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# SYLLABI-BOOK MAPPING TABLE

## Advertising and Public Relations

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Syllabi	Mapping in Book
<b>Unit I</b> Evolution and growth of advertising, definitions of advertising, classification of advertising, national and global advertising.	<b>Unit 1:</b> Evolution and Growth of Advertising: National and Global (Pages 1-39)
<b>Unit II</b> Advertising objectives, advertising campaigns, advertising agency, budget.	<b>Unit 2:</b> Advertising: Objectives, Campaigns, Agency and Budget (Pages 41-75)
<b>Unit III</b> Advertising media, media planning and scheduling, advertising effectiveness, regulations of advertising in India.	<b>Unit 3:</b> Advertising Media, Media Planning and Scheduling, Advertising effectiveness, Regulations of advertising in India (Pages 77-123)
<b>Unit IV</b> Nature and scope of public relations, qualifications and responsibilities of a public relations officer. Difference between publicity, public opinion, propaganda and public relations.	<b>Unit 4:</b> Nature and scope of public relations (Pages 125-143)
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# INTRODUCTION

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Advertising is a non-personal mass medium by which marketers communicate with their customers. Advertisers (companies that advertise their products) pay for transmitting relevant messages through appropriate media. Advertising aims at reaching out to a large group of target audience. The flow of communication is unidirectional.

The objective of advertising is to enhance brand equity. Brand equity increases when more consumers are aware of the brand; their associations with the brand become stronger and more positive, their perceptions of brand quality become more favourable and they grow more brand loyal. Advertising enhances brand equity by forging favourable, strong and unique associations in consumer's memory between the brand and its features and benefits. When advertising creates unique and positive messages, a brand becomes differentiated from competitive offerings and is relatively insulated from future price competitions.

Strong advertising represents a deposit in the brand equity bank. But only strong, i.e., different, unique, clever and memorable advertisements represent a deposit.

The book, *Advertising and Public Relations*, is divided into five units. Unit 1 traces the evolution of advertising and highlights its importance and significance. Unit 2 discusses the various advertising objectives and advertising campaigns. While Unit 3 highlights the importance and application of advertising media, Unit 4 discusses the need of public relations. Unit 5 discusses the various tools of public relations.

The book follows the self-instructional mode wherein each unit begins with an Introduction followed by an outline of the Unit Objectives. The detailed content of each unit is then presented in a simple and structured format. Check Your Progress questions are provided at regular intervals to test the student's understanding of the subject. A set of Questions and Exercises as well as Key Terms are also provided at the end of each unit.

## NOTES



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# UNIT 1 EVOLUTION AND GROWTH OF ADVERTISING: NATIONAL AND GLOBAL

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## 1.0 INTRODUCTION

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Advertising communicates to people how the advertised product/service can satisfy some relevant need of theirs in a meaningful way. Advertising is a substitute of human salesmanship. Advertising includes all the visual or oral messages transmitted to the people which aim to inform them and influence their buying behavior, or to incline the target audience favourably towards institutions, ideas or persons that have been featured.

Advertising helps in achieving the business interests of an organization. The manner of advertising, however, may differ keeping in view the objectives behind it. Advertising is tailor-made to be fully effective. A firm that manufactures goods for the industrial sector will not be interested in embarking on a large scale campaign aimed at attracting the attention of housewives. Thus, it would not be incorrect to say that advertising attains greater significance for standardized products which are aimed at large markets.

It is said — doing business without advertising is like talking alone in an empty room; you know what you are saying, but nobody else does. This

## **NOTES**

speaks volumes of the importance of advertising in the modern world. Its importance can also be judged by the fact that in today's world it is tough to imagine any organization which does not advertise. Every business strives to make profit. Advertising is a very powerful tool that is extensively used by business organizations to promote goodwill, increase sales, create awareness; in short reach people with the right sense at the right time. It is a tool for making an organization and its products and/or services known to the people at large, in such a manner that it brings about a desire to buy the product and/or avail the services being offered by the company.

Before we move on to the definitions of advertising, let us differentiate between advertising and advertisements. Advertising is a process which uses advertisements to promote a product/service/idea. It includes the process of planning, developing, preparing and producing, placing the advertisements in the selected media and finally assessing the effects of the advertisements. On the other hand, advertisements can be defined as materials that are used to convey persuasive messages to target prospects. Advertisements could be printed or broadcasted.

Advertising also involves significant financial implications. At the same time, the objectives achieved by way of advertising may or may not be commensurate with the incurred expenses. Successful advertising depends on the right combination of numerous factors such as market trends, brand preference and various media used to reach the target audience.

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### **1.1 UNIT OBJECTIVES**

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

- Explain the meaning of advertising
- Understand the nature and scope of advertising
- Explain the importance and benefits of advertising for the advertiser/ sponsor and consumer
- Understand the advertising objectives
- Explain the functions of advertising
- Understand the relevance of advertising as a marketing tool
- Able to delineate the evolution and growth of advertising
- Detail the history of advertising in India

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### **1.2 DEFINITIONS OF ADVERTISING**

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The word 'advertising' has been derived from the Latin word — *advertere* — which means to attract people's attention to a specific product or service. The most commonly used definition of advertising was given by the American Marketing Association (1960). It defined advertising as any paid form of non-personal presentation and promotion of ideas, goods or service by an identified sponsor. In the simplest of terms, advertising can be defined as a paid form of non personal communication about an organization or its products that is transmitted to a target audience, through an appropriate medium.

Albert Lasker, the father of modern advertising, termed advertising as the salesmanship in print.

According to Mason & Roth, advertising is a salesmanship without a personal salesman.

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Krick Patrick defines advertising as mass communication of information intended to persuade buyer so as to maximize dollar profit.

Advertising is basically a paid form of (or commercial) mass communication. Professor James E. Littlefield and Professor C. A. Kirkpatrick, in their book *Advertising: Mass Communication in Marketing*, have defined advertising while differentiating commercial communication, mass communication, and commercial mass communication:

The basic function of commercial communication is to change a person's attitudes about or actions toward a subject or object.

The purpose of mass communication is to change or reinforce the attitudes of many individuals and if possible, to cause them to take actions that are favourable to the communication.

The basic objective of advertising, as a commercial mass communication is mostly is to induce purchase. Advertising tries to succeed in this objective by trying to change the buying behaviour of potential customers, by sustaining or reinforcing the buying behaviour of existing customers and of course, by trying to create or maintain a favourable action towards the advertised product or company.

Albert Laskar gave a definition of advertising in the 1920's, when the only advertising media available were newspapers and magazines. According to him, 'Advertising is salesmanship in print'.

The Definition Committee of the American Marketing Association (AMA) gave one of the most commonly used definitions of advertising in 1948. It defined advertising as any paid form of non-personal presentation and promotion of idea, goods, or services by an identified sponsor.

Although this definition is widely accepted, yet there are some shortcomings in the definition. In 1988, Dorothy Cohen, in her book *Advertising* pointed out that this definition does not mention about the persuasive nature of advertising, its creative aspects and the large number of advertising media.

So Dorothy Cohen suggested the following definition:

'Advertising is a business activity employing creative techniques to design persuasive communication in mass media that promote ideas, goods and services in a manner consistent with the achievement of the advertiser's objectives, the delivery of consumer satisfaction and the development of social and economic welfare'.

A British advertising industry's professional body, The Institute of Practitioners in Advertising (IPA), describes advertising as a fascinating fusion of business and art. According to IPA, the planner, the negotiator, the writer, the artist, the production expert, the management coordinator combine to form a team which delivers pertinent and hopefully first-rate advertising solutions to help clients achieve their business goals.

Subroto Sengupta, in his highly acclaimed book, *Brand Positioning: Strategies for Competitive Advantage*, defines advertising as the discovery and communication of a persuasive difference for a brand to the target prospect.

Prof. Jaishri N. Jethwaney, who teaches advertising at the Indian Institute of Mass Communication, New Delhi, has provided a working definition of advertising in her book. According to Jethwaney, advertising is the art and science of building brands through persuasive communication and positioning them in consumers' perception with constant vigil on the market situation and consumer expectations.

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According to another definition, advertising is an organized method of communicating information about a product or service, which a company or an individual intends to sell. It is a paid announcement that is communicated with the help of words, pictures, illustrations, music, etc., in a medium/media found appropriate for reaching the target audience/prospective buyers.

The large number and wide variety of definitions only reflect the fact that advertising has become what it is by borrowing heavily from a wide variety of subjects – psychology, sociology, anthropology, economics, arts, literature, etc.

Also, experts from a wide variety of backgrounds have contributed to the growth of advertising as both, an industry and a separate academic discipline. Different people from different backgrounds who had different approaches to understanding the process, functioning and effects of advertising have developed a wide variety of definitions.

Burt Manning of J. Walter Thompson, defines advertising as one of the important forces which serves the public interest. It is a form of open communication between those who sell and those who buy. It is a form of advocacy open to any company or cause that wants to argue in case. The jury is the public and every purchase is a vote.

Nonetheless, advertising is different from salesmanship. Unlike salesmanship which involves direct face-to-face communication, it is clear from the various definitions that advertising is non-personal and indirect means of communication with the prospects by means of various media. Salesmanship involves communication through personal interview between the salesman and the prospect while by way of advertising, the advertiser reaches a large number of prospects simultaneously.

Advertising also differs from publicity in the sense that publicity may or may not have an identified sponsor, whereas advertising always has an identified sponsor. Unlike publicity, advertising is a paid form of communication. In fact, it would not be incorrect to say that paid publicity is advertising.

### CHECK YOUR PROGRESS

1. State any one definition of advertising.
2. Differentiate between advertising and salesmanship.

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## 1.3 ADVERTISING – NATURE, SCOPE AND IMPORTANCE

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### 1.3.1 Nature and Scope of Advertising

- Advertising is both, an art and a science. It is the art of bringing about desired effects amongst the target group by way of exposing them to mass-produced messages. It involves the science of human psychology to ensure effectiveness of the message.

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- Advertising provides a link between the producer and the consumer.
- Advertising is non-personal and thus excludes interpersonal communication.
- Advertising promotes tangible products like car, iPod; ideas like prevention from cervical cancer, family welfare and services like hospitality, insurance policy etc.
- Advertising is a paid form of communication where the sponsor (advertiser) is always identified. The sponsor could be a commercial or non-commercial organization.
- It tries to bring about a desired change in the behaviour of the target audience.
- Advertising appears in a recognized media such as newspapers, magazines, hoardings, radio, TV, direct mail etc.

We, as students of advertising, must also venture into the world of advertising for better understanding in terms of those who play an important role in bringing advertisements to the consumers. There are five key players:

- The advertiser
- The advertising agency
- The media
- The vendor
- The target audience

**Advertiser:** Advertising begins with the advertiser. An advertiser is usually the initiator of the advertising process. An advertiser could be an individual or an organization or an institution. An advertiser may wish to communicate information about product/service/idea to a target segment. It is the advertiser who takes the final call on all important decisions like the advertising budget, various media to be used to reach the target audience and the campaign duration.

**Advertising agency:** It is the second player in the advertising world. Advertising agencies are hired by the advertiser to plan and execute an individual commercial or a complete advertising campaign. This understanding between the advertiser and the advertising agency is called the agency-client partnership. Advertising agencies provide strategic and creative expertise, media knowledge and workforce talent to the advertiser. These agencies also negotiate good deals for their clients.

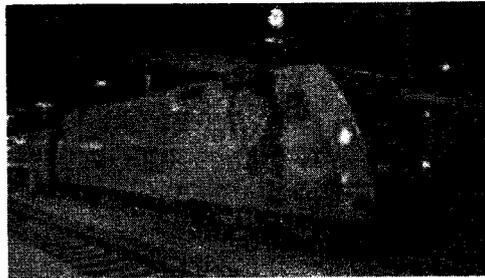
Large companies may even have their own in-house advertising agencies. This ensures closer monitoring and better control over advertising. These in-house agencies perform most advertising functions and many a times they also undertake all the functions of an external advertising agency in a more cost-effective manner. It was the Liverpool-based White Star Line's in-house advertising agency that planned and created most of Titanic's advertising.

**Media:** Media can be termed as the third player. Media is the term used to describe the channels of communication used to carry messages from the advertiser to the target audience. The selected media must deliver advertising messages in a way that is consistent with the creative effort.

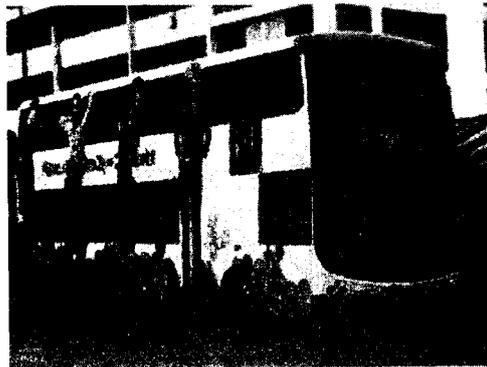
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Media sells space in newspapers, magazines as well as in support media like World Wide Web, to the advertiser. It also sells time in electronic media like TV and radio. Media organizations also help advertiser/advertising agency in selection of appropriate media for transmitting message to the audience and offer assistance in ad designing.

There are different media that can be used for advertising. It is not rare to find advertisements on billboards, walls, web banners, shopping carts, web pop-ups, bus stop benches, logo-jets (advertisements on the sides of aeroplanes), taxi doors and even in airbuses on the seat-back tray tables and overhead storage bins. These days we even find advertisements on fruits. It's not rare to find advertising stickers on apples when we go to a supermart to purchase them. There are even advertisements on the back of movie tickets and supermarket receipt bills. Advertisements may seem interesting and entertaining at times and annoying at other time. Figure 1.1 shows a metro with a UNICEF advertisement at a railway station. Buses and trains are popular medium of advertising. A bus with an advertisement is a common site not only in India but abroad as well as shown in figure 1.2.



*Fig 1.1 Advertisement on Metro.*



*Fig. 1.2 Advertisement on Bus.*

**Vendor:** Vendors are the fourth player in the advertising world. Vendors are a group of service organizations that are responsible for providing assistance to advertisers, advertising agencies and the media. Vendors include freelancers, consultants and other professionals who assist in meeting the advertising objectives and planning as well as designing an advertising. It is not feasible to hire all kinds of professionals as it means a lot of money. Also, many a

times, the advertiser or the agency handling his advertising campaign may not have an expertise in a particular field or they may also have their hands full when it comes to work. Thus, an advertiser or an advertising agency may avail services of copywriters, graphic designers, market researchers, public relations consultants, etc.

**Target audience:** The fifth player in the world of advertising is the target audience. The advertising strategy, for any product or service or idea, always keeps in mind the target audience. In terms of marketing, target audience denotes the person who purchases a product (also called a customer). The advertiser/agency spends a reasonably good amount of money on ascertaining the target audience, they need to communicate with. However, many a times in spite of a lot of research, a campaign may fail to reach particular target audience. One must keep in mind that in advertising there may be more than one segment that the advertiser needs to target. The latest advertising of Knorr soupy noodles targets both children and their mothers.

### **1.3.2 Importance of Advertising**

In today's modern world, advertising has become an integral part of our lives. It is omnipresent. It has even made in-roads in our bedrooms. Advertising may be entertaining, interesting, informative or annoying. We may love it or we may hate it, but the fact remains that it is difficult to imagine a world without advertising.

Advertising also plays a very significant role in business as well as society. Let us explore that. Every business enterprise makes use of marketing in order to satisfy the needs and wants of its customers through goods and services. The various tools used for marketing include the product, its price, mode of delivery of product and the place. Marketing includes promoting all the relevant information about the product to its target audience. This is also called marketing communication or promotion. The four Ps of marketing include product, price, place and promotion. An advertiser uses several communication techniques to promote its product. Although these techniques include sales promotion, public relations etc., advertising is viewed as an integral part of marketing communication and is probably the most visible one.

Advertising is a form of mass communication and its role is very significant in communicating different types of information, keeping in mind the requirements of the market and the target audience. At the same time, advertising goes much beyond plain facts and helps in giving a personality to the advertised product. Advertising can also increase price elasticity and provide consumers with recall cues so that they can consider more substitutes at the time of making a purchase.

Advertising helps us to make more informed decisions as customers. It apprises us of the latest trends in the market. It informs us about the latest innovations in products available in the market. As all the established business houses make use of advertising as a tool of marketing communication, it is beneficial for the consumers as it helps in comparing various brands of a particular product in the market and in making informed consumer decisions.

## **NOTES**

## NOTES

### CHECK YOUR PROGRESS

3. What is the scope of advertising?
4. Who are the key players in the advertising process?
5. What is the role of advertising agencies?
6. What are the different media that can be used for advertising?
7. What are the four Ps of Marketing?
8. Where does advertising fit in marketing communication?
9. How does advertising help customers to take informed decisions?

## 1.4 OBJECTIVES OF ADVERTISING

Advertising is always goal oriented. It is undertaken to achieve a variety of objectives. The objectives of advertising may be to:

- Catch the attention of the prospective consumers/customers.
- Promote or persuade prospective consumers/customers to find out more about the product or service. e.g., visiting the company's website.
- Create awareness about the product.
- Attract the prospective consumers/customers to try the product or avail the services by offering introductory prices, trial offers, free gifts, coupons, etc.
- Introduce a new product/service/idea effectively.
- Reassure the customers that the brand is trustworthy and reliable.
- Disseminate any additional information regarding the advertised product/service, such as any new feature of the product.
- Reaffirm an existing brand image or to create a new brand.
- Increase immediate profits.
- Influence a desired change in the buying behavior and consumption pattern of the people. For example, it may try to persuade us to join a particular computer course or donate for a charitable cause.

Advertising should concentrate on clear goals that should be measurable. These objectives are known as DAGMAR (Defining Advertising Goals for Measured Advertising Results). This concept was given by Russell Colley in the year 1960 in his book *Defining Advertising Goals for Measured Advertising Results*. He defined advertising as a paid form of mass communication, the ultimate purpose of which is to impart information, develop attitude and induce action that is beneficial to the advertiser, generally the sale of a product.

In the same book, Colley concluded that 'All commercial communication that weigh on (or aim at) the ultimate objective of a sale, must carry a prospect (recipient of advertising message) through four levels of understanding. The prospect must first be AWARE of the existence of a brand or a company. He must have a COMPREHENSION of what the product (or company) is and what will it do for him. He must ARRIVE at a mental conviction to buy the product. Finally, he must stir himself to ACTION.'

A good (read great) advertisement should satisfy the objectives of both the advertiser and the consumer. The advertising should meet the objectives of consumers by engaging them and delivering the desired message. Nonetheless,

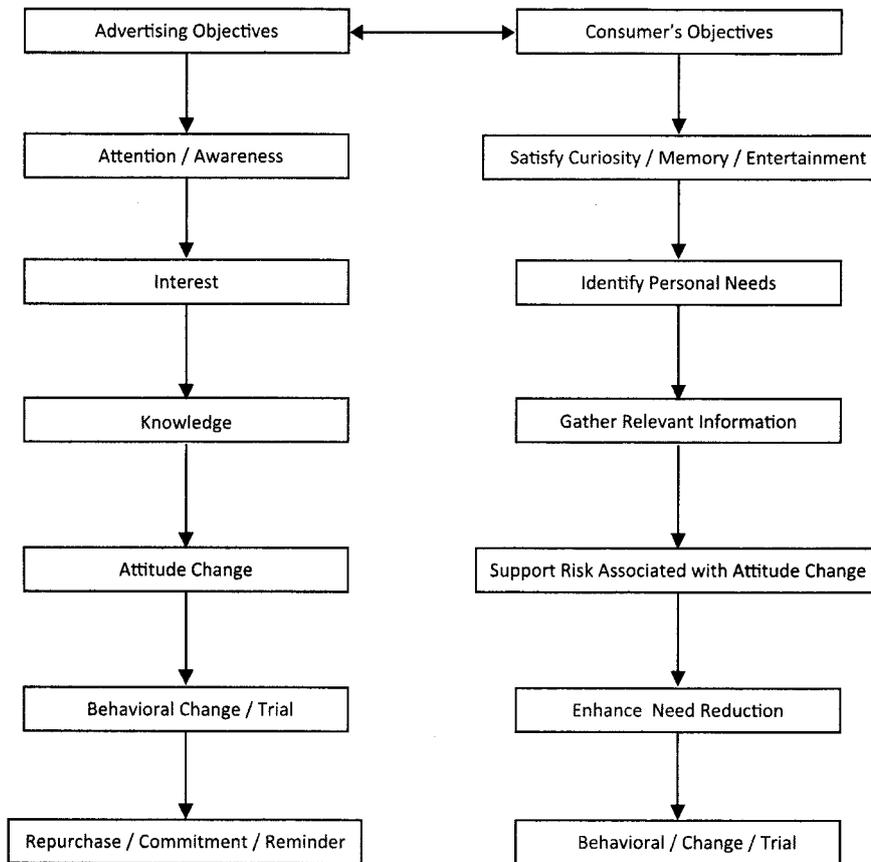


Fig. 1.3 Advertising and Consumer Objectives

it must achieve the advertiser's objectives. Advertiser and consumer have different expectations from advertising. The advertiser must ensure that the advertisement satisfies all the objectives/expectations of both, the advertiser and the consumer. Figure 1.3 depicts this dual process of good advertising.

### CHECK YOUR PROGRESS

10. List any three objectives of advertising.
11. What is DAGMAR?
12. What objectives should a good advertisement satisfy?

## 1.5 FUNCTIONS OF ADVERTISING

At the elementary level, advertising is all about influencing the target audience by providing them with information. Although each advertisement has specific objectives to accomplish, advertising performs three primary functions:

- **Giving information regarding product and brand:** Providing relevant information to the target audience is the chief function of advertising. This information, in turn, helps the prospects of decision-making. The kind of information in advertisement will depend on the product/service/idea being

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## NOTES

advertised and the needs of the target audience. If the product is technical, the information carried in the advertisement will be detailed.

- **Giving incentives to take action:** Various researches indicate that consumers are averse to switching brands even when they are not completely satisfied with the product they are using. It is not very easy to change their established behavior. Advertising helps in bringing about the required change in the buying behavior of the consumers by way of providing them reasons and offering incentives to switch product brands. Incentives being offered may include high quality, competitive price, trial packs, free gifts, warranties etc.
- **Giving reminders and reinforcements:** Advertising is not only directed at the prospective consumers/customers, it is directed at current customers as well. Over a period of time, the consumers may forget why they bought a particular brand of TV or car. Advertising repeatedly reminds the consumers about their purchased brand, its unique features, its benefits, its value, etc. Constant exposure to such messages (in the form of advertisements) helps reinforce the consumer's decision and helps in creating brand loyalty.

Other functions of advertising can be summed up as follows:

- Registering the brand name
- Reminding the brand name
- Reinforcing the brand name
- Creating brand differentiation
- Creating brand preference
- Creating brand loyalty
- Reinforcing brand image
- Changing brand image
- Introducing a new product/idea/service
- Creating corporate image
- Reinforcing corporate image
- Changing corporate image

In the early 20th century, Daniel Starch, pioneer in advertising research, gave a formula to explain the functions of advertising. This formula is popularly known as the Starch formula. According to the Starch formula, in order to be effective, an advertisement should be:

- Seen, read or heard
- Believed
- Remembered
- Acted upon

### CHECK YOUR PROGRESS

13. What are the primary functions of an advertisement?
14. Define the Starch formula.
15. State any four functions apart from the primary functions of advertising.

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## 1.6 ADVERTISING MODELS

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After the Starch formula, another model was soon devised. The model, called the AIDA model, stands for Attention, Interest, Desire and Action. According to this model, an advertisement must catch the attention of the target audience, which in turn should generate interest in the advertised product/idea/service. The model states that the generated interest must translate into a desire to favourably act upon the advertised message. Initially, this model did not say anything about a very pertinent factor, i.e., conviction. Thus, conviction was added in the AIDA model as another factor and the model came to be known as AIDCA (Attention, Interest, Desire, Conviction and Action) model.

However, advertising cannot sell a bad product. Someone may try a product once influenced by the advertisement, but only once. A customer will buy the product again only if it satisfies the needs and requirements of the customer. Also, even a good advertisement will not be able to sell a product that is either over-priced or non-competitive or else, is not easily available. Advertising cannot sell products/ideas/services to people who have no use for them.

Also, it would be wrong to view advertising as a magic wand in the hands of the advertiser (sponsor) that would bring about the desired results overnight. Advertising moves through different stages before it accomplishes its objectives. These stages are as follows:

- (i) Firstly, an advertisement is planned and then created, keeping in mind the objectives to be achieved from the advertisement.
- (ii) The message (advertisement) is transmitted in bulk to the target audience.
- (iii) It is received and assimilated.
- (iv) It influences the attitudes and intentions.
- (v) It affects the buying behavior of the prospect.
- (vi) Repeated exposure affects trade effort and supply.
- (vii) It affects product consumption.
- (viii) It changes the market.

### CHECK YOUR PROGRESS

16. What is the difference between AIDA and AIDCA?
17. How many stages are there in an advertisement?

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## 1.7 TYPES OF ADVERTISING

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Today's market, has a variety of products and services. Also there are a large number of advertisers who want to communicate different ideas to people. There is a wide variety of consumers, whom the advertisers want to reach by way of advertising. These advertisers have different expectations from advertising and want to achieve a wide variety of advertising objectives. Accordingly advertising

### NOTES

has been classified in different ways. We can classify advertising broadly according to the following criteria:

- Target audience
- Geographic area
- Medium
- Purpose

## NOTES

### 1.7.1 Advertising on the Basis of Target Audience

An advertisement always aims to reach particular segment of people. The advertiser always has a particular segment in mind that he wants to reach out to, by way of advertising. This segment of the population is known as the target audience. Based on two main types of target audience, i.e. consumers and business, advertising can be classified into two types:

- (i) Consumer advertising
- (ii) Business advertising

#### Consumer advertising

A significant percentage of total advertising is directed towards consumers who buy the products either for their personal use or for their household. This type of advertising holds a lot of importance as the buyers of consumer products are not only very large in number but are also widely distributed over a large geographical area. This type of advertising is directed at consumers and is sponsored by manufacturers, marketers, dealers or retailers. Different types of services and ideas which are meant for general consumption are also a part of consumer advertising. Consumer advertising aims at promoting the sale of the advertised product or services. We find a large number of consumer advertisements in print media, i.e., newspapers, magazines and broadcast media like TV and radio. For example, these days, newspapers are splashed with advertisement related to soaps and shampoos. Figures 1.4 and 1.5 show a advertisement cuttings of Pears soap.

#### PEARS SOAP

A charming history of Pears' soap is online. Here, we are interested primarily in the racism involved in certain advertising themes. A possible conclusion of a study of these advertisements (from about 1885–1910) is that the Japanese qualified as 'the other white race.'

While Pears' soap had many advertising campaigns, two of the brand's promises in the 1890s through the 1920s were that the use of Pears would 'civilize' and 'whiten' a person. For example, an 1887 advertising says that Pears 'produces soft, white, and beautiful hands'; another 1887 advertising shows a black, half-naked woman fanning a white woman who lies on a sort of classical couch, her hair flowing and her garment clinging to her curves, with a couple of cupids holding a bar of Pears' above and the admonition to use Pears' 'For the complexion'; and a third advertising from the same period shows a South Asian man standing on a ladder with a bar of Pears' and scrub-brush, beside an elephant, with the caption 'The Real Secret of the

## NOTES

White Elephant.' Exactly what Pears' is supposed to do for the complexion of the African maid or the Indian gentleman is not clear, but it is made quite clear in several 'humorous' advertisements from the 1890s: a little white girl on an outing comments of a passing black girl: 'She needs to use Pears'; a little white boy gives a little black boy a tub bath, with the result that the latter is white from the neck down, or a black boy washing his hands in a bucket under the eye of a little white girl finds that his hands turn white, or a couple of black children comment, as a mother struggles to give her baby a tub bath, 'She's gwine to turn that nigger white!'; a 'native' minister wins back his wandering congregation by washing with Pears, which turns his skin white. Presumably all these advertisements about whitening dark skin are meant to be taken as a joke, though they assume what a 'serious' 1887 advertising makes explicit, quoting Tennyson's poem *Locksley Hall*: 'Ev'n the black Australian dying hopes he shall return a white.' Thanks to Jim Twitchell, an expert on advertising (author of *Lead Us Into Temptation*) for guidance on the Pears' question.

MUNSEY'S MAGAZINE—ADVERTISING SECTION.

**Two Letters**



(Extract from a letter written by a subscriber of  
*The Ladies' Home Journal, in Yokohama.*)

"I do not think that **Pears' Soap** is in need of any further advertising. I have traveled in every part of the globe, and it seems to me I have seen its advertisements and heard of it in the smallest places. In my own family here I have used it for eleven years, and never want any soap to take its place."

(Extract from a letter written by a reader of  
*The Century Magazine, in New-York.*)

"You may be interested to know that although I have seen the advertisements of **Pears' Soap** for a long time, I had never used it until I saw the January CENTURY advertisement, which influenced me to try it.

"Since that time I have come to believe that **Pears'** is altogether the most satisfactory soap in existence."



There are soaps offered as substitutes for Pears' which are dangerous—be sure you get Pears'.

Fig. 1.4 Munsey's Magazine Advertisement

## NOTES



Fig. 1.5 Pears Soap Advertisement

### Business advertising

Not all advertisements talk about consumer goods and services and ideas for general consumption. There are advertisements that communicate information about products that are meant for professional use. These advertisements target highly well defined target segment and thus such advertisements are rarely published in mass media. These advertisements communicate information regarding products like machines, sphere parts of machines and a variety of services for business enterprises. Many a times these products are advertised by way of direct mails to the target audience. These products are also advertised during trade exhibitions and shows. We find such advertisements in specialised business publications or professional journals as the general masses are not interested in such products or services.

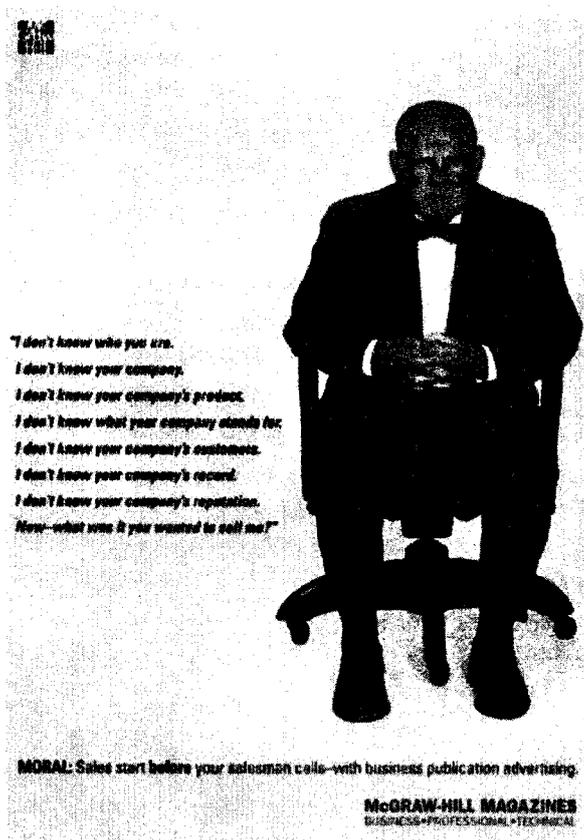
Business advertising can further be sub-divided into three types. These are:

- (i) Industrial Advertising;
- (ii) Trade Advertising and
- (iii) Professional Advertising

**(i) Industrial advertising:** This type of business advertising deals with advertisements that convey information related to industrial products and services. Here the manufacturers or distributors are the advertisers and these advertisements are directed towards the buyers/consumers of these industrial products or services. The goods that are advertised include raw materials, machinery, semi-manufactured goods, parts of various machines, etc., Advertisements of file cabinets, office desks, insurance and accounting are examples of industrial advertising.

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- (ii) **Trade advertising:** Trade advertising is another sub-category of business advertising. This type of advertising aims at attaining higher distribution both by expanding the existing chain of outlets and also encouraging the already present outlets to stock more and more of products. Here the advertiser is the manufacturer and the target audience includes wholesalers and retailers.
- (iii) **Professional advertising:** This is the third sub-category of business advertising and it is directed towards professionals who are actually responsible for taking decisions for the final consumers/buyers. These professionals may be from varied fields such as medical, architecture, construction etc. There are certain products for which it is the professionals who take a decision on our behalf. For example, it is the doctor who decides the medicine brands for patients. Profession advertising also aims at encouraging professions not only to recommend the advertised product or service to their clients but also to use the advertised brand of product themselves. This can be seen in figure 1.6.



*Fig. 1.6 Professional Advertising*

### 1.7.2 Advertising on the Basis of Geographic Area

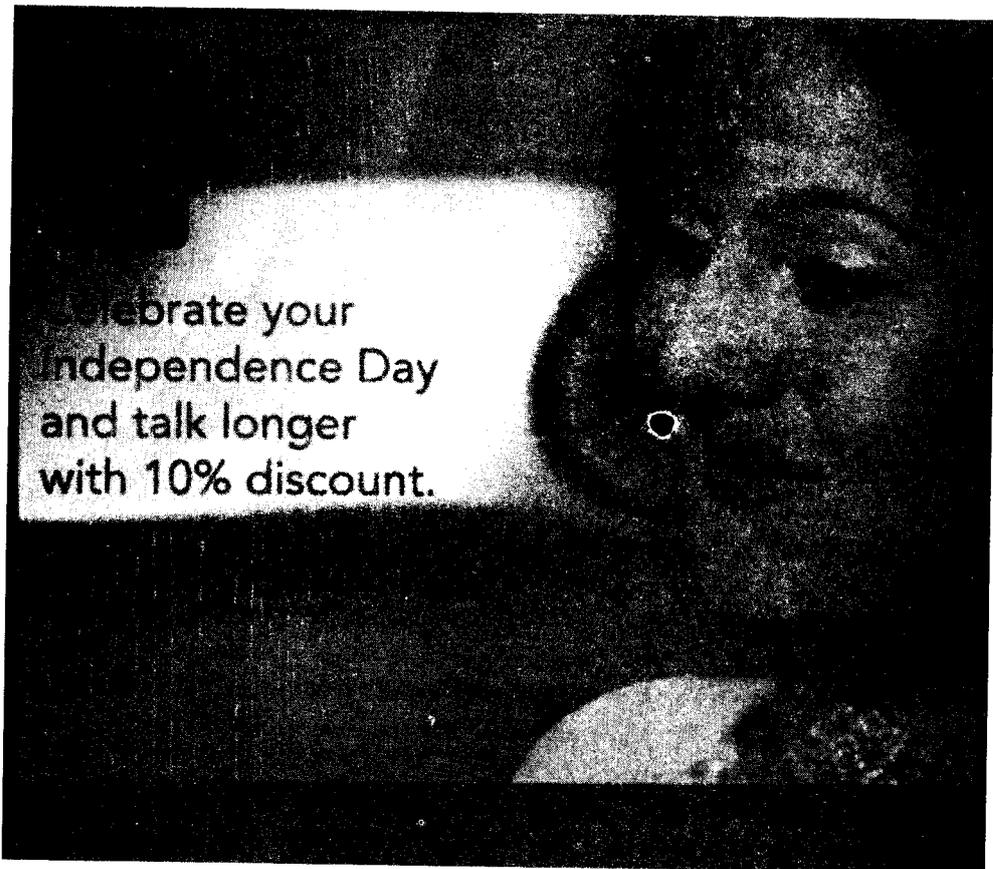
On the basis of the geographical spread or reach, advertising can be classified into three different types. These are:

- (i) Local advertising
- (ii) National advertising
- (iii) Global/International advertising

## NOTES

Let us discuss them in details.

- (i) **Local advertising:** Different organizations operate at different levels. There are organizations that limit their business at local or regional levels. They restrict their business to a city, district or a state. Thus, these organizations aim at tapping the local and regional market. For this purpose, such organizations adopt local advertising. They advertise their products and services at the local level. That is the reason why local advertising has a local flavour and uses local media such as local or regional newspapers and radio channels for advertising their products. Such type of advertising is used by retail stores as well. Small firms may like to focus their marketing efforts first at local level and once they achieve success at this level, they increase their reach to cover wider areas for advertising their products, services or ideas. A classic example of this is the advertisement of Nirma washing powder, Nirma washing powder was initially advertised only in Gujarat but later on it spread its reach at the national level also.
- (ii) **National advertising:** There are organizations that operate at national level. Such organizations have a broad base and advertise at national level and thus make use of national media to advertise their product, service or idea. Such firms may advertise on national TV or in national newspapers or magazines with a nationwide circulation. National advertising is effective when the advertiser has to reach out to a target audience at a national level. Large firms not only advertise at national level, at times they advertise at the local level as well in order to strengthen their position in specific local areas. This can be seen in figure 1.7.



*Fig. 1.7 National Advertising*

(iii) **Global/International advertising:** With the lifting up of trade barriers and opening up of economy, there is significant increase in the number of business organizations operating at the international level. Organizations such as Sony, Pepsi, McDonald's, L'Oreal, Coke and Pepsi have strong presence in many countries. Such multi-national companies (MNCs), obviously, target the international market and thus make use of global/international advertising. The advertiser may plan the same or different advertising campaigns for different countries keeping in mind the target audience. They make use of media that have an international reach. Such media includes international magazines like Reader's Digest; newspapers like The Time and TV channels such as Star, BBC, CNN, etc. Since it is not easy to operate efficiently at such a big level, it has been seen that many a times, global advertising agencies tie up with national advertising agencies in order to facilitate things. Figure 1.8 shows global/international advertising.

## NOTES

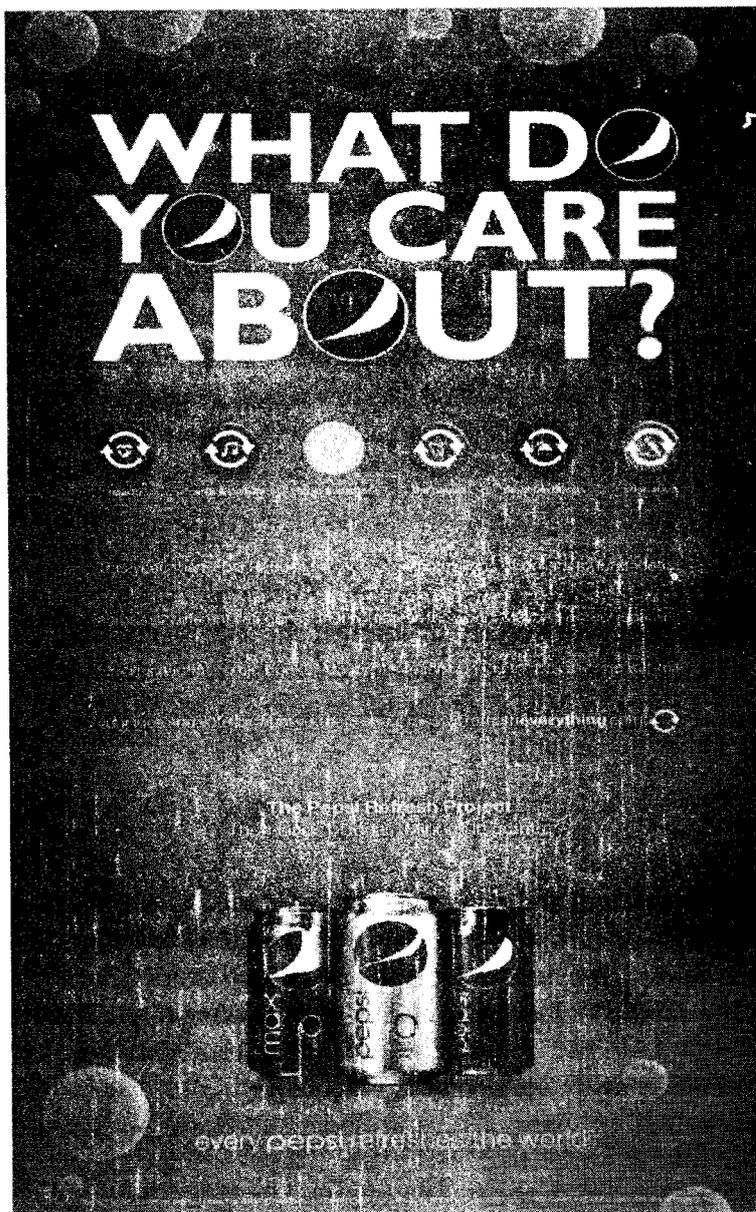


Fig. 1.8 Global/International Advertising

## NOTES

### 1.7.3 Advertising on the Basis of the Medium Used

Advertising makes use of different media in order to effectively communicate the desired message to the target audience. The selection of media depends upon factors like advertising budget, reach and penetration of the medium and the profile of the target audience. Advertisers generally make use of more than one media to reach out to the audience. An advertiser may buy space in a newspaper to advertise his product and also book a slot on a TV channel. This helps in reinforcing the message. Therefore, we have different classifications of advertising on the basis of the medium it uses. While print advertising includes the print media, i.e., newspapers and magazines; broadcast advertising is all about using radio and television to advertise one's product. Outdoor advertising is very common and includes hoardings, advertising posters, wall writing, all types of sign boards, banners, balloons etc. Sky writing is also a part of outdoor advertising. Point of purchase advertising (also known as POP advertising) includes printed materials like leaflets, pamphlets, brochures etc which are distributed or displayed at the places where the product is being sold. Direct selling companies make use of postal services to advertise their products. This type of advertising is known as postal advertising. It is not rare to find advertisements being displayed on motor vehicles like scooters, cabs, cars etc plying on the road. This is transit advertising. Cinema advertising can hardly go unnoticed whenever we go out to watch a movie. Internet advertising can also be very effective to reach to the younger generation and professionals.

