

## **Module 1**

Concept and Process of Integrated Marketing Communications (IMC): Elements of IMC- Advertising; Social, Economic and Legal Implications of advertisements

– setting advertisement objectives Advertisement Agencies – Selection and remuneration Advertisement campaigns. Classification of advertising, types, advertising appropriation, advertising campaigns.

**INTERGRATED MARKETING COMMUNICATION** refers to integrating all the methods of brand promotion to promote a particular product or service among target customers.

Objectives

- To develop brand awareness
- To increase consumer or business demand for a product category
- To change or influence customer beliefs or attitudes
- To enhance purchase actions
- To encourage repeat purchases

### **PROCESS OF INTERGRATED MARKETING COMMUNICATIONS**



Identify target audience:

- The promotional process must start by identifying the target audience by using segmentation, which is defining buying preferences and characteristics of buyers and dividing them into segments.

- The goal of identifying target audiences is to design promotional strategies that can meet customer expectations more accurately.

#### Determine the communication objectives:

- In the second stage, the company needs to develop a clear objective and the goals of promotional strategies.
- The objectives of promotional strategies include creating products and services awareness in the buyers' mind, developing competitive advantages against competitors, creating brand equity of buyers, retaining current buyers and changing buyers' behaviours.

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#### Design messages:

- An effective message will get the attention of buyers and maintain their interest in the messages about their brand of products.
- Therefore, the promotional team of a firm should implement IMC when designing the messages delivered to each segment in order for the messages to be delivered effectively.

#### Implementation of a promotional strategy:

- Promotional channels can divide into two categories, which consists of personal communication and non- personal communication channels.
- So, when incorporated IMC into the promotional strategy, it needs to select and implement the right marketing channels and methods.

#### Collecting feedback:

- Finally, the firms will carry out some surveys in order to get some feedback from the target audience as the final step in the IMC process.
- For example, the firm will ask how effectively the message was delivered to the target audience, such as how many times the audience saw the advertisement or can the audience remember what the message marketers are going to inform and etc.

### **ELEMENTS OF IMC: -**

#### Public Relations

You use public relations to create and foster relationships with publics that are important to you. It also builds a credible reputation and favourable image. Media relations is a common PR strategy, but it is not the only one, particularly in the days of social media. Social media sites can be effective relationship builders and give you the chance to demonstrate your responsiveness. It is also easy to integrate with other online and offline efforts, such as coupons, link exchanges to other sites, and postings of customer testimonials or new product announcements.

### Advertising

Advertising differs from public relations in that you pay the channel, such as a magazine, newspaper, television and radio station, or billboard company, to place your message. The cost allows you to control what you want to say, where you want to say it, and how often or how long it will be shown. Your advertising should reinforce the messages you convey through your public relations to increase comprehension and retention. It can also direct people to your website, or support sales promotions by broadcasting a discount or sales special.

### Sales Promotion

Sales promotion techniques are elements that are part of your marketing and sales plan. Designing them to integrate with your other communications elements keeps your messages cohesive and can boost your promotion efforts. An in-store sales promotion of an add-on, for example, such as a week of product training with the purchase of a product, or a contest for the most creative product use, can be publicized through PR and supported in advertising.

### Direct Mail

Direct mail targets specific audiences, perhaps of a certain income level or within defined geographical boundaries, so that your efforts are more targeted. This strategy solicits action within a defined time period using mail items such as coupons with expiration dates, or seasonal catalogues. You can get creative with direct mail pieces and leverage that creativity with other communications. For example, you can design a wooden coin to include with your mailer that, if brought to your location within a certain time period, can be checked for a winning number for a free product. This can be promoted in-store, through advertising, and through your PR.

### Digital Marketing and Social Strategy

A well-rounded marketing program utilizes the power of digital media and social branding. Digital marketing is divided into earned and paid media. Earned media uses content to gain loyalty and build an engaged audience. Paid media is advertising directly to the user for audience acquisition. Digital campaigns can measure granular performance track conversions while maximizing the use of available data.

**ADVERTISING**, the techniques and practices used to bring products, services, opinions, or causes to public notice for the purpose of persuading the public to respond in a certain way toward what is advertised.

Advertising Is any paid form of non- personal presentation and promotion of goods, service or ideas by an identified sponsor.

## **Economic role of Advertising**

- Value of Products
- Effect on Prices
- Effect on consumer demand and choices
- Effect on business cycle

## **Social role of Advertising:**

**Deception in Advertising:** The relation between the buyers and sellers is maintained if the buyers are satisfied with what they saw in advertise and what they got after buying that product. If seller shows a false or deceptive image and an exaggerated image of the product in the advertisement, then the relation between the seller and buyers can't be healthy. These problems can be overcome if the seller keep their ads clean and displays right image of the product.

**The Subliminal Advertising:** The ads are made in such a way that the consumers don't even realizes that the ad has made an impact on their minds and this results in buying the product which they don't even need. But "All ads don't impress all consumers at all times", because majority of consumers buy products on basis of the price and needs.

**Effect on Our Value System:** These ads make poor people buy products which they can't afford, people picking up bad habits like smoking and drinking, and buy products just because their favourite actor endorsed that product. This affects in increased the cost of whole society and loss of values of our own selves.

**Offensiveness:** Some ads are so offensive that they are not acceptable by the buyers. For example, the ads of denim jeans showed girls wearing very less clothes and making a sex appeal. These kinds of ads are irrelevant to the actual product.

there are some great positive aspects which help

- Development of society and growth of technologies
- Employment
- Gives choices to buyers with self interest
- Welcomes healthy competition
- Improving standard of living.
- Give information on social, economic and health issues.

## **Legal aspects of Advertising**

Truth in Advertising: Advertisers must have evidence available to back up claims they make.

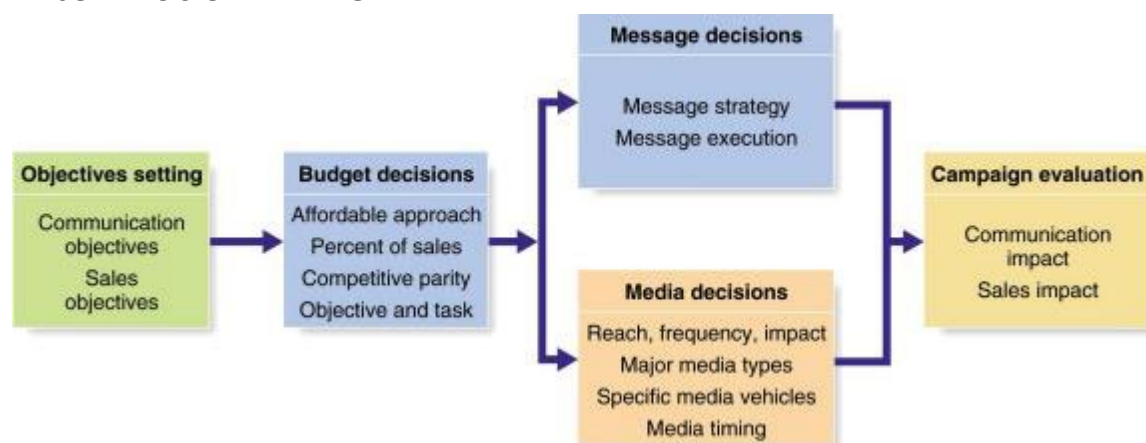
Advertising to Children: building brand loyalty in children before they even understand what a brand is, encouraging children to develop negative self-images or getting children hooked

on products that can impede social development. The best way to act ethically in this area is to advertise to parents, not children.

Advertising Harmful Products: For example, cigarette advertising is only permitted on specific media, excluding television and radio, while alcohol advertising is allowed on all media.

Advertising Tactics and Challenges: Advertising tactics present additional ethical challenges. Advertisers have a range of less- than-ethical yet legal tools at their disposal, including subliminal advertising, emotional appeals, taking advantage of less educated individuals, spreading propaganda for political campaigns, and other tactics ethical advertisers consistently refrain from using. At the end of the day, consumers will be more attracted to companies that do not use underhanded, psychologically manipulative tactics to gain their business.

### MAJOR DECISION MAKING IN AD



### Types of advertising

Newspaper, Magazine, Radio, Television, Directories, Direct mail, catalogues and leaflets, Online

### Objectives of advertising

**To Inform:** Advertisements are used to increase brand awareness and brand exposure in the target market. Informing potential customers about the brand and its products is the first step towards attaining business goals.

**To Persuade:** Persuading customers to perform a particular task is a prominent objective of advertising. The tasks may involve buying or trying the products and services offered, to form a brand image, develop a favourable attitude towards the brand etc.

**To Remind:** Another objective of advertising is to reinforce the brand message and to reassure the existing and potential customers about the brand vision. Advertising helps the

brand to maintain top of mind awareness and to avoid competitors stealing the customers. This also helps in the word-of-mouth marketing.

### **ADVERTISEMENT AGENCIES: -**

A firm engaged in providing services of advertisement for clients to create awareness and market for them is known as advertising agency.

Features:

- Advertising agency is an independent business organization.
- Agency provides services to its clients who are searching customers for their goods and services.
- Agency employs the experts, researchers etc.
- Agency performs the functions like planning, implementation of campaign, research, follow up advertisement, measuring effectiveness of various media for its clients.
- It charges fees, service charges and commission from its clients.

