

Unit 1 : Introduction to Advertising (20%)

- **Definition**
- **Objectives**
- **Functions and Classification of Advertising**
- **The role of advertising in Marketing**
- **The role of advertising agencies**

DEFINITION OF ADVERTISING

The American Marketing Association, Chicago, has defined advertising as “any form of non personal presentation or promotion of ideas, goods or services, by an identified sponsor.”

FEATURES OF ADVERTISING

1. **Communication:** Advertising is means of mass communication reaching the masses. It is a non-personal communication because it is addressed to masses (all people together).
2. **Information:** Advertising informs the buyers about the benefits they would get when they purchase a particular product. For this it is necessary that the information given is complete and true.
3. **Persuasion:** The advertiser expects to create a favourable attitude among the potential buyers which will lead to favourable actions. Any advertising process attempts at converting the prospects into customers. Hence, advertising is an indirect salesmanship. It attempts to persuade the potential buyers
4. **Profit Maximisation:** True advertising does not attempt at maximising profits by increasing the cost. It maximizes profits by promoting the sales. This way it does not lead to increase in the price of the product. Thus, it has a higher sales approach rather than the higher-cost approach.
5. **Non-Personal Presentation:** Salesmanship is personal selling whereas advertising is non-personal. Advertising is not meant for any one individual but for all.
6. **Identified Sponsor:** A sponsor may be an individual or a firm who pays for the advertisement. The name of reputed company may increase sale of products. The product gets good market because of its identity with the reputed corporate body.
7. **Consumer Choice:** Advertising helps the consumers in making choice. It enables consumers to purchase goods as per their budget requirement and choice. Right choice makes consumer happy and satisfied.
8. **Art, Science and Profession:** Advertising is an art because it represents a field of creativity. Advertising is a science because it has a body of organised knowledge. Advertising is now treated as a profession with its professional bodies and code of conduct for members.

9. Element of Promotion Mix: Advertising is an important element of promotion mix. Advertising has proved to be of great utility to sell goods and services. Large manufactures spend crores of rupees on advertisements.

10. Element of Creativity: A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makes a successful campaign.

OBJECTIVES OF ADVERTISING

1. Informative advertising –

This type of advertising aims to create awareness and information of new products or new features of existing products. These ads include informing the market about price changes, explaining the customers how the product works, describing available services, correcting false impressions, reducing buyers' fears, building a company image etc.

2. Persuasive advertising –

It aims to create liking, preference, conviction, and purchase of a product or service. These types of ads will persuade the customers to purchase now, building brand preferences, encouraging switching to their brands, changing customer perceptions of product attributes.

3. Reminder advertising –

Reminding customers that the product may be needed in the near future, reminding customers where to buy the product, keeping the product in customers' minds during off seasons, maintaining top-of-mind product awareness are some of the objectives of reminder advertising. For example – Pepsi and Coca-Cola ads on television are designed mainly to remind people about their brands.

4. Reinforcement advertising –

It aims to convince current purchasers that they made the right choice. These ads will reduce post purchase dissonance in the minds of customers. Hero Honda has recently issued ads in newspapers that its Hero Honda CD Dawn vehicles sold 1, 00,000 in 100 days. This will reinforce the existing owners as well as prospective customers.

The various objectives of advertising can be described in the following points;

1. Introduce New Product: Advertisements are used for presenting a new product in the market. New product needs introduction as potential customers do not have any awareness about it. Mass media is used for promoting the product so that its knowledge reaches wide markets.

2. Creation of Demand: Advertisements often try to match the product qualities with the customer's requirements so that they realize the need of the product. Advertisement creates a favourable climate for maintaining or improving sales.

3. To Face the Competition: In modern days advertising is undertaken not only to inform the people about a product, but also to maintain and increase the demand of the product by

weaning people away from competitor's products in the market. Under competitive conditions, advertisement helps to build up brand image and brand loyalty.

4. Creation of Goodwill: Large scale advertising is often undertaken with the objective of creating or increasing the goodwill of the company. This increases the market receptiveness of the company's product and strengthens its market position.

5. Communicate with the Customers: Advertising is a means to communicate to the customer details like changes in prices, improvement in quality, introduction of a new product line, sales promotion schemes, etc. Regular advertising is necessary to remind the customer about the brand and ensure that the brand name remains fresh in his mind.

6. Neutralize Competitor's Marketing Strategies: It is important to neutralise the effects of competitor's advertising before they are successful in pulling away the customers of the organization. Advertisements are used to create product differentiation in order to distinguish a company's product from those of its competitor's.

7. Discourage New Entrants: Advertising builds up a bigger market share for the company. This will make life difficult for the new entrants. New entrants would find difficult to penetrate the market.

8. Link between Producer and Consumer: Advertising is the link which connects the producer and the consumer. It informs and educates the target audience about the products, its benefits, and the utilities and value it can provide to the customer. It complements other promotional tools like personal selling and sales promotion in achieving the marketing objectives of the firm.

FUNCTIONS OF ADVERTISING PRIMARY FUNCTIONS OF ADVERTISING

1. Advertisements increase sales The main function of advertising is to increase the sales of the product of the company by securing greater consumption, by attracting new buyers and by introducing new uses for a commodity.

2. Advertising Persuades dealers to stock Advertising persuades dealers to stock more advertised goods. It ensures wider distribution of goods, even to remote places. Where a product is not in demand, the advertisers directly contact their dealers to stock the goods and persuade the consumers to buy their goods through advertisements.

3. Advertising helps dealers to liquidate stock Advertising not only assists the producer or advertiser, but also helps dealers (wholesalers and retailers) to sell the advertised goods. Thus, wholesalers and retailers are able to clear their shelves speedily resulting in higher profits. This is all possible due to effective advertising.

4. Advertising increases per-capita use Advertising may increase the per capita use of commodity by repeating the product features and its uses constantly. Advertising is effectively used to increase the per capita consumption by describing new uses of articles that may never have been thought of by the general user.

5. Advertising recognizes quality Advertising brings goodwill for the producer. If a producer has been recognized for bringing out quality products, his new product will be well received by the public.

6. Advertising protects manufacturers' interests Through the advertising, goodwill of the manufacturer is established over time and a kind of insurance is created for the manufacturers. This makes the manufacturer feel more confident and be independent of wholesalers and retailers.

7. Advertisements eliminate seasonal fluctuations One of the primary functions of the advertisements is to eliminate or lessen the seasonal fluctuations for the seasonal products by describing their various uses during off season. For example, by advertising, the use of refrigerators all the year round has been highlighted to people.

8. Advertising creates demand for products It creates demand for the product and not merely for a particular brand. For example, a laptop computer is widely recommended through advertisements, highlighting its advantages. This helps in creating not just the demand for brands but also for the product (laptop in this case).

9. Advertisements raises standard of living Advertising also helps in raising the standard of living of the consumers by persuading them to use newer and better products at competitive rates. It is partly because of advertising, it has become possible that goods that are enjoyed by rich people once, are being enjoyed by common man now.

SECONDARY FUNCTIONS OF ADVERTISING

There are many other functions which have gained importance during the course of time and such functions may be classified as Secondary functions

1. Advertising lend moral support to salesmen Advertising helps salesmen a lot. Occasionally, a salesman feels insecure and lacks confidence in himself, in his company's products. On such occasions, advertisement boosts his morale. It makes it easier for him to sell advertised goods, for part of the selling has already been done for him.

2. Advertisements provides correct information Advertisements provide the correct information about the product, producer, stockists and salesmen. Salesmen and dealers are benefited by the use of information given in the advertisement.

3. Advertising ensures Product improvement Advertisements create a feeling among the executives and the administrative staff that they are responsible to the public in a way. In many ways, they become more enthusiastic when they see advertisements of their own company. They are likely to strive to improve the product further.

