse advertising deliberately or unintentionally. Consequently there are consumerist organizations, consumer protection laws and advertisers associations who seek to control abuses of advertising. The need for advertising developed with the expansion of population and the growth of towns with their shops and large stores, mass production factories, roads, railways and containers to carry goods, and the development of mass media vehicles. The large quantities of goods being produced were made known by means of advertising to unknown customers who lived far away from the point of production. The modern world depends on advertising. Without advertising producers and distributors would be unable to sell, buyers would not know what products or what brands to buy. If

factory output is to be maintained profitably, advertising must be powerful and continuous. Mass production requires mass marketing, mass promotion through mass media, and mass distribution leading to mass consumption.

Instead of appealing to one big heterogeneous mass, the advertiser may single out those groups of consumers who are the most promising prospects and concentrate efforts on them. The advertiser researches these groups design messages more intensively to fit their way of lives and places advertisement in media that reach them efficiently. The process of subdividing a market to isolate the best target is referred as market segmentation. Market may be segmented on the basis of only relevant classification factors. The concept of social class is especially useful in studies of consumer motivation and advertising. One's goals, attitudes, value system, and behaviour patterns etc. are largely influenced by the social world in which the consumer resides.

The exposure to communication media tends to be voluntary and selective. It is voluntary in the sense that people intentionally expose themselves in the medium. They turn the television set on and tune in particular programmes or purposefully read certain newspapers or magazines. It is selective in that people choose only a fraction of all media available and different people choose different things. The choices they make regarding the programmes, the magazines, the serials, the articles, and the features are generally likely to be those that gratify their expectations and are compatible with their existing attitudes and opinions.

Advertising has been blamed for exaggerating the benefits of the products and services advertised and concealing their limitations and drawbacks. Advertising is not truly informative. This is a common complaint against advertising. It creates false impression. Advertising does not add utility to the products rather it adds to the price of the product. Many advertisement messages are irrelevant, not pleasant and at times offensive. It has also been criticized on the ground that it tells nothing new or great; it is an exaggeration or a misrepresentation of the influencing features or benefits of the product and services.

The gain and usefulness of advertisement vary widely. The gains of advertising are much more than the expenses put in, and this fact- strongly suggests that there should be heavy advertising. Advertising is economically gainful, but the extent of the benefits varies from product to product and market to market. The advertiser should be careful to see that advertisements do not become a waste. It needs to be properly planned and executed. Poor positioning, poor targeting, poor copy, poor approach result in advertising waste.

The advertisers need to keep in mind both the powers and limitations of advertising. Some advertising is more effective than others, and advertising seems to work better with certain types of products. Certain consumers will not buy in spite of extensive advertising and some will buy without advertising. Advertising does not always boost brand image. Advertising alone cannot influence corporate image. There are lot many other marketing forces which influence brand and corporate success. Advertising just

as one part of the total marketing effort. Advertising becomes valuable to business if it can create easy consumer identification of the advertised brand. The effect of specific advertisement may vary widely from consumer-to-consumer and from time to time. The continued advertising of a particular brand or institution over several years is an implied assurance to the consumer that the product has met the test of sustainability and is being used. The measure of success for any product is repeat purchase and its use over a period of time. The greater the consumer's satisfaction and the more repeat purchases, the bigger the economic base from which continuing advertising expenditures can be generated.

To identify more meaningful segments in the market, consumers are grouped according to clusters of attitudes; value and behaviour patterns they hold in common. Such descriptions are referred to as lifestyle. Because of the coherence and visibility of life styles those who share them are likely to reach similarly to marketing communication, to buy the same or similar products.

Attention to changes in lifestyle, present both problems and opportunities to advertisers in targeting their communication messages. Identifying those who follow a particular lifestyle is naturally important to the advertiser.

