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COURSE V

Introduction to Advertising
Role of Advertising in Marketing
Advertising Creativity

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ANDHRA PRADESH OPEN UNIVERSITY
HYDERABAD
1985-86

Course Team

Prof. N. N. Pillai (Editor)

Mr. R. Neelamegham

Mr. V.S. Padmanabhan

Mr. L. Raghava Rao (Course Co-ordinator)

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First Published 1985.

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Printed at Glorious Packagers & Printers for A.P.O.U.

PREFACE

Public Relations as a profession has made rapid progress during the past two decades. The major public sector and private organisations today have recognised the importance of Public Relations, thereby creating new job opportunities for young men and women. Moreover, Public Relations as a management function is fast gaining recognition in our country. Further, there is a wide scope for Public Relations Consultancy Service. The number of new openings advertised in the mass-media makes one optimistic about the growth of the profession. The next decade with its over all progress in agriculture, industry, commerce and greater awareness among the masses owing to increased exposure to mass media will call for greater two-way communication and Public Relations than have hitherto been needed.

The social responsibility of a Public Relations practitioner is greater in a developing country like ours than the developed countries. The professionals will have a crucial role to play in the near future, whether it is that of fighting against untouchability, pollution, or campaigning for afforestation, small family, or for bringing in Computer technology.

The Post-Graduate Diploma Course in Public Relations offered by the Andhra Pradesh Open University aims at training persons as Public Relations professionals. The course covers all aspects of Public Relations keeping in view our social, political, cultural and economic imperatives. It introduces the students to the basic principles and practice of Public Relations.

The Course consists of the following five papers :

1. Principles of Communication and Public Relations.
2. Public Relations Media.
3. Public Relations Management.
4. Editing and Production of Corporate Publications, and
5. Advertising.

In the paper, Advertising, the student is introduced to the various aspects of Advertising. Advertising, other Communication methods, Advertising in India, basic elements of Advertising, Advertising Media, Media Planning, Advertising agencies' organisation and functioning, evaluation of Advertising campaigns, some case studies are covered.

Advertising is a creative field. Its future depends on the development and progress of a free society. Rural Advertising is yet to come to India in a big way. With the advent of T.V. Commercials, advertising in our country is undergoing changes to meet the new demands. The T.V. has also opened up the rural people to Advertising. One interesting aspect is that many of the sponsored programmes over TV are of a very high quality thus forcing Doordarshan to improve its own programmes.

In this text, Advertising definition, Role of Advertising in Public Relations and Advertising support to Public Relations, Advertising and other communication methods like Personal Selling, Publicity, etc are discussed.

This text deals with the topics included in the syllabus for the Post-Graduate Diploma Course in Public Relations offered by the Andhra Pradesh Open University. The syllabus, for the sake of convenience, is divided into units, each of which comprises of a number of lessons. Each unit generally covers a specific area of the subject. The lessons are prepared by specialists in accordance with a format intended to enable the student to read and understand them without much difficulty. Each lesson begins with a statement of its objective followed by synopsis and has at its end assignments, aimed at testing the student's comprehension of the subject matter.

The University hopes that this material would help the student to get acquainted with the basic principles of Advertising.

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Unit – 1 Introduction to Advertising

unit introduction

The student is introduced to the fascinating world of Advertising in this unit. Some definitions of Advertising, then Advertising, Publicity, Sales Promotion, and Public Relations are explained and compared. The role of Advertising in Public Relations and Advertising support to publicity are explained. In the last lesson different types of Advertising like Industrial, Financial, Corporate, etc are discussed. This unit gives an overview of Advertising, its importance, its role and place among other communication methods like Public Relations, Sales Promotion, Publicity etc.

The next unit deals with the Role of Advertising in Marketing.

Lesson 1 : WHAT IS ADVERTISING ?

Objective

To define Advertising and explain the principles of Advertising as a method of communication. To discuss the aims and objectives of Advertising how Advertising works, the climate advertising needs to function effectively, the criticisms advanced against Advertising and finally, the reasons why Advertising is considered an essential part of marketing.

Synopsis

- 1) Definition of Advertising.
- 2) Objectives of Advertising.
- 3) How does Advertising work ?
- 4) Benefits of Advertising.
- 5) Criticisms against Advertising.
- 6) Why Advertising ?

1. ADVERTISING DEFINED

Advertising is one of the four important elements of marketing, the others being Price, Product and Place (Distribution network). It is the mass communication of information intended to persuade people to buy goods and services, or to accept new ideas or practices.

The most appropriate and accepted definition of Advertising is the one given by the American Marketing Association, which states that,

'Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor'

If you analyse this definition it will help you to understand clearly not only what advertising means but also how it differs from other methods of communication.

The points arising out of the definition given above are :

- a) Advertising is a *paid form* of communication.
- b) Advertising is *non-personal* communication.
- c) Advertising not only *presents* ideas, goods, and services, but also *promotes* them.

a. Paid form of communication

An advertising message is delivered through a vehicle of communication—it is published in a newspaper or a magazine, broadcast by the Radio or shown on television or in the cinema. All these media—the vehicles of communication—charge a fee for carrying the message (the advertisement). The fee is either for the space or the time taken by an advertisement. Thus *Advertising is a paid form of communication* unlike 'Publicity' which is obtained free of cost from the media such as the coverage of a press conference, press tours, etc.

b. Non-personal communication

The advertising message is not delivered from one person to another. Advertising is 'mass communication', which means that the audience for advertising is unidentifiable specifically, though the target audience is defined in general terms. In other words, while the manufacturer understands or identifies the target audience as a whole, it is difficult for him to reach them and address them directly. Hence advertising is *non-personal* in character.



c. Presents ideas, goods and services and promotes them

Advertising, of course, makes people come to know of the existence of a product, the improvement in a product, it educates people on new usages of a product, or informs them of various services such as insurance and saving habits that are available, or advises them of the need for afforestation, etc. But more importantly, *it promotes ideas, services and practices, such as family planning, health care, national integration, improved methods of agriculture, etc. In other words, it tries to persuade people to accept new ideas, and adopt and act upon them.*

d. Advertising should have an identified sponsor

Other important aspect of advertising is the fact that the source of the message is either disclosed or identifiable. In most cases, the advertising message carries the address of the advertiser or trade or any other sponsor who can be contacted. This is done not only to give

credibility to the message but also to build an image for the sponsor over a period of time. Even the brand name can lead you to the source of information.

Though there may be occasions when the source is not mentioned in an advertisement, the advertiser can be traced either through the Medium that carries the advertisement or through other sources such as the Distributors/Advertising Agencies etc. *Non-mention of source is often associated with propaganda.*

2. OBJECTIVES OF ADVERTISING

The objectives of Advertising are to,

- Create awareness
- Create interest
- Create desire
- Motivate action

'Brand awareness' and 'brand preference' lead to the ultimate goal of 'brand purchase'—which is also the goal of marketing.

Though brand sales is the goal, its significance varies according to the circumstances. For a new product the goal may be to create a new market or to get a certain percentage of the share of an existing market in the first year. In the following year the goal may be to get a larger share of the market through new customers. In the third year, the goal may be to increase the market share by a definite percentage by expanding the use (intensity, frequency of new uses) by existing consumers. This will require a different advertising approach.

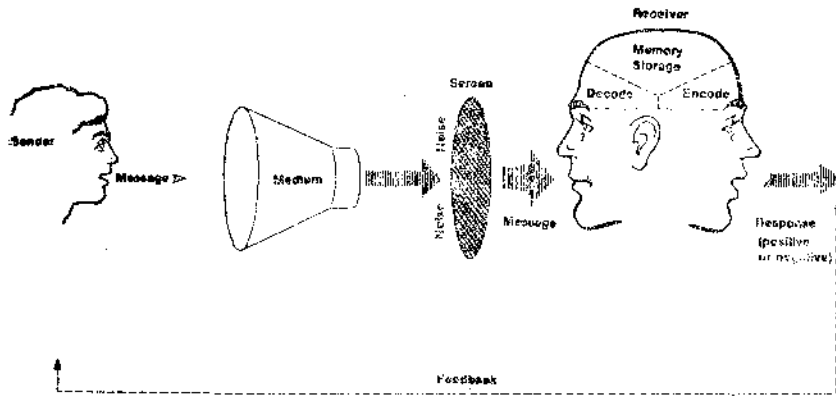
In the early stages of marketing by new product innovations, the manufacturer may have to aim at creating a primary demand, apart from building brand awareness. Only after the primary demand has been established and the concept of product innovations accepted as reflected by demand for the product, can the seller move into brand promotion. The process is the same as that which we find in introducing new ideas and practices, awareness, liking, preferences and then, adoption.

Advertising objectives for each product will depend on the marketing objectives and sales goals.

3. HOW DOES ADVERTISING WORK ?

Advertising is a form of communication. A message which is being communicated can be read (through the print medium), seen (through visual media) or heard (through audio media like the radio).

The advertising message is *encoded* by the sender (advertiser) who uses a vehicle (or medium) for the transmission of the message. The message is then received by the audience and the receiver *decodes* the message.



Advertising communication, with Awareness, Preference and Purchase as objectives, can be divided into the following *four* stages of operation.

- a) **Awareness :** Advertising makes the prospects *aware* of the existence of a brand or familiarises them with the brand or product, thus making the brand/product well known. This is the first step of advertising communication.
- b) **Comprehension :** It then makes the audience understand what the product is and what it does.
- c) **Conviction :** Advertising then creates a favourable mental disposition towards buying the product.
- d) **Action :** It makes the prospect, who has been successfully taken through the previous three stages, to the act of actually buying the product.

While in general, these stages may look simple, *it must be remembered that the entire target audience may not go through all these stages of action.* Out of a large percentage of audience some may not have heard or noticed the message carefully, while only a dwindling percentage of those who noticed or heard the message may have comprehended it, or got convinced of the product and ultimately went through the act of buying the product. The dropouts therefore, can be in large numbers at every one of the stages mentioned above.

Buying a product or adopting a practice or idea is what person does to satisfy a need. The product or the practice or idea promises to fulfil some of the desires and aspirations of the person, and the promise carries

such conviction that the person decides to respond positively. The advertisement works because the appeal in the advertising message is perceived by the target audience as addressed to them in terms of their individual needs and in acting on the basis of the message they would get fulfilment of their desire, and the satisfaction of their need. This becomes possible because the message is designed to suit the needs of the people according to their socio-economic characteristics such as sex, age, income, education, profession, etc. People who have common social-economic and other characteristics usually have the same kind of needs and desires and respond to appeals mostly in identical ways. This is how advertising works.

The climate Advertising needs

Advertising does well in some circumstances but poorly in others. Some of the conditions that are necessary for satisfactory functioning of advertising are :

Company

Should be sound - particularly in respect of policies and personnel. Management of such companies is able, enlightened, informed and sympathetic to advertising's objectives and has confidence in advertising.

Product

The important requirements of a product to be advertised are that it possesses VALUE - i.e. basic utility, that it provides satisfaction of some consumer need, its price reflects its quantity and quality and its packaging is right and attractive.

Market

Some markets are more favourable to a product than others. If there are masses of prospects and customers, mass communication is clearly needed for reasons of speed and economy. The more responsive the market is to advertising and the greater the potential sales volume, the greater opportunity there is for profitable advertising.

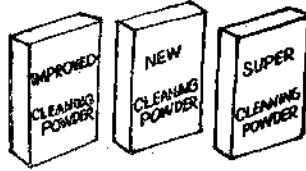
Promotion Programme

If a manufacturer's advertising is to be productive his entire promotion programme must be constructed intelligently and executed effectively. Activities of the Sales, Marketing and Advertising departments should be effectively coordinated in order to achieve a thorough, well balanced advertising campaign.

4. BENEFITS OF ADVERTISING

Advertising helps both consumers and the society in many ways.

1. Consumers are kept informed of improvements in existing products through advertising.



2. Through advertising, manufacturers come to know of the source of supply of raw material, equipment etc.
3. Advertising keeps competition on its toes, resulting in quality improvement in all brands.
4. To a certain extent, advertising also helps in reducing the cost of distributors, since it helps avoid personal selling.
5. Advertising adds value to the products. A constantly and properly exposed brand has a better image.
6. Advertising makes mass distribution possible, thus making marketing efforts keep pace with mass production.
7. Mass production and mass consumption enables the manufacturers, to a certain extent to bring down the cost per unit of the product and thus reduce its sale price.
8. Advertising speeds up the introduction of new products. It quickens the acceptance of the new brand/products.
9. Advertising safeguards the position of established brands. Since the market is constantly changing with new products and new versions of old products, advertising constantly reminds consumers of the benefits of the existing brand.
10. Advertising also helps in communicating to the masses various social welfare programmes such as family planning, energy-saving, afforestation, etc.



Family planning

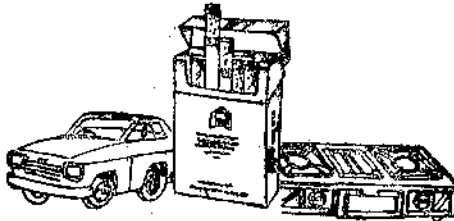
11. In the case of agricultural input products, advertising has been bringing about a change in the attitude of the farmers. They have adopted the newer agricultural technologies, after getting educated through the advertising programmes of manufacturers of fertilisers, pesticides and the agricultural implements. Hence Advertising helps in introducing newer methods of improving agriculture.