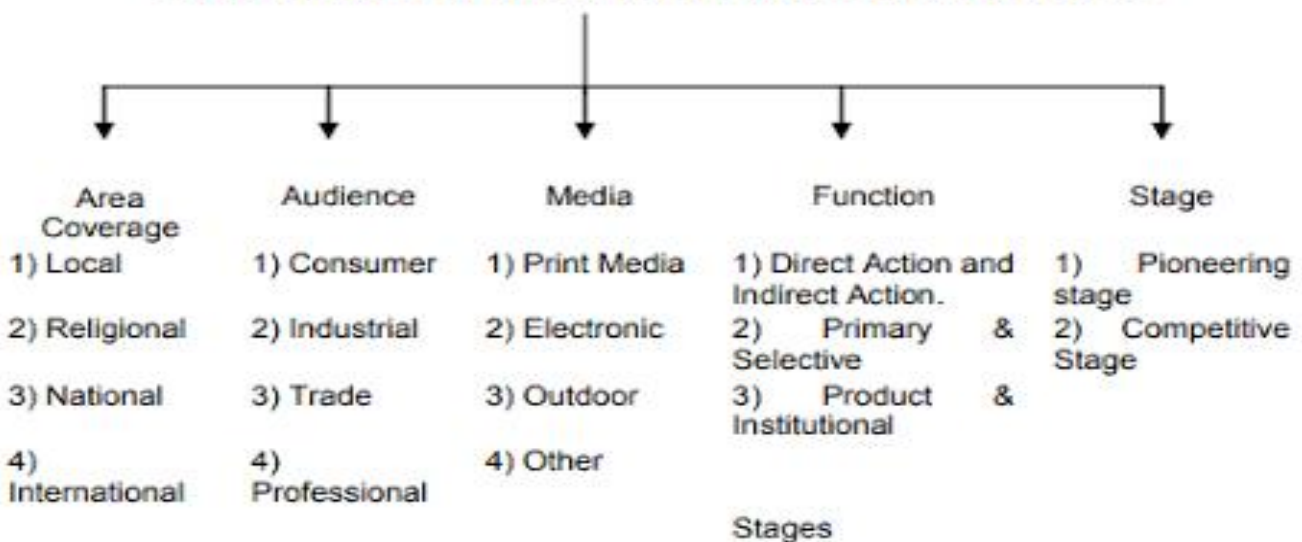
4. Advertising creates a sense of security The workers of an organization of well-advertised goods will feel that their jobs are more secured and that their future prospects with the organization are bright as the business grows.

5. Advertisements helps to recruit Efficient Employees Advertising makes it possible for the manufacturers to appoint well equipped employees, in terms of quantification, experience and skill. As a company gains much popularity through its advertisements and is identified as a widely known company, any eligible applicant will feel pride to apply for the job.

CLASSIFICATION OF ADVERTISING

Chart :

Classification of Advertising on the various basis



Area Coverage	Audience	Media	Functions	Ad. Stages
- Local-	Consumer-	Press-	Direct & Indirect	- Pioneering
- Regional	- Industrial	- Broadcasting	-Action-	Competitive
- National	- Trade	- Outdoor	-Primary & Selective	
	- Retentive			
- International	- Professional-	Others	- Product & PRA	

I) CLASSIFICATION ON THE BASIS OF AREA COVERAGE

1. Local Advertising: It is also known as retail advertising. It is undertaken by local retail stores, departmental stores, co-operative stores, and other consumer goods. It is directed at local customers. Media, used for local advertising, are shop decorations, local newspapers, magazines, posters, pamphlets, hoarding, new signs, local cinema houses, etc.

2. Regional Advertising: It has wider coverage, as compared to local advertising. It covers a particular region, which may be one state, or, more than one state. It is undertaken by manufacture, or, regional distributor of a product. Media, used for regional advertising, include regional newspapers, magazines, radio, regional T.V., outdoor media, etc. It is ideally used for launching a new product in a specific region.

3. National Advertising: It is generally undertaken by manufacturers of branded goods. The advertising messages is communicated to consumers all over the country. Almost all possible mass media, including national newspapers, radio and

television network, are used for national advertising. Product services, and ideas, which have demand all over the country, are suitable for national advertising. In India, Indian Airline Hindustan UniLever Ltd., Godrej, Bajaj etc. are a few leading advertisers at national level. Likewise, detergents, soaps, toothpastes, cosmetics, scooters, cars, and bicycles, are some of the products, which are advertised all over the country.

4. International Advertising: This type of advertising is undertaken by those companies, which operate in more than one country, known as multi-national companies. For example, Coca Cola and Pepsi are advertised globally, as the sales are almost all over the world.

II. CLASSIFICATION ON THE BASIS OF AUDIENCE

1. Consumer Advertising: This type of advertising is directed to the final consumers i.e., the individuals, who buy, or, use the consumer products, or services, for example, soap, toothpaste, toothbrush, tea, textiles, etc., for themselves and for their families.

2. Industrial Advertising: This type of advertising is used by manufacturers and distributors of industrial goods such as, machinery, plants, equipments, spare parts and components etc. They are directed at industrial users or customers. Such advertisements usually appear in trade journals, trade dictionaries, business magazines and so on.

3. Trade Advertising: This kind of advertising is employed by manufactures and/or distributors to influence and persuade wholesalers and dealers (retailers) to stock and sell the goods of the advertiser by offering incentive schemes to them, or, by inviting dealership for their particular products.

4. Professional Advertising: It is directed at professional like doctors, professors, engineers and others, who are expected to recommend, prescribe, or, specify the advertised products to ultimate consumers. This is done through professional journals and representative of the advertisers.

III. CLASSIFICATION ON THE BASIS OF MEDIA

1. Print Media Advertising: The print media consists of newspapers, magazines, journals, handbills, etc. No newspaper or, journal, today, can survive without advertising revenue. Print media advertising, even today, is the most popular form of advertising.

2. Electronic or Broadcast Media Advertising: Electronic, or, broadcast media consists of (i) radio, (ii) television, (iii) motion pictures, (iv) video, and (v) the internet. The radio is audio in nature, appealing only to the sense of sound (ears). Radio advertising is more effective in rural areas, as compared to urban regions. Television, as an advertising medium, is more attractive and effective because it is an audio-visual medium appealing to both the senses of sight sound (eyes and ears).

Different methods, such as, spot announcements, sponsored programmes, etc., are used for broadcasting advertising messages.

3. Outdoor Media : This include posters, neon signs, transit, point of purchase (POP), etc. Outdoor advertising can be a good supporting media to other forms of advertising. It is a good form of reminder advertising, especially, the POP advertising.

4. Other Media : This includes direct mail, handbills, calendars, diaries, cinema advertising, internet and so on. These miscellaneous media can play an important supporting role to the major media such as television, and newspapers.

IV. CLASSIFICATION ON THE BASIS OF FUNCTION

1. Direct Action and Indirect Action Advertising: Direct action advertising is undertaken to obtain immediate response or action on the part of target audience. Examples include discount sales advertising, sale along with free gift offers, and mail-order coupon sales, etc. The media used is mostly newspapers, and television. Indirect action advertising is undertaken to influence the audience in respect of advertiser's brand. The advertiser expects the target audience to prefer his brand as compared to competitors whenever a buying decision arises in future.

2. Primary and Selective Advertising: Primary Advertising is undertaken by trade association or by cooperative groups. It is undertaken to create generic demand for products and services. For example, the Coffee Board may advertise to consume more coffee. Selective Advertising is undertaken by marketers of branded products. The advertiser intends to create selective demand for his brand. Examples include Pepsi Cola, Coca Cola.

3. Product and Institutional Advertising: Product or Service advertising is undertaken to promote the sale of products and services-branded or unbranded. Institutional advertising is undertaken to build name and goodwill of the organisation. It is also known as corporate advertising or image advertising. It is mostly undertaken by large firms.

V. CLASSIFICATION ON THE BASIS OF ADVERTISING STAGES

1. Advertising at Pioneering Stage: Advertising at pioneering stage is undertaken to make the audience fully aware of the new brand of product and to inform, influence, and persuade them to buy, or, use it by highlighting its unique features.

2. Advertising at Competitive Stages: Once the brand survives the introductory stage, it has, soon to face a stiff competition with other well-established brands in the market. At this stage, competitive advertising is undertaken to promote sales effectively.

3. Advertising at Retentive Stage or Reminder Advertising: When the product has captured a large share of the market, retentive advertising is undertaken to maintain, or retain the stable position in the market as long as possible. Moreover, if the same product is passing through the declining stage in the market, this type of advertising is used to remind the buyers about the product hence, it is also known as reminder advertising.

