CHAPTER – I
INTRODUCTION

1.0 INTRODUCTION TO ADVERTISING

“In a convergent world, it is impossible to keep things separate, or to control
the way that a consumer interacts with a company. Everything is transparent” (Nigel
Morris, 2013). In this era of globalization where world has become small, man has
become closer to another, the need of belongings, desirable things and goods have
gone to disproportionate height in view of increased consumer-ship all over the globe.
In this scenario, advertising in general and commercial advertising in particular is of
immense importance. It has rendered variable impact on different sections of
consumers, in anticipation of its reach to masses, besides, awareness among
consumers have been steadily but surely on the higher side as its importance is
evident by the phrase, “when a business is not doing good, it has to advertise but
when the business is doing good it pays to advertise”.

1.1 ADVERTISING: CONCEPT

Advertising is the communication relayed from companies to persuade an
audience to purchase their products. This communication is usually through various
forms of paid media -- TV and radio commercials, print ads, billboards and more
recently, product placement. Ads are placed where advertisers believe they will reach
the largest, most relevant audience. Commercial businesses use advertising to drive
the consumption of their product (Kotler, 2013). Advertising’s role has even been
emphasized by several media scholars, as it not only reinforces the buying behaviour
of consumers but also is a presumed power for molding opinions, attitudes and
behaviour of various customers. Advertising not only sells us products and services,
but it also indirectly tells us ways to understand the world (Ewen and Ewen, 1992).
Advertisement is a potent tool of marketing and the most vital component of promotional activity. Advertising is a tool used by the marketers to publicize the happenings of the company and their offerings to the customers. In the contemporary era, the influence and impact of advertisement over both the classes and the masses has refined the entire ambience of marketing. So great is the power of advertisements to influence the buyer’s decision. Along with the manufacturing of products, the sellers and manufacturers are also entrusted with the responsibility of stimulating a desire for their products in the minds of the customers and there is no denying that advertising is doing a great service.

The gap between consumer awareness and disseminating information, has been bridged by the advertisement industry, besides its focus is also to arouse the curiosity and trust of the potential buyers. The culture of buying has undergone a drastic change in the past two decades and advertisements really rule in the present market. A major shift in paradigm in consumers’ attitude is due to advertising which has also increased brand consciousness of the consumers. “Advertising is a useful source of reflection on representation in consumer research because it is a subtle transformer for the wider marketing industry” (Chris, 2003). The main responsibility of communicating the commercial messages, rests with the advertisers, and this is an important element in Integrated Marketing Communication (IMC) strategy. This IMC-strategy in fact supports the advertisers in various stages of decision making process. The requirement in all the stages of consumer decision making and advertisements fills the ‘communication gap’. A much planned communication process not only helps in easing out the ambiguities of product qualities but it also acts as a door opener in the decision making process in buying. Therefore, academic researchers have given much importance to test the communication and message
strategies used in advertisements. Advertising can create awareness on products as well as brands. Advertisements can communicate unknown facts of the products and services and can suggest a better brand to the potential customers (Thomas, 1996).

Advertising is multidimensional. It is a form of mass communication a powerful marketing tool, a component of the economic system, a means of financing the mass media, a social institution, an art form, an instrument of business management, a field of employment and a profession.

Today we are exposed to a larger number of commercial messages than at any time in the past. Newspapers and magazines are full of advertisements. Not only has the quantity increased, even the quality of advertisements has improved considerably over the past couple of years. Other means of advertising, such as the radio, television, the cinema and billboards, etc., have also amply contributed to the growth of this industry. When a marketer or a firm has developed a product to satisfy market demand after thoroughly analysing the market, there is a need for establishing contact with the target market to eventually sell the product. Moreover, this has to be a mass contact which means that the marketer is interested in reaching a large number of people so that his product may receive optimum exposure. Naturally, the best way to reach this mass market is through mass communication and advertising is one of the means of such mass Communication along with such other means as publicity, sales promotion and public relations.

Advertising as a means of mass communication has, therefore, made mass selling possible. It is perhaps the best known mass communication channel. Marketers and firms engaged in selling their products and services throughout the country and or in other nations are fully aware of the necessity and importance of advertising. As a means of forceful communication, advertising promotes the sale of goods, services,
images and ideas through information and persuasion. But one thing may be well understood that advertising by itself cannot sell the product. It cannot sell products of poor quality, products which are too costly, or items which do not come up to the expectations of the consuming public. Advertising only helps in selling.

The simplest definition of an advertisement is that it is a ‘public announcement.’ In earlier times, to ‘advertise’ meant merely to announce or to inform. The majority of classified advertisements provide useful information about jobs, accommodation, sales of second hand vehicles and furniture, etc. Matrimonial advertisements, recruitment advertisements, and tenders, notices and similar types of public announcement also provide the public with valuable information, which would otherwise be difficult to obtain easily. Basically, then, an advertisement is an announcement to the public of a product service or idea through a medium to which the public has access. The medium may be print (such as newspapers, posters, banners, and hoardings), electronic (radio, television, video, cable, phone) or any other. An advertisement is a form of persuasive communication with the public. The communication is usually one-sided, in one direction from the advertiser and to the public. The members of the public are free to respond to it in their own way; the response is at an individual or family level. There is little or no dialogue with the public; advertising forces itself upon the public.

Some of the characteristics of advertising are stated as under:

- Advertising permits the seller to repeat a message many times. It also allows the buyer to receive and compare the messages of various competitors. Large-scale advertising says something positive about the seller’s size, power, and success.
Advertising provides opportunities for dramatizing the company and its brands and products through the artful use of print, sound and color.

The advertiser can choose the aspects of the brand and product which to focus communications.

1.2 ORIGIN OF ADVERTISING

Advertising has been practiced since ages, although it is difficult to trace its origin. It is said to have existed over 5000 years ago. Archaeologists have found evidence of advertising dating back to the 3000 BC. One of the first known methods of advertising was the outdoor display, usually an eye-catching sign painted on the wall of a building. Archeologists have uncovered many such signs, notably in the ruins of ancient Rome and Pompeii. An outdoor advertisement excavated in Rome offers property for rent and one found painted on a wall in Pompeii calls the attention of travelers to a tavern situated in another town.

In ancient times, it has also been seen that the most common form of advertising was by ‘word of mouth’. However, commercial messages have been found in the ruins of Pompeii. As printing developed in 15th and 16th century, later on advertising had become a popular means expanding business. Before the invention of printing from movable type about 1438 AD by John Gutenberg, there were three form of advertising. They are stated as under:

Trademarks: Craftsmen in early times wanted to be identified for their skills and placed their individual marks on goods they crafted. This led to reputation building of particular artisans by word of mouth. Buyers learn to look for the distinctive mark on the products, thereby culminated in buyers the sense of brand consciousness. For example: Aristocrat No.1 Auto Kit.
**Signs:** Phoenicians and other traders printed commercial messages on prominent rocks along trade routes that they used. These kinds of messages depicted the products that were for sale. This is an example for ancient outdoor advertising. Archeologists have revealed from excavations at Pompeii that little shops had inscriptions on walls near the entrance to inform the passers by whether the shop sold pottery, wine, bread, or any other goods.

**Town criers:** This system of town criers was perhaps present in all developed civilizations of ancient world. In Greece, during the golden age, town criers were paid to go around spreading news and making announcements in the streets of Athens.