Advertising presumably has an effect on the buying behaviour of people. Because of its role as a persuasive vehicle it is argued that advertising has an impact on the values and lifestyle of society and that this impact has its negative as well as positive side. Three issues that have attracted particular attention are: -

- i) The relationship of advertising to materialism
- ii) The role that advertising has played in creating harmful stereotypes of women and ethnic minorities; and
- iii) The possible contribution of advertising in promoting harmful products.

Materialism is defined as the tendency to give undue importance to material interests. Advertising and the products advertised are a part of our culture and thus contribute to materialism – some way. However, advertising does not have the power to dominate other forces (family, literature and so on) that contribute to the values of our society.

The accusation that advertising has contributed to the role of stereotyping of women and ethnic minorities has been supported by several studies. In one study, (*A Woman's Place – An Analysis of the Roles Portrayed by Women in Managing Advertisements* by Courtney and Lockeretz, 1971), the authors conclude that the advertisement reflected the stereotype that women do not do important things, are dependent on men, and are regarded by men primarily as sex objects and should be in the home.

There is a national concern with the problems of alcohol and cigarettes. The basic argument is that these are harmful product; alcohol is unhealthy for the individual and is indirectly responsible for injuries and deaths resulting from drunk drivers. There are

a variety of counter-arguments too. The sales depends upon availability, price etc. The advertisements are concerned about influencing brand choice, not on the increased consumption of alcohol.

The environmental movement has spawned a number of new issues about advertising and its effects on values and lifestyles. A recent trend has been for corporations to begin using environment appeals – in marketing. This so-called green marketing also has been challenged. Another area of controversy that has stirred much attention and national debate about advertising and marketing practices is the use of health claims, particularly in food advertising. Some claims may be considered deceptive and misleading consumers.

All these issues in one way or another deal with the nature and content of advertising and its effects on values and lifestyles.

Economic Effects of Advertising

The social issues of advertising tend to focus on its negative aspects like its intrusiveness, vulgarity and the undesirable impact on values and lifestyles. But much of the advertising is entertaining, artistic and contributes towards the good causes of social being.

Advertising is basically an economic institution. It performs an economic function for an advertiser, affects economic decisions of the target consumers and is an integral part of the whole economic system. Some of the economic benefits of advertising are as follows: -

- i) Advertising provides informational utility
- ii) Advertising enhances brand equity
- iii) Advertising maintains brand equity
- iv) Advertising supports the media
- v) Advertising is an employment generating industry
- vi) Advertising facilitates distribution
- vii) Advertising reduces distribution cost
- viii) Advertising provides product utility
- ix) Advertising facilitates the new product launch process.

Without advertising the communication function would still remain but would probably have to be accomplished in some other ways by retailers salespeople and so on. These forms have their advantages and disadvantages. They cannot be the substitute to advertising. Advertising by generating associations between products and moods, lifestyles and activities can add to the utility a buyer receives from the product. Most people do not buy cars solely for the transportation purposes, but to

achieve a feeling of independence, a kind of self-actualization, to express a personality or to establish certain mood or feeling.

Innovation and new product development requires large research and substantial investments in production facilities and marketing too. In this regard advertising provides a very effective medium to reach to the target market. Advertising contributes by informing consumers about the existence of the innovation and product benefits. It encourages competition, which ultimately benefits the consumers. There are a few in today's world who would argue that marketing has no role to play or does not add value.

Advertising serves many purposes for many advertisers, from the individual who places a small classified advertisement in the local newspaper to the big spender who uses networked TV to sell popular brands to mass people. Anyone can be an advertiser and advertising touches everyone. But it has a cost.

Advertising is one of the many costs like production, research and development, distribution etc. These costs have to be recovered before a profit can be made. The cost of advertising is met in the price paid by the consumer. If the product fails, the marketer has to pay all the costs including advertising. Normally, however, it is the consumer who pays for advertising. Generally, prices fall as advertising increases demand. If advertising were to be stopped, demand would decline. In that case for lower sale of product, the price would have to be increased, as it would be more costly to produce and distribute a smaller quantity.