### **5 types of advertising agencies.**

#### Full-service Agencies

- Large size agencies.
- Deals with all stages of advertisement.
- Different expert people for different departments.
- Starts work from gathering data and analysing and ends on payment of bills to the media people.

#### Interactive Agencies

- Modernized modes of communication are used.
- Uses online advertisements, sending personal messages on mobile phones, etc.
- The ads produced are very interactive, having very new concepts, and very innovative.

#### Creative Boutiques

- Very creative and innovative ads.
- No other function is performed other than creating actual ads.
- Small sized agencies with their own copywriters, directors, and creative people.

#### Media Buying Agencies

- Buys place for advertise and sells it to the advertisers.
- Sells time in which advertisement will be placed.
- Schedules slots at different television channels and radio stations.

- Finally supervises or checks whether the ad has been telecasted at opted time and place or not.

### In-House Agencies

- As good as the full-service agencies.
- Big organization prefers these types of agencies which are in built and work only for them.
- These agencies work as per the requirements of the organizations.
- There are some specialized agencies which work for some special advertisements. These types of agencies need people of special knowledge in that field. For example, advertisements showing social messages, finance advertisements, medicine related ads, etc.

## **DEPARTMENTS OF ADVERTISING AGENCY**

### Art and Visualization Department

- An art director heads the Art and Visualization department, assisted by a team of artists, layout men, and visualizers.
- It develops visuals and layouts, billboards and calendars for advertisements.

### Media Planning and Purchase Department

- The fundamental function of the media planning and purchase department is to choose the best outlet or a suitable medium for advertising the products and services based on the budget, market competition, nature of the product, and client specifications.
- The department chooses the appropriate channels for advertisements through which the message is communicated to the targeted consumers.

### Production Department

- The production department is headed by the production manager.
- Once the advertisement copy is ready, the agency goes

ahead with production. The primary function of the production department is to process and generate the final advertisement.

### Copy Department

- The copy director heads this department who directs the functioning of it.

- The fundamental responsibility of this department is to generate an attractive ad copy. The ad copy is very significant and is called the heart of the ad because it conveys the ad message to its consumers without any deviation.
- The copy team includes copywriters and supervisors who use their creative skills while preparing an ad copy.

## **ADVERTISING CAMPAIGN**

A coordinated series of linked advertisements with a single idea or theme. An advertising campaign is typically broadcast through several media channels.

It may focus on a common theme and one or few brands or products, or be directed at a particular segment of the population. Successful advertising campaigns achieve far more than the sporadic advertising, and may last from a few weeks and months to years

The objectives of Advertising Campaign are:

1. Building a strong brand image.
2. Accelerate growth and market share.
3. Influence buying decision.
4. Enhance perceived value.
5. Support selling and other means of communication.
6. Educate consumers.
7. Reminder.
8. Retrieve lost sales.
9. Keep product in public eye.

## **The process of making an Advertising Campaign**

1. Research: first step is to do a market research for the product to be advertised. One needs to find out the product demand, competitors, etc.
2. Know the target audience: one need to know who are going to buy the product and who should be targeted.
3. Setting the budget: the next step is to set the budget keeping in mind all the factors like media, presentations, paper works, etc which have a role in the process of advertising and the places where there is a need of funds.
4. Deciding a proper theme: the theme for the campaign has to be decided as in the colours to be used, the graphics should be similar or almost similar in all ads, the music and the voices to be used, the designing of the ads, the way the message will be delivered, the language to be used, jingles, etc.



5. Selection of media: the media or number of Medias selected should be the one which will reach the target customers.
6. Media scheduling: the scheduling has to be done accurately so that the ad will be visible or be read or be audible to the targeted customers at the right time.
7. Executing the campaign: finally, the campaign has to be executed and then the feedback has to be noted.

#### **CLASSIFICATION OF ADVERTISING: -**

1. Print Advertising - The print media has been used for advertising since long. The newspapers and magazines are quite popular modes of advertising for different companies all over the world. Using the print media, the companies can also promote their products through brochures and fliers. The newspaper and magazines sell the advertising space and the cost depends on several factors. The quantity of space, the page of the publication, and the type of paper decide the cost of the advertisement. So, an ad on the front page would be costlier than on inside pages. Similarly, an ad in the glossy supplement of the paper would be more expensive than in a mediocre quality paper.
2. Broadcast Advertising - This type of advertising is very popular all around the world. It consists of television, radio, or Internet advertising. The ads on the television have a large audience and are very popular. The cost of the advertisement depends on the length of the ad and the time at which the ad would be appearing. For example, the prime-time ads would be more costly than the regular ones. Radio advertising is not what it used to be after the advent of television and Internet, but still there is specific audience for the radio ads too. The radio jingles are quite popular in sections of society and help to sell the products.
3. Outdoor Advertising - Outdoor advertising makes use of different tools to gain customer's attention. The billboards, kiosks, and events and tradeshow are an effective way to convey the message of the company. The billboards are present all around the city but the content should be such that it attracts the attention of the customer. The kiosks are an easy outlet of the products and serve as information outlets for the people too. Organizing events such as trade fairs and exhibitions for promotion of the product or service also in a way advertises the product. Therefore, outdoor advertising is an effective advertising tool.
4. Covert Advertising - This is a unique way of advertising in which the product or the message is subtly included in a movie or TV serial. There is no actual ad, just the mention of the product in the movie. For example, Tom Cruise used the Nokia phone in the movie Minority Report.
5. Public Service Advertising - As evident from the title itself, such advertising is for the public causes. There are a host of important matters such as AIDS, political integrity, energy conservation, illiteracy, poverty and so on all of which need more awareness as far as general

public is concerned. This type of advertising has gained much importance in recent times and is an effective tool to convey the message.

### **Advertising Appropriation**

Advertising appropriation is the portion of a total marketing budget that is allocated for advertising over a specific time period.

The advertising appropriation policy for a company may be based on any one of a number of approaches.

## Module 2

**IMC Message Design: AIDA model – Considerations for creative idea visualisation Suppliers in IMC: Hoarding contractors/Printers; Advertisement Agency-Departments 2 of Ad Agency, Client Servicing-client Agency relationship, Advertisement Media - Media plan – Type and choice criteria Reach and frequency of advertisements – Cost of advertisements related to sales – Media strategy and scheduling.**

### **AIDA MODEL**

A: Attention/ Awareness

I: Interest of the customer

D: Desire

A: Action

It is an advertising effect model that identifies the stages that an individual goes through during the process of purchasing a product or service. The AIDA model is commonly used in digital marketing, sales strategies, and public relations campaigns.

The steps involved in an AIDA model are:

- **Attention:** The first step in marketing or advertising is to consider how to attract the attention of consumers.
- **Interest:** Once the consumer is aware that the product or service exists, the business must work on increasing the potential customer's interest level.

For example, Disney boosts interest in upcoming tours by announcing stars who will be performing on the tours.

- **Desire:** After the consumer is interested in the product or service, then the goal is to make consumers desire it, moving their mindset from "I like it" to "I want it."

For example, if the Disney stars for the upcoming tour communicate to the target audience about how great the show is going to be, the audience is more likely to want to go.

- **Action:** The ultimate goal is to drive the receiver of the marketing campaign to initiate action and purchase the product or service.

Therefore, the AIDA model says that **Awareness** leads to **Interest**, which leads to **Desire**, and finally, **Action**

## **HOARDING**

Hoarding is structured board display unique and good- looking artworks and clever text titles, which are highly visible majorly in all designated top markets.

### **Types:**

#### Billboards

Billboards are some giant posters that are displayed in some of the most popular locations in the area. Now, these giant posts are the ones that have some advertisement about the product or the services.

#### Mobile

There are some graphics and advertisement options that are often seen on trucks and buses, and they seem to be mobile. So, any form of advertising media which is mobile can be used as Outdoor media.

#### Digital

There are some other types of billboards which we are pretty sure that you are going to love for sure. You might have seen a proper digital billboard which has some different advertisement every single time.

This is another one of the fantastic advertisements which tend to provide some great results to the company that is doing the ads for sure. So, there is no doubt that this one is worth a shot.

#### Lamp Post

This is another type of fantastic outdoor advertisement which is very common amongst some of the main areas. Particular lamp post banners are really noticeable at night by the streetlight. This is a typical banner style that makes sure that people are paying attention to the poster.

## **ADVERTISING MEDIA**

Advertising media refers to the various media channels through which advertising is done. Advertising media is used for showcasing promotional content which communicated in various forms such as text, speech, images, videos using TV, radio, online, outdoor etc.

Basically, they are channels through which companies can advertise their products and services to reach to customers.

### **Types of advertising media**

1. Broadcast media: TV and radio are two of the most important advertising media known as broadcast media.

- Companies can target serials, reality shows, sports events, live events etc which are showcased on TV's and understand the demographics of the people watching the TV.
- TV channels are anyways classified as news, sports, knowledge, entertainment, movies, kids etc. This helps advertisers to pick and choose the channel.
- radios have a high penetration and are easy for customers to buy, they are a good tool for advertising.
- Radios enable companies to reach out to a wide range of customers.