5. CRITICISM AGAINST ADVERTISING

It is also necessary for us to understand the arguments against Advertising :

1. Some advertisements are false, deceptive and misleading. Some advertisements conceal information, and cover up the limitations of the product advertised.
2. Because of its conflicting claims, advertising confuses and bewilders. The argument here is, for example, how can all brands of soap be the 'best' ?
3. Advertising prevails upon the consumers to buy (a) what they do not need (b) should not have, and (c) cannot afford.

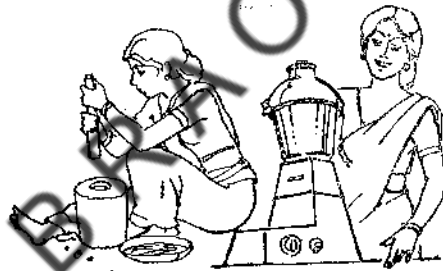


4. Advertising is also condemned sometimes for supplying income or revenues which contribute to the survival of objectionable media.
5. Advertising increases the cost of marketing and may result in an increase in prices for the consumer.
6. Advertising promotes undesirable attitudes, unhealthy values and norms, and encourages injurious social practices.

6. WHY ADVERTISING ?

Advertising disseminates information about the product, the persons producing and selling it, the uses it can be put to, and the price at which it is available.

In a rapidly developing country like India - advertising has proved to be an important medium of communication to inculcate socially beneficial behaviour such as family planning and dowry abolition, conservation of energy, preservation of wild life, afforestation. It has proved to be the most effective way to inform the public about protection of crops, eradication of malaria, energy saving appliances like pressure cookers, and symptomatic relief of minor ailments like headaches and colds.



The argument that advertising increases costs is also *not* correct. Since advertising is one of the essential means of promoting new products and entering new markets, *it challenges the market power of existing brands and producers. This sometimes results in lower costs, and lower market power which leads to lower prices.* In the absence of adequate knowledge of products and brands, consumers will not be in a position to get detailed information about the whole range of products available to them, and of the many attributes each product has. As a result, the consumer may end up paying a higher price not knowing that another brand in the same product field is sold at a cheaper price elsewhere or that an improved version of the product is available in the market.

Advertising fights monopolies. Examples such as that of Nirma Washing Powder show that *advertising creates a healthy competition to established brands.*

Advertising also helps maintain the *quality* of products since it is mass communication. The message has been sent in a print or in Audio or Video Cassettes and *the product has to live upto its claims in the advertisement*. Thus it makes an *insurance of quality* to the consumer.

It is to be noted that the *function* of advertising is to help in getting a *trial purchase* and the *repeat purchase* will *entirely depend on the product quality and performance*. If repeat purchase is *not* ensured, production will stop and the product will die in the market.

Author of the Lesson : **Mr. R. Neelamegham**

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Suggested Reading

1. Foundations of Advertising: Theory and Practice by S. A. Chunawalla and K. C. Sethia (Himalaya Publishing House, Bombay 1985).
2. Advertising made Simple by Frank Jefkins (Rupa Publications).
3. Advertising in India by Mukherjee Jiban.
4. Mass Communication in India by Keval J. Kumar (Jaico Publishers).
5. Advertising : Its role in marketing by Watson Dunn (Holt Saunders International Editions).
6. David Ogilvy on Advertising by David Ogilvy (Pan books).
7. Mass Communication and Journalism in India by D. S. Mehta (Allied Publishers).

Assignments

I Answer the following in about 30 lines each.

1. Define Advertising and explain its importance.
2. What are the objectives of advertising? What conditions are needed for it to function?
3. What are the benefits of advertising?
4. What is the criticism against advertising? Do you agree with it?

II Answer the following in about 10 lines each.

1. What are the Four stages of operation in an advertisement message?
2. What is the importance of advertising? Does it benefit the Consumer/Advertiser?

Lesson : 2 ADVERTISING AND OTHER COMMUNICATION METHODS

Objective

This lesson explains the difference between advertising and other communication methods such as Personal Selling, Sales Promotion, Publicity, and Public Relations.

Synopsis

1. Advertising and Personal Selling
2. Advertising and Sales Promotion
3. Advertising and Publicity
4. Advertising and Public Relations
5. Summary

1. ADVERTISING AND PERSONAL SELLING

Sometimes one may have to apply the method of personal selling to the promotion of the sale of a product.

Personal selling is the skill by which a potential buyer is persuaded to buy things or 'goaded' into buying a thing by the salesman. *Personal Selling provides the 'push' component to marketing strategy as against that of 'pull' provided by advertising.*

The salesman meets the prospective consumer personally, explains the quality benefit of the product which is offered and tries to effect a sale. This is *Personal Selling*.

The basic objectives of Advertising and Personal Selling are the same, i. e., to promote the demand and sale of a product. That is why Advertising is sometimes referred to as 'Salesmanship in print'.

The role of Advertising in the promotion of the sale of a product is as follows :

1. First, an awareness of the product is created.
2. Secondly, the prospective buyer is made to evince interest in the product.
3. Thirdly, desire to possess the product is kindled in him.
4. Fourthly, he is persuaded to buy the product.

The steps involved in personal selling are also similar to those of Advertising.

- Reach all those who are directly or indirectly involved in purchase decision.
- Arouse interest in the product.
- Create preference for the brand or company.
- Secure the order in spite of competition.
- Keep the prospect 'sold' on the product/company.

Advertising differs from Personal Selling in purpose since Advertising is intended to communicate its message to an *unidentifiable audience* through mass media whereas personal selling is possible only if the salesman has *identified* his prospective consumer with whom he can communicate directly.

However, Advertising helps salesman in their salesmanship. It is easier for the salesman to make the prospect receptive to him *if the prospect is aware of the manufacturer or the product through advertising. Advertising, thus, helps personal selling, i. e.,* by introducing the product to the prospect prior to the visit by the salesman.

In the case of consumer products, Personal Selling method is used in order to promote the sale of goods to the trade (retailers). Here again advertising helps by creating an atmosphere of receptiveness for the salesman when he visits the distributor, dealers or retailers.

In a situation where a product is highly technical in nature, which needs discussion with the prospect in order to convince him, personal selling takes the lead. The example could be that of selling a computer. In such cases advertising may only create awareness of the product and its features and the salesman has the job convincing the prospect *why his product is better than his competitor's.*

Advertising helps personal selling mostly in the case of branded products. Consider the case of intermediary products like flavours, essences, chemicals, etc. These products are generally unbranded. In such cases, the role of the salesman assumes greater importance than in other cases. In the cases of products like an intermediate chemical, advertising has only the role of 'informing' the prospects, since most of these intermediary products cannot claim any superiority over the others in the same product category. Here, the Salesman may have to promote the sale by highlighting other factors such as delivery schedules, packaging differential, price, etc.

When it comes to the promotion of pharmaceutical products personal selling becomes more important than advertising. In these cases only OTC products such as Analgics can be advertised. In the case of ethical preparations, however, personal selling is most important. Apart from the fact that ethical preparations cannot be advertised, the target audience is indentifiable, i. e., chemists and doctors, which makes personal selling easier.

2. ADVERTISING AND SALES PROMOTION

Sales Promotion combines both Personal Selling and Promotion through Advertising. While Advertising draws the consumer closer to the product, Sales Promotion possesses the characteristics of both Personal Selling and Advertising. It is supplementary to Personal Selling and Advertising.

Sales Promotion methods such as discounts, contents, incentives, etc are used to boost up the sale of a product at regular intervals using different strategies. There are several examples of sales promotional efforts which have been made by popular brands of soft drinks as well as consumer durable products, etc. *In most of these cases, Advertising supports sales promotion by informing the consumers of the Sales Promotional Schemes and other details.*

Why Sales Promotion ?

- a) It can help generate extra sales ;
- b) It can be used in the face of intense competition ;
- c) When the company is a capital intensive one ;
- d) When the company sells through powerful middlemen ;
- e) When there is a perceivable risk in purchase ;
- f) When there is a large number of marginal customers ; and
- h) When the goods are standardised.

Sales Promotion, however is a short term effort as an incentive to the trade or to the consumer to induce the purchase of the brand. The benefits of Sales Promotional methods have been appreciated by many manufacturers in this country and are increasingly being used.

Consumer oriented sales promotional methods aim at

- a) inducing the consumers to try a new product ; or
- b) to increase the sale of established products.

Sales Promotion through the trade is done by offering higher trade discounts for higher off-take during the specific period, display contests, etc.

3. ADVERTISING AND PUBLICITY

Many people use the expressions Advertising and Publicity, almost synonymously, which is not correct. Advertising is a *paid form* of communication, whereas *Publicity is obtained free of cost from Media.*

In the case of Advertising, the message is controlled and regulated by the advertiser whereas the message through Publicity can be altered by the Media in conformity with their editorial policies. Any sales oriented messages are not generally accepted by the media for Publicity.

Newspaper publicity is generally obtained by corporations on such occasions as inauguration of a factory, visit of VIPs to their plants, press conferences, etc.

Annual General meetings and issue of new shares also are used for obtaining publicity. At times special articles are got published in magazines. Similarly, Radio is used for projecting a company through one of the regular features rather than through paid spots. The TV is also used for projecting a company specially public sector units, through films on their activities and so on.

4. ADVERTISING AND PUBLIC RELATIONS

Public Relations is one of the communication methods of an organisation and in a way it is a part of the promotional mix—others being Advertising, Sales Promotion, Personal Selling. However, while the other three are basically concerned with the sale of a product or selling services, *Public Relations is concerned with areas which may or may not include promotions of products or services.* The goal of Public Relations is to obtain a larger 'share of the mind' of the public while the goal of marketing (through Advertising, Personal Selling and Sales Promotion) is to increase the seller's share of the market.

The audience for public relations is not just limited to prospective 'buyers' of the company's products, or services but would include its employees, shareholders, trade, suppliers, etc. Public Relations is therefore the reflection of the sum-total of the company's activities, *aiming at building up a corporate image for the company.*

PR Communication objectives are also achieved through advertising. For example, a corporate group may like to educate the public of the number of the companies under that group or number of products they market under different brand names. Here, their audience becomes universe (general public). For this, they would use Advertising through different media.

You will be studying at length on the media and methods used in public relations in this course. It is, therefore, enough to state at this point that advertising is a 'paid form' of communication whereas Public Relations communication can be either paid for or *obtained free of cost in the form of publicity*.

One clear distinction between Public Relations and Advertising is that internal communication is almost always achieved only through Public Relations, while Advertising is used for external communication.

5. SUMMARY

Communication methods - all interlinked

You must have noticed that in some way or other all these communication methods, namely, Advertising, Personal Selling, Sales Promotion, Publicity and Public Relations are inter-linked.

It is, therefore essential that there is utmost co-ordination among these disciplines:

Author of the Lesson : Mr. R. Neelamegham

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Assignments

- I. Answer the following in 30 lines each.
 1. Discuss the factors common to Advertising and Personal Selling. How do they differ?
 2. What is Sales Promotion? "It is supplementary to Advertising and Personal Selling", explain.
 3. How does Publicity differ from Advertising? What are its chief characteristics?
 4. How does Advertising help Public Relations?
- II. Answer the following in 10 lines each.
 1. Personal Selling
 2. Sales Promotion
 3. Publicity
 4. Public Relations
 5. Differentiate between Advertising and Public Relations.

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Lesson - 3 ROLE OF ADVERTISING IN PUBLIC RELATIONS

Objective

To explain the methods of Advertising Communication used by Public Relations Persons in achieving the objectives.

Synopsis

1. Role of Advertising in Public Relations
2. Corporate Advertising

1. ROLE OF ADVERTISING IN PUBLIC RELATIONS

Public Relations objectives have to be achieved by employing several methods and media.

Public Relations should keep its audiences informed continuously *to create favourable opinion about the organisation*. As pointed out earlier, the audience for public relations include, apart from the internal public, a corporation's external publics. The external audience consists of present and prospective customers, dealers and shareholders in the case of manufacturing company. The non—manufacturing corporations such as Electricity Authorities, Transport Corporations etc., will have the entire citizenship as its audience for PR Communication, to *educate* them on their activities and performance or to clear any misunderstanding on an issue. *Public Relations communication, thus has often to reach a large number of unidentifiable audience through the means of Advertising.*

A publicity item obtained through the media may not sometimes be adequate owing to the limitations of space or the attitude of the media. Even when an organisation gets enough space in newspapers, the publicity received may not exactly highlight the points which the organisation would like to get projected. The adoption of Advertising techniques will *reinforce* the PR efforts in achieving dissemination of information in the *manner required*.

Even in the case of government communications, which are a matter of public relations, advertising is used increasingly for *informing* the public. For example, many State Governments use advertising communication methods to periodically advise the public about the various welfare schemes launched during a particular period as a part of their public educational programme. Paid supplements are brought out in dailies and periodicals by many private corporations which avail themselves of the opportunities afforded by special occasions to publicize their activities.