### 1.7.4 Advertising on the Basis of Advertising Purpose

Advertisements essentially promote goods, services or ideas. It is by way of advertising that not only one may aim at giving a boost to profits, but also create the primary demand for a product category. Some advertisers aim at creating good will by way of advertising while others may try to create awareness regarding various social issues by way of advertising.

An advertiser always has certain objectives in mind whenever he advertises his product, or service or an idea. In fact, advertising can never be effective unless the advertiser is clear about what he wants to achieve by way of advertising. One way of classifying advertising is on the basis of the purpose or objectives of advertising.

On the basis of the advertising objectives, we may classify advertising in as follows:

- Goods advertising and non-goods advertising
- Commercial advertising and non-commercial advertising
- Action advertising and awareness advertising
- Primary demand advertising and selective demand advertising

#### Goods advertising and non-goods advertising

Most advertising promotes goods. These goods may be of different types. They may be consumer goods or industrial goods. The target audience for different types of goods is also different. The advertiser may choose to use different

media in view of the target audience he wants to address. Goods advertising is also known as product advertising. Broadly, products can be categorized into two types — consumer products and industrial products. Consumer products are for direct consumption of the consumer while industrial products include machinery and other spare-parts. Consumer products include both, consumer durables and consumer non-durables. While consumer durables include products such as washing machine, car, air conditioner etc which the consumer does not buy at very short intervals of time; consumer non-durables are the products such as shampoo, hair oil, food products etc that last for a short while.

Irrespective of the kind of product the advertisement promotes, product advertising ensures better sales and thus eventually generate more profit for the advertiser. Product advertising or goods advertising essentially informs the target audience about the product and can be further classified into three types i.e. pioneering advertising; competitive advertising and retentive advertising. The objective behind pioneering advertising is to create awareness and increase acceptability of a particular product category among the target groups. Such advertisements are informative and educative in intent. Such advertisements do not promote any particular brand. New and unique product categories like mosquito repellants make use of pioneering advertising. Competitive advertising focuses on a specific brand of a product. It aims at promoting a particular product demand. This type of advertising may undertake a direct or an indirect approach. By way of competitive advertising, the advertiser may aim at stimulating immediate buying action or emphasizing the benefits of the advertised product in order to influence the consumer's final buying behavior. Once a particular brand of product has gained a good standing in the market, it is equally important to retain its standing lest the product demand may begin to decline. Therefore, efforts are undertaken by the advertiser to retain the loyalty of the customer towards the brand. Retentive advertising helps the advertiser to achieve this. Retentive advertising makes use of soft-sell approach where the customer is motivated to continue using the product.

There is another category of advertising that does not deal with any type of product. Non-goods advertising or service advertising includes advertisements of services, ideas, organizations, places, etc. These are advertisements that promote the service sector. Services are intangible, variable and perishable. Thus, it is very important for the advertiser to emphasize in the quality of the services that he is advertising. Establishing supplier credibility is especially important in this category of advertisements deals with services and ideas. Thus, we may find that such advertisements stress on the institution offering the service and the quality of service. You must have noticed that advertisements of luxury hotels highlight the quality of services they provide. Such an advertisement may emphasize that they offer a 'home away from home' experience to their clients and that they take care of every need of their clients with a smile. Service advertising includes advertisements promoting education, entertainment, insurance etc. An advertisement promoting an idea like 'Conserve Wild Life' is an example of non-goods advertising. Advertisements which aim at promoting the image of the advertiser and win greater acceptance by the target audience are also a part of non-goods advertising.

## NOTES

## NOTES

### **Commercial advertising and non-commercial advertising**

The underlying objective of commercial advertising is to make profit. It aims at increasing the sale of the advertised product or service. In fact, most of the advertisements fall in this category as profit-making is one of their primary advertising objectives. On the other hand, non-commercial advertising does not seek profit. They promote ideas and aim at seeking acceptance, help, support, aid and even attitudinal changes. Advertisements promoting a social message or promoting institutional image are part of non-commercial advertising. Advertisement with a celebrity encouraging the parents to take their little ones to the closest polio booth or a cricketer urging the masses to switch off all lights before leaving the room are examples of non-commercial advertising.

### **Action advertising and awareness advertising**

Some advertisers seek immediate action while some advertisers have long term goals in mind when they advertise their product, service or an idea. This concept of classifying advertisements on the basis of the expected consumer response was first mentioned by two advertising experts — Stan Rapp and Tom Collins — in their book 'Maxi Marketing'.

Action advertising aims at direct and immediate response from the targeted audience segment. That is why, action advertising is also known as 'hard sell' advertising. Such advertisements may achieve their advertising objectives by offering special discounts for the early birds or give discount coupons to encourage them to buy the advertised product or avail the advertised service. On the other hand, awareness advertising has a long term goal. Thus, it first works at creating awareness about the product, service or an idea and then aims at creating a positive image about the product. This, in turn, should lead to the desired action. Awareness advertising is also known as 'soft sell' advertising as the adopted approach is subtle and indirect. We, as students of advertising and communication, must remember that only a few advertisements fall completely under one classification.

### **Primary demand advertising and selective demand advertising**

Most of the advertisements aim at creating demand for a particular brand of product. Such advertisements create selective demand for a particular brand of the advertised product or a service. This type of advertising is called selective demand advertising. However, there is another category of advertising that promotes a product category or a particular service sector as a whole, rather than promoting a specific product brand. These advertisements aim at creating the primary demand for a product category and are known as primary demand advertising. Generally, it has been seen that primary demand advertising is undertaken by co-operatives or retail stores which come together and advertise on co-operative basis. Advertisements promoting platinum jewellery or an ad encouraging consumption of eggs or milk are all examples of primary demand advertising. Advertisement issued by the National Egg Co-ordination Committee '*Sunday ho yaa Monday, roz khaao ande*' (Be it Sunday or be it Monday, have eggs daily) can be viewed often on television in the prime time slot and is very popular.

Various advertising categories on the basis of geographic locations, purpose, target audience and medium used for advertising have already been discussed. Apart from these categories, there are some primary categories of advertising. Let us now discuss them.

### **Corporate advertising**

Advertising is not only undertaken to increase the profit margins of a company. Many a times, organizations advertise to promote themselves and build a corporate identity for themselves. This type of advertising is known as corporate advertising. Since this type of advertising is undertaken as a part of the institution's public relations activities, it is also called institutional advertising. In this category of advertising, an institution may present its own story or may present its viewpoint on a current national issue or may highlight how it is contributing to a noble cause or even the economic growth of the country. This, in turn, creates goodwill for the institution and leads to brand building of the organization and better acceptability of its products.

Since corporate advertising is seen as a part of the public relations activities, the approach adopted in such advertisements is subtle and indirect. These advertisements, unlike most of the other advertising categories, are directed at multiple target audiences. An organization has everything to gain from its various stakeholders like its employees, investors, consumers, government authorities, shareholders, suppliers etc. Corporate advertising helps in trust building between the organization and the multiple target audience. It also generates goodwill among them and adds value to its products.

Public relations advertising is a part of corporate advertising which essentially promotes the management of the organization and communicates its policies, problems and performances to the public. The data from the annual report of the company can also be cleverly used for the purpose.

### **Public service advertising**

Business houses, NGOs, various government departments, etc., advertise as a part of their social responsibility as well. These advertisements highlight various important social issues and promote social causes. Such advertisements do not aim at making profit and boosting sales. An advertising film like '*Mile Sur Mera Tumhara toh sur bane humara*' which emphasizes on national integration is an apt example of public service advertising. These days, we can see a good number of advertisements spreading awareness about cervical cancer in newspapers, magazines and also in broadcast media. In this type of advertising, it is essential that the message be encoded strictly keeping in mind the target audience. Public service advertising is also known by different names such as social advertising, public awareness advertising and social awareness advertising.

### **Political advertising**

Posters, banners, hand bills, audio CDs, etc., have always been an integral part of our election campaigns. But political advertising (in a more professional way) was introduced in India by the Congress Party, for the 1985 general assembly elections. At the behest of late Sh. Rajiv Gandhi, the Congress Party asked an advertising agency—Rediffusion—to plan their advertising campaign for the 1985 elections.

## **NOTES**

## NOTES

Political advertising (also known as election advertising) is not an easy task. The target audience is varied and large and the time span for the campaign is also limited. Different strategies and appeals have to be used in political advertisements. The political advertisements in a campaign are in different languages, keeping in mind the target groups. Both positive and negative messages may be used in political campaigns.

Ever since Congress initiated this trend of political advertising campaigns being handled by specialized agencies, other political parties have also followed suit. These days, many of the political parties hire the services of various advertising agencies like Madhyam, Clarion, Megacorp to handle their political advertising campaigns.

### Global advertising

Earlier, we had a closed economy. However, things changed with the economy being liberalized. Liberalization of economy gave a boost to advertising industry as well. Global players entered the Indian domain and with the help of effective advertising, they are making good profits.

Global advertising is defined as any paid form of non-personal presentation and promotion of a product/service or an idea by an identified global sponsor, to a global customer. Since the advertisements are for global customers, the advertiser only opts for internationally acclaimed celebrities for brand endorsement. Global advertising thrived in the post-liberalized era and is perceived as a response to global marketing. It enables the advertiser to sell his products/services or ideas at the global level rather than at just the national level. Post-globalization, standardized products are being made available to the customers across the globe. Thus, advertising helps in increasing the visibility of these products at the global level, which in turn helps the advertiser achieve his advertising objectives. Global advertising helps to create and later on retain worldwide corporate image. It also helps in reducing production and creative costs for the advertiser.

The success or failure of an advertisement in other countries depends upon three factors—target audience, market share position and market competition. Whether an advertiser will use the same advertisement/ad campaign in different countries or not, primarily depends upon the audience segment the advertiser is targeting to reach. If the advertised product is culture-bound, then different advertisements of the same product are used in different cultures. However, if the advertiser is targeting a segment which does not attach much importance to culture, then advertiser may opt for a universal campaign. For example, Pepe jeans, targets the same segment of youngsters all over the world. So, they may run a universal advertising campaign to tap the segment.

Global advertising may broadly include three different types of advertisements:

- (i) International advertisements
- (ii) Semi-international advertisements
- (iii) Provincial advertisements

When the advertiser uses a universal advertising campaign to target customers all over the world, then such advertisements are known as international advertisements. For example—Brand, like Coke and Pepsi aim their products towards the younger generation, all over the world. However, many a times partial

adaptation of the universal campaign is required. Such advertisements in which a foreign product is shown in one's own environment with partial adaptation of the universal campaigns are termed as semi-international advertisements. In such advertisements, the theme may be the same but the copy is adapted to suit the local market. Advertisements of an international brand of soap—Camay—is an example of semi-international advertisement. In some advertisements, there is complete adaptation of the theme of the universal campaign. It is done as the target audience changes from country to country. A particular appeal in an advertisement may be well received in a European country, but may have to be changed when the same product is advertised in India. So, in order to suit the target audience in a specific geographical area, the advertiser may have to fully adapt to the local market. This is termed as provincial category of advertisements.

#### Advantages of Global Advertising

- It helps in cutting production costs. This, in turn, can help in financing more number of advertisements.
- Harmonized and globalised messages give better clarity to the prospective customers and thus facilitate decision-making for them.
- Common factors in the customers at the global level helps in efficient global marketing plan and deciding effective advertising strategies at the global level.
- It gives global visibility to companies and their products, services and ideas.
- It helps the organizations to keep up their corporate images at the international level.

One major disadvantage of global advertising is that different markets have different marketing environment. So, most of the times, different advertising strategies are required to reach out to the target audience in different countries.

#### Adaptation of international campaign of Camay soap

Visual in campaign	Country
(i) A beautiful woman bathing in bathroom	Universal Campaign
(ii) A man was also in the bathroom	Venezuela
(iii) Only a man's hand could be seen In the ad	Italy and France
(iv) A man shown was waiting outside The bathroom	Japan
(v) Man sees the woman much after The woman was dressed	India

(Source: *The Times of India*, Feb 4, 1996)

#### CHECK YOUR PROGRESS

18. What is consumer advertising?
19. Differentiate between goods advertising and non-goods advertising:
20. What is public service advertising?
21. How is industrial advertising different from trade advertising?

#### NOTES

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## 1.8 BENEFITS, EXPECTATIONS AND USES OF ADVERTISING

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### NOTES

As already discussed, advertising caters to two different players – advertiser or sponsor and consumer. The uses of advertising for both the players are varied.

#### 1.8.1 Benefits of Advertising

##### Benefits of advertising for advertiser/sponsor

- Advertising provides a link between the advertiser/manufacturer and the consumer.
- It enables the advertiser to reach its target group in an effective manner.
- Advertising facilitates the flow of relevant information pertaining to the advertiser's product/service/idea to the consumer.
- It promotes new ideas and products.
- Advertising enables efficient dissemination of relevant information of a product such as its unique features, size, colour, price and models available in the market.
- It expands the product market and thus increases the profit.
- Advertising provides brand visibility.
- It helps in restoring and reinforcing brand loyalty.

##### Benefits of advertising for consumer

- Advertising acts as a guide to consumers. It disseminates relevant information about a product. The information pertains to the advertised product or services, its benefits for the consumer, its availability as well as price.
- It creates consumer awareness regarding socially relevant issues such as female foeticide, consumer rights, energy conservation etc.
- It also creates awareness among the masses regarding the latest policies announced by the government.
- It also educates the consumer about his rights.
- Advertising saves time of the consumer by creating brand awareness.
- Thus, advertising contributes to consumer welfare. It informs the consumer what to buy, what to expect from the product, how to buy, why to buy and also where to buy.

#### 1.8.2 Advertiser and Consumer Expectations from Advertising

By now, we understand that advertising, if used properly and with adequate planning, can help a good deal in promoting products, services and ideas. Advertising can prove to be an effective tool in introducing new products, services and ideas and increasing their adaptability amongst the target audience. Effective use of advertising can also help in increasing sales, turning non-users into users, brand switching and retaining the existing customers. Corporate advertisements may also help in image building of the corporate houses. Advertising has both, business and communication roles which means that it presents a product/service/idea and also promotes it.

## NOTES

Depending on the advertising objectives, an advertiser may have different expectations from advertising. However, generally speaking, advertising helps in increasing the primary demand when used for a particular product category rather than a particular brand, for example—advertisements of products like eggs and milk as also advertisements of diamond and platinum jewellery. Such advertisements may not highlight any one particular brand, but they help in increasing the rate of usage of a particular product. They help in increasing the sales and the usage rate by offering a variety of uses of the product and reducing the time span between purchases. For example—advertisements of Amul butter dishing out various recipes where Amul butter can be used; advertisements of anti-dandruff shampoo advising the target audience to use the product at least twice a week. Expectations of advertiser from advertising may also include product identification, i.e. helping the consumers differentiate a product from others. This is achieved by communicating information pertaining to the product, highlighting its USP and location of availability of the product. It also aims at building brand preferences and brand loyalty.

On the other hand, consumers also have certain expectations from advertising. These expectations are primarily informational in nature. Consumers expect that an advertisement should give all relevant information regarding the advertised product so that it eventually helps them in decision-making. Advertisements may inform the prospects about the features, quality and performance of the advertised product. Consumers expect advertisements to give them true and unambiguous information. Advertisements also must provide all relevant information regarding special offers, taste and nutrition (if applicable) and special benefits, guarantees or warranties being offered on the product.

### 1.8.3 Uses of Advertising

- **Promotion of products or organizations:** Advertising helps in promoting products, ideas, services, images or organizations. Institutional advertising promotes institutions, ideas, images and even political ideas while product advertising is used to promote goods and services.

An apt example of institutional advertising could be a liquor company advertising 'responsible drinking' for giving a boost to the image of the company.

- **Stimulating primary and selective demand:** Advertising is helpful in stimulating primary and selective demand for a product or service. Advertising informs people about a product or a service being offered by the advertiser at the initial stage (also called the introduction stage of a product life cycle) and introduces product needs to stimulate primary demand for the product or for availing the advertised service. At this stage, the brand name does not hold much importance.

On the other hand, for stimulating selective demand, advertisers make use of competitive advertising, brand uses and focus on their USPs. USPs or unique selling propositions are the features which are unique to the advertised brand and not available in others. It could be a physical feature or a functional feature.

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- **Making salespersons more effective:** Advertising is also beneficial in pre-selling a product or a service to buyers by informing them of its uses and features. It encourages the prospective buyers to contact dealers etc.
- **Reminding and reinforcing customers:** Today's market is highly competitive. New products and services are being introduced in the market every day, thus giving consumers/buys more than ample choices in all categories of products as well as services. Thus, in this highly dynamic market scenario, advertising is very beneficial in reminding the buyers to keep a product or a service or an idea in the forefront of their minds.
- **Reducing Sales fluctuations:** We all understand that increase in sales during slow periods helps increase production efficiency. For example: an advertisement announcing 'happy hours' at a popular restaurant or advertisement offering discount coupons for pizza on weekdays from 11:00 am to 6:00 pm.

### CHECK YOUR PROGRESS

22. State any one benefits of advertising to the sponsor and the consumer.
23. What are the expectations of advertiser and consumer from advertising?
24. List out few uses of advertising.

## 1.9 ADVERTISING AS A MARKETING TOOL

The American Marketing Association defines advertising as 'The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchange that satisfies individual (customer) and organizational objectives.'

Accordingly, organizations aim at creating products that may satisfy the needs and requirements of the customer. This, in turn, requires a set of well coordinated activities. Advertising plays a vital role here by communicating this information about the product to the target audience.

Although there may be different objectives behind marketing a product, the primary marketing objectives include introducing product; encouraging new customers to buy the product; inducing the present customers to make more purchases of the product; obtaining more shelf space; maintaining sales in off-seasons and competing with other brands.

**Marketing mix:** The process of marketing involves three major steps. First, satisfying the wants and needs of customers. Secondly, coordinating all marketing efforts across the organization and thirdly, achieving long-term goals.

There are four major components of marketing—product, price, place and promotion. All these four components are termed as controllable variables as the marketers can control these components. Based on market research

and keeping in mind the customers' needs and expectations, marketers often vary these variables. They may create a mediocre quality product and put a reasonable price tag or they may decide to manufacture high quality product and price it high, depending on the target audience's profile. Marketers may choose personal selling to sales promotion or vice versa. Whichever means seen is most apt for advertising their product. Thus, advertising and marketing are related.

By now, we understand that promotion is an important component of marketing and it helps in achieving marketing objectives. A product can be promoted only with the help of communication. That is why, it is also termed as marketing communication. The process of promotion involves apprising the target audience about the suitability of the product for them in terms of quality, availability and affordability of the product. In order to ensure that the product promotion gives the marketer desired results, it must be carried out in an attractive, appealing, adequate and convincing manner.

For the purposes of promoting a product, there are four tool options available with the marketer. These are – sales promotion; personal selling; public relations and advertising. They are also known as **promotion mix**. Just as in case of marketing mix, marketers exercise control over the promotional tool options. They decide which promotion tool has to be used and to what extent. Earlier, these promotional tools were used separately. However, these days there is a change in the trend. Now, marketers adopt an integrated approach, which means that marketers integrate more than one promotional tool for the purposes of promoting their product. When marketers adopt an integrated approach for promotion, then it is known as integrated marketing communication.

The first promotional tool is **sales promotion**. Sales promotion is a term used for all the activities that are beneficial in promoting sales of a product. These activities could be trade-related or consumer-related. Trade-related sales promotion is a part of push strategy. Under this strategy, the trade chain (which includes wholesalers, dealers, retailers etc) is encouraged to push the product. Just in contrast is the consumer-related sales promotion which is a part of the pull strategy. Here, the focus is on consumers who are encouraged to begin and continue buying a particular brand. It is through advertising that the consumers are apprised of attractive offers etc to increase the sales.

The second promotional tool is **personal selling**. It can be a very effective tool of promotion, but mostly in case of industrial goods. Many in service sector, such as insurance, also make use of personal selling. However, one may not find it feasible for many products, particularly for consumer goods. Personal selling requires a large sales force and is very time consuming. It is practically not possible to reach out to a very large number of prospective consumers.

The third promotional tool is **public relations (PR)**. It is a long term process which helps in creating good will and enhancing the reputation of the organization. It is with the help of public relations that mutually beneficial relations are created and then sustained between the organization and different stakeholders like shareholders, customers, investors, media, employees etc. The positive image of the organization created with the help of public relations in turn helps in achieving the marketing objectives. PR is beneficial in creating and sustaining loyalty.

## NOTES

## NOTES

### CHECK YOUR PROGRESS

25. Define marketing mix.
26. What are the various promotion tools?
27. What is the difference between trade-related or consumer-related sales promotion?

## 1.10 EVOLUTION AND GROWTH OF ADVERTISING

The history of advertising has been dynamic and unpredictable. It is not very simple to put the exact year in which advertising began. None the less, it is safe to say that advertising dates back to the Christian Era. Archaeologists claim to have found signs of outdoor advertising in the remnants of ancient Rome and Pompeii. During that time, non-verbal science and symbol were used to advertise. For example, a picture of a cow was painted on the walls of a house indicating that milk was available there for sale. These pictures and symbols which were painted on the walls of the house in ancient Rome were known as albums. Likewise, the Roman forum used to put up list of debtors which were known as libels. These lists or libels advertised that an individual was in debt. Today, the meaning of libel has changed to a written statement that maliciously defames a person. Initially 'to advertise' meant to take note of. However, by the beginning of 18th century, the meaning changed to 'persuade'.

It is safe to assume that modern advertising began towards the end of the 17th century or sometime in the beginning of the 18th century. As in many other fields, even in advertising, India has both the traditional and new style of advertising working on parallel lines. Oral announcement and personal invitation from sellers to buyers which are an integral part of rural markets (also known as haats) are nothing but the traditional style of advertising. It is not read to find this style of advertising being adopted even in the metropolitan cities of the world where goods are sold on the payment and the road sides.

When printing became rampant in 16th century in Europe (following Johannes Guttenberg's revival of the technique of printing for movable types), the printing as well as availability of books were announced in the periodicals published in Mainz, Amsterdam and in other European cities. These notices were perhaps the earliest forms of advertisement in Europe.

In the 18th century, England boasted the most advance advertising. Handbills and Trade cars advertising various products and services were very common. Advertising was a well established practice in America as well but these advertisements were not half as appealing as were their counterparts in England. The type was so illegible that Benjamin Franklin observed, 'If you should ever have any secrets that you wish to be well kept, get them in the papers'. Towards the end of the 18th century, newspapers in Europe and in the United States of America as well as in India were carrying advertisements. Bengal Gazette, India's first weekly newspaper, started by James Augustus Hicky in the year 1780 carried a subtitle 'Calcutta General Advertiser'. True to its subtitle, Hicky's paper carried only advertisement on the front page. This

practice of publishing only advertisement on the front page continued for over a century in England and in India. Some of the English newspapers in India like The Hindu continued this practice for sometime even after independence.

With the invention of printing press by Johannes Gutenberg, the society moved towards mass communication. The nature of advertising also changed with this development. Advertising could now be mass produced instead of being hand written. This, in turn, encouraged more businesses to advertise. Different types of media such as posters, handbills and classified advertisement in newspapers were adopted by the advertisers. The first printed advertisement published in English newspaper in 1472. During this time, advertisements used to be simple and informative. With the development of the printing technology, newspapers began to emerge in Europe in the early 1600s.

The Industrial Revolution heralded the beginning of the advertising industry in the US. Advertising grew in leaps and bounds during this time due to numerous social, economic and technological developments. Industries/business houses witnessed an unprecedented growth. There was bulk production of high quality products. Also, with a stronger transportation system and technological developments such as telephone, manufacturers felt an urgent need to advertise their products in an efficient and effective manner so as to boost their sales.

By the end of the nineteenth century, advertising became a thriving profession in the US. On the one hand, advertising agencies assumed the role of convincing manufacturers to advertise their products whereas on the other advertisements became more informative and well written. By the beginning of the twentieth century, advertising industry had attained a position where it was recognized as a major marketing force.

The evolution and growth of advertising can be summarized as follows:

#### **The print era**

- 1441 – Johannes Guttenberg creates movable types
- Mid 1400 – Printed Handbills
- 1472 – First advertising in English
- 1600 – Newspapers emerge
- 1622 – First advertising in London's Weekly relations news
- 1655 – First use of the term 'advertising'
- 1704 – US newspaper carries advertisements
- 1841 – Volney plamer becomes first advertising sales agent. (Boston)
- 1850 – Geroge P. Rowell becomes first advertising space wholeseller (Boston)

#### **Industrial revolution**

- 1850 – Branded items appear in stores.
- 1879 – Procter and Gamble introduces Ivory shops.
- 1880 – John Powers pioneers copyright.
- 1864 – J. Walter Thompson forms JWT agency.
- 1890 – Lord & Thomas agency formed.

#### **The age of modern advertising**

- 1905 – John E. Kennedy describes advertising as 'salesmanship in print'.
- 1905 – 1930s - Claude Hopkins developed scientific mail-order copy testing.
- 1912 – 'Truth in advertising' movement begins.

## **NOTES**

**NOTES**

**The age of advertising agencies**

- 1917 – American Association of Advertisement Agencies formed.
- 1918 – Stanley & Helen Resor develops account services and status appeals.
- 1923 – Young & Rubicam agency formed.
- 1930s – Radio advertising surpasses magazines as leading advertising media.
- 1950s – TV becomes an important advertising media.
- 1950s – Rosser Reeves develops USP.

**The Creative Era**

- 1960s – Leo Burnett creates brand icons
- 1960s – David Ogilvy develops research-based image advertising.
- 1960s – Bill Bernbach focuses on the art of persuasion.

**The era of accountability**

- 1980s – 1990s – Mergers, globalization
- 1990s – 2000s – Niche marketing, relationship marketing, growth of interactive technology, mass customization.

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**1.11 HISTORY OF INDIAN ADVERTISING**

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<b>Period</b>	<b>Characteristics</b>
Pre-Independence India	Press Advertisements
1930s	The talkie and radio emerge as media
1940s	War years Famine
1945	Fight for Independence Advertising in India gained significance only after the World War II, with the birth of Association of Advertising Agencies of India (AAAI) in September.
1948	The India Bureau of Circulation (ABC) was started in India. All those organizations improved and encouraged advertising standards and growth of Indian Advertising.
1950	Watershed years for advertising.
1952	The Indian society of Advertisers
1959	On September 15, dawned a new era in the field of Indian mass communication with introduction of TV. Many Indian industries came up. Wood’s survey of rural market. Burmah Shell propagated kerosene by transit advertising on vans Cinema advertising began (2-3 minutes films). Calcutta gets the privilege of having India’s first advertising club (1956) Press Syndicate: leading advertising agency. National created the Murphy baby - still a popular figure.

1960 India's first Advertising Convention (Calcutta -1960)  
1962 The advertising club, Bombay was formed.  
Advertising should be Indian in thought and content.  
(Dr. Keskar in this convention).  
Shift to marketing orientation.  
Professionalization within agencies.  
Asian Advertising Congress at New Delhi.  
Research data generated.  
MRI (Market Rating Indices).  
Shop Audits.  
NRS.  
Creativity was emphasized.  
Photography finds increasing use.  
Social marketing.  
1970s Media boom.  
Special magazines.  
Asian Advertising Congress at New Delhi.  
Life-style studies, Positioning.  
Rural Marketing.  
1980s Indianization though there is still Western execution.  
Public sector advertising.  
Expansion and diversification of agencies. TV as a  
powerful medium,  
starting from Aug. 15, 1982.  
Radio Commercials introduced (82).  
NRS-III by IMRB.  
Colour printing more popular.  
Further changes anticipated:  
    Regional broadcasts.  
    Expansion of radio.  
    Marketing techniques in print medium.  
Formation of Indian Chapter of International  
Advertising Association.  
Formation of ASCI.  
Adoption of a new code.  
History of Indian Advertising has been taken up as a  
project by  
Advertising Club of Bombay.  
Reach I and Reach II.  
Media boom.  
Concept of sponsored programmes on TV.  
1990s NRS-IV (Two surveys, one by ORG and another by  
IMRB - MARG).  
Niche magazines.  
Emphasis on Direct Marketing.  
Satellite TV:  
CNN - First electronic channel to be beamed to India.  
STAR channels  
Zee TV - to compete DD

## NOTES

## NOTES

DD2 or DD Metro - both a terrestrial and satellite channel.

Other satellite channels of DD and Indian and foreign networks.

DD Audience Surveys

Movie channels and pay channels.

FM Radio

Emphasis on Brand Equity

Internationalization of advertising

Training facilities being set up

NRS-V (1995)

IRS Survey (1995)

NRS VI and IRS Survey, 1997

Consumer satisfaction studies and tracking studies.

DD 3 - an elite channel set up.

Prasar Bharati comes into existence

DD and AIR made free from government control (1997)

- The advertising industry in India registered a growth rate of 23.51 per cent for the year 2000-01 according to the 12th A&M Agency report. It is typically four times the economic growth.
- The gross income of the top 100 agencies stands at Rs. 12,753.60 million for 2000-01, as compared to their total Rs. 10,325.81 million in 1999-2000.

### JAP ROSE SOAP

Kirk's Jap Rose soap was apparently one of the premier American brands of personal soap (as opposed to laundry or all-purpose soaps). It was a real luxury—a clear glycerine soap that lathered well (similar to Pears in England), distinct from their 'White Russian' and 'Castille' soaps. I am not sure when the name was first used—perhaps not until about 1900. Early advertisements showed photographs of Japanese women strolling under the cherry blossoms, but later ones moved from the authentic to the 'artistic'. Illustrations featured lovely Japanese women with flowing hair—and often Western features and fantasy-oriental dress, more Chinese than Japanese—or the Jap Rose Kids (below), or both. The emphasis in the advertising was on overall cleanliness, freshness, and smelling nice. In the 1920s advertisements for Jap Rose moved away from the Japanese motifs, for example an advertising featuring Leonardo da Vinci and others showing happy wives with soft skin or lovely young girls identified as Canadian, Scots, etc. I don't know when the name Jap Rose was dropped.

Other soap brands (for example, Fiske's Japanese soap) also exploited the idea of a Japanese culture of personal hygiene, and Pears Soap (a British brand) and Hand Sapolio used Japanese characters or motifs to clarify that they, too, were worthy of being used by the Japanese, as shown in figure 1.9 (a) and (b).

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**Daily Bathing a Joy!**  
with  
**JAP ROSE**  
*The "Bubble Bath" Soap*

**U**NLESS you are using this delightful soap you cannot fully enjoy your daily bath, so necessary to complete health. JAP ROSE is essentially a bath soap—it lathers instantly and freely in *hard* or *soft* water, and rinses quickly, leaving an invigorated "clean all over feeling," with the knowledge of *perfect cleanliness*.

Ideal for shampooing—making the hair fluffy and glossy.

*Sold for 10c the cake by good dealers everywhere.*  
JAMES S. KIRK & CO., CHICAGO



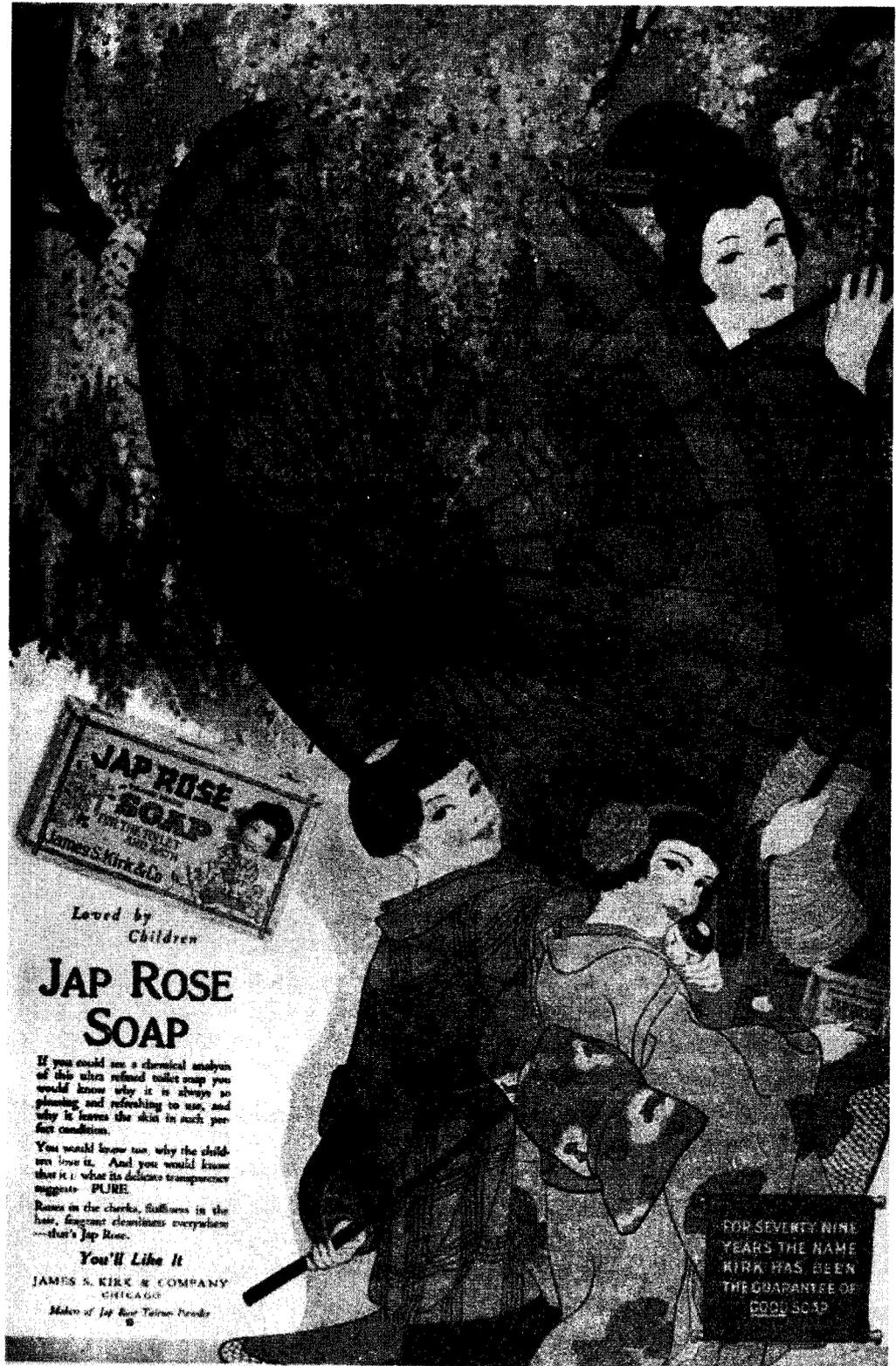
Fig. 1.9 Jap Rose Soap Advertisement (a)

Kirk's Jap Rose Soap 28" x 38" original painting of the kids bathing the doll, owned by and shown by permission of J. K. Curry. Kirk's Jap Rose Soap

Used for various items, including an advertising in the *Saturday Evening Post* 4/11/1914 (click on the picture here to see the advertising) and a round colored Tip Tray.

Kids appear in many Jap Rose advertisements, sometimes with a mother. Horsman was also licensed to produce a pair of dolls in the 1910s.

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Detail from a Jap Rose Soap advertising in the Pictorial Review, March 1919

Fig. 1.9 Jap Rose Soap Advertisement (b)

In this lovely picture parasol, doll and lantern are all included, along with wisteria, butterflies and kimono, to evoke the traditional image of the Japanese. Right after World War I, this was probably a pleasing image of a nation which was an ally, but was seen by some as a potential threat.

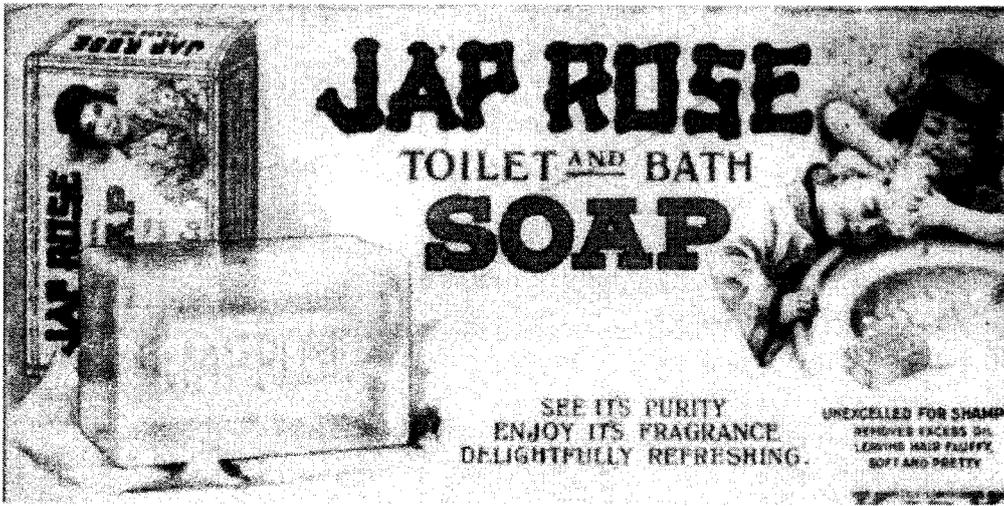


Fig. 1.10 Jap Rose Soap blotter

## NOTES

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### 1.12 SUMMARY

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The unit introduces you to an ever-evolving and ever-intriguing world of advertising and the key players of the advertising world, namely advertiser, advertising agency, media, vendor and target audience. A number of definitions of advertising were discussed. These definitions were given by advertising experts like Albert Lasker, Mason and Roth and Krick Patrick and reputed associations in the field of advertising like American Marketing Association and the Institute of Practitioners in Advertising (IPA). The large number and wide variety of definitions that were discussed only reflected the fact that advertising has become what it is, by borrowing heavily from a wide variety of subjects – psychology, sociology, anthropology, economics, arts, literature, etc. According to one definition that was found appropriate, advertising is an organized method of communicating information about a product or service which a company or an individual intends to sell. It is a paid announcement that is communicated with the help of words, pictures, illustrations, music, etc., in a medium/media found appropriate for reaching the target audience/prospective buyers. Advertising plays a very significant role both in business and society and advertising benefits the advertiser and the consumer. Advertising is always goal oriented. There are three primary functions of advertising – giving information regarding a product or a brand; giving incentives to take action and giving reminders and reinforcements. Different categories of advertising have been discussed on the basis of target audience, geographic area, medium used and purpose for advertising. This unit also discusses the evolution and growth of advertising and the history of advertising in India.