2. Print Media: Advertising media like newspapers, magazines, leaflets, brochures, billboards, signages, direct mail and other print publications come under print media. With the massive reach of print media, it became a popular tool for advertising. Print media caters to a regional audience and is published in different languages. Hence, print media can cater to a niche audience as compared to broadcast advertising media tools like TV or radio.

3. Online Media: With the consistent growth in internet penetration, companies have started using online media for promotion through advertising. People are connected to the internet through social media, website browsing etc. This gives an opportunity to companies to use this advertising media and cater to customers using online advertising. Online ads, blogs, content advertising, affiliate marketing etc are all done using online as an advertising media.

4. Outdoor Media: Another popular form of advertising is using outdoor hoardings, billboards, OOH (out of home) media etc. Outdoor advertising is basically useful in capturing those customers who are travelling from one place to another. This gives an opportunity to companies to use outdoor advertising media to create brand awareness by putting large billboards and hoardings above buildings, near streets etc to give maximum visibility.

5. Mobile: With the increasing penetration and usage of mobile phones, mobile advertising has become a critical aspect for every business. Mobile as an advertising media helps to reach out to customer by promoting messages through SMS, social media chat groups etc. Online and mobile media are also overlapping at times as websites can be accessible both through desktop, laptop and smartphones.

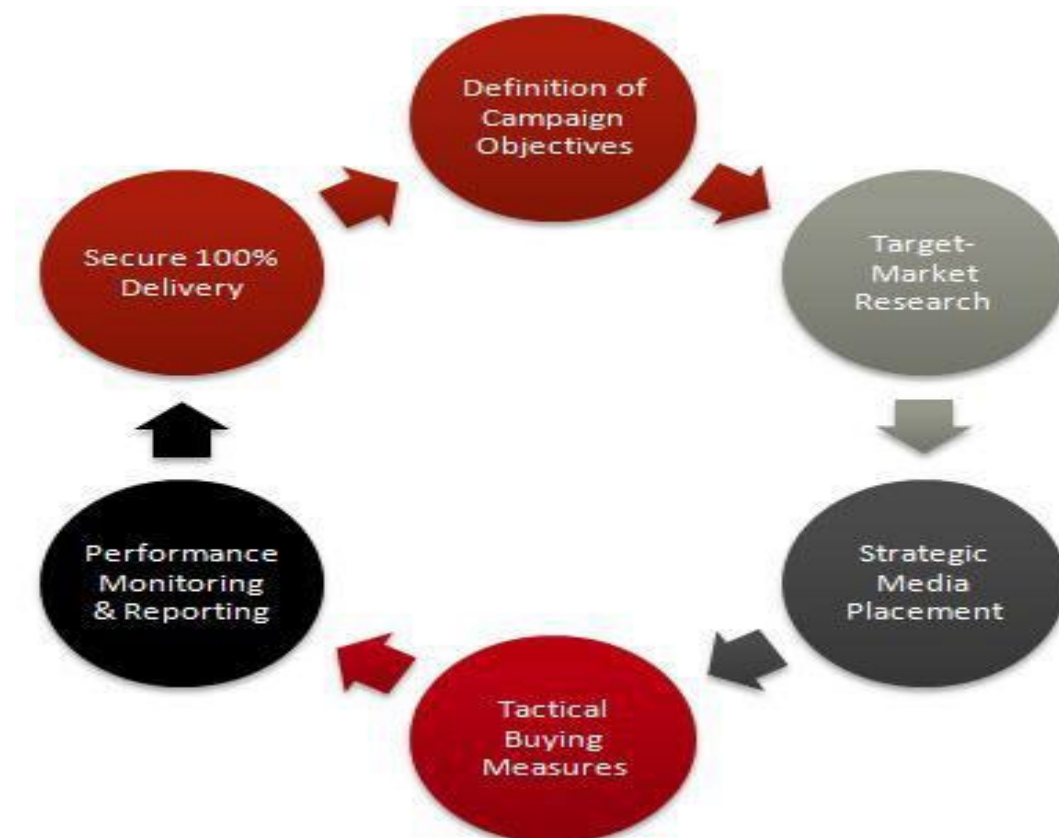
6. Specialty Media: These consist of items that are given away to the consumer on which the name of the company or brand is printed so that more people get to know about it. For example- carry bags, membership cards, free merchandise like caps or bags, etc. These type

of advertising media are more niche and have a narrow reach as compared to the above-mentioned media.

7. Other forms: Apart from the ones discussed above, advertising can be done through transit signs i.e., the small posters that we see on trains or buses, electronic billboards, etc. Some ads can be advertised before the movies in cinema halls as well, where it can reach out to a large group of similar audience in terms of demography or geography

**MEDIA PLANNING** refers to the best way to get the advertiser's message across to the market. The goal of the media plan is to find that combination of media vehicles that enables the message to be communicated to the largest proportion of the target audience at the most effective cost.

#### PROCESS OF MEDIA PLANNING



Market Analysis: This stage involves the target market identification (to whom shall we advertise), the internal and external factors that will influence the media plan (competition etc.) and the geographical market focus

Establishment of media objectives: Media objectives are goals for the media program and should be limited to those that can be accomplished through media strategies. These strategies are usually related to reach (for example, the goal might be to reach 60% of the target market in 3 months), coverage (for example, use broadcast media to provide coverage to 80% of the target market), creating positive brand image etc.

Media strategy development and implementation: Media strategies involve the media mix, target market coverage, scheduling, reach and budget considerations. The media mix is the most important step in the media mix strategy

Evaluation and follow-up: Having implemented the media plan, marketers need to know whether or not they were successful.

### Reach and Frequency

Reach and frequency are the basic concepts involved in the process of media planning. The series of actions taken to deliver a promotional message to the target consumer is known as media planning. It does not take repetition into account.

Reach is the number of households that will be exposed to a particular promotional message through a given medium at a particular time. The medium could be anything like TV, internet, newspapers etc. It is the number of people exposed to a set of advertisement through any medium at least once. It is the percentage of total households exposed to the advertisement in a particular area.

High reach of a product is of great importance when:

- a. When introducing a new brand or product in a given market.
- b. When introducing a product by updating or revising it.
- c. When the company's brand image needs to be improved.
- d. When the market share of a given product needs to be increased.

Frequency is the number of times the viewer is exposed to the same promotional message by the same promotional tool. The frequency for different households could be different and therefore, the average frequency is taken into account. The average frequency is given as total exposure for all households divided by the reach.

It denotes the number of times the household is exposed to the same message. Larger frequency is generally required when a consumer interests in a product needs to be increased, so that the consumer's desire for the product increases and he/she finally buys the product.

High frequency is desired:

- a. When the message is complex to remember.

- b. When the marketing is a direct way of marketing. There are no middlemen. The product is directly obtained from the advertising company.
- c. When there is tough competition.
- d. When product or brand differentiation is low.
- e. When the consumer is needed to react as soon as possible.

## **COST OF ADVERTISEMENTS RELATED TO SALES**

Advertising costs are a type of financial accounting that covers expenses associated with promoting an industry, entity, brand, product, or service. They cover ads in print media and online venues, broadcast time, radio time, and direct mail advertising. Advertising costs will in most cases fall under sales, general, and administrative expenses on a company's income statement.

### Media Strategy

- Media strategy can be defined as the usage of an appropriate media mix in order to achieve desired and optimum outcomes from the advertising campaign. It plays a key role in advertising campaigns.
- The objective of Media Strategy is not just about procuring customers for their product or services but also focusses on placing a right message towards the right people at the right time and ensuring that the message is relevant and persuasive.
- Media Strategy is designed to achieve the above-mentioned target but the budget is always kept in mind.

There are three “W” s to be decided. They are: -

### Where to advertise?

The question is to find out where the advertisement should be displayed to the current and prospective customers. The common available options are - TV, radio, newspapers, blogs, hoardings on roads, sponsorships, ads during breaks in theatres, etc. It can be done at international/national/state/city level as per the requirement of the brand.

### When to advertise?

The timing of advertisement is very critical especially with respect to the seasonal products. There is no point in airing advertisement for room heaters in summer season. It should be aired right at the end of monsoon and beginning of winter season.



### Which type of media to use?

It is very important to use a correct media type for delivering the message. There are two basic media approaches which can be adopted -

#### 1) Media Concentration approach –

In this approach, firms concentrate their campaigns only on a few media types (generally two or three) in order to reach their target consumers instead of using a wide variety of media types.

2) Media Dispersion Approach- In media dispersion approach a wide variety of different media categories is employed to reach the target customers. It is employed when the entire target market can't be reached by a few media types.

### Media Scheduling

Media Scheduling refers to the pattern of timing of an advertising which is represented as plots on a flowchart on a yearly basis. The plots in the flowchart indicate the pattern of periods that matches with favourable selling periods. The classical scheduling models are commonly known as continuity, fighting, and pulsing.

- This model is primarily valid for non-seasonal products and some kind of seasonal products. Advertising usually runs steadily with little variation or change over the campaign period.
- There might be short gaps between advertising at regular intervals and also long gaps, for instance, one advertising every week for 12 months and then pause for a while.
- This pattern of media advertising prevalent in service and packaged goods requires continuous reinforcement on the customers for top-of-mind recollection at point of purchase.