2. CORPORATE ADVERTISING

Large industrial houses have been doing mass media PR advertising for a number of years *by educating the public* on one subject or the other of general interest -- the saints, the temples, the rivers of India which have been well received by the Public. Though the advertising of this nature does not directly promote the products or activities of an organisation *they contribute to the building up of a favourable image through association of ideas and services.*

PR Communication through advertising is often used for promoting the shares of a company or to obtain fixed deposits from the public. In these cases, apart from the press, the other media such as hoardings are also used. In fact, such *financial advertising* has been most common during the last ten years. As stated above, there are many more instances where advertising has helped achieve PR objectives of a Corporation or a company.

Many fertiliser companies adopt either some districts or some villages for educating the people and assist them in developing their area. *This is a public relations effort related to their PR objectives. The achievements and their contributions to the development of such areas are then advertised through mass media to brighten the image of the company and heighten its importance.*

Such companies take upon themselves the responsibility to educate the public on health, or such other *social aspects in public interest.* This is a public relations exercise carried out through advertising methods. Here again, advertising is used because of capacity to reach an unidentifiable audience on a mass scale. Certain corporations and municipalities have used advertising to achieve their public relations objectives. For example, the Corporation of Madras has used mass media to educate the public on the up-keep of their lanes, streets and roads. Hyderabad Municipal Corporation has similarly used mass media to educate the public on protection from street-dogs and advising them of the need for anti-rabies injections to their pets. Keep the City Clean campaigns always make use of advertising.

Public Relations advertising is known by different names—*institutional advertising, identity advertising, public interest advertising, image advertising, strategic advertising, Corporate advertising etc.* Financial advertising also sometimes serves PR objectives. The most widely acceptable nomenclature today is *Corporate Advertising.*

There is another form of Advertising which is called 'Issue Advertising'. Till recently, there has been little differentiation between Corporate Advertising and Issue Advertising which is not strictly about

the Corporation but the public issues of importance which the corporation confronts. The issue advertising itself has a variety of labels: 'Cause and Issue advertising'; 'View point advertising'; 'Advocacy Advertising' (for the issue); 'Adversary advertising (against the issue); Public interest advertising.

Yet another label is 'Public service advertising' which refers to that kind of advertising, either government or association sponsored, which promotes causes and activities generally accepted as desirable.

In short, advertising which meets one or more of the following is called 'Corporate Advertising'.

1. To educate, inform or impress the public with the company's policies, functions, ideals, etc.
2. To build up favourable opinion about the company by highlighting its scientific know-how, technological superiority, contribution to the country, etc.
3. To build up the investment qualities of the company's securities.
4. To sell the company as a good place to work.

Author of the Lesson : **Mr. R. Neelamegham**

Assignments

- I. Answer the following in 30 lines each:
 1. Do you think that Advertising has an important role to play in Public Relations? Discuss how it helps public relations.
 2. What do you understand by 'Corporate Advertising'? Do you think it is necessary?

Lesson 4 : TYPES OF ADVERTISING

Objective

In this lesson various types of advertising with *different objectives* are discussed. This will help the students to understand the variations in contents and methodology that take place between one type and other of Advertising

Synopsis

1. Consumer Product Advertising
2. Industrial Product Advertising
3. Government Advertising
4. Financial Advertising
5. Service Advertising
6. Retail Advertising
7. Corporate/Institutional Advertising, and
8. Public Service Advertising.

As discussed earlier, *the basic functions of advertising are to create awareness, interest, desire and motivate action (AIDA)*. However, certain changes in approach will be required in each type of Advertising depending on the marketing and communication objectives or the products/ services advertised. Let us look at how and why the change in approach is needed in respect of various types of Advertising.

We can broadly categorise the types of Advertising as :

1. Consumer products advertising
2. Industrial products advertising
3. Government advertising
4. Financial advertising
5. Service advertising
6. Retail advertising
7. Corporate or Institutional advertising, and
8. Public Service advertising

1. CONSUMER PRODUCT ADVERTISING

There are innumerable number of products advertised every day using all possible mass media. There are two categories of consumer products viz. Consumer durables and Consumer Non-durables.

Consumer durable products are those that are long lasting (useable for a long period of time) such as Refrigerators, Washing Machines, Fans and other electrical fittings, mixies, television, radio etc. These are generally products of high value and are added to the family depending on the income level and the need. In the case of consumer durable products, brand loyalties are low due to very little repeat purchase chances.

The manufacturer of such products has to take into account the profile of his prospective customers in terms of levels of income, need for the product, location of the audience etc. Since many of the consumer durable products require servicing or replacement of parts at one time or the other the manufacturer may have to assure facilities to meet such needs. These products are not bought frequently and hence a certain minimum guarantee period for performance may have to be assured to the prospects.

The prospective buyers of these products do not make on-the-spot decision to buy the product, leave alone a particular brand. They think about buying the product for some time and plan the purchase.

Advertising of these products are generally less dramatic and more convincing. Product features are given in detail, quality highlighted and motivate the prospect to ask for more details, in some cases through obtaining leaflets, etc.

Consumer non-durables are products of every day use by the households which are generally used by a large number of people. Examples are tooth pastes, toilet soaps, washing powders/soaps, and so on. These products are bought at frequent intervals.

In the case of many consumer non-durable products *brand loyalties are very high and hence continuous advertising becomes very important.* Advertising for such products take 'persuasive' approach. The objectives of such advertising is not only to get new customers but also to *retain* the existing users.

Free gifts are offered (e.g. if you buy Economy size of a particular detergent powder you get some other product free), incentives are given (Re.1 off if you return the empty tube of a particular tooth paste), prizes offered through consumer contests and such other methods are employed to increase the market share. All these need to be mass

advertised and the advertising message has to be tuned to take care of such communication needs.

Consumer non-durable advertising are generally of 'hard-sell' nature i.e. fight through advertising to keep pace with the growing market and competitors. In this type of advertising it also becomes essential to make the best use of the Media employed by making one's advertisement stand out better than others.

2. INDUSTRIAL PRODUCTS ADVERTISING

Industrial products can be classified into segments like individual equipment, complete systems or single products and accessories. *Advertising of industrial products is generally without the fashions and frills that dominate consumer product advertising.*

Here, advertising forms a much smaller component of the sales effort since a great deal of selling is done by personal contact or by direct response. In creating industrial product advertising it should be borne in mind that the product itself is technical in nature and performing a specific given function; and the purchaser will be very objective in selecting the brand or the manufacturer of the product in question. Procedures in a Purchasing Department normally lay down definite specifications of a product in terms of quality, characteristics and levels of performance. All these make industrial product advertising a very serious business. The trend has come when advertising agencies employ different techniques of communication to specialised buyers.

In the case of industrial product advertising, *the media of communications are also quite limited. Specialised journals in engineering or electronics or chemical or metallurgy and such other specific categories which are read by the prospects are also used for this type of advertising.* Efforts like direct mailing, participation in trade fairs or conducting demonstrations are also adopted. One aspect common to industrial products and consumer durables is that of providing 'after sales service. Whether it is a refrigerator, computer or a printing machine, it is evident that 'after sales service' forms part of the sale deal.

3. GOVERNMENT ADVERTISING

Various State Governments resort to advertising to 'inform' the people of their achievements; or various schemes that affect the public. This advertising is carried out by the Information and Public Relations Departments of the State Governments. In this type of advertising, being informative in character, no 'persuasion' takes place nor do they solicit 'action'.

Other examples of government advertising are those by the Income Tax department reminding individuals and industries of their tax obligations. In this country, family planning advertising is done in an extensive

scale. Here both 'persuasive' and 'educative' approaches are employed to convince the married couples to limit their family size, in as-much-as this advertising differs from the regular informative advertising of the Government.

4. FINANCIAL ADVERTISING

We come to yet another important classification of Advertising—financial and allied services. This will include promotion of banking services, Life Insurance, General Insurance, National Savings, Credit cards or units or debentures, etc. Here we can classify the financial operations of various institutions dealing in finance into *personal and non—personal methods*. If you take banking services or units, National Saving Certificates etc. there is a tremendous leaning on advertising support as compared to Life Insurance, General Insurance etc. which rely on personal selling to a great extent. Lot of companies in the public and private sector resort to selling of equity shares or debentures by seeking the help of advertising.

Every individual has different needs from the same financial institution. For example a house—wife may have a savings bank account or a recurring deposit account in a bank, in the same bank we have an industrialist seeking finance for his industry. The same bank may serve an individual to store his wife's jewellery and so on. The profile of a financial institution, therefore, is very broad based with different images being presented to different segments relevant to its service. Life Insurance can appeal to single individual or it can even appeal to a large organisation for group insurance. The General Insurance Co. can appeal to household to insure his house and belongings and at the same time, appeal to a corporation to insure its factory.

Apart from selling the concept to the people, it also becomes important to sell the image of security and confidence that should normally be associated with an organisation dealing in finance.

5. SERVICE ADVERTISING

In this category, we could include services like Travel and Tourism, Management Consultancy, Computer Programming, Man—power development and Placement Agencies etc., which sell entirely on the quality of service and the image. We see advertising on package tours by airlines and travel agencies to promote business and also by some of the hotels trying to offer occupancy at concessional tariffs and so on.

In this category also Advertising can help only to some extent after which the service and its quality come into *play*. *No amount of advertising can reverse the trend if a customer is dissatisfied with a hotel's service.*

6. RETAIL ADVERTISING

Any Retail outlet sells a variety of goods. Generally retailers sell many brands of the same product and offer a choice to the consumers. Retail outlets such as departmental stores advertise to attract customers to their shops in preference to others. This advertising is limited to covering the city in which the outlet is located, and is aimed at creating an identity to the outlet. Special festive discounts, bargain offers, prizes on volume purchase etc., are often offered thru' Retail Advertising which is done in-dependent of brand advertising done by manufacturers. *Retail Advertising has the limited objective of increasing the turnover of the Retail Advertiser.*

7. CORPORATE OR INSTITUTIONAL ADVERTISING

While product advertising sells merchandise to consumers, Institutional advertising (also called corporate advertising) is designed to cultivate goodwill of the corporation or the company. *Its purpose is to create a frame of mind and to implant feelings favourable to the advertiser's company. Its assignment is to make friends for the institution or organisation.*

The audience for institutional advertising is a broad spectrum of present users and prospective buyers of the company's products or services, share holders, general public, financial institutions, government officials etc.

Institutional advertising is the most subtle, abstract and the most difficult form of advertising. It aims at projecting a company's philosophy capabilities and future prospects. The corporate character of a company and its finer points are conveyed to the audience. Institutional advertising is one of the PR tools of an organisation that gives the company a 'sound image'.

Some of the positive attributes that people relate to a company's corporate image which are created thru' Institutional Advertising are as follows :

- 1) A Good Company to work because
 - a) it pays well
 - b) looks after its people well
 - c) offers good benefits apart from the salary
 - d) offers job security.
- 2) It's big organisation with a large investment and massive employment opportunities. It is a safe organisation to deal with.
- 3) It's a sound, professionally managed company.
- 4) It's a prestigious organisation.

- 5) Financially very sound, good company to invest. They pay good dividends and one's money is safe and growing.
- 6) It makes products of Excellent quality, very good service and prompt availability. Therefore, it's a very good organisation.

For a company to gain any of the above *favourable forms of corporate image* takes a *very long and consistent effort*. *Corporate image is the aggregate reflection of an organisation's performance in terms of its product, its people and its impact on customers and its perception by other people with whom it has direct or indirect dealings.*

In framing the advertising message to convey a corporate message, one has to be very discreet so that there is no conflict of the message with reality. If there is a considerable degree of disparity between a company's communication and people's perception about the company, the reaction may be negative and counter productive also. Different people will view a company differently with respect to their association with it.

8. PUBLIC SERVICE ADVERTISING

Public Service Advertising covers various subjects that touch human-lives and society in one way or the other. This type of advertising is carried out either by the Government or by large companies, corporations and Municipalities etc.

Examples of Public Service advertising are many, though compared to advanced countries, Public Service Campaigns in India are limited. Municipal Corporation of Hyderabad successfully carried out a campaign to educate the dog owners to get their pets vaccinated against rabbies. Corporation of Madras, Bombay etc, have been advertising through mass media to keep the cities clean.

Noteworthy Public Service Campaigns are those of Cancer Society of India, help to mentally retarded children, environmental protection and so on.

There are many more types of advertising such as advertising for personnel, advertising for trade enquiries and so on. But broadly, the categories where the objectives and the resultant methodology and communication approach differs, from one another.

Author of the Lesson : Mr.R. Neelamegham

Assignments

- i. Answer the following in 30 lines each :
 1. Discuss how Consumer Product advertising differs from Industrial Product advertising.
 2. Why do you think Corporate/Institutional advertising is important in P.R ? Cite some examples.
 3. What is the importance of Government/State advertising ? what is its basic purpose. Discuss.
 4. Public Service Advertising is gaining importance in our country. What are the reasons for this? How does it differ from Consumer Product advertising ?
- ii. Write Short notes in 10 lines each :
 1. Financial Advertising
 2. Retail Advertising
 3. Corporate advertising.