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### 1.13 KEY TERMS

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- **Advertising:** An organized method of communicating information about a product or service which a company or an individual intends to sell.
- **Vendors:** A group of service organizations that are responsible for providing assistance to advertisers, advertising agencies and the media.

## NOTES

- **Advertising agencies:** Organizations that offer specialized services related to advertising, to the advertiser/sponsor,
- **Consumer advertising:** A type of advertising which is directed at consumers and is sponsored by manufacturers, marketers, dealers or retailers.
- **Business advertising:** Advertisements that communicate information about products that are meant for professional use
- **Industrial advertising:** A sub-category of business advertising which deals with advertisements that convey information related to industrial products and services.
- **Trade advertising:** A sub-category of business advertising that aims at attaining higher distribution, both, by expanding the existing chain of outlets and by encouraging the already present outlets to stock more products
- **Non-goods advertising:** A term that is used for advertisements of services, ideas, organizations, places, etc.
- **Primary demand advertising:** The category of advertising that promotes a product category or a particular service sector as a whole, rather than promoting a specific product brand
- **Corporate advertising:** Advertising where organizations advertise to promote themselves and build a corporate identity for themselves
- **Public relations advertising:** A part of corporate advertising which essentially promotes the management of the organization and communicates its policies, problems and performances to the public
- **Global advertising:** Any paid form of non-personal presentation and promotion of a product/service or an idea by an identified global sponsor to a global customer
- **Promotion mix:** A combination of four tools, i.e., sales promotion; personal selling; public relations and advertising
- **Sales promotion:** A term used for all activities that are beneficial in promoting sales of a product.

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### 1.14 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. Advertising is a paid form of non-personal presentation and promotion of idea, goods, or services by an identified sponsor.
2. Salesmanship involves direct face-to-face communication whereas advertising is non-personal and indirect means of communication with the prospects by means of various media.
3. Advertising is both, an art and a science. It provides a link between the producer and the consumer.
4. The key players in the advertising process are:
  - (i) the advertiser
  - (ii) the advertising agency
  - (iii) the media
  - (iv) the vendor
  - (v) the target audience
5. Advertising agencies provide strategic and creative expertise, media knowledge and workforce talent to the advertiser. These agencies also negotiate good deals for their clients.

## NOTES

6. The different media that can be used for advertising are: billboards, walls, web banners, shopping carts, web pop-ups, bus stop benches, logo-jets (ads on the sides of aeroplanes), taxi doors and even airbuses on the seat-back tray tables and overhead storage bins.
7. Product, Price, Place and Promotion are the four Ps of marketing.
8. Advertising is significant in communicating different types of information, keeping in mind the requirements of the market and the target audience.
9. Advertising apprises customers of the latest trends in the market and also informs them about the latest innovations in the products that are available in the market.
10. The following are three objectives of advertising:
  - (i) Catch the attention of the prospective consumers
  - (ii) Promote or persuade prospective consumers
  - (iii) Create awareness about the product
11. DAGMAR stands for Defining Advertising Goals for Measured Advertising Results
12. A good advertisement should meet the objectives of consumers by engaging them and delivering the desired message.
13. Primary functions of an advertisement are:
  - (i) Giving information regarding product and brand
  - (ii) Giving incentives to take action
  - (iii) Giving reminders and reinforcements
14. According to the Starch formula, in order to be effective, an advertisement should be:
  - (i) Seen, read or heard
  - (ii) Believed
  - (iii) Remembered
  - (iv) Acted upon
15. Four other functions of advertising are:
  - (i) Registering the brand name
  - (ii) Reminding the brand name
  - (iii) Reinforcing the brand name
  - (iv) Creating brand differentiation
16. AIDA stands for Attention, Interest, Desire and Action. Conviction was added to AIDA to get a new model AIDCA (Attention, Interest, Desire, Conviction and Action).
17. Eight stages are there in an advertisement.
18. The advertising which is directed towards consumers who buy the products either for their personal use or for their household is known as consumer advertising.
19. Goods advertising is also known as product advertising which can be categorized into two types — consumer products and industrial products. Non-goods advertising includes advertisements of services, ideas, organizations, places, etc.

## NOTES

20. The advertisements which highlight various important social issues and promote social causes fall in the category of public service advertising.
21. Industrial advertising deals with advertisements that convey information related to industrial products and services. Trade advertising aims at attaining higher distribution by both, expanding the existing chain of outlets and encouraging the already present outlets to stock more and more products.
22. (a) Advertising provides a link between the advertiser/manufacturer and the consumer.  
(b) Advertising acts as a guide to consumers. It disseminates relevant information about a product. The information pertains to the advertised product or services, its benefits for the consumer, its availability as well as price.
23. Effective use of advertising can help in increasing sales, turning non-users into users, brand switching and retaining the existing customers. Consumers expect that an advertisement should give all relevant information regarding the advertised product so that it eventually helps them in decision-making.
24. Three uses of advertising are as follows:
  - (i) Promotion of products or organizations
  - (ii) Stimulating primary and selective demand
  - (iii) Making salespersons more effective
25. Marketing mix is a planned mix of the controllable elements of a product's marketing plan, that are commonly termed as 4P's: product, price, place, and promotion. These elements are adjusted until a right combination is found that serves the needs of the product's customers, while generating optimum income.
26. The various promotion tools are:
  - (i) Sales promotion
  - (ii) Personal selling
  - (iii) Public relations
27. Trade-related sales promotion is a part of push strategy. In this strategy, the trade chain is encouraged to push the product. In contrast, the consumer-related sales promotion, is a part of the pull strategy. Here, the focus is on consumers who are encouraged to begin and continue buying a particular brand.

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## 1.15 QUESTIONS AND EXERCISES

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### Short Answer Questions

1. Define advertising.
2. How is advertising different from salesmanship and publicity?
3. Write briefly about the role of advertising agencies in advertising.
4. Define the term 'vendor'.
5. Explain the term 'DAGMAR'.
6. What is Starch Formula?

7. What does AIDA model depict?
8. Define consumer advertising.
9. How is industrial advertising different from trade advertising?
10. What do you mean by global advertising?
11. Differentiate between
  - (a) Commercial advertising and non-commercial advertising
  - (b) Action advertising and awareness advertising
12. What do you understand by the terms 'marketing mix' and 'promotion mix'?

### **Long Answer Questions**

1. Discuss the nature and scope of advertising.
2. Discuss in detail the five key players in advertising.
3. What are the different objectives of advertising?
4. Discuss the role of advertising in business.
5. 'Advertising is a magic wand in the hands of the advertiser that brings about the desired results overnight.' Do you agree? Justify your answer.
6. How can we classify advertising on the basis of the medium used for advertising?
7. Elaborate the uses of advertising.
8. How is advertising beneficial for the consumer?
9. Trace the evolution and growth of advertising in India.

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### **1.16 FURTHER READING**

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- Chunawalla S A, Setia K C. 2003 *Foundations of Advertising—Theory & Practice*. New Delhi: Himalaya Publishing.
- Vilanilam J V, Varghese A K. 2004 *Advertising Basics*. New Delhi: Sage Publications.
- Wells, Burnett, Moriarty. 2006 *Advertising: Principles and Practice*. US: Pearson Education.

### **NOTES**



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# UNIT 2 ADVERTISING: OBJECTIVES, CAMPAIGNS, AGENCY AND BUDGET

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## NOTES

### Structure

- 2.0 Introduction
- 2.1 Unit Objectives
- 2.2 Definitions
  - 2.2.1 Advertising Objectives
  - 2.2.2 Advertising Campaign
  - 2.2.3 Advertising Agency
  - 2.2.4 Advertising Budget
- 2.3 Advertising Objectives
  - 2.3.1 Need for Stating Advertising Objectives
  - 2.3.2 Classification of Advertising Objectives
- 2.4 Advertising Campaigns
  - 2.4.1 Phases of Advertising Campaign
  - 2.4.2 Advertising Plan
  - 2.4.3 Length of Advertising Campaign
  - 2.4.4 Phases of Advertising Campaign
- 2.5 Advertising Agency
  - 2.5.1 Evolution and History of Advertising Agencies
  - 2.5.2 Advertising Agency Compensation
  - 2.5.3 Types of Advertising Agencies
  - 2.5.4 Organizational Structure of Advertising Agencies
- 2.6 Advertising Budget
  - 2.6.1 Setting an Advertising Budget
  - 2.6.2 Methods of Budget Allocation
- 2.7 Case Studies
- 2.8 Summary
- 2.9 Key Terms
- 2.10 Answers to 'Check Your Progress'
- 2.11 Questions and Exercises
- 2.12 Further Reading

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## 2.0 INTRODUCTION

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This unit has been divided into six sections. Each section discusses different aspects of advertising. In this unit, we will first try to map each of the terms like advertising objectives, advertising campaign, advertising agency and advertising budget by defining them. After that we will discuss the various aims and objectives of advertising, the various phases of advertising campaign, the role and structure of advertising agencies in advertising, and the advertising budget. The unit extensively deals with the nuances of effective advertising campaign planning, right from the inception stage to the final stage.

## NOTES

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### 2.1 UNIT OBJECTIVES

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- Define advertising objectives, advertising campaigns, advertising agency and advertising budget,
- Understand the importance of setting advertising objectives,
- Understand the classification of advertising objectives on the basis of two different schools of thought,
- Draw up and execute an advertising campaign,
- Understand the role and functioning of advertising agencies,
- Understand the significance of advertising budget for advertising and the methods of preparing it.

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### 2.2 DEFINITIONS

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Below are given definitions of the important terms used in this unit:

#### 2.2.1 Advertising Objectives

An objective is defined as 'something towards which effort is directed: an aim, a goal'. Advertising objectives are the communication tasks to be accomplished with specific customers that a company is trying to reach during a particular time frame. These specific communication tasks have to be accomplished for a well defined target audience to a given degree in a specified time frame.

#### 2.2.2 Advertising Campaign

Advertising campaign may be defined as the systematic and organized release of a series of ads with the same theme but not necessarily same advertising content over one or more than one advertising media for a certain period of time to influence the prospects to either buy a certain product or service or to feel well disposed towards a brand or an organization.

#### 2.2.3 Advertising Agency

Advertising agency can be defined in a number of ways. Few of the definitions of an advertising agency are as follows:

- An advertising agency can be defined as an independent organization with creative and managerial experts who specialized in the planning and execution of advertising plans, advertisement and other promotional tools and arrange for the selection and purchase of advertising space and time in the various advertising media in order to reach the target audience with relevant message.
- An ad agency is an agency that creates, plans and manages all aspects of a client's advertising. These agencies may specialize in a specific area or they can be a full fledged agency that creates different types of advertising materials such as brochures, catalogues, print ads, commercials for radio and television etc.
- An ad agency is a service business dedicated to creating, planning and handling advertising (and sometimes other forms of promotion) for its

clients. They help in selling the advertiser's products or services. An agency can also handle overall marketing ad branding strategies and sell promotions for its clients.

### 2.2.4 Advertising Budget

According to the *Financial Times* lexicon, advertising budget may be defined as an organization's spending plan for advertising during a particular period of time. According to another definition, advertising budget is the total amount of money that a marketer allocates for advertising over a period of time.

#### CHECK YOUR PROGRESS

1. Define an advertising campaign.
2. What do you mean by advertising objective?
3. What is an advertising agency?
4. Define advertising budget.

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## 2.3 ADVERTISING OBJECTIVES

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Just like in any other field, all advertising campaigns too have well-defined objectives or goals that provide a framework for action. All well-developed campaigns have clear aims and goals. It isn't sufficient for the organization to just say 'promote the product,' it must exactly specify what advertising should do. Advertising objectives must be more specific than personal selling; each ad must be effective for not just one, but thousands of customers.

### 2.3.1 Need for Stating Advertising Objectives

Before one begins planning an advertising campaign, it is very important to set advertising objectives. However, many a times, advertising agencies are unable to set realistic objectives, which in turn results in the lack of clarity and co-ordination among those working for the campaign.

Setting of advertising objectives is important as:

- They help in evaluating the relative success or failure of the campaign. These advertising objectives also form a yardstick for the advertiser for evaluating the actual advertising results.
- All the decisions pertaining to the ad campaign are taken keeping in mind these advertising objectives. Also, all ad campaigns are designed/planned keeping in mind the advertising objectives. Thus, these objectives provide direction to the campaign planners.
- They provide clarity to the professionals handling different parts of the ad campaign and thus facilitate co-ordination among all professionals working on the campaign.
- Advertising objectives provide a framework for action to the advertising agency.

## NOTES

## NOTES

### 2.3.2 Classification of Advertising Objectives

There is disagreement among management experts regarding the nature of advertising objectives. While one school emphasises sales objectives, another lays stress on communication objectives. According to the school which favours sales objectives, no advertisement can be considered effective if it does not help in stimulating sales of the product or service advertised. On the other hand, the school which favours communication objectives argues that as advertising is an instance of persuasive communication, it is legitimate to fix only communication objectives for it instead of sales objectives. They further argue that advertising can create awareness, interest and desire to see the product or service. But, it cannot influence the sale of a product as that depends on many other factors as well, like ability to pay and the feasibility of circumstances for the sale to happen. Bridging the gulf between the two, we may justifiably say that advertising has both the objectives, with communication objectives being direct and sales objectives indirect. The primacy of each of the two objectives will depend on the nature of the entity being advertised. If it is a product or service, then obviously, we expect sales to result from an effective advertising campaign, but if it is an organization, then obviously we are not targeting sales; we are only targeting better image of the organization. So, we may discuss each of the two as the two objectives of advertising:

**Sales objectives:** These objectives are also referred to as direct-action objectives as these are directly related to results and can be easily measured—sales go up, sales lead increase and/or more people try the product for the first time. The advertisers, in this case, are of the view that an organization spends money on an ad campaign to sell its product or service. So, the only meaningful way of measuring the effectiveness of the campaign is by way of studying the sales graph. Ads offering some incentives for buying a product or availing a service have sales objectives.

Since these results are easily measurable, they help the advertiser in evaluating the success or failure of an advertising campaign. These results can be measured in various ways, like analyzing the market share movement and studying the sales turnover before and after the promotional campaign.

However, sales objectives are beneficial only in some cases. One may have to be careful while using sales objectives as sales could be a consequence of a variety of extraneous influences such as strength of the currency. Many a times, due to considerable time lag between actual sales and audience's exposure to ad, the sales impact may not be fully measured. Also, sales objectives are of little help to the creative team working on the ad campaign.

A general objective, like increasing sales, can be quantified in some manner so that the sales objective's scope can be narrowed down. In other words, to increase the sales of one particular model of air conditioner by 5 per cent in the northern marketing zone over the next one year is a much useful objective than to just seek a general increase in sales as it provides a framework for decision making as well for evaluation.

Some popular sales objectives are discussed below:

**Induce trial:** Whenever a new product is launched in the market, the advertiser aims at luring the target segment to try it. The advertising campaign

is developed keeping this objective in mind. Such advertisements offer discount coupons and even assured free gifts with every trial pack. If a person tries the product just once, the objective has been met.

**Intensify usage:** This objective is based on the premise that there is no better prospect than a current customer. This objective holds good for a product that has already been in the market for a while and at this stage does not require getting people to try it. Here, the advertiser aims at increasing the usage/consumption of the product. For example, advertisement of an already established brand of instant noodles may feature some innovative recipes.

**Sustain preference:** The advertiser may aim at ensuring that his product stays high on the preference list of its consumers. Coca-Cola advertises heavily in order to maintain product awareness as well as preference.

**Build line acceptance:** There are many companies like L'Oreal that advertise multifarious products while working to build a total product line. Here, the objective is to build sales for the total line as opposed to sales for a specific item alone. Advertisements for 'LG' feature different products right from air conditioners, refrigerators to television sets, while a 'Big Bazaar' advertisement talks of products right from a cosmetics and footwear to the latest electronic gadgets.

**Generate Sales Leads:** One of the objectives of advertising could be collecting the database of prospective customers by way of making some The objectives of these ads may be centred around obtaining the names of prospective customers by offering free gifts, return coupon, etc.

**Switchback:** An advertiser may plan an advertising campaign with an objective of luring back its former customers and thus may highlight new features or discounts.

**Increase sales:** For most organizations, an advertising objective that calls for an increase in sales is most desirable. However, as already discussed in this unit, such an objective is not always beneficial to the advertiser.

**b. Communication objectives:** These objectives are also referred to as indirect action objectives as these do not get directly reflected in sales. Communication objectives relate to the level of appreciation and interest created by an ad in the prospects' minds in regard to the products/services advertised. Howsoever much may the prospects like the ad and feel interested in the message of the ad, it is not necessary that this interest will always get converted into higher sales as a number of other factors, like price of competing goods and the budgetary priorities of the prospect, too influence a purchase decision. At the same time, we need to realize that when an ad achieves its communication objectives, it creates a favourable attitude towards the advertiser that may be beneficial for the advertiser in the long run. Communication objectives primarily aim at enhancing the reputation of an organization. Such advertisements focus on creating a favourable image or attitude towards a product/service or an idea. The advertiser, by way of an advertising campaign, gives all relevant information to the target group that eventually helps him achieve his objectives. Here, increasing sales is not the only goal in mind. In most cases, no immediate results can be assessed and

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assessment of the success or failure of the advertising campaign is relatively more subjective.

More and still more researches indicate that as a result of the effective achievement of the communication objectives, consumers develop some kind of emotional bonding or relationship with a brand or a product. However, this does not happen overnight. There are a series of stages between the initial stage of brand awareness and the final stage of product purchase. Effective advertising must sell but none the less, it should also aim towards interacting with the consumer at an emotional level.

The advertiser decides the advertising objectives keeping in mind the company's marketing strategy. On the basis of the requirements of the company, the advertiser may decide sales objectives or communication objectives or a mix of both.

Some popular communication objectives that are used either individually or in combination are as follows:

**Confirm image:** A consumer already has a particular image of a product, i.e., he thinks about the product in a particular way. One of the advertising objectives is confirmation of the product image. The way the advertisement is depicted, the media in which it is placed, its illustration and the copy should aim to confirm what the consumer already thinks about the product. For example, an advertisement of a high-end mobile handset, if run in an unpopular media, would serve to confuse the image of the product and would cause cognitive dissonance on the part of the consumer.

**Change habits:** Advertising can prove to be very effective in bringing about changes in the popular thinking. If planned properly, it can introduce and sell new ideas to people. For example, Volkswagen sold the concept of the small car. MasterCard and Visa sold the idea of one-card credit.

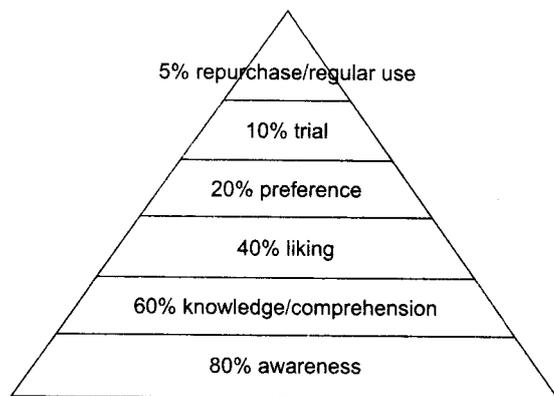
**Brand recognition:** In many business situations, advertising plays an important role in icebreaking. An advertisement may not necessarily always aim at boosting the product sale figures, it may work at ensuring brand recognition. This in turn leads to brand acceptance by the prospective consumers/customers. So, an 'Oriflame' ad helps its representatives to sell, since the customer has heard of the brand and its product line. However, a prospective customer will not pay attention to a brand that is unheard of.

**Build favourable image:** Advertising can do wonders in building favourable image of a company. It can help in creating a positive feeling about the company. Here, the results cannot be easily measured as it is a long-term objective.

**Increase awareness:** Irrespective of its stated objectives, all ads must promote awareness in one form or the other. Ad campaigns may be designed for increasing awareness regarding traffic rules, power conservation, etc.

Advertising objectives can be put in a pyramid form. Towards the base of the pyramid lie the communication objectives, and towards the apex those related to sales. At the base of the pyramid's hierarchy is awareness, higher up is knowledge/comprehension, still higher liking for the product/service advertised and above that preference. Till this level, all are mental responses. Hereafter begins the behavioural responses. Above preference lies trial and

above trial is regular use or repurchase. The pyramid can be graphically presented as below:



As is obvious from the pyramid, the percentage of achievement of objectives dwindles as we move to the apex of the pyramid. In other words, the level of difficulty of achieving the advertising objectives increases as we move away from the base. So, advertising has to be extremely focussed and intense if we wish to achieve the sales objectives or develop brand loyalty.

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### CHECK YOUR PROGRESS

5. What are the two advertising objectives?
6. Name some popular sales objectives.
7. What are the popular communication objectives?

## 2.4 ADVERTISING CAMPAIGNS

In the following sections, we will identify the factors responsible for making advertising campaigns essential for business organizations and delineate the various steps in the planning and execution of an advertising campaign.

### 2.4.1 Need for Launching an Ad campaign

Ad campaigns are extremely expensive. Yet, most business organizations do not hesitate to launch ad campaigns. Why is it so? To unveil the reasons behind the launching of advertising campaigns, we discuss in this section the factors responsible for making ad campaigns essential for business enterprises. These are:

(a) Behavioural changes don't happen overnight

Human behaviour tends to be caught up in the grooves of habits and attitudes. As behavioural psychologists observe, habits are formed by virtue of the performance of certain actions repetitively. Once habits are formed, they become a part of an individual's personality. Their integration into the human personality is so strong that at times, an individual may not even recognize them to be in him/her. Similarly, attitudes are formed as a result of the social conditioning an individual

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undergoes as a part of his/her growing up. So, attitudes too become a part of an individual's personality and may at times be completely unknown to the individual possessing them. Any change in the habits and attitudes of a person calls for their objectification and rationalization. But, as these are ingrained in human personality, it is very difficult to make an individual to objectify a habit or attitude to rationalize whether it needs to be changed or not.

So, to bring about a change in human behaviour, advertisers resort to a counter strategy of making the targeted human behaviour as a far more desirable activity than the one a person may have. In order that this may find favour with the prospect, the advertiser has to repeatedly stimulate and refresh the individual's memory about the desirableness of the targeted activity.

(b) New products take time to be accepted

Communication experts opine that there are four stages in the adoption of any new idea or product or service. These are:

1. Awareness,
2. Interest,
3. Desire, and
4. Action.

To this we could add resistance. Any new encounter with an idea, product or service often begins with resistance. Human beings fear the new as children fear the dark. The new is mysterious and unknown as the darkness is for a child. So, when an individual comes across a new idea, his/her first response is refusal to even expose himself/herself to the message. But, as the idea/message keeps appearing again and again to him/her, he/she feels more comfortable with it than earlier. So, he/she allows himself/herself to be exposed to it. Once, the prospect exposes himself/herself to the ad message, he/she becomes aware of a new idea or product or service. But, that again is not sufficient from the advertiser's point of view as he/she seeks a change in the prospect's behaviour. To develop the prospect's interest in the ad message, there has to be repeated, multimedia delivery of the ad message.

As cognitive psychologists tell us, the process of knowing is the journey from cognition to recognition. In other words, knowing happens only when an individual recognizes a message. This calls for the repetition of a message, which the advertiser does in an ad campaign. Once a prospect recognizes an ad message, he/she feels interested in it. This interest kindles a desire in him/her to act to see the product or service being talked of in the ad. Obviously, the process of adoption of a new idea or a product is a long-drawn one, which is sustained by repeated deliveries of the ad message.

(c) Product innovations/improvisations need to be reported to the consumers

As companies keep upgrading their products and at times launching existing products in an altogether new format/design, the company needs to send across this message to the prospects. Sharing of information is essential for eliciting the desired response from the prospects. Repeated delivery of the ad message through an ad campaign is essential to not only get noticed by the prospects but also to convince the prospects

about the changes/improvisations and product innovations introduced by the company.

(d) To outsmart competition

In modern times, when the economy has been liberalized and each business house strives to get a lion's share of the market, advertising has become an important tool of product promotion. With each business enterprise advertising its products and/or services, the marketplace is flooded with promotional messages. To get noticed in this mayhem of advertising noises, it is essential for a business enterprise wishing to get noticed to raise its pitch above the others through a sustained ad campaign.

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### 2.4.2 Basis of Advertising Campaign

An advertising campaign can be run on any of the following bases:

1. *Geographical*: A campaign can be run based on the geographical area where it will be viewed. It may be for a local market, or one entire region but this depends on the target audience. Small-budget companies and test marketing are mostly avoided in national campaigns.
2. *Media*: A media campaign may be run on the basis of the media or media mix selected. Different media categories suit different media objectives. Most media options can be classified into three broad categories: mass media, direct response media, and point-of-purchase media. A media planner's choice will depend on the media objectives. If the media planner wants to create broad awareness or remind the largest possible number of consumers about a brand, then he/she will pick *mass media* such as television, radio, newspaper and magazine. If the media planner wants to build a relationship with a customer or encourage an immediate sales response, then *direct response media* such as direct mail, the Internet and mobile phone are good choices.

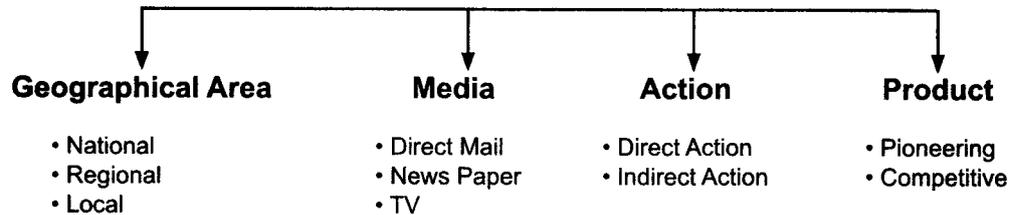
The role of media planners has expanded. First, media planners have moved from focusing only on traditional media to integrating traditional media and new media. New media—cable and satellite television, satellite radio, business-to-business e-media, consumer Internet, movie screen advertising, etc. Also, media planners are making more use of product placements now, in lieu of advertising insertions. Advertising insertions, like print ads or television commercials, are made separately from the content and are inserted into it. The ads are distinct from the articles or TV programs, not a part of them.

3. *Action*: An ad campaign can also be run on the basis of action expected. In the case of direct action campaign, the product is advertised directly to the buyer, e.g., Tupperware came with a direct-response campaign that combines personal selling in party format and toll-free numbers and catalogues. In contrast, indirect action campaigns focus on prospects who could possibly buy the product.
4. *Product*: An ad campaign may be of a pioneering product or of a competitive product. In pioneering advertising, the manufacturer is breaking new ground, presenting the public with something they didn't know they needed. By emphasizing the product benefits, the company

can create a desire for the new product. In the case of competitive product advertising, the product is already known. So, the focus is on highlighting the uniqueness of the brand that the organization is marketing.

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### Basis of Campaign



#### 2.4.3 Length of Advertising Campaign

The length of an advertising campaign depends upon following factors:

1. *Product* offered: Some products require customers to be exposed to just a little bit of information in order to build customer interest. For example, the features and benefits of a new snack food can be explained in a short period of time using television or radio commercials. However, complicated products need to present more information for customers to fully understand the product. Consequently, advertisers of these products will seek media formats that allot more time to deliver the message.
2. *Nature* of media/programme: Each media has its own shelf life. Print media publications like newspapers have the shelf life of a day. No sooner is the day gone, the new newspaper arrives, and with it a new bouquet of ads. Magazines, in contrast, have a longer shelf life as these don't come out on shorter intervals like newspapers do. So, magazines and other periodic publications provide opportunities for longer exposure times. In sharp contrast with all print publications, exposure on television and radio is extremely short as it is generally limited to the time the ad is broadcast. So, the length of the campaign in the case of the electronic media will have to be longer than print.
3. *Seasons*: The length of the ad campaign can depend on the season during which a product has peak sales. Like car sales in India tend to peak during *Navratras*, while the sale of woollen hosiery peaks during winter. So, to keep up the momentum of sales, it is necessary for a marketer to advertise during the periodicity of the peak seasons.
4. *Competitors Advertising*: Many a time, basis of campaign's length depends on the competitors also. We have to increase the time span for a particular campaign just to compete with our competitors in that field. For example, Pepsi and Coke always come up with some or the other campaign but they continue running it till either of them stops or comes with a new campaign.

## 2.4.4 Phases of Advertising Campaign

The advertising campaign has three distinct phases. These are:

1. Strategy Development Phase,
2. Strategy Execution Phase and
3. Strategy Assessment and Evaluation Phase.

### 1. Strategy Development Phase

This is the most important stage in the launch of an advertising campaign. Unless the client is clear about the objectives of launching the campaign, neither can the gains of the campaign be assessed and evaluated nor the campaign be given a focus. The strategy development phase has the following stages:

(a) Enunciation of marketing objectives

On the basis of the research data collected and analyzed by the marketing department, the organization needs to spell out its marketing objectives. The marketing objectives should be specific and measurable. Based on these objectives, the marketing team decides not only the advertising objectives but also the objectives in regard to the other constituents of the marketing mix such as product, price, place, people, process, physical evidence and the other three components of publicity: public relations, personal selling and sales promotion. It is important to mention here that advertising is the fourth component of promotion.

(b) Stating of advertising objectives

Advertising objectives are primarily communication objectives as advertising is a form of persuasive communication. To set the benchmarks for any communication activity is extremely difficult as communication is highly qualitative. That is why some management experts have argued in favour of setting sales objectives as the benchmarks for effective advertising. This may hold true for sales-based advertisements, but what of communication-based ads, where the organization seeks to only enhance image? In such cases, the communication objectives cannot be ignored. As advertising is a part of the promotional strategies, which in turn are a part of the marketing mix, the advertising objectives must be enunciated within the matrix of the marketing objectives.

(c) Budgeting of advertising expenditure

The budget of any organization reflects both revenue and capital expenditure. Revenue expenditure relates to expenses which do not add any asset but are essential for doing business. Capital expenditure is related to expenses that add value by way of increasing the assets of the enterprise. Advertising expenditure has characteristics of both as it not only helps an organization to do business, i.e. to boost sales, but also helps to create brand equity, an intangible asset. So, while budgeting advertising expenditure, organizations need to see it not only as revenue expenditure but also as capital expenditure. This will allow the organization to think in terms of higher ad budgets, or else the ad budget will be restricted by the current year's overall budgetary

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constraints. The advertising budget is fixed keeping in mind the following five factors:

(i) *Stage in the product life cycle*

New products need to have higher advertising budgetary provision as the ads in this case have to convince the consumer to accept and adopt a new product, which amounts to asking them to change their behaviour. As already mentioned, changing behaviour is a herculean task. So, in the case of a new product, the ad spend has to be high.

(ii) *Market share and consumer base*

In the case of products with a large market share, the advertising budget is leaner. In contrast, products with a small market share call for greater advertising expenditure.

(iii) *Competition and clutter*

The advertising budget will have to be higher in the case of a product with stiff competition. With a number of competitors seeking the attention of the prospects through a maze of advertisements, an advertiser has to advertise heavily to be noticed by the customers.

(iv) *Advertising frequency*

The advertising budget will also depend on the number of repetitions of advertisements. Greater frequency of advertising will result in greater expenditure.

(v) *Product substitutability*

Heavy advertising is needed for products which can be easily substituted. This includes most fast-moving consumer goods such as soft drinks, snacks and even cigarettes.

(d) *Deciding media and creative strategy*

Media and creative strategy are essential components of the advertising strategy. The two are also inextricably connected. The creation of advertisement depends on the kinds of media chosen for its release. Most often, the promotion manager first decides the media he/she is going to use and based on that decision, the ad is designed.

Media strategy is drawn keeping in mind the nature of the audience and the advertising budget. The target audience could be children, women, the aged, farmers, the youth, the urban rich, the rural rich and a host of other such categories. Depending on the research inputs in regard to their media habits and preferences, the promotion manager has to choose the media best suited to the audience group being targeted. The other important criterion is that of the budget. Even if television is the most suitable media for reaching a target group, it may not be feasible to go for it as the budget does not permit. Apart from these factors, one other factor that weighs heavy in the mind of the promotion manager while selecting a media is the degree of control that the organization wants on the scheduling of the advertisement. In the case of the mass media, the control is entirely in the hands of the media organization, while in the case of direct marketing or OOH, the control is completely in the hands of the advertiser. Apart from the factors discussed above, please refer to Unit 3 for more details on this.

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Once a media or a media mix has been selected for the campaign, the next step is to plan the creative strategy in regard to each of the media selected. Creative strategy concerns what message to deliver to the target audience and in what form the message can be communicated effectively. It involves thinking up the central theme of the campaign, keeping in mind the manner in which the advertiser wants to position the product in the market. For instance, 'Yeh Dil Maange More', the punch line of the Pepsi campaign evoked the central theme of a life full of bohemian fulfilment. The creative strategy is based on seeking answers to questions such as these:

- (a) What objectives do we want to accomplish?
- (b) Who are our target audience?
- (c) What are the preferences and tastes of the target group?
- (d) What is the expected behavioural change?
- (e) What key idea or tune do we want to plant in the minds of the target group? and
- (f) What will be the common elements of the different ads to be released as a part of the ad campaign?

From the preceding discussion, we see that the strategy-development phase deals with deciding the objectives and contents of communication, the budgetary allocation and the media strategy. Analysis of research data and positioning of brand is done in this phase. All the work related to strategy making is done in a team of people who are related to all the different departments of campaign planning. All kinds of inputs are taken in this session, which helps in creating and improvising the strategy. After all the sessions and group discussions, few ideas are taken that are based on all the requirements of the product campaigning. In many discussions, the ideas are based on strategy and creativity, but sometimes the idea is either strategic or creative. Strategy development is the most important phase; if the strategy is wrong, no amount of creativity will help. If the strategy is right, despite the poor creative work, we can sell as the strategy is correctly made.

## 2. Strategy Execution Phase

Once the advertising campaign strategy has been put in place, the next phase of advertising campaign is to implement it.

### (a) Media buying phase

This stage involves booking air time and print space as the media schedules are beyond the control of the advertisers. One needs to do this pretty early as there is always a scramble for prime time on radio and television and prized ad space in print publications. The rates need to be negotiated so that the budget is not overshot. Most of the times, this work is done by the advertising agency hired by the organization. Most media organizations give discounts on the card rates. The business organization needs to negotiate with the agency the best competitive rates. Bulk purchase of space and air time can give an added advantage in negotiating the rates.

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### (b) Briefing phase

Once the media space and air time have been booked, the advertising agency needs to be given the creative brief. In other words, the agency needs to be apprised about the advertising objectives, the proposed central theme and the inputs in regard to the organization and the product or the service to be advertised. The advertising agency also needs to be informed about the target audience so that the creative brief is complete.

The marketing department of the advertising agency gives the creative brief to its creative department about the strategy formulated for the campaign so that the creative people may start working on the campaign. It is important for the agency to make them understand all the minute things in the plan that has been made by them. Good brief will lead to good advertisement as all the details will be cleared to them and it will be easy for them to understand the product and the plan related to it. Within the creative team, the copywriter and the visualiser work together and it is a difficult to attribute the final product to either of them. It is very important to question the brief so that there are no cobwebs of misunderstanding in any one's mind about the kind of advertisements the client expects. Very often a brief is a set of clichés. As far as possible, the brief should be specific and clear. The success or failure of the creative department in translating the expectation of the client into a tangible ad depends on this brief.

### (c) Creative phase

In the creative phase, a creative team comprising the copywriter and visualizer work together. Together, they take the creative brief from the stage of a logical idea to an imaginative pictorial representation with creative interspersing of the text. The time and the space that they have are limited. But, within the limited resources of time and/or space, they have to communicate the marketer's idea with force to the target audience. This calls for effective use of pictures and texts, without making the ad too abstract or too profound that it should elude the comprehension of the average viewer. This means the creative people who work on the ad have to be highly motivated, involved and skilled in their work. Not surprisingly, the creative people are highly paid in an advertising agency. As, creativity flourishes in the cool ambience of freedom, they are left free from all fetters and controls in regard to their work schedules.

### (d) Pre-testing phase

The test of a good ad lies in its acceptability to the target public. Before an ad may be run in the media, it is essential to test the public response to it. This is done through pre-testing. In it, the proposed ad is shown to a select group of people to study its impact on them. Based on the response received from them, the creative department decides whether the ad is worthy of being finally released in the media or not. If there are any suggestions, these are incorporated in the ad and the final copy is developed. Pre-testing prevents flopping of ads upon release in the media as well as the sinking of money spent on buying media space.

(e) Release phase

Once the ad or the commercial has been approved by the client, it is ready for release. The ad is released based on the media schedule already firmed up. The advertising agency has to ensure that the schedule is followed and the ads appear on the designated dates on scheduled time or in the specified print space and pass on the information to the client about it.

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**3. Strategy Assessment and Evaluation Phase**

After the ad campaign has been run, it is essential to assess the gains of the campaign. As far as the gains with regard to the sales objectives are concerned, these are immediately visible. Experience shows that the sales shoot up when the ad campaign is launched. As far as the communication objectives are concerned, for that one needs to carry out a market survey. The results of the survey show the reach and the frequency of the ad among the target group, apart from the attitudinal changes brought about in the respondents. Based on the responses received, the ad campaign is modified for the future by the promotion manager.

**CHECK YOUR PROGRESS**

8. What are the four stages in the adoption of any new idea or product or service?
9. On what basis can one run an advertising campaign?
10. On what factors do the length of an advertising campaign depends?
11. What are the different phases of an advertising campaign?
12. Mention the five factors one keeps in mind while fixing an advertising budget.

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**2.5 ADVERTISING AGENCY**

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While discussing the phases of advertising campaign, we spoke of the role of advertising agencies in it. What are these advertising agencies? What is their structure and how do they operate? Advertising agencies are specialized organizations that are hired by the advertiser to design, plan and prepare advertisements or advertising campaigns right from the scratch to the end. These agencies are basically intermediaries that offer specialized knowledge, skill and experience that is much required for producing an effective advertising campaign. The impressive achievements of the advertising world reflect the achievements of today's advertising agencies. They help the advertisers in planning and producing ads and full-fledged advertising campaign and placing them in appropriate media. These agencies have professional writers, graphic designers, artists, media exporters, researchers, producers, etc., who work together as a team to fulfill the advertiser's expectations from an ad campaign and not only develop but also implement suitable advertising strategies for the advertisers. Some agencies also hire

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freelancers for copy writing and graphic designing. In fact, it would not be incorrect to say that ad agencies represent the core of the advertising profession. Most of the advertisements that we are exposed to these days are actually the brain child of these advertising agencies. Advertisers, i.e. the firms or individuals who wish to communicate about their product, services or ideas, hire the services of advertising agencies to manage their advertising right from planning to execution. Most agencies are independent companies that handle many types of clients and their different advertising needs. However, it is not rare to find agencies that serve their one and only client, which is the company that owns them. Such agencies are known as in-house ad agencies.

### **2.5.1 Evolution and History of Advertising Agencies**

The concept of ad agencies originated and developed in the USA. Volney B. Palmer was the man behind the first ad agency that was established in Philadelphia in 1850. Palmer was a space broker in a newspaper and did not offer the services like preparing the copy or designing an ad that are an integral part of any modern ad agency being performed by a modern ad agency today. He simply sold space in the newspaper on a commission basis. Soon, many agencies cropped up.

The first big change in the functioning of ad agencies came to the fore in the 1850s when an ad agent by the name George P. Rowell introduced a new concept—a concept of space-whole-selling. Rowell used to buy large blocks of space at a reasonable price from newspapers and would sell smaller blocks to advertisers at a considerably higher price.

It was in the year 1864 that an agent by the name William James Carlton started selling advertising space in religious magazines. James Walter Thompson who joined Carlton in 1868 purchased the firm in 1877 and renamed it 'James Walter Thompson Company'. This firm is considered the oldest advertising agency of America. Thompson had a great business sense. It did not take him long to understand that he could make better profits if he offered his clients the service of content development. Thompson hired copywriters and artists for creating advertisements and is believed to have set up the first creative department in an ad agency. In recognition of his contribution to the growth and development of advertising agencies in America, Thompson is credited as the 'Father of Modern Magazine Advertising' in the USA.