### Media scheduling depends upon a number of factors such as:

- The nature of product- whether it is consumer usable, durables or industrial
- The nature of sales- whether the sales is seasonal or regular
- The product lifecycle- whether the product introduction is in growth, maturity or decline
- The pattern of competitor's program
- The entry of new competitors in the market
- The availability of funds for advertising and marketing campaigns

The advantages Media Scheduling are as follows –

- It works as a reminder.
- It covers the entire purchase cycle.
- It helps in achieving cost efficiencies in the form of large media discounts.
- It helps with positioning advantages within media.
- It incorporates a program or plan that helps identifies the media channels used in an advertising campaign, and specifies insertion or broadcast dates, positions, and duration of the messages.

## **Module 3**

Design and Execution of Advertisements - Message development Different types of advertisements – Layout – Design appeal – Copy structure – Advertisement production – Print – Radio. T.V. and Web advertisements – Media Research – Concept Testing– Measuring impact of advertisements. Account Management: Account Planning, Responsibilities and Implementation Paths

### **MESSAGE DEVELOPMENT**

- Message development process of creating the advertising message. Advertisers must first determine the desired audience response and then develop the advertising message to achieve that response.
- Desired audience response may be to heighten awareness of a product, service, or general situation, or to inspire an audience action such as voting for a candidate, placing a telephone order, or going out and purchasing a particular product. In the creation of the advertising message, message developers talk to competitors, dealers, and potential customers and then engage in brainstorming techniques to try to imagine using the product and determine the benefits sought.
- The advertising message is very important to the success of the advertising campaign. It must attract audience attention and communicate effectively.

### **DIFFERENT TYPES OF ADVERTISING**

Print Advertising – Newspapers, Magazines, Brochures, Flyers

- The print media have always been a popular advertising medium.
- Advertising products via newspapers or magazines is a common practice

Outdoor Advertising – Billboards, Kiosks, Tradeshow and Events

- Outdoor advertising is also a very popular form of advertising, which makes use of several tools and techniques to attract the customers outdoors.
- The billboard advertising is very popular however has to be really terse and catchy in order to grab the attention of the passers-by.
- The kiosks not only provide an easy outlet for the company products but also make for an effective advertising tool to promote the company's products.

Broadcast advertising – Television, Radio and the Internet

- Broadcast advertising is a very popular advertising medium that constitutes of several branches like television, radio or the Internet.

- Television advertisements have been very popular ever since they have been introduced. The cost of television advertising often depends on the duration of the advertisement, the time of broadcast (prime time/peak time), and of course the popularity of the television channel on which the advertisement is going to be broadcasted.
- The radio might have lost its charm owing to the new age media however the radio remains to be the choice of small-scale advertisers. The radio jingles have been very popular advertising media and have a large impact on the audience.

#### Covert Advertising – Advertising in Movies

- Covert advertising is a unique kind of advertising in which a product or a particular brand is incorporated in some entertainment and media channels like movies, television shows or even sports.
- There is no commercial in the entertainment but the brand or the product is subtly( or sometimes evidently) showcased in the entertainment show.
- Some of the famous examples for this sort of advertising have to be the appearance of brand Nokia which is displayed on Tom Cruise's phone in the movie Minority Report, or the use of Cadillac cars in the movie Matrix Reloaded.

#### Surrogate Advertising – Advertising Indirectly

Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people.

#### Public Service Advertising – Advertising for Social Causes

- Public service advertising is a technique that makes use of advertising as an effective communication medium to convey socially relevant messages about important matters and social welfare causes.
- like, energy conservation, political integrity, deforestation, illiteracy, poverty and so on.

#### Celebrity Advertising

Although the audience is getting smarter and smarter and the modern-day consumer getting immune to the exaggerated claims made in a majority of advertisements, there exist a section of advertisers that still bank upon celebrities and their popularity for advertising their products. Using celebrities for advertising involves signing up celebrities for advertising campaigns, which consist of all sorts of advertising including, television ads or even print advertisements.

## LAYOUT

- A layout may be defined as the format in which the various elements of the advertisement are combined. It should not be confused with the visualization though.
- It is a blueprint. Its function is to assemble the different parts of advertisements- illustrations, headlines, body text, the advertiser's signature, and perhaps borders and other graphic materials- into a unified presentation of the sales message.

### Elements of Layout

The various elements of a layout are as follows:

Headlines: Lines of text that are set in larger type for the purpose of attracting readers are headlines.

Subheads: In a lengthy article, subheads can be used to break text into shorter segments. Subheads can also appear beneath a headline, but should not be too detailed.

Picture Captions: When you include photos, artwork, or info graphics, you might need a caption to give readers a bit more detail. Captions are generally set in a small but easy to read Font.

Blurbs: A blurb is a short summary or some words of praise accompanying a creative work

Illustrations: An illustration is a visualization such as a drawing, painting, photograph or other work of art that stresses subject more than form.

Product Package: A Product Package is the manner in which something, such as a proposal or product, or someone, such as a candidate or author, is presented to the public.

Body Copy: The primary text of an article is known as body copy. Any text is generally referred to as copy, while the body copy refers to the bulk of the article.

## ADVERTISING APPEALS

Advertising appeals refers to the approach used to attract the attention of customers or to influence their feelings towards a brand, product or service. It is the central idea of an advertisement and speak to an individual's need, wants or interest and entice her to take the desired action which generally is "Buy me".

- Emotional appeals: focus on trust, joy, love, loyalty and happiness, Jewellery ads
- Sexual Appeals: more attractive, more desirable, Fragrance product ads
- Humour Appeals: watch N laugh, Mentos ads, Centre shock ads, Fevicol ads.
- Musical Appeals: Airtel jingle ad, Washing powder Nirma.

- Fear Appeals: focus on the negative outcomes, anti-tobacco ads, toothpaste ads focusing on germ fighting property.
- Competitive advantage appeals: direct or indirect comparison to another brand, Detergent ads

## **ADVERTISING COPY STRUCTURE**

Headline- Headlines usually have the largest font size. It is usually 5 to 8 words in length. Use simple, easy to understand words. Appeal to the self-interest of the audience.

The headline has several functions:

- gives news
- reinforces the brand
- attracts attention
- attracts a target market
- increases curiosity
- arouses emotions
- calls to action

Subhead line- This optional device often occurs right below the headline. The subhead line uses a few words that clarify, reinforces or explains the headline. The goal is to provide a smooth transition into the body copy.

Body Copy- This is the text in the advertisement that provides support and details about the product or the current offer. Often the body copy will use present tense, singular. Use Active verbs. Vary the sentence length. Involve the audience.

Many types of body copy are possible:

- benefits of the product
- testimonial from customers
- expert opinion
- narrative about the product or a customer
- examples
- options
- rhetorical questions
- statistics about the product
- positioning information

Tagline -Often this is the brand slogan that has been used for years

Logo- Brand symbol and/or words

## **ADVERTISING PRODUCTION PROCESS**

### Creative concepting

Once there is consensus on the creative brief, the creative team will produce several concepts/ideas that answer the brief in different ways. It's important that the brief contains as much detail as possible as this is what the creative team will use to spark off ideas and come up with concepts.

### Pre-Production of video advertising

The pre-production process includes scriptwriting, location scouting, prop collection, hiring actors, equipment renting and creating shot-lists. When the concept has been agreed upon, the creative team will write up the script and possibly produce storyboards to show the visual intent for each frame. The script will provide context, so we know when and where each frame is set. It will also include all speech, voice overs, acting notes and supers (text that's placed over the visuals). The storyboards convey the visual intention that helps to tell the narrative. It will show things like camera angle, focus point, camera movement, any visual type treatment and more. These can be accompanied by mood films and images so that both production team and client understand the visual intent. When both the team and the client is happy with the script, the client approves it.

- The Director – who will bring the script to life?
- The Talent – who are the right actors or voice overs (age/sex/look) for the commercial?
- The Music – what music enhances the script or is a memorable jingle require for brand? Does the Ad require any sound effects to enhance the narrative?
- Location – what should the set look like or does the commercial need to be set outdoors or in multiple locations?
- Food styling/ wardrobe/ prop stylist – Who do you need to set to bring it to life?

### Production of video advertising

The actual shoot can last anything from one day to several weeks depending on what is involved. Similarly, there can just be a skeleton crew, or a sizable entourage. Whilst this is often seen as the glamorous side of advertising, production can often be very slow, with a lot of hanging around during the Director's quest to get the look of the Ad as envisioned.

### Post-Production video advertising

Includes all video editing, sound editing and exporting of the TV commercial. Once the footage has been shot and compiled into the rough cut of the commercial, it will be finessed into the final Ad.

- Editing – Cut the frames together to create the Ad. Ensure it works for all format intended e.g., TV, YouTube, Instagram etc.
- Colour Grading – Various attributes of an image such as contrast, colour, saturation, detail, black level, and white point may be enhanced or corrected in post- production. This can be used to give the final film a stylised affect.
- Sound engineering – ensuring all the audio works seamlessly with together and with the visuals.
- Overlays – Any supers (text) or visuals that need to appear over the film. Supers which are little asterisked clarifications that you see on adverts that often say things like “50% off \*on selected ranges\*”. The words have to be on screen for a certain amount of time so that the viewing audience can read them (the minimum amount being 0.2 seconds per word, the number that increases with the number of words that appear on screen) and they also have to be a minimum height otherwise they’re impossible to read and you may be accused of misleading viewers. Any information and important action must be displayed within a certain frame on the screen – in the action safe area and title safe area.