ROLE / SIGNIFICANCE OF ADVERTISING IN MARKETING

Role and Significance of Advertisements in Marketing can be divided into following parts;

1. Advertising and Consumers
2. Advertising and Promotion
3. Advertising and Price
4. Advertising and Distribution Channel
5. Advertising and Sales force

1. ADVERTISING AND CONSUMERS:

1. It helps in decision-making:

- The present-day industry has been able to provide with the largest possible varieties of products to such an extent that the consumers find it difficult to decide. Further, each producer claims that his own products are the best.
- In such situation, it is advertising that helps the consumer to select the best by providing him with comparison of features, prices, utility, quality, durability, convenience etc.

2. It ensures better quality products at reasonable prices:

- Advertising stimulates the sales of a good product and accelerates the destruction of bad product by creating the image of the product in the minds of the consumers.

3. It saves good deal of time:

- The modern living is changed as compared to past. In the past, the things were cheaper and the requirements were limited. Hence, it was enough for a single member to earn for the entire family. Today this is very difficult. Each member of the family tries to earn. This gives them less time.
- Advertising saves time in the sense that it sells the goods and services well in advance. That is, through the ads, people know about products and services they are to only contact the selling outlets to get them.

2. ADVERTISING AND PROMOTION

1. Awareness:

- One of the important roles of advertising is to create awareness of the product or services such as brand name and price.
- The awareness of the product or services can be created through highlighting the unique features of the brand. Nowadays, due to intense competition, top of mind awareness is needed.

2. Information:

- Advertising helps to inform the target audience about the product. Providing information is closely related to creating awareness of the product. Potential customers must know about a product, such as product features and uses.

3. Persuasion:

- When business firms offer similar products, the firm must not only inform the customers about the product's availability, but also persuade them to buy it.

Persuasion can be undertaken through creative advertising messages, product demonstration at trade fairs, offering free gifts, premium offers and organizing contests etc.

4. Attitudes:

- Promotion is required to build or reinforce attitudes in the minds of target audience. The marketers expect the target audience to develop a favourable attitude towards their brands. Positive attitude towards the brand helps to increase its sales.

5. Reminder:

- If target customers already have a positive attitude towards a firm's product or service, then a reminder may be necessary.
- Well-established brands need to remind the customers about their presence in the market. For eg., 'Raymond – the complete man' campaign is designed to remind the customers.

6. Brand Loyalty:

- Advertising helps to develop brand loyalty. Brand loyalty results in repeat purchases and favourable recommendations to others by existing customers.
- Sales promotion, effective personal selling, timely and efficient direct marketing, and other techniques help to develop brand loyalty.

7. Brand Image:

- An advertiser helps to develop a good image of the brand in the minds of target audience. A good image helps to increase sales, meet competition etc.

8. Expansion of Markets:

- Successful advertisements results in expansion of the markets. A marketer may intend to expand markets from the local level to the regional level, from the regional level to the national level, and from the national level to the international level.

3. ADVERTISING AND PRICE

- Through advertising, it is possible to control the product prices with profit, particularly the retail prices.
- Very often the greedy retailers exploit the needy consumers by charging higher prices. If this consumer exploitation is not controlled, both the producers and consumers are to suffer without their faults. The manufacturer can help himself and consumers by printing the consumer prices on the product packages. Today, product package protects not only the contents of it but also the consumer interest.
- Advertisements creating awareness about the price helps control exploitation of consumers.

4. ADVERTISING AND DISTRIBUTION CHANNEL

1. It guarantees quick sales:

- Every retailer holding the stocks of different producers is interested in quick turnover.

- Advertising, by bringing these whole range of products to the notice of consumers, quickens the pace of sales.
- Faster sales give specific advantages such as reduced capital lock-up, loss of stock, and increased profits. Advertising gives him freedom to better serve the needs of consumers. Therefore, he earns better by serving better.

2. It acts as salesman:

- Advertising has been rightly described as salesmanship in print.
- Most retail organizations do not employ large number of salesmen. They are willing to spend on advertising which attracts consumers to the stores.

5. ADVERTISING AND SALES FORCE

The benefits of salesforce due to advertising are;

1. It creates colourful background:

- A good salesman wins the hearts of consumers and sells the company products and services.
- He may be active, tactful and confident salesman but the extent of his success depends heavily on the colourful back-ground created by the advertising.
- Salesmanship without advertising is like a song without music. Advertising creates stage for him for his acting (performance).

2. It reduces his burden of job:

- In case salesman alone is called upon for selling, it goes much difficult. In absence of advertising, he is forced to play a double role of advertising as well as salesmanship.
 - Advertising provokes public interest, wins the confidence, and promotes conviction. Hence, the job of the salesman becomes easier.
3. It instils self-confidence:
- A sales-force that is self-confident is an asset to the marketing department. Advertising helps the salesforce by building confidence in them.
 - Advertising, by educating sales-force, acts a creative force as it instills self-confidence, initiative and drive in them.

ROLE OF ADVERTISING AGENCIES

Introduction to Advertising Agencies:

- An advertising agency is an independent company. It is set up to provide specialized services in advertising in particular and in marketing in general.
- These firms are not agents in the legal sense, but are independent companies. Advertising agencies started by handling of the advertisements in newspapers. Through the years, the function of the agencies has changed.
- It acts as a consultant of the advertiser who is a manufacturer, wholesaler, or retailer.

Following are the roles of ad agencies;

1. Creating an Advertisement: The advertising agency has a lot of work in the process of creating an advertisement that satisfies the brand marketer (advertiser). The responsibilities of ad agencies range from graphic design to copywriting and printing.

2. Market Research: Market demand and supply are ever-changing in today's rapidly evolving digital economy. An advertising agency has to undergo extensive market research on the product and to better understand changing customer needs in order to create better advertisements and brand messages. The ads must be relevant and contemporary.

3. Ad Media Considerations: Ad agencies need to be mindful of their target audience and determine the relevant media for ad creation and outreach. Developing, designing and launching print ads (newspaper, magazine, brochures, pamphlets), audio ads (radio) and video (TV, YouTube, etc.) ads, including billboards and posters campaigning are all a part of the ad creation for brands.

4. Content Creation: No advertisement is complete without appropriate content – be it a slogan or a tagline, content for promotion or branding, or content for websites and other media. Developing effective content strategies for advertising plays a very important role. Ad agencies need to be very much creative in presenting the content of advertisement.

5. Branding & Social Media: Social media promotion and digital marketing are very important for advertisers because of their closeness with the targeted ad audience. Advertisements for banner ads and other targeted promotions across Instagram, Twitter, Facebook, LinkedIn and other social media channels therefore, become an extensive and highly focused operation.

6. Direct Marketing: Direct marketing inculcates the channels of email marketing, telephone marketing, mail order, rather than through retailers. A direct marketing campaign helps in inducing a degree of personalization and connection. This also includes campaigning through mailer coupons, gift vouchers, loyalty rewards etc. Public Relation is a key aspect looked after by ad agencies to ensure optimum publicity and the strength of the client's (advertiser) brand image.

7. Public Relations: Public relations uses - press releases, talk shows, fairs, exhibitions, events, and even writing columns and articles in trade publications. The fundamental objective of this department of an ad agency is to build and maintain goodwill with various sections of the public. The tools used in communicating with these publics are institutional or corporate advertising and publicity. The main job of this department is to build stronger relations between clients and the various sections of the public customers, employees, middlemen, shareholders. A minor job is to do a public relations job for the agency itself with prospective, and present clients.

8. Revenue Generation: Ad agencies are responsible for revenue generation for clients. Agencies need to ensure that the ads designed by them are relevant to their target audience and generate quality revenue for their clients.