Gradually by the beginning of this century, ad agencies redefined their role, from space selling to preparing and delivering advertisements. Ad agencies started offering specialized services such as copywriting, designing, to its clients. These agencies hired professionals for all the specialized services and had separate departments to handle them. Lord and Thomas was probably the first advertising agency in the United States of America to offer high-quality creative work. Over the decades, not only other ad agencies followed suit but also the specialized services being offered by them registered a sharp rise. These agencies had full fledged departments to handle specialized jobs like copywriting, art work, layout design, selection of appropriate medium/media, budgeting, etc. Today's modern ad agencies have ventured into media research and media planning as well. Now, the advertiser can avail any or all the specialized services by paying extra fee for them.

Since those days, ad agencies have grown in leaps and bounds not only in size but also in influence. These agencies have been creating very appealing and effective advertisements, keeping in mind the expectations of the advertisers and their advertising objectives. These ads are created using different appeals, taking into account the human psychology as well as the requirements and wants of the target audience. The modern day's ad agencies offer varied services and deploy teams of experts who handle all the specialized jobs.

Today, we have over 5000 ad agencies worldwide and more than 2000 in India only. These agencies are doing a good business and thus, one may find that these agencies are mushrooming the world over. The growth of ad agencies has seen many twists before it acquired the position and image that it enjoys today. With takeovers, mergers, strategic tie-ups occurring every day, it would not be incorrect to state that today these agencies are in a re-engineering phase. Today's agency is trans-national in nature with its presence in more than one country. These agencies provide integrated services. In other words, they handle not only advertising for their clients but also public relations, direct marketing, brand designing, road shows and many more promotional activities.

Over the years, advertising has become a highly complex business. Apart from other things, it requires huge investments in terms of time, money and resources. The advertiser has a lot at stake. Ad agencies help advertiser to meet his/her advertising objectives as it offers the services of professionals with the required insight and expertise. These professionals include designers, artists, copywriters, visualizers, researchers, photographers, planners, etc. What these professionals bring together with them is expertise and in many cases their experience. This, in turn, helps in delivering efficiently and that too at a good pace than the advertiser could have handled himself.

An organization/advertiser may want to hire these professionals to work directly for him. But this means a lot of money as most experts from the field of advertising are not very affordable. Also, it is not a cakewalk to hire, organize, manage and co-ordinate with all of them for achieving their advertising objectives. On the other hand, hiring an ad agency can make things much easier and cost effective for the advertiser. Another advantage of hiring ad agencies is their professionalism and objective approach. Ad agencies offer objective and detached viewpoints and suggestions that can be beneficial for the advertiser. Before an advertiser decides to hire the services of a particular advertising agency, he does a lot of ground work to verify the credentials of the ad agency and to find out its suitability for achieving his advertising objectives. The advertiser may check the following:

- Quality in terms of their experience and qualifications of professionals hired by the agency.
- Competence of the agency to efficiently handle new accounts.
- Experience in handling similar accounts.
- Reputation of the ad agency.

Just as in any other industry, there is a stiff competition amongst the modern advertising agencies as well. Thus, these days the modern ad agencies offer many additional services also. Some of these additional services are:

- Public Relations
- Media Relations

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- Election Campaign Management
- Direct Marketing
- Exhibitions
- Road Shows
- Event Management
- On-Line Advertising (Internet Advertising)
- Brand Nomenclature and Brand Designing
- Market Research
- Product Packaging
- Sales Promotion
- Training of Sales Force

### 2.5.2 Advertising Agency Compensation

Since the size and organizational structure of advertising agencies varies, even the sources from which these agencies derive compensation vary. In fact, ad agencies derive compensation from three different sources. Firstly, these agencies derive their compensation from the media on the rate charged for space or time in media. Usually, the agencies get around 15 per cent as media commission. Secondly, the agencies also derive compensation from the fee they charge for providing commissionable services such as market survey. Thirdly, these ad agencies also take percentage charges on materials and services used in planning and designing of advertisements. The usual trend is that ad agencies charge their clients the cost of buying the media space and an additional 17.65 per cent.

### 2.5.3 Types of Advertising Agencies

Advertising agencies are of different types. Some are one-man shows and others are highly elaborate organizations with interests in many domains and many countries. There are small-, medium- and large-sized independent ad agencies. These days, there are multi-national ad agencies as well. These multinational agencies have their presence in many countries.

Broadly speaking, ad agencies can be categorized into:

- a. In-House Ad Agencies
- b. Full-Service Ad Agencies
- c. Limited-Service Ad Agencies
- d. Specialist Ad Agencies
- e. Interactive and Search Ad Agencies

**a. In-house ad agencies:** An in-house ad agency is a full-fledged ad agency that functions as a unit of the advertiser's organization. It is owned by the advertiser and handles all the advertising-related requirements of the advertiser. These advertisers believe that it is a more profitable proposition to have an advertising agency of their own. Although such agencies generally work for only the parent organization, in some cases they also handle outside assignments. For example, Mudra is the ad agency of the Reliance group. However, it handles outside assignments as well.

**b. Full-service ad agencies:** These ad agencies offer all kinds of services. They are equipped to serve their clients in all aspects of communication and promotion and ensure that there is no reason for the client to use any other

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service agency. They take assignments from the initial stage to the final stage. Such agencies offer total service in both advertising and non-advertising areas. Full-service ad agencies have professionals who handle all kinds of jobs such as market research, copywriting, ad designing, media planning, media selection and buying of space and time. Such agencies also handle different types of promotional activities, like road shows, direct marketing, public relations and product designing.

Although all full-service agencies offer wide range of services, they are not all alike. They vary in size and focus. These agencies may also have distinct areas of specialization. Thus, even the type of client they serve may differ. Therefore, the advertiser must choose a full-service advertising agency keeping in mind the agency's area of expertise that best serves their advertising objectives.

**c. Limited-service ad agencies:** Another option that is available to an advertiser is to hire the services of a limited-service ad agency. Such agencies offer only limited types of services to its clients, i.e. the advertiser. Such services may include copywriting, designing, etc. These agencies are also known as 'creative boutiques'.

**d. Specialist ad agencies:** Another category of ad agencies are specialist ad agencies which specialize in specific areas such as financial advertising, recruitment advertising, medical advertising, classified advertising, industrial advertising, financial advertising and investment advertising.

**e. Interactive and search engine ad agencies:** A new sub-category of specialist ad agencies that has emerged is **interactive ad agencies and search engine agencies**. Interactive agencies specialize in web designing, web development, internet advertising and marketing and search engine marketing, etc. They are an outcome of the rapidly increasing popularity of web-based social networking and community sites. These agencies rose to prominence before the traditional advertising agencies fully embraced the Internet. They provide specialized advertising and marketing services for the digital space to its clients. Digital space is any multimedia-enabled electronic channel on which an advertiser's message can be seen or heard. It includes the Internet, kiosks, CD-ROMs, DVDs and lifestyle devices such as iPod, PSP and mobile. Search engine agencies are the latest addition to different types of agencies and include pay per click (PPC) and search engine optimization (SEO) firms that create both text and image ads and offer media purchases.

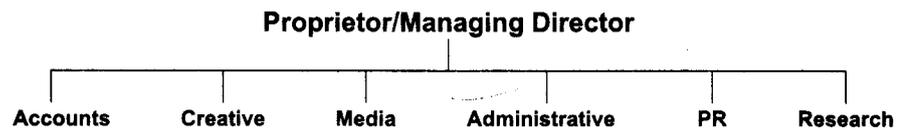
### 2.5.4 Organizational Structure of Ad Agencies

Ad agencies vary in size and the type of services they offer. As already discussed in the chapter, there are small, medium and large-sized ad agencies. Some agencies are as small as a team of 2 persons. Also, there are limited service as well as specialist ad agencies on one hand and full-service ad agencies on the other. Some agencies offer highly specialized services in only limited areas of advertising, such as outdoor advertising, financial advertising, social advertising and medical advertising, whereas, other agencies may provide almost all the services related to advertising and promotion such as research, copywriting, account management and media selection. Obviously, as the

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sizes and the services being offered by different ad agencies are different, their organizational structure is also different. A large-sized ad agency that employs hundreds of people will have a well-defined division of work and authority than a small-sized ad agency with only ten to twelve people. Thus, there is no standard organizational structure of an ad agency. Its organizational structure will invariably depend on the number of people it employs and the type of services it offers.

A medium-sized ad agency offering the basic services has a very basic organizational structure with the managing director or the proprietor at the top and heading different departments such as accounts department, creative department, media department and the administrative department. Depending on the services being provided by the ad agency, some more departments like public relations, research department, etc. may also be prevalent in the agency.



The organizational structure of a full-service ad agency with a good number of people on the payroll has a more elaborate structure. Again, it is important to remember that there is no standard organizational structure that every large-sized full service ad agency has to adopt. We can still discuss the following organizational structure:

Primarily there are six departments in a full-service advertising agency. These departments are account department, research department, creative department, media department, production department and administrative department.

**a. Account department's** primary function is account management. The department is responsible for looking after the client's advertising business. The term 'account' in advertising lingo means 'a piece of the client's business'. The personnel in account department, which includes account director, manager, account planners and account executives, first get the account or business for the advertising agency. For this, they need to be adequately aware of the needs and wants of the client. They are the ones who convince the client of their agency's competence to handle the account. They are responsible for liaising with the clients. In fact, the people working in the account department act as a link between the client and the agency. The account manager defines what kind of advertising the client requires and co-ordinates all the resources of the agency to deliver it to the client's satisfaction. Therefore, he must have a sound understanding of all aspects of the process of advertising and also be able to understand the client's business and his requirements.

**b. Research department** is responsible for conducting the basic research that is essential for any effective advertising campaign planning. Information is essential for creating effective advertising campaigns. Before planning the basic framework of an advertising campaign, the advertising agency requires complete information about the product brand, the company, market trends,

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market demand for the product, similar products available in the market, etc. The advertising agency also needs thorough information regarding the prospective consumers, their wants and needs, their buying behaviour and the media suitability for communicating the desired message to the target audience. Research department finds out and compiles all such type of information. The advertiser/client also helps in providing information. However, this information provided by the client may be incomplete or biased. Advertising agencies may have their own research department or they may seek help of external research service providers (research agencies) for the purpose.

**c. Creative department** is a core department of an advertising agency and is responsible for creating the actual advertisements. Creative department strives for developing great selling ideas and effective advertisement campaigns for their clients. The staff of the creative department has a highly creative bent of mind. Copywriters and artists are the backbone of the creative department. Copywriters are responsible for writing the text or the copy of the advertisements while artists visualize and conceptualize the visual part of the advertisement. Artists or the art directors decide the layout of the advertisement as well. Copywriters and art directors work together in creating an advertisement. These creative partnerships may be account based or permanent. The creative department takes all the information collected by the account manager and the strategy devised by the account planner. The art director and the copywriter report to the creative director. Based on the information and other details collected from the account department, the creative team generates ideas to convey the key message of the advertising campaign. They turn the information into words and pictures. The ideas are worked upon several times keeping in mind the suggestions and observations made by the creative director before they are ready to be presented in front of the client for his feedback. The creative team may work with outside design or production studios for developing and implementing their ideas.

**d. Media department or media services department** is responsible for selection, booking and purchase of media space or time slot. It also looks after the placement of advertisements according to the prepared schedule. This department handles two areas that have emerged as highly specialized fields, i.e. media planning and media buying. The department staff has good contacts with the suppliers of various creative media which they bank upon for getting the best rates for the clients. For example, if the advertiser wants to get pamphlets printed, the media department will negotiate printing rates for the agency. The advertising agency may even outsource to a media agency for helping them in media planning, especially when major media such as broadcast media and national press are sought. Hiring an external media agency for media planning also helps in getting further negotiated prices.

**e. Production department** is responsible for ensuring the production of advertisements. Without production, the ads created by the copywriters and art directors will remain nothing more than words and pictures on paper. Production is an essential part of advertising, yet many advertising agencies may not have this department as many experts such as photographer, illustrators, computer experts, music directors and musicians are required. Also, the equipments

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required for producing the ads are also very expensive. Therefore, an agency may not want to make heavy investment on hiring the production experts and buying the equipment. Rather than having a full fledged production department, many advertising agencies have functional art studios and sufficient computer facilities. They leave the highly specialized job of ad production to organizations that specialize in this area.

**f. Administrative department:** The administrative department acts as the supporting department. Though, it is not directly involved in the core activities of the agency, it plays an important role by attending to the staff functions of accounting and general administration.

### CHECK YOUR PROGRESS

13. Name the different categories of ad agencies.
14. Mention the departments in a full-service advertising agency.
15. What are specialist ad agencies?

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## 2.6 ADVERTISING BUDGET

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### 2.6.1 Setting an advertising budget

Setting an advertising budget is not an easy task as it is very difficult to estimate the ideal ad spend for any product or organization in a financial year. It is generally believed that organizations tend to overspend on consumer goods, while they tend to underspend on industrial goods.

The factors that are usually taken into account for setting the advertising budget are:

- (a) **Product life cycle stage:** New products usually demand greater advertising budget allocation as a percentage of sales compared to mature brands. In the case of the new products, the advertiser has to spend more to create awareness, develop preference and induce product trial/purchase.
- (b) **Market share:** Brands that enjoy a low market share usually need more advertising push as a percentage of sales than those with high market share to wean away customers from the rival brands.
- (c) **Intensity of competition and clutter:** In the case of a brand with a number of competitors, the advertising budget as a percentage of sales has to be higher to be noticed above the clutter of ads in the market.
- (d) **Advertising frequency:** In the case of brands which require frequent running of ads, the allocation for advertising has to be higher compared to those in which frequent ad exposure is not required.
- (e) **Product differentiation:** In the case of a product in which it is difficult to distinguish one brand from another, the advertising budget allocation is higher in order to create a separate identity of the brand.

## 2.6.2 Approaches/Methods of Budget Allocation

### 1. Theoretical Approaches

#### a. Economic marginal analysis approach

Economic marginal analysis remains the time tested method of budget allocation. According to this method, a firm can continue to increase the budgeting expenditure on a brand as long as the marginal revenue generated exceeds the incremental advertising expenditure. This method of allocation of budget is based on two assumptions: one, which advertising will always lead to sales and two, that advertising is the only factor for the increase in sales. As these assumptions rarely hold in business, this method of budget allocation is not used by advertisers.

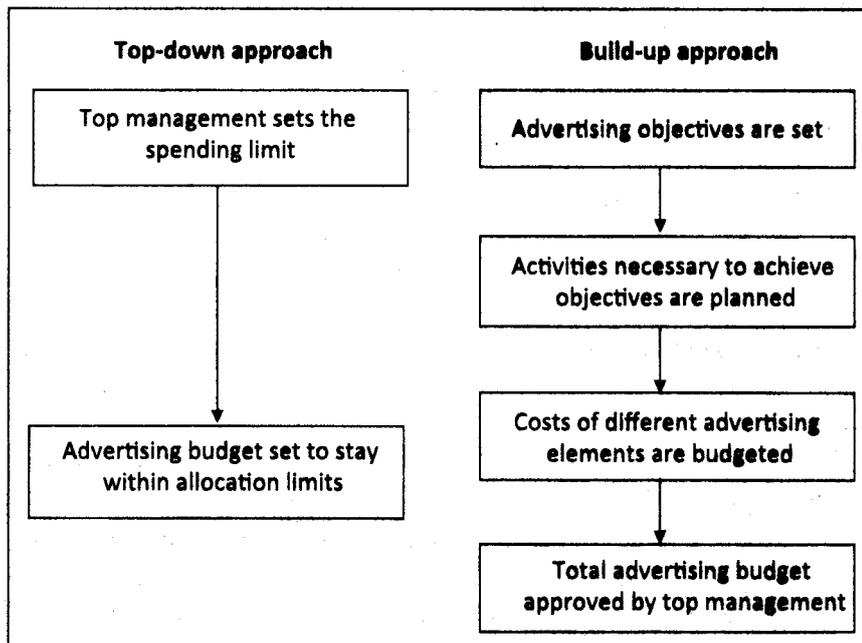
#### b. Concave-downward function curve approach

Based on the law of diminishing returns, this approach holds that as the amount of advertising expenditure increases, the incremental gain from it decreases. The explanation given for this is that the prospects willing to change their behaviour will do so after the initial exposure to the ad campaign. Additional advertising insertions are not going to yield much returns.

#### c. S-shaped function curve approach

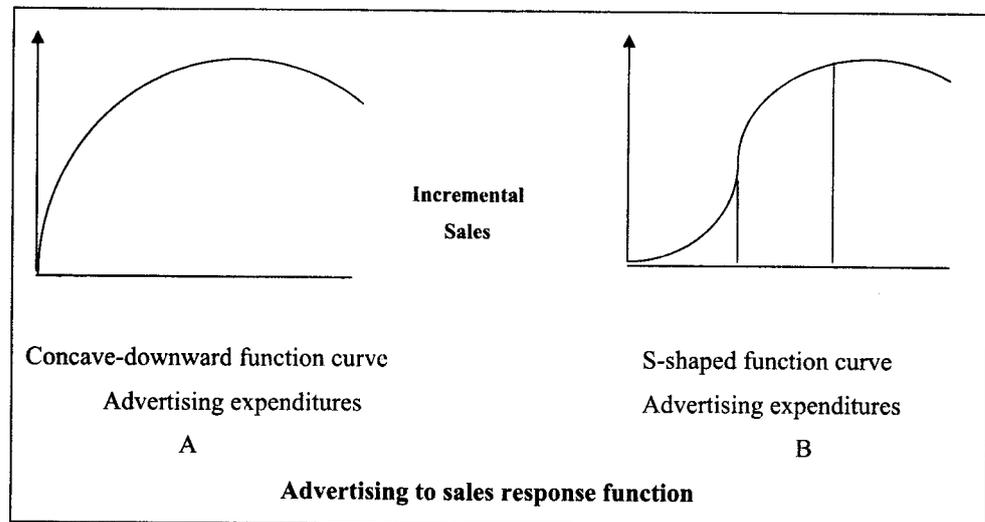
According to this model, the initial advertising exposure does not have much of an impact in terms of sales. It is only after the prospects have been exposed to the advertising for some time that they begin to feel convinced and start changing their behaviour in the desired manner. From this stage, increased advertising expenditure leads to increased sales. These sales, however, do not continue to rise forever. After a point, the sales plateau. In other words, the additional advertising expenditure leads to little or no sales.

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Top Down and build-up budgeting approaches

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### Advertising to sales response function

#### 2. Practical Approaches

The theoretical approaches are rarely used. The practical approaches have evolved over the years through hit and trial. There is nothing exclusive about them. Organizations may use or more than one method at a time.

##### 2.1 Top-down approach

In case of top-down approaches, the top management decides the budgetary allocation for advertising and this information is passed on to the lower rungs of management as given. The top-down methods listed below are subjective and are based on the judgement of the top management, and not on the targets and objectives of the organization.

###### a. Affordable method

This method is usually applied by small business firms. It entails allocating to advertising the amount of money left after allocations to all other expenditure heads. This indicates the low priority small firms give to advertising.

###### b. Arbitrary allocation method

As the name of this method indicates, the allocation of budget for advertising in it happens on purely arbitrary basis. The top management feels that there should be some budgetary allocation for advertising. So, it settles on some arbitrary figure, without any analysis of marketing requirements.

###### c. Percentage of sales method

This is the most commonly used method of setting budgetary allocation by medium and large business organizations. In this method, the advertising allocation is calculated as a certain percentage of sales. The sales could be of the previous year or the projected sales of the coming year or an average figure of the last several years' sales. The percentage figure selected is often the industry standard. Most advertisers find this method simple and convenient. The method is based on the

assumption that sales are the cause of advertising. This is like putting the cart before the horse. Advertising can be a cause and not the effect of sales.

d. **Competitive parity method**

In this method, the advertising allocation is based on the allocation of funds for advertising by the competing firms. It is believed that the collective wisdom of the firms has settled down on this figure. So, it is best to accept this as the optimal figure. It is not a scientific method as it is very difficult to be certain about the optimal level of advertising. Also, it is very difficult to know in advance the budgeted expenditure on advertising of a rival firm until it has been actually spent. Besides, it is not wise to follow the competing firms blindly.

## **2.2 Bottom-up approach**

The bottom-up approach is based on the firm's advertising and marketing objectives. In this approach, the advertising allocation is fixed after taking into consideration the marketing and advertising objectives. We discuss below the methods followed in this approach.

(a) **Objective and task method**

As the name of the method indicates, advertising allocation in it is based on the objectives of advertising and the estimated cost of specific tasks identified to achieve them. In this method, there are four steps for finding out the ideal budgetary allocation for advertising. These are:

- (i) *Defining the advertising communication objectives*
- (ii) *Identifying the communication strategies to achieve them*
- (iii) *Specifying the tasks to implement those strategies*
- (iv) *Estimating the cost of these tasks*

This method is scientific. But, at the same time, it calls for a meticulous identification of the tasks and the estimation of their costs. As the budgetary allocation is based on the ground realities, it is very realistic and systematic.

(b) **Payout planning method**

This method is used for launching new products in which it is difficult to expect revenues in the first few years as the prospects are not even aware of the product. To make the prospects buy it, they have to be taken through the stages of awareness generation, interest development, desire for purchase and effort to purchase or try it. This is a time-consuming process. So, in the first few years the firm has to only pay out on advertising without any corresponding returns. But, as time passes, the revenues start trickling in. The budgetary allocation is based on an estimate of the expenditure needed for advertising to make the revenues start pouring in at the earliest. It depends on the accuracy of sales forecasting.

(c) **Quantitative method**

This method makes use of mathematical and statistical models for forecasting and predicting the ideal budgetary expenditure. This method is used for large business organizations who can afford to hire people with this expertise. Other organizations find it difficult to use as it is very technical and complex.

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### (d) Experimental method

This is an alternative to the quantitative method. In this method, the brand manager runs a pilot ad campaign in a select market area to estimate the level of advertising needed to bring about the desired behavioural change. The feedback data generated from such research projects is used for determining the advertising budget. The major drawback of this method is the time needed to get the feedback data, apart from the expenditure incurred on carrying out such a research.

### CHECK YOUR PROGRESS

16. What are the three theoretical approaches for budget allocation?
17. What is a top-down approach of budget allocation?
18. What are the methods followed in the bottom-up approach of budget allocation?

## 2.7 CASE STUDIES

Given below are some case studies of advertising campaigns carried out by different companies/firms in different parts of the world:

### 2.7.1 Nike's 'Just Do It' Advertising Campaign

According to Nike company lore, one of the most famous and easily recognized slogans in advertising history was coined at a 1988 meeting of Nike's ad agency Wieden and Kennedy and a group of Nike employees. Dan Wieden, speaking admiringly of Nike's can-do attitude, reportedly said, 'You Nike guys, you just do it.' The rest, as they say, is advertising history.

After stumbling badly against archrival Reebok in the 1980s, Nike rose about as high and fast in the '90s as any company can. It took on a new religion of brand consciousness and broke advertising sound barriers with its indelible Swoosh, 'Just Do It' slogan and deified sports figures. The Nike brand became so strong as to place it in the rarefied air of recession-proof consumer branded giants, in the company of Coca-Cola, Gillette and Proctor & Gamble. With its 'Just Do It' campaign and strong product, Nike was able to increase its share of the domestic sports-shoe business from 18 percent to 43 percent, from \$877 million in worldwide sales to \$9.2 billion in the ten years between 1988 and 1998. Nike spent \$300 million on overseas advertising alone; most of it centred around the 'Just Do It' campaign.

The success of the campaign hinged on the fact that an estimated 80 percent of the sneakers sold in the U.S. are never used for the activities for which they have been designed. Nike's marketing tactics in the '80s, and in particular in its campaign against Reebok, gambled on the idea that the public would accept sneakers as fashion statements. Nike later cashed in on the jogging/fitness craze of the mid 1980s, during which its 'Just Do It' campaign expanded to attract the female and teenage consumer, in addition to the stalwart 18- to 40-year-old male consumer. Nike was losing ground to Reebok during this time, thanks to

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the explosion of aerobics. Phil Knight, the founder and CEO of Nike, suffused his company and ads with the idea of the intense, inwardly focused competitor. The ads rarely focused on the product itself, but on the person wearing the product. Heroes and hero worship abound on the Nike campus in Beaverton, Oregon.

The 'Just Do It' campaign seemed to capture the corporate philosophy of grit, determination and passion, but also infused it with something hitherto unknown in Nike ads—humour. Nike had always been known for its 'detached, determined, unsentimental' attitude. 'In a word, [Nike was] cool.' The new ads retained that attitude, but several of the original 12 'Just Do It' ads incorporated jokes, explicit and implicit, to make their point. The Bo Jackson ad stands out. Jackson is seen working out at several different activities, joking while on a bike machine, 'Now when is that Tour de France thing?' and after slam dunking a basketball contemplates 'Air Bo.' 'I like the sound of that,' he says.

The 'Just Do It' campaign received mixed ratings, ranging from 'an instant classic' to 'sociopathic.' One critic went so far as to say the ads were 'an impatient bordering-on-contemptuous exhortation to the masses. Cool is one thing. Poverty of warmth is another.' Eventually the campaign was credited with embracing not just resolve and purpose, but also the 'beauty, drama and moral uplift of sport—even, every now and then, fun.

The Nike campaign had certain unique features. These are discussed below:

### 1. Linking the Campaign to Consumer Needs

Through its 'Just Do It' campaign, Nike was able to tap into the fitness craze of the 1980s. Reebok was sweeping the aerobics race and gaining huge market share in the sneaker business. Nike responded to that by releasing a tough, take-no prisoners ad campaign that practically shamed people into exercising, and more importantly, to exercising in Nikes.

The 'Just Do It' campaign was also effective in reassuring consumers that the brand they picked, Nike, was a quality brand. This was most effectively portrayed by celebrity sports figures such as Bo Jackson, John McEnroe and later, Michael Jordan. If Michael Jordan could play an entire NBA season in a pair of Nikes, certainly the average weekend warrior could trust the shoes' durability.

Celebrity endorsements also appealed to the consumers' sense of belonging and 'hipness,' as Nike became a self-fulfilling image prophecy: if you want to be hip, wear Nike; if you are hip, you are probably wearing Nike. The 'Just Do It' campaign was able to turn sweaty, pain-ridden, time-consuming exercise in Nike sneakers into something sexy and exciting. Perhaps most importantly, even those who were not in fact exercising in Nikes (the vast majority) still wanted to own them. By focusing on the aura and image conveyed by the fitness culture, Nike was able to attract those who wanted the image without incurring the pain.

### 2. Linking the Campaign to Strategy

Nike was in a tough spot in the late 1970s. It was being swamped by Reebok's quick initiative on designing aerobics shoes and needed to respond dramatically

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and forcefully. It could be argued that the 'Just Do It' campaign was not only about sneakers but also about Nike's own renaissance. No longer content to be the choice running shoe of a few thousand marathoners and exercise nuts, Nike wanted to expand its operation to target every American, regardless of age, gender or physical-fitness level. 'Just Do It' succeeded in that it convinced Americans that wearing Nikes for every part of your life was smart (the shoes are designed for comfort) and hip (everyone else is wearing them, you too can belong to this group.) Nike took its own advice and 'Just Did It' by directly attacking Reebok in the sports-shoe market.

### 3. Why Was the Campaign Successful?

The timing of this campaign could not have been better. Americans were buying exercise equipment at a record pace in the mid 1980s, and body worship was at an all-time high. Nike tapped into consumers' desire for a healthy lifestyle by packaging it into a pair of \$80 sneakers. The ads were often humorous, appealing to the cynic in all of us, while imploring consumers to take charge of their physical fitness. The ads made starting an exercise regime seem like a necessity, and the way to start exercising was to buy Nike merchandise. More importantly, by owning Nikes you were instantly a member of a desirable group. The campaign was easily identifiable (to the point that Nike eventually did not even bother to display the word "Nike" in commercials—the swoosh was enough) and stayed true to its message.

#### 2.7.2 Coca-Cola

To counter comparative advertising under the guise of consumer tests by Pepsi ('The Pepsi Challenge': **Taste the Difference**), Coke was compelled to change the flavour of its advertising slogans. It came up with slogans such as this: '**Thirst knows no Season**' (1922), '**The pause that refreshes**' (1929), '**Things go better with Coke**' (1963), and '**The Real Thing**' (1970). Being the 'real thing' has been a constant message in Coca-Cola advertising since the 1940s, partly because it has so many rivals in the cola market. Other slogans equally uplifting have been: '**I'd like to buy the world's Coke**' (1971), '**Coke Adds Life**' (1976), and '**Coke is it!**' (1982).

Invented in 1886 by John Pemberton, Coca-Cola is perhaps the most heavily and most successfully advertised product in history. Its first recorded advertising budget in 1890 was \$11,000. It has had many legendary campaigns, including the invention of the modern Santa Claus, with his Falstaffian appearance and red and white (the colours of Coca-Cola) robes for a Macy's store campaign in the 1930s.

#### 2.7.3 Exxon Corp—Esso Motor Fuel

##### **Put your Tiger in Your Tank**

Exxon started to use a tiger in various images from the 1950s. Esso first used the tiger in the early days of branded petrol that followed the end of rationing after World War II. The tiger image had adapted over time, to meet the changing times.

In the 1960s, the tiger assumed the aura of a cartoon, contrasting humorously with the fashion at the time for baffling scientific improvements

to the performance of petrol. 'Put a tiger in your tank' became one of the most famous campaigns in advertising history, complete with merchandized 'comical' tiger tail to fix around the petrol cap along with the bumper-sticker proclaiming 'I've got a tiger in my tank': 2,500,000 tails were sold.

Esso, the UK brand for Exxon, started using tiger images in the 1950s, but it was only in the 1960s that it became a craze. A cartoon tiger was used and a whole range of merchandise using the tiger was given away at filling stations. The campaign was also taken to France ('Mettez un tigre dans votre moteur') and to Germany ('Pack den Tiger in den Tank'). In the UK, the campaign then gave way to a real and beautiful tiger, carrying a subtler environmental message.

#### **2.7.4 Intel Inside, 1990s**

This was the slogan used in the advertisements of Intel. It was indeed a brilliant advertising technique for making the invisible memorable and valuable. It was targeted at the end consumer rather than the manufacturer, who had been the target up to that point. In a relatively short time, Intel Inside® has grown to be one of the world's largest, most successful co-operative brand marketing programmes in history.

Before this campaign, companies such as Intel were selling their semiconductor products directly to original equipment manufacturers (OEMs), with their primary customers being the computer design engineers responsible for building computers.

With Intel's new i386™ microprocessor, the successor to the 286 microprocessor, it had developed a product far superior to everything in the industry. Despite the benefits of the improved product, many OEMs shunned using the new technology in their mass-produced computers, fearing that their customers (primarily corporate information technology managers who purchased large numbers of computers) would not react well to higher prices. Intel realized it needed a way to break through the barrier and reach the OEMs customer directly—the IT Manager—to help them understand the value of the i386 chip.

To solve this problem, a team at Intel proposed a revolutionary advertising campaign, designed to stimulate the IT Manager's demand for the advanced technology. In the ads, a large red X was spray-painted over '286' and the i386 processor was touted as a better investment for the future. The campaign was successful and it taught Intel that communicating technical information to end-consumers was not only possible, but also highly desirable. It was the first time that Intel had directed the ad campaign at PC consumers rather than at PC makers.

The response was exactly what Intel wanted, but over time it proved to increase awareness and sales for new technology among computer companies across the board, not just for Intel. It became a new approach to advertising even the driest aspects of technology. Intel needed to build long-term awareness for their brand, creating a mindset of quality, innovation and reliability.

Rather than just market the technology, they would market Intel technology, influencing consumers to pay attention to the Intel ingredient **inside** the computer. With this new thinking, Intel developed a cooperative advertising

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program to which OEMs would add a small Intel Inside® logo to their print ads. By attaching the logo, OEMs would add strength to their own brands by being identified with the strength of the Intel® brand.

Officially started July 1 1991 Intel Inside now consist of more than 2,700 organizations worldwide licensed to use the Intel Inside logo, as well as TV spots, computer logos and an e-commerce programme.

Since the programme started, more than \$7 billion in Intel Inside brand advertising has been generated. The Intel Inside programme manufacturers more than 150 million Intel Inside logo systems stickers each year for multiple Intel brands, colours, sizes, systems and product packaging. Every five minutes, the Intel Signature ID audio 'bong' plays somewhere in the world. Advertising with the Intel Inside logo ran in more than 130 countries in 2001. Intel is now among the world's most valuable brands.

### 2.7.5 Kellogg's (rice krispies)

'Snap! Crackle! Pop!'. Coined in the US in the late 1920s, this simple and enduring slogan was accompanied by a hummable ditty. The advent of commercial television in the late 1940s and 1950s gave this slogan and campaign a vast audience and enduring brand recognition for this Kellogg's cereal over the years. While the look and appearance of the characters has changed over the years, the slogan is etched in the mass memory of consumers.

### 2.7.6 Clairol (hair colorant)

The first Miss Clairol ads were originally written 'Does she ... or doesn't she? Hair colour so natural only her *mother* knows for sure!' However, Clairol was concerned about alienating the older generation that the world was changed to 'hairstresser'. The final ad read. 'Does she ... or doesn't she? Hair colour so natural only her hairstresser knows for sure!' Polykoff insisted the models in the Miss Clairol ads resemble the 'girl next door' rather than the high-glamour women typically portrayed in the 1950s ads. The idea was to make hair colouring respectable and mainstream. The print ads typically included a child to undercut the sexual undertones, making it clear that respectable women colour their hair, not just women of easy virtue, as was believed at the time. Also, showing the mother's hair next to the child's hair emphasized the precise colour match by comparison.

Clairol's sale increased by an amazing 413 per cent in just six years. More than 50 per cent of adult U.S. women began using hair colour, up from 7 per cent prior to Polykoff's Miss Clairol campaign. Through her ads, Shirley Polykoff helped transform Clairol from a small business (a tiny division of Bristol-Myers) to a huge international brand by assisting in the creation of a hair-colouring industry.

### 2.7.7 Guinness

Guinness's advertising agency (S.H. Benson) did some market research during the 1920s to find out what people liked about Guinness. People responded that they felt good when they had their print and the slogan 'Guinness is Good For You' was born. The slogan is still used in some countries (Africa) that do not regulate advertising claims. Some advertising even features athletes

implying that their athleticism can be attributed to Guinness. In the UK, post-operative patients used to be given Guinness, as were blood donors. In Ireland, Guinness is still made available to blood donors and stomach and intestinal post-operative patients. Guinness is known to be high in iron content.

Guinness used the artist John Gilroy to craft a memorable and enduring set of images to develop the idea that Guinness was good for you. Gilroy's first-known Guinness poster was produced in 1930. Working with copywriters like Ronald Barton and Robert Bevan, Gilroy produced more than 100 press advertisements and nearly 50 poster designs for Guinness over 35 years. He is perhaps best remembered for his posters featuring the girder carrier and the wood cutter from the 'Guinness for Strength' campaigns of the early 1930s and for the Guinness animals. The animals, including a lion, toucan, gnu, and kangaroo, appeared, with their long-suffering zookeeper, on poster, press advertisements, show cards and waiter trays from the 1930s to the 1960s. Gilroy continued to produce Guinness advertisements well into the 1960s even though he left Benson's employment as an in-house artist in the 1940s to pursue freelance work.

Guinness today is more focused on the psychological than upon the physical, particularly in relation to men.

### **2.7.8 H.J. Heinz**

Henry John Heinze, son of Lorenz Heinze of Bavaria, who immigrated to the US, was born in 1844. He began the company selling horseradish from the family vegetable patch to his neighbours. Later, they started putting ground horseradish into bottles.

In 1869 he took a partner and founded the firm of Heinz (dropping the 'e') and Noble that sold bricks and horseradish. The company flourished and two years later Heinz opened a food-processing factory where bottled horseradish and bottled pickles were made. After a promising start, the firm was bankrupted in the depression that marked the post-Civil War period and the early 1870s. Heinz borrowed \$3,000 from his brother John and his cousin Frederick to relaunch as F. & J. Heinz. The new firm introduced tomato ketchup, pepper sauce, vinegar, apple butter, fruit jellies and mincemeat to the US market. In 1886, he visited London and persuaded the famous firm of Fortnum & Mason to sell his goods in the UK, still at that stage the world's richest market. In 1888, Henry bought out his brother's interest, re-named the firm H.J. Heinz & Company and then bought a new site and started planning to build a new factory.

It was in 1896 that he originated the famous '57 Varieties' slogan which became one of the more famous brand signatures in the world of fast-moving consumer goods. Corporate folklore at Heinz has it that, in 1896, Henry John Heinz noticed an advertisement for '21 style of shoes'. He decided that his own products were not styles, but varieties. Although there were many more than 57 foods in production at the time, because the numbers 5 and 7 held a special significance for him and his wife, he adopted the slogan '57 Varieties'. So, in fact the numbers 57 isn't related to the number of products offered by Heinz.

In 1928, it was decided to produce a canned food that became a flagship of the Heinz company, baked beans in tomato sauce. The introduction of baked beans was so successful that it was followed by spaghetti and a variety of

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soups. During the World War II the Heinz factory produced food for the armed forces. Heinz became a listed public company in 1946 and continued its global expansion.

Today, H.J. Heinz & Company is an enterprise involving more than 45,800 people in over 200 major locations worldwide, with leading brands on three continents, offering a lot more than 57 varieties—actually more like 5,700 different products in total. It is the world's largest tomato producer.

### **2.7.9 De Beers, Diamonds are forever, 1940s**

The campaign effectively invented the diamond solitaire as the engagement ring of choice and established it as a symbol of eternal love. Prior to this campaign, love had been symbolized by all different manner of tokens, few of which were as expensive as diamond.

Prior to the 1960s, less than 10 per cent of the women in Japan wore diamonds. After a custom-made advertising campaign by De Beers evoking the Japanese need to maintain ties with their past and culture, with the premise that diamonds are a perfect symbol of one's love that combines the simplicity of Shinto with the chic of the West, over 60 per cent of Japanese women wear diamonds today, all of which were sold by De Beers.

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## **2.8 SUMMARY**

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In this unit, we have discussed advertising objectives, advertising campaigns, advertising agency and advertising budget, all of vital importance in the area of advertising. First, we understood what advertising objectives are and how they are classifiable into sales objectives and communication objectives. We also listed the various sales and communication objectives that companies and enterprises often set. After discussing advertising objectives, we examined advertising campaigns. Here, we first defined what is meant by an advertising campaign and thereafter, we studied its various aspects, including the phases of an ad campaign. We discussed the basis on which advertising campaigns are launched. We also discussed the factors determining the length of an advertising campaign. In the phases of an ad campaign, we discussed at length each of its three stages of strategy development, strategy execution and strategy assessment and evaluation. While discussing the phases of advertising campaign, we referred to the role of advertising agencies. In this unit, we also discussed the history and evolution of advertising agencies. Advertising compensation, types of ad agencies and their structure. We saw how ad agencies can be in-house, full-service, limited-service, specialist and interactive. We discussed over here how the interactive and search engine ad agencies are becoming increasingly common as digital advertising is becoming the in-thing in marketing. In the structure of ad agencies, we saw how most medium- and large-scale agencies have well-defined departments for handling various accounts, research, creative designing, media services, production and administration. We also discussed the various factors responsible for setting the advertising budget. Thereafter, we examined the theoretical and practical approaches towards fixing the advertising budget used by a business enterprise. In the theoretical approach, we studied the methods of economic marginal analysis, concave downward function approach, and S-shaped function approach. We saw how

the theoretical approaches are rarely used and how, instead, business houses prefer using practical approaches that have evolved over the ages as a by-product of experiential learning. The two main types of practical approaches that have evolved out of practice are: top-down and bottom-up approaches. The top-down approach uses subjective methods such as all you can afford method, arbitrary method, percentage of sales method and competitive parity method. All these methods are used by the top management without taking the facts on the ground into consideration. The bottom-up approach, instead, is based on hard facts pertaining to the enterprise and employs scientific methods such as objective and task method, payout planning method, quantitative method and experimental method.