To finalize the video there are some technical to remember if you are producing for TV broadcasting, normally during these 30 seconds, there must be 3 seconds of a black screen before the advert starts. Then, there must be 12 frames of silence when the visual starts, and 12 frames of silence at the end but again, there is still a visual to accompany it. The final Ad is then sent to ClearCast where they check that it matches exactly the script that was approved. ClearCast give final approval for the Ad to be broadcast.

## **MEASURING IMPACT OF ADVERTISING MEDIA**

For every type of advertising media, there are different parameters based on which they can be measured:

1. For a print or a TV/radio ad, a phone number or email can be given for customers to contact the company if they want, and through the number of people who have tried to contact, we can measure the impact of the ad.
2. For an internet ad which is placed on different website homepages, if the company or brand has an online website too, the number of clicks which direct the customer to the company website measures the impact of the ad. But if the company does not have a website, contact information can be displayed on the banner as in the case of print ads, and the impact can be measured similarly.



## **Media Research**

It is the study of the effects of the different mass media on social, psychological and physical aspects. Research survey that segments the people based on what television programs they watch, radio they listen and magazines they read.

For example: Time a person spends with a particular medium.

## **CONCEPT TESTING**

Concept testing is defined as a research method that involves asking customers questions about your concepts and ideas for a product or service before actually launching it. Thus, you can gauge your customers' acceptance and their willingness to buy and therefore make critical decisions before the launch.

## **ACCOUNT MANAGEMENT**

Account management is a post-sales role that focuses on nurturing client relationships. Account managers have two primary objectives: retain clients' business and grow those opportunities. They accomplish these objectives by learning what their clients' goals are and helping their clients achieve them.

Among other tasks, the account manager is responsible for:

- Growing the original business partnership through upsells and cross-sells
- Managing relationships between the client and sales and customer support
- Retaining their long-term business through contract renewals by ensuring client satisfaction

## **ACCOUNT PLANNING**

Account planning is an advertising agency department and works alongside client facing managers (account management), buying advertising (media), and creating advertising (creative).

Account planners (sometimes also called brand planners and strategic planners) use primary and secondary research to inform their strategic thinking and are ultimately responsible for the work that informs, and the penning of, the creative brief. If the creatives are closest to the idea, and the account manager is closest to the client, the account planner is closest to the consumer.

## **Module 4**

Agency Operation: The organizations in Advertising, the Role of Advertising Agency, Types of Advertising Agencies.

Creative and Media Briefing Process: Agency -Media Interface, Agency Revenue Process, Setting and Allocating Budget, Various Methods of Budgeting.

Sales Promotion - Scope and role of sale promotion – Objectives of sales promotion - sales promotion techniques – Trade oriented and consumer oriented.

### **THE ORGANIZATION IN ADVERTISING**

The advertising activity for any organisation may be handled in different ways. This creative task can be shouldered entirely by the advertiser himself or such responsibility can be passed on to the specialist house namely, advertising agency totally or it may be shared by the company and the advertising agency depending on the individual cases and circumstances.

It is almost impossible to set a criterion as to say, which is the best alternative.

The actual selection is governed by crucial factors like the size of the organisation, the type of the product, the nature and extent of market, nature of advertising job involved and the like.

However, the primary purpose of any advertising organisation is to provide the means by which the job of advertising can be done in the most efficient, economical and systematic manners.

### **SALES PROMOTION:**

Sales promotion is a marketing strategy where the product is promoted using short-term attractive initiatives to stimulate its demand and increase its sales.

This strategy is usually brought to use in the following cases –

- To introduce new products,
- To sell out existing inventories,
- To attract more customers, and
- To lift sales temporarily.

### **IMPORTANCE OF SALES PROMOTION**

Sales promotion is a handy technique to fulfil the short-term sales goals by persuading potential customers to buy the product. It is an important promotional strategy to –

- Spread information about the brand to new customers or new market
- Stabilize sales volume and fulfil short-term sales goals
- Stimulate demand for a short term by making the product look like a great deal.

## **OBJECTIVES OF SALES PROMOTION**

- **To Create Market: For New Products.** It is sometimes hard to establish demand for a new product in a market of similar products. In such cases, the company opt for increasing some sales by using sales promotion strategies like penetration pricing, offers, discounts, and scarcity principle.
- **To Remain Competitive:** Companies use temporary sales promotion techniques to compete with competitor's short term marketing strategies.
- **To Gain Dealers Trust:** Sales promotion techniques increase the sales of the products. This increases dealers' income and results in them preferring the brand more.
- **To Take Products To New Markets:** New markets are often hard to enter. Sales promotion increases traction and makes more customers try the new product.
- **Increase Brand Awareness:** It includes attractive incentives which help increase brand awareness, which eventually leads to more sales.

## **TECHNIQUES OF SALES PROMOTION**

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

### **1. Distribution of Samples:**

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

### **2. Rebate or Price-Off Offer:**

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

Rebate offer is given for a limited period only, for example, Coca cola offered 2 litre bottle at Rs. 35 only during winter 2009. Khadi Gram Udyog offers rebates on Khadi cloth and readymade to coincide with the month of Gandhi Jayanti every year.

### 3. Partial Refund:

A firm may use the strategy of refunding a part of the price paid by the customer on the production of some proof of purchase of its product. For instance, the buyer of two cakes of a branded soap may be refunded Rs. 5 on returning the empty packages to the dealer.

### 4. Discount Coupons:

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

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

### 5. Packaged Premium:

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

### 6. Container Premium:

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

### 7. Contests:

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

Contests for consumers may centre around writing a slogan on the product. Such slogan centres around the questions as to the liking of a customer for the product, or formulation

of new advertising idea for the product. Such contests are held through radio, T.V., newspapers, magazines, etc.

#### 8. Public Relations:

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

#### 9. Free Gift:

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

#### 10. Exchange Offer:

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

#### 11. Product Combination or Gift:

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

#### 12. Instant Draws and Assured Gifts:

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

#### 13. Full Finance @ 0%:

Manufacturers of durables like bikes, T.V., A.C., etc. offer easy financing schemes even at 0% rate of interest e.g., “Pay Rs. 10,000 in cash and Rs. 30,000 in 12 equal instalments of 2,500 each by post- dated cheques and get a bike on the spot.” This tool of promotion misleads the customers and so should be avoided by the marketers.

### **SCOPE OF SALES PROMOTION**

- Sales promotion is a direct inducement that offers an extra value for the product to sales force, distributors or ultimate consumer with primary objective

- Provide extra incentive to buy
- Add some value to the product
- Meet sales goals
- Sales promotion is an acceleration tool to speed up the selling process and increase the sales volume
- Motivates consumer to purchase
- Targeted on different parties of marketing channel

## **ROLE OF SALES PROMOTION**

Sales promotion has been defined as a direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objectives of creating an immediate sale. (Blesh,2008)

The sales promotion contains two types of inducement that provide extra incentive to buy. The incentive is very important element in the promotional program; it can be couponing, reduction in price, and free samples of the product. (Blesh,2008). The sales promotion can be allocated also in the marketing intermediaries; the retail and wholesale. By giving them more discount offers by offering them more financial incentives to stock and promote for the manufacture products

## **SALES PROMOTION TOOLS**

### Consumer-oriented Promotion Tools:

The consumer-oriented promotion tools are aimed at increasing the sales to existing consumers, and to attract new customers to the firms. It is also called pull strategy. The consumer can take the benefit of promotion tools either from the manufactures or from the dealer, or from both.

#### **1. Free samples:**

In this case, small units of free samples are delivered door to door, sent through direct mail, attached to another product, or given along with the purchase of some other product (e.g., soaps, soft drinks, detergents or other items). Free samples are normally provided during the introductory stage of the product.

## 2. Coupons:

This involves offering price reduction or saving to customers on the purchase of a specific product. The coupons may be mailed or enclosed along with other products, or inserted in a magazine or newspaper advertisement.

## 3. Exchange scheme:

In this case, the customer exchanges the old product for a new one. The old product's exchange value is deducted from the price of the new product. This sales promotion tool is used by several companies for consumer durables. For instance, Philips came up with five-in-one offer. The offer consisted of Philips TV, two-in-one, iron, mixer-grinder, and rice cooker at an attractive price.

## 4. Discounts:

It refers to reduction in price on a particular item during a particular period. It is common during festival season or during off-season period. It is very stimulating short-term sales, especially when the discount provided is genuine one.

### Trade-oriented Sales Promotion:

Trade-oriented sales promotion programmes are directed at the dealer network of the company to motivate them to sell more of the company's brand than other brands. It is also known as push strategy, which is directed at the dealer network so that they push the brand to the consumers by giving priority over other competitor brands.

### 1. Cash bonuses:

It can be in the form of one extra case for every five cases ordered, cash discounts or straight cash payments to encourage volume sales, product display, or in support of a price reduction to customers.

### 2. Stock return:

Some firms take back partly or wholly the unsold stocks lying with the retailers, and distribute it to other dealers, where there is a demand for such stocks.

### 3. Credit terms:

Special credit terms may provide to encourage bulk orders from retailers or dealers.

### 4. Dealer conferences:

A firm may organize dealer conferences. The dealers may be given information of the company's performance, future plans, and so on. The dealers can also provide valuable suggestions to the company at such conferences.