Advertising today is a worldwide phenomenon with the heaviest concentration in developed countries, more specially in United States. Advertisements take different forms and are used for a variety of purposes with many different possible effects. For example, in a given country or a state (say India and Assam) we shall find a large number of examples of fanciful advertising for consumer goods and highly technical and detailed messages dealing with construction, equipment, tender announcement, computer and computer services, etc. The advertisers are multinational corporations, national companies, government, non-government organisations, individuals, special interest groups, and etc. etc. The purposes of their advertisements can range from affecting changes in respondents' behaviour to affecting the way people think about a particular social or economic position. The results of their efforts can range from highly encouraging to a gross wastage of the advertiser's money. That is why advertising, as a subject is very complicated.

The most obvious external (non controllable) factor, which has a direct influence on advertising decisions, is the socio-economic system. Generally, advertisements in their total range of forms and functions are found in countries with similar economic systems, however, there are still offer striking differences in the regulations of particular forms (e.g. whether advertising to children is permitted, whether the advertising of cigarettes and alcoholic beverages etc. are permitted or not).

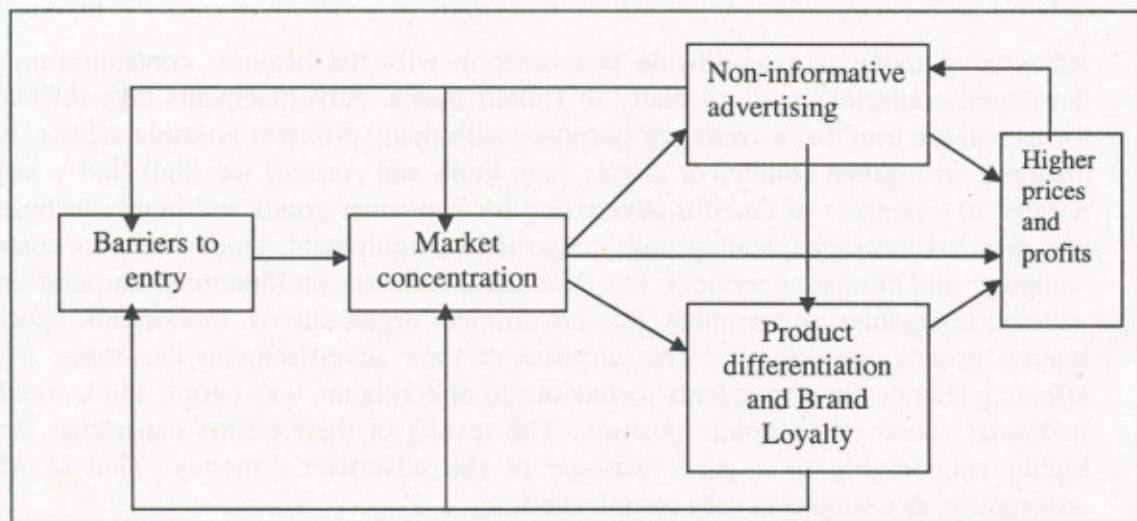
Advertising and Competition

Competition is desirable. It is important in a market economy. Because of the competitive forces, innovations take place and consumer gets the benefits. In this regard, the role that advertising plays needs to be studied.

There have been some arguments that advertising can actually decrease the level of competition. The heavy advertising expenditures in many industries generate strong brand loyalty that tends to create barriers to potential competitors. This results in less competition and higher prices.

In Exhibit 6.2, a model has been shown which summarizes the causal relationships among several factors based on market concentration. One measure of competition within an industry is the degree to which the sales of industry are concentrated in the hands of a few firms. The specific construct is the concentration ratio, that is, the share of industry sales held by the four largest firms. The relationships as shown in Exhibit 6.2 suggest that advertising contributes to a reduction of competition in the market place. The model introduces several crucial constructs such as market concentration, barriers to entry and product differentiation. The arrows represent hypothesized causal relationship among these constructs.