BRAOU

Unit 2 Role of Advertising in Marketing

Unit Introduction

In this unit, we discuss the important role which advertising plays in Marketing. In most cases, advertising strategy is planned even before the product takes its final shape and one should realise the importance of advertising in this context. In the following lessons we discuss all the major aspects of advertising in marketing like marketing mix, consumer profile, existing products in the market, competition, introducing a new product, investment, designing and packaging. The growth and development of advertising vis-a-vis the stability and economic growth of a society is discussed.

In the next unit, we will discuss about advertising Creativity i.e., actually how advertising takes shape.

Lesson - 5 ADVERTISING AND MARKETING

Objective

This lesson briefly explains Marketing and the elements that make the marketing-mix, and *contribution of advertising* to marketing is explained.

Synopsis

1. Marketing and Product development
2. Packaging and Pricing
3. Importance of Distribution
4. Marketing : its Constituents.

As said earlier, Advertising is one of the tools of Marketing. In this lesson, let us try to understand Marketing briefly in order that you understand the contribution of Advertising makes to Marketing.

1. MARKETING AND PRODUCT DEVELOPMENT

Marketing covers all those activities involved in providing customer satisfaction, and making a profit for the manufacturer who makes use of available resources to the maximum. The American Marketing Association defines marketing *as those activities which direct the flow of goods and services, from production to consumption.* Marketing covers broadly the entire activities of a company - Production, Pricing, Physical Distribution, Personal Selling and Advertising.

Let us first take Production. *Production of a product precedes product development.* Product development has to take into account the need for the product, advancement in technology etc. Understanding of the consumer needs and behaviour becomes essential for product planning. The product is tried and tested, and improvements if needed are carried out before the product is offered to the consumers. Simultaneously brand name is decided, packaging designed, and arrangements for printing or fabricating the packaging are made. *Product improvement is a continuous process keeping in mind the feedback that is obtained from the market.*

The product is the starting point for any advertising effort. *Advertising works better with a good product and any amount of advertising cannot sell a bad product.*

Advertising helps in positioning a product. *Positioning* means creating a particular slot in the market for a product. For example, a toilet soap may be positioned as a special soap for children. A baby cream is positioned as a product for babies. With the change in the attitude of consumers towards a product, it may become necessary to change the product positioning. In such a situation, advertising plays a vital role. Similarly if any modification take place in the existing product to meet special needs of potential customers, the role of advertising becomes important.

Advertising also helps in deciding a brand name, designing the packaging etc., thus helping in product development process.

2. PACKAGING AND PRICING

Packaging helps in the success of consumer products. Advertisements featuring the product *with its package* helps in creating *easy identification of the Brand*. Though the essential purpose of packaging is to protect the product from damage, Advertising has helped in making the packaging *attractive and innovative - more than just protecting the product*. The design and colour schemes should be such that the packaged product looks good at the retail shelves.

Brand name should be appealing and easily 'Recallable'. Advertising's role is to establish the brand name in the minds of the prospects and as a part of this objective, *a special type is used for the brand name*. The *logo style or symbols* created for a brand helps in advertising recall.

Advertising thus, helps in deciding the brand name, designing the packaging etc, contributing to product planning.

Pricing is another important aspect of Marketing. It is the right decision on the price that will ensure profit to the company.

Pricing will require understanding of demand potential for the product, competitive pricing policy and the cost of the product.

Advertising takes note of the pricing structure of the product in comparison to the *competition* and value offered. Sometimes price of the product is used as one of the advertising claims.

3. IMPORTANCE OF DISTRIBUTION

Physical distribution of the product is yet another important area of marketing. *Distribution is to ensure availability of the product as near as possible to the consumer*. Distribution planning depends on the type of product. Products of mass consumption should be made available at maximum outlets within the territory in which the product is being

marketed. If Advertising creates demand and the prospect goes to a shop to buy the product, non-availability will make him change his mind towards the brand advertised.

Ineffective distribution can adversely affect the sale of a product, especially of mass consumed items.

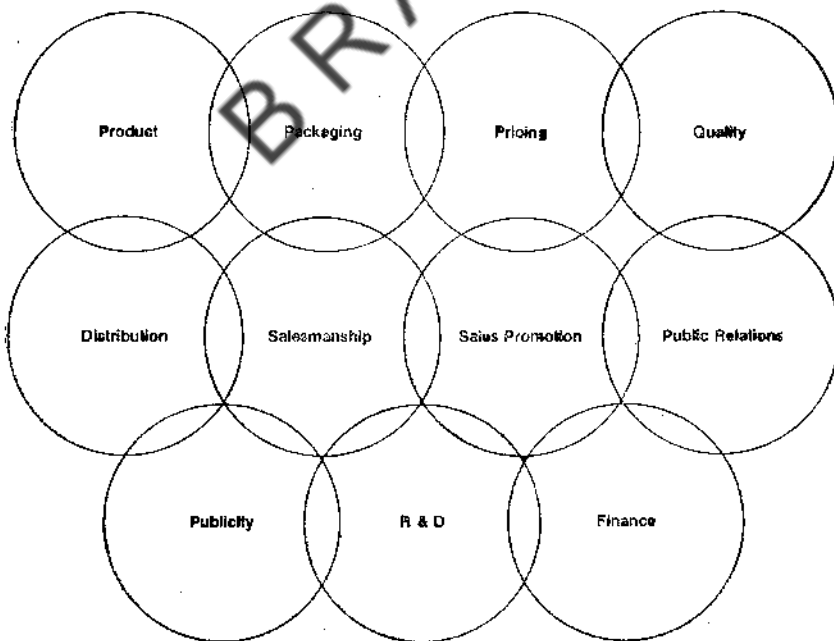
In the case of Industrial products, heavy machinery, sophisticated equipment like computers etc, the product is supplied direct of the from the manufacturing point.

Quality Control method help marketing in ensuring supply of product of *consistent quality or to standard specification* laid down. *Any deficiency* will attract complaints affecting the sale or repeat sale of a product. Advertising claims of high quality for a poor quality product will only have a negative effect.

4. MARKETING : ITS CONSTITUENTS

Similarly, a number of other departments form part of marketing. For example, there is the Finance Department that controls and regulates the cash flow.

Various Marketing Components that affect an advertising plan



Marketing encompasses several such elements and each element is inter-linked with the other. Some of these elements are:

- | | |
|----------------------------|--------------------|
| — Product | — Salesmanship |
| — Packaging | — Advertising |
| — Pricing | — Public Relations |
| — Quality Control | — Sales Promotion |
| — Research and Development | — Publicity |
| — Distribution | — Finance |

It is to be understood thus that *marketing is not just 'Selling'*. Though sale of a product is the ultimate aim of a company, *successful marketing will depend on the effectiveness and efficiency in integrating all the elements of marketing*. Any Advertising Campaign can be successful only if developed with the *through understanding of all these elements*.

Campaign planning takes all these aspects into account which only helps arriving at the right media and creative strategies. Elsewhere, we have discussed how essential it is to have a coordination between the five areas of communication viz., Salesmanship, Advertising, Sales Promotion, Public Relations, and Publicity. All these efforts can be successful only if conducted with clear understanding of what the other areas of marketing offers.

An ideal marketing situation is that where everything is perfect in all areas. But it never happens. There can always be limitations in one area or the other due to situations beyond one's expectations and control and only a constant watch on the market, which consists of consumers, present and prospective, can help minimise these limitations.

Author of the Lesson : **Mr. R. Neelamegham**

Assignments

I Answer the following in 30 lines each :

1. Define Marketing and discuss how Production, Pricing, Physical distribution, Personal selling and Advertising help in marketing.
2. How does Packaging and Pricing help in advertising ?

II Write Short notes on the following in 10 lines each :

1. Product development
2. Role of Packaging in marketing.
3. Steps in distribution of a product.

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Lesson 6 : COMPETITION, OPPORTUNITIES, PRODUCT DEVELOPMENT, PRICING AND PACKAGING.

Objective

To make the student understand the Psychology of consumers, and decide how business opportunities are studied and utilised, how product development takes place and pricing policies are framed. The importance of packaging and the principles underlying it are also discussed.

Synopsis

- 1) Understanding Consumers
- 2) New Product Introduction
- 3) Competition Pressure, Strategies by various brands
- 4) Product Development
- 5) Return on Investment
- 6) Industrial Products Designing
- 7) Pricing and Packaging

1. UNDERSTANDING CONSUMERS

We have learnt that advertising, an economic activity, is *but one element of the marketing mix* and that the ability to imagine/foresee *how other people look at things* and feel about them, is a key ingredient in any marketing situation.

In this lesson, let us see how opportunities present themselves, leading to product development, competition, pricing and packaging.

Man's quest for better and new products has been described by Carl Sandburg (extracts below) in his poem "The People, Yes"

"The first wheel-maker saw a wheel, carried in his head a wheel and one day found his hands shaping a wheel, the first wheel. The first wagon-maker saw a wagon, joined their hands and out of air, out of what had lived in their minds, made the first wagon."
"One by one man alone and man joined has made things with his hands beginning in the fog wisp of a dim imagining resulting in a tool, a plan, a working model, bones joined to breath being

alive-in wheels within wheels, ignition, power, transmission, reciprocals, beyond man alone,

Where to, What next ?

"Once having marched

over the margin of animal necessity,

Over the grim lines of animal necessity,

Over the grim line of sheer subsistence

Then man came

To the deeper rituals of his bones,

To the light, lighter than any bones,

To the time for thinking things over.

To the dance, the song, the story,

Or the hours given to dreaming,

Once having so marched."

A growing population, planned development of the economy, more and more of income and therefore greater spending power, and more keenly felt *needs for better goods and facilities make it possible for new products to be launched.*

A modern organisation would analyse its plans for launching a product against a few questions :

First, who are the prospects for our product/service ?

The answer to this question would turn up new buyers, give details of their age group, income, habits, life style etc.

Who are the people we are *neglecting*? While the answer to the first question tells us about new prospects, the neglected are those who are using an earlier product—the present users.

What do we know about our customers/prospects ?

In addition to knowing who buys our product/service, it is important for us to know why he or she buys it. It will also help our sales staff and distribution channels to identify prospects more readily and precisely.

- 1) What should we know about our customers/prospects ? *Our knowledge of customers would be incomplete if we do not know their attitudes and buying habits in addition to statistical data like sex, income, marital status and like.*
- 2) What do customers/prospects know (or believe or think) about our company, our products? The answer is the key to planning

and promoting our products. The prospects may have an image of our company/product which is very different from what we believe they have. Any unfavourable aspects can be corrected by appropriate measures.

- 3) Are there any *ideas* we can derive from our customers/prospects? *The prospects and customers, in truth, form a treasure-house of good ideas in improving our marketing operations.* We should *periodically* ask for suggestions.
- 4) *What do we know about people who do not use our product?* We should know why non-users do not buy our products, and how they *differ* from users. We should know about occasional users versus regular users, and how they differ from one another.
- 5) What can we do for our customers that we are not doing now? How can we *improve* our relations with customers? Who are the people who can influence our customers?

2. NEW PRODUCT INTRODUCTION

Our analysis would help in arriving at the likely Returns on Investment on new products.

What are opportunities? It is a story about two salesmen who were in the Antarctic, both looking out for possibilities for selling refrigerators. One reported that a refrigerator was unknown and it was too cold to use one any way, therefore there was no scope for a market. The other said there was tremendous scope as it was a virgin market. The story is an extreme instance of optimism. But it is such optimism backed by reason which turns problems into opportunities, disadvantages into advantages.

We should be aware of what is happening around us. For example, with limited land and a growing population, ought we not to grow more food? If so, how? By better seeds? By more tractors? By fertilisers? Answer the broad questions and many more that may occur. Then you find the opportunity in every field. If people had not turned problems into opportunities, we would not be using blended cloth, torch lights, gas stoves and electronic items today.

3. COMPETITION PRESSURE, STRATEGIES BY VARIOUS BRANDS

When new products are introduced, some of the existing products would cease to have a demand or decrease in volume. For example, today we have cloth that can be washed at home. This has affected the 'dry-Cleaning industry'. We have video centres and T.V. sets which are affecting the 'cinema' industry.'

Therefore, *every product has a life-cycle*. The product Life-cycle usually consists of four stages. The first—introduction and establishment. Second—a growth of its market and a maturity, gained by good marketing techniques. Third—a consolidation or stability of demand. And fourth—a decline, even death of the product.

It is in the "Growth/maturity period" that competition sets in. When a product is *FIRST*, it has obvious advantages. However, a competitor with a some what improved product may be able capture a share of the market which has been created by the first brand.

Competition, in its true form, exists among all the products. After all, the spending power of customers too has a limit. All the products compete for the available money. Who gets priority in the customer's mind is the question.

Then, there is direct competition and indirect competition. If you take food as an example, you have direct competition amongst all the hotels offering, say South Indian meals. Indirect competition is offered by other forms of food—Chinese food/the Tandoori food/snacks and so on.

Again competition could be in terms of quality or prices. We do have, for example, toilet soaps at various price slabs, categorised broadly as "Luxury", "Popular" and "Carbolic" varieties. If we look into the marketing of these soaps, we find that each category serves a different segment of purchasers.