## **ADVERTISING BUDGETING METHODS**

The advertising budget of a business is typically a subset of the larger sales budget and, within that, the marketing budget. Advertising is a part of the sales and marketing effort. Money spent on advertising can also be seen as an investment in building up the business.

There are several allocation methods used in developing a budget. The most common are listed below:

- Percentage of Sales method
- Objective and Task method
- Competitive Parity method
- Market Share method
- Unit Sales method
- All Available Funds Method
- Affordable method

### Percentage of Sales Method

Due to its simplicity, the percentage of sales method is the most commonly used by small businesses. When using this method an advertiser takes a percentage of either past or anticipated sales and allocates that percentage of the overall budget to advertising. But critics of this method charge that using past sales for figuring the advertising budget is too conservative, that it can stunt growth. However, it might be safer for a small business to use this method if the ownership feels that future returns cannot be safely anticipated. On the other hand, an established business, with well- established profit trends, will tend to use anticipated sales when figuring advertising expenditures. This method can be especially effective if the business compares its sales with those of the competition (if available) when figuring its budget.

### Objective and Task Method

Because of the importance of objectives in business, the task and objective method is considered by many to make the most sense and is therefore used by most large businesses. The benefit of this method is that it allows the advertiser to correlate advertising expenditures with overall marketing objectives. This correlation is important because it keeps spending focused on primary business goals. With this method, a business needs to first establish concrete marketing objectives, often articulated in the “selling proposal,” and then develop complementary advertising objectives articulated in the “positioning statement.” After these objectives have been established, the advertiser



determines how much it will cost to meet them. Of course, fiscal realities need to be figured into this methodology as well. Some objectives (expansion of area market share by 15 percent within a year, for instance) may only be reachable through advertising expenditures beyond the capacity of a small business. In such cases, small business owners must scale down their objectives so that they reflect the financial situation under which they are operating.

### Competitive Parity Method

While keeping one's own objectives in mind, it is often useful for a business to compare its advertising spending with that of its competitors. The theory here is that if a business is aware of how much its competitors are spending to advertise their products and services, the business may wish to budget a similar amount on its own advertising by way of staying competitive. Doing as one's competitor does is not, of course, always the wisest course. And matching another's advertising budget dollar for dollar does not necessarily buy one the same marketing outcome. Much depends on how that money is spent. However, gauging one's advertising budget on other participants in the same market is a reasonable starting point.

### Market Share Method

Similar to competitive parity, the market share method bases its budgeting strategy on external market trends. With this method a business equates its market share with its advertising expenditures. Critics of this method contend that companies that use market share numbers to arrive at an advertising budget are ultimately predicating their advertising on an arbitrary guideline that does not adequately reflect future goals.

### Unit Sales Method

This method takes the cost of advertising an individual item and multiplies it by the number of units the business wishes to sell. This method is only effective, of course, when the cost of advertising a single unit can be reasonably determined.

### All Available Funds Method

This aggressive method involves the allocation of all available profits to advertising purposes. This can be risky for a business of any size it means that no money is being used to help the business grow in other ways (purchasing new technologies, expanding the work force, etc.). Yet this aggressive approach is sometimes useful when a start-up business is trying

to increase consumer awareness of its products or services. However, a business using this approach needs to make sure that its advertising strategy is an effective one and that funds which could help the business expand are not being wasted.

### Affordable Method

With this method, advertisers base their budgets on what they can afford. Of course, arriving at a conclusion about what a small business can afford in the realm of advertising is often a difficult task, one that needs to incorporate overall objectives and goals, competition, presence in the market, unit sales, sales trends, operating costs, and other factors

## **SETTING AN ADVERTISING BUDGET**

### **1. Review competitor spend**

If your competition is spending a lot of money or your business category has a lot business category has a lot of competition, your advertising budget may need to be higher to break through the clutter. If your budget is smaller, use the media that gives you the best bang for your buck. If you can't do it all, own one medium that will make the most significant impact.

### **2. Allocating a % of sales toward your advertising**

An established business with consistent profits can set an advertising budget by a % of sales. For instance, a small business with \$500K in sales from 2016, could allocate anywhere between 5 and 15% to advertising in 2017. However, this amount would also be dependent on the business category, market(s), specific media cost, time of year (is placing advertising more seasonally), etc.

### **3. Set a Goal or Objective**

Do you want to increase the overall traffic to your business? Do you want to grow your sales by 2%? Goals and objectives can require different media spend to accomplish. Be aware of what you are trying to accomplish and be realistic based on the amount of money you are going to allocate. It's hard to grow your business by 10%, if your advertising budget is the same or less than the year before.

### **4. Know your limits**

Know your max budget for the year and then allocate the dollars by month or quarter. Media in the 4<sup>th</sup> quarter is typically more expensive than in the 1<sup>st</sup> quarter. So, if you are advertising all year, negotiate a better price in quarter 1 to allow more money for quarter 4.

## 5. Track Results

Are you tracking what dollars you are spending each month vs. what media you are buying?  
There are ways to reach the consumer and get a good gauge on if your advertising is working: promo code, “bring in this ad”, “say you heard us on WGG radio station”, etc.

## **Module 5**

Sales Promotion Campaign - Sales promotion – Requirement identification – Designing of sales promotion campaign Involvement of salesmen and dealers – Outsourcing sales promotion national and international promotion strategies Integrated promotion

- Coordination within the various promotion techniques
- Online sales promotions Advertising and Society: Ethical Issues in Advertising, Social Criticism of Advertising, Advertising Statutory Bodies in India.

### **SALES PROMOTION**

Sales promotion is a marketing strategy where the product is promoted using short-term attractive initiatives to stimulate its demand and increase its sales.

#### **OBJECTIVES OF SALES PROMOTION**

i) To introduce new products

To induce buyers to purchase a new product, free samples may be distributed or money and merchandise allowance may be offered to business to stock and sell the product.

ii) To attract new customers

New customers may be attracted through issue of free samples, premiums, contests and similar devices.

iii) To induce present customers to buy more

Present customers may be induced to buy more by knowing more about a product, its ingredients and uses.

iv) To help firm remain competitive

Sales promotions may be undertaken to meet competition from a firm.

v) To increase sales in off season

Buyers may be encouraged to use the product in off seasons by showing them the variety of uses of the product.

vi) To increase the inventories of business buyers

Retailers may be induced to keep in stock more units of a product so that more sales can be affected.

## **SALES-PROMOTION: ROLES**

All the three parties of the marketing mechanism namely manufacturers, middlemen and the consumers are benefitted by this short- term technique of sales-promotion.

### **A. Manufacturers and Sales-Promotion:**

#### **1. It creates new customers:**

No manufacturer is happy with the sales turnover achieved, because it can be excelled and improved upon. This is possible by new customers who are brought in the orbit of sales by sales- promotion as it has the capacity to convert potential consumers into actual customers.

#### **2. Retains the existing customers:**

Every manufacturer has his own class of customers for his products and services. The intelligence lies not only getting new and new customers but in retaining the existing class of customers. Tagging the customers to the product or the firm for a long time is the basic function of sales-promotion.

#### **3. Combat's competition:**

Business means existence of rivals. The institution of competition is a must to bring about around improvement in performance. It is the competitive spirit that makes one to excel another through different weapons. One such powerful weapon is sales-promotion that helps in combating competition.

#### **4. Woos middlemen:**

This is true that there cannot be total direct sales by manufacturers to consumers in these days of mass and concentrated production on one side and widely scattered consumers on the other, middlemen are a must to connect the two ends to balance the demand for and supply of goods.

However, to make them to perform their functions well, they are to be kept satisfied through incentives. It is sales-promotion that work in keeping them happy and ready to serve.

#### **5. Sales reduce the costs:**

Sales-promotion is one of the promotional tools noted for creating, maintaining and extending demand for the firm's products. This mass distribution supports the very idea of mass production and the benefits of this mass production namely, better cheaper and more production is transmitted to all.

Producers get higher and higher margin; dealers get increased business and the consumers reduced prices for their purchases.

## B. Middlemen and Sales-Promotion:

### 1. Multiplies sales:

Middlemen are benefitted by the creative act of sales promotion that creates new customers and retains the existing one.

The overall effect is that their sales turnover goes on increasing. It is for their own good and good of their manufacturer.

### 2. Reduces strain:

In absence of sales-promotion tool, the middlemen would have been forced to work still harder to create, maintain and extend the demand for the goods on their shelves. Like advertising, it creates a fertile ground and makes possible quick returns than the advertising.

### 3. Builds store image:

Sales-promotion covers a wide range of techniques such as demonstration, exhibition, games, contests, displays, window signs, packages which go much deep in giving beauty-mask or a face-lift for his retail outlet. This personality building work is the magic of sales-promotion.

### 4. Hike in earnings:

Increased sales for retail stores through sales- promotion efforts result in multiplied earnings of commissions and profits, as the case may be. Success of sales-promotion is his financial success, a mark of achievement, a mile-stone in his business career.

### 5. Personal benefits:

In addition to the increased earnings, sales- promotion makes possible some special non-cash benefits to him and his family associated with his business success. Thus, a dealer contest enables him to have a tour to Europe or around the world or say week's period stay at a holiday beach resort for him and his family.