### 1.3 ADVERTISING AS A TOOL OF COMMUNICATION

Advertising is as old as man. There is a semblance of advertising in their activities of a human being, especially those activities which influence others, either favourably or otherwise. A baby crying for its feed, a girl wooing the prince charming, a doting wife desirous of having a new sari are all aspects of advertising. They want to communicate, to persuade, to influence and to lead to some action. All this has been a part of human life almost from the time it took shape. Advertising is the most visible marketing tool which seeks to transmit an effective message from the marketer to a group of individuals. The marketer pays for sponsoring the advertising activity. Advertising, unlike salesmanship which interacts with a buyer face-to-face, is non-personal. It is directed at a mass audience; and not at an individual, as in personal selling.

Though marketers use advertising, basically it is a communication process. Here the advertiser is the source who transmits the message which passes through an appropriate medium like press, TV, radio or magazines. The message is decoded meaningfully. It is ultimately received by the target audience for whom the
product/service is meant. The ultimate aim of advertising is to make the target audience favorably inclined towards the product or service. In that sense, advertising is not ordinary communication but marketing communication. Since it is received by a large number of people, through the mass media it is called ‘mass communication’. Advertising aims at drawing attention to a product. It seeks to create an awareness about the existence of advertised product. It passes on information about the product in such away that interest is created in the mind of the prospective consumer about the product. Then there is a growing desire to possess the product. There are convincing arguments in favour of the product. All this leads us to a buying inclination.

1.3.1 The Communication Process

In marketing communication, there is a transmission of a message from a sender to the receiver. The end result of the communication process is the understanding of a message. The message is transmitted through media or certain channels. The response to the message is known by receiving the feedback from the recipient of the communication. The communication sometimes fails to accomplish its purpose-creation of an appropriate response or understanding when the message is distorted by ‘noise’ elements. The following diagram illustrates the communication process.

The sender is the source of the message. It puts the message in symbolic form say a letter or advertising copy. It is ‘called encoding’. The message is carried by the media, say the postal department or TV or newspapers. The message is received by the receiver who shows a particular response which is communicated back to the sender.

The message must accomplish three tasks in order to be effective:
(a) It must gain the attention of the receiver.
(b) It must be understood.
(c) It must stimulate the needs of the receiver and suggest appropriate method to satisfy these needs.

Modern marketing is the management of the four ‘P’S-product, price, promotion and place or distribution channel. In a sense the entire marketing process has a large content of communication. Each element of the marketing mix either helps or hinders communication and ultimately the sales effort. Marketing communication is thus a broader term than promotional strategy. However, the most important element of marketing communication is the planned promotional communication.

The marketing communication mix (also called promotion mix) consists of four major tools:

- **Advertising**: Any paid form of non-personal communication of ideas, products and services by an identified sponsor.
- **Sales Promotion**: Short-term direct inducements to encourage sales of products and services.
- **Publicity**: Non-personal stimulation of demand for a product/service or business organisation as a whole by putting commercially significant news in media to create a favorable image. It is not paid for by the sponsor.
- **Personal Selling**: For making sales, a salesman interacts orally with the buyer or buyers in the form of a sales presentation.
- **Public Relations**: Marketers engage in public relations to develop a favourable image of their Organisations in the eyes of public, public at large, customers, suppliers, government, media, competitors, shareholders, employees and the society.
Advertising and Personal Selling

Advertising is communication with many consumers of products and service. Communicate with a large group, we put the advertising message through mass media like the press, magazines and TV. Advertising is thus one form of mass communication. Advertising communication is non-personal. We communicate with the buyers through the media. There is no face-to-face conversation. Personal selling is personal communication where a salesman talks person to person with a prospect. Advertising aims at a group, i.e., mass while personal selling aims at individuals. Personal selling is not mass communication but individual communication. These days products are mass produced for mass consumption. It is not possible to contact each customer individually. Therefore, advertising a mass communication tool is a must for modern marketer. But industrial products and complex pieces of machineries can be sold better by personal selling where the salesman is in a position to explain the characteristics of the product to the buyer. Salespersons are in a position to tailor their messages according to unique characteristics of each prospect. In modern marketing, the marketing manager decides a judicious mix of advertising and personal selling. It is difficult to measure the effectiveness of advertising, however salespersons receive immediate feedback during their interacting and can see how their messages are getting across. They may, therefore, adjust the message or presentation quickly.

Personal selling is a very intense means of communication. People may skip: “an advertisement on TV but find it difficult to dismiss a salesperson. It is the most effective communication tool as it is interpersonal. But this is its major weakness as well as strength. It is terribly inefficient for mass market producers, where advertising a mass communication tool scores over it.
Advertising and Sales Promotion

Advertising predisposes a person favorably for a product/service/idea moving towards its purchase. Sales Promotion takes over at this point. It makes the consumer take a favorable purchase decision by providing one or other kind of direct inducement, e.g., discount, price off, gift, coupon etc. Mostly advertising is indirectly concerned with sales. It either informs or persuades or reminds about a product or service. Most of the times, it is indirect in its approach and has a long term perspective, e.g., building up a company image or brand image. Sales Promotion is a short-term approach, a direct approach and expects an immediate response in terms of sales. Sales promotion is an important adjunct to selling. Advertising is more frequent and repetitive than Sales Promotion. “Sales Promotion are non-recurrent selling efforts. They supplement the advertising and personal selling. Displays are effective method of sales promotion.

Advertising and Publicity

Publicity is defined as non-personal stimulation of demand for a product/services, business unit by planting commercially significant news about it in a published medium or obtaining favorable presentation of it on radio, TV or stage that is not paid for by the sponsor. Two significant distinctions emerge. Publicity is not openly paid for. Secondly, presentation is not programmed.

Marketers have less control over publicity than they have over advertising. Publicity is left to the discretion of the media in terms of whether to present it or not, contents of presentation and the format of presentation. Publicity may be negative as well as positive.
Advertising and Public Relations

The ultimate aim of Public Relations is to develop a favorable image in the eye public. It refers to a company’s communication and relationships with various sections of the public - customers, suppliers, shareholders, employees, governments, media, society at large. PR can be formal or informal. PR, unlike advertising, is personal.

Advertising is not the only form of persuasive communication. Very closely allied to advertising are sales promotion and public relations. In fact both are important parts of advertising, and are often 'managed' by the same people or agencies or departments. All three are vital to the ‘marketing’ of a product, service or idea. While advertising is termed ‘above the-line’ communication, sales promotion may be termed ‘below-the-line’ communication. The ultimate goal of all three is to sell products, services, reputations, projects, programmes, people, politicians, beliefs, ideas - indeed everything and anything.

Advertising and PR are different from the point of view of their objectives. Advertising is an aid to selling and it improves the bottom line of business. PR, which is the business of image management, cannot replace advertising. Of course, PR can in some way push up sales because it changes the way of consumers perceive the company and hence the product. Advertising and PR are complementary in most cases but sometimes advertising is not necessary. PR can do the job. If a new manufacturing facility is started by a company, it cannot be advertised. A PR effort is more effective. PR no doubt is valuable. Edit space is far more important than paid ad space. Of course, what has been achieved by PR must be adequately supported by the product and service. If PR is professionally handled, it can achieve benefits for an organisation at a fraction of a cost of advertising. Advertising has a greater role when
we are selling a tangible product. In a service industry, however, PR has a greater role, since the product is intangible.

Advertising and PR can’t replace each other. By PR we create a good image. Advertising is necessary to take advantage of that good image for actual selling. PR has higher degree of credibility since it is not paid for. Advertising, however, creates a brand personality. Only advertisement can add value to a product. PR has now slowly evolved into an integrated approach called corporate communications.