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### 2.9 KEY TERMS

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- **Advertising objectives:** Advertising objectives are the communication tasks to be accomplished with specific customers that a company is trying to reach during a particular time frame.
- **Advertising campaign:** Advertising campaign may be defined as the systematic and organized release of a series of ads with the same theme but not necessarily same advertising content over one or more than one advertising media for a certain period of time to influence the prospects to either buy a certain product or service or to feel well disposed towards a brand or an organization.
- **Advertising agency:** An advertising agency can be defined as an independent organization with creative and managerial experts who specialize in the planning and execution of advertising plans, advertisement and other promotional tools and arrange for the selection and purchase of advertising space and time in the various advertising media in order to reach the target audience with relevant message.
- **Advertising budget:** Advertising budget can be defined as the total amount of money that a marketer allocates for advertising over a period of time.
- **Sales objectives:** Sales objectives are the objectives that are directly related to results and can be easily measured—sales go up, sales lead increase and/or more people try the product for the first time. These objectives are also referred to as direct-action objectives.
- **Communication objectives:** Communication objectives are the objectives that do not get directly reflected in the sales. These objectives are also known as indirect action objectives.
- **Interactive ad agencies:** Interactive ad agencies are the agencies that specialize in web designing, web development, internet advertising and marketing, search engine marketing, etc.

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### 2.10 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. An advertising campaign may be defined as the systematic and organized release of a series of ads with the same theme but not necessarily same advertising content over one or more than one advertising media for a certain period of time to influence the prospects to either buy a certain product or service or to feel well disposed towards a brand or an organization.

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2. An advertising objective is defined as 'something towards which effort is directed: an aim, a goal'.
3. An ad agency is an agency that creates, plans and manages all aspects of a client's advertising.
4. Advertising budget is the total amount of money that a marketer allocates for advertising over a period of time.
5. Sales objective and Communication objective.
6. Induce trial, intensify usage, sustain preference, build line acceptance, generate sales leads, switchback and increase sales.
7. Confirm image, change habits, brand recognition, build favourable image and increase awareness.
8. Awareness, interest, desire and action.
9. Geographical, product, action and media.
10. Product offered, nature of media/programme, seasons and competitors advertising.
11. Strategy development phase, strategy execution phase and strategy assessment and evaluation phase.
12. Stage in the product life cycle, market share and consumer base, competition and clutter, advertising frequency and product substitutability.
13. In-house ad agencies, full-service ad agencies, limited-service ad agencies, specialist ad agencies and interactive and search ad agencies.
14. Account department, research department, creative department, media department, production department and administrative department.
15. These agencies specialize in specific areas such as financial advertising, recruitment advertising, medical advertising, classified advertising, industrial advertising, financial advertising and investment advertising.
16. Economic marginal analysis approach, concave-downward function curve approach and S-shaped function curve approach.
17. In a top-down approach the top management decides the budgetary allocation for advertising and this information is passed on to the lower rungs of management as given.
18. Objective and task method, payout planning method, quantitative method and experimental method.

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## 2.10 QUESTIONS AND EXERCISES

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### 2.10.1 Short-Answer Questions

1. Define advertising objectives.
2. Explain the significance of setting advertising objectives.
3. What do you mean by advertising agency?
4. Explain the term 'switchback'.
5. What do you mean by interactive ad agencies?

### 2.10.2 Long-Answer Questions

1. Classify advertising objectives on the basis of two different schools of thought.
2. Discuss some popular sales objectives.
3. What are the factors responsible for making ad campaigns for business enterprises?
4. Discuss the organizational structure of an advertising agency.
5. What are the different methods of budget allocation?
6. Elaborate different types of ad agencies.
7. What are the different phases of advertising campaign?

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### 2.11 FURTHER READING

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Chunawalla S A, Setia K C. *Foundations of Advertising—Theory & Practice.*

Vilanilam J V, Varghese A K. *Advertising Basics! A Resource Guide for Beginners.*

Wells, Burnett, Moriarty. *Advertising: Principles And Practice.*

### NOTES



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# UNIT 3 ADVERTISING MEDIA, MEDIA PLANNING AND SCHEDULING, ADVERTISING EFFECTIVENESS, REGULATIONS OF ADVERTISING IN INDIA

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*Advertising Media, Media  
Planning and Scheduling,  
Advertising effectiveness,  
Regulations of advertising  
in India*

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### Structure

- 3.0 Introduction
- 3.1 Unit Objectives
- 3.2 Need of Advertising Media
- 3.3 Defining Advertising Media
- 3.4 Types of Advertising Media
- 3.5 Advantages and Disadvantages of Advertising Media
  - 3.5.1 Newspapers
  - 3.5.2 Magazines
  - 3.5.3 Yellow Pages/Directories
  - 3.5.4 Direct Mail/Direct Marketing
  - 3.5.5 Radio
  - 3.5.6 Television
  - 3.5.7 Telephone/Mobile Phone Advertising
  - 3.5.8 Out-of-Home Media
- 3.6 Need of Media Planning and Scheduling
- 3.7 Defining Media Planning
- 3.8 The Media Planning Process
- 3.9 Factors Responsible for the Selection of Media/Media Mix
  - 3.9.1 Reach
  - 3.9.2 Frequency
  - 3.9.3 Weight
  - 3.9.4 Cost Per Thousand
  - 3.9.5 Cost Per Point (CPP)
  - 3.9.6 Impact
  - 3.9.7 Selectivity
- 3.10 Defining Media Scheduling
- 3.11 Types of Media Scheduling
- 3.12 Factors Affecting Media Scheduling
- 3.13 How to Write a Media Plan
- 3.14 Case Studies
- 3.15 Need of Assessing Advertising Effectiveness
- 3.16 Defining Advertising Effectiveness
- 3.17 Measurement of Advertising Effectiveness
- 3.18 Barriers of Advertising Effectiveness
- 3.19 Ways of Achieving Advertising Effectiveness
- 3.20 Need of Advertising Regulations
- 3.21 Defining Advertising Regulations
- 3.22 Advertising Regulations in India
- 3.23 Summary
- 3.24 Key Terms

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### 3.0 INTRODUCTION

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This unit is divided into twenty six parts. Each of the parts presents a brief overview of what all we will discuss in this unit, why it is necessary to know about the various media for advertising purposes, define what is meant by advertising media, explicate different types of advertising media along with their characteristics and relative strengths and weaknesses, explain what is meant by media planning and scheduling, discuss the various factors for the selection of a particular media mix, how to write a media plan and how to schedule the use of media for an advertising campaign, respectively. Also discussed in this unit is the need for assessing advertising effectiveness, ways of assessing it, barriers in its assessment and ways of improving the effectiveness of advertising. Besides, this unit also looks at the various advertising regulations in force in India and the need for their observance.

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### 3.1 UNIT OBJECTIVES

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

- Understand the significance of various types of media for advertising.
- Know what are the characteristics of each of the media and how do the characteristics of each media make it suitable for advertising.
- Describe the relative strengths and weaknesses of each media from the point of view of advertising.
- Understand need to plan and schedule the use of various media when we have to launch an advertising campaign.
- Describe the factors we need to bear in mind when we select a particular kind of media mix for advertising.
- Define media scheduling and its different types.
- Describe the factors responsible for choosing a particular type of media schedule.
- Understand how is a media plan prepared.
- Describe that once a media plan has been implemented, how do we assess its effectiveness.
- Understand the need for assessing advertising effectiveness.
- Understand the barriers in assessing advertising effectiveness.
- Describe how can advertising effectiveness be ensured.
- Know how is advertising regulated.
- Understand the various advertising regulations in force in India.

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### 3.2 NEED OF ADVERTISING MEDIA

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Knowledge of advertising media is essential for media planning. Without knowing about the vast range of media available, the advertiser cannot decide reasonably well the kind of media that will suit the message and the target

## NOTES

audience. Besides, each media has its own unique set of characteristics. These need to be matched with the nature of the content that the advertiser wants the media to carry to the target audience. Also, the characteristics of the media must match the purpose of advertising. Besides, each media targets a different segment of the audience. The advertiser needs to choose the media that will carry the message to the intended audience. As advertising budgets are high, it is important that advertising media be selected with the utmost care. Besides, all advertising happens at appropriate points of time; any goof up in the selection of media can mean loss of advantage over rival marketers.

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### 3.3 DEFINING ADVERTISING MEDIA

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Defining advertising media is not easy as advertisers have found every high-visibility object, place or virtual space useful in their quest for reaching out to potential clients. So, if the advertisers have used the traditionally known media, such as the newspaper, the radio, the television and the cinema for advertisement of their wares, they have also used with equal finesse objects such as key rings, pens, diaries, lamp-posts, walls and balloons for advertising their products and services. Any attempt at defining advertising media must not let this range of media slip out of the confines of its conceptual framework. Keeping this in mind, we may define advertising media as any object, place, time or virtual space that has high visibility among viewers or listeners.

#### CHECK YOUR PROGRESS

1. Why do we need advertising media?
2. Define advertising media.

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### 3.4 TYPES OF ADVERTISING MEDIA

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Advertising media may be classified on the basis of the nature of their production, the attributes required for using it and the nature of their use. Based on these parameters, we may classify them as below:

#### a. Print Media

The print media relies on the printed word and image to communicate the message of the advertiser to the target audience. As it uses the printed word, it calls for literacy among the audience. Illiterate audiences can at the best access images and guess what those images could be referring to. The various types of print media which are used by advertisers are:

- (i) *Newspapers*: Advertisements in newspapers are referred to as 'insertions'. These are usually measured in column centimetres. As it is not a very scientific unit of measurement, newspapers prefer to use square centimetres instead of column centimetres. Newspaper advertisements can either be display or classified. The display

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advertisements also use units like quarter, half and full page as units of measurement. Newspapers vary in periodicity, size and geographical reach. In terms of periodicity, newspapers can be dailies, weeklies, fortnightlies and monthlies. In terms of size, newspapers can be broadsheets or tabloids. In terms of geographical reach, these can be national, regional or local. From the advertisers' point of view, four major classifications are vital. These are: national, regional, tabloids and supplements.



**National newspapers:** These are the traditionally venerated papers. With their reach over the entire length and breadth of the nation, these papers have earned a name for themselves for serious reporting. The English educated, upper and middle classes constitute the readership of these papers. An advertisement placed in any of them reaches out not only to a large segment of the audience but also tends to invest the product/service advertised with a high brand value. No wonder the advertising rates in these papers are the highest.

**Regional newspapers:** These newspapers gather and distribute news and views pertaining to a particular region, such as *The Tribune* in North India, *The Deccan Herald* in South India, and *The Telegraph* in East India. In their content and format, they are no different from the national newspapers except for their emphasis on news and views pertaining to the region in which they are published. Many of these newspapers have a more loyal

readership than the national newspapers. For instance, *The Tribune* has the largest number of readers in North India, particularly Punjab and Haryana. So, even though the ad inserted in any of these newspapers will remain restricted to the boundaries of a particular region, it will for certain have a far greater penetration level at the household level in its region than any national newspaper. So, advertisers who target a particular region need not look at national newspapers as long as they use the regional newspapers as their advertising vehicles.

**Local newspapers:** The local newspapers or the district newspapers gather and distribute news and views about the local community. These have also been called rural newspapers in India. This media is very much in vogue in the developed countries of the West, but in India it has not taken off. In India, local news and views have been co-opted into the regional and national newspapers by way of the weekly local supplement such as Gurgaon Plus, Delhi Times and *Ludhiana Newslite*. The local newspaper or the local supplement is focussed in its reach and has a penetration level higher than that of the regional or the national newspaper. So, it is ideal for clients and agencies targeting a particular district or a particular place. No wonder, most supplements carry more of advertisements than editorial content.

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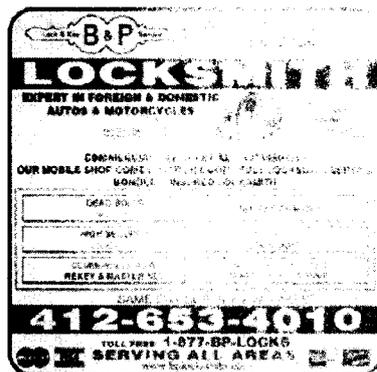
Brain Bouch MD, Medical Director • 816 Petaluma Boulevard North, Petaluma

### (ii) Magazines

Unlike newspapers, magazines have a greater periodicity. This gives them time to interrogate news at greater length. As they pertain to a larger period of time, they tend to have a longer shelf life. This enables readers to

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revert to magazines more often than to a newspaper. In view of the greater attention attracted by magazines from their readers, advertisers are keen to showcase their products and services in them. The longer shelf life and the greater attention span make investment in quality paper a good proposition in the case of magazines. So, most magazines have glossy paper that is ideal for colour printing and high-end advertising. Magazines are traditionally categorized into general interest, special interest and trade or technical. The general interest magazines carry articles and write ups on a variety of subjects. So, they attract a large segment of the audience, without any discrimination. The special interest magazines focus on specific subjects such as politics, lifestyle, automobiles, mobile phones, IT, beauty, health and travel. With their niche focussing, they attract a highly segmented audience. Advertisers who are keen to reach out to a particular segment can, therefore, choose a magazine that targets that particular segment of the audience. Trade or technical magazines too are highly focussed in the matter of their subject matter and their readership. By virtue of this attribute, they are ideal for advertisers who have a highly segmented audience in mind.



*(ii) Yellow pages/Directories*

In every city and country, there are trade directories that promote goods and services of an enterprise by listing the enterprises according to their product line or the service provided. By accessing directories such as Tata Yellow Pages, one can find out about any enterprise or shop in a city.

*(iv) Pamphlets/Leaflets/Brochures/Posters*

Pamphlets/leaflets are unbound printed sheets of paper that are distributed to the members of a target audience. These can be created and published at will. One does not have to pay any advertising fee to the owners of the media in these cases. As even the circulation of pamphlets/leaflets is entirely in the hands of the advertiser, the degree of freedom of choice in regard to its place of circulation is greater. These are generally used in support of campaigns using other media. Besides, wherever budgets are not very high, the clients prefer to go for this form of publicity. The main roadside posters are described in terms of how the poster is physically posted on to them (pasted on, one sheet at a time, by a bill-poster); as 16 sheet (the main, 10' x 6'8" size in vertical format) and 48 sheet (10' x 20', in horizontal/landscape format). The smaller ones, seen in pedestrian areas, are typically four sheets (5' x 3'4"). The best sites are typically reserved for the long-term clients, mainly the brewers and tobacco companies (hence one reason for their success in use of the medium), so that new users may find this a relatively unattractive medium.

*(v) Direct Mail/Direct Marketing*

This media is called direct mail as it involves the despatching of brochures, sales letters and pamphlets directly at the addresses of

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potential customers. Publishers often use this media to advertise recently released books by sending latest catalogues to researchers, professors and heads of educational institutions, hoping that they will order the books listed therein either for themselves or for their libraries. Consumer goods manufacturers use it when they send mailers to houses in the hope that people living therein will get to know about their products and would order them, if they so desire.



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### b. Broadcast Media

Apart from the print media, the broadcast media too lends itself to use for advertising. The two traditional broadcast media are:

#### b.1. Radio

The radio is an oral medium. It calls for no basic qualifications or competencies for its use. Even an illiterate person can use it conveniently. Advertisements made for this medium are based on oral narratives and short tunes, called jingles. For a long time in India, the radio was in the hands of the government. As it was a part of the public broadcaster, advertisements



were not allowed on it. But, with liberalization, the FM radio was introduced. FM radio stations are commercial radio channels. Their revenues come from advertising. The government has also introduced community radio stations, which too have been allowed a commercial air time of 5 minutes per hour to offset the costs of production and distribution of community based

radio programmes. Each of the FM radio channels can be heard with clarity in the town/city for which it has been granted broadcasting rights. So, advertisers interested in targeting listeners in a particular city or town can choose the FM radio of their choice. It typically generates specific audiences at different times of the day—adults at breakfast, housewives and commuters during rush hours. It can be a cost-effective way of reaching these audiences—especially since production costs are much cheaper than television, though the lack of visual elements may limit the message. In radio advertising, we need to identify the timing of radio listeners, like many people listen when they are stuck in the traffic, and many do so at night.

#### b.2. Television

Like radio, television too is a broadcast medium, but unlike radio, it combines sight with sound. Besides, it presents moving pictures, thereby capturing the flow of life in action. With the help of the dynamic 'spectacle', it can imitate life and create 'willing suspension of disbelief' in the action of the filmed story. These characteristics qualify it to be an ideal medium for advertising. By producing programmes of interest for the cash-rich sections of the society, television channel owners and



managers can sell the attention of their viewers to the marketers. The higher the target rating points (TRPs) of a channel and/or its programme(s), the higher is the exposure of a particular ad broadcast over that channel or during that programme. Programmes and channels which earn high TRPs also command high advertising rates.

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Otherwise, prime time programmes on any channel tend to command a higher advertising rate. As these ads, called commercials, are telecast directly into the homes of the viewers, they get noticed by them. Besides, as these are broadcast, while a programme is on or at times after a programme has ended, their viewing and perception rate is much higher than that of ads in print media. At the same time, their production is also time consuming and highly expensive.

### c. CDs/DVDs

This is another mode of electronic media that has become popular with the availability of cheap compact disks and digital video disks. These disks carry either music videos or films and are usually produced for home viewing. As these offer an experience similar to that of the television, many advertisers buy viewing time on these too. Their rates are relatively cheaper as the circulation of a video is limited compared to the viewership of a televised programme.

### d. Cyber Media

This is a new medium that has emerged with the advent of the new information and communication technologies, particularly the World Wide Web. When we compare this medium to the media that have evolved in the past, we find that it is not simply yet another

medium in the long evolutionary list. Rather, it is a medium that is a blend of all other media of the past as it combines text, image, sound and action. Besides, it is at once a mass as well as an inter-personal medium. So, it can be used to mass distribute all kinds of messages as well as to interact with individuals

on a one-to-one basis. More than this, it supports not only institutionalized forms of communication, such as newspapers, magazines and television, but also facilitates individual production of news and views in text and video formats, thereby allowing individuals to mass distribute news and views. Sites such as You Tube are only capitalizing on this potential of the new media. By virtue of the immediacy of news production on the new media, many people are logging on to this media for most of their informational and social networking needs. With more and more people going online for work as well as pleasure, the new media is becoming a highly frequented information corridor. This makes it attractive to the advertisers. As online users leave their footprints on the Internet, advertisers can also track their preferences and prejudices. With the help of this knowledge, they can direct advertisements with pinpoint precision to potential customers. So, every time you open your e-mail account, it shows on the side bars ads that are relevant to your profession or to the



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subject of your e-mail. Internet advertising has already taken off in a big way in India and abroad. As broadband communication becomes easily available in the different parts of the country, Internet advertising is going to increase in its size all the more.

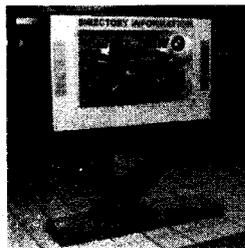
### e. Telephone Advertising/Mobile Phones

Telephones have been used for advertising for long. Telecallers hired by advertisers call up potential clients on the basis of calling lists prepared by the



marketing departments. In recent years, with the advent of the mobile phones, telecalling has undergone a sea change. As desktop or even laptop computers suffer from portability, they can be used to access information only when one is sedentary or is at the best mobile in a restricted way. But cell phones suffer from no such disability. They are everyone's companions all the time. The shadow of man can abandon him at night but not the cell phone. It is irritatingly or pleurably all the while with a (wo)man.

With cell phones acquiring the features of computers, the cell phone has ceased to be a mere talking handset; it has now become a substitute mobile computer. Besides, with Internet networks going Wi-Fi, these cell phones can serve as the new media as much as the desktop computer did in the past. In view of the seamless connectivity of the cell phone to the cyber world, advertisers find the medium very tempting. Mobile advertising is set to take off in a big way in the times to come, particularly with 3G services being unrolled all over the country.



### f. Out-of-Home Media

Out-of-home media refer to such media as billboards, LCD screens, automobile display boards/sides, kiosks, banners and panels that one happens to see while one is travelling or standing in a public place. Out-of-home media can be digital or non-digital.

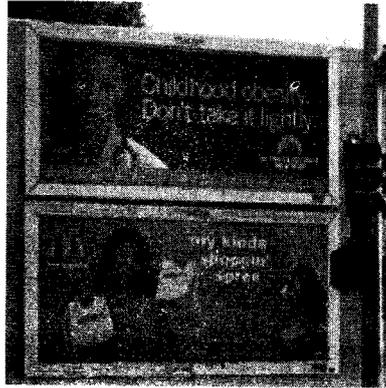
#### f.1. Digital out-of-home media

It is dynamic media that is simultaneously displayed at venues across a city or town, though it is loaded centrally through a network. DOOH networks typically feature independently addressable screens, kiosks and jukeboxes. The availability of inexpensive LCD screens with built-in media players enables marketers to display products and services even at the point of purchase. The display on the LCD screens provides an experience similar to that of a televised ad. DOOH media, in fact, benefit location owners and advertisers alike in being able to engage customers and/or audiences and extend the reach and effectiveness of marketing messages. It is also referred to as Digital Signage.

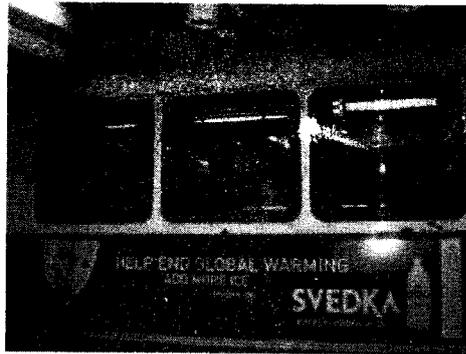
## f.2. Non-digital out-of-home media

These do not use the digital technology but at the same time are as commonly available at different places across a town or a city and are no less powerful in their impact on the viewers. These are:

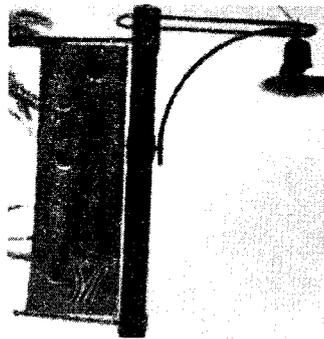
**Billboards:** These are usually put up at high-visibility points on traffic intersections, highways, city roads and expressways. As these are put up for long periods, they are noticed by the scores of commuters day in and day out. Many of them have fluorescent lighting that makes them extremely eye catching at night. With extended periods of high visibility, billboard advertisements provide advertisers with significant impact on commuters.



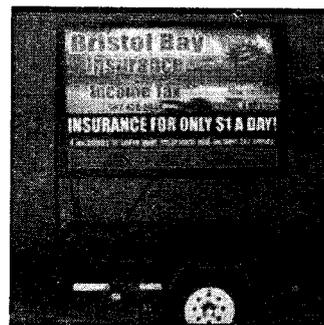
**Bus/Car/Train Displays:** As buses have huge and flat sides, they are used by advertisers to showcase the products and services of their clients with larger-than-life pictures. Besides, as buses are mobile, the advertisement moves around wherever the bus goes, thereby impacting potential customers in different parts of the city or state. Of late, the government has allowed even taxis and cabs to carry such advertisements. Trains have been sporting advertisements of major brands for a long time now. As trains move across state boundaries, the ads on them have a national viewership.



**Lamppost banners** Lamp posts are planted all along the roads or the dividers of roads in a city. Banners put up on them are wonderful eye catchers. As commuters drive down roads, they can't help watching these banners. In the case of daily commuters, these banners register effortlessly on their minds. These can serve a very useful purpose when an advertiser wants to target a specific city or town.



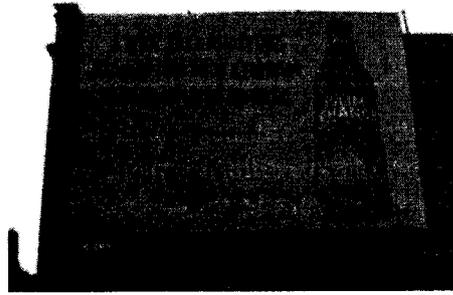
**Mobile billboard:** Mobile billboards offer a great degree of flexibility to advertisers. These advertisements can target specific routes, venue or events, or can be used to achieve market saturation.



**Street advertising:** The use of pavements and street furniture to create media space for brands to get their message onto the street in a cost-effective approach.

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**Wallscape:** Wallscape are ideal for advertising in India as most Indian roads pass through cities and crowded localities. An ad on a wallscape lends itself to maximum viewing as it is directly across the view of the commuters. This media too is most suitable for local advertising.

**Specialty advertising:** This kind of advertising entails the use of consumer or decorative products called advertising specialties, such as key chains, computer mouse and mugs,. The advertiser uses this media for advertising by printing his/her details on these products and distributing them free of cost among the target group members.



### CHECK YOUR PROGRESS

3. Name the different types of advertising media.
4. Mention the various types of print media used by advertisers.
5. What is out-of-home media?
6. What are the different types of non-digital out-of-home media?

## 3.5 ADVANTAGES AND DISADVANTAGES OF ADVERTISING MEDIA

Having discussed the characteristics of the different advertising media, let us now turn our attention to their relative strengths and weaknesses from the advertiser's point of view.

### 3.5.1 Newspapers

The advantages and disadvantages of using newspapers as advertising media are given below:

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**Advantages** The advantages of using newspapers as advertising media are as follows:

- (a) *Large audience:* Newspapers allow the marketer to reach all those people who constitute the readers of a particular paper. Depending on the audience/area targeted by the marketing team, the advertiser can select the newspaper/supplement of his/her choice and reach all of them with one insertion.
- (b) *Choice of placement:* As a newspaper has many pages, the advertiser has the choice of page and its placement.
- (c) *Choice of size:* Advertiser also has the choice of size. He/she can go for a classified if he/she does not want to spend much. But, if the advertiser wants visibility, he/she can go for display ads of various sizes, depending on the amount of space the advertiser can afford and the amount of information to be given away.
- (d) *Low cost compared to TV:* A newspaper ad is much cheaper than a commercial on television. Most advertising agencies don't charge much for the preparation of the ad copy. They meet their expenses out of the commission provided by the media house to them.
- (e) *Flexibility of referring back:* As the ad copy is in printed form, the viewer/reader can always refer back to the ad for checking on details or for simple recapitulation.
- (f) *Flexibility to change the ad per insertion:* The client can change the ad copy in each insertion without much cost involved. So, if the client finds the response to one ad copy low, he/she can change it in the next insertion.

**Disadvantages:** The following are some of the disadvantages of running ads in newspapers:

- (a) The quality of newsprint in newspapers is usually of a poor quality. As a result, photographs don't create the kind of impression they do in a magazine or on television.
- (b) There is a clutter of ads in a newspaper. So, unless the ad is large enough to emerge out of that clutter, it will tend to get lost in it.
- (c) A newspaper ad can reach only the literate section of the audience.
- (d) As newspapers have a low shelf life, a newspaper ad does not get noticed as much as a magazine ad does.

### 3.5.2 Magazines

The advantages and disadvantages of advertising in a magazine are given below:

**Advantages:** The advantages of advertising in a magazine are as under:

- (a) *Target specific advertising:* As both general and special-interest magazines are published, so it is possible for the advertiser to target a specific segment of the audience as much as the entire audience.
- (b) High-quality paper enables high-quality photographs, which in turn enable magazine advertisements to cast an indelible impression on the minds of readers/viewers.

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- (c) *Long shelf life*: As magazines are periodic publications with content that is more long-lasting, the ads published in them have a longer shelf life too. As a result, they tend to attract attention for a longer time.
- (d) *No clutter of ads*: Unlike newspapers, magazines do not have a clutter for advertisements. So, ads published in magazines stand out and attract attention immediately.

**Disadvantages:** The disadvantages of publishing ads in a magazine are as under:

- (a) *Long lead time*: As magazines are periodic publications, the ad has to be booked much in advance.
- (b) *Difficult to time the release on a daily basis*: At times, the advertiser wants an ad to appear on a certain day or days. As a magazine comes out after a week or a month, it is difficult to synchronize its release with a certain event.
- (c) *Higher cost*: A magazine ad is far more expensive than a newspaper advertisement.

### 3.5.3 Yellow Pages/Directories

The advantages of advertising in Yellow Pages/Directories are as follows:

**Advantages:**

- (a) *City-wide circulation*: As the Yellow Pages are circulated throughout the city or among all the members of an industry association, advertisements in them give ready access to a large audience.
- (b) *Less expensive*: It is less expensive than advertising in mainstream newspapers and magazines.
- (c) *More interactive than other print ads*: As it answers the need of the reader who is looking for information on a product or service, it is much more interactive than an ad in a mainstream newspaper or magazine.
- (d) *Greater shelf life*: The shelf life of ads published

**Disadvantages:** The disadvantages of advertising in Yellow Pages/Directories are as follows:

- (a) *Low visibility*: As these directories are voluminous, the ad can get lost, unless the reader is actively looking for it in the directory.
- (b) *No scope for creativity*: As the format of ads is pre-determined, there is no scope for creativity in their production.
- (c) *Rigidity*: As these directories have as long a shelf life as a year, they cannot respond to changes in the business environment.

### 3.5.4 Direct Mail/Direct Marketing

The direct mail advertising media is useful to the advertiser in the following ways:

**Advantages:**

- (a) *High visibility*: It enjoys high visibility as the advertisement is targeted individually. Unlike newspapers in which an advertisement has to jump

## **NOTES**

out of the clutter of ads to be noticed, ads sent through direct mailers attract immediate and individual attention.

- (b) *Personalized messages*: It is only in this form of media that an ad can be given a personal touch. This increases the appeal of the advertising message.
- (c) *Confidentiality*: It permits confidentiality of the message and its timing of release. This gives the advertiser a head start over his/her rivals.
- (d) *Low cost of production*: As the advertising message is usually in the form of a letter addressed directly to the prospect, it does not call for elaborate designing and layout. This helps in cutting the cost of advertising.
- (e) *Advertising content*: The content of such mailers can be as long as one desires, as the space being used up is not as expensive as in a newspaper.
- (f) *Facilitates active reception*: As the envelope is closed, it excites curiosity, which makes the reader an active participant in the communication process, unlike in the case of newspaper ads where the reader/viewer has to make no such effort.

**Disadvantages:** The disadvantages of direct mail advertising are as under:

- (a) *Intrusive*: Most people consider mail advertising as intrusive. They feel that it trespasses on their privacy. So, such people often tear these mails even before they open them.
- (b) *Mortality*: At times, the mailing lists are faulty. As a result, the mails bounce. This leads to unwanted expenditure.
- (c) *Good for limited advertising*: It is good for advertising for a limited area and audience. But when the area is vast and the audience huge, it can turn out to be unfeasible apart from incurring high costs.

### **3.5.5 Radio**

Also hailed as the people's media, radio has the following advantages and disadvantages as an advertising media:

**Advantages:**

- (a) Radio is the medium of the rich as well as the poor: Even when the affluent sections of the society in India had written the obituary of radio as a media, the poor man held on to it zealously for providing him with news, views and entertainment. With the beginning of the FM era in radio broadcasting, radio has recaptured its place in urban audiences. So, radio can give the widest access to an advertiser, much more than newspapers or television.
- (b) Radio is a liberal media: It allows the listener to engage in any activity while listening to the radio broadcasts. This is most convenient for the advertiser as the listener can listen to an advertisement without having to interrupt his/her work.
- (c) Radio ads are very cheap to produce and broadcast as the air time on radio is not very expensive.

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### **Disadvantages:**

The disadvantages of radio as an advertising media are as given below:

- (a) *Highly perishable*: A radio ad cannot be referred back to like an ad in a newspaper or in a magazine.
- (b) As ads are fillers, the listener is many times not in a mood to hear. Only repeated exposures to the ad can break this resistance.
- (c) *Inattention*: As one listens to the radio, while being busy in doing something else, so one may not necessarily pay complete attention to what is being broadcast on the radio.

### **3.5.6 Television**

#### **Advantages:**

The advantages of using television as an advertising media are given below:

- (a) It is a medium of colour, sound and action and attributes that captivates the attention of most people. So, commercials telecast on television have a spellbinding effect on the audience.
- (b) Commercials can have nation-wide audience, as most TV channels are available nationally these days.
- (c) Commercials on TV don't require the audience to interrupt their work. They can watch the commercial even as they work.

#### **Disadvantages:**

The disadvantages of using television as an advertising media are:

- (a) TV commercials are extremely expensive, both in terms of their production and distribution.
- (b) Ads on TV are as perishable as the radio ads: If a viewer happens to miss the ad, he/she cannot refer back to it as in the case of a print ad. This calls for repeated telecast of the ad, which again adds to the cost of advertising.
- (c) The time of telecast of each ad is very limited as air time is very costly. In limited time, it is not possible to accommodate much information about the product being advertised.
- (d) There is not much flexibility in a TV commercial as it is not convenient to keep changing a commercial in a short period. For one, the production time is long and secondly, the production cost is high.

### **3.5.7 Telephone/Mobile Phone Advertising**

#### **Advantages:**

The advantages of using landline phones/cell phones as advertising media are the following:

- (a) One can interact interpersonally with the prospect. Direct interaction helps in the removal of doubts and apprehensions, if any.
- (b) It is cost effective as there are no production costs involved except for the call cost.
- (c) One can know about the impact immediately. If the listener likes the product, he/she will buy it or else will show his/her disinclination. So, the effectiveness of this advertising is measurable.

- (d) It is highly informative as well as interactive. With good communication skills, the telecaller can change the mind of the listener.

**Disadvantages:**

The disadvantages of using telephones as advertising media are:

- (a) Most people are averse to telemarketing.
- (b) Regulatory regimes also restrict telemarketing to only those persons who have not registered themselves under 'Do Not Disturb' category.
- (c) It is difficult to display products. It is most suitable for service marketing which does not require a product to be shown.

**3.5.8 Out-of-Home Media**

**Advantages:**

The advantages of Out-of-home (OOH) media for advertising purposes are as follows:

- (a) As these are available at high-visibility points at public places, they attract the maximum number of eyeballs.
- (b) As these make use of a lot of technological gadgetry, these are highly pleasing and attractive to the eye.
- (c) They can create a larger-than-life impact unlike any other media.

**Disadvantages:**

Their disadvantages are as follows:

- (a) *Lack flexibility:* These advertisements are produced once and put up for a long time to come, without much change.
- (b) As the audience that views them is a floating one, it is hard to assess their effectiveness.
- (c) The OOH media space is very expensive.
- (d) It is difficult to focus on a segment of the audience.
- (e) It is susceptible to being vandalized by miscreants.

**CHECK YOUR PROGRESS**

- 7. What are the advantages of newspapers?
- 8. What are the disadvantages of magazines?
- 9. Mention a few advantages of direct mail/direct marketing.

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**3.6 NEED OF MEDIA PLANNING AND SCHEDULING**

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A number of factors have made media planning and scheduling very important for businesses. Firstly, with increasing competition, it has become essential for business enterprises to stay in public memory through advertising. Secondly, as markets have expanded, marketers have to look at different media vehicles to reach them. Thirdly, as there is a stiff competition for high-visibility media

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## NOTES

space and time, the advertising costs have shot up. So, if a business house goes ahead with spending its advertising money without a plan and schedule, it may not get the best return on its expenditure. Fourthly, by planning and scheduling its advertising in the media, a business house can factor in the various discounts and packages available in advance booking and bulk buying of media space and time.

But perhaps the primary reason for the importance of media planning is that advertisers are asking for returns from advertising expenditure; they expect ad agencies to justify their media decisions and plans. Media planners, therefore, have to address the following key questions:

- (a) What are the media available that will serve advertisers' interests in the most effective manner?
- (b) Which individual medium in each general category of media selected will be the best vehicle for a client's total advertising?
- (c) What would make the best 'media mix' for the client's total advertising?
- (d) What would be the most effective media schedule for the release of client's ads in each of those media?

That's why media planning and scheduling is an important and core part of the advertising campaign, which rests on the pedestal of budget sanctioned for the purpose for the particular tenure.

### CHECK YOUR PROGRESS

10. Why is there a need for media planning and scheduling?

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## 3.7 DEFINING MEDIA PLANNING

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Media planning is the process of translating one's marketing objectives into a workable advertising plan that specifies the use of different or one media at different points of time for carrying advertisements of different sizes and/or different time periods at the least cost to the business organization.

### CHECK YOUR PROGRESS

11. How do you define media planning?

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## 3.8 THE MEDIA PLANNING PROCESS

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The three stages of the media planning process are as follows:

### 1. Defining the marketing problem

Media planning process is part of the marketing planning process. So, before media planning, one needs to be clear about his/her marketing objectives.

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Defining marketing objectives involves seeking clarity about the market to be targeted for penetration and development. The market of any product or service is a heterogeneous one. So, one has to understand this heterogeneity first before deciding which segment of the market is to be targeted. Besides, the marketing objectives of any product or service will depend on the product's life cycle. When a product is to be launched, the market has to be created. In the case of an existing product, the marketing objective lies in retaining the existing market share as well as in adding to it.

### **2. Translating the marketing requirements into attainable media objectives**

Once the marketing objectives have been enunciated, they need to be translated into specific advertising objectives. If one wants to reach out to a large consumer base that cuts across attributes like education, income, age, and culture, one can go for mass media that have nationwide sweep. But, if one wants to make a statement of class by presenting the product as a privileged product like Ferrari, then direct mail advertising is the best as it is highly focussed and personalized.

### **3. Defining a media solution by formulating media strategies**

Based on the specific media objectives, the next step in media planning is selection of the most appropriate media. The selection is based on the relative strengths and weaknesses of each media to reach out to the market segment that has been identified in the marketing plan. The advertising budget also plays an important role. For a small business enterprise wishing to make inroads into the national market, print media is a better option than television, even though television has an instant and powerful reach nationally. After media selection, one needs to schedule the release dates of the advertisements. One needs to be clear as to when the campaign should start and when it should end. Certain schedules work best with different media. For example, print ads as a matter of general rule must run three times before these may get noticed. Similarly, radio advertising is most effective when it is timed according to the peak listening hours.

#### **CHECK YOUR PROGRESS**

12. What are the three stages of media planning process?

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### **3.9 FACTORS FOR MEDIA SELECTION**

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One of the most important steps in media planning process is media selection. Though a number of media are available in the market, the advertiser cannot possibly use all of them. For one, that would be very expensive. Secondly, that could be wasteful, as all media may not be required. Therefore, the media planner has to be discerning enough to make an informed choice. While making such a choice, the advertiser needs to bear the following factors in mind:

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### 3.9.1 Reach

The reach of the ad is measured in terms of the percentage of persons in the target group who are exposed to it at least once. Multiple instances of exposure of the same person to an ad are counted as one instance only for the purposes of the calculation of reach. So, if a media plan targets a reach of 50, it implies that it strives to expose the ad to 50 per cent of the people in the target audience, no matter how many times they may view that ad. It is important to remember that reach is always calculated for a certain period of time. In other words, an ad can have a reach of 50 in the first quarter of the year and 57 in the second quarter. This means that reach is accumulative in nature. The reach of an ad depends on the reach of the advertising media. Depending on the degree of reach being targeted, the advertiser has to make the selection of media. For a high reach, mass media is the best advertising media. For low reach, one could go for out-of-home advertising media.

### 3.9.2 Frequency

Communication experts feel that a prospect should be exposed at least three times to an ad before he/she may be persuaded to alter his/her behaviour favourably. Frequency of any ad in any media is calculated by dividing the Gross Rating Points of a programme with the reach of the media/programme. So, if the GRP of *Kaun Banega Crorepati (KBC)*, a reality show on Sony, is 84 and the reach of Sony is 60, the frequency will work out to  $84/60$ , which comes to 1.4. A frequency of 1.4 would imply that, on an average, the viewers of KBC got around one and a half opportunity to watch the ad telecast during it. By calculating the frequency of ads on a programme telecast from a TV channel, the media planners can get an idea about its visibility in measurable terms. Programmes with high frequency have high visibility. Depending on the kind of visibility the advertiser desires, the media is selected.