2. Understanding Communication Process

Source

Message and Channel Factor

AIDA Model

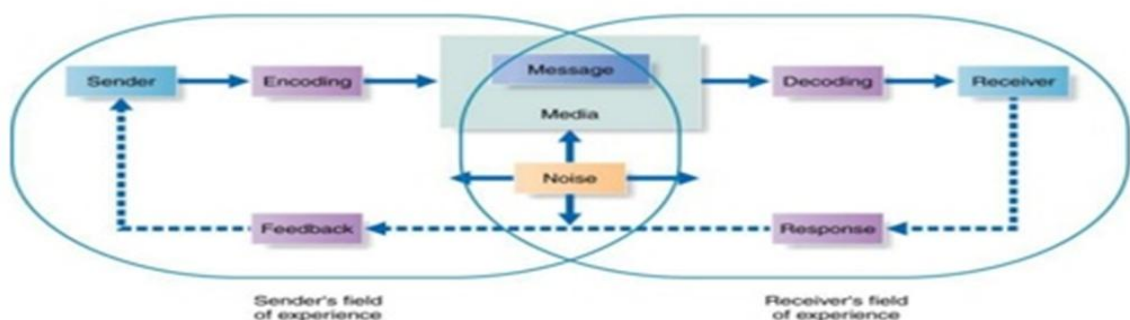
Hierarchy of Effect Model

Innovation Adoption Model

Elaboration likelihood model

- Communication is a process of transmitting and receiving verbal and non-verbal messages. It is considered effective when it achieves the desired response or reaction from the receiver.

Elements in the Communication Process



2

- Source:** The source comes up with an idea and sends a message in order to share information with others. The source could be one other person or a group of people.
- Encoding:** The way the information is described or translated into a message.
- Message:** The idea, fact or opinion that the sender wants to communicate.
- Communication channel:** The method of delivering the message. The channels of communication are many—written, spoken, verbal, non-verbal, mass media like TV, radio, newspapers, books, etc. Choosing the appropriate channel, one most suitable for the message as well as the receiver, is a complicated task. **The medium can be categorized in the following manner:**

i) Personal:

It involves direct interpersonal (face-to-face) contact with the target group.

ii) Non-Personal:

These are channels which convey message without any interpersonal contact between the sender and the receiver.

The non-personal channels of communication may further be broadly classified as follows:

a) Print Media:

Newspapers, magazines, direct mails, etc.

b) Electronic Media:

Radio and Television.

- Decoding:**
It is the process of transforming the sender's message back into thought.
- Receiver:**

It is the target audience or customers who receive the message by way of reading, hearing, or seeing. A number of factors influence how the message is received. These include the clarity of message, the interest generated, the translation, the sound of words, and the visuals used in the message.

- **Noise:**

The unplanned distortions or interference of the message is termed as 'noise.' A message is subjected to a variety of external factors that distort or interfere, its reception.

- **Feedback:**

In order to assess the effectiveness of the marketing communication process, feedback from the customers is crucial. The time needed to assess the communication impact depends upon the type of promotion used. For instance, an immediate feedback can be obtained by personal selling, whereas it takes much longer time to assess the communication effectiveness in case of advertisements.

What is Persuasion?

- “a successful intentional effort at influencing another’s mental state through communication in a circumstance in which the [person being persuaded] has some measure of freedom”

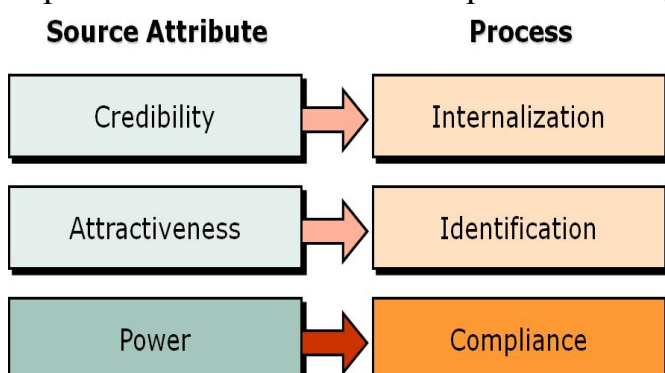
The persuasion matrix

The Persuasion Matrix

Dependent variables: Steps in being persuaded	Independent variables: The communication components				
	Source	Message	Channel	Receiver	Destination
Message presentation			(2)		
Attention	(4)				
Comprehension				(1)	
Yielding		(3)			
Retention					
Behavior					

The persuasion matrix helps marketers to see how each controllable element of the communication process interacts with the consumer’s response process. The matrix has two sets of variables.

Independent variables are the controllable components of the communication process while dependent variables are the steps a receiver goes through in being persuaded.

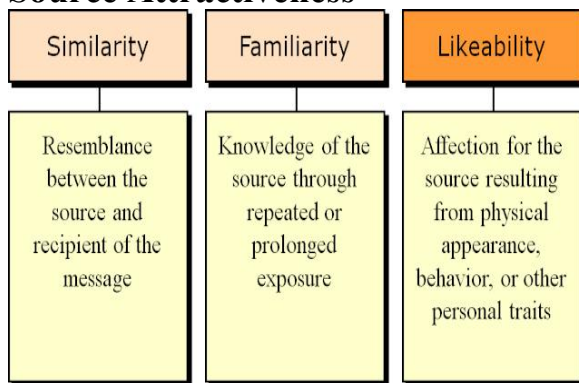


- **Source Credibility**

There are two important dimensions to source credibility, **expertise and trustworthiness**. Marketers recognize that expertise is extremely important and choose spokespersons who have knowledge, skill, or experience with a particular product or in a service area. Endorsements from individuals or groups recognized as experts, such as doctors or dentists are common in advertising. While expertise is important, the target audience must find the source believable. Trustworthiness relates to the source's objectivity, honesty, and believability.

- The "sleeping effect" in advertising refers to a delayed increase in the persuasive impact of a message, even if the initial message source lacked credibility.
- BMW claimed the title of "The Ultimate Driving Machine" in all of their ads

Source Attractiveness



Risks of Using Celebrities

- Although celebrities can be effective in gaining attention and influencing consumers, there are some factors that must be considered before deciding to use them.

These are:

- **Overshadowing the product** – advertisers should select a celebrity spokesperson who will attract attention and enhance the sales message, but not overshadow the brand.
- **Overexposure** – consumers can become skeptical when a celebrity endorses too many products or companies and becomes overexposed.
- **Target audiences' receptivity** – it is important for marketers to select a celebrity endorser who matches and is well received by the advertiser's target audience.
- **Risk to the advertiser** – the advertiser needs to select an endorser who will not embarrass the company. Researching the celebrity's personal life and background to reduce this risk is becoming common.
- **Source power:** The power of a source as a result of his or her ability to administer rewards and/or punishments to the receiver. When source can administer rewards and punishments to receiver.

Depends on source's perceived control, perceived concern, and perceived scrutiny.

Source power depends on several factors:

The source must be perceived as being able to administer positive or negative sanctions to the receiver (perceived control).

The receiver must think the source cares about whether or not the receiver conforms (perceived concern).

The receiver's estimate of the source's ability to observe conformity is also important (perceived scrutiny)

Compliance: Receiver accepts source's persuasive influence and acquiesces to source's position.

To obtain favorable reaction or avoid punishment.

Difficult to apply in advertising; more likely in personal communication.

Message Structure

- Marketing communications usually consist of a number of message points that the communicator wants to get across. An important aspect of message strategy is knowing the best way to communicate these points and overcome any opposing viewpoints audience members may hold.

• Order of presentation (primacy vs. recency)

Presenting the strongest arguments at the beginning of the message assumes a primacy effect is operating, whereby information presented first is most effective.

5 star Do nothing campaign Putting the strong points at the end assumes a recency effect, whereby the last arguments presented are most persuasive effect.

• Conclusion Drawing (open vs. closed end)

Marketing communicators must decide whether their messages should explicitly draw a firm conclusion or allow receivers to draw their own conclusions.

• Message sidedness (one vs. two-sided)

A one-sided message mentions only positive attributes or benefits. A two-sided message presents both good and bad points

- **Refutation** An a special type of two-sided message known as a refutational appeal, the communicator presents both sides of an issue and then refutes the opposing viewpoint. Since refutational appeals tend to "inoculate" the target Audience against a competitor's counterclaims, they are more effective than one-sided messages In making consumers resistant to an opposing message.

• Verbal vs. visual

Appeals

Comparative advertising is the practice of either directly or indirectly naming competitors in an ad and comparing one or more specific attributes.