Exhibit 6.2: Market Concentration – Some Hypothesized Causes and Effects



Source: *Advertising Management, 5th Edition* by Batra, Myers, and Aaker, Prentice Hall of India, Page 695.

The basic argument is that when concentration exists, there is little incentive to engage in vigorous competition. As a result higher prices can be charged and higher profits can be generated. Since the price competition would not be there, the

advertiser would go for non-informative advertising, the cost of which would be passed on to the buyer in the form of higher price. Although the products are basically same in respect of their primary function, still attempts would be made for product differentiation. Because differentiated products can generate brand loyalty and thus can escape vigorous price competition. The market power helps in realizing high prices. Concentration is said to be perpetuated and increased by the existence of barriers to entry. There is an argument that advertising helps in creating entry barriers. Product differentiation generates brand loyalty and brand loyalty is argued to be a barrier to entry.

Large-scale advertisers are supposed to receive preferential treatment by the media with respect to the cost and selection of advertising space. In case of advertising also a threshold level is assumed to exist, below which advertising would be ineffective. When this level is high, the cost of entering a market becomes higher. As the model shows, higher prices and higher margins facilitates higher advertising for the higher propensity to pay. Thus the result is an ever-increasing cycle of concentration–profitability–advertising concentration.

A viable level of competition and relatively low prices might exist with high levels of concentration in at least two situations. The first is when it is feasible to enter the market on a local or regional scale. The national brands may be vulnerable in local market. While the cost of a national entry may be large, the cost of reaching a small geographic segment may be more modest. The second type of situation is when a few strong industrial buyers are in a strong position to countervail the power of the few strong sellers.

Several of the relationships and arguments as shown in Exhibit 6.2 have been explored empirically. Some associations have been found. But the associations often have alternative explanations.

Summary

For decades, broad social and economic issues have been raised regarding the role of advertising in society. Advertising has a very important role to play in society. There are three categories of issues regarding advertising and society. They focus on the nature and content of advertising and the aggregate effects of advertising on society's values and lifestyles and on society's well being. It involves issues of ethics, manipulation, taste, advertising to children, advertising cigarette and alcohol, green marketing and health claims in advertising food products etc. etc. Advertising ethics and other social and economic issues of advertising are heavily intertwined.

Advertising is basically an economic institution and any overall appraisal of advertising should include an analysis of its economic impact. Advertising provides economic value to society by enhancing providing information, building brand, generating product association, generating utility etc. It is an employment generating

industry and it supports various media. It is unreasonable to separate the economic and social effects of advertising.

A central issue is the impact that advertising has on competition. It is argued that heavy advertising expenditures in some products enhances brand loyalties and represents a significant barrier to potential competition. It is also argued that heavy advertising is required which poses another entry barrier to new competitors. As a result there is a tendency towards concentration, i.e., to have less competition.

Discussion Questions

- 1) What would be the economic effects of a ban on all advertising? Of a ban on radio, newspaper and television advertising?
- 2) Would you alter or add to the following codes of advertising –
 - a) Product characteristics should not be exaggerated.
 - b) A commercial should not be repeated during a programme.
 - c) Advertising must not imply that product possession makes the owner superior.
 - d) Price information should be clear and complete
 - e) Celebrities will not endorse products.
- 3) What is the role of advertising in establishing values and lifestyles?
- 4) Is advertising wasteful, unethical and misleading? Discuss.
- 5) Distinguish between uses of and abuses by advertising.
- 6) Why does an industrial society require advertising?
- 7) What is the place of advertising in formulating a strategy to have competitive advantages?
- 8) Does advertising have a role in creating entry barrier for new competitors?
- 9) Advertising increases the cost of product. What are your arguments in favour of advertising?

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Published on behalf of Institute of Distance and Open Learning, Gauhati University by Prof. Kandarpa Das, Director, IDOL and printed at J.S.Printers, Guwahati-3

July 2013