### 3.9.3 Weight

It is the volume of advertising required to accomplish advertising objectives. It is calculated in three different ways:

- (i) **Gross Rating:** Gross rating of an ad in a particular programme is calculated by multiplying the reach of the programme with the frequency of running an ad in it. So, if an ad is run once during KBC, which has a reach of 84, then its gross rating point (GRP) would be 84 multiplied by one, which comes to 84 only. But, if the ad were to be run twice, then its GRP would be  $84 \times 2$ , which comes to 168.
- (ii) **Target Rating:** When gross rating of an ad is calculated not by taking all the members of the household but by only those members who form a part of the target audience of the ad.
- (iii) **Effective Rating:** The earlier two ratings presume that the ad is always watched by the viewers who watch the programme. This rating adjusts this rating to the effective exposure out of the total exposure during a media planning period, which is normally of 4 weeks.

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### **3.9.4 Cost Per Thousand**

This method of cost calculation is often used in the print media. It involves finding out the cost of running an ad in a thousand copies and is calculated by dividing the cost of the advertisement with the publication's circulation in thousands.

### **3.9.5 Cost Per Point (CPP)**

This technique used to calculate the relative benefit of advertising over one media channel than the other. The total cost of the advertising over a particular channel or during a particular time slot is divided by the rating of the channel or the programme as the case may be to get the cost per rating point. A rating point equals one per cent of the target population. In other words, CPP = cost of advertising during the programme/programme rating. So, if the cost per point is higher for advertising in a certain programme compared to another, then it is not advisable to advertise in the first programme.

### **3.9.6 Impact**

While the previous factors took reach and cost into account, this factor looks at the impact a particular ad can leave over a target audience. The impact is measured in terms of the potential of designing and layout as well as interactivity and appeal to senses.

### **3.9.7 Selectivity**

This factor refers to the ability of the advertiser to restrict the advertising message to a particular segment of the audience by using a particular media. For example, in the case of wall hoardings and billboards, the message is available for one and all. But, in the case of trade magazines, and specialist magazines, the advertiser can restrict the message to a particular segment of the audience. This way, the advertising budget can yield the maximum return.

#### **CHECK YOUR PROGRESS**

13. What are the different factors one should keep in mind for media selection?
14. How is weight calculated in media selection?
15. What is cost per thousand?
16. Define impact.

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## **3.10 DEFINING MEDIA SCHEDULING**

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Media scheduling refers to the chronological sequencing of the release dates of a particular advertisement over different media. Media scheduling is essential as the prospects may not always be in a mood to receive the advertising message. The dates of release of advertisement can be synchronized with

## NOTES

the period when a certain economic activity gains momentum. For example, summers are the boom time for university and college admission ads, as it is during this time that students get their exam results and plan their academic career.

### CHECK YOUR PROGRESS

17. What do you mean by media scheduling?

## 3.11 TYPES OF MEDIA SCHEDULING

The different types of media scheduling traditionally followed by businesses are given below:

- (a) Continuity scheduling.
- (b) Flighting and
- (c) Pulsing.

a. *Continuity scheduling*: In continuity scheduling, the advertising budget is evenly spread out over the year so that the product or service advertised remains all the time in public eye and perception. This enables brand building and fends off competition from rivals. It is an important form of scheduling in the case of fast-moving consumer goods where consumers keep making purchases throughout the year in different lots. But, it calls for a large ad budget, which multinational companies in the FMCG sector don't find difficult to allocate.

b. *Flighting*: In this kind of media scheduling, the ad campaign is not evenly spaced over the year. In this form of scheduling, the ad campaign is launched only at intervals. For instance, the woollen hosiery industry in India floods the media with its ads during the autumn and winter seasons, while during spring, summer and rainy season, there is absolutely no woollen hosiery advertising.

c. *Pulsing*: In this kind of media scheduling, the advertisement campaign is run throughout the year, but the intensity of the campaign varies from one period to another. So, like the pulse of blood, the ad campaign may be intense at one point of time and low key at another. For instance, while airlines keep advertising throughout the year, they increase the ad budget during long breaks like summers, Christmas holidays or Diwali holidays to rope in customers who have leisure time around these days. Pulse scheduling keeps the product or service all the time in public memory while increasing the media blitzkrieg at the peak time of demand.

This kind of media scheduling overcomes the weaknesses of flighting and continuous scheduling. In flighting, the advertiser stops being noticed in certain periods, while in continuous scheduling the advertiser spends equal amount of money throughout the year on advertising, even if it may not be required.

However, there could be products and services for which continuous scheduling and flighting could be more appropriate than pulsing.

In the following section, we take a look at the factors that need to be borne in mind while going in for any particular type of media scheduling.

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### CHECK YOUR PROGRESS

18. What are the different types of media scheduling?
19. What is flighting?
20. What is continuity scheduling?

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## 3.12 FACTORS AFFECTING MEDIA SCHEDULING

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The various factors that affect the media scheduling decision are discussed below:

### 1. Sales seasonality

One of the factors advertisers bear in mind while choosing the type of scheduling is the nature of the product or service. If the product is seasonal in nature, then it will sell only during certain periods. If for instance, we have to advertise cardigans, we cannot possibly expect them to sell in summer. So, during summer, there is no use advertising cardigans. Instead, they need to be advertised during autumn and winter. Similarly, if one has a product like suntan lotions, one can't expect these to sell in winter. Obviously, these will have to be advertised in summer instead of winter. Similarly, the sale of gold and diamond jewellery tends to pick up in India during the Hindu auspicious months for marriages. Obviously, advertising has to be intense during this period than during other periods. So, while in the case of cardigans and suntan lotions, flighting is the best option, in the case of jewellery, pulsing would be a better option. Companies with seasonal products are more likely to choose flight scheduling to concentrate their advertising for the peak sales season. Other goods, however, everyday products like milk and toothpaste, may lack a seasonal pattern. Everyday goods may be better served by a continuity approach. Media planners can use a breakdown of sales by month to identify whether their brand has seasonal fluctuations, which can serve as a guide for the allocation. They can allocate more money to high-sales months and less to low-sales months.

### 2. Consumers' product purchase cycle

The other factor that is equally important for deciding the kind of media scheduling appropriate for a product is the product-purchase cycle. Fast-moving consumer goods, such as burgers, candy, soft drinks, chips, tissue papers and aluminium foils that are consumed in a short while after their purchase, permit another purchase of the same product as soon as it is consumed. As a result, purchase decisions are made frequently in the case

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of these products. Continuous advertising schedule is appropriate for such products as this alone can keep the brand etched in the memory of the consumer every time he/she makes a purchase decision. But, in the case of consumer goods in which there is a longer interval of time between any two purchases, the advertising schedule can be either flight or pulse as the purchase decision is not frequent. Therefore, automobile advertising does not require continuous advertising. Its media scheduling could be either flight or pulse depending on other factors.

### 3. Consumers' interval between decision making and consumption

A third factor that affects media scheduling is the time interval between the time of purchase decision and that of actual consumption. For example, family air trips, in particular the foreign ones, are decided much in advance by people keeping in mind the schedule of children and the availability of leaves. So, advertisers must take this fact into consideration at the time of media planning and scheduling of ads. Obviously, the ads are scheduled much in advance of the summer or Christmas holidays. The advertising of this kind of product or service requires flight scheduling.

### 4. New product launches

The factors we discussed till now concerned products already in market, but when a product is to be launched for the first time, the media selection strategy will differ. As a new product is completely unknown to the users, it has to be introduced to them. Also, the potential users need to be convinced about the need to use it. This calls for heavy and intense advertising. It helps to create brand awareness and interest in the product. The launch period may last from a few months to a year. When a spate of new cars was launched in 1999 in India, they had to face a formidable rival in Maruti, which by then had mopped up a very large chunk of the market share. To create a space for themselves, they had to advertise heavily to get noticed and to elicit interest.

### CHECK YOUR PROGRESS

21. What are the factors that affect media scheduling decision?

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## 3.13 HOW TO WRITE A MEDIA PLAN

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In the following section, we will learn as to how a media plan is written. The various stages in the writing of a media plan are as given below:

### *a. Goal setting*

The first step in writing a media plan is to identify the goals of advertising in measurable terms and state them for future reference. The goals could be in terms of increasing the awareness of the brand among

a certain percentage of the target population. It could also be to persuade a certain percentage of prospects to visit stores/showrooms to look up the product. The ultimate goal would, of course, be to see the sales curve shoot up.

*b. Identification of the target audience*

Keeping in mind the goals of advertising, the audience needs to be identified and defined. This audience will form the target group for the advertising campaign. For instance, for an ad of a higher educational institution which seeks quality students, the target audience will be senior secondary school pass outs and their parents.

*c. Media selection and scheduling*

Once the advertising goals and the audience have been identified and defined, the next stage is of identifying the most appropriate media for reaching out to the target audience, keeping in mind the advertising budget. The relevant media list needs to be prepared along with the manner of their use over a particular period of time.

*d. Message preparation*

Once the advertising goals and the audience have been identified and defined and the media schedule prepared, the next stage is of identifying the content of the message. In other words, the advertiser needs to decide what all information he/she needs to give out in the ad to the target public and what should be the priority level of each item of information. Also, the punch line or the tag line needs to be decided as that tends to linger in the mind long after one has forgotten the contents of the ad. The content of the ad must highlight the unique selling proposition (USP) of the product/service. After the content has been decided, the ad copy needs to be developed and thoroughly vetted for checking on its appeals. The ad copy should be creatively designed without sacrificing the utilitarian purpose of advertising. The development of the ad and the kind of appeals that need to be put in it will depend on the media in which the ad will be released.

**CHECK YOUR PROGRESS**

22. What are the various stage of writing a media plan?

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### **3.14 CASE STUDIES**

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#### **Dove**

Dove is a personal-care brand owned by Unilever. Dove products are manufactured in the Netherlands, United States, Germany, Ireland, Australia, Canada and Brazil. The Dove trademark and brand name is currently owned

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by Unilever. Dove's logo is a silhouette profile of a dove, the colour of which often varies.

Dove's products include antiperspirants/deodorants, body washes, beauty bars, lotions/moisturizers, hair care and facial care products.

### History of Dove

Advertisements reinforced the message by depicting cream being poured into the beauty bar. In 1979, the phrase 'cleansing cream' was replaced with 'moisturizer cream'. In 1979, a Pennsylvania dermatologist showed that Dove dried and irritated skin significantly less than ordinary soaps. As a result of this study, Unilever started aggressive marketing and won more than 24 per cent of the market by 2003.

### Marketing Campaign

In 2006, Dove started the Dove Self-Esteem Fund. It purports to be 'an agent of change to educate and inspire girls on a wider definition of beauty and to make them feel more confident about themselves'. To this day, Dove have created a number of largely online-only short films, including *Daughters* (which also aired in a 75-second spot during the Super Bowl XL), *Evolution* (which won two awards at the Cannes Lions International Advertising Festival), *Onslaught* and *Amy*.

This case is about Unilever's 'Campaign for Real Beauty' (CFRB) marketing campaign for its leading personal care brand 'Dove'. CFRB was a multi-faceted campaign that sought to challenge the stereotypes set by the beauty industry. This campaign featured regular women (non-models) who were beautiful in their own way and did not fit in with the idealized images of models, super-models and celebrities. Unilever developed the CFRB campaign based on a global study on the perceptions and attitudes of women with regard to their personal beauty and well-being. This campaign was a huge success as it was appreciated by many consumers and resulted in increased sales of Dove products. It also generated plenty of buzz and wide media coverage for the Dove brand.

### Dove in India

The late 1990s was a period which witnessed a revolution in the attitude of Indian women, with much more liberalization coming in. This was a time when the Indian woman was aware of herself. HLL already had a major presence in the Home & Personal Care sector with products like Liril, Pears, Lifebuoy and Rexona. Dove was introduced into the Indian market, targeted at women who were now recognizing that beauty is 'not just how you look, but more about how you feel'. The target segment for the research would generally be women in the upper-middle and higher class. Initially women in the metropolitan cities will be targeted and thereafter those in Tier I and Tier II cities will be surveyed. Estimates have been made for the next three years because by that time, there might be a need in the changes in strategies or product offering.

### Newspapers

Vehicle	Readership 000's	Rate	CPM	Size	Rate × Size	Insertion	Amount	Reason For vehicle selection
The Times of India	8092	4110	0.50	400	4110 × 400 = 1644000	4	6576000	It is very prestigious newspaper. Almost every middle class people read it and reach is very high
Hindustan Times	3947	2085	0.52	400	2085 × 400 = 834000	5	4170000	
Dainik Bhaskar	17379	2569	0.14	800	2569 × 800 = 2055200	6	12331200	For geographical reason. Low cpm and high reach
Navbharat Times	2958	750	0.25	400	750 × 400 = 300000	4	1200000	
							Total 242777200	

*Advertising Media, Media  
Planning and Scheduling,  
Advertising effectiveness,  
Regulations of advertising  
in India*

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#### Date of Insertion (3 months from September to November)

1 <sup>st</sup> week	2 <sup>nd</sup> week	3 <sup>rd</sup> week	4 <sup>th</sup> week	5 <sup>th</sup> week
Times of India Dainik Bhaskar	Hindustan Times Navabharat Times	Dainik Bhaskar	Hindustan Times	Times of India Navabharat Times
6 <sup>th</sup> week	7 <sup>th</sup> week	8 <sup>th</sup> week	9 <sup>th</sup> week	10 <sup>th</sup> week
Hindustan Times Dainik Bhaskar	Dainik Bhaskar Navabharat Times	Hindustan Times	Dainik Bhaskar	Times of India
11 <sup>th</sup> week	12 <sup>th</sup> week	13 <sup>th</sup> week		
Navabharat Times	Hindustan Times	Times of India Dainik Bhaskar		

### Magazine

Magazine	Readership 000's	Rate	Insertion	Amount	Reason For vehicle selection

## 3.15 NEED OF ASSESSING ADVERTISING EFFECTIVENESS

According to Jerry W. Thomas, the advertising industry, as a whole, has the poorest quality-assurance systems and turns out the most inconsistent product (their ads and commercials) of any industry in the world. He goes on to assert

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that this might seem like an overly harsh assessment, but it is based on testing thousands of ads over several decades. According to him, only about half of all commercials actually work; i.e., have any positive effects on consumers' purchasing behaviour or brand choice. Rather, a small share of ads, in his opinion, actually appears to have negative effects on sales.

It is not that the advertisers or their sponsors are there to throw millions of rupees down the drain without getting any return on it. They do want to know if the money they have spent on advertising has really made a difference to their brand value or boosted their sales. What prevents them from knowing this is the complexity of the process of measuring advertising effectiveness as much as their willingness to fork out additional money on researching this expenditure. For one, it is very difficult to identify the factor which has actuated a prospect to purchase a product advertised. Similarly, it is equally difficult to determine whether the prospect has not purchased the product advertised because he/she found the advertising ineffective. There could be many other factors for the purchasing decision such as ability to pay, availability of stocks, weather conditions, competition and other opinion makers. Secondly, because of the high cost involved in collecting and analyzing the data of advertising effectiveness from the target audience, many advertisers or their clients may not go for it.

But, with the liberalization of the economy and the opening of the markets, competition has become stiff in all sectors of the economy. To beat this competition, it is essential for business houses to carve a unique brand image for themselves and their products. This is possible only with effective advertising. As advertising budgets climb sky high, it is equally necessary for advertisers to know that their advertising money is yielding the desired results. It may not be possible to assess the impact of advertising on purchasing behaviour of customers, but it is always possible to assess the achievement of the specific objectives of advertising. Measuring advertising effectiveness helps to give concrete feedback to the marketer regarding need for any changes in future. Thus, advertising research companies are doing brisk business these days in India.

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### **3.16 DEFINING ADVERTISING EFFECTIVENESS**

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Advertising effectiveness may be defined as the degree of change brought about in the level and nature of awareness of the largest number of prospects with regard to a product or a service or an organization. The greater the awareness the greater is the effectiveness of advertising. Similarly, the more favourable the response the greater is the effectiveness of advertising. Finally, the quantitative parameter of the number of persons seeing the advertisement is as important as the qualitative parameters discussed till now.

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### **3.17 MEASUREMENT OF ADVERTISING EFFECTIVENESS**

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As is clear from the definition above, advertising effectiveness can be measured on both quantitative and qualitative parameters. The quantitative areas of measurement are:

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### *a. Number of viewers*

It is important to know about the number of people who have viewed an advertisement. The greater the number of eye balls attracted to it, the greater would be the breadth of its impact. Marketing research companies keep tabs on the viewership and readership figures of audio--visual and print media to get an idea about the number of persons to whom the ad may have been exposed. The problem lies in being certain that the readers/viewers of a particular media have also seen the ad.

### *b. Time spent*

The other important quantitative parameter for assessing the effectiveness of advertising is the amount of time spent by a prospect on the advertising message. Mass communication theory tells us that there are four responses of a member of the audience to a communication message. These are: selective exposure, selective perception, selective understanding and selective retention. Based on these four responses, one can identify the effectiveness of an advertisement. But, as these are qualitative responses, these need to be quantified in terms of the time spent. A short duration of less than a minute would indicate the rejection of the message. A time period of one to two minutes would indicate mere perception, while a duration exceeding two minutes would indicate the prospect's readiness to understand the advertising message. The final stage of retention can neither be measured by time nor tested by it. The duration of time spent for each of the first three responses will vary from one mass media to another. In the case of the electronic media, the duration will be shorter as the messages in it move rapidly, compared to print, where the decision to view is solely that of the newspaper reader.

The four main qualitative parameters are as below:

### *a. Ad recall*

It is meant to test the fourth response of the advertisement viewer. It is usually tested by way of a question to this effect in a questionnaire. The prospects are asked to answer questions about the advertisements that have appeared over a particular period of time in print/electronic media to test the degree to which the advertisement has been able to register itself on their minds. Simpler questions regarding the punch line and general details show an effort on the part of the prospect to engage with the message of the advertisement. Complex questions that seek answers at the analytical level are designed to test the depth of understanding. As the prospect scores higher on the scale of complexity, the deduction is that his/her level of engagement with the advertising message is higher.

### *b. Brand awareness*

The purpose of all advertising communication is to enlist the support of the potential customers for the organization or its brand. This can be achieved only if the target clientele is aware of the brand and its competitive edge over its rivals in the market. So, all advertising communication seeks to enhance brand awareness in the minds of the potential customers. While ad recall measures the ability of the prospect to remember the ad, brand awareness measures the actual gain in terms of the interest created in the

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marketer's brand. Brand awareness is measured by taking the following two variables into account:

(i) *Advertiser identification and*

(ii) *Previous knowledge.*

Advertiser identification tests how far the viewer/reader can identify the brand now. But, it would be an exaggeration to attribute advertiser identification to the present advertising campaign alone. It could partly or wholly result from previous knowledge as well. In other words, a prospect may know about the brand even before the present campaign is launched. So, while assessing advertising effectiveness, it is essential to find out from the prospect if he/she had prior knowledge of the brand.

*c. Appeal*

Apart from measuring the enhancement of brand awareness, it is essential to assess the kind of appeal that the advertising campaign has had on the prospects. Following are the kinds of appeals that an ad could have on its viewers/readers:

(i) *Directed to me*

This is the strongest appeal. When the viewer/reader feels that the ad is directed to him/her, it tends to have the strongest impact. This could be achieved with appropriate visuals and/or appropriate text that speak directly to the audience.

(ii) *Interesting*

This is the second-most important appeal. When the prospect finds the ad interesting, he/she can be expected to pay full attention to its content. As per the AIDA model of persuasive communication, awakening the interest of the target consumers in a brand is the second-most important stage in persuasive communication.

(iii) *New information*

This appeal indicates that the prospect finds the ad informative. When the prospect feels that he/she is getting to know something more about a product or a service, the ad can be considered to have achieved its goal of leaving an impact on the mind of the viewer/reader. So, it is much more powerful an appeal than that of 'interesting'.

(iv) *Easy to understand*

This appeal is more descriptive by nature. It tells whether the additional information given in the ad is easy to understand or not. Understanding is an important component of any communication process. If an ad facilitates comprehension, it can be said to be effective.

(v) *Positive attitude*

This appeal refers to the kind of response generated by an ad. For an advertisement to be effective, it is essential that it should not simply have all the above appeals but also the ability to create a positive attitude in the viewers/readers towards the product/service/organization advertised.

Ultimately, this appeal qualifies to be the most important one for advertising effectiveness and all advertisers work for it.

*d. Benefit*

The other parameter for judging the effectiveness of an advertisement is the benefit that prospects expect to derive from it. Even if all the appeals are positive, but if the prospects don't feel that the product or service advertised is going to benefit them in a substantial way, then the entire purpose of advertising is defeated.

*e. Usefulness*

This parameter measures the actual actionable result that has resulted from the advertisement. It could be either or all of the below mentioned follow-up actions:

(i) *Look for more information*

(ii) *Visit store*

(iii) *Have bought/will buy*

The prospect could look for additional information to confirm or refute the information gained from the advertisement. He/she could also visit store to verify the product for himself/herself and satisfy himself/herself about its qualities. And finally, he/she could either buy the product or service or decide to buy it in the near future.

### CHECK YOUR PROGRESS

23. What are the quantitative areas of measurement of advertising effectiveness?
24. What are the four responses of a member of the audience to a communication message?
25. How do you test ad recall?
26. What are the appeals that an ad can have on its reader/viewer's mind?

## 3.18 BARRIERS OF ADVERTISING EFFECTIVENESS

In the previous section, we have analyzed the parameters on which advertising effectiveness can be measured. In this section, we will look at factors that hinder the effectiveness of advertising.

These are discussed below:

**a. Close-mindedness:**

In order that advertising effectiveness may be brought about and maintained, it is essential that the advertising agency and its client(s) be open to assess the effectiveness of advertising. In most cases, both are reluctant to do so as they tend to depend on their common sense. If they feel comfortable with a copy,

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they presume that the ad will have an impact on the prospects. But, this may not always be the fact. As a result, most advertising effectiveness is affected adversely by the close-mindedness of the agency and its clients.

According to an advertising expert, who has been in the field of testing advertising for 40 years, even he cannot tell whether a commercial is any good or not, just by viewing it. They may have opinions, but he is quick to confess that these are almost always wrong. In the words of Jerry W. Thomas, 'advertising agencies and their clients are just as inept at judging advertising as we are. It seems that none of us is smart enough to see advertising through the eyes of the target audience, based purely on our own judgment.'

### **b. Reliance on sales performance:**

Similar to close-mindedness is the advertiser's reliance on sales data. Most clients prefer to check on the effectiveness of advertising with their sales performance. If the sales go up substantially after the ad is released, they feel that the ad has been effective. According to Jerry W. Thomas, 'Unless the sales response to the advertising is immediate and overwhelming, it is almost impossible to use sales data to judge the effectiveness of the advertising. So many variables are beyond our control, as noted, that it's impossible to isolate the effects of media advertising alone. Moreover, some advertising works in a few weeks, while other advertising might take many months to show positive effects, and this delayed response can confound our efforts to read the sales data. Also, advertising often has short-term effects that sales data might reflect, and long-term (years later) effects that most of us might easily overlook in subsequent sales data. Because of these limitations, sales data tends to be confusing and unreliable as an indicator of advertising effectiveness.'

To overcome this problem, he suggests marketing mix modelling. With the help of marketing mix modelling, one can assess the impact of advertising on sales. But, it is very expensive, requiring a huge budget to be executed. Besides, it requires huge and exact databases of sales over a number of years. And, what is important, after investing so much of time, money and effort, it is still not able to help us know whether a particular ad has had the desired impact on sales. It can only give the cumulative impact of all advertisements on sales. Besides, even in this case, marketing mix modelling cannot tell us why the advertising worked, or failed to work. Was it message, or media weight or media mix that made the advertising effective? Obviously, the result is not worth the effort.

### **c. Tendency to evade objective assessments on the part of the agency:**

Not only the client but even the advertising agency would like to drag its feet over an objective assessment of advertising effectiveness, as it may expose its weaknesses to the client. So, most agencies come up with very salacious reasons to evade testing of advertising effectiveness. Commenting on this behaviour, Jerry W. Thomas mentions the following excuses given by agencies as the reasons for avoiding testing of advertising effectiveness:

- There's no time. We have to be on air in five days, so we'll just have to skip the testing.
- These ads are built on emotions and feelings, and you can't measure such delicate, artful subtleties.

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- We've already tested the ads with a focus group during the development process.
- These are image ads, and you can't test imagery with standard advertising testing techniques.
- We have so much equity in this campaign that it doesn't matter what the testing results are. We can't afford to change.
- We're in favour of testing, but let's remove those questions about purchase intent and persuasion from the questionnaire.
- We are in a new age, with new media and new messages, and none of the old copy testing measures apply any more.

### **d. Creative ego:**

Advertising agencies are manned by artists in the creative departments who usually get carried away by the beauty of their own creation. As they are highly imaginative and moody, they shun objective critiques of their work. So, even when there is a need to modify a copy, many of them consider that as a trespass on their creative domain. As a result, their creative ego becomes a major barrier in the assessment of advertising effectiveness.

### **e. Competitor knows the best:**

Another major irritant in not assessing advertising effectiveness is the belief that one's competitor knows the best. So, it is presumed that if the client follows the ad strategy of one's competitors, they can be sure to reach out to their target audience in the best possible and the most effective way. Speaking about this barrier, Jerry W. Thomas recounts a case: 'We recently had a client who was about to copy the advertising strategy of a major competitor, but we were able to persuade the client to test all major competitive commercials as a precaution before blindly copying the competitor's advertising approach. This competitor was the industry leader in market share and profitability. Our testing quickly revealed that this industry leader was the industry leader in spite of its bad advertising. The testing also revealed that another competitor, in contrast, had great advertising. Needless to say, the client's desire to copy the industry leader quickly vanished.'

### **f. Lack of strategy:**

The sixth barrier to better advertising is a lack of strategy on the part of the client. After all, it is for the client to give the advertising brief, which should include among other things, background information about the organization and the product, the vision and mission of the organization as well as the philosophy of the brand they want to promote. Most often the client gives incomplete information and leaves it up to the advertising agency to glean whatever information it can about the brand and the organization. The client simply tells the agency to go forth and create great advertising, without providing any strategy guidelines. In the absence of a proper brief, the agency is left to guess and speculate about strategy. As Jerry W. Thomas remarks, 'Great advertising is rarely created in a strategy vacuum. If the client cannot define a sound strategy, the agency cannot create great advertising. Again, the responsibility for strategy falls squarely on the client.'

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### g. Client ineptness

Client ineptness can also mar great advertising. Some clients have poor interpersonal skills and poor workflow and information processes. These do not inspire much confidence in the agency about its work. As a result, its people are not able to apply their mind well to their job and would prefer to complete it as a mere commercial assignment than as a dedicated task. Jerry W. Thomas observes, 'Bad clients rarely stimulate or tolerate great advertising.'

### h. Poor copy testing

The eighth and last barrier to better advertising is poor copy testing by research companies. There are many reasons for this. For one, copy testing systems are not available for all kinds of markets. Besides, some of these systems are so expensive that the cost of testing exceeds the value of the results. In the case of others, only a few measures are taken into account, due to which the results obtained are not always reliable. In the words of Jerry W Thomas, 'for several years research companies argued publicly over which was more important, persuasion measures or recall measures? The truth is that both are important, but of greater import is the fact that neither of these measures alone, or in combination, measures advertising effectiveness. To judge the effectiveness of an ad, many different variables must be measured and considered simultaneously.' But as there are scarcely any valid copy testing tools available, advertising effectiveness cannot be measured appropriately.

### CHECK YOUR PROGRESS

27. What are the barriers of advertising effectiveness?

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## 3.19 WAYS OF ACHIEVING ADVERTISING EFFECTIVENESS

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Given all of these barriers to better advertising, the question arises how can effective advertising be achieved? Jerry W. Thomas gives the following ways in which it may be accomplished:

#### 1. Using a sound strategy:

The client must be sensitive to the need for a sound strategy for brand promotion. This strategy should be based on facts, not wishful thinking and self-delusion. The client must also understand that advertising is only a tool for brand promotion and marketing. So, the advertising goals must synchronise with the brand promotion and marketing strategies. This calls for setting of precise communication objectives for the advertising that are in tune with marketing and branding needs of the organization. Agencies are not miracle workers. Once strategy and positioning alternatives are identified and tested, the strategy should be locked down and rarely changed thereafter.

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### 2. Pre-testing of advertisements:

Pre-testing enables the agency to collect vital data pertaining to the communicative potential and effectiveness of an ad among the target audience. As advertisements are developed keeping in mind the branding and marketing needs, it is essential that these are also pre-tested before being finally printed or broadcast. By collecting vital data about the effectiveness of an ad, the advertising agency can make suitable changes in the ad on time. This would ensure that the ad is in agreement not only with the organizational goals of branding and marketing but also with the target audience's reading and viewing preferences. The greater the number of executions pre-tested, the more likely it is that great advertising will emerge. Testing the creative provides a reliable feedback loop that helps agency and client alike become smarter over time. Pretesting should be standardized over a period of time by being used over and over again, with necessary corrections as they come to light. Also, it should be done twice: once at an early stage and the second time, just before the final release of ad order. As Jerry W. Thomas remarks, 'Early-stage testing allows rough commercials to be tweaked and fine-tuned before you spend the big dollars on final production. Early-stage testing tends to be highly predictive of finished commercial scores, but not always. Testing the finished commercials gives you extra assurance that your advertising is "on strategy" and working.'

### 3. Creation of a mathematical model for measuring advertising effectiveness:

Use a mathematical model to derive an overall score for each execution. It doesn't matter that an ad has great persuasion if it does not register the brand name. It doesn't matter that an ad registers the brand name if no one will notice the commercial itself. It doesn't matter that an ad increases short-term purchase interest if it will damage the brand's quality reputation over time. So, all of the key variables must be put together intelligently to come up with a composite or overall measure of advertising effectiveness.

### 4. Pre-testing

Use the pretesting results as a guide, as an indicator, but do not become a slave to the mathematical model. Read all of the open-ended questions carefully. Make sure you really understand the underlying reasons. Base your decisions on this comprehensive assessment of the results, and leave yourself some wiggle room. No model or system can anticipate every marketing situation, or give a 100 per cent solution every time. Informed human judgment remains important.

### 5. Agreement between the client and agency:

Client and agency need to accept that 'continuous improvement' of the advertising is an important goal. This means that every execution is tested and tweaked based on scientific evidence from the target audience. We are not talking about changing the strategy or changing the campaign, but making sure that every execution is 'on strategy' and working as hard as possible.

The ultimate goal of testing is an advertising success formula that works. That is, the goal of advertising creative development, and the

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goal of advertising testing, is to identify the elements/ideas essential to advertising effectiveness, and then to make sure that those elements/ideas are consistently communicated by all advertising executions.

### CHECK YOUR PROGRESS

28. What are the different ways of achieving advertising effectiveness?

### 3.20 NEED OF ADVERTISING REGULATIONS

Most countries are presently democratic. In other words, they grant freedom of speech and expression to their citizens. This freedom could be exercised for participating in the political, social and cultural life of the nation or in its economic activities. Advertising requires the use of creative expression of thought for persuading potential customers to buy a product or service that a business house is dealing in. So, there shouldn't have been any legal restrictions and restraints on advertising in democratic countries. But, that is scarcely true anywhere. In all democratic states, governments have put in place a regulatory regime for monitoring advertising. This is because of the following reasons:

- (i) To ensure that customers don't get duped by unscrupulous marketers: It has been observed that unless the state has provisions to penalize advertisers who give false information to lure customers to buy their products, people will have no legal remedy against such unscrupulous advertisers. Thus, all democratic states have advertising regulations to protect their citizens against unscrupulous advertisers.
- (ii) To ensure that products and services considered harmful to society or a section of the society do not get wide publicity: In many countries of the world prostitution is banned. So is cigarette smoking in public places. Similarly, drinking is discouraged by the government in India. Therefore, ads that publicize these products and services are banned in India. In the absence of any advertising regulations, it would have been difficult for the state to control these activities.
- (iii) To ensure that advertisements do not adopt unethical means of representation of women and other vulnerable sections of the society to attract potential customers. Advertisers are often tempted to use images of semi-clad and naked women as baits to attract the attention of prospects to their advertisements. To prevent such a gross misrepresentation of women as sex objects, we need to regulate advertising.
- (iv) To ensure that advertisements do not encourage superstition and orthodoxy or cash in on the superstitious nature of the masses. In developing countries like India, where many people are illiterate and steeped in religious orthodoxy and superstition, advertisers tend to sell their wares by appealing to their superstitious bent of mind. Sometimes, some try to sell magic remedies as panacea for diseases. To curb such activities, the government has to have regulations for advertisers.

- (v) To ensure that advertising happens in a level field among competitors. Last of all, it is essential that competing businesses do not resort to running down each other's products or services to sell their own. So, there has to be regulation to check such a temptation among advertisers.

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### 3.21 DEFINING ADVERTISING REGULATIONS

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Advertising regulations are reasonable restrictions on the right of the citizens to express themselves in public for a commercial purpose.

#### CHECK YOUR PROGRESS

29. Define advertising regulations.

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### 3.22 ADVERTISING REGULATIONS IN INDIA

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Post-liberalization of the Indian economy, the business and industry have been released from all restrictive rules and regulations. As a result, business organizations are growing both laterally and vertically. This phenomenal growth of business and industry has resulted in greater competition and greater ad spends. As per the recent FICCI report, the growth of advertising in India is matched only by the cumulative annual growth rate of the entertainment and media industry. To ensure that this industry does not grow in a manner prejudicial to the interests of the common man, it is important that it follow certain regulations.

Advertising regulations in India draw their sustenance from Article 19(1)(a) of the Indian Constitution which guarantees to all Indian citizens the right to freedom of expression, though under certain reasonable restrictions, to ensure that this freedom does not become the nightmare of other citizens and the nation as a whole. These restrictions are applicable to all forms of public expression, including commercial. As no law in India can contravene the provisions of the Constitution, the advertising regulations too have been drawn within the framework of the reasonable restrictions on freedom of expression mentioned in the Constitution.

There is no particular legislation on the Indian statute book that addresses the issue of regulating advertising in India comprehensively. The legal provisions that impinge on advertising in India are contained in various Acts that have come into being at various points of time, many of them dating back to the pre-independence era. Given below are the Acts which contain provisions regulating advertising in India:

1. Restriction on obscene publications or the advertisement of a lottery under the Indian Penal Code, 1860.
2. Prohibition of Harmful publication under the Young Persons (Harmful Publications) Act, 1956.
3. Ban on the indecent representation of women under the Indecent Representation of Women (Prohibition) Act, 1986.

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4. Ban on the use of a report of a test or analysis for advertising any drug or cosmetic under the Drugs and Cosmetics Act, 1940.
5. Ban against inviting transplantation of organs under the Transplantation of Human Organs Act, 1994.
6. Ban against the advertisement of magical remedies of diseases and disorders under Drugs and Magical Remedies (Objectionable Advertisements) Act, 1954.
7. Prohibition of advertisements relating to prenatal determination of sex under the Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994.
8. Ban on advertisements of cigarettes and other tobacco products under the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003.
9. Restriction on publication of any political advertisement forty hours prior to polling time under the Representation of People Act, 1951.

In the absence of a single comprehensive legislation, there has been a lot of confusion in the advertising industry in regard to the regulations governing it. Besides, the legal process in India has been very tardy. Getting dragged into a legal tangle implies wastage of time and money over an extremely long period of time. Such legal bottlenecks stalled the growth of the industry.

To overcome this bottleneck, the industry thought of self regulating itself. So, in 1985, a self-regulatory mechanism of ensuring ethical advertising practices was established in the form of the Advertising Standards Council of India (ASCI), a non-statutory tribunal. The ASCI is a voluntary self-regulation council, registered as a not-for-profit company under section 25 of the Indian Companies Act 1956. The sponsors of the ASCI, who are its principal members, are firms of considerable repute within the industry in India, and comprise advertisers, media, advertising agencies and other professional/ancillary services connected with advertising practice. The ASCI is not a government body, nor does it formulate rules for the public or the relevant industries.

In August 2006, the ASCI Code was made compulsory for TV advertisements by amending the Cable Television Networks (Amendment) Rules, 2006: 'No advertisement which violates the Code for Self-Regulation in Advertising, as adopted by the ASCI, Mumbai from public exhibition in India, from time to time, shall be carried in the cable service.' This recognition from the government has given more teeth to the ASCI than it enjoyed as a self-regulatory industry body. Divided into 4 chapters, the code lists the following dos and don'ts for the advertising industry:

1. Advertisements must be truthful. All descriptions, claims and comparisons which relate to matters of objectively ascertainable fact should be capable of substantiation. Advertisers and advertising agencies are required to produce such substantiation as and when called upon to do so by the ASCI.
2. Where advertising claims are expressly stated to be based on or supported by independent research or assessment, the source and date of this should be indicated in the advertisement.
3. Advertisements shall not, without permission from the person, firm or institution under reference, contain any reference to such person, firm

## **NOTES**

or institution which confers an unjustified advantage on the product advertised or tends to bring the person, firm or institution into ridicule or disrepute. If and when required to do so by the ASCI, the advertiser and the advertising agency shall produce explicit permission from the person, firm or institution to which reference is made in the advertisement.

4. Advertisements shall neither distort facts nor mislead the consumer by means of implications or omissions. Advertisements shall not contain statements or visual presentation which directly or by implication or by omission or by ambiguity or by exaggeration are likely to mislead the consumer about the product advertised or the advertiser or about any other product or advertiser.
5. Advertisements shall not be so framed as to abuse the trust of consumers or exploit their lack of experience or knowledge. No advertisement shall be permitted to contain any claim so exaggerated as to lead to grave or widespread disappointment in the minds of consumers.

For example:

- a. Products shall not be described as 'free' where there is any direct cost to the consumer other than the actual cost of any delivery, freight or postage. Where such costs are payable by the consumer, a clear statement that this is the case shall be made in the advertisement.
- b. Where a claim is made that if one product is purchased another product will be provided 'free', the advertiser is required to show, as and when called upon by the ASCI, that the price paid by the consumer for the product which is offered for purchase with the advertised incentive is no more than the prevalent price of the product without the advertised incentive.
- c. Claims which use expressions such as 'Up to five years' guarantee' or 'Prices from as low as Rs. Y' are not acceptable if there is a likelihood of the consumer being misled either as to the extent of the availability or as to the applicability of the benefits offered.
- d. Special care and restraint has to be exercised in advertisements addressed to those suffering from weakness, any real or perceived inadequacy of any physical attributes, such as height or bust development, obesity, illness, impotence, infertility and baldness, to ensure that claims or representations directly or by implication, do not exceed what is considered prudent by generally accepted standards of medical practice and the actual efficacy of the product.
- e. Advertisements inviting the public to invest money shall not contain statements which may mislead the consumer in respect of the security offered, rates of return or terms of amortization; where any of the foregoing elements are contingent upon the continuance of or change in existing conditions, or any other assumptions, such conditions or assumptions must be clearly indicated in the advertisement.
- f. Advertisements inviting the public to take part in lotteries or prize competitions permitted under law or which hold out the prospect of gifts shall state clearly all material conditions as to enable the consumer to obtain a true and fair view of their prospects in such activities. Further, such advertisers shall make adequate provisions

## NOTES

for the judging of such competitions, announcement of the results and the fair distribution of prizes or gifts according to the advertised terms and conditions within a reasonable period of time. With regard to the announcement of results, it is clarified that the advertiser's responsibility under this section of the Code is discharged adequately if the advertiser publicizes the main results in the media used to announce the competition as far as is practicable, and advises the individual winners by post.