1.4 ADVERTISING AS MARKETING TOOL

Advertising is the communication link between the seller and the buyer or the consumer. It does not simply provide information about products and services but is an active attempt at influencing people to action by an overt appeal to reason or emotion. In other words, advertising does not end with the flow of information from the seller to the buyer; it goes further to influence and persuade people to action or belief. This is, however, only the communication point of view of advertising function. There is another way of viewing the advertising function; and that is the marketing point of view.

Each organisation has marketing objectives and a marketing plan to achieve them. An organisation also identifies the segments of the market it intends to serve. In the process of achieving its marketing objectives, the organisation uses several marketing tools. In a study of marketing management, four variables are identified, which are well within controllable limits by the individual organisation. They are popularly known as 4 Ps -Product, Place, Price and Promotion. An ideal mix of these four variables is known as the ideal marketing mix to realise the set objectives. This means that the right product should be developed and offered through a distribution network suitable to the organisation and the target market segment. The product
should not be too costly, and should be offered with a suitable promotion strategy. Under promotion, the marketer provides face-to-face communication with individual or a small group as well as mass communication with a large audience by way of advertising. Thus, advertising is a part of the marketing mix under the major variable of promotion.

Advertising as a part of the total marketing mix influences the sale of the product, as do the other variables of the mix. Together with the product or brand, price, channel of distribution and personal selling, advertising attempts to reach the marketing objectives. When a firm introduces a prestige product with a premium price, advertising should reinforce the idea of the high quality and prestige of the product by associating it with prestigious people, places and events. Similarly, the nature of advertising and the strategy would differ when distribution strategy is through intensive, exclusive or selective outlets.

In short advertising, being one of the marketing tools, affects the sales of the firm. Right advertising is as essential as the right product, the right price, the right distribution channel and personal selling. This necessarily calls for right advertisement planning.

1.5 ROLE OF ADVERTISEMENT IN INDIA

There has been a long tradition of advertising in India since the first newspapers published in India in the 19th Century carried advertising. The first advertising agency was established in 1905, B. Datram and Company, followed by The India-Advertising Company in 1907, the Calcutta Advertising agency in 1909, S.H. Bensen in 1928, J. Walter Thompson Associates through its Indian associate, Hindustan Thompson Associates in 1929, Lintas (Lever international Advertising Services) in 1939 and McCann Erikson in 1956 (Ciochetto, L. 2004).
Early and mid-nineteenth century advertisements rarely demonstrate striking changes in advertising appeals. Newspaper almost never printed ads wider than a single column and generally showed illustrations and even special typefaces. Magazine ad styles were also restrained, with most publications isolating advertisements on the back pages. Equally significant, until late nineteenth century, were few companies producing mass branded consumer products. Patent medicine ads proved the main exception to this pattern. In an era when conventional medicine seldom provided cures, manufacturers of potions and pills asked for consumer attention with large, often outrageous, promises and colorful, dramatic advertisements. The 1960s saw advertising transforming into a modem, more scientific approach in which creativity was allowed to shine, producing unexpected messages that made advertisements more tempting to consumers’ eyes.

The late 1980s and early 1990s saw the introduction of cable television. Pioneering the concept of the music video, MTV ushered in a new type of advertising: the consumer tunes in for the advertisement, rather than it being a by product or afterthought. As cable (and later satellite) television became increasingly prevalent, “specialty” channels began to emerge, and eventually entire channels, devoted to advertising merchandise, where again the consumer tuned in for the ads. Marketing through the Internet opened new frontiers for advertisers and led to the “dotcom” boom of the 1990s. Entire corporations operated solely on advertising revenue, offering everything from coupons to free Internet access.

Although in India history of advertising dates back to ancient times but significance of Advertising in India has particularly increased after liberalization regime, when Indian economy became globalised. It’s wrong to say that advertising is limited to only creating awareness about a product, services idea or a company. In
fact it acts as a pull factor, where the idea is to pull the customers to the company and assists specially the people in marketing and sales to generate leads. With the various channels of communications available today radio, television, internet, dynamic form more so after Liberalization regime when trade was thrown open to MNCs and due to increasing competition amongst various companies, the role of advertising in India has increased to huge dimensions, Advertising in general has given immense scope of choice between the products of different companies especially in India, with increasing middle class needs. In 2009, the ad expenditure was Rs. 21,602.5 crore. Newspaper advertising, which grew 5% in 2009, is likely to see 12-13% annual growth this year in 2013. Rising literacy levels and better distribution of incomes and awareness in the regions are steadily improving the reach of newspapers. The survey also predicts a healthy 11-12% growth for television in India riding on the digital ware and advertising opportunities offered by the new “larger than life” entertainment formats. New modes of Advertising is through internet services, which has seen highest growth in India in terms of reach amongst developing countries. The broadband connection has seen 10-15% growth over last decade in India, Which in turn has also increased the scope of advertising. At last two other advertising surveys have predicted 12-13% growth for Indian advertising. A recent pitch-Madison report said that the ad industry will see 13% growth in 2013 to touch a turnover of Rs 24,145 crore.

In 2014, media planners estimate television will grow by 15-18 per cent, print by 8-10 per cent, and digital media by 30 per cent. In 2013, the media sector is estimated to have grown 7-8 per cent. CVL Srinivas, CEO at Group M South Asia, pointed out that India is one of the few markets where print continues to be a dominant medium, garnering nearly 40 per cent of the total advertising spend. "Media
buyers will look for long-term deals that secure inventory at a certain price coupled with shorter-term opportunistic buys. Content will emerge as a new currency on TV,” he said. Srinivas said clients will increasingly opt for integrated media solutions spanning digital and offline against the current majority practice of treating digital as a standalone medium.

Exhibit 1.1: Estimated Media Spends (INR M, Net)

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<thead>
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<tbody>
<tr>
<td>TV</td>
<td>58,187</td>
<td>68,370</td>
<td>80,775</td>
<td>89,796</td>
<td>94,133</td>
<td>18,535</td>
<td>140,263</td>
<td>148,118</td>
<td>168,602</td>
<td>188,834</td>
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<tr>
<td>Radio</td>
<td>3,661</td>
<td>5,414</td>
<td>8,075</td>
<td>10,094</td>
<td>10,878</td>
<td>13,250</td>
<td>14,575</td>
<td>15,304</td>
<td>16,434</td>
<td>18,077</td>
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<td>Newspapers</td>
<td>77,106</td>
<td>91,180</td>
<td>98,473</td>
<td>101,775</td>
<td>102,229</td>
<td>123,790</td>
<td>133,029</td>
<td>136,222</td>
<td>142,483</td>
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<td>Magazines</td>
<td>6,127</td>
<td>7,399</td>
<td>8,275</td>
<td>8,424</td>
<td>8,151</td>
<td>8,200</td>
<td>8,200</td>
<td>8,200</td>
<td>7,970</td>
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<tr>
<td>Cinema</td>
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<td>755</td>
<td>1,007</td>
<td>1,108</td>
<td>1,303</td>
<td>1,508</td>
<td>1,734</td>
<td>1,994</td>
<td>2,234</td>
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<td>Outdoor</td>
<td>8,850</td>
<td>10,623</td>
<td>11,003</td>
<td>12,103</td>
<td>13,314</td>
<td>15,710</td>
<td>16,967</td>
<td>17,306</td>
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<td>Retail</td>
<td>0</td>
<td>2,163</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,450</td>
<td>3,968</td>
<td>4,215</td>
<td>4,480</td>
<td>4,839</td>
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<tr>
<td>Total Out-</td>
<td>8,850</td>
<td>12,786</td>
<td>14,003</td>
<td>15,103</td>
<td>16,314</td>
<td>19,160</td>
<td>20,934</td>
<td>21,521</td>
<td>22,825</td>
<td>24,834</td>
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<td>of-home</td>
<td>1,862</td>
<td>3,559</td>
<td>5,475</td>
<td>7,256</td>
<td>8,768</td>
<td>11,650</td>
<td>15,145</td>
<td>19,386</td>
<td>25,201</td>
<td>34,022</td>
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<td>Digital</td>
<td>156,356</td>
<td>189,464</td>
<td>216,083</td>
<td>233,555</td>
<td>241,774</td>
<td>296,093</td>
<td>333,881</td>
<td>350,744</td>
<td>385,979</td>
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Advertising, Group M 2014 Trends, Media Spends

Television had an estimated advertising revenues of Rs 16,860.2 crore for the year 2013, up 13.8% from 14,811.8 crore in 2012. It represents around 43.7% of the total media advertising expenditure in 2013, up from 42.2% share in 2012. For the year 2014, GroupM estimates the advertising revenues to increase by 12% to Rs 18,883 crore.