Fear Appeals Fear is an emotional response to a threat that expresses, or at least implies, some sort of danger. Ads sometimes use fear appeals to evoke this emotional response and arouse individuals to take steps to remove the threat. Relationship between fear levels and message acceptance

Humour Appeals Humorous ads are often the best known and best remembered of all advertising messages. Advertisers use humour for many reasons. Humorous messages

attract and hold consumers' attention. They enhance effectiveness by putting consumers in a positive mood, increasing their liking of the ad itself and their feeling toward the product or service. And humour can distract the receiver from counter arguing against the message

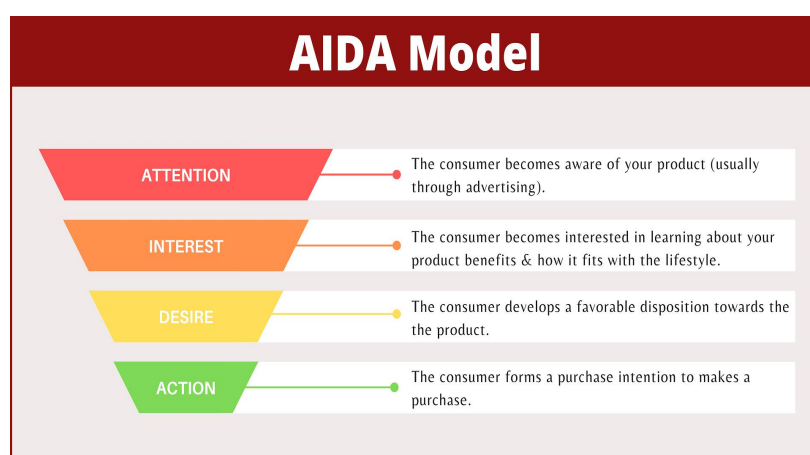
Channel Factor

Effects of Context and Environment: Interpretation of an advertising message can be influenced by the context or environment in which the ad appears. A **qualitative media effect** is the influence the medium has on a message. The image of the media vehicle can affect reactions to the message. For example, an ad for a high-quality men's clothing line might have more of an impact in a fashion magazine like *GQ* than in *Sports Afield*.

Clutter: Another aspect of the media environment, which is important to advertisers, is the problem of **clutter**, which has been defined as the amount of advertising in a medium. Clutter is of increasing concern to advertisers since there are so many messages in various media competing for the consumer's attention. Half of the average magazine's pages contain ads and in some publications the ratio of ads to editorial content is even higher. Clutter is of increasing concern to advertisers since there are so many messages in various media competing for the consumer's attention. Clutter has become a major concern among television advertisers as a result of increases in non-program time and the trend toward shorter commercials. Advertisers and agencies want the networks to commit to a minimum amount of program time and then manage the non-program portion however they see fit.

- **Response Hierarchy Models** explain the [advertising response](#) process of consumers. Response Hierarchy Models provide clarity pertaining to the response that is elicited from a customer at different stages of his journey right from lack of awareness to purchasing the product.

There are five Response Hierarchy Models that substantiate the behaviour of consumers across three stages of awareness namely; Cognitive Stage, Affective Stage and Behavioural Stage.



- **The AIDA model** was developed in **1898** by [E. St. Elmo Lewis](#) in an attempt to explain how personal selling works.

In one of his advertising publications, Lewis suggested three principles to which an advertisement should adhere for it to be considered a successful advertisement:

Attract attention

Maintain interest

Create desire

Later, he added a new phase called *get action*. Originally developed for **structuring sales negotiations**, Lewis' formula was soon applied in all areas of marketing.

- This model is built on the assumption that every buyer experiences cognitive (thinking processes) and affective (feelings or emotional steps) processes, which eventually culminate in a behavioral outcome: the actual purchase.

Here's how each stage of the **AIDA model** works:

Attention – Attract the consumer's attention to your product or service.

Interest – Increase consumer interest in your product or service

Desire – Make the consumer want your product or service.

Action – Initiate an action for the consumer to buy your product or service.

What Is Attention in AIDA?

Attention is the process of making potential customers aware of your business and the service or product you offer.

One of the best approaches to attracting consumer attention is what's called "creative disruption" – breaking existing patterns of behavior through a highly creative message.

This can be done in several ways:

Placing advertisements in unexpected situations or locations. This is often referred to as guerrilla marketing.

Creating shock in advertisements through provocative imagery.

An intensely targeted message. This is also referred to as personalization.

At this point, your main goal is to increase consumer interest levels in your product or service.

You can do this by creating a consistent brand voice and message that your target audience can relate to and sharing it through various marketing channels.

Which Marketing Strategies Can Be Attributed to the Interest Stage?

Here are some of the marketing strategies that can be attributed to the **interest stage**:

Email Marketing

Chatbot marketing

Retargeting campaigns

Social Media accounts

Webinars

- The second and third steps of the AIDA model go together. As you are hopefully building interest in a product or service, it is important that you help customers realize why they "need" this product or service.
- Desire is when the consumer is already interested in your product or service, and you're trying to make them desire it, moving their mindset from "I like it" to "I want it."

The **desire (decision) stage** can be attributed to these marketing strategies:

Testimonials

Pricing

Detailed presentation of product features

Pricing pages

Product comparison pages

Reviews

Live demos and tutorials

Free trials

Action is the process when the prospect decides to take the action necessary to become a customer. The purchasing process should finally take place at this stage.

Call-to-Action (CTA) buttons

Special offers

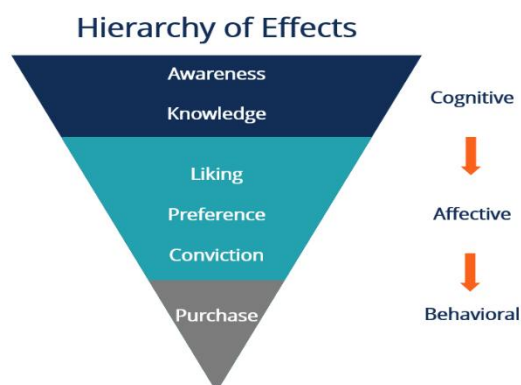
Follow-up email campaigns

The last step of the AIDA model is getting your consumer to initiate action. The advertisement should end with a call to action – a statement that is designed to get an immediate response from the consumer. For example, Netflix uses persuasive text to convince the consumer to try their free trial. Netflix communicates how convenient their product is and highlights its value, then urges consumers to sign up for a free trial.

- Advantages
 - In depth knowledge of the market
 - Improved relationship with customers
 - Market Update
 - Engaged customer
 - Save time
- Limitations
 - Outdated model
 - Misses Many Components
 - Doesnot cover branding

Hierarchy of Effects Model

The Hierarchy of Effects Model is a framework marketers use to understand how consumers respond to advertising messages, moving from awareness to action. It outlines the steps a consumer takes, starting with brand awareness and eventually leading to purchasing a product or using a service. The theory was first raised by Robert J. Lavidge and Gary. Steiner in their article entitled “A Model for Predictive Measurements of Advertising Effectiveness,” which was published in 1961.



The hierarchy of effects is based on behavioral psychology. It can be classified into three main behavior stages – cognitive, affective, and behavioral, regarding the human thought process. The cognitive stage, also known as “thinking,” contains the awareness and knowledge stages.

The affective stage is composed of the sub-stages of liking, preference, and conviction, which describes the impact on consumers’ “feeling” process. The final stage is the behavioral (doing) stage, reaching the ultimate goal of purchase.

1. Awareness

Gaining consumer awareness is the starting point of the entire process. For example, if a consumer intends to purchase a smartphone, the marketing team of a phone brand must make that potential consumer aware of the brand’s existence through its advertising. At the awareness stage, the consumer notices the brand but with very limited knowledge about it.

2. Knowledge

After recognizing a brand, consumers will begin to assess whether the product within that brand can fulfill their needs and how it compares to other items and companies. It’s critical to make sure that customers are fully informed about the brand so that they may advance to the next stage.

This is the stage in which marketers anticipate consumers to learn more about the advertised goods. It might be through product packaging, retail advisors, or even the internet. It’s a crucial milestone in an age when everything is done online. Consumers may obtain information or gain knowledge on any product simply by pressing a button. The awareness and knowledge (or cognitive) phases are when a consumer is informed about a product or service, as well as how they process the information they have been given. It is critical for marketers to include brand information in this stage in a way that attracts consumers to learn more and makes them feel as if they are part of the company.