6. Obvious untruths or exaggerations intended to amuse or to catch the eye of the consumer are permissible, provided they are clearly to be seen as humorous or hyperbolic and not likely to be understood as making literal or misleading claims for the advertised product.
7. In mass manufacturing and distribution of goods and services it is possible that there will be an occasional, unintentional lapse in the fulfillment of an advertised promise or claim. Such occasional, unintentional lapses may not invalidate the advertisement in terms of this Code.

In judging such issues, due regard shall be given to the following:

- a. Whether the claim or promise is capable of fulfillment by a typical specimen of the product advertised.
  - b. Whether the proportion of product failures is within generally acceptable limits.
  - c. Whether the advertiser has taken prompt action to make good the deficiency to the consumer.
8. To ensure that advertisements are not offensive to generally accepted standards of public decency. Advertisements should contain nothing indecent, vulgar or repulsive which is likely, in the light of generally prevailing standards of decency and propriety, to cause grave or widespread offence.
  9. To safeguard against the indiscriminate use of advertising in situations or of the promotion of products which are regarded as hazardous or harmful to society or to individuals, particularly minors, to a degree or of a type which is unacceptable to society at large.
    1. No advertisement shall be permitted which:
      - a. Tends to incite people to crime or to promote disorder and violence or intolerance.
      - b. Derides any race, caste, colour, creed or nationality.
      - c. Presents criminality as desirable or directly or indirectly encourages people—particularly minors—to emulate it or conveys the modus operandi of any crime.
      - d. Adversely affects friendly relations with a foreign state.
    2. Advertisements addressed to minors shall not contain anything, whether in illustration or otherwise, which might result in their physical, mental or moral harm or which exploits their vulnerability. For example, advertisements:
      - a. Should not encourage minors to enter strange places or to converse with strangers in an effort to collect coupons, wrappers, labels or the like.

## **NOTES**

- b. Should not feature dangerous or hazardous acts which are likely to encourage minors to emulate such acts in a manner which could cause harm or injury.
  - c. Should not show minors using or playing with matches or any inflammable or explosive substance; or playing with or using sharp knives, guns or mechanical or electrical appliances, the careless use of which could lead to their suffering cuts, burns, shocks or other injury.
  - d. Should not feature minors for tobacco or alcohol-based products.
  - e. Should not feature personalities from the field of sports, music and cinema for products which, by law, either require a health warning in their advertising or cannot be purchased by minors.
3. Advertisements shall not, without justifiable reason, show or refer to dangerous practices or manifest a disregard for safety or encourage negligence.
  4. Advertisements should contain nothing which is in breach of the law nor omit anything which the law requires.
  5. Advertisements shall not propagate products, the use of which is banned under the law.
  6. Advertisements for products whose advertising is prohibited or restricted by law or by this code must not circumvent such restrictions by purporting to be advertisements for other products the advertising of which is not prohibited or restricted by law or by this code. In judging if any particular advertisement is an indirect advertisement for product whose advertising is restricted or prohibited, due attention shall be paid to the following:
    - a. Visual content of the advertisement must depict only the product being advertised and not the prohibited or restricted product in any form or manner.
    - b. The advertisement must not make any direct or indirect reference to the prohibited or restricted products.
    - c. The advertisement must not create any nuances or phrases promoting prohibited products.
    - d. The advertisement must not use particular colours and layout or presentations associated with prohibited or restricted products
    - e. The advertisement must not use situations typical for promotion of prohibited or restricted products when advertising the other products
10. To ensure that advertisements observe fairness in competition such that the consumer's need to be informed on choice in the marketplace and the canons of generally accepted competitive behaviour in business are both served.
    1. Advertisements containing comparisons with other manufacturers or suppliers or with other products including those where a competitor is named, are permissible in the interests of vigorous competition and public enlightenment, provided:

## NOTES

- a. It is clear what aspects of the advertiser's product are being compared with what aspects of the competitor's product.
  - b. The subject matter of comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case.
  - c. The comparisons are factual, accurate and capable of substantiation.
  - d. There is no likelihood of the consumer being misled as a result of the comparison, whether about the product advertised or that with which it is compared.
  - e. The advertisement does not unfairly denigrate, attack or discredit other products, advertisers or advertisements directly or by implication.
2. Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trade mark or symbol of another firm or its product or the goodwill acquired by its advertising campaign.
  3. Advertisements shall not be similar to any other advertiser's earlier run advertisements in general layout, copy, slogans, visual presentations, music or sound effects, so as to suggest plagiarism.
  4. As regards matters covered by sections 2 and 3 above, complaints of plagiarism of advertisements released earlier abroad will lie outside the scope of this Code except in the under-mentioned circumstances:
    - a. The complaint is lodged within 12 months of the first general circulation of the advertisements/campaign complained against.
    - b. The complainant provides substantiation regarding the claim of prior invention/usage abroad.

Under the ASCI code, complaints against the advertisements can be made by any person who considers them to be false, misleading, offensive or unfair. Complaints can be received from the general public including government officials, consumer groups, etc., complaints from one advertiser against another and even suo moto complaints from the member of the ASCI board, CCC or the Secretariat. The complaints are evaluated by an independent Consumer Complaints Council (CCC) within a period of 4 to 6 weeks of the reply given by the party against whom the complaint has been lodged.

### CHECK YOUR PROGRESS

30. What is ASCI?
31. When was ASCI Code made compulsory for TV advertisements?
32. Under ASCI Code, when and how can complaints against advertisements be made?

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### 3.23 SUMMARY

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Now that we have come to the end of this unit, let us now try to sum up all that we have learnt till now.

*Advertising Media, Media Planning and Scheduling, Advertising effectiveness, Regulations of advertising in India*

### NOTES

1. We have learnt that any object, place, time or virtual media space that has high visibility among viewers or listeners is an advertising media.
2. Keeping in mind, the above-mentioned definition, advertising media are of the following types:
  - (a) Print media which includes newspapers, magazines, pamphlets/leaflets/brochures/posters, yellow pages/trade directories and direct mail.
  - (b) Broadcast media which includes radio and television,
  - (c) CDs/DVDs
  - (d) Cyber media
  - (e) Telephone/Cell phones
  - (f) Out-of-Home, which includes both digital and non-digital media
3. We have learnt about the characteristics of each media mentioned above as well as their relative advantages and disadvantages.
4. Having understood the various media available to an advertiser, we have understood the need for media planning and the various stages of its process. We identified three stages: one, defining the marketing problem; two, translating the marketing requirement into attainable media objectives and three, formulating the media strategies, which includes selecting and scheduling the media for the advertising campaign.
5. We also identified the following as factors on which media is selected for advertising:
  - (a) *Reach*: The reach of a media is the percentage of people who will possibly view an ad telecast on it.
  - (b) *Frequency*: It is the number of times an ad can get noticed by a member of the target group. It is calculated by dividing the gross rating points of a media with its reach.
  - (c) *Weight*: It is the volume of advertising required to accomplish the advertising objectives. It is calculated in three different ways as gross rating point, target rating points and effective rating points.
  - (d) *Cost per thousand*: It refers to the cost of running an ad per thousand copies of a paper.
  - (e) *Cost per point*: It is the cost of advertising per media channel in a particular time slot. It is calculated by dividing the total cost of advertising in a time slot of a media channel with the rating of that time slot on that channel.
  - (f) *Impact*: It measures the value of appeal that a media has in terms of its creative variety.
  - (g) *Selectivity*: It refers to the ability of a media to restrict the advertising message to a particular segment of the audience.
6. We also discussed continuity, flighting and pulsing as three different types of media scheduling. In continuity, the ad budget is evenly spread out over the year, in flighting, the ad budget is concentrated in one part

## NOTES

- of the year while in pulsing the ad budget rises and falls in different parts of the year.
7. We also discussed factors such as sales seasonality, consumers' product purchase cycle, consumers' interval between decision making and consumption and new product launches, which are responsible for deciding the kind of media scheduling an advertiser might like to go for.
  8. We also enunciated the various stages in the writing of a media plan.
  9. We went into the need for assessing advertising effectiveness and how it could be measured.
  10. We also discussed the barriers to assessing advertising effectiveness and the ways in which advertising effectiveness can be improved.
  11. Finally, we discussed the need for advertising regulations and the status of advertising regulations in India.

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### 3.24 KEY TERMS

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- **Advertising media:** Advertising media may be defined as any object, place, time or virtual space that has high visibility among viewers or listeners.
- **Yellow pages:** Yellow pages are trade directories that promote goods and services of an enterprise by listing the enterprises according to their product line or the service provided.
- **Pamphlets/leaflets:** Pamphlets/leaflets are unbound printed sheets of paper that are distributed among members of a target audience. These can be created and published at will.
- **Direct mail/direct marketing:** Marketing that involves dispatching of brochures, sales letters and pamphlets directly at the addresses of potential customers is called direct mail/direct marketing.
- **Out-of-home media:** Out-of-home media can be defined as such media as billboards, LCD screens, automobile display boards/sides, kiosks, banners and panels that one happens to see while one is travelling or standing in a public place. Out-of-home media can be digital or non-digital.
- **Digital out-of-home media:** Digital out-of-home media is a dynamic media that is simultaneously displayed at a number of venues across a city or town, though it is loaded centrally through a network.
- **Media planning:** Media planning is the process of translating one's marketing objectives into a workable advertising plan that specifies the use of different or one media at different points of time for carrying advertisements of different sizes and/or different times at the least cost to the business organization.
- **Media scheduling:** Media scheduling refers to the chronological sequencing of the release dates of a particular advertisement over different media. Media scheduling is essential, as the prospects may not always be in a mood to receive the advertising message.
- **Advertising effectiveness:** Advertising effectiveness may be defined as the degree of change brought about in the level and nature of awareness of the largest number of prospects with regard to a product or a service or an organization.
- **Advertising regulations:** Advertising regulations are reasonable restrictions on the right of the citizens to express themselves in public for a commercial purpose.

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### 3.25 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The advertiser needs to choose the media that will carry the message to the intended audience.
2. Advertising media can be defined as any object, place, time or virtual space that has high visibility among viewers or listeners.
3. Print media, broadcast media, CDs/DVDs, cyber media, telephone advertising/mobile phones and out-of-home media.
4. Newspapers, magazines, yellow pages/directories, pamphlets/leaflets/brochures/posters and direct mail/direct marketing.
5. It refers to such media as billboards, LCD screens, automobile display boards/sides, kiosks, banners and panels that one happens to see while one is travelling or standing in a public place.
6. Billboards, bus/train/car display, lamppost banners, mobile billboard, street advertising, wallscape and speciality advertising.
7. Large audience, choice of placement, choice of size, low cost compared to TV, flexibility of referring back and flexibility to change the ad per insertion.
8. Long lead time, difficult to time the release on a daily basis and higher cost.
9. High visibility, personalized messages, confidentiality, low cost of production, advertising content and facilitates active reception.
10. To stay in public memory through advertising, marketers have to look at different media vehicles to reach them, to get the best return on the advertiser's expenditure and business house can factor in the various discounts and packages available in advance booking and bulk buying of media space and time.
11. Media planning is the process of translating one's marketing objectives into a workable advertising plan that specifies the use of different or one media at different points of time for carrying advertisements of different sizes and/or different time periods at the least cost to the business organization.
12. Defining the marketing problem, translating the marketing requirement into attainable media objectives and defining a media solution by formulating media strategies.
13. Reach, frequency, weight, cost per thousand, cost per point, impact and selectivity.
14. Weight is selected in three different ways: gross rating, target rating and effective rating.
15. It involves finding out the cost of running an ad in a thousand copies and is calculated by dividing the cost of the advertisement with the publication's circulation in thousands.
16. This factor looks at the impact a particular ad can leave over a target audience.
17. Media scheduling refers to the chronological sequencing of the release dates of a particular advertisement over different media.

#### NOTES

## NOTES

18. Continuity scheduling, flighting and pulsing.
19. In this form of scheduling, the ad campaign is launched only at intervals.
20. In continuity scheduling, the advertising budget is evenly spread out over the year so that the product or service advertised remains all the time in public eye and perception.
21. Sales seasonality, consumers' product cycle, consumers' interval between decision making and consumption and new product launches.
22. Goal setting, identification of the target audience, media selection and scheduling and message preparation.
23. Number of viewers and time spent.
24. Selective exposure, selective perception, selective understanding and selective retention.
25. It is usually tested by way of a question to this effect in a questionnaire. The prospects are asked to answer questions about the advertisements that have appeared over a particular period of time in print/electronic media to test the degree to which the advertisement has been able to register itself on their minds.
26. Directed to me, interesting, new information, easy to understand and positive attitude.
27. Close mindedness, reliance on sales performance, tendency to evade objective assessments on the part of the agency, creative ego, competitor knows the best, lack of strategy, client ineptness and poor copy testing.
28. Using a sound strategy, pre-testing of advertisements, creation of a mathematical model for measuring advertising effectiveness, pre-testing and agreement between the client and agency.
29. Advertising regulations are reasonable restrictions on the right of the citizens to express themselves in public for a commercial purpose.
30. The Advertising Standards Council of India is a voluntary self-regulation council, registered as a not-for-profit company under section 25 of the Indian Companies Act 1956.
31. August 2006.
32. Complaints against the advertisements can be made by any person who considers them to be false, misleading, offensive or unfair. The complaints are evaluated by an independent Consumer Complaints Council (CCC) within a period of 4 to 6 weeks of the reply given by the party against whom the complaint has been lodged.

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## 3.26 QUESTIONS AND EXERCISES

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### Short-Answer Questions

1. What do you mean by advertising media?
2. Define media planning.
3. What do you mean by the term 'media scheduling'?

## NOTES

4. What is media mix?
5. Define advertising effectiveness.
6. What do you understand by the term 'advertising regulations'?

### Long-Answer Questions

1. Elaborate the need of advertising media.
2. What are the different advertising media?
3. Enlist the advantages and disadvantages of any three advertising media.
4. Discuss the media planning process in detail.
5. What are the various factors that affect media scheduling?
6. What are the different types of media scheduling?
7. What are the nuances of writing a media plan?
8. How can the advertising effectiveness be evaluated?
9. Elaborate the different barriers of advertising effectiveness.
10. Discuss the advertising regulations in India.

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### 3.27 FURTHER READING

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Chunawalla S A, Setia K C. *Foundations of Advertising—Theory & Practice*.  
Vilanilam J V, Varghese A K. *Advertising Basics! A Resource Guide for Beginners*.  
Wells, Burnett, Moriarty. *Advertising: Principles and Practice*.



# UNIT 4 NATURE AND SCOPE OF PUBLIC RELATIONS

*Nature and scope of public relations*

## *Structure*

- 4.0 Introduction
- 4.1 Unit Objectives
- 4.2 Need of Public Relations
- 4.3 Definitions
  - 4.3.1 Public Relations
  - 4.3.2 Publicity
  - 4.3.3 Public Opinion
  - 4.3.4 Propaganda
- 4.4 Difference between publicity, public opinion, propaganda and public relations
- 4.5 Nature and scope of public relations
  - 4.5.1 Elements of Public Relations
  - 4.5.2 Publics in Public Relations
  - 4.5.3 Public relations Process
  - 4.5.4 Tools of Public Relations Communication
  - 4.5.5 Scope of Public Relations
  - 4.5.6 Role of Public Relations
  - 4.5.7 Public Relations as a management function
  - 4.5.8 Benefits of Public relations
  - 4.5.9 Limitations of Public Relations
- 4.6 Qualifications and responsibilities of a public relations officer
- 4.7 Summary
- 4.8 Key Terms
- 4.9 Answers to 'Check Your Progress'
- 4.10 Questions and Exercises
- 4.11 Further Reading

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## 4.0 INTRODUCTION

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This unit has been divided into five learning sections and one summing up section. Apart from these, it provides at the end a list of terms used, list of books for further reading for the inquisitive readers, and questions to test the level of your learning along with model answers.

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## 4.1 UNIT OBJECTIVES

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

- Understand the factors which have contributed to the need for public relations,
- Understand the precise meanings of public relations, public opinion, publicity and propaganda,
- Differentiate between public relations, public opinion, publicity and propaganda,
- Identify the publics in public relations,
- Know the elements involved in public relations,
- Understand the process and the tools of public relations,

## NOTES

- Learn to map the scope of public relations,
- Understand how public relations is a management function and the role it plays in management,
- Know the benefits and limitations of public relations,
- Know the competencies and qualifications needed for becoming a public relations officer.

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### 4.2 NEED OF PUBLIC RELATIONS

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Modern organizations are a far cry from the sole proprietorships of the past. They employ a number of people and have to interact with an equally great number of people to achieve their organizational goals. People differ not only in their temperaments but also in their aspirations. Besides, as times change, the aspirations of people also change. Sometimes a change can be brought about by the opening up of new opportunities too. Technology and government regulations keep on changing the environment in which people change. These changes open up new opportunities which every individual wants to seize for his/her advancement. In order that an organization may achieve its goals and objectives, it must build good relations with people. For this, it needs to keep the channels of communication with them open so that any misunderstanding can be removed at the earliest. The professionals who look after this important aspect of an organization's activities are called public relations officers. And the work performed by these professionals is referred to as public relations.

Good public relations determine the success or failure of an organisation. Recent case in point is the Tata Nano project at Singur in West Bengal. The Tatas had acquired the land through the West Bengal government and were in the process of setting up the production facilities for Nano, India's smallest car but because the company did not take the public of Singur into confidence, they agitated against this project. Political parties opposed to the CPM Government also jumped in. They offered support to the people in their agitation. Eventually, the Tatas had to wind up the project. They shifted their project to Gujarat. Their failure to setup the Nano factory at Singur is a classic case of failure of public relations. Not only did the company fail to take the people of Singur into the confidence but it could also not prevent political parties from jumping into the agitation. The case of Tata Nano project clearly issues that modern organisations must have a very effective public relations department to keep satisfied the people related to the organisation.

What is true for a private sector organisation is equally true for public sector organisations and government departments when the family planning programme was lost vigorously by the then congress government in 1976, it created strong resentment against the government. As a result, the congress party lost the next general elections of 1977 for the first time in the history of independent India. The failure of family planning programme was partly due to the failure of public relations department of the then government of India. It could not convince the people about the urgency of family planning for an over populated and poor country like India.

Public relations department have to therefore keep track of the changing moods of people. They must be sensitive to any swings in public opinion. Also,

they must take immediate action in cases where they feel the public opinion is not favourable to the government or the organisation.

In view of the significant role played by public relations, all modern organisations give a prominent place to public relations in their managerial planning and decision making. In democratic countries where the consent of the people is very important, public relations departments act as a link between the people and their organisations. They establish a two way communication process between their respective organisation and the people. They resolve conflicts of interest by seeking common grounds of understanding and areas of mutual interest.

## NOTES

### CHECK YOUR PROGRESS

1. Why did Tata Nano project failed in Singur?
2. Who are the public relations officers?
3. What are the qualities needed in a public relations department?

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## 4.3 DEFINITIONS

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In this section, we will take a look at the definitions of the terms used very often in public relations.

### 4.3.1 Public Relations

One of the earliest definitions of public relations is by Denny Griswold, founder and former editor of the newsletter, Public Relations News. She defines public relations as: 'the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organisation with the public interest, and plans and executes a programme of action to earn public understanding and acceptance.' The definition is a little cumbersome, but it very rightly focuses attention on the overall objective of all public relations exercises, which is to achieve public understanding.

Another equally useful definition of public relations has been given by the Foundation for Public Relations Research and Education. It defines public relations as: 'a distinctive management function which helps establish and maintain mutual lines of communications, understanding, acceptance, and cooperation between an organization and its publics; involves the management of problems or issues; helps management keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serves as an early warning system to help anticipate trends; and uses research and sound and ethical communication techniques as its principal tools.' The definition is far more comprehensive than the one by Denny Griswold. It sketches almost all the goals of public relations exercise and also outlines the process and its tools. A more succinct definition than the ones mentioned till

## NOTES

now is by Edward Bernay. He defines public relations as 'information given to the public, persuasion directed at the public to modify actions, and efforts to integrate actions of an institution with its publics and of public with those of that institution.' The definition brings into focus the interventionist role played by public relations in moulding public opinion in line with an institution's goals and integrating an organization's objectives with that of its neighbourhood community.

There are, however, pithier definitions of public relations too. According to the one by Scot M. Cutlip and Allen H. Centre, 'Public Relations is the planned effort to influence opinion through good character and responsible performance, based upon mutually satisfactory two-way communication.' Though this definition is brief and easy to remember, it leaves out the aspect related to the integration of the organization's objectives with public interest. The definition by the Institute of Public relations in the UK takes a far more balanced view, without sacrificing preciseness. It defines public relations as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its public.'

### 4.3.2 Publicity

Publicity is not a discipline or a profession like public relations. It is an outcome of the public relations campaigns launched in the mass media. Lisa Manyon defines publicity as 'an act or device designed to attract public interest, specifically information with news values issues as a means of gaining public attention or support.' It has also been defined as 'the simple act of making a suggestion to a journalist that leads to the inclusion of a company or product in a story.' It can lead to two kinds of news coverage:

- (a) a news story devoted exclusively to your idea; or
- (b) the inclusion of your idea in an already existing news story.

So, publicity may be defined as unpaid news coverage of a company, its product, service, or event in news/editorial columns of a newspaper or a magazine or in the non-commercial broadcasts of a television or radio channel.

### 4.3.3 Public Opinion

Public opinion has been defined as an aggregate of the views and beliefs held by an adult population. According to the American sociologist, Herbert Blumer, public opinion is a form of collective behaviour which is made up of those who are discussing a given public issue at any one time. As per this definition, there are many publics. Each of them comes into being when a public issue arises and ceases to be when that issue dies with its resolution. Public opinion can be moulded by public relations in favour of an issue or against an issue. Public opinion gained currency with the emergence of the notion of public as opposed to the mass and the community. The term, public opinion, is derived from the French expression, l'opinion publique, which was first used in 1588 by Montaigne. According to Ferdinand Tonnies, public opinion in an urbanised society has the equivalent function of religion in a community.

Public opinion is not simply the belief held by the dominant group in a community. In other words, it is not a majority viewpoint. At its best, it is a unanimous opinion or else it is a mosaic of all shades of opinion. Moulding public opinion is the avowed aim of public relations. It becomes especially important when there is a crisis or a problem. At that time, it is important to know what the public feels about the issue or problem at hand. In case, it is not favourable to the organization, it is essential to launch a public relations exercise to shape it favourably. Appeals to the physical, social and economic needs of people are said to be effective in bringing about such a change.

#### 4.3.4 Propaganda

Propaganda is the selective dissemination of information to influence the attitudes of a community or public towards a cause or position. As opposed to impartially providing information, propaganda provides information with a bias with the purpose of influencing the opinions, beliefs and attitudes of a community. By omitting information that does not further the cause of an individual or an organization, propaganda distorts the information disseminated. Propaganda also tends to use emotive language that appeals to the sentiments of a community instead of its reasoning. It has, therefore, been used often as a form of political warfare. The term, propaganda, derives from the Latin word, *propagare*, meaning to propagate and was originally associated with the Christian practice of propagating the Faith. Originally, the term was considered pejorative. But once, it started being used in its political sense from World War I, it acquired a negative connotation. Garth Jowett and Victoria o' Donnell have defined propaganda as 'the deliberate, systematic attempt to shape perceptions, manipulate cognitions, and direct behaviour to achieve a response that furthers the desired intent of the propagandist.' Though this definition is comprehensive enough, yet another definition given by Richard Alan Nelson is far more comprehensive. He states, 'Propaganda is neutrally defined as a systematic form of purposeful persuasion that attempts to influence the emotion, attitudes, opinions, and actions of specified target audience for ideological, political or commercial purposes through the controlled transmission of one-sided messages (which may or may not be factual) via mass and direct media channels. A propaganda organization employs propagandists who engage in propagandism -the applied creation and distribution of such forms of persuasion.' Different forms of propaganda messages are news reports, government reports, historical revision, books, leaflets, movies, radio and television broadcasts, posters and advertorials.

## NOTES

### CHECK YOUR PROGRESS

4. Define public relations in simple words.
5. What are the two kinds of news coverage?
6. The term 'public opinion' is derived from which French expression?
7. What are the different forms of propaganda messages?

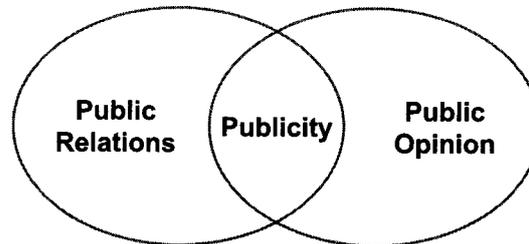
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#### 4.4 DIFFERENCE/RELATIONSHIP BETWEEN PUBLICITY, PUBLIC OPINION, PROPAGANDA AND PUBLIC RELATIONS

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#### NOTES

The diagram given below gives an idea of the inter-relationship between public relations, publicity and public opinion. As is obvious from the figure, the left and the right circles represent public relations and public opinion respectively, while the intersection of the two circles represents publicity.



In other words, the entire process of public relations is geared to shape public opinion favourably through appropriate publicity. Though public relations emphasizes generating favourable public opinion, it stops short of earning the label of propaganda as it achieves its ends not through selective dissemination of information, but through the evolution of mutual understanding between an organization and its public. So, in the language of set theory, we could say that public relations and propaganda are two disjoint sets.

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#### 4.5 NATURE AND SCOPE OF PUBLIC RELATIONS

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'Public relations' is a loosely used term. It has been used to refer to the profession as well as the process. So, experts who look after the public relations of an organization are called public relations officers and the department of which they form a part is called public relations department. The main task of the public relations department is to develop a good rapport with the public of the organization by keeping the channels of communication between the organization and its public all the time open. While the public relations department gauges the opinion and attitudes of the public towards the organization on the one hand, it also circulates information among the public to correct any deviation from the norm of expected public opinion and attitudes. It does so by feeding the media with reports about the activities and performance of the company. The overall objectives of any public relations exercise can be put in a linear progression such as this:

- Understand the organizational goals and specific objectives behind the public relations exercise;
- Create messages for suitable media in tune with those objectives for the specific public in mind;
- Gain attention of the public;
- Get it interested in the message(s) being fed into the public sphere by the public relations department;
- Win their belief in the message(s); and
- Establish a common ground of understanding between the organization and the public through the messages released.

### 4.5.1 Elements of Public Relations

Public relations is said to have four major elements. In this section, we examine each of these:

(a) Corporate social responsibility:

Public relations philosophy rests on the premise that organizations do not exist in a vacuum but in a society. So, they should be sensitive to the needs of the society. Incidentally, this is also the inspiration behind the philosophy of corporate social responsibility. As a part of this philosophy, corporate organizations recognize that their main objective is of wealth generation is not for themselves only but also for the society of which they form a part. If the society, it will have a rub off on them too. But, if the society remains under-developed, it will be harmful to the interests of the organization too. As Adam Smith once said, enlightened self interest is the corner stone of modern economic organizations. Enlightened self interest demands that the self interest will flourish only if the society of which the self is a part also prospers. So, public relations departments of corporate organizations lay a lot of emphasis on identifying the needs and aspirations of the neighbourhood community. They pass on this information to the management of the enterprise so that it may initiate steps for fulfilling these community aspirations and needs. Once the company takes these steps, the public relations department publicises this information to earn a good name for the company in people's minds. So, corporate social responsibility and public relations departments complement each other in this meaningful and beneficial task.

(b) Caring for public opinion:

Apart from fulfilling the aspirations of the community, organizations need to be sensitive about the diversity of public opinion in regard to various projects and ventures. Public cannot be taken for granted. It may react at times completely unexpectedly to any decision of the organization. Public opinion does not rest on logic as much as it rests on sentiments. Any stray or thoughtless remark of the management can lead to a widespread public resentment. So, the management of an organization needs to be very careful when it issues any public statement or when it allows any information to enter the public domain. As the public is comprised of many diverse interest groups, it may not be always possible to satisfy each of these groups. The job of public relations is to ensure that even when any of these groups is dissatisfied, it does not feel alienated. This will depend on the level of rapport built by the public relations department with each of these groups. In times of any misunderstanding or miscommunication, these groups should feel confident enough to approach the organization for a clarification and the organization at its end must on dislike this attempt of the aggrieved group.

(c) Two-way communication:

In order that an organization may develop rapport with the different public groups, public relations department must ensure that there is a two-way communication between the two. This implies that the organization should not only be sending the messages in to the public sphere but also receiving messages from the various interest groups in the public. This ensures a two-way flow of information between the organisation and the

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public. However, many times organizations place greater value on their self-produced messages instead of the ones produced by the public. This isolates the organization and insulates it to public opinion. In fact, organizations need to pay greater attention to the verbal and non-verbal as well as formal and informal communications being produced by the public. By listening more and speaking less, the public relations managers ensure that they produce messages which would keep the relationship between the organization and its public amicable and peaceful. Besides, listening helps a public relations manager to get feedback from the public about various policies and decisions of the organization. This feedback can be very useful to the organization for streamlining its activities in a way that does not offend or seem to offend public sentiments. So, a public relations manager must remain in close touch with the people as well as with the top management.

(d) Mutual understanding:

The goal of all forms of human communication is the evolution of common ground of understanding. As public relations is a form of organizational communication, its goal is also the development of mutual understanding between the organization and its public. Two-way communication ensures that there is nothing unsaid between the organization and its public. This facilitates mutual understanding between the two. Here it is important to know that in the relationship between an organization and its public, the former seeks to achieve its private interest while the latter seeks satisfaction of its public interest. The job of the public relations team or officer is to synchronise the two. (S)he needs to embed the organizational interests within the overall societal interests so that there is no mismatch at any stage between the two. A case in point is Jamshedpur, which is home to Tata Iron & Steel Co (TISCO). The township of Jamshedpur is a fallout of the industry established by the Tata group there. Similarly, Duliajan in Assam is a town developed by Oil India Ltd as an ideal town with all civic amenities. Each of these companies have synchronised their private interests with the public interest, as a result of which they stand to enjoy mutual understanding with the neighbourhood community.

### 4.5.2 Publics in Public Relations

In public relations, we often speak of 'publics'. Who are these 'publics'? And why pluralise the word, public? To understand the answers to these questions, we need to understand the sense in which the word is used in this profession/discipline. In public relations, the word public refers to the human environment of the organization. In other words, the employees, the creditors, the debtors, the customers, the neighbourhood community, the government, media and the shareholders — all constitute the public of the organization. As these groups are widely different in their constitution from each other, it would not be appropriate to lump them under one label, 'public'. So, we use the term 'publics' to refer to all of them together. By pluralizing the term, we drive home the point that each of these groups is a separate entity by itself and deserves individual attention.

In traditional Public Relations usage, publics are said to be of two types: external and internal. External publics are the groups of people who are not a part of the organization. In other words, they exist outside the legal space of the organization. They are public officials, journalists, opinion makers,

retailers, suppliers, financiers, customers, competitors and neighbourhood community. These groups frequently interact with the organization as a part of the organization's business activities.

It is essential that the organization has a good rapport with each of them or else its business interests will get affected adversely. In pre-liberalized India, public officials were extremely important for a business organization as they were responsible not only for the issue of licenses but also for certifying that the organization was meeting its obligations to the society. But with the liberalization of the economy, many of the governmental controls have been dismantled and business organizations can now operate in a far freer atmosphere. Besides, in pre-liberalized India, businesses were looked upon with suspicion, a typical Socialist attitude towards private enterprise. But, with liberalization, business organizations have come to be regarded as partners in the nation's progress. So, the attitude of public officials towards business organizations has become friendlier. This makes the job of the public relations officers easier. Now, they don't have to wrestle with the Socialist prejudices of the bureaucracy.

Journalists and opinion makers are extremely important for an organization. It is they who create a particular image of the organization with their written and oral messages. Every organization vies for their attention. As long as an organization is not talked about, it does not exist in the minds of the public. So, to be noticed, it is essential that the organization attracts the attention of the media. But, the work does not stop here. Having been noticed, it is important that it be talked about in a favourable manner. So, the public relations officers have to ensure that the right information reaches the media. And if there are any doubts about the integrity of the organization in the mind of the media, these should be addressed early or else a wrong report in the media can vitiate the business atmosphere and affect the business interests adversely.

Similarly, retailers, suppliers and financiers, with whom a business organization interacts on a regular basis, need to have faith in the organization's financial fundamentals and its overall integrity. The public relations officials have to ensure that that at no stage this faith should get broken because of any act of disinformation by competitors or misinformation. If the financiers lose faith in the organization, they will either recall their capital or will not lend any fresh loans. This can affect the financial health of the organization adversely. Similarly, if suppliers don't have faith in the financial fundamentals of the enterprise, they may insist on hard payment terms, which may not suit an organization. Keeping the channels of communication open with all of them is, therefore, essential.

Just as an organization has external publics, so does it have internal publics. Its internal publics are those groups of people who form a part of the organization. They are the shareholders, the management and employees. All of them share one common bond: the institutional identity. Each of them has a stake in the rise and fall of the organization. If the organization prospers, they prosper, but if it goes downhill, they too stand to lose. When Satyam Computer reported huge losses and the fudging of financial reports, each of the internal publics had to bear the brunt of this catastrophe. While the employees faced the bleak prospect of becoming jobless, the management faced the horrendous prospect of judicial prosecution for criminal offences. The shareholders saw the prices of their stocks plummet and their hard-earned investments robbed of real value. Even though the shareholders do not run the organization, they

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have long-term interest in the success of the organization. The job of the public relations department in an organization is to ensure that each of these publics continues to hold long-term interest in its survival and growth. For this, it has to keep the channels of communication between the organization and each of these publics all the time open. Shareholders must continue to get reports about the various developmental activities of the enterprise that impact upon the price of the stocks they hold. Similarly, the employees must get a good hearing regarding any of their grievances as well as be informed about the growth of the organization. All these efforts tend to create a common interest in the growing fortunes of the business enterprise.

### 4.5.3 Public Relations Process

Public relations is a form of persuasive communication in which the public relations practitioner plays the role of a catalyst and a negotiator. So, to understand the process of public relations it is necessary to understand the process of persuasive communication first. Persuasive communication dates back to the time of Aristotle, when it was called rhetoric. The rules of rhetoric and persuasive communication remain the same. In persuasive communication, there is a source, a context, a message, a channel, a receiver and feedback. The source is responsible for collecting information and disseminating it. The context determines what kind of information will be collected. It refers to the overall intent of the communicator/source behind initiating the communication process. The message is the form in which the information collected is disseminated. The message could be either formal or informal and verbal or oral. The channel determines the shape the message will take. There are many channels available for a communicator. These are mass media and interpersonal media like telephones and public address systems. The choice of the media is determined by the kind of audience the communicator is targeting. If the audience is illiterate, radio and television are the best media but if the audience is literate, newspapers and magazines are a very convenient and cheap media of communication. The receiver of the message has already been talked about when we talked of the audience. The receiver is one who receives and understands the message. Feedback is the response that the receiver gives to the source after understanding the message. Feedback is the litmus test of the success or failure of the communication process. Effective persuasive communication is one which brings about a desired level of change in the receiver through the communication process. It is through feedback that the source gets to know whether the desired change in the behaviour of the target audience has been brought about or not. If the feedback received is not positive, the source has to look into the shortcomings in the content and style of the messages and also the media selected for disseminating it. These are corrective steps tailored to elicit the desired response.

The public relations process follows the model of persuasive communication. It too has the objective of bringing about a change in the opinions, beliefs and attitudes of the publics. To this end, the public relations process has the following elements in it:

- (a) Image Audit
- (b) Planning
- (c) Collection of Information

- (d) Preparation of Message
- (e) Evaluation

a. Image audit

This is the first stage in any public relations process. Before the process may be initiated, it is necessary for the public relations department to know about the kind of image the organization has earned in public memory. Image audit is carried out with the help of image surveys in which questionnaires are distributed among a sample group of the population to know what they feel about the organization. As the questionnaire is comprehensive enough, it collects good amount of information about how the public rates the organization on various variables.

b. Planning

Once the public relations managers have collected information about the ways in which the public views the organization, the next stage in the public relations process is to plan the public relations campaign. Planning involves preparation of the plan of action which should state the specific and measurable goals of the PR process, the types of messages to be inserted in the mass media, the mass media to be approached, and the estimated budget for these activities. Based on the cost benefit analysis, a workable plan of action needs to be put in place.

c. Collection of Information

In order that suitable messages may be prepared for circulation in the public sphere, information about the strengths, weaknesses and developmental activities needs to be collected. This information needs to be evaluated for its news value before it may be used for message preparation.

d. Preparation of message(s)

The information collected needs to be artfully presented in the form of persuasive messages. This requires skills of news writing and inter-personal skills for the organization of press conferences and meetings. The messages need to be tailored according to the relative strengths of each media chosen for the purpose.

e. Evaluation

Once the organization has released verbal and non-verbal stimuli in the form of various mass media messages in the public domain, it needs to assess their impact on the target audience. This calls for an Impact analysis.

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**4.5.4 Tools of Public Relations Communication**

The tools of public relations communication are drawn from the print, oral and audio-visual media. The written/printed word tools are house journals, newspapers, trade magazines, bulletins, newsletters, reports, posters, press releases and handbills, while the oral media tools are press conferences, meetings, radio broadcasts, and public speeches. The audio visual media tools are television broadcasts, news casts, talk shows and documentaries. The choice of these tools depends on the kind of public being targeted. The following table gives an idea of the kind of tools used by a public relations practitioner to reach out to a particular public.

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<b>Public to be reached</b>	<b>Tools of communication</b>
Stockholders	Annual and interim reports, meetings
Financial community	Financial publications, personal meetings (brokers, security, analysts)
Employees	House journals, bulletin boards, posters, handbills, target charts, letters, video films, meetings
Labour Unions	Bulletins and statements or policy
Communities	Company publications, local press, radio & tv, outlets, local group meetings, meetings with opinion leaders, exhibitions
Government	House publications, reports, brochures, booklets
Trade group	Trade magazines
Technical group	Technical magazines and journals
Competitors	Association meetings, direct mails
Suppliers/creditors	Credit and banking associations, suppliers' meets
Customers	Product publicity media, press releases, advertising, POP marketing, direct mail, television sponsored programmes, newspaper cell etc

**4.5.5 Scope of Public Relations**

We have already defined public relations and also distinguished it from related communication practices and terms such as publicity, public opinion and propaganda. We may now attempt to draw the conceptual map of public relations to know what its boundaries are. As we have seen when we defined public relations, the conceptual territory of public relations is very broad. It attempts to build bridges of understanding between the organization and not one public but a host of publics, through the effective use of communication tools and strategies. It is important to note two things here: one, that the number of publics to be dealt with extremely large; two, the communication strategies and tools used to reach out to these publics is equally large. This makes the term public relations acquire a large conceptual area unlike the terms like publicity, public opinion and propaganda. As a result, public relations involves activities ranging from the most mundane and routine to the most spectacular and extraordinary. Public relations involves routine activities like daily and regular interaction with different publics as well as the management. At the same time, it also involves rising to the occasion in times of conflicts to troubleshoot and in times of major achievements to publicise. Ultimately, the goal of all public relations activities remains to win a favourable public opinion. So, public opinion falls partially within the domain of public relations. The figure given in the section differentiating each of these terms best illustrates how public opinion is an independent entity, which happens to overlap with public relations only as far as it indicates the success or failure of public relations. One other term with which it needs to be distinguished is corporate communications. The latter owes its birth to the emergence of corporate organizations in the twentieth century. Public relations is a term with greater scope as it may be applied to the communication strategies of not just corporate organizations but even public organizations. Corporate communication, on the other hand, has a restricted field as it is firmly tied down to corporate organizations alone. From

the preceding discussion, it is clear that public relations is an umbrella term with a very large scope of activities/functions.

#### **4.5.6 Role of Public Relations**

Public Relations has an important role to play in a developing country like India. Countries like India are under-developed not simply because they lack technology or resources but also because they are educationally underdeveloped. Education creates the right attitude towards change. It helps people to understand change without getting unnecessarily scared of it. As all developmental efforts bring about a change either in the workplace or in the society as a whole, it is essential that people do not misread change as a threat to their survival. Herein public relations can play an important role.