Print had an estimated advertising revenues of Rs 14,248.3 for the year 2013, up 4.6% from Rs 13,622.2 crore in 2012. It represents around 36.9% of the total media advertising expenditure in 2013, down from 38.8% share in 2012. For the year 2014, GroupM estimates the contribution to further decline to 35.9%, although it estimates a 8.5% increase in advertising revenues to Rs 15,459.4 crore, due to the
growth of vernacular print publications in the country.

Total out of home had an estimated media spends of Rs 2,285.3 crore for the year 2013, up 6.1% from Rs 2,152.1 crore in 2012. For the year 2014, this is estimated to grow by 8.8% to Rs 2,483.4.

**Table 1.2: Ad Revenues in India, by Media, 2011-2016 (billions of Indian rupees)**

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<th>Media</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>CAGR</th>
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<tr>
<td>Print</td>
<td>139</td>
<td>154</td>
<td>172</td>
<td>193</td>
<td>215</td>
<td>241</td>
<td>11.5%</td>
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<tr>
<td>TV</td>
<td>116</td>
<td>130</td>
<td>148</td>
<td>170</td>
<td>197</td>
<td>230</td>
<td>14.7%</td>
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<tr>
<td>Out-of-home</td>
<td>18</td>
<td>20</td>
<td>22</td>
<td>24</td>
<td>26</td>
<td>29</td>
<td>10.0%</td>
</tr>
<tr>
<td>Digital</td>
<td>15</td>
<td>20</td>
<td>26</td>
<td>34</td>
<td>44</td>
<td>57</td>
<td>29.9%</td>
</tr>
<tr>
<td>Radio</td>
<td>12</td>
<td>13</td>
<td>16</td>
<td>20</td>
<td>24</td>
<td>30</td>
<td>20.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>337</strong></td>
<td><strong>384</strong></td>
<td><strong>440</strong></td>
<td><strong>506</strong></td>
<td><strong>586</strong></td>
<td><strong>14.3%</strong></td>
</tr>
</tbody>
</table>


Television had an estimated advertising revenues of Rs 241 billions for the year 2016, India Digital Sector is the rise, with 31% growth as opposed to other media.

Expectations are that between television, print and radio there will be an additional advertising money of approximately Rs 1,000 crore, Nandini Dias, CEO at Lodestar Universal, said. Print medium is expected to consume at least 65 per cent of this money. Most media agencies predict a good year for the entire media sector in 2014 with television, radio, digital and out of home continuing to grow and print making a revival. The industry also expects media groups to continue consolidating across different formats this calendar, transforming the entire media buying business. Digital, out-of-home (OOH), rural and below-the-line (BTL) media will play a much bigger role this calendar. BTL refers to non-mass media promotions such as direct mail campaigns, telemarketing and trade shows (Pritha Mitra Dasgupta, 2014).
So, In India, Advertising growth and potential is immense owing to her large population, and is being seen as one of the biggest consumer market in view of its ever increasing purchasing power and standard of Living.

1.6 CLASSIFYING COMMERCIAL ADVERTISEMENTS

Advertising can be classified on the basis of Function, Region, Target Market, Company demand, Desired response and Media.

Table 1.1: Classification of Advertisements

<table>
<thead>
<tr>
<th>Bases for Classification</th>
<th>Types of Commercial Ads</th>
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<tbody>
<tr>
<td>Classification based on function</td>
<td>• Informative advertising</td>
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<td></td>
<td>• Persuasive advertising</td>
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<td></td>
<td>• Reminder advertising</td>
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<td></td>
<td>• Negative advertising</td>
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<tr>
<td>Classification based on region</td>
<td>• Global advertising.</td>
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<td></td>
<td>• National advertising</td>
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<td></td>
<td>• Regional advertising</td>
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<td></td>
<td>• Local advertising</td>
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<tr>
<td>Classification based on targeted markets</td>
<td>• Customer product advertising</td>
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<td></td>
<td>• Industrial product advertising</td>
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<td>• Trade advertising</td>
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<td>• Professional advertising</td>
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<td></td>
<td>• Financial advertising</td>
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<tr>
<td>Classification based on company demand</td>
<td>• Market Demand</td>
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<td></td>
<td>• Company Demand</td>
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<td>- Primary demand advertising</td>
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<td>- Selective demand advertising</td>
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<td>Classification based on desired responses</td>
<td>• Direct action advertising</td>
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<td></td>
<td>• Indirect action advertising</td>
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<td></td>
<td>• Surrogate advertising</td>
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</tbody>
</table>
| Classification based on the media used for advertisements | • Audio advertising  
• Visual advertising  
• Audio-visual  
• Written advertising  
• Internet advertising  
• Verbal advertising |


Classification based on function

• **Informative advertising:** This type of advertising informs the customers about the products, services, or ideas of the firm or organization. For example: BIG BAZAAR offers.

• **Persuasive advertising:** This type of advertising persuades or motivates the prospective buyers to take quick actions to buy the products or services of the firm. For example: “Buy one get one free”

• **Reminder advertising:** This type of advertising exercise helps in keeping the brand name and uses of the products in the minds of the existing customers. For example: Maggie

• **Negative advertising:** This type of advertising dissuades target audience from purchasing such products and services which would not only harm them but also the society in general as social Advertisements against alcohol, Tobacco etc.

Classification based on region

• **Global advertising:** It is executed by a firm in its global market niches. Cable TV channels are also used to advertise the products throughout world. Services of supermodels and cinema stars are taken to promote high-end products. For example: Pepsi, Sony etc.
• **National advertising:** It is executed by a firm at the national level. It is done to increase the demand of its products and services throughout the country. For example: BPL, Whirlpool.

• **Regional advertising:** If the manufacturer confines his advertising to a single region of the country, its promotional exercise is called Regional Advertising. This can be done by the manufacturer, wholesaler, or retailer of the firm. For example: The Assam Tribune (only for the NE region)

• **Local advertising:** When advertising is done only for one area or city, it is called Local Advertising. Some professionals also call it Retail Advertising. It is sometime done by the retailer to persuade the customer to come to his store regularly and not for any particular brand. For example: Gupshup (Local FM channels)

**Classification based on targeted markets**

• **Customer product advertising:** This is done to persuade the ultimate consumer. An ultimate consumer is a person who buys the product or service for his personal use. This type of advertising is done by the manufacturer or dealer of the product or service. For example: Intel, Kuttons, Lakme.