3. Liking

At this point, the process has transferred from cognitive to emotional action. Consumers establish favorable opinions about a brand as a result of it providing emotional comforts. The smartphone user, for example, may appreciate the attractive design or find the phone’s high-definition camera useful.

It’s a stage when marketers must ensure that consumers like the product. They must make certain that the characteristics they advertise a specific product encourage the consumer to buy it.

4. Preference

Consumers appreciate elements that a brand has, while they may also appreciate qualities possessed by other brands. At the preference stage, a brand must distinguish itself from competing products and establish superiority over rivals.

It’s possible that clients will like more than one product brand, and they might buy any of them. Advertisers must ensure that consumers devote their attention to their own products rather than competing products. To guarantee this, it is critical that marketers emphasize

the benefits of their brand, especially its USP or unique selling points. This will let customers differentiate the product from the rest.

The liking and preference (or affective) stages of the purchase decision are when consumers form feelings about a company, so it is not an appropriate moment for marketers to focus on product features or technological capabilities. Instead, advertisers should target a consumer's values, emotions, self-esteem, or lifestyle in order to appeal to their ideals and beliefs.

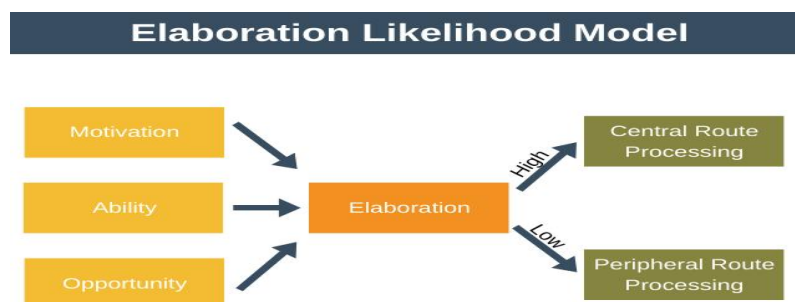
5. Conviction

Conviction is the decision-making stage in which consumers' positive feelings for a brand become an assurance to purchase. At this time, consumers are able to assuage their uncertainties and become more convinced about a particular product.

At this point, advertisers should be able to arouse consumers' interest in the product being advertised. They can let prospective buyers try the product to encourage confidence. If the goods are food, they may distribute free samples so that people may taste them first. They should invite clients for a vehicle test drive if the service is offered on wheels. Here, consumers will be confident to make a final decision about the purchase of the products. Brands need to encourage the conviction of potential customers at this stage. rival products

6. Purchase

The conviction and purchase (or conative) phase are focused on activities. It's when a marketer tries to force a potential client to take action on the information they've learned and developed an emotional bond with a brand by making a purchase. It may entail converting reservations about a product or service into action. In these phases, marketers should work to persuade potential consumers that they need a product or service, usually with the use of a test drive or sample item. Advertisers should also establish rapport with them by stressing the quality, usefulness, and popularity of their goods or services.



The elaboration likelihood model was developed by Richard E. Petty and John Cacioppo in 1980. The elaboration likelihood model (ELM) is a theory of persuasion or attitude change that proposes that people can be persuaded in one of two ways.

1. Central Route Processing
2. Peripheral Route Processing

To determine which route to use, the model says that three factors determine whether your elaboration is likely to be high. These are:

Motivation Ability Opportunity

1. Motivation

If you have a high desire to process the message you're receiving, then your motivation will be high.

2. Ability

Even if we want to elaborate, it can be difficult if we don't have the ability. This can happen when, for example, you're in a noisy environment, or when you don't have enough knowledge about a subject to be able to think deeply about it.

3. Opportunity

Having the opportunity means you have the time available to receive the message, process it, and then make your decision.

Routes

1. Central Route Processing

Central route processing happens when elaboration is higher. Using central route processing, you'll listen carefully to the message and evaluate the pros and cons before making your decision. Central route processing requires your conscious thought and critical thinking. To be able to process in this way, you must be motivated, have the ability, and the opportunity.

2. Peripheral Route Processing

When one or more of motivation, ability, or opportunity is missing or low, then you're more likely to process information via the peripheral route.

Using the peripheral route you're not consciously examining information, and you'll often make your decision based on:

- Positive or negative cues you've picked up.
- Rules of thumb.
- What you've seen others do.

In essence, you're trying to decide without investing any real thinking time.

Advantages

- The model gives you a framework by which you can assess how best to persuade someone.
- It is possible to use both the central route and peripheral route persuasion at the same time.

Disadvantages

- The model doesn't state when to use a particular form of persuasion, merely that the best model to use will be dependent on the elaboration level of the message recipient.
- More of a criticism than a disadvantage, but the model is based on the assumption that attitudes formed through central route processing will be stronger and harder to alter.
- When wishing to persuade a low elaborator, there is no indication of what's the best way to do this. Going back to our shampoo example, seeing your favorite celebrity might nudge you towards buying, but perhaps if you dislike the music in the ad it might nudge you away from buying.

Unit 3: Planning for Marketing Communication

Setting Marketing Communication Objectives,

DAGMAR Approach for setting advertisement objectives

Building the IMC Program: Using Creative Strategies in advertising, sales promotion, publicity and event sponsorship,

Creative strategy in implementation and evaluation of marketing communication,

Types of appeals and execution styles.

Definition of IMC: According to American Association of Advertising Agencies “IMC is a concept of marketing communication planning that recognises the added value of a comprehensive (detail) plan that evaluates the strategic roles of a variety of communication discipline”

SETTING MARKETING COMMUNICATION OBJECTIVES

THE VALUE OF OBJECTIVES –

1. **Communication:** IMC programs have the objectives of facilitating coordination of various groups involved in the campaign as there are many people working on planning and developing IMC programs.
2. **Planning and decision making:** The objectives guide development of IMC plan and for decision making. The firm’s promotional strategy should be based on the establishment of objectives.
3. **Measurement and evaluation of results:** The objectives also provide benchmark against which the success or failure of promotional campaign can be measured.

INTEGRATED MARKETING COMMUNICATIONS OBJECTIVES

1. Marketing objectives– focus on specific measurable results like sales volume, market share, profits, return on investment, etc.
2. Integrated marketing communication objectives –focus on particular communications tasks required to deliver the appropriate messages to the target audience.
3. Sales - oriented objectives – require economic justification and based on the achievement of sales results.

Characteristics of Objectives

1. Concrete, measurable tasks: The message that the advertiser wants to communicate to the target audience.
2. Target audience: The target audience must be well - defined based on descriptive variables like demographics, psychographics, behavior, usage rate and benefits sought.
3. Benchmark and degree of change sought: Benchmark measure gives the promotional planners basis for determining what communications tasks that are needed to be accomplished for particular objectives.

DAGMAR APPROACH – FOR SETTING ADVERTISING OBJECTIVES

DAGMAR is a marketing expression that stands for “Defining Advertising Goals for Measured Advertising Results”.

DAGMAR method is an established technique of creating effective advertising. DAGMAR is an advertising model proposed by Russell Colley in 1961. It is a marketing tool to compute the results of an advertising campaign. DAGMAR attempts to guide customers through ACCA model. According to this approach, every purchase has four steps; Awareness, Comprehension, Conviction, and Action.

1. AWARENESS - The objective is to create awareness about the product amongst the target audience.

2. COMPREHENSION - Awareness on its own is not sufficient to stimulate a purchase. Information and understanding about the product and the organisation are essential. This can be achieved by providing information about the brand features. The objective is to provide all the information about the product.

3. CONVICTION - Conviction is where the customer evaluates different products and plans to buy the product. At this stage, a sense of conviction is established, and by creating interests and preferences, customers are convinced that a certain product should be tried at the next purchase. At this step, the job of the advertising activity is to mould the audience's beliefs and persuade them to buy it.

4. ACTION - This is the final step which involves the final purchase of the product. The objective is to motivate the customer to buy the product.

ADVANTAGES OF DAGMAR APPROACH

Target Audience: A group of potential customers, who have the highest likelihood of purchasing the product, is the target market. Identifying the target market includes the process of demographic, geographic, and psychological segmentation.

Concrete and Measurable: The objective of communication should be a precise and clear statement of whatever message the advertiser wants to communicate to the target audience.