The benefits of competition are many. One, better quality. Two, reasonable price. Three, availability of choice. Four, better Research and Development leading to the development of better products and better opportunities. In order to expand the market, companies look for new customers, new uses and increased usage for the product. The leader (the company which first introduced the new product), in addition to expanding the total market size, is vigilant in protecting its market

In order to protect its position, the leader would practise one or more of the following broad strategies stated below :

Productive Strategy

Consistent with new product ideas, customer service, better customer relations, cost-cutting improvements etc., the leader, by offering new customer-values, discourages competitive

Price Strategy

When the product is offered in various price slabs, the brand is offered in various price slabs thus ensuring a larger share of the total

3. **Confrontation Strategy**

When a competition enters the market the domina firm announces promotions (even contests offering prizes) in order to aggressively build additional sales, or lower prices, frightening the competition.

4. **Harassment Strategy**

The leader might resort to pressures on dealers against dealing in a competitive item or even create word-of-mouth doubts about a new product.

A good marketing organisation looks for product innovation (a superior product with new features rather than yet another product already available), higher than average quality, availability in all sizes to get more dealer shelf space and to cater to a wider segment, even launching more than one brand for the same product, heavier advertising/promotion and so on.

When a leader employs various strategies, what do the second, third and fourth placed companies do?

Let us call them 'Runners-up' firms. They challenge the leader for a share and position in the market. This they do by.

1. **Direct or head-on attack Strategy**

They show perserverence and fight matching every move of the leader.

2. **Backdoor Strategy**

Concentrate on lesser prospects and those distribution channels that are not used by the leader.

3. **Grubby Strategy**

Attack only the small competitors and take over their share of market.

The challenging new brand has to decide its strategy after researched information, particularly about the weaknesses of the leader. The weaknesses may reveal areas not covered by the leader (called niches) may be quite profitable, offer growth opportunities. It is built up strongly to ward off competitive reaction.

4. **PRODUCT DEVELOPMENT**

We shall now look at how new products are developed. There are two aspects to product development. The first is that the businessman develops new products that interest him. The second is that his product will be needed by the market.

However, the second way of looking at a new product is from the marketing point of view. Here the alert marketer knows that consumers are irrational in their behaviour. He accepts this factor and tailors his products to fit such behaviour.

The most important factor behind a marketing decision is that of the product itself. If it is an item that people do not want or cannot be made to want, it just cannot sell, however, much one may spend on the promotional efforts.

In marketing-oriented organisations, *new ideas are always considered.* New ideas are *evaluated* and *nursed* during the early stages of marketing.

When a new idea crops up, its favourable aspects should be considered first. That a good idea is given a reasonable chance and does not get killed by consideration of only the adverse factors first. (Normally, radically new ideas would get killed because of lack of understanding-whereas a little improvement to an existing line gets favourable attention.) A wise marketer would look at new ideas as follows.

1. General, broad assessment
Also among other ideas, what priority should this particular idea be given.
2. The positive factors offered by the idea
 - a. Benefits to the consumer.
 - b. Benefits to the trade.
 - c. Benefits to the company.

These would summarise the product benefits. At this stage a product story would emerge.

3. Now test this story for negative aspects.
 - a. Negative aspects to customers
 - b. Negative aspects to trade
 - c. Negative aspects to technical areas and Production
 - d. Negative aspects to company's marketing efforts.
4. *After both the positive and negative aspects are assessed, a summary of pros and cons can be prepared on the basis of which the idea is accepted or rejected.*

5. If we accept the idea, we study the idea as a project and, within the organisation appraise this from the view points of Marketing Sales promotions, Marketing Research, Production, Technical Research and inputs.

5. FINANCE AND RETURN ON INVESTMENT

Once again, the results of the study would enable us to accept or reject the project.

If accepted, the project is given further action. A development plan is made, responsibilities are assigned and time frames fixed for various activities leading to the launch.

The main reason why businessmen and investors go in for new productive ventures is for a Return On their investment, popularly called ROI

The ROI is calculated as follows :

$$\text{ROI} = \frac{\text{Net Profit} \times \text{No. of years of product life} \times 100}{\text{Investment}} = \text{Percentage}$$

Suppose a project needs an investment of Rs. 5 lakhs and would yield a net profit of Rs. 20,000 per year for six years, the ROI would be

$$\text{ROI} = \frac{6 \times 20,000}{5,00,000} \times 100 = 24\%$$

(It should be remembered that the machinery etc. are depreciated every year and the investment is thus realised as depreciation, even in 6 years).

In order to obtain maximum ROI, *the key marketing factor* would be *PRICING*.

In the formula for ROI, Net Profit is taken into account. This is obtained by

$$\text{Total sales revenue minus Costs} = \text{Net Profit.}$$

Total sales revenue would be equal to volume of sales (quantity) \times unit price.

From the above, we can rework the formula as below :

$$\text{Net profit} = \text{volume of sales} \times \text{unit price} \text{ minus Cost}$$

We can also work out ROI as

$$\text{ROI} = \frac{\text{Volume of sales} \times \text{unit price} \text{ minus costs}}{\text{Investment}} \times 100\%$$

The volume of sales, however, depends on factors that would have an effect on demand from consumers. Amongst these factors there are some which the company can control, and some others over which the company has no such control.

The company has control over

- Design of the product
- Price of production
- Cost of advertising and promotion
- Packaging
- Distribution

It has no control over

- Changes in demand patterns for product styles
- Competition
- Government interventions directly or indirectly by way of taxation, Controls etc.
- The general economic conditions.

Students of economics also know the theory of elasticity of demand. This states that demand increases when price is lowered and demand decreases with a rise in prices.

This, however, is not always true. There are instances where lowering of prices may not mean increase in demand. Such cases would constitute "inelastic" demand. An example may be smoking where people are not likely to smoke more just because the price of cigarette is lowered,

How elastic demand is and how sensitive can pricing be are factors without which the demand cannot be forecast accurately; and without information about volume of sales at a particular price, we cannot obtain a reasonable ROI.

Good marketers therefore rely on market research. We know that the company has control over cost of production. Let us assume that the cost of production of a new product at a particular volume is estimated at Rs. 12/- a unit.

By employing market research, the demand for the product during its life of say 6 years at various price levels was reckoned as follows :

Retail Price Rs.	Sales Quantity Over 6 years, (estimated) life for the product line
20	2,50,000
30	1,50,000
40	1,00,000
100	20,000

For calculating ROI, let us calculate the expected sales at Rs. 20 a piece. The volume will be Rs. 50 lakhs.

However, earlier we worked out only the cost of production. There are other expenses totalling approximately 20% of the selling price as trade commissions, transportation etc. After allowing for 20% on Rs. 50 lakhs, the sales revenue would be Rs. 40 lakhs.

On the one hand, we have by research, obtained the likely volume of sales at different prices. On the other hand, we have worked out our cost of production for an economical quantity. Now, the manufacturer works out manufacturing costs at different volumes and may be, would even be able to produce even at a price lower than that assumed in the example (Rs. 12/-).

Let us take potential competition, and likely price wars. It would be necessary to maintain a minimum retail price an amount of flexibility in promotions, etc. in order to combat competition.

6. INDUSTRIAL PRODUCTS DESIGNING

We have referred to promotion which is one of the four elements of marketing mix studies earlier. Promotion itself is a mix of, four elements—advertising, publicity, sales promotion and packaging. Presently we have to study the role of packaging in marketing. The products we make must "look" good.

If it is an item of machinery, we design its appearance and colour. If it is an article of daily use we present the item in a wrapper in a carton and so on. Why do we package a product?

The ordinary function of a wrapper is to protect the product but the package has another function also. In a competitive market, our product competes for attention. That is why we have to package our product attractively.

For industrial products, today we use an industrial designer who studies utility, simplicity and aesthetic appearance. An example would perhaps be the telephone. At one time it was black, looking formidable but today it is in colours, pleasant and functional. Another example would be the quill, and later the dip-pen, leading to the designing of the fountain pen and later the ball point pen.

The product designer makes sure that the product fits in with the customer physical actions and is at the same time, mentally satisfying. The designer ensures that the package/product is easy to use, comfortable and safe use.....taking into account the fears and desires of the customer. The final result is that the product design inspires confidence.

In the industrial products field, the designer of the product should apply five main considerations.

1. *Utility and safety*: Is the item of machinery easy to handle? Is the grip and size of the switch ideal and the controls situated within easy reach does it fit the needs of the average operation? Are the equipment and the other items that go with it properly protected to avoid any risks? In case of an emergency, how does one stop the machinery?

2. *Maintenance*: If oiling is needed, is this easily done? If some parts wear out, are they easy to replace? Are maintenance factors planned with the thought of keeping expenses and idle time to the minimum.

3. *Cost*: The cost factor is to be always kept in mind. Alternatives must constantly be evaluated. For example, radio cabinets were once made with pieces of wood joined and glued together. Breakages were common. When plastic moulding was available, a more attractive cheaper and light-weight, alternative came to be used.

4. *Appearance*: If a customer looks at all the available brands would ours stand out among the competitors and would the customer feel ours looks best?

5. *Sales appeal (value for money)*: Do the overall look, feel and operations create a favourable image psychologically?

In the areas of consumer products, marketing concepts recognise the fact that, like the saying "The dress makes the man", packaging the container and making the label and carton attractive makes the products more wanted. The packaging specialists look after various factors- the visibility of the brand, the colour scheme and the total impact made by the package, its appeal on shelves of shops, in-use appeal-all aimed to communicate the selling message.

Advances in packaging has led to the development of new packaging materials. More and more products look to packaging. Products like underwear,

Special packaging were food items (toffees etc.), cosmetics, then drugs, cigarettes and so on.

MARKETING AND PACKAGING

When asking questions like *what are the marketing objectives, what is the brand name, what colours are to be used*, should be asked, the questions asked are 'what should be done in the industry?' (In simple terms, if we were to start a new business, what is our first interest first-we would answer "Tenzing and

Hilary" Who have taken the first position in our mind. We do not as readily recall who scaled Everest next. Similarly, a product positions itself as No. 1, or in other terms as "exclusive", "trusted", "popular" and so on). How do we translate the positioning in packaging? What market appeal will it have? Can a separate segment of users be created for it? What brand name will it carry? Will the brand name be associated with the qualities we have in mind? In other words, packaging today needs to be created as part of the total marketing concept. And packaging, let us recall a VISUAL medium. It speaks in pictures, creates moods. It sells.

The factors taken into account in the packaging of consumer products are :

1. Customer Satisfaction

- a. Compactness
- b. Ease of use
- c. Cost of upkeep
- d. Durability
- e. Resistance to climate changes
- f. Others

2. Appearance and Design

- a. Design
- b. Size
- c. Style
- d. Weight
- e. Colour
- f. Material used (formula)

3. Package

- a. Quality
- b. General Eye-appeal
- c. Colour
- d. Distinctiveness
- e. Size
- f. Printing Method
- g. Shape
- h. Covering
- i. Simplicity
- j. Finish

The growth of mounting material like photo and these include ever-

The first to use space then soft drinks, paper goods

7. PRICE

Today, in addition to *goals, how to feature the brand* be a symbol be featured etc the product positioning in the to ask, who scaled Mount E

BRAOU

4. Practicality in use

- a. Cost
- b. Disposability Vs Re-use
- c. Storage
- d. Protections to product (Shelf-life, free from moisture etc.)
- e. Transportation
- f. Ease of opening
- g. Sealing (Particularly against spurious copies)
- h. Instructions for use
- i. Durability
- j. Ease of dispensing the product by the trade

5. Other Considerations

- a. Legal
- b. Patent/Copyright
- c. Others

6. How would Packing be used to implement Sales

- a. Type of packing
- b. Basic product appeal (Positioning)
- c. Price Display
- d. Labels
- e. Copy (text) on the pack
- f. Information about allied products from the same company
- g. Display value
- h. Illustration/address
- i. Others

Author of the Lesson : **Mr. V. S. Padmanabhan**

Assignments

I. Answer the following in 30 lines each :

- 1) What is the importance of knowing customer-profile in Marketing a product.
- 2) What role does competitions play in introducing a product. What are the benefits of competition to a consumer?
- 3) What aspects do you study in developing a new product?
- 4) How is 'Return on Investment' of a new product calculated? Illustrate with an example.
- 5) What factors do you take into consideration in designing an industrial product?
- 6) What is the importance of Pricing and Packaging in marketing. Discuss the main factors that you take into account.

II. Answer the following in 10 lines each :

- 1) Discuss the importance of Market Research while introducing a new product?
- 2) Why do you study consumer-profile before marketing a new product.
- 3) Describe the four stages in the life-cycle of a product?
- 4) Write Short Notes on:
 1. Packaging
 2. Pricing

Lesson 7 ADVERTISING AND DEVELOPMENT

Objective

To discuss with special reference to India, how the development and progress of a country helps in business growth, and to relate business and development to growth in communications. The relationship between advertising and development is also analysed.

Synopsis

- 1) Development and progress in different spheres.
- 2) Growth of Media.
- 3) Importance of Advertising as an essential part of development.

1. DEVELOPMENT IN DIFFERENT SPHERES

In earlier lessons, the role of advertising has been discussed. In this lesson, we shall look at our country as a developing nation and the role of Advertising in India's development.