• **Industrial product advertising:** This is also called Business-to-Business Advertising. This is done by the industrial manufacturer or his distributor and is so designed that it increases the demand of industrial product or services manufactured by the manufacturer. It is directed towards the industrial customer. For example: Tata Motors.

• **Trade advertising:** This is done by the manufacturer to persuade wholesalers and retailers to sell his goods. For example: Coca-Cola ad in Trade magazine.
• **Professional advertising:** This is executed by manufacturers and distributors to influence the professionals of a particular trade or business stream. These professionals recommend or prescribe the products of these manufacturers to the ultimate buyer. For example: IT Support by PCX services.

• **Financial advertising:** Banks, financial institutions, and corporate firms issue advertisements to collect funds from markets. They publish prospectuses and application forms and place them at those points where the prospective investors can easily spot them. For example: Mahindra Finance.

**Classification based on company demand**

• **Market Demand:** Advertising is the total volume that would be bought by a defined customer group, in a defined geographical area, in a defined time period, in a defined marketing environment under a defined marketing programme. For example: Area, Flowers.com.

• **Company Demand:** It is the share of the company in the market demand. Accordingly, there are two types of advertising, as:

  **Primary demand advertising:** It is also called Generic Advertising. This category of advertising is designed to increase the primary demand. The idea is to generate a continual demand for the product. For example: ICICI Bank Home Loan.

  **Selective demand advertising:** This is done by a company or dealer to increase the company demand. The company would advertise its own brand only. The retailer can also advertise a particular brand. For example: Tata Wrist Watch, Sony Television.
Classification based on desired responses

- **Direct action advertising:** This is done to get immediate responses from customers. For example: Season’s sale, Coupons.

- **Indirect action advertising:** This type of advertising exercise is carried out to make a positive effect on the mind of the reader or viewer.

- **Surrogate advertising:** This is a new category of advertising. In this type of promotional effort, the marketer promotes a different product. Bagpiper Soda.

Classification based on the media used for advertisements

- **Audio advertising:** It is done through radio, PA systems, auto-rickshaw promotions, and four-wheeler promotions etc.

- **Visual advertising:** It is done through POP displays, without text catalogues, leaflets, cloth banners, brochures, electronic hoardings, simple hoardings, running hoardings etc.

- **Audio-visual:** It is done through cinema slides, movies, video clips, TV advertisements, cable TV advertisements etc.

- **Written advertising:** It is done through letters, fax messages, leaflets, with text, brochures, articles and documents, space marketing features in newspapers etc.

- **Internet advertising:** The World Wide Web is used extensively to promote products and services of all genres. For example Bharat Matrimony, www.teleshop.com, www.teleshop.com. etc.

- **Verbal advertising:** Verbal tools are used to advertise thoughts, products, and services during conferences, seminars, and group discussion sessions. Kinesics also plays an important role in it.
1.7 OBJECTIVES OF ADVERTISING

Advertising serves many purposes. From the individual who places a small classified advertisement in the local newspaper to the big spender who uses the national TV channel to sell popular brands to the nation, anyone can be an advertiser and advertising touches everyone, irrespective of caste, class, gender or religion. The objective of small or medium-sized organization, is to generate awareness in the minds of its target audience with a view to generate demand thereby increase production whereas the objective of the established organization, is to constantly remind the customers of its name or brand, i.e. to increase the brand recall. It includes.

A) Information

Specifically related to new product launching where the idea is to develop the initial demand of the product or services being offered.

Advertising inform about a new product as:

- To suggest new uses of a product.
- To inform about a price change.
- To provide more product details to the consumer and reduce ambiguity about product/service being provided.

B) Persuasion

It is an attempt to increase demand for an existing product, e.g., many shampoo brands have started persuading their consumers to wash their hair every alternate day to have ‘healthy and shining’ hair—a strategy called ‘More Usage’. Way of persuasion, which would eventually result in more consumption & thereby more demand resulting in increase in overall revenue.

- To persuade customers’ to purchase now – build brand preference.
- To encourage customers to switch to your brands.
To change customers perception of product attributes.

To persuade them to use the products frequently.

C) Recall

It services to reinforce previous promotion by keeping the name of the product before the market, by this advertisers continuously keep the customer's memory afresh so that previous brand loyalty sustains.

- To remind the consumers that the product may be needed in the near future.

- To tell the customers where to buy it from.

So, the sole purpose of advertising is to inform, persuade and constantly remind the consumer of the product and/or service.

1.8 IMPORTANCE OF ADVERTISEMENT

Nowadays, advertisement is the tool which many companies and enterprises use to inform prospective customers about their products and services. First, advertisement educates people about new products and their uses. Advertising message about the utility of a product and enables the people to widen their knowledge. It is advertising which has helped people adopting new ways of life and giving-up old habits. It has contributed to the betterment of the standard of living of the society. As an example, pharmaceutical companies use advertisement to present their new drugs. Those drugs which are the result of new researches are more effective to cure diseases like malaria and so on. Second, advertisement facilitates consumer choice because of the wide information he has about products. It enables consumers to purchase goods as per their budget requirement and choice. For example to choose between the wide ranges of communication network available, customers refer to the price and quality given in advertisements.
Finally, advertisement informs the buyer about the benefits they would get when they purchase a particular product. The benefit can be a discount on the price of goods. It helps buyers save money for other uses. The benefit can also be the more effectiveness of a product compare to others. In short, advertisement is a good way to present new devices and items from which buyers can benefit. It also helps us in making responsible choices. Therefore buyers obtain good quality products and save money. In following ways advertisement is beneficial:

**Crucial for a launch**

Advertising is very crucial for launching a new product, service and/or idea in the market. If advertisement of any concerned product, service and/or idea is done properly at a right place, through proper media, and within a specific time constraint, can attract new-customers. This helps to capture the market and increase sales of an advertiser.

**Source of revenue**

Advertising is a prime source of revenue for publishers of mass-media like newspapers, TV channels, magazines, websites, etc.

**Sales promotion**

Advertising is done to promote goods, services, ideas and/or events.

**Increases sales**

Advertising sparks an interest in masses about advertised products and/or services of its advertiser. This interest creates demand in the market. The growing demand soon results in higher sales. Eventually, the advertiser fulfills his main goal of investing in an advertisement. However, to continue with such a growth in sales, the advertiser must also maintain a good price-quality ratio along with regularly continuing his ad campaigns.
Maximizes profit

Advertising helps in increasing sales and control the cost borne by the advertiser. It helps to widen the gap between his sales and incurred cost. With maximizing sales and lowering cost, the profit of a advertiser grows.

Consumer awareness

Advertising creates an awareness among consumers about an availability of any specific product and/or service in the market. It attempts to convey them why an advertised product and/or service is better than other alternatives currently available in the market.

Educate society

Advertising has a remarkable ability to reach masses and educate the society. Therefore, many Governments and even Non-Governmental Organizations (NGO) often take help of advertisements to reach and educate people on important social issues.

Demands creativity

Advertising is impossible without creative thinking. In other words, creativity is the essence of advertising.

Builds brand’s image

Advertising creates goodwill and helps in building a brand's image in the market. Repeated advertisements make brands very popular. Generally, people tend to show a more trustworthy attitude towards advertised brands over non-advertised ones. Well-known branded products are usually made from high-quality raw-materials and hence are always preferred by most consumers. This increases demand for such products.
Generates employment

Advertising provides employment to deserving candidates who are mainly creative thinkers, directors, artists, graphic designers, sales representatives and managers.

