CHAPTER NO. 2 DIMENSION AND SCOPE OF THE STUDY.

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In modern times, the business entities discharge their duties and responsibilities, apart from profit making objective by utilising the available material and human resources and ensuring steady growth of the business in particular and the economy as a whole, towards the society because the business is an integral part of the society. There is no denying the fact that the business attracts the present and future customers for the satisfaction of their needs through the products and/or services for the survival of the business itself. The knowledge or information about the availability of the products and/or services, its prices, quality etc. is brought to the notice of the intended customers through a function of marketing, known as advertising.

2.1 ADVERTISING : DEFINITIONS FROM MULTIDIMENSIONAL VIEW

Advertising has been viewed from different angles by a number of experts and bodies, some of which are:

Advertising has been defined as "any paid form of non-personal presentation of idea, goods or service by an identified sponsor" - American Marketing Association.

"Advertising consists of all the activities involved in presenting to a group, non-personal, oral or visual, openly sponsored message regarding a product, service or ideas; this message regarding a product, service or ideas; this message called Advertisement, is disseminated through one or more media and is paid by the identified sponsor" - J. W. Stanton¹.

"The dissemination of information concerning an idea, service or product to compel action in accordance with the intent of the advertiser" - Advertising Age².

Advertising is often regarded as a process of relatively indirect persuasion, based on information about product benefits, which is designed to create favourable mental impressions that "turn the mind toward" purchase³.

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¹. Quoted from the lecture of Professor Dr. B. K. Basu, delivered at Andra University, Waltair.
"Advertising includes those activities by which visual or oral messages are addressed to the public for the purpose of informing them and influencing them either to buy merchandise or to act or be inclined favourably toward ideas, institutions, or persons featured. As contrasted with publicity and other forms of propaganda, advertising message are identified with the advertiser either by signature or by oral statement. In further contrast to publicity, advertising is a commercial transaction involving pay to publishers or broadcasters and others whose media are employed" - Dr. N. H. Borden.

2.2 ADVERTISING: AS A CYCLE SYSTEM

It appears from the above definitions that advertising is a mass communication process involving an identified sponsor, the advertiser, who normally pays a media-organiser, such as a television network, to run an advertisement that has usually been created by an advertising agency. Now, if we set the word 'Advertising' under the lence of microscope, then we can reach into a conclusion that

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advertising is conducted in a systematic way which may be called as 'Advertising Cycle System' and this can be portrayed in the following ways:

From the above advertising cycle it is clear that the ultimate aim of the advertising is to develop an advertising strategy which helps to capture the market and increase the consumption.
The definitions of advertising highlight that advertising informs the customers or intended customers about the products & services available in the market place with their prices, qualities etc. with an object to increase the sales level. These information come into the knowledge of customers or intended customers in the form of Audial, Visual and Audio-Visual ways.

AUDIAL WAY: In audial way, information are broadcast with the help of face to face discussion, contact and symbol. Face to face discussion highlights conversation, interviews, meetings, conference etc. Contact should be made with the help of telephone, radio, intercum, public address etc. Symbol means buzzers, bells and other signals.

VISUAL WAY: In visual way, information are broadcast with the help of written forms, pictorial form, written-pictorial form, Symbolic form etc.

AUDIO-VISUAL WAY: In audio-visual way, information are broadcast with the help of sound film, film strips, television, demonstrations etc.

The above three ways of broadcasting information can be shown in a pictorial form with the help of following way:
WRITTEN:
- INDIVIDUAL MESSAGE
- HAND BOOKS,
- BULLETIN,
- CIRCULARS

PICTORIAL:
- PICTURES,
- PHOTOGRAPHS,
- MAPS.

WRITTEN-PICTORIAL:
- POSTERS,
- CARTOONS,
- SILENT FILMS.

SYMBOLIC:
- FLAGS,
- LIGHTS,
- OTHER SIGNALS.

FACE TO FACE:
- CONVERSATION,
- INTERVIEWS,
- MEETINGS,
- CONFERENCE.

CONTACT:
- TELEPHONE,
- RADIO,
- PUBLIC ADDRESS SYSTEM

SYMBOLIC:
- BUZZERS,
- BELLS,
- OTHER SIGNALS.