Specified Time-frame And Benchmarks: A good objective has a specified time frame, during which the objective is to be achieved. Understanding the specifications enables advertisers to define goals that will yield the best result. Creating the benchmark is important for an appropriate measurement of the effectiveness of the advertisement.

Written Goal : When the goals are clearly written, it becomes easy to determine whether the goal contains the main crucial aspects of the DAGMAR approach.

BUILDING IMC PROGRAM

Step 1: Know your target audience - You always want to communicate with a specific audience to make the most effective use of your resources. Segmenting specific audiences into groups based on characteristics will help you identify who are most likely to purchase or utilize your products and services.

Step 2: Develop a situation analysis - A situation analysis can provide much information about both internal and external conditions that can lead to a more effective marketing communications strategy.

Step 3: Determining marketing communication objectives - Objectives should be measurable if you truly want to map your campaign's effectiveness at the end of your plan's term.

Step 4: Determining your budget – The company determines the communication budget.

Step 5: Strategies and tactics - develop strategies which are ideas on how you will accomplish those objectives. Tactics are specific actions on how you plan to execute a strategy.

Step 6: Evaluation and measurement - outline a method of how you will evaluate the effectiveness of your IMC strategy.

USING CREATIVITY IN ADVERTISING, SALES PROMOTION, PUBLICITY, EVENTS/SPONSORSHIPS

MEANING OF CREATIVITY: Advertising creativity is the ability to generate fresh, unique, and appropriate ideas that can be used as solutions to communications problems. To be appropriate and effective, a creative idea must be relevant to the target audience.

CREATIVE STRATEGY DEVELOPMENT Following are the activities of creative strategy development;

Advertising objectives – The main objective of advertising is to help in selling process through communication with existing and prospective customers. Most advertisements inform and persuade. Some are designed to establish attitudes and buying behaviours of the patterns.

Information to creative People – The second task is to collect information relating to the product and the marketing mix. Creative design people prepare for the design task by examining the information on the product which is to be offered in the advertising.

Target Audience –The next step in the creative process is to describe the demographic and psychographic make-up of the specific target audience for whom the ad is being created. Quantitative data such as age, sex, marital status, occupation, income, education, place of residence, must be supplemented by information on consumer attitudes (related to advertised product, and its competitors as well as to the types of creative claims being considered for the message)on relevant media, shopping and buying habits and on product usages.

Copy and Layout Design The next task is design of the copy and layout. Creative artists, art directors, and copy writers, must design an approach to the communication of the messages that carry predetermined advertising objectives. This process involves writing

copy, the verbal text of the advertisement. The copy then must be integrated with illustrations into an overall design for the advertisement's layout.

Credibility or Back-up Claim – Truth is important in advertising. The truth is not truth until people believe in it.

Copy Layout Tests – Alternative layouts must be compared at this stage. After the copy layout is released, samples can be drawn from target audiences to test its effectiveness in specific conditions. Then respondents are asked to give their opinion on the various aspects of the ad

Allocation to Creative Task –The next important task to creativity is the allocation of funds towards this task.

Creative Strategy and Tactics – Finally every copy strategy must describe the mood and tone of all the upcoming ads; All types of written materials, such as art work, layout and script must be used as components of printed or broadcast advertisements

PROCESS OF CREATING ADVERTISING MESSAGES

Step 1 - Briefing: the advertiser needs to brief about the product or the service which has to be advertised and doing the SWOT analysis of the company and the product.

Step 2 - Knowing the Objective: one should first know the objective of advertising. i.e. what message is to be delivered to the audience?

Step 3 - Research: this step involves finding out the market behaviour, knowing the competitors, what type of advertising they are using, what is the response of the consumers, availability of the resources needed in the process, etc.

Step 4 - Target Audience: the next step is to identify the target consumers most likely to buy the product. The target should be appropriately identified without any confusion. For e.g. if the product is a health drink for growing kids, then the target customers will be the parents who are going to buy it and not the kids who are going to drink it.

Step 5 - Media Selection: now that the target audience is identified, one should select an appropriate media for advertising so that the customers who are to be informed about the product and are willing to buy are successfully reached.

Step 6 - Setting the Budget: then the advertising budget has to be planned so that there is no short of funds or excess of funds during the process of advertising and also there are no losses to the company.

Step 7 - Designing and Creating the Ad: first the design that is the outline of ad on papers is made by the copywriters of the agency, then the actual creation of ad is done with help of the art directors and the creative personnel of the agency.

Step 8 - Perfection: then the created ad is re-examined and the ad is redefined to make it perfect to enter the market.

Step 9 - Place and Time of Ad: the next step is to decide where and when the ad will be shown. The place will be decided according to the target customers where the ad is most visible clearly to them.

Step 10 - Execution: finally the advertise is released with perfect creation, perfect placement and perfect timing in the market.

Step 11 - Performance: the last step is to judge the performance of the ad in terms of the response from the customers, whether they are satisfied with the ad and the product, did the ad reached all the targeted people, was the advertise capable enough to compete with the other players, etc.

CREATIVE STRATEGY IN IMPLEMENTATION & EVALUATION OF MARKETING COMMUNICATION

I. APPEALS AND EXECUTION STYLES

A. ADVERTISING APPEALS : The advertising appeal refers to the approach used in the advertisement to get some consumer response or to influence their feelings toward the product, service, or cause. These approaches can be broken down into two categories or classes which are informational/rational appeals and emotional appeals.

1. Informational/rational appeals— following are methods of using rational appeals;
1. Feature appeals 2. Competitive advantage appeals 3. Favorable price appeals 4. News appeals 5. Product/service popularity appeals
2. Emotional appeals These types of appeals relate to consumers' social and/or psychological needs for purchasing a product or service.

Combining rational and emotional appeals—many purchase decisions are made on the basis of both rational and emotional motives. Thus rational and emotional appeals may be combined in the advertisement to attempt to influence both types of purchase motives. Additional types of appeals—Other appeal types that are discussed in the text include reminder advertising and teaser advertising.

B. ADVERTISING EXECUTION Creative execution refers to the manner in which an advertising appeal is presented. Some of the more commonly used execution techniques include:

1. Straight-sell or factual message— straightforward presentation of information about the product or service such as specific attributes or benefits.
2. Scientific/technical evidence— scientific or technical evidence or information is presented in the ad to support a claim.

3. Demonstration— illustrate the key advantages or benefits of a product or service by showing it in actual use
4. Comparison—this type of execution involves a direct or indirect comparison of a brand against the competition.
5. Testimonials—a person speak on behalf of the product or service based on his or her personal use of and/or experiences with it.
6. Slice of life—ad attempts to show a real-life situation involving a problem, conflict or situation consumers may face in their daily lives. The ad then focuses on showing how the advertiser's product or service can resolve the problem.
7. Animation—this technique use animated characters or scenes drawn by artists or on computer. Animation is often used as an execution technique for advertising targeted at children.
8. Personality symbol—The personality symbol can be a person who is used as a spokesperson, animated characters or even animals.
9. Fantasy—this type of appeal is often used for image advertising by showing an imaginary situation or illusion involving a consumer and the product or service. Cosmetic companies often use fantasy executions
10. Dramatization—It creates a suspenseful situation or scenario in the form of a short story.
11. Humour—humor can be used as a way of executing the message

II. CREATIVE TACTICS

Once the creative approach, type of appeal, and execution style has been determined, it is turn to create the actual advertisement. The design and production of an advertising message involves a number of activities such as writing copy, developing illustrations and other visual elements of the ad and bringing all of the pieces together in a finished product.

A. Creative tactics for print advertising— Following are main components of Print ads;

1. Headlines—The most important function of a headline is to attract the readers' attention and make them interested in the remainder of the advertising message. Direct headlines – straightforward and informative in terms of the message presented Indirect headlines— provoke curiosity by using questions, challenges, provocations, and other methods
2. Subheads—many ads also contain a main headline and one or more secondary headlines or subheads. These subheads usually appear in a smaller type size than the main headline and are generally larger the type size used for the body copy.
3. Body copy—the main text portion of a print ad is referred to as the body copy. Body copy content depends on the type of advertising appeal and/or execution style being used.
4. Visual elements—another major component of a print ad is the visual elements or illustrations.
5. Layout—a layout refers to the physical arrangement of the various parts of the ad including the headline, subheads, illustrations, body copy and any identifying marks.