We have a history and civilisation going back to 5000 years. However, we truly became one-nation only after attaining Independence in 1947. Economic development and social welfare schemes were introduced through Five Year Plans. We began having more and newer industries, agricultural projects, power generation, roads, educational institutions and so on. Our growth can be seen from the following figures :

	1965	1979	India's rank in the world in 1979.
Population (million)	483	651	2
Gross National Product (Billion Rs.)	256	904	15
Per Capita GNP (Rs.)	592	1440	165
Industrial Production (Billion Rs.)	48	216	23
Fertiliser Production (mn. tons)	0.2	2.2	4
Machine Tools (Million Rs.)	—	928	20
Electricity generation (billion KW)	37	105	12

Since 1976, we have progressed further, and have set off a nuclear device, placed satellites in orbit, and sent an Indian into space. We have more roads, hospitals, educational institutions, engineering medical, management, scientific and other institutions.

We have more vocations and employment. Our exports have gone up.

All these constitute development and progress. Progress cannot take place without involving people. People cannot become involved until they have learnt about the projects, and know what they can contribute to the improvement of their life, showing an interest in and getting involved in what happens around them. The process of making people aware and involve themselves needs communication.

2. GROWTH OF MEDIA

Now what is communication ? It is a social process that binds man to man. It is the basis of all organisation and group functioning. It provides bonds that enable concerted effort. It forms the single vital factor that is the basis of all human activities-be it planning, organising, motivating, directing, reporting, reading, listening-in short, all the elements and sum total of organised endeavour undertaken to achieve desired ends. The Time magazine describes Communication as "Civilisation". "How people pass information to one another largely determines how they conduct their lives and organise their societies".

In our country, communication (and education) was by word-of-mouth. Then came the parchments followed by the moving types, printing, books, the newspapers and the beginning of Mass Media.



'Word-of-mouth' education

At the turn of the 20th century the radio and the cinema, and today, the TV and satellite communication, have revolutionized the process of communication. we have become a part of what happens-technologically and otherwise-elsewhere in the world. From electric cables, attached to radios, we moved to transistors, thanks to electronics. Today with the help of satellites it is possible to INSTANTLY know (and see) what is happening in any part of the world or country.

Earlier means of communication—conveying messages by word-of-mouth, folk performing arts, meeting people at festivals or fairs continue. However, in today's context, these are both slow and ill-organised.

Therefore, for today's needs, we need mass media such as newspapers, magazines, cinema, television, etc., which can deliver information quickly and simultaneously to large number of people. These we call 'organised' media. For communicating, we must have the means, the distribution and the reach. For receiving the communication, the masses must possess the capability, that is, money to buy newspapers, the radio, the TV set, cinema tickets, the telephone, the teleprinter and so on. The receiving capability is very poor in a country like ours.

A comparative picture of the availability of some organised media in relation to the population in our country is as shown below :

		<u>INDIA</u>	<u>USA</u>
Telephone	1 per	250 persons	1.3 persons
Radio	1 per	29 persons	0.5 person
Newsprint		0.4 kg per person	49.5 kg per person

We have in India only 16 newspapers per 1,000 people and about 12000 cinema theatres.

There are disparities between regions in the availability of media. The four States in the South have more cinema theatres than all the other states put together. Newspaper readership depends on literacy and the ability of the people to buy newspapers. Only 36% of our people are literate. Kerala and Chandigarh have the highest literacy rate—over 75%.

The task of communication in India has also to take into account the several languages spoken besides English which is the language of the literate minority.

As part of communication development, the number of TV Relay Stations has been increased to 170, but the TV relay programmes to most of the newer stations is restricted to only a few hours per day.

3. IMPORTANCE OF ADVERTISING

The basic difference, apart from communication, between developed and developing nations is the standard of living and attitude of the people. We have registered considerable improvements in relation to earlier conditions. Further change can be speeded up if better communication is emphasized as part of development plans.

There is a current phrase "*development communication*". This has emerged from practical life situations in rural areas in countries like ours

which have introduced several programmes of social and economic development like health, education, agricultural extension, etc. Communication aims at bringing about a new humanism, a sense of unity of minds, a sense of feeling to have actively participated in the development process, a sense of pride in finding solutions to problems that have arisen and a sense of achievement, both mental and physical.

Among the various forms of communication, advertising is one which is a paid form of communication, where the advertiser can specifically say what he wants to say.

Advertising works in five basic ways, which function either individually or in combination. These are :

- 1) By making known and making familiar the name and image of a product or service. If we were to look at new product which has been introduced, we would realise that without our being aware of it, we get familiar with it and start using it, eg., a detergent washing cake, a mixie, a new food product like noodles and so on.
- 2) By reminding people of a temporarily forgotten need. For example a tin of shoe polish to make one's general appearance better; Life Insurance, medical check up, etc.
- 3) By spreading news about new products and creating the desire to own where no desire existed before, by supplying information which constitutes "circumstantial" news to an individual at a given point of time in his life.

New products which are beginning to be accepted like a new style of clothes, a cloth washing machine, a new kind of match-box... news about the availability of houses, land etc., on easy instalments, even a matrimonial offer where an individual is looking for such information.



- 4) By adding subjective values to the objective worth of products and services. Lip stick for example is purely subjective in value. We wear shoes for protection of our feet but subjectively we choose a style.

- 5) By urging action through a demonstration of logic and by subtle associations.

This can be seen from most good advertisements in any magazine/ newspaper, a film promoting a product, a radio spot.

In these five ways, advertising induces, convinces, and persuades people to part with their money in exchange for goods or services.

What place does advertising hold in our economy ?

This question is relevant in any society, be it developed or developing. What is the role of advertising? As an element in the marketing mix, it has to help sell. (if not to sell a product, a service. If not marketing, it is used for image building or social purposes, to change attitudes).

Without adequate consumption, production becomes futile. The relationship between product-consumption, and demand and production has been discussed earlier. Advertising therefore plays a key role in our economy and is a very relevant facet of our lives. Without advertising, reaching the enormous number of prospects, would involve immense manpower at an enormous cost, which would make it impossible to sell goods and service at reasonable prices.

Yet, on a per capita basis, the expense in India on advertising is around Rs. 5 as compared to more than a hundred times this figure in advanced countries. A large portion of this comes from the government and government funded agencies for their information campaigns and notification advertisements.

How much does advertising cost? When a marketing plan is drawn, expenses are allocated to various efforts—distribution, salaries, promotions, advertising and so on. The amount is arrived at as a percentage of the projected sales. This can be anything from 0.10% for engineering products to 30% for cosmetics.

Is advertising accepted as a necessity to economic growth, as an inherent part of commerce? The answer is both yes and no. Those who do not accept advertising as necessary are not normally well informed people. Some of them may even be leaders who are held in high esteem.

In a developing economy, advertising in its true role, is an investment, a vital investment.

Author of the Lesson : V. S. Padmanabhan

Suggested Reading

1. Foundations of Advertising—Theory and Practice by S. A. Chunawalla and K. C. Sethia (Himalaya Publishing House, Bombay).
2. Advertising made simple by Frank Jefkins (Rupa Publications).
3. Mass Communication in India by Keval J. Kumar (Jaico Publishers).
4. Advertising with reference to India by Singh, Upadhyay and Tandon.
5. Advertising Art and Production by Nath J. (Vakil and Sons).
6. Advertising : Its role in marketing by Watson Dunn (Holt Saunders International Edition).
7. Salesmanship and Advertising by C. N. Sontakki and R. D. Deshpande (Kalyani Publishers).
8. Indian consumers by S. C. Mehta.

Assignments

- I Answer the following in about 30 lines each :
 1. Does Development help advertising ? Discuss it with reference to progress made in our Country.
 2. Growth of media and development of a country are interdependent, discuss it in Indian context.
 3. Does advertising contribute to national development ? Explain how it does.
- II Answer the following in about 10 lines each :
 1. Growth of T.V. in our country
 2. Will T.V. reduce the impact of press as an advertising medium—Discuss
 3. State the five basic ways in which advertising functions.

Unit-3 Advertising Creativity

Unit Introduction

In this unit, we discuss how advertisements take shape. We start with Campaign Planning which includes understanding of the company and its products, advertising objectives, and from advertising objectives to creative marketing communication i.e., advertising. Next, the importance and relationship between the Copy and Visuals (together known as LAY-OUT) for different media is explained. The significance of typography is also discussed.

Then the essential input in creating an advertisement, Research, is discussed. It should be remembered research of both the product and the target consumers is the basis for a successful, informative advertisement or a campaign. In this, we study the Consumers, Media suitability and the effectiveness of the various media.

Rural advertising is yet to make its full impact in our country. With the phenomenal growth of T. V. network in 1984-85, nearly 70 per cent of the population is covered by this medium. This has enormously opened up new rural consumers making the greatest impact which could not be hitherto achieved through either Print or Radio. This decade will be the 'Decade of Rural Advertising'.

In the next unit, we will be discussing Advertising Media.

Lesson : 8 CAMPAIGN PLANNING

Objective

To explain the factors to be taken into account for planning a campaign, and formulating advertising objectives and translating them into Creative Communication. The need for a Campaign Planner to understand the company and its products and their competitors are also discussed.

Synopsis

1. Steps in campaign planning.
2. Understanding the company and its products.
3. Advertising objectives.
4. From advertising objectives to creative marketing communication.

1. STEPS IN CAMPAIGN PLANNING

Marketing communications include

- a) Advertising
- b) Sales Promotion
- c) Public Relations (Dealer relations/brand image)
- d) Presentation by sales representatives (salesmanship)

It is the aim of marketing communication to build up sales and achieve a return on investment.

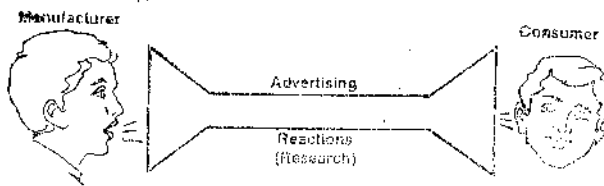
In so doing, advertising brings the product or service to the attention of the prospective customer, through mass communications.

Sales promotion brings the intermediary (the trader) and the final customer to the point of sale (shop), by incentives and other communications.

Public Relations promotes a sound image of the product and of the organisation in the eyes and minds of its public.

These three are not necessarily separate techniques.

Advertising is a communication between two groups of people. We can illustrate this by a funnel, thus :



In the above diagram, on the left is the manufacturer (marketer) while on the right is the consumer.

The funnel is a two-way lane.

Through it (left to right) the marketer speaks to the consumer. That is advertising.

Through it (right to left) the consumer's reaction flows to the marketer. This is called feed-back obtained through research. The consumer's action or response is also symbolised by purchase of the product.

2. UNDERSTANDING OF THE COMPANY AND PRODUCTS

Now, let us study what goes on *behind* advertising. The first requirement is facts - plenty of facts that form the base for marketing and advertising decisions. The collection of facts is often done through 'Creative' services. These services are offered by experts - groups of people who can assess, analyse marketing problems and goals, and set advertising objectives, create advertising campaigns, select the appropriate media, release the advertisements to the media, check appearances and broadcasts, bill the marketer, collect the money, pay the media and repeat these activities. These groups of experts are called the "Agency" - the Advertising Agency or Consultants.

The marketer engages the services of the agency who creates the advertisements which are later carried by the media. Thus there are three parties who are involved. The Advertiser, the Agency and the Media. The lessons to follow will deal with Agency and Media.

Let us go back to facts. If we structure the steps through which an advertisement comes into being we can get a clearer picture of the planning of the campaign. Some of the questions the advertiser needs to ask are :

1. In which product field or fields does the company operate? For instance, chocolates are sold through general shops. Yet, in a larger context, chocolate is a food item. We should classify the product field as chocolate and sweets.

2. what is the nature of the product field ?
 - a) How old is the product classification ?
 - b) What is the history of the product field ?
 - c) What are the leading companies operating in the field and their estimated volume/value.
 - d) Are there any prejudicial factors behind the product classification? For example, a manufacturer may have produced something earlier which had failed. The known failure of a product is a prejudicial factor.
 - e) What are the factors working in favour of it ? (May be technological superiority now acquired through collaboration with a wellknown company).
3. What is the general outlook for the product field in the near future? Is it vulnerable to depression?
4. What is the competition - (by leading brands) and the character of such competition (cut throat/gentlemanly etc)
5. What are the organisation factors, corporate philosophy, Research and Development, leadership etc., of the company itself-that could be used as favourable points?
6. How does the company react to competition ?
What are its relations with the trade ?
7. What are the company's marketing and trade policies?
8. Is there a trade mark? what is its history and usage. Is there a legal code to using the trade mark?
9. What is the attitude of the company towards advertising agencies? Does it respect the Agency's professional expertise?
10. If there has been advertising done earlier, what were the appeals? what factors determined these appeals?
11. Does the company have Research and Development facilities to back each product? what are the special features? What have been the outstanding results?
12. Quality-wise, how does the product compare with competitors?
13. Also, if we could have an "ideal" product-what would that product be? How does the present product compare with the "ideal" one?