These are extra-ordinary noncash benefits derived out of sales- promotion

## C. Consumers and Sales-Promotion:

### 1. Supplies information:

Just as producers are eager to speak of their new products and services, consumers are equally inquisitive to know about the latest arrivals. The information made available by sales-promotion gives not the product features but also the special concessions attached to the

sales conditions. This information becomes base for accurate decision making on the part of buyers:

**2. Improves standard of living:**

Improvement in standard of living implies making available goods and services at least cost, of better quality and in larger quantities. Sales-promotion does this by working on distribution side which has the cycle of effects on production and back on consumption.

**3. Grant's incentives:**

It is through the sales-promotion drives that the consumers get number of incentives both cash and non-cash. These may be season discounts, samples, coupons, gifts, contest-prizes. Thus, a victory in sales contest may give him the opportunity of visiting a foreign city or a stay in a star hotel with family and so on.

**4. Builds loyalty:**

Sales-promotion incentives build brand loyalty and store loyalty. This tagging of consumer to a particular brand and a particular store has its own impact on the consumers. A consumer who is known as regular is dependable and, therefore, gets easily the credit facilities and special concessions.

**5. Gives better value for money:**

Every consumer has his own budget. He looks for some adjustment or refinement in spending so that he gets maximum satisfaction within the financial limits he is struggling.

Sales- promotion will mean getting quality goods at reduced prices plus variety of gifts that are useful on which otherwise he would have spent. Thus, a sales contest may bring him a fridge for which his family was pressing for.

This is the greatest value he gets for his money.

## **SALES-PROMOTION: LIMITATIONS**

Sales-promotion is known for short-term quick results unlike advertising. It stands for the impulse buying. However, all is not well with this sensitive promotional mix ingredient.

The basic limitations which one cannot forget are:

**1. It is short-run device:**

Like a flash light, it flashes and disappears. It has the shortest life impact as promotion tool unlike advertising. It can be used as a tool to achieve short term marketing objectives by schematic means. It has the strongest ability of creating impulse buying but cannot work as a lasting dose.

## 2. It is dependent technique:

It is more of a supplementary device and has got to be blended well in right proportion with other two promotional ingredients namely, advertising and personal selling. That is why; it has been rightly described as the bridge between personal and impersonal selling. It makes up the gaps in the two and, therefore, is a plus ingredient.

## 3. It damages the brand image:

Advertising is the most powerful means of creating brand image which is a must in these days of segmented marketing practices.

However, creating brand image through promotional ingredient is like praising too much of a thing. When the firm has already done much in this direction, this plus ingredient creates a doubt in the minds of consumers. They are likely to feel that when too many incentives and concessions are given, there is something fishy about the product or a brand. Thus, instead of refining the image it is dismissed.

## 4. Under-valued by experts:

Sales-promotion, as tool of promotion mix, is undervalued by the experts from advertising agencies. They are of the opinion that sales-promotion as mix ingredient is not capable of fighting the intense competition. These techniques of sales-promotion are so over that they are easily copied by the competitors and the original gap between the competitors is again maintained. It is like increasing the dearness allowance to match the rising cost of living, so much so that, by the time authorities declare the dearness allowance, the prices have gone up again.

## SALES-PROMOTION: STRATEGIES

Sales promotion strategies can be divided into three broad types. These are –

**Pull Strategy** – The pull strategy attempts to get the customers to ‘pull’ the products from the company. It involves making use of marketing communication and initiatives like seasonal discounts, financial schemes, etc.

**Push Strategy** – The push strategy attempts to push the product away from the company to the customers. It involves convincing the intermediary channels to push the product from the distribution channels to the final consumers using promotional and personal selling efforts. This strategy involves making use of tactics developed especially for resellers, merchants, dealers, distributors, and agents.

**Hybrid Strategy** – A hybrid sales promotion strategy makes use of both the pull and push strategy to sell the product with the least resistance possible. It involves attracting the customers using special coupons and also providing incentives to the merchants to sell the brand’s products.



## **SALES-PROMOTION: EXAMPLES**

### **Black Friday Sale**

Black Friday sale is a seasonal sale which occurs only once a year. It involves huge discounts and special offers which are limited to a day. As a result, it increases the sales manifold.

### **Buy One Get One**

Buy One Get One (BOGO) is a popular type of sales promotion where two products are offered at a price of one. This works great to promote a new product or clear the inventory at the end of the season.

### **Referral Bonuses**

Referral marketing is a great sales promotion strategy where the company pushes its own customers to bring in new customers. This is done by providing them with special discounts, offers, cashback, or actual monetary benefits.

## **PROMOTIONAL CAMPAIGN**

Promotional campaign is a series of advertisements using various marketing tools that share the similar messages and thoughts to promote a business or an event

### **HOW TO PLAN A PROMOTIONAL CAMPAIGN**

Step one – state clear objectives

Step two – identify the audience and message

Step three – set your budget

Step four – decide which medium/media to use

Step five – work out how the campaign will be evaluated Step six – identify the challenges of the brief

Step seven – plan a communications strategy to support your campaign

Step eight – get the creative right

There are three key factors at play in ensuring that the creative work behind a promotion is successful. It must be:

1. **Seen.** Make sure that your primary consumer is aware of the promotion
2. **Interesting.** Ensure that your audience are engaged by the added value offered
3. **Understood.** Communicate the offer quickly - it must not be at all ambiguous or require the consumer to take time to understand it

Step nine – compile a checklist

Step ten – evaluate the campaign

### **Reasons for Rapid Growth in Sales Promotion:**

The purpose of sales promotion is to increase the sales. Sales promotion is very important in this modern age. Sales promotion increases the demand.

There are both buyers' and sellers' markets and different types of goods are available in these markets. The market, where goods are available in plenty as compared to their demand, is called buyer's market and where supply is less than demand it is called a seller's market. There are buyers as well as seller's markets in our country.

The market which is seller's market today may become buyer's market tomorrow. This sort of trend is being seen even in our country where many goods of seller's market have turned into buyer's market. The example can be cited in this regard of the

products like clothe, sewing machine, fridge, tools and furniture. Seller's market is not everlasting. However, sellers and buyer's markets may change their form gradually. Sales promotion is important in both the markets.

### **Problems of Sales Promotion in International Marketing:**

In case an exporter or manufacturer wants to sell his products in foreign market, he will have to bring his product to the notice of the potential buyers. But this is a much more difficult task than the corresponding task in domestic marketing due to following three reasons- (i) The exporter does not have sufficient information as a basis for making promotional decisions; (ii) Customer abroad has no previous knowledge of the exporter and his products; and (iii) Only limited effort is possible because of resource constraint.

The cultural environment, the distribution system, the buying process and the methods of promotion in the foreign market may be totally different from the home market. Therefore, in order to develop the product promotion strategy, the exporting firm must study the total marketing system as operating in the foreign market and then prepare an export marketing plan.

Therefore, following points must be considered before preparing a promotional strategy for foreign market:

#### **1. Objectives of the Exporter:**

The objectives of the exporter affect the promotion decision to a great extent. A firm may have different objectives in different foreign markets. Firm's level of commitment to international operations will determine its promotion strategy. The objective of the firm in

international marketing may be to create its image on a long-term basis or it may be to maximize its cash resources or profitability in a short time.

A firm may want to sell its product only to a few customers whereas another firm would like to reach the masses. The promotion strategy would be different in each case.

## 2. Nature of the Product or Services Offered:

The nature of the product or the services offered by the firm in international market is another factor that will determine the promotion strategy of exporter. Certain products are standardised and their promotional themes are also standardised. In such cases, standardised promotional strategy can be used throughout the world.

Besides there are certain other standardised products which are used in the same form, with slight modifications. The promotional themes and programmes may be used in the standardised form or with slight changes.

## 3. Financial Resources:

Financial resources of the exporter is one of the main factors in deciding the promotion policy. A firm, not having sufficient financial strength, cannot use a strategy involving a heavy expenditure. As against this, a firm having a good financial background may use any method which may prove useful to the firm.

## 4. Media Availability:

A medium which is easily available in domestic country need not necessarily be available in the foreign market. Though one may generalise that identical media are available in most industrialised countries, one should keep in mind that they may vary in institution, quality and communications value. In such circumstances, the promotional message, theme and other properties of the media may be adjusted. But the task of international marketer is compounded where a certain type of media is just not available.

## 5. Environmental Constraints:

The exporter firm should evaluate the environmental factors like the level of economic development of a country, the disposable income of the people, consumers' preferences and attitudes towards advertising and sales presentation, competitor's promotion strategies and the legal requirements in a particular foreign market.

**(i) Cultural Environment:**

The culture of the people in a particular foreign market influences their attitudes towards the promotion programme of a company. People in some countries are against foreign goods because they violate their cultural traditions. In such cases the firm would have to adopt a promotion programme which would remove this bias.

The marketer should endeavour to educate the people on the benefits which would accrue to them through the product use over their traditional products. The marketer may sell the product to the agents or distributors in the foreign markets and they may sell it under their brand names in the manner most suitable to the country's culture.

Attitude of the people towards their traditions or the image of a particular product cannot be changed overnight. The people are to be educated about the benefits of the product which is a long-drawn out programme.