Advertising – A tool for Consumer Welfare

Advertising is useful for buyers - for both consumers and industrial purchasers. It provides them with news of new products, their prices, new development research. It increases competition rather than reduces it, as many critics claim. Above all, advertising, being a creative work, brings out art work of the finest quality and design, having enough aesthetic appeal to million of eyes, though much advertising is routine and does not fall in this category.

Finally, talking about the social influence of advertising, we may observe that it cannot change values. It simply reflects the value system of a society; it does not create it. It simply responds to the prevailing value system. The advertiser has to know very minutely the attitudes, beliefs and motives of the target audience. He then selects appropriate media, advertisement messages, etc. Advertisers are keenly interested in favourable responses from the target audience; and these would be possible only when they offer, in the form of advertisements, products and services fully fitting into the value system of the audience.

Advertising promotes consumer welfare by encouraging competition and leading to improvements in product quality and reduction in price for him. In the words of Neil H. Borden: “Advertising’s outstanding contribution to consumer welfare comes from its part in promoting a dynamic expanding economy.”

Advertising is a low cost method to pass the selling messages to several potential customers. It gives advantage to salesmen as convincing the customers takes
lots of time. It forces the middlemen to stock the product by generating the consumer’s interest, and helps to build the dealer and consumer’s confidence in the company and its products. Advertising is to stimulate market demands. Despite other methods of selling products like personal selling or point-of-purchase display, advertising is an efficient tool to achieve buyer acceptance, preference or even demand for the products. Advertising is increasingly becoming important to business enterprises – large or small, as well as non-business enterprises. Advertising is in practice even for Army-recruitment or in Health Department as envisaged in guidelines for family planning.

Advertising has its economic importance too. Due to it, the quantity of product being sold, stimulates faster economic growth. Quantity of sale lowers the price of the product, thereby increase consumer ship which in turns result in more sale of product. Similarly Media of all kinds are able to entertain & educate people only because they are able to draw costs of entertainment in terms of revenue obtained from companies for advertisement. Advertisement has become an important factor in the companies to achieve socio-economic objectives such as family planning, eliminating drug abuse, physical fitness, empowering women and spreading awareness about immunization programme.

Although in India, Advertising was used for promotion only after 1980s, but productive capacity and output of advertising, has necessitated its bigger role in Indian economy. It helps to increase mass marketing while helping the consumer to choose from variety of products. As advertising in India is in its infancy so there is an immense scope for its development so that it may be efficiently used for the gains of producers, consumers, traders and country’s economy. Everyday consumers are exposed to variety of images, voices in magazines, newspapers, websites, radio and
T.V. Every brand attempts to attract the person and inform him of the amazing and unique attributes of the product at hand. The challenge of the marketer is to find a strategy that will work to attract person’s attention. In helping to achieve this, use of celebrity endorsement has been widely used and proved to be beneficial.

1.9 BENEFITS OF ADVERTISING

Given the broad perspective of the purpose of advertising, given above, it will be useful to refer to direct or perceived benefits of advertising which include the following.

Information

Consumers need information about various goods and services. Due to ignorance, a consumer may purchase an inferior product, pay higher prices or even not know that the product exists. Information given in an advertisement could be about the company and its products or services. The advertisements for Zenith refrigerator, introduced in India in 1980, for example, incorporated details regarding the product feature. The inclusion of a water-cooler in the refrigerator was emphasised. It was highlighted that this facility was available only in this brand of refrigerator. Having a tap outside eliminates the need for opening the door of the refrigerator frequently, considering the usage of cold water in a tropical country like India.

Brand Image Building

Very often advertising is used to build a brand image. Images are mental pictures of brands that may appeal to different segments of the target audience in varying degrees. These may have their origin in real or assumed features. The images projected are geared to match the needs and expectations of the target audience. Favourable images will help in generating brand loyalty and a disposition to buy that
brand in preference to another. Certain advertisements of toilet soaps in India aim at image building through opinion leaders. A well known campaign of long standing for Lux toilet soap uses film stars. The campaign for VIP travel luggage seeks to achieve the objective of attributing a superior image through the association of the product with affluent foreign nationals in a series of ‘VIP’ interviews.

**Innovation**

Advertising is seen to perform this task most effectively for new products. In a way it reduces the risk of innovation. The cost of innovation can be more than recovered by the sales which advertising may generate and this encourages manufacturers to undertake research and development. New brand launches seem to abound in the toiletry, cosmetic, pharmaceutical, confectionery and tobacco markets which are usually characterized by heavy advertising. At the same time, it must be pointed out that advertising does not guarantee the success of all new products.

**New product Launch**

Various strategies, including advertising, are employed to make potential buyers aware of new products. The term ‘new product’ may include modifications of existing products, imitations of competitive products and product-line acquisitions. Advertising can be used to promote new products and to call attention to changes in old products. Advertising for the soft drink concentrate under the brand name Rasna was aimed at enhancing the awareness of the product and creating a favourable disposition towards it.

**Growth of Media**

The acceptance of advertising enhances the potential for raising advertising revenues. This in turn helps the launching of new publications and expanding the media. This development its characteristic of the Indian media scene in recent years.
A number of periodicals and news-papers have been launched during the seventies and this trend continued through the early eighties.

**Long-term and Indirect Benefits**

Advertising is a feature of free competitive enterprise and can be a contributory factor towards greater availability of goods. It increases distribution not only of the advertised products, but of other products as well. Advertising helps to reduce the cost of goods sold to the consumer. The coast of production and selling are lower when goods are produced and sold in larger quantities. It is also an important factor in product improvement. Advertising helps to make the commonplace emotionally more satisfying. This may apply for instance to consumers of Lijjat papad who may derive satisfaction out of buying an advertised product, or for that matter, users of perfumes and lipsticks where association with advertising may be instrumental in reducing dissonance.

1.10 **ROLE OF ADVERTISING IN THE MARKETING MIX**

Advertising effort must essentially be integrated with the rest of the marketing plan. It is a part of the total marketing mix and has a supportive relationship with its various components. The need to co-ordinate advertising activities with other parts of the programme may be seen in the following features of the interaction of advertising with other components of the marketing mix.

**Product Planning.** Product planning has an important place in the marketing mix. Recent strategies in the product-planning area have been directed towards manufacturing better products and bringing about improvement in existing ones. Consistent efforts are being made to improve the quality of products, increasing their variety and also for devising new uses for them. Rapid changes in technology and myriads of innovations have made product planning a complicated task. Advertising
highlights the superiority of a firm’s brands or products over other brands or products and also seeks to enhance awareness and knowledge of new uses.

**Price.** One of the major considerations in determining price should be its role in achieving the targeted sales of the product. Sometimes price may not make much difference to sales as in the case of essential commodities where the demand is inelastic in relation to price. In the case of some products, it may even be possible to achieve higher sales at a higher price. For example, in the case of premium varieties of cosmetics, quality-conscious consumers may not be convinced of the quality of a brand or product if it is priced low. When a firm develops a prestige product at a high price, advertising emphasizes its high quality, image and prestige.

**Packaging.** Packaging is also an important part of the marketing mix, although its importance varies with the type of product. For many products, packaging is one of the most powerful aids to selling as there is constant competition for the customer's attention. In the case of products such as toiletries, cosmetics and confectionery, it is of prime importance that packaging should be attractive. It is one of the factors which can influence sales considerably. In such cases, packaging serves as an advertisement for the product by emphasizing not only the contents but the containers as well. A typical Nescafe jar with its yellow top is prominently featured in the Nescafe advertisement.