14. What have been the nature of customer complaints, if any, on products?
15. How can we describe the product and compare it with others in terms of Competition
 - Compactness
 - Ease of use
 - Durability
 - Cost of upkeep
 - Resistance to changes in climate
 - Appearance-Design, style, colour, size, weight, formula
 - Package - Quality, Eye appeal, Size, Colour, Distinctiveness, Shape, Covering, Ease of use, Cost, disposal or reuse, freighting (and breakages), instructions for use etc.
16. What is its pricing like? Have any changes been made in the last few years? Why?
17. What is its delivery period (promptness etc.)?
18. Is the product seasonal?
19. Who are the users or potential users?
 - Age, Sex, Education, living standards, locations.
20. What is its distribution network?
 - Type and number of dealers.
21. What are its Sales Contacts/Stocking procedures? How often would dealers be contacted and fresh stocks supplied?
22. What are the plans for Sales Promotion? How much are we going to sell? When?

The study would tell us in clear terms all about our product, our competition, target consumers, distribution etc.

The study would enable us to arrive at the formulation of advertising objectives.

3. ADVERTISING OBJECTIVES

These spell out

1. In what way advertising should change or affect consumer attitudes.
2. What effect is needed on our distribution network.

We then look at what the product would mean (like a personality) to the consumer and create an ADVERTISING POSITIONING statement. For example, Mysore Sandalwood soap is positioned as "A great Indian Tradition."

Thereafter, we work out the Strategy - what should the "Copy" (text) say? How should we say this? What pictures should we use? How?

We also look at the customers and at what media reach them effectively?

We have to be different and yet relevant and forceful.

4. FROM OBJECTIVES TO CREATIVE MARKETING COMMUNICATION

From all these facts, we can work out the PROPOSITION - a proposition which is related to the consumer desires, a proposition that offers the uniqueness of our product - which we think will motivate the consumer to buy it.

This is the Concept Stage. We have arrived at this stage by means of reasoning out the established facts, through analysis, logic, knowledge, understanding, and common sense.

In the agency, creative artists are involved in the process of arriving at the concept. They now take over the PROPOSITION, interpret it, and through imagery or appropriate words, turn this PROPOSITION into an ADVERTISING IDEA.

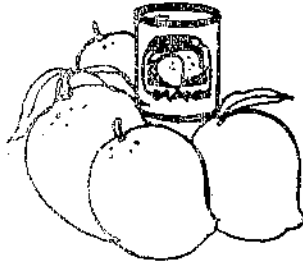
The idea could be the product itself, it could be the packaging, it could be the price or the value. It has however, the difficult aspect of creativity lies in communicating the significant product differences from competition.

Look at the funnel in the diagram above and notice how narrow it is. This narrowness tells us the restrictions, the limitations, inherent in the framework within which creativity is to be achieved.

Creativity, from the point of view of Latin poet, Seneca - is, "*Set Wide the Palace Gates*"

Is this not the same as "Open the palace gates"? The idea is the same but what the sentence evokes is grandeur, and he has opened the doors further, wider than they have ever been opened - psychologically.

Let us also look at a brand of canned fruit. The claim is that it tastes as fresh as fruit. The reason is that it is freshly picked and quickly canned.



To the creative man, the canned fruit appears like fresh fruit. So, he expresses this in a visual. He shows a photograph of a grove of trees with ripe, fresh fruit. He superimposes a can of our brand over a bunch of the fresh fruit. The headline says, "PEEL A CAN AT DINNER". The copy talks of freshness.

In these examples, a meaningful relationship has been created from the proposition and a good sales idea has emerged.

Creativity is quite simply *Imaginative Expression* - either in the verbal, or image form or both. It is the transformation of a Proposition into a original advertising idea.

Mathew Arnold has expressed his feelings about another creative subject - POETRY -

"The power of so dealing with things, as to awaken in us a wonderfully full, new and intimate sense of them, and of our relations with them".

This is as relevant to advertising as it to poetry. However, the poet is free to express all his feelings because he is not selling a product but an idea. The creative advertising man has to be disciplined and is controlled by what emerges as the PROPOSITION and its related constraints. That is why Aldous Huxley said, "it is far easier to write ten passably effective sonnets good enough to take in the not too inquiring critic than one effective advertisement that will take in a few thousand of the uncritical enquiring public".

Author of the Lesson : **Mr. V. S. Padmanabhan**

Suggested Reading

1. Foundations of Advertising—Theory and Practice by S. A. Chunawalla and K. C. Sethia (Himalaya Publishing House, Bombay 1985).
2. Advertising : Its role in marketing by Watson Dunn (Holt Saunders International Edition).
3. David Ogilvy on Advertising by David Ogilvy (Pan Books).
4. Advertising made simple by Frank Jefkins (Rupa Publications).
5. Advertising in India by Mukherjee Jiban.
6. Indian Consumers by S. C. Mehta.
7. Advertising Art and Production by Nath J. (Vakil and Sons).
8. Advertising with reference to India by Singh, Upadhyay and Tandon.

Assignments

- I. Answer the following in about 30 lines each :
 1. What basic facts are required about the company and product before launching an advertisement campaign? What is their importance ?
 2. What role does an advertising agency play in changing objectives to creative marketing communications ?
- II. Answer the following in about 10 lines each :
 1. What is campaign planning? Discuss its importance.
 2. What are the advertising objectives? How does it help in campaign planning ?
 3. What are the constraints in creating an advertisement ?
 4. What is the importance of feedback or research to the marketer/manufacturer ?

Lesson : 9 COPY AND VISUALS

Objective

To discuss further, the concept of advertising creativity, and relationship with the media of communication, the ground rules generally followed for copywriting are pointed out apart from explaining the importance of typography.

Synopsis

1. Understanding media for advertising
2. The Copy and Layout
3. Is the advertisement consumer-oriented ?
4. Importance of Typography

1. UNDERSTANDING MEDIA

In the previous lesson, we learnt about creative marketing communication - advertising creativity. Here, we shall discuss this discipline further.

At the outset, let us understand the characteristics of various media. Media are the vehicles of Communication. These are visual, audio-visual. Each is used for some distinct purpose and uses different techniques for production and differs in presentation.

The following is a list of important media; obviously it is not comprehensive.

Print Medium

This includes daily newspapers, weeklies, magazines, monthlies and annuals. There are about 18,000 such publications in different languages.

The dailies are of different sizes. News is presented in columns of normally about 5 cm width. In the newspaper there are usually eight columns. For classified advertisements and job advertisements, the same page area is narrowed to even ten columns in some newspapers.

The dailies are printed by rotary, offset or flat-bed machines. The composing of news is done by hand, monotypes or by photosetting. All these have relevance in the preparation of advertising material.

Some dailies also use colours in printing.

Magazines and other periodicals are of different sizes and printed by different processes.

Radio

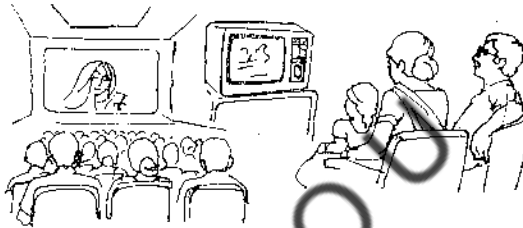
This medium is mainly audio. The effect is created through words and music attracts us.

Cinema

This is an audio as well as a visual medium where we have an opportunity of movement, of depicting live situations and demonstrating a product.

TV

The production of a TV programme or commercial could be on video tape. In both cinema and TV, the services of experts who know the media and technical aspects like lighting, sound and special effects, are needed.



Outdoor

This relates to wall paintings, hoardings, neon and lighted signs, buses, trains, lamp posts and so on.

Each one of these media appeals differently and needs close understanding so that the Proposition is adapted to the medium effectively in both the Copy and Layout.

2. COPY AND LAYOUT

The copy relates to text – headline, explanatory or descriptive text (called body copy), address portion etc.

Layout relates to how various elements of the advertisement are arranged and the advertisement is balanced within a determined space. Where does the headline appear? Where will the illustration be inserted? Are there any captions? Where is the body copy to be placed? In total, is the advertisement well presented and well balanced; does it catch the attention of the audience? These are the questions which are asked in planning the layout of the advertisement.

Let us take the copy first. Whether it is the written work or spoken word, we must know our audience characteristics. Except when we have to use technical terms with special audiences, we should remember that

the normal vocabulary of the high school level is limited. Even smaller is the number of easily understood words. The words used commonly in our interactions are called "Core" words. Incidentally, if we look at successful authors like Hemingway (and even Milton), they have used not more than 11,000 words.

The main consideration in our copy would be the intellectual and educational levels of our target audience.

Equally important is the fundamental truth that "effective communications stem from acquiring a deep sympathetic understanding of people, their hopes and fears, aspirations and desires". In a continuously changing world where a new generation is different from the earlier ones, we should continually and consciously nourish and strengthen our understanding of people.

Let us see how the Copy and Layout are merged by the creators of advertisements.

The ground rules are :

1. The layout should be *Simple*.
2. There should be *one focal point*.
3. Photographs seem to have more credibility than drawings.
4. The *eye movement factor* – we are taught to start on the left at the top and gradually go to the bottom right—should be borne in mind. The main illustration stands a better chance of getting attention if it is at the *top*.
5. The headline should be under the illustration (or above it)
6. *Short headlines* gain more attention.
7. Long headlines must be broken up.
8. *Better readability* is ensured by using capitals and lower case (as we read in our text books, not all capitals)
9. Too much of body copy tends to bore the audience. Therefore, if a long copy is used it should be broken up into short paragraphs and sub-heads given.
10. The name of the product, logo, address seem to work better right at the bottom.

Simplicity is perhaps the most important virtue of any advertisement.

3. IS THE ADVERTISEMENT CONSUMER-ORIENTED ?

Every advertisement is a communication between the marketer and the consumer. Therefore the advertisement must convey the advertiser's genuine interest in the consumer. It must speak the language of the consumer and understand (and overcome) the consumer's problems. In short, advertisements should be perceived by the reader as a promise to fulfil his personal need, desire or aspiration.

In creating the advertisement, we must always remember that we are *conveying a message*. The advertisement is always subordinate to the message, so we should treat our effort as communication and not use any gimmicks to persuade the consumer.

We must not judge an advertisement only as an advertisement, but evaluate it by asking: Does the advertisement draw attention to only itself? Or Does it draw attention to the *message*? Is the advertisement believable?

The idea may not necessarily be believable but the Proposition must be believable. For e. g. no one believes that all pretty girls jump and run on sea shores. But the fact that such girls are fashionable and their hair is lovely (because they use a particular brand of shampoo) is believed.

The next query to be answered is: Is the idea one that could be used in a campaign? Now a campaign is one that could, (like war) be long-term or temporary. A campaign may use several media. Could the proposition be used effectively in all?

Is the advertisement distinctive? When too many advertisements look like one another, an original idea will create the difference. Does it have distinctive identity?

And finally, we must ask DOES THE ADVERTISEMENT COMMUNICATE? This is the crucial question and the answer to it can be found by research and or the sales achieved.

We have considered the various questions we have to ask ourselves before creating an advertisement.

We should now look at *creativity in relation to the media* we are using. If it is a newspaper, what should the size of the advertisement be? Should the advertisement be in colour? If it is the TV/Cinema, movement must bring out the proposition clearly, and the effect of sound and spoken or sung words must be appropriate. If the setting is outdoors, because people fleet by, the message must be really short. If it is radio, the treatment, the voice, the sound, the words – sung or spoken – must be suitably selected.

The copy and layout (the equivalent is script visuals and outline for TV/Cinema/Radio) form key elements in campaigns.

4. IMPORTANCE OF TYPOGRAPHY

We see words printed in advertisement or in a title or sub-titles in the cinema/TV.

Typography has replaced writing by hand. The growth and development of manuscript saw the development of script writing in the middle ages. In due time, when printing was first done, a single wooden block was engraved to reproduce a whole page of text. From there, the idea of separate letter blocks was developed. From wood to metal was the next stage. Once done in metal, casting helped duplication. Today, types are assembled and composed by hand or mechanically or with electronic aids.

The primary application of typography in advertising is for Readability. Several types of typefaces are available - Serif, Sans Serif, Italics, Bold, medium and light in several sizes called Points. The styles available, are many - Times, Roman, Baskerville, Cloister, Bodoni, Centura, Electra, Caslon, Bookman, Garamond, Futura and so on.

The choice of typography would depend on :

- a) How they should be set so that the eye movement of the reader is easy and correct.
- b) How it can be attractive to the reader
- c) What method of reproduction would be most useful (for example, the lines would get filled in screen printing.)

The selection of typefaces would take into account the layout and elements like illustration, heading, sub-heads, body copy and trade mark. Since the reader would read and treat the advertisement as a 'whole' the detail devoted to the selection of other elements must equally be devoted to the selection of typefaces.

In selecting it, only one style should be used. Too many styles would detract attention from the message. For stressing a word, *italics* or *underlining* should be used.

Author of the Lesson : **Mr. R. Neelamegham**

Assignments

- I. Answer each of the following in about 30 lines each.
 1. What are the main characteristics of various media? Discuss their importance to an Advertising man.
 2. The success of an advertisement depends on its copy and layout. Discuss.
 3. What is the importance of Typography in an advertisement?
- II. Answer each of the following in about 10 lines.
 1. Characteristics of out-door advertising.
 2. What are the important points to be remembered in creating an advertisement (with regard to copy and layout)
 3. Should an advertisement be consumer-oriented and why?