**(ii) Legal Constraints:**

The legal requirements as regards promotion techniques must also be fulfilled by an exporter. Legal system in a foreign market may be different from that of the domestic country. The international marketer must have a clear understanding of such requirements before going for a particular promotion strategy or drawing up a promotion programme.

(a) There are specific prohibitions on advertisements on certain products like wine, cigarettes and tobacco etc. Most countries require that cigarette companies must warn their consumers against the injurious effects of smoking. Hence it is statutorily mandatory to print 'smoking is injurious to health' on all packs and advertisements.

(b) Certain words or expressions that may be misinterpreted by consumer or may deceive them are prohibited for use.

(c) There are legislations which prohibit the promoter from making tall claims about their products.

(d) Some countries, mainly Islamic countries, ban advertisements which are viewed as obscene.

(e) In certain countries, requirements on packaging such as inscribing the name, address, weight and contents of the inside product, should be strictly observed.

(iii) Other Environmental Constraints:

(a) Purchasing Habits:

These are different in almost all foreign countries. So, the messages about product purchase cannot be the same. Buying habits of peoples of developed and under developed countries are different. Developed country citizens insist on readymade things. People of developing countries prefer to prepare the thing and use it. Developed country people have a tendency to buy only when it is needed. Underdeveloped country citizens like to buy all required food grains at a time.

(b) Cost of Promotion:

Manufacturers of developed countries spend a lot on advertisements. But underdeveloped countries cannot afford it. To make advertising effective, enough budget should be allocated for it. Exhibitions, public relations, personal sales have to be provided for. While planning for market promotion a plan and a budget should be made for it.

(c) Infrastructure:

There are many factors like availability and efficiency of promotion media that are affecting marketing communication. Other affecting factors are services of advertising of agencies, firm undertaking market research studies, artists and places for hoarding etc.

(d) Language Factor:

Question of global market communication also raises many problems in international market. When translated, the meaning of an advertisement may be quite different in another country. Its effect may also become far less. Sometimes same English word may not mean same in all English-speaking countries.

(e) Domestic Regulations:

These to have an effect on global market communication. For example, the Indian exporters have to follow rules formed by Indian Government and Reserve Bank of India for promotion expenses abroad. For each activity, how much foreign exchange can be spent, has been fixed by the Government. These guidelines have to be kept in mind by exporters while planning business and sale promotion programmes.

6. Competitors' Promotional Strategy:

In designing its promotion or strategy for foreign market, a firm should not ignore the promotion strategies, policies and programmes undertaken by the competitors. The firm should study them before deciding its sales promotion policy. This, however, depends very much on the company's resources, culture and attitude of the people, etc.

Thus, the exporter must take the above factors into consideration before making any strategy for sales promotion. He should not do what others are doing. He must study and evaluate all the factors relevant to reach a decision for the promotion of his product in the foreign market.

## **OUTSOURCING OF SALES PROMOTION**

### Benefits of Consumer Promotion

A successful promotional campaign has the capability to nurture relationships with consumers through maintenance and engagement. The following is a list of just a few of the myriad benefits that consumer promotion can provide to a brand.

When the aforementioned benefits of consumer promotion are considered as a whole, it is clear that they are indeed extremely helpful in driving revenue, creating brand engagement and enabling companies to acquire new consumers. Consumer promotion is undoubtedly an efficient and effective vehicle for marketing communications. For consumers, sales promotion provides a direct and often rational motivation to purchase the product being promoted.

### Opportunity

A promotion allows brands the opportunity to communicate on packaging and enables them to focus campaigns around an event. Communication is a skill that creates formidable relationships with consumers that make your brand unique. Communication is a skill that creates formidable relationships with consumers that make your brand unique.

### Differentiation

A brand needs to be different to survive, and a consumer promotion can be a fantastic way to make a brand stand out from the crowd. It holds the potential to add unique value to a customer through a competition or unique experience, creating a reason to choose your product in a crowded market.

### Focus

A consumer promotion often becomes an event for the company, which then allows it to focus all its channels of marketing. A focused approach can force a firm to change the way they market themselves and create brand engagement through those changes.

## Reputation

A brand is not the only one who can communicate a consumer promotion. Word of mouth is one of the most positive forms of communication, especially if it is coming from a friend or colleague, as they are usually a trusted and reliable source. Give your consumers a reason to be surprised and they will make sure your reputation thrives.

## Revenue

Simply put, more sales from your promotion will create higher revenue. However, brands need to always calculate their costs and ensure they are aware of how many people may redeem the promotion and ensure that it is a profitable endeavor.

## Information

When customers attempt to redeem promotions, brands can often retrieve data such as email addresses and their home address. This creates the opportunity to target a customer through segmentation; you can then use direct mail or email campaigns to create personalized marketing.

## Incentive

All the points above drive sales and make consumers' decision-making much simpler. If a brand is offering a similar product but something additional, then the consumer will often want more for their money.

## **SOCIAL CRITICISM OF ADVERTISING**

### (1) Increased Price of The Product:

Advertising increases the cost of the product as the expenses on it form the part of the total cost of the product. The increased prices are borne by the consumers. But it cannot be denied that advertising leads to large scale production which considerably reduces the total and per unit cost of production. The consumer may pay less rather than higher.

### (2) Multiplication of Needs:

Advertising creates artificial demand for the product and induces people to buy those products which are not needed by them. On account of its repetition, it allures and creates a desire in the minds of the people to possess an article not required by them.

### (3) Deceptive:

Sometimes advertising is used as an instrument of cheating. In order to impress upon the people false statements are given with regard to different virtues of a product. Fraudulent

means and deceptive practice are resorted to by various traders in order to sell their products. All these things adversely affect the public confidence in the advertising.

(4) It Leads to Monopoly:

Advertising sometimes leads to monopoly in a particular brand of a product. By investing large sums in advertising of his brand, a big producer eliminates small producers of the same product from the market and creates brand monopoly. This leads to exploitation of consumers. But in reality, this argument does not hold good. The monopoly powers are temporarily acquired by the manufacturers as they face strong competition by the rival producers of the same product. In the words of Marry Hepner “advertisement stimulates competition. It often enables the small businessmen to compete with large concerns as well as to start new business”.

(5) Harmful for the Society:

Sometimes advertisements are un-ethical and objectionable. Most often, these carry indecent language and virtually nude photographs in order to attract the customers. This adversely affects the social values.

(6) Wastage of Precious National Resources:

A serious drawback levied against the advertisement is that it destroys the utility of certain products before their normal life. The latest and improved model of a product leads to the elimination of old ones. For instance, in the U.S.A., people like to possess the latest models of cars and discarding the old ones which are still in useable conditions. This leads to wastage of national resources.

## **ADVERTISING STATUTORY BODIES IN INDIA**

At present in India, there is no central statutory agency or uniform legislation regulating the advertising industry. The Indian advertising market as a whole is regulated and controlled by a non- statutory body, the Advertising Standards Council of India (ASCI). In the absence of uniform integrated legislation, it is necessary for advertisers to ensure that an advertisement is in compliance will all local and national advertisement laws.

**Role of the Advertising Standards Council of India (ASCI)** ASCI is a voluntary self-regulatory council established in 1985 to promote responsible advertising and to enhance public confidence in advertisements. The council's objectives are:

- To ensure the truthfulness and honesty of representations and claims made by advertisements



- To ensure that advertisements are not offensive to generally accepted standards of public decency
- To safeguard against the indiscriminate use of advertising for the promotion of products regarded as hazardous to society or to individuals.
- To ensure that advertisements observe fairness in competition so as to inform the consumer on choices in the marketplace while observing the canons of generally accepted competitive behaviour in business

**ASCI** consist of a Board of Governors and a Consumer Complaints Council. The Board of Governors comprises four members from each of the four sections connected with the advertising industry:

- Advertisers
- Advertising Agencies
- Media (owners of press, television, radio etc.)
- Related sectors (e.g., outdoor agencies, PR, market researchers, ad producers, business schools)

## **STATUTORY REGULATION OF ADVERTISING**

Complementing the **ASCI Code** are Indian laws governing specific media, specific populations, and specific goods and services. The most significant of these laws are listed here.

### **Laws Governing Media**

- The Press Council Act 1978
- Cable Television Network Rules, 1994
- Code for Commercial Advertising on Doordarshan and All India Radio
- Electronic Media Monitoring Centre (EMMC)
- Norms for Journalist Conduct issued by the Press Council of India
- Code of Conduct of the News Broadcasters Association

### **Laws Protecting Society and the Consumer**

- Emblems and Names (Prevention of Improper Use) Act, 1950
- Young Persons (Harmful Publications) Act, 1956
- Companies Act, 1956
- Standards of Weight & Measures Act, 1976
- Indecent Representation of Women (Prohibition) Act, 1986
- Consumer Protection Act, 1986

- Laws related to intellectual property rights

### **Industry-Specific Laws**

- The Drugs and Cosmetic Act, 1940
- The Transplantation of Human Organs Act, 1994
- The Drugs and Magical Remedies (Objectionable Advertisements) Act, 1954
- The Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994
- Advocates Act, 1961
- Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992
- Securities and Exchange Board of India Act, 1992
- The Prize Chits and Money Circulation Schemes (Banning) Act, 1978
- Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003
- Public Gambling Act, 1867, the Lotteries (Regulation) Act, 1998 and the Prize Competitions Act, 1955
- Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002
- The Food Safety & Standards Act, 2006