~~By explaining change to the various publics, a public relations professional~~ can troubleshoot resistance to the diffusion of innovation at the workplace and in the society. A case in point is the resistance put up by government servants to the computerisation of government offices by the then government of India under Late Shri Rajiv Gandhi. Government employees mistakenly thought that once computers would come there would be no need of human workers. So, they feared retrenchment from job. But once computers were introduced, they realised how mistaken they were in thinking so.

Another case in point is the family planning programme launched during the Emergency in India. The launch of the programme created so many apprehensions that people resented this encroachment of the then government on their personal and human rights. As a result of this popular upsurge of resentment, the then ruling party lost the General Elections to the Indian Parliament in 1977. The word, Family Planning itself acquired so pejorative a value in popular consciousness that the governments henceforth dropped its usage and instead started using the phrase Family Welfare. Unfortunately, with the failure of that programme, governments thereafter put it on the back burner with the result that India today is far more populous a country than even China. Had the public relations department of the then government done its job well, India would have been able to downsize its population and also the number of poor people. So, it is not only private enterprises but even governments which need the services of public relations officials to achieve the goal of national development.

#### **4.5.7 Public Relations as a Management Function**

Public relations is a part of the communication function of management. Without uninterrupted communication, no group can work as a team. It is communication which makes all organized activity happen. By establishing a bridge of understanding between the organization and its internal and external publics, public relations communication galvanises the work of an organization and helps it to achieve its goals without any impediments. As public relations professionals do not play a direct role in the management of the enterprise, public relations may be classified as a staff function instead of line function.

As per the Public Relations Society of America, the following activities fall within the ambit of its management function:

- Anticipating, analyzing and interpreting public opinion, attitudes and issues which might affect, for good or ill, the operations and plans of organizations;

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- Counselling management at all levels in the organization with regard to policy decisions, courses of action and communication, taking into account their public ramifications and the organization's social or citizenship responsibilities;
- Researching, conducting and evaluating, on a continuous basis, programmes of action and communication, to achieve informed public understanding, necessary to the success of an organization's aims;
- Planning and organizing the organization's efforts to influence or change public policy; and
- Managing human resources to meet all of the above objectives.

### **4.5.8 Benefits of Public Relations**

By now, we have discussed public relations threadbare enough to be able to take stock of its benefits and limitations. The main benefits that derive from public relations communication to the organization and its publics are:

- Public relations helps organizations to gauge public perceptions. As a corollary of this, we can say that public relations helps the publics to be heard on vital issues that concern them. In other words, it becomes the voice of the public.
- By highlighting the good work being done by an organization, public relations helps an organization to build its brand image in the eyes of the various publics.
- By troubleshooting differences between an organization and its publics, public relations irons out all wrinkles in the relationship between the two and makes the atmosphere conducive for work.
- By facilitating free flow of information between the organization and each of its publics, public relations creates the image of a transparent organization.
- By negotiating in critical situations, public relations can help change attitudes of individuals for the better.
- It can make organizations responsive to public needs by awakening social conscience in the managements.
- It can remove misconceptions of the public by disseminating full and authentic information.
- It can make employer-employee relations cordial, thereby preventing labour unrest.

### **4.5.9 Limitations of Public Relations**

- Public relations communication is only a staff function which can facilitate interaction between the organization and its respective publics. It cannot perform on behalf of the line management. It is the line management which needs to take action in consonance with the sentiments of the various publics, as advised by public relations professionals.
- Public relations professionals cannot be expected to rush in for fight fighting all the time. Organizations need to build long term relationship with their respective publics instead of adopting an ad-hoc approach towards public relations. If an organization ignores the sentiments of its publics and takes note only when it rises in revolt, public relations professionals will not be able to deliver much.

- Public relations professional cannot perform also when the top management takes a very dim view of public relations. In many organizations, particularly in India, public relations professionals are kept busy with either feeding press releases to the mass media or taking care of tour arrangements of the top management.
- Public relations professional cannot perform also when they are not allowed to perform their advisory role. Public relations officers are the eyes and ears of an organization as much as they are its mouthpiece too. So, if public relations professional have to perform well, managements must listen to their information input at the time of planning and taking operational decisions. But, many top managements think it below their dignity to give that kind of importance to the Public relations department of their respective organizations.

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### **CHECK YOUR PROGRESS**

8. What are the major elements of public relations?
9. In public relations what does the word public refers to?
10. What are the two types of publics?
11. List the elements in the public relations process.
12. List any two printed, oral and audio visual media.
13. Which tools can be used to reach your employees?
14. What is the prime goal of public relations activities?

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## **4.6 QUALIFICATIONS AND RESPONSIBILITIES OF A PUBLIC RELATIONS OFFICER**

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In this section, we will be defining the profile of a public relations officer in either a corporate organization or a public institution. The profile includes the qualifications required for this position and the responsibilities to be shouldered.

### **4.6.1 Qualifications**

We discuss the qualifications first. The personal and professional qualifications required for this job are as under:

#### **(a) Personal qualifications**

A public relations officer should possess the following personal qualifications:

1. **Good communication skills:** Anyone aspiring to become a Public Relations Officer should possess good communication skills. The person should be both a good and patient listener as well as a good and convincing speaker. His/ Her command over the language should be strong enough to help him/her to use it effectively.

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2. Cool headedness: A public relations official needs to be level-headed. (S)he must not get provoked by the gravest of situations. (S)he must know how to control his/her anger in critical situations so that (s)he may be able to think clearly and without prejudice to any of the parties.
3. Nose for news: As a public relations official has to build a positive image of the organization in the media, (s)he must have a nose for news. In other words, the aspirant for such a job should know what will attract the attention of the media or better still how some even can be presented to attract the attention of the media. So, (s)he should be able to evaluate information inputs for their news value.
4. Arbitrations skills: As a public relations official may be asked to resolve crises arising out of conflicts of interest between the organization and any of its publics, (s)he should have good arbitration skills. That will help him/her to mediate effectively and save the organization from the loss of man hours due to stalemates in such crises.
5. Networking skills: A public relations official should also have good networking skills. These enable him/her to build long term relationships which could be helpful in the discharge of his/her responsibilities. The greater the number of people he/she knows and the wider the circle of his known persons the better as he can then approach each of them with ease.
6. Positive attitude: Finally, a public relations officer should have a positive attitude towards the problems he grapples with. He/She must not himself start taking sides over issues instead he should try to harmonise the conflicting interests of the organization and each of the publics.

### (b) Professional qualifications

1. Formal academic degree in Communication Studies/Public Relations and Advertising: Aspirants for public relations officers' job should possess formal educational training in the theory and practice of public relations. This should be substantiated by a formal university degree. A formal training in the profession would help them understand their job better.
2. Industry experience desirable: Industry experience is desirable as that helps to hone the skills acquired during training. The greater the experience the more the exposure to different kinds of trying circumstances.

### 4.6.2 Responsibilities

The profile of a public relations expert's responsibilities is comprehensive enough to include activities as disparate as the following:

1. to assess the public perception of the image of the enterprise;
2. to anticipate the public response to a purported action of the organization;
3. to provide information feedback to the management regarding public perception, responses and attitudes;
4. to counsel the management about the possible ramifications of an intended course of action;
5. to network with opinion makers and mass media professionals;
6. to influence public opinion through various public relations campaigns;
7. to mediate in times of crises between the organization and the estranged public;

8. to provide information feedback to the public about the activities of the organization;
9. to boost the image and brand of the organization in the public domain.

### CHECK YOUR PROGRESS

15. List down any two personal qualifications.
16. List down any two professional qualifications.
17. Any of the two PR expert's responsibility can be?

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## 4.7 SUMMARY

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This unit opened with the elaboration of the factors responsible for the emergence of public relations as an important staff management function for the successful achievement of organizational goals. It was emphasised that public relations is a necessity not just in the private sector but also in the public sector as keeping the bridges of communication with the publics open is important for both. After that we turned to defining public relations. We discussed a number of definitions: prominent among them being of Denny Griswold, Edward Bernay, Scott M Cutlip and Allen H Centre and the Institute of Public Relations (IIPR), UK. Of all these definitions, the one by IIPR, UK is both lucid and comprehensive. It defines public relations as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its public.' We also defined the related terms of publicity, public opinion and propaganda and then distinguished each of them from public relations. We learnt that public relations is a management function that seeks to influence public opinion favourably for the organization through publicity and various other communication strategies. We also saw that propaganda is different from public relations because it involves the giving out of distorted information to the public for winning their favourable opinion. We also learnt about the scope of public relations by examining its constituent elements, its process, the kinds of publics involved and the tools used in it. We also discussed the role of public relations in organizations and in a society. Apart from these, we studied public relations as a management function and its benefits and limitations. Finally, we discussed the qualifications and responsibilities of a public relations professional.

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## 4.8 KEY TERMS

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- **Public Relations:** It can be defined as a deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its public.
- **Publicity:** Publicity is an outcome of the public relations campaigns launched in the mass media. It can be defined as an act or device designed to attract public interest, specifically information with news values issues as a means of gaining public attention or support.
- **Public Opinion:** The term, public opinion, is derived from the French expression, l'opinion publique, which was first used in 1588 by Montaigne.

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Public opinion has been defined as an aggregate of the views and beliefs held by an adult population.

- **Propaganda:** The term, propaganda, derives from the Latin word, *propagare*, meaning to propagate and was originally associated with the Christian practice of propagating the Faith. Propaganda is the selective dissemination of information to influence the attitudes of a community or public towards a cause or position.
- **Public:** The term 'public' refers to the human environment of the organization. In other words, the employees, the creditors, the debtors, the customers, the neighbourhood community, the government, media and the shareholders—all constitute the public of the organization.

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## 4.9 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The Tata Nano is the case of failure of public relations. Not only did the company fail to take the people of Singur into the confidence but it could also not prevent political parties from jumping into the agitation.
2. To achieve its goals an organisation must build good relations with people and keep the channels of communication with them open with them. The professionals who look after this important aspect of an organization's activities are called public relations officers.
3. Public relations department should keep track of the changing moods of people. They must be sensitive to any swings in public opinion and they must take immediate action in cases where they feel the public opinion is not favourable to the government or the organization.
4. Public Relations is the planned effort to influence opinion through good character and responsible performance, based upon mutually satisfactory two-way communication.
5. (i) a news story devoted exclusively to your idea; or  
(ii) the inclusion of your idea in an already existing news story.
6. l'opinion publique
7. News reports, government reports, historical revision, books, leaflets, movies, radio and television broadcasts, posters and advertorials.
8. (i) corporate social responsibility.  
(ii) caring for public opinion.  
(iii) Two-way communication.  
(iv) Mutual Understanding.
9. The human environment of the organization. The employees, the creditors, the debtors, the customers, the neighbourhood community, the government, media and the shareholders.
10. External and Internal.
11. (i) Image Audit  
(ii) Planning  
(iii) Collection of Information  
(iv) Preparation of Message  
(v) Evaluation

12. (i) Printed: House journals, Newspapers.  
(ii) Oral: Press Conferences, Public speeches.  
(iii) Audio Visual: Newscast, Talk shows.
13. House journals, bulletin boards, posters, handbills, target charts, letters, video films, meetings.
14. To win a favourable public opinion.
15. (i) Good communication skills  
(ii) Nose for news
16. (i) Formal academic degree in communication studies/PR.  
(ii) Industry experience (desirable)
17. (i) to assess the public perception of the image of the enterprise.  
(ii) to anticipate the public response to a purported action of the organization.

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### 4.10 QUESTIONS AND EXERCISES

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#### 4.10.1 Short Answer Questions

1. Define public relations.
2. How can public opinion be shaped in favour of an issue or against an issue?
3. What do you mean by the term 'propaganda'?
4. Define the term 'publics' in public relations.
5. Why are journalists and opinion makers considered extremely important for any organization?
6. What do you mean by the term 'internal publics'?

#### 4.10.2 Long Answer Questions

1. Discuss the factors responsible for the evolution and growth of public relations.
2. Describe the relationship between publicity, public opinion, propaganda and public relations.
3. Elaborate the various elements of public relations.
4. Describe the process of public relations.
5. 'Public Relations has an important role to play in a developing country like India.' Discuss.
6. How can an organization benefit from public relations communication?
7. What are the limitations of public relations?

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### 4.11 FURTHER READING

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Diwakar Sharma. *PR. An Emerging Specialised Profession: Text and Case Studies.*  
K Chandrakandan, C Karthikeyan, C Venkatesan, C Balaji Babu. *Public Relations.*  
Amanda Barry. *PR Power. Inside Secrets from the World of Spin.*



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# UNIT 5 HOUSE JOURNALS, CORPORATE COMMUNICATION, PROFESSIONAL ORGANIZATIONS IN PUBLIC RELATIONS

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*House Journals, Corporate  
Communication,  
Professional Organizations  
in Public Relations*

## NOTES

### Structure

- 5.0 Introduction
- 5.1 Unit Objectives
- 5.2 Tools of Public Relations
  - 5.2.1 Press Release
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  - 5.2.3 Articles
  - 5.2.4 Interviews
  - 5.2.5 Corporate Publications
- 5.3 Corporate Communication
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- 5.5 Summary
- 5.6 Key Terms
- 5.7 Answers to 'Check Your Progress'
- 5.8 Questions and Exercises
- 5.9 Further Reading

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## 5.0 INTRODUCTION

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The subject of public relations is very vast. In the previous unit, you gained conceptual clarity about the nature and scope of public relations as well as its relationship with other related concepts such as publicity, propaganda and public opinion. In this unit, we will understand more about the tools used by public relations professionals to keep the channels of communication between their respective organizations and the various publics open for dialogue and mutual understanding. Of these tools, we will focus our attention particularly on house journals. Another equally prominent area of professional expertise discussed here is that of corporate communication. This subject has gained prominence in recent times with greater corporatisation of business entities worldwide. This unit also provides a synoptic view of the various public relations societies and associations.

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## 5.1 UNIT OBJECTIVES

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

- Know the various tools at the disposal of a public relations professional
- Explain the need for house journals
- Understand the evolution of house journals

## NOTES

- Define the types of house journals
- Know the publics targeted by house journals
- Define the meaning of corporate communication
- Understand the need for corporate communication
- Explain the relationship of corporate communication with public relations
- Understand the various tools of corporate communication
- Understand the various professional organizations in public relations
- The various tools that a public relations professional uses
- The need for house journals
- The evolution of house journals
- The types of house journals
- The publics targeted by house journals
- The meaning of corporate communication
- The need for corporate communication
- The relationship of corporate communication with public relations
- The various tools of corporate communication
- The various professional organizations in public relations

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## 5.2 TOOLS OF PUBLIC RELATIONS

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In the previous unit, we undertook a conceptual survey of public relations. Now, we come to the practical part of the subject. The practice of public relations relies on certain tools. In this section, we discuss the characteristics and uses of each of these tools, paying special attention to the house journal as a tool of public relations.

### 5.2.1 Press Release

The press release is an account of the organizational developments of public significance presented in the form of a news story for possible publication in the editorial section of a newspaper. The possibility of its publication depends primarily on the degree of newsworthiness of the information being reported. But that alone is not sufficient to guarantee its publication. The press release should also be written professionally. In other words, it must be written in the inverted pyramid style of a news story. That helps to prioritise the information given in the release and enables the editorial department of the newspaper to judge the merit of the release in a shorter space of time. Well-written press releases are always welcome in a newspaper as these do not eat up the time of the sub-editors editing the story. It is always a good idea to include a photograph or two to add authenticity to the story.

### 5.2.2 Case Histories/Studies

Case histories are comprehensive book-length accounts of the growth of an organization/individual/product/innovation, going into every facet of its identity and operations. By satisfying the curiosity of the readers about every aspect of the subject, case histories/studies earn not only gain the approval of the readers but also their understanding. In this way, they serve to enhance brand value.

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### 5.2.3 Articles

Unlike news stories, articles give an in-depth analysis of the work done by an organization to its publics. Articles could be in the form of news articles, opinion articles or feature articles. News articles are objective factual accounts that appeal to the sense of logic in a reader. Opinion articles are also factual accounts but these are not objective as the facts are filtered here through the prism of the writer's personal preferences and prejudices. Opinion articles tend to take positions and to present all facts from the author's standpoint. Feature articles go beyond the fact. These present an experiential account of reality with the narrator being either the omniscient author or the character-narrator. In other words, feature articles present facts in the form of real life events/experiences. These events are narrated either by an omniscient author or by the author acting as a character-narrator of the story. A feature article resembles a fictive story in its narrative style. But, it is different from fiction as it is based on real life events and persons. Articles help to provide information comprehensively and effectively to the various publics of the organization and are therefore effective tools of public relations practice.

### 5.2.4 Interviews

Interviews are equally effective instruments of public relations practice as these hold the attention of the public with their racy, interactive and suspenseful style. As interviews are in the form of questions and answers, they simulate conversation. As such, they enjoy all the strengths of conversational style of information sharing. As the questions and answers in an interview are unpredictable, they not only arouse the curiosity of the audience but also sustain it for a longer span of time. This helps the communicators to give out more information to the listener/viewers. So, interviews of corporate leaders are often broadcast over radio and television by public relations experts.

### 5.2.5 Corporate Publications

All the above mentioned tools require access to the mass media. But an organization can print its own publicity materials too. The printed information made available for various stakeholders by an organization falls within the domain of corporate publications. It could be any of the following:

- (a) **Reports/Speeches:** An organization may keep its stakeholders informed about its performance through annual reports presented in the annual general meeting and speeches delivered by the top management. In either case, the printed copy serves the purpose of updating the public about the recent developments in the company/organization. The flow of information ensures that they don't fall a prey to any disinformation campaign by competitors.
- (b) **Brochures:** Brochures are booklets that highlight the most significant strengths and achievements of an organization along with a statement of the strategic intent as enshrined in the vision and mission of the organization. These could be illustrated apart from carrying text with highlighted headlines and captions. Brochure helps the public to get acquainted with an organization's value systems as well as the scale of its activities.

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(c) **Corporate films/Documentaries:** Public relations practitioners give out information about the organization also through the production of corporate films and documentaries. Corporate films capture the various facets of an organization's activities while in action to impart a visual experience and feel of the magnitude and method of its operations to the public. In comparison, documentaries are a creative representation in the audio-visual medium of the successful organization of a particular project or activity. Both enlighten the public and attempt to draw their admiration through a first-hand audio-visual experience of the organization's activities.

(d) **House journals**

*d.1 Definition*

House journals are internal publications produced by an organization to inform and entertain its employees to generate an atmosphere of goodwill and understanding.

*d.2 Need*

According to Gordon (1998), the previous decade has seen a sea change in the organizational environment as a result of which internal communication has shifted from the printed house journal to electronic communication. Murray (2001) confirms this when he highlights how organizational intranets have started providing employees with new information on organizational developments and changes on a daily basis instead of having to wait for the new issue of the printed house journal to provide that information.

However, Charmaine Scriven (2002) maintains that the printed house journal will never entirely be replaced by new technologies such as the Intranet, E-mail and the electronic newsletter. The printed house journal has its own advantages such as providing an opportunity for more in-depth articles and to feature employee profiles. She maintains that new technologies, by providing immediate and important information to employees, should be seen as complementing the printed house journal. In other words, she sees both the printed house journal and new technologies playing a decisive role in enhancing internal communication in the organisation in this new information society.

Swift (1993:72) affirms that the house journal is not a luxury, but a necessity in organisations and that more money should be spent on internal communication. He goes on to add that in South African organizations, printed house journal is still regarded as a very effective mode of internal communication. As the house journal carries as much information about the achievements of the employees as of the organization as a whole, employees appreciate reading about their colleagues and their own achievements (Lubbe & Puth, 1994:273).

According to Sonnenberg (1992), house journals have gained greater significance in recent times because of uncertainty in organizational stability. By keeping abreast of the changes reported in the printed house journal, employees feel reassured about the health of the organization. In the light of this development, house journals have become not only the

facilitators of internal communication but also the icons of a transparent management philosophy.

But, in order that a house journal may fulfil this management function, it needs to present news and views representative of the wide diversity of employees in the organization. According to Sparks (1997), even though the printed house journal remains an important channel for internal communication, it should be updated regularly according to the needs of employees. Regular surveys should be conducted within the organisation regarding its readability, the kind of articles employees want to read, and the perceived relevance of the information circulated through the house journal.

Brubaker (1990) endorses Sparks' view by pointing out that effective managers realise that good internal communication enhances employees self-worth, their perception of the organisation, and that high morale and high productivity are interrelated. Unfortunately all too often, the printed house journal is so outdated in terms of its content and visual appeal that not all employees read it. He underscores the need suggested by Sparks (1997), to revamp the printed house journal according to the results of regular reader surveys.

One charge which is often brought against the printed house journal is its slow response to news gathering and reporting as it has a monthly or quarterly deadline. McGoon (1992) argues that the online newsletter can easily overcome this charge of time lag in news reporting. One advantage of an on-line newsletter is its timeliness. News items can be made available to employees immediately, before their relevance is diminished. Another important benefit of electronic newsletters is that they encourage immediate feedback. Because electronic newsletters are timely, the editor receives ample feedback which often improves its content. Electronic newsletters definitely solve some of the problems associated with the printed house journal such as lack of timeliness and old news. Besides, as Peppriell (1990) observes, the electronic newsletter can be read far more quickly than a printed house journal. Also, as the newsletter is received in the inbox of each employee, it acquires a more personalised touch.

#### *d.3 Historical background*

The house journal is one of the oldest forms of public relations, with the Americans being pioneers of this medium. As early as the 1840s, Charles Dickens referred to a publication for New England cotton workers. The Lowell Offering (1842), I.M. Singer & Co.'s Gazette (1855) and the Travelers Insurance Companies' Protector (1865) were all produced for the first time around this period. In Britain, Lever Brothers (now part of Unilever) and the Manchester Co-operative both launched a house journal towards the end of the nineteenth century.

#### *d.4 Types of House Journals*

House journals can be of the following types:

(i) *Sales Bulletin*

It is a periodic publication that exchanges vital sales information between a sales manager and sales staff.

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### (ii) *Newsletter*

It is a periodic publication that carries news of the developments in the company and in the professional lives of the individual employees to all employees and the external publics.

### (iii) *Magazine*

This is a periodic publication which carries features and articles on the performance of the company and also the business environment to its internal as well as external publics. Its purpose is both educative and entertaining in comparison with the informative purpose of the newsletter. While the articles educate the public with their analytical precision, the features regale with their sensitive and emotional appeal.

### (iv) *Tabloid newspaper*

The tabloid newspaper is a periodic publication that seeks to entertain with its larger than life colourful pictures of various activities organized by the company and of the dignitaries who participated in them. Its purpose is to create a brand image which is larger than life.

### (v) *Wall newspaper*

It is a periodic communication, not publication, usually displayed at a prominent place on a wall, informing employees at a particular strategic business unit about the recent developments in the organization in both text and picture formats.

### *d.5 Publics of a House Journal*

The possible publics of a house journal are:

- (i) *Distributors*: They are the ones entrusted with the task of reaching out a product or service up to the end users. They need to be informed about the various developments in the enterprise to make them feel as a part of the organization and also to keep them away from any misinformation campaign launched by the competitors.
- (ii) *Business Associates*: They are the creditors, debtors, suppliers and various service providers. They have a stake in the progress of the enterprise. So, they must know how the company is faring so that there is no miscommunication between them and the company.
- (iii) *Shareholders*: They are the ones who have invested in the company and have the highest stakes for the longest period of time. It is essential to retain their trust or else there could flight of capital, which could impact upon the market value of the company's share capital. So, house journals must address their concerns and their inquisitiveness about the financial health of the company.
- (iv) *Employees*: The employees are there to make a career in the enterprise. A thriving and growing company brightens up career prospects of employees. So, the house journal reaches out to this inquisitiveness of the employees about its performance.

(v) *End users*: The customers are the end users. Depending on the nature of the product manufactured, the end users could be the general public or industries. In the case of industrial goods, the end users would be the factories using this product. In the case of consumer goods, the end users are the general public. The business of the enterprise depends on the loyalty of its customers. So, it is essential for a company to keep in constant touch with them. A house journal acts as a point of contact between the organization and the end users of its products. It informs the customers about the innovations and modifications in the products and services of the company.

(vi) *Patrons, Opinion Leaders and the General Public*: They constitute the social space in which the enterprise functions. No private or public enterprise can ever discount the significance of its social space particularly when social responsibility of the corporate houses in respect of neighbourhood development and observance of environmental norms is always under scrutiny. House journals in the form of magazines and tabloids can provide the much-needed image makeover to the enterprise.

As Dawn Jones of Shandwick International notes: 'truly successful internal communications turn organizations into intelligent organisms which learn and grow' (quoted in Theaker, 2001, p. 134). Harrison (2000) notes that BP, with 62,000 employees in 70 countries, has an enormous internal communications challenge. The BP Exploration division publishes BPXpress in four editions from four separate locations annually. It is significant that, although all kinds of innovations (including new media) have been introduced into internal communications, the printed house journal has survived as the most effective medium.

### **CHECK YOUR PROGRESS**

1. What is a press release?
2. How are articles different from news stories?
3. List down few of the corporate publication.
4. Which are the new technologies that can replace printed house journals?
5. What are the types of house journals?

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## **5.3 CORPORATE COMMUNICATION**

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In this section, we will try to understand what corporate communication means, how it has evolved, its nature and scope, and the various tools used in corporate communication.

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### 5.3.1 Introduction

As the economic environment became more competitive and there was a greater scramble for markets, business organizations found the scope of public relations too limited to meet the new challenge. There was a school of thought which called for looking at the communication function of management in a more holistic perspective. They argued that organizations must not look at advertising, event management, public relations and organizational communication as disparate activities but as strategies of communication serving a common goal, the goal of organizational effectiveness in meeting its set targets. Besides, they contended that each of these activities was aimed at managing perceptions, brand building and pre-emptive conflict management. In recent times, corporate communication has assumed a significant place in the strategic management of most companies.

### 5.3.3 Definition

According to Cees van Riel and Charles Fombrun, the term corporate communication can be defined as the set of activities involved in managing and orchestrating all internal and external communications aimed at creating favorable starting points with stakeholders on which the company depends. Corporate communication consists of the dissemination of information by a variety of specialists and generalists in an organization, with the common goal of enhancing the organization's ability to retain its license to operate. We may also define corporate communication as an integrated form of communication which seeks to management public perceptions, organizational identity and brand building of the organization so that it may grow on a sustainable basis in spite of the competition in the industry.

### 5.3.4 Nature and Scope

The nature and scope of corporate communication becomes clear from the various objectives it seeks to achieve. These are:

- (a) Promoting strong corporate culture
- (b) Creating a corporate identity
- (c) Creating a strong corporate image/brand conscious in public mind
- (d) Evolving a corporate philosophy and disseminating it to the various publics
- (e) Creating a sense of corporate social responsibility
- (f) Managing media perception of the organization
- (g) Negotiating a way out of critical situations without denting corporate image and identity
- (h) Managing an affirmative relationship with all stakeholders

To this end, the key tasks that corporate communication accomplishes are:

- to flesh out the profile of the "company behind the brand" (corporate branding)
- to develop initiatives that minimize discrepancies between the company's desired identity and brand features

- to indicate who should perform which tasks in the field of communication;
- to formulate and execute effective procedures in order to facilitate decision making about matters concerning communication
- to mobilize internal and external support behind corporate objectives
- to coordinate with international business firms

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**5.3.5 Tools**

The various tools at the disposal of a corporate communication professional are:

1. Application of visual identity systems (sometimes referred to as “house style”): House style has been defined as the standard grammatical, graphical and typographical manner in which an organization communicates through written words or other symbols via all means—from nameplates to its aircraft, ships, or other vehicles. House style covers interior decoration of the office or the building, its façade, its entrance, reception, the stationery used, the visiting cards, the directional signs in the premises, the email templates, the letterheads, the advertisements and other promotional publications. By designing all these in a certain way, an organization sends not just verbal but also non-verbal messages about the nature of its identity.
2. Use of integrated marketing communications: According to Laura Lake, integrated marketing communication is a management concept that is designed to make all aspects of marketing communication such as advertising, sales promotion, public relations, and direct marketing work together as a unified force, rather than permitting each to work in isolation. By using integrated marketing communication, the corporate communication professional mounts a multi-pronged attack on his target audiences, trying to ambush them from every side with his/her preferred meaning/message.
3. Reliance on coordinating teams: As corporate communication involves a number of activities launched together, it is essential to coordinate their schedule of actions to have the maximum effect. So, corporate communications department has to depend on the efficiency and ingenuity of the coordinating team for the success of any communication campaign.
4. Adoption of a centralized planning system: As the activities involved in corporate communication are multifarious, they need to be well planned before they are launched. This calls for a centralized planning system.

**CHECK YOUR PROGRESS**

6. Define corporate communications.
7. State any two objectives of corporate communications.
8. What is the use of integrated marketing communication?

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## 5.4 PROFESSIONAL ORGANIZATIONS IN PUBLIC RELATIONS

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### NOTES

Given below is a select list of public relations societies and associations active in different parts of the world:

- **The Global Alliance for Public Relations and Communication Management:** The Global Alliance for Public Relations and Communication Management is a non-profit organization registered in the UK. The mission of the Global Alliance is to enhance the Public Relations Profession and its Professionals around the world working mainly in the following areas as per the new five year strategic planning, 2009-2014: The strategic priorities for the 5 year period include:

- (a) Creating value for member associations and practitioners
- (b) Enhancing member engagement and participation
- (c) Increasing visibility and influence
- (d) Securing financial viability

- **Canadian Public Relations Society:** The CPRS is a not-for-profit professional society dedicated to serving Canadians through the establishment and maintenance of high professional, educational and ethical standards in public relations. It has 1,500 members in 16 member societies across Canada.

The Canadian Public Relations Society, as a distinct Canadian association, seeks:

- (a) to group all public relations practitioners in Canada and to foster their professional interests
- (b) in cooperation with its regional Member Societies and with like-minded organizations in other countries, to advance the professional stature of public relations
- (c) to regulate its practice for the benefit and protection of the public interest
- (d) to serve the public interest by upholding a standard of proficiency and code of ethics, and by providing ongoing professional development to its members and public relations practitioners across Canada.

- **Council of Public Relations Firms:** The CPRF provides PR industry information covering topics such as how to find and hire a public relations firm; how to start a career in public relations; ways to research the industry; and process for members and firms interested in joining. The site also posts detailed rankings of top PR firms.

The Council is dedicated to strengthening the recognition and role of public relations firms in corporate strategy, business performance and social education; to serve as an authoritative source of information and expert comment and to help set standards for the industry. The Council provides its members guidelines that include the Code of Ethics, a Statement of Principles, which specifically addresses transparency and disclosure, and an ethical-decision making “train-the trainer” program.

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- **Entertainment Publicists Professional Society:** The Entertainment Publicists Professional Society (EPPS) was founded in 1991 by a group of top entertainment marketing and public relations professionals, who recognized the need for an organization that would bring together people from all areas and levels of entertainment publicity to share their expertise, ideas and exchange information. The EPPS serves as a professional resource for the entertainment industry and academic institutions in matters involving entertainment public relations, and also provides members with the opportunity to exchange information for permanent and freelance employment. The business arenas of EPPS members include broadcast and cable television, home entertainment, motion pictures, music, performing arts, theme parks, digital/online media, sports and many others. Our members hold positions ranging from senior marketing executives and agency owners to junior publicists.

- **Institute for Public Relations:** Established in 1956, IPR carries out valuable PR research, education programs, and makes data widely available to improve the profession. The IPR has supported more than 200 separate research projects covering everything from what PR students should study to an analysis of how new technologies are affecting the profession.

The Institute for Public Relations is an independent non-profit organization that builds and documents research-based knowledge in public relations, and makes this knowledge available and useful to practitioners, educators, researchers and their clients. They were chartered in 1956 as the Foundation for Public Relations Research and Education.

- **Institute of Public Relations, UK:** The IPR is the professional body for PR practitioners in the UK, with over 7,000 members involved in all aspects of the public relations industry. "It is the largest professional body of its type in Europe with rigorous qualifications for membership ensuring that standards are high and maintained."
- **International Association of Business Communicators:** The IABC has a membership of 13,700 professionals with access to industry information sources including Communications World Online for searching business communication topics. It also has a current and free PR job board provided to members and non-members lets you interact directly with the employer or agency posting the notice.
- **International Public Relations Association:** The IPRA aims at providing professional development and personal networking opportunities for its worldwide membership and promoting the practice of public relations on a global level.
- **Issue Management Council:** The IMC is a professional membership organization for people whose work is managing issues and those who wish to advance the discipline. As the international clearinghouse for resources and education on the issue management process, the IMC's primary objective is to enhance organizational and individual ability to anticipate and manage issues. It includes members from companies and organizations in North and South America, Europe, Asia and Australia.

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- **Public Relations Institute of New Zealand:** The Public Relations Institute of New Zealand (PRINZ) is a non-profit, incorporated society created to promote public relations and communication management in New Zealand, and serve the best interests of the people who practise it. The PRINZ has 650 members throughout New Zealand and is a member of the Public Relations Global Alliance, and welcomes overseas membership. PRINZ seeks:
  - (a) Wider recognition of the role of public relations in management.
  - (b) Higher standards of professionalism.
  - (c) An effective forum where members can share common interests and experience.
- **Public Relations Society of America:** PRSA is the industry's largest professional group. In depth PR resources, member and agency lists, links and several superb publications - Strategist and Tactics. PRSA has 114 chapters throughout the United States, with about 20,000 members. PRSA is a community of more than 21,000 public relations and communications professionals across the United States, from recent college graduates to the leaders of the world's largest multinational firms. Our members represent nearly every practice area and professional and academic setting within the public relations field.
- **Public Relations Society of India:** This national association of PR practitioners was established in 1958 to promote the recognition of public relations as a profession and to formulate and interpret to the public the objectives and the potentialities of public relations as a strategic management function. The society functioned as an informal body till 1966 when it was registered under the Indian Societies Act XXVI of 1961, with headquarters in Mumbai. The father-figure of professional PR practitioners in India, Kali H. Mody, was the founder President of PRSI from 1966 to 1969. The Public Relations Society of India seeks:
  - (a) To provide a forum for PR professionals to meet, interact and enhance their professional skills.
  - (b) To keep abreast of the changing Socio-economic, political, cultural and media scene and the changing role of public relations.
  - (c) To keep abreast of emerging concepts and tools of public relations.
  - (d) To enable PR professionals to exchange case studies and share experiences.
  - (e) To help promote ethical standards in public relations.
  - (f) To promote PR education.
  - (g) To recognize and award Excellence in Public Relations.
- **Public Relations Council of India:** Public Relations Council of India (PRCI), a registered body of PR professionals and has over 18 active chapters spread across India. It is a non-political organisation of professionals in the field of public relations, communications, advertising, education and many other allied services, providing industry professionals an opportunity to serve their community by encouraging high ethical standards in their respective areas of work and will be the first forum to offer accreditation to professionals in the stream. The organization provides a forum where creative minds often come together, upholding

the challenges and values of professionalism in public relations. PRCI Mission:

- (a) To promote the practice of Public Relations at local, national and international levels
- (b) To enrich professional development and networking opportunities for higher standards of PR practices with international understanding, friendship and co-operation
- (c) To further the cause of the profession in multi dimensions

## NOTES

### CHECK YOUR PROGRESS

9. What are the strategic priorities of the Global Alliance?
10. Which PR firm's site posts detailed rankings of top PR firms?
11. How does EPPS serves the PR community?
12. List down the PR associations in India.
13. Who was the founder president of PRSI?

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## 5.5 SUMMARY

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By now, we have learnt about the various tools of corporate communication, house journals as powerful tools of public relations management, corporate communication and the various professional organizations active in the promotion of the profession of public relations. We have seen how corporate communication has evolved as a reply to the growing complexity of business houses marketing themselves and their products in the global market place. We have also understood the nature and scope of corporate communication and how it is inclusive of public relations apart from advertising, house style and direct marketing among other integrated marketing activities.

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## 5.6 KEY TERMS

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- **Press Release:** Press release is an account of the organizational developments of public significance presented in the form of a news story for possible publication in the editorial section of a newspaper.
- **Case Histories:** Case histories are comprehensive book-length accounts of the growth of an organization/individual/product/innovation, going into every facet of its identity and operations. Case histories help in brand building.
- **Brochures:** Brochures are booklets that highlight the most significant strengths and achievements of an organization along with a statement of the strategic intent as enshrined in the vision and mission of the organization. Brochure helps the public to get acquainted with an organization's value systems as well as the scale of its activities.
- **Documentaries:** Documentaries are a creative representation in the audio-visual medium of the successful organization of a particular project or activity. They enlighten the public and attempt to draw their admiration through a first-hand audio-visual experience of the organization's activities.

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- **House Journals:** House journals are internal publications produced by an organization to inform and entertain its employees to generate an atmosphere of goodwill and understanding.
- **Tabloid Newspaper:** Tabloid newspaper is a periodic publication that seeks to entertain with its larger than life colourful pictures of various activities organized by the company and of the dignitaries who participated in them. The primary purpose of bringing out tabloid newspaper is to create a brand image which is larger than life.
- **Sales Bulletin:** Sales bulletin is a periodic publication that exchanges vital sales information between a sales manager and sales staff.
- **Newsletter:** It is a periodic publication that carries news of the developments in the company and in the professional lives of the individual employees to all employees and the external publics.
- **Magazine:** Magazine is a periodic publication which carries features and articles on the performance of the company and also the business environment to internal as well as external publics.
- **Tabloid Newspaper:** Tabloid newspaper is a periodic publication that seeks to entertain with its larger than life colourful pictures of various activities organized by the company and of the dignitaries who participated in them. Its purpose is to create a brand image which is larger than life.
- **Wall Newspaper:** It is a periodic communication, not publication, usually displayed at a prominent place on a wall, informing employees at a particular strategic business unit about the recent developments in the organization in both text and picture formats.
- **Corporate Communication:** Corporate communication can be defined as an integrated form of communication which seeks to management public perceptions, organizational identity and brand building of the organization so that it may grow on a sustainable basis in spite of the competition in the industry.

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### 5.7 ANSWERS TO 'CHECK YOUR PROGRESS'

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1. The press release is an account of the organizational developments of public significance presented in the form of a news story for possible publication in the editorial section of a newspaper.
2. Unlike news stories, articles give an in-depth analysis of the work done by an organization to its publics.
3. (i) Report/Speeches  
(ii) Brochures  
(iii) Brochures
4. Intranet, E-mail, electronic newsletter.
5. Sales Bulletin, Newsletters, Magazine, Tabloid or Wall newspapers.
6. The set of activities involved in managing and orchestrating all internal and external communications aimed at creating favorable starting points with stakeholders on which the company depends.
7. (i) Promoting strong corporate culture  
(ii) Creating a corporate identity

8. By using integrated marketing communication, the corporate communication professional mounts a multi-pronged attack on his target audiences, trying to ambush them from every side with his preferred message.
9. (a) Creating value for member associations and practitioners  
(b) Enhancing member engagement and participation  
(c) Increasing visibility and influence  
(d) Securing financial viability
10. Council of Public Relations Firms
11. The EPPS serves as a professional resource for the entertainment industry and academic institutions in matters involving entertainment public relations.
12. (i) Public Relations Society of India.  
(ii) Public Relations Council of India.
13. Kali H. Mody

## **NOTES**

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## **5.8 QUESTIONS AND EXERCISES**

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### **Short Answer Questions**

1. Discuss press release as a tool of public relations.
2. Discuss interviews as a tool of public relations.
3. Discuss the effectiveness of house journals as a PR tool.
4. What are the different types of house journals?
5. Define corporate communication.

### **Long Answer Questions**

1. Discuss in details various tools of PR.
2. Discuss the nature and scope of corporate communication.
3. Enumerate the various professional organizations in public relations.

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## **5.9 FURTHER READING**

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Cutlip & Center. *Effective Public Relations*.

Sam Black. *Practical Public Relations*.

Stephenson Howard. *Handbook of Public Relations*.

John Harston. *The Nature of Public Relations*.

## NOTES

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