Exercise

Create an advertisement for a tooth paste/toilet soap. Indicate the position of visuals, copy in your layout.

BRAOU

Lesson-10 ROLE OF RESEARCH IN ADVERTISING

Objective

To explain how Research helps in developing an advertising campaign, understanding the target consumers, analysing the inter-media effectiveness etc.

Synopsis

1. Consumer Studies
2. Research for Media Selection
3. Effectiveness of various Media.

1. CONSUMER STUDIES

There are three parties to an advertising campaign.

- 1) The advertiser
- 2) The Consumer, and
- 3) The media.

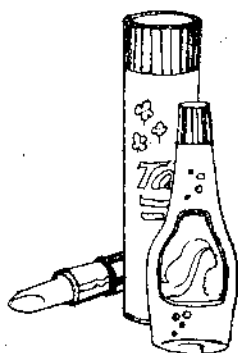
Some campaigns succeed while some do not.

Let us first understand how people view advertising. The Economic Times of 25 Feb 1984, in its supplement Advertising in Retrospect gives us the result of a survey on consumer products.

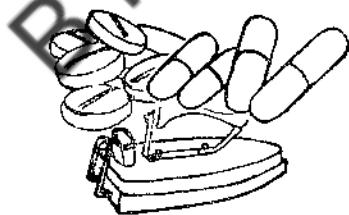
1. Advertising was on the whole, perceived to be important and meaningful by most of the respondents.
2. Personal experience and brand image were found to be the two most influential factors in buying consumer products.



3. Advertisements of toileteries, cosmetics and food items motivated product trial.



4. Most people do pay attention, even if only casually, to advertisements in various media.
5. The credibility level of advertisements on the whole is not high especially for food, toiletry and cosmetic items.
6. The credence given to advertisements using celebrity - testimonials was shockingly low.
7. The credibility of advertisements for drugs, clothing and electrical appliances was good.



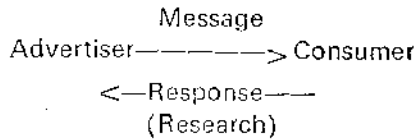
8. Three out of four persons interviewed thought that sexually illustrated advertisements could be avoided.

In the highly developed USA, the American Association of Advertising Agencies (AAAA) conducted a study on consumer attitudes to advertising in 1964. From 1971 they opted for a continuous study. The AAAA demographics include sex, age, education, family income, media habits and so on.

The salient findings in 1974, over 1964 were

ASPECTS	1964	1974
1. Advertising is essential :	Yes 69%	89%
2. Does advertising present ;	Yes 40%	40%
a true picture of the	No 50% of 69%	50% of 89%
product advertiser?	NA 10%	10%

These surveys remind us that the consumer is an intelligent person. He or she buys a newspaper particularly for news, turns on the radio or TV, goes to the cinema, primarily for entertainment. In an earlier lesson, we saw how advertising communication is like a funnel,



One of the famous quotations in advertising is that of Wrigley who said "Half my advertising goes waste. I don't know which half". And David Ogilvy, a highly regarded advertising personality has pointed out that some of the advertising may, instead of persuading the consumer to buy, dissuade him from buying.

How can we find what is right? Only by research. By research we make ourselves doubly sure of our assumptions about the product and its consumers.

2. RESEARCH FOR MEDIA SELECTION

It is by research that we have re-learned that, as we are taught to read books, the eye should move from the left to the right in an advertisement also. It is by research that we know that people believe more in photographs than in illustrations and that a good photograph is worth 10,000 words.

Unless we know as much as we possibly can about our consumer, we cannot create the right appeal or bring out the right advertisement.

When we choose a newspaper it is not the circulation but READER-SHIP, that is the total number of people who read it, that matters. Similarly in other media too.

Let us look at the growth of advertising in our country. Till the 50s, we were importing most goods (yes, even toothpaste). Advertising was done by and large, by the multinationals. Industrial development in the country began with the second five year plan.

In the 50s, the press was the main media for advertisers. The need to know more about circulation data was felt. A nonprofit,

independent body called the Audit Bureau of Circulations (ABC) was formed by the leading advertisers and newspapers.

In the late 50s, the cinema media (till then used only for slide screening) began developing for advertising shots.

In the 60s, the radio was made available for commercial messages.

In the 70s, the television too was available to advertisers.

Several newspapers gained in circulation. A boom in magazines also took place.

The Organisation Research Group (ORG), to its subscribers, offered shop audits which give the monthly offtake from shelves by consumers for specific groups of products.

Computers and research methodology as well expertise in market/consumer research have developed.

The advertiser and the advertising agencies have realised that they have different roles to play. One is the business mind that gives marketing inputs, plans etc, and the other, the creative mind, which gives shape to communication in the form of advertisements. Together, these two invest efforts and money in order to achieve results. In so doing, they have been using research more and more.

One such research deals with *media habits of people*. This has been necessitated by the anticipation that the markets for most consumer products would, from a sellers' market, move into a buyers' market. It was also felt that the cost of advertising would go up sharply.

3. EFFECTIVENESS OF VARIOUS MEDIA

Inter-media effectiveness : From the NRS, ABC and, other surveys, conducted by advertisers or from the surveys made available by Vividh Bharathi/Doordarshan etc., we now have a better research base to choose the most effective media, in terms of reach.

However in choosing, we also look at the strengths, weakness and peculiar characteristics of the medium itself. For example, if we were to consider the cinema, we look at its location. We find it is a highly localised medium, necessitating selection and planning, individually, for each geographical unit - town, locality etc.

In the case of the press, we get more data. The same consumers see a cinema, read the newspaper, listen to the radio so, which one should we use? Is it enough if we use one? The newspaper is read in the morning. A person goes to the cinema, may be, twice a month. And so, for each medium, we can estimate the degree and extent of exposure the consumer gets.

We have to reach our customer at regular intervals. We have to realise that if the customer has more Opportunity To See them (OTS), there is a better chance of his knowing about and buying the products. Therefore we have to arrive at a good media plan which yields the maximum OTS.

The media, like any other aspect of communication, are interdependent and at the same time, unique. To promote cinema viewership, newspapers carry advertisements of current films. Over the TV, a newspaper is advertised. The main consideration is effective reach amongst our target consumers. The next consideration is treatment.

What research has taught us is that the PROPOSITION should be capable of being treated effectively in all the media we may choose. For example, a pressure cooker which has a unique 100% safe gasket can effectively describe this in a press advertisement while it can actually demonstrate it in a cinema or TV shot.

The first step towards avoiding waste in advertising was to get to know the media habits of consumers. By media habits, we mean, who are required for which media, how often, what they think of such media, which media has a greater influence on their thinking and attitudes etc. If we look at ourselves, we find that we can recall a cinema that we saw weeks ago, a music programme we heard even months earlier, a short story or a poem but not news that we read a week ago. Now that many mass media have become available, which ones would reach the consumer most effectively and economically becomes the crucial question.

We realise that the same consumer goes to the cinema, watches the TV, listens to the radio, reads newspapers and magazines, looks at hoardings and so on.

The initial step taken towards finding out media habits was the National Readership Survey (NRS) No. 1, conducted on the basis of the 1961 census. This was available to advertisers in 1972. This gave data on reach of media and the characteristics of reading age, sex, income both in urban India - citywise and rural India - districtwise. Besides newspapers, it also gave data on film viewership. NRS II, based on the 1971 census was a further improvement and was made available in 1979. This gave data on :

- i) Newspaper and magazine reading habits of various demographic groups of urban Indian population.
- ii) In the case of Kerala however, the survey covered the rural population also.
- iii) Frequency of readership.

- iv) Cinema-going habits in all the demographic strata.
- v) The habit of listening to Vividh Bharathi in various groups.
- vi) Television viewing habits for all the groups.
- vii) Inter-media duplication between :
 - a) Press and Cinema
 - b) Press and Vividh Bharathi
 - d) Press and T.V.
- viii) Inter-media duplication for press only.

The above reports were presented in 5 volumes, comprising 4 volumes one for each zone, and the 5th volume for the entire country. NRS III, based on the 1981 census, was available early in 1984. It also gave the same data as NRS II but on a larger geographical area.

To the creative mind, the inter-media effectiveness is such a challenge that while the PROPOSITION is maintained in all of them the treatment is so adapted, that the resultant impact is greater in some.

Depending on which medium is most effective, the media planners give a greater weightage to that medium and allocate lesser and lesser weightage to the others. In this process, we ensure the greatest reach and maximum opportunity to the audience to see the product(s).

Putting the advertisement in the right type of media and ensuring the right quantum of exposure on the right people to acquire the desired result at the (most) minimum cost is what Media Planning does.

*Author of the Lesson : **Mr. R. Neelemegham***

Assignments

- I. Answer each of the following in about 30 lines.
 1. "Consumer is Intelligent" – Discuss the statement with suitable examples and based on the survey report.
 2. Why is research important in selecting the Media ?
 3. Is advertising in different media necessary ? Discuss the effectiveness of various media.

- II. Answer each of the following in about 10 lines
 1. Is it essential to know the consumer habits before taking up an advertising campaign ? Why ?
 2. Discuss the changing importance of various media like Press, Radio and T.V. in India.

Exercise

What media will you choose to introduce a toilet soap for the middle-class clientele ? Explain the reasons.

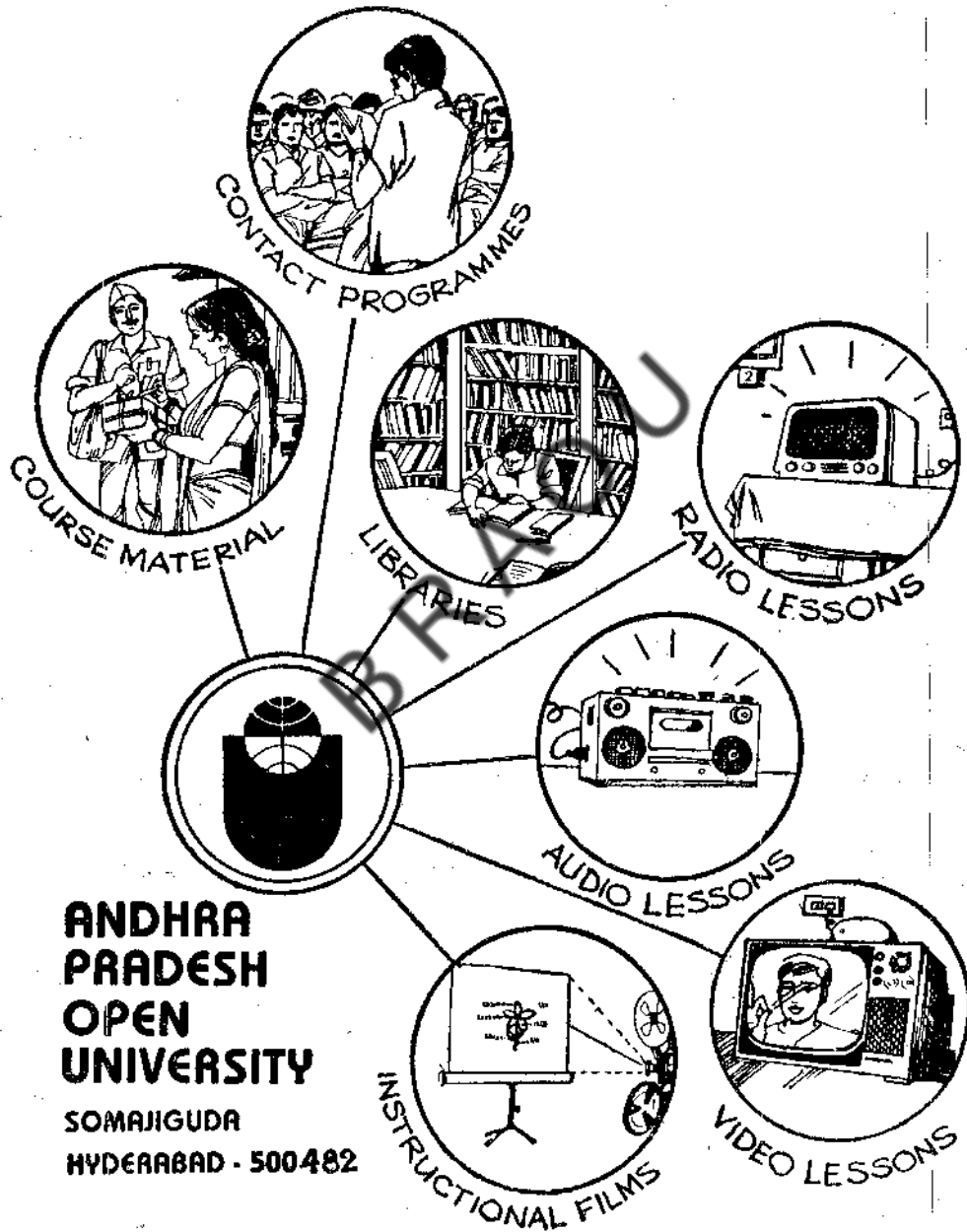
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