**Distribution.** The role of advertising includes provision of support to distribution channels in a large measure. It is through advertising that the 'pull' effect may be created amongst potential buyers. This, in turn, will motivate the channels to stock the product in anticipation of a smooth and speedy off take.

**Promotion and displays.** Sales promotions can be used to increases sales to wholesalers, retailers and, through salesmen, to consumers by offering premiums,
concessions, coupons and prizes and by window displays and special deals. Premiums and ‘point of sale’ displays are also widely used in consumer-oriented promotions. In cases where coupons, premiums and the like are used, announcements of these schemes made to consumers through the mass media generate a great deal of interest and have a high attention-getting value.

1.11 CHANGING WAYS OF ADVERTISEMENT

‘Advertising in 2020 will not be ‘buy me’, it will be ‘join me.’(Kevin Allen, 2013). At the turn of the 21st century, search engine Google revolutionized online advertising. Today innovations as “guerrilla” promotions, which involve unusual approaches such as staged encounters in public places, give a ways of products such as cars that are covered with brand messages, and interactive advertising where the viewer can respond to become part of the advertising message. This reflects an increasing trend of interactive and “embedded” ads, such as via product placement, having consumers vote through text messages, and various innovations utilizing social networking sites.

Rise in New Media

1. Online Advertising

It is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. Online ads are delivered by an ad server. Examples of online advertising include contextual ads that appear on search engine results pages, banner ads, in text ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. With the dawn of the Internet came many new advertising opportunities. Popup, flash, banner and email advertisements are now commonplace. Particularly since the rise of “entertaining” advertising, some people
may like an advertisement enough to wish to watch it later or show a friend. In general, the advertising community has not yet made this easy, although some have used the Internet to widely distribute their ads to anyone willing to see or hear them. (Clow, Kenneth E; Baack, 2007).

Exhibit 1.4


Indian internet population is 205 million, as of 2013. Third largest internet population after China and United States, projected to be the second largest by 2015, with 330-370 million users 2011 2015.

2. **Niche marketing**

Advertising shows the growing importance of the niche market. The Internet and the theory of The Long Tail, advertisers will have an increasing ability to reach specific audiences. In the past, the most efficient way to deliver a message was to cover the largest mass market audience possible. However, usage tracking, customer profiles and the growing popularity of niche content brought about everything from blogs to social networking sites, provide advertisers with audiences that was effective for companies’ marketing products. These advertisements are targeted to specific group and can be viewed by anyone wishing to find out more about a particular
business or practice at any time, right from their home. This causes the viewer to become proactive and actually choose what advertisements they want to view.

3. **Crowd sourcing**

The concept of crowd sourcing has given way to the trend of user-generated advertisements. User generated ads are created by consumers as opposed to an advertising agency or the company themselves, most often they are a result of brand sponsored advertising competitions (Horovitz, 2009).

4. **Global advertising**

Advertising has gone through five major stages of development: domestic, export, international, multi-national and global. For global advertisers, there are four potentially competing business objectives that must be balanced when developing worldwide advertising: Building a brand while speaking with one voice; Developing economies of scale in the creative process; Maximizing local effectiveness of ads and Increasing the company’s speed of implementation.

1.11.1 **Active Participants in Modern Advertising**

There are three active participants (called the three sides) in advertising the advertiser, the advertising agency and the media. A fourth side has been added now: Public Relations (PR) because PR and advertising operate in harmony. All these four sides are supported by the fifth side of ancillary services. These days a sixth side has also emerged: free-lance services.

These six sides of advertising are discussed below:

- **The Advertiser:** He can be a manufacturer. He can be a retailer. He can be a distributor. The advertiser may be a public sector undertaking or a popular government. It could be a government department or official body. It can be a voluntary organisation.
• **The Advertising Agencies:** There are about 500 accredited agencies here. They accept the brief from the advertiser, and do a campaign on his behalf. They render useful services like MR, TV film production, positioning, launching of products, packaging, branding etc. They deal with the media, and collect their commission from the media. **Media Owners:** These are publishing houses who bring out magazines. They also bring out weeklies and tabloids. Then it magazines. There are directories, time-tables and year-books space. We have broadcast media - radio, TV and films. There a transit advertising contractors. There are organisers of exhibition Fair Authority of India.

• **PR Consultants:** We find them in PR departments of advertising agencies or they operate independently. They have got an Association i.e. Public Relations Society of India.

• **Ancillary Services:** These are needed to produce/create advertisements. A whole range of services like the studio service, photographic service, gift-item producers etc. fall into this category.

• **Free-lancers:** They are generally professionals of a good track record. They may be copywriters, jingle singers, radio announcers, artists, visualizers, technical writers etc.

1.12 **FUTURE OF ADVERTISING**

Future of advertising seems bright as manifested by booming advertising industry and ever increasing growth in this sector, which is evident by following:

• Television's history has been defined by uneven distribution, but that has changed to a large extent. Broadcast defined its development of sight, sound and motion programming and advertising delivered in virtually every home. Analog cable expanded the product in breadth and depth. Digital cable
amplified that expansion. And, later this decade, TV will enter the fourth and most disruptive phase of its development, web-driven ubiquity, when TV video will be "technically" freed from its legacy of TV-dominated distribution constraints. So by 2020, television will be ubiquitous, on-demand and intelligent.

- The explosion in video availability will drive even more consumption. As hard as it may be to believe, total video consumption will grow 30-40% over the next seven to eight years. Today, most video is consumed in the home, with smaller amounts in the office or in restaurants or bars. In the future, with more screens in more places, even today’s time-constrained light TV viewers will become more.

- Today, viewing on the TV represents 95-98% of all video consumption. While it will lose some share to other devices, consumers’ preference for the best available screens mean that “lean-back,” TV-like devices will still capture the majority of viewing.

- Sight, sound and motion will continue to be unparalleled in its ability to create customers or reinforce loyalty, and it will only get better with more ubiquity, more content and better technology. Video will continue to dominate ad and marketing expenditures and, as web-like ad technologies transform its targeting and yield management, growing its efficiency and the number of advertisers using video.

- Surviving and thriving in ever-increasing audience fragmentation is probably the biggest challenge today's media companies and marketers will have in finding success in 2020.

- By 2020, 90+% of all video ad campaigns will be "data-dominated" --
packaged, sold, bought, optimized, rating, GRP and demographic metrics. Media owners that underpin their content offerings with robust audience data capabilities will prosper. The same is true for marketers and their media agencies.

- All video media and advertising will be measured and evaluated at the census level with attribution and return on investment analysis that far surpasses what we have today. Media that doesn't deliver great results at the right price will have to go away. The same is true for agencies, marketers and people who are not comfortable operating in that kind of environment.

- With wide availability of census-level behavioral data and massive, predictive computing power, data leverage moves from insight to foresight and the power and margins in media will go to those companies who predict, create and exploit consumers’ future behaviors. Companies and people not comfortable predicting the future and making successful bets on it won't last long (Dave Morgan, 2013).

### 1.13 TECHNIQUES OF ADVERTISEMENT EFFECTIVENESS

Despite its importance and wide implication, evaluating the effectiveness of advertising is very difficult, because advertising’s working is highly complex. It depends intrinsically on human response to communication, thus, it involves complexities in the attention, processing, recall and response to appeal. To begin to realize how complex this issue is, consider the following problems in evolution how an ad for a brand can affect a consumer’s purpose of that brand.

#### 1. Analysing desired effects

Consumer may buy a product for a variety of reasons. These reasons include seeing an ad for a brand, satisfaction with the product from past purchases, word of
mouth recommendations, from other consumers, change in taste or prestige attached to the product, an attractive package, a store display, sales promotion, or an attractive price.