SOUND FILM
- FILM
- STRIPS

AUDIO-VISUAL WAY
- TELEVISION
- DEMONSTRATION
Advertising broadcast information with the help of Audial, Visual and Audio-Visual ways and these ways touch the society individually. If we consider an eye as the eye of the society and an ear as the ear of the society as a whole, then we can show that an advertising campaign touches the society through these ways in the following manner:

- Ear of the society.
- Eye of the society.
2.4  ADVERTISING : OBJECTIVES

Advertising reflects the following objectives:

1. **Informing potential consumers or customers of new product or service including their qualities covering a wide range of functional areas, viz,**

   (i) **to build an image for the new product and/or new service.**

   (ii) **to improve the image for the existing product and/or existing service.**

   (iii) **to create a brand leader in a particular market.**

   (iv) **to maintain an image of the product or the manufacturer.**

   (v) **to create a brand leader in a particular market.**

   (vi) **to promote the corporate image and qualities associated with the products and/or services.**

   (vii) **to improve the quality to complete with the competitors.**
(viii) to invite the intended customers.

(ix) to keep up and reassure the existing customers of the product and/or service.

(x) to help to establish the brand.

2. Reminding customers of existing products and their utilities and it covers:

(i) to signify that the product has a knockable quality.

(ii) to highlight the idea of 'value for money'.

(iii) to support the test and quality claim for the product.

(iv) to convey the idea about modern product and/or modern service.

(v) to compare the qualities of the product and/or service with the competitors' product and/or service.

(vi) to reflect the 'newness' of the product and/or service.

(vii) to forecast that much people prefer the product and/or service.
(viii) to convey the taste of the product and/or the service.

(ix) to pin-point the reason for buying the product and/or the service.

3. Stimulatingquiries among the customers or consumers as the case may be, it represents:

(i) to tempt people to acquire the product.

(ii) to stimulate the willingness of the customers or consumers.

(iii) to ensure favourable attitude to a particular product and/or service.

(iv) to sustain favourable attitude.

(v) to revive the existing attitude.

4. Providing technical and other material information about the Product/service relating to awareness and brand loyalty. Here awareness includes:

(i) to inform people about the existence of the product.
(ii) to create or recreate awareness among the customer or consumers.

(iii) to gain or regain awareness among the customers or consumers.

(iv) to create awareness in specified section of the market place.

Again, brand loyalty means and includes:

(i) to retain the intentions of customer about the loyalty.

(ii) to encourage the brand loyalty to stick to a particular brand.

5. Alerting customers as to change in price, special offer, change in product-name and also availability of the product/service, it includes;

(i) to reflect the changes in price of the product/service in the market.

(ii) to establish the causes behind this change in price.

(iii) to orient people to use the product.
(iv) to announce about the multiple uses of the product and/or service.

(v) to highlight the variety of the product and/or service.

(vi) to ensure the varieties available.

(vii) to present factual information about the product and/or service.

6. Building up the goodwill of the business, it includes:

(i) to supply goods or services timely.

(ii) to supply/arrange goods or services at reasonable price.

(iii) to fulfill the demand of the customers or consumers.

(iv) to develop social awareness of the organisation.

(v) to control the quality of the goods or services.
In most cases, the objectives of advertising must have been fulfilled by all kinds of advertising but we can't say that every advertising is a good advertising. A good advertising technique must have some basic principles. The principles were agreed at marketing conference in New York in 1975.

1. It should be consumer-oriented.

2. It should concentrate on one selling idea.

3. It should emphasize on the most important and persuasive ideas available.

4. It should present unique and competitive idea.

5. It should involve the consumers.

6. It should be credible and sincere.

7. It should be simple, clear and complete.

8. It should clearly associate selling ideas with the brand-name.
9. It should take full advantage of the media.

10. It should demand action that will lead to sale.

2.6 ADVERTISING : AN IMPORTANT SEGMENT OF MARKETING:

Advertising comes into the world of business as a powerful weapon of marketing. So, it is necessary to discuss in brief about marketing because marketing is the core of advertising.

"Marketing is the managerial process by which products are matched with markets and through which transfers of ownership are effected" - Edward W. Cundiff et al.

"Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user". American Management Association.

Edward W. Cundiff et al.,
Prentice Hall of India.

2. The Committee on Definitions, Marketing Definitions.
"Marketing is the performance of business activities that direct the flow of goods and services from producer to consumer or user in order to satisfy customers and accomplish the firm's objective" — E. J. McCarthy.

Marketing consists of those efforts which effect transfers in ownership of goods and care for their physical distribution. An insight into the above definition appear that marketing aims may be classified under the following three categories:

1. **Merchandising**: It consists of the following functions:

   (i) Planning and development.

   (ii) Standardising and grading.

   (iii) Buying and assembling.

   (iv) Advertising and selling.

2. **Physical distribution**: It consists of the following functions:

   (i) Storage.

   (ii) Transportation.

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1. A Text of the lecture delivered by Professor Dr. B. K. Basu at Calcutta Management Association on "Advertising and its social impact."
3. Supporting activities: It consist of the following functions:

(1) Financing.

(ii) Intention and capability of risk bearing.

(iii) Collecting and analysing marketing information.

So, the marketing knocks the door of consumers along with the goods and services in favour of producer with the help of advertising is generally known as commercial advertising. In 1969, Kotler and Levy treated marketing as a social activity in their article "Broadening concept of marketing" which was published in the Journal "Marketing". Their contributions were:

1. to extend the use of traditional marketing principles to non-business organisations.

2. to extend the consumer group and includes the clients, trustees and the interest group, public interest in specific organisational products.

3. to extend the use of marketing tools into broadened aspects.

1. A Text of the lecture delivered by Professor Dr. B. K. Basu at Calcutta Management Association on "Advertising and its social impact".
In 1969, the contributions of Kotler and Levy were criticised by David Luck. He added that the functions of marketing should be restricted to market transactions as it was earlier and should not consider the social welfare activities viz., hospital services, education societies etc.

In 1971, Kotler and Zaltman tried to show the concept of marketing may be applicable to social problems such as brotherhood, family planning etc. They tried to apply marketing concept to social marketing, health service marketing, public service marketing, educational service and political candidate marketing.

2.7 ADVERTISING : SOCIAL VIEWPOINTS

Social advertising is a sub-set of social marketing which, in turn, is a subset of marketing discipline. Social advertising highlights many social causes which were taken up for planned social changes. In India, Government plays an important role in social advertising namely Directorate of Advertising and Visual publicity (DAVP). However, in recent years, advertising agencies are getting into social
advertising viz., Lintas - doing anti-dowry advertising campaign, Clarion Advertising Services - promoted contraceptive sales, Ulka - produced video films for village level worker's health, React - Campaign for removal of misconceptions about leprosy. In addition, now-a-days, a lot of commercial advertising indirectly carry the aim of social advertising. Picture No. 1 and Picture No. 2 are completely commercial advertising by the JK Organisation and Life Insurance Corporation of India respectively. These two advertisements convey the news in respect of their product and/or service to the potential or intended customers. But both of these advertisement fulfil the aim of advertisement in respect of family planning which is popularly known as social advertising. Both the advertisement indirectly forecast a news that "Hum do hamara do" or "Small family is happy family". At the same time these two advertisements meet all the principles of good advertising.
It's a promise you make to your skin - everyday.

Premium Soap with 80% TFM (Total Fatty Matter) is developed to be especially gentle on delicate skin.

Total facts about TFM:
It has been dermatologically proved that super fatted soaps with more TFM content reduce the loss of natural oils and prevent afterwash dryness. They are ideal for all skin types.

Skin Luxury.
Premium Soap's luxurious lather and lingering fragrance pampers your skin. And leaves it the way, you always thought clean skin should feel - fresh, soft, and glowing.

Premium Soap is all the difference between washing your body and caring for your skin.

PREMIUM LUXURY PERFUMED SOAP

DON'T RISK THEIR SECURITY
INSURE YOUR LIFE

ADVERTISING : IMPACT ON PRODUCT LIFE-CYCLE

Product life-cycle is a cycle stating the typical pattern of the existence and growth of every product. Advertising has great impact on the different stages of product life-cycle viz; introductory stage, growth stage, maturity stage, saturation stage and declining stage.

1. In introductory stage advertising helps to:

   (i) branding and image building.

   (ii) convey information.

   (iii) create awareness.

2. In growth stage advertising helps to:

   (i) convey messages,

   (ii) branding and image building,

   (iii) judge attitudes.

3. In maturity stage advertising helps to:

   (i) branding and image building,

   (ii) convey messages,

   (iii) judge attitudes;
4. **In saturation stage** advertising helps to:

   (i) maintain constant rate of consumption.

   (ii) bring a change in product-mix and marketing activities.

5. **In declining stage** advertising help to:

   (i) convey messages,

   (ii) branding and image building,

   (iii) highlight attitudes/awareness.

2.9 **ADVERTISING : IMPACT ON PRODUCTION COST**

Advertising plays an important role to increase sales. In many situations a sales objective is stated as an advertising objective except in special cases, like direct response, this is usually unrealistic. If we state sales objective as advertising objective, then we can measure the effectiveness of advertising campaign with the help of achieved sales volume.
But, in practice, it is quite impossible because many other factors affect sales performance along with advertising. So, sales objectives should be stated as marketing objectives not as advertising objectives.

Costs and advertising campaign are closely related and act upon each other. Advertising helps to popularise and more widely known the product and this popularity of the product enhance the production, the large scale of production reduces costs. Reduction of costs ensure possible lower price of the product/service and lower prices enhance demand, the ultimate outcome of which will be creation of funds by the more revenue arrived from more sales out of which more ambitious advertising can be undertaken. Advertising and costs thus influence each other, and there is no knowing which the chicken and which the egg. This is explained with the help of the following diagram:
Diagram showing relationship between advertising expenditure and production cost.
In product development, advertising plays an important role by way of providing information to the potential buyers about the resulting new products or product improvements. Advertising communicate the present policy with the revised or improved innovation which is required because in many situations, revised or improved innovation requires higher research and development expenditure and substantial investments. This function of advertising helps to develop the new products and helps to improve the existing ones and these mean an expending economy with more jobs and investment opportunities.

Vigorous competition is the most important principle of market economy. In capitalistic market, competition creates competitors and competition kills competitors. Competitive force in any market leads to:

1. real product innovation,

2. efficient and proper distribution of goods,
The above three functions of competition is necessary for the upliftment of the society as a whole and in modern business world competition arise due to advertising. At the same time, we have also observed that in many instances brands are advertised simply because competitors in the market are advertising for the same brands. The intention for doing so is that, if the brand is not advertised then it will not be kept in public eye and public would be forgotten the brand. The ultimate result of which will be reduction of sales.

The nature of product and the nature of advertising campaign must be more or less dependent on each other. The success of any advertising campaign depends, mostly, on the nature of the product. The advertising may be inadequate for the product and for that situation the advertising does not discover all the potential market for the product. The advertising may be appropriate and adequate for the product and for the situation the advertising can be just right by appealing to the right buying motives at the right time so that market is located with the least possible cost. And lastly, it can
be said that the advertising can be too good for the product and for that situation the advertising can arouse the interest for the product but in most cases the product can not satisfy these increasing interest due to its inadequacy. In this case, only with the presence of too good advertising, all products should be sold inspite of its defects and in existence of superior competitors.

The conventional theory depicts that under perfect competition both the buyers and the sellers have perfect knowledge about the products and/or services. So, under perfect competition there is no place for advertisement. But in real business world, some sales techniques are necessary either because of non availability of perfect information and/or indivisibilities in production techniques and this limitations of perfect competition may be reduced through advertising. The concept of advertising as a means of conveying information has been criticised on the following two grounds:

Firstly, advertising provides information about the products and/or services on behalf of the producer and most of the cases it is biased to some extent.
Secondly, in each and every advertisement the advertiser gives more emphasis on building up of brand image and as a result, the necessary information about the products and/or services may be neglected or become secondary.

The above limitations of advertisement as a means of conveying information propose to create independent information. Services which could be an effective substitute for advertising expenditure because their costs are lower and that such bodies would widely disseminate. But this services fail to search consumers' choice, preferences and do not reflect the effect of changes in the composition of consumers in a market.

In case of launching a new product and/or a new service, advertising along with other sales techniques play a pivotal role to aware consumers quickly about its existence and in expanding its properties and purposes if a high level of demand and the economies of large-scale production are to be achieved. By explaining attractive qualities of a new product/a new service and at the same time it also deals with doubts and confusions that
the consumers may have expressed about the product and/or service. Advertising also helps to