B. Creative Tactics for Television

1. Video—Decisions have to be made regarding the main focus of the visual such as the product, the presenter, action sequences, lighting graphics, colour and other factors.
2. Audio—the audio portion of a commercial includes several elements such as voice, music and sound effects. Voices may be heard in several ways such as through the direct presentation of a spokesperson or as a dialogue or conversation among people in the commercial. A common method for presenting the audio portion of a commercial is through a voice-over whereby the message is delivered or action on the screen is narrated by the voice of an announcer who is not visible.
3. Music—It plays various roles and functions such as providing a pleasant background or helping create the appropriate mood or setting.
4. Planning and production of television commercials—the various elements of a television commercial are brought together in a document known as a script which is a written version of a commercial that provides a detail description of its video and audio content. Once the basic script has been conceived, the writer and art director get together to produce a storyboard or a series of drawings used to present the visual plan or layout of a proposed commercial. Once the client approves the storyboard, the commercial is ready to move to the production phase.

The production process for a commercial actually involves three phases:

- Preproduction – all the activities that occur before the actual filming of a commercial.
- Production –the period during which the commercial is filmed or videotaped and recorded.
- Postproduction – activities and work that occur after the commercial has been filmed and recorded.

Unit 4 Brand & Brand Management

What is Brand?

Importance and Scope of Brand

Branding Challenges and Opportunities

Strategic Brand management Process

The American Marketing Association (AMA) defines a brand as a "name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers,"

Importance and scope of Branding-

There are many important reasons for branding products from the firm's perspective –

1) Means of identification – Branding helps position a product in terms of price, quality, status, etc. Customers look for certain brands basis its value and prestige. The branding done on cartons (packaging) helps simplify handling and tracing as well.

2) Trademark – It also protects company's efforts for which huge expenditures have been made in promotional activities. A brand serves as a source of a company's image, and by legalising it, brand protects the image. Competitors cannot copy the same brand image or name once it is patented or trademarked.

3) Easy launching of new products or product lines – An organisation with a successful brand image in a market can rely heavily on its brand for launching new products or entering new markets.

4) Customers influence demand of successful brands – Customers do influence distributors by inquiring about a successful brand. This helps the manufacturers as distributors are asked to deliver brands with high demand. This strengthens company's influence in the distribution network to a large extent.

5) Customer loyalty – Branding becomes a means of creating customer loyalty. A customer impressed with a product from a brand, will be inclined to buy a different product from the same brand.

6) Competitive advantage – A successful brand in the market poses a big challenge for competitors to capture its market share. It also serves as a deterrent for new entrants in the market.

7) Helps in segmenting the market – for example, different detergent brands are marketed for different segments.

Customer's perspective- a customer benefits in the following ways –

1) Identification of the source of the product.

2) Symbol of quality – Mercedes is associated with well-built and engineered vehicle of highest quality.

3) Easy comparison among same kind of products from different manufacturers.

4) Assignment of responsibility to the manufacturer – warranties, guarantees, after sales service, returns.

5) Status symbol – various psychographic variables influence a person's buying of certain brands. Customers many times choose a brand that serves as an extension to their personality, status in the society. For most of the customers, buying a Jaguar car not only serves the need of travelling but also a status symbol in the society. Buying a Royal Enfield or a Harley Davidson fulfils the macho and rugged image of buyers.

The scope of branding extends to-

1) Physical goods – commodities, high-tech products, etc.

2) Services – Hilton hotels, British airways, etc.

3) Distributors (brick mortar – Distributors with physical location – as well as e-commerce) – Walmart, Shoppers Stop, Big Bazaar, Amazon, Flipkart, etc.

4) Places – tourist spots, destinations. For example, countries like Australia, Indonesia have their own tag lines and promotion strategies to attract tourists.

5) People – Roger Federer, Sharapova, Messi, etc.

6) Ideas and causes– red cross, UNICEF, etc.

7) Sports, events, arts and entertainment – English Premier League, Disney parks, Miss Universe, etc.

Branding Challenges and Opportunities

Savvy Customers

With the advancement of technology and the internet has made consumers and business more experienced with marketing and more knowledgeable about how it works.

Many believe that it is more difficult to persuade consumers with traditional communications than it was in years gone by. One of the key challenges in today's marketing environment is the vast number of sources of information consumers may consult.

Brand Proliferation

Another important change in the branding environment is the proliferation of new brands and products, by the rise in line and brand extensions. As a result, a brand name may now be identified with a number of different products of varying degrees of similarity.

Procter & Gamble's original Crest toothpaste has been joined by a series of line extensions such as Crest Mint, Crest for kids, Crest Baking Soda, Crest Multi care Advanced Cleaning.

Media Fragmentation

Another impact in the marketing environment is the fragmentation or erosion of traditional advertising media and the rise of interactive and nontraditional media, promotion, and other communication alternatives.

In its place, marketers are spending more on nontraditional forms of communication and on new and emerging forms of communication such as

- interactive digital media
- sports and event sponsorship
- in-store advertising
- mini-billboards in transit vehicles
- parking meters, and other locations
- product placement in movies

Increased Competition

Both supply-side and demand-side factors have contributed to the increase in competitive intensity. A marketer has been forced to use so many discount and other incentives in the competitive environment.

Increased Costs

As the competition is increasing, the cost of introducing a new product has also increased. It makes it difficult to match the investment and level of support that brands were able to receive in previous years.

Greater Accountability

Stock analysts value strong and consistent earnings reports as an indication of the long-term

financial health of a firm. As a result, marketing managers may find themselves in the dilemma of having to make decisions with short-term benefits but long-term costs. Moreover, many of these same managers have experienced rapid job turn over and promotions and may not anticipate being in their current positions for very long.

Strategic Brand Management Process



Identify and Establish Brand Positioning and Values

The first step of the strategic brand management process starts with a clear and concise understanding of what the brand is to represent and how it should be positioned with respect to competitors.

Mental Map

A mental map is a visual depiction or point-of-view perception of the various associations linked to the brand in the consumer's mind.

Points of difference

It convinces consumers about the attributes or benefits that consumers strongly associate with a brand and believe that they could not find the same in a competitor's brand.

Points of parity

A product offering that is largely similar to the offerings of like competitors, leading consumers to believe that brand is "good enough" to be included in the category.

Brand Mantra

Brand mantra is a short, three to five-word phrase that captures the irrefutable essence or spirit, of the brand positioning. It's similar to the brand essence or the core brand promise also known as the Brand DNA.

Mixing and matching of brand elements

Brand elements, also known as brand identities, are those trademark that serves to identify and differentiate the brand from its competitors. Different brand elements here are brand

names, URLs, logos, symbols, logos, images, packaging, slogans, etc.

Integrating brand marketing activities

Marketing program activities and product, price, distribution, and marketing communication strategies make the biggest contributions and can create strong, unique and favourable brand associations in a variety of ways.

Leveraging Secondary Associations

Marketer tries to associate a brand with certain source factors such as countries, characters, sporting or cultural events in the mind of the consumer and leveraging these associations for the brand to improve its brand equity.

Measure and Interpret Brand Performance

To understand the effects of brand marketing programs, it is important to measure and interpret brand performance.

Brand Audit

Brand Audit is a comprehensive examination of the brand and uncovers its sources of equity to suggest ways to improve and leverage it.

Brand inventory (supply side): A current comprehensive profile of how all the products and services sold by a company are branded and marketed.

Brand exploratory (demand side): Provides detailed information as to how consumers perceive the brand.

Brand tracking studies

Collect information from the customer about brand performance on a number of key dimensions marketers can identify in the brand audit or other means.

Brand Value chain

A brand value chain is a structured approach to assessing the sources and outcomes of brand equity and the way marketing activities create brand value. It helps to better understand the financial impacts of brand marketing investments and expenditures.

Brand Equity Measurement System

A Marketer's tools or set of research procedures designed to provide, accurate, actionable and timely information to make the best possible tactical decisions in the short and long run.

Growing and Sustaining Brand Equity

Following actions are been taken for growing brand equity.

- Defining the brand strategy
- Managing brand equity over a time
- Managing brand equity over culture, Market segment and geographical boundaries