Advertising is only one of the many causes that prompt a user to buy a brand. Thus, analyzing what effect the ad has on purchase requires to be analysed to fully understand and control the effect of all these other factors.

**Identifying right media**

Advertising for brand may occur in different media. Each of these media may have a unique effect on consumers. To fully understand the role of advertising, the analyst must decode the partial effects of the ad in each of these media. Also, when media overlaps, their effects interact, requiring further disentangling.

**Forecasting future effect**

Advertising may have not only instantaneous effects but also carryover effects. An Instantaneous effect occurs when a consumer sees an ad and responds to it immediately. In many cases, consumers do not respond instantaneously to ads but after a period waiting to think about the ad, talk to friends, of some more research, or buy at an opportune moment. This delay in the effect of ad is called the carry over.

**Frequency of advertisement**

The effectiveness of ad may also vary through the life of a campaign. Advertising normally resorts to repetitive advertising. They keep using an ad or a campaign for several days, weeks or months. The effect of any single ad exposure decays over a period of time.

**Assessing the overlaps**

Successive ads have overlapping effects and overlapping decays. It one combines the last three effects describe above (wearing, wear out and carryover), one
gets overlapping decays a multiple exposure of an ad, each of which may have different levels of response. Each ad exposure of an ad, each of which may have different levels of response. Each ad exposure may have a different effect due to consumer’s familiarity. Furthermore, the carryover of one ad exposure adds to or overlaps with the carryover of a prior ad exposure. This overlap in effectiveness creates a new level of complexity in analyzing advertising.

Exhibit 1.5: Temporal Effects of Advertising

1.14 STRATEGIES TO ENHANCE AD EFFECTIVENESS

Advertisers create ads with a variety of objectives in mind from getting people to sample a product and to persuade prospective consumers by:

- Direct action advertising is designed to motivate people to act. It involves ads that try to persuade people to make a purchase, call a phone number, or mail/fax/email an order form, and includes many of the common ads consumers see in newspapers, in-store advertising and package advertising.

- Consumers need more information – a test drive or a demonstration – before making up their minds.

- It includes those ads that draw a link in the consumers’ minds between the product and their needs as a consumer.

- Ads of this nature are designed to summon memories of apt satisfaction and get customers to purchase a product again.

- One of the more challenging objectives faced by advertisers is to modify attitudes towards a product. This is often appropriate when a firm’s product has received a bad reputation for one reason or another or if a firm is attempting to recapture customers they lost to a competitor.

- To reinforce attitudes that customers already have towards a product.

- In a testimonial ad, a typical user of the product presents the message. Since ordinary people are used, (as opposed to models or celebrities), the message is usually perceived as being believable.

- An endorsement is essentially a celebrity testimonial, where the advertiser attempts to capitalize on the popularity of the celebrity.

- The use of a product demonstration is quite common in advertising and focuses on product performance. Several formats are available including the
“before and after”, which is often appropriate for diet related products, or a simple demonstration of the product at work, which is regularly used for many household products.

- In the case of product-as-hero, the advertiser presents a problem situation (using a negative appeal strategy), which is quickly solved when the product comes to the rescue like fevi-quick.
- A final message strategy compares one product against another in the same category. To be successful, the attribute singled out must be important to consumers.

One of the biggest challenges of the advertisers is to retain the effectiveness of advertisements by tailoring it with the attention of the viewers. It is believed by the advertisers that the major objective of the advertising is to influence a positive brand attitude formation. Competition from other advertisers is unavoidable. To keep their ad visible they adopt a few strategies which can give them fruitful results. To elicit an impact in audience, they combine the images, music, humor, drama and much more in their strategies. Popularization of electronic media with multiple channels created a situation of rising clutter of ads. Bombardment of ads creates an uncomfortable situation to the audience when they switch on the television and they started avoiding ads. It is a big challenge for the ad men to retain the interest of the audience and taking right decisions with regard to the selection of appropriate creative strategies and tactics in ads.

1.15 NEED OF ADVERTISING RESEARCH

The need for research in advertising is vital in modern era. Research can be done in various stages from advertising planning to post advertising effectiveness tests. The research can be used for developing advertising strategies and to know the
impact of the developed strategies. Audience attention plays an immense role in the impact of advertisements. “Advertising Research may focus on a specific ad, campaign, or may be more general understanding of how advertising works or how consumers use the information in advertising. Although the impact of advertising has been studied for many decades, behaviour of audience and likeability factors in advertising have become subjects of increasing importance. To draw their attention and interest to watch the ads various efforts have been taken by Advertisers and Ad makers.

Consumers get confused regarding purchase decision-making due to over and forced exposure of ads. Sometimes they felt exploited by the advertisers. The goal of advertising is to present products or services in an effective way so that individuals will purchase them. To make the process successful, advertisers continuously take additional efforts in creating the ads and they constantly conduct research to know the impact of their efforts.

Advertising has long been a subject of research in various disciplines such as mass communication, marketing, sociology, social psychology and cultural anthropology and cultural studies. Many audiences make conscious efforts in avoiding the advertisements and they do not make extra efforts in understanding the complex messages conveyed in the advertisements, they simply switch over or switch off the television. It has been a great challenge for the ad men to make the audience to watch the advertisements which is the first step in increasing the effectiveness. They strive to grab the attention by making the ad watchable by using likable items. Advertising is a brand building exercise, from the communication point of view. Advertising is the art of moving an idea from one person to another. One of the important reasons that advertising does not work is that in specific instances, the
information it conveys never reaches the consumers in the intended way, or is judged by the consumer to be meaningless or irrelevant. In fact, advertising is communication that provides generally useful, relevant and pertinent information upon which the consumer either acts immediately or stores for later reference, application and use. Creative ability in advertising is to solve problem in unique way that is different from any solution ever before devised.

To succeed in marketing, the advertisers need to understand what makes people behave the way they do. That involves the study of buyers’ behavior; their activities and influences or people who purchase and use goods to satisfy their personal or household needs and wants. Advertisers are expected to be conscious and monitor people’s attitude, values, likes and dislikes, habits, fears, wants and desires. A thorough understanding of audience psychology is a must in executing the marketing communication. Advertising techniques are to be changed according to the behavioural characteristics of large group of people because these give the directional force to the advertisers aiming at those groups. Research has proven if audiences are exposed to ads more number of times, the chances to buy those products is high.

Advertising is a tool to communicate with prospective customers to persuade them in order to buy the product. Effectiveness of ads depends upon the effectiveness of the communication strategies and the message content shown therein. Advertisements are liked by consumers when they possess quality to stimulate the mental process of the audience and the desired outcome is also achieved through the same.

The present study is of great significance as it directly relates to the commercial advertising on which the modern market and the economy of any country depends. The broad concern of this study directly relates to the behaviour of audience
in relation to the commercials. The motive of the study is focused on understanding audience’s perception towards advertisements and the study covers various facets of advertising like behavioural responses to Advertisements.

**DISCUSSION**

The existing scenario of Commercial Advertisements in India is matter of great concern. There are some problems which need to be tackled i.e. Recall, Presentation of ads, Dramatisation of product endorsement and choice of effective mode to convey the message in view of changing Social and Cultural milieu of the consumers. Commercial Advertising is a pillar in the structure of consumerism ensuring increased product sale and profits thereby plays crucial role in the development of industry and eventually nation. In developing country like India such problems can be tackled by effective Commercial ads include celebrity endorsement, effective message and media can help advertisers to predict consumer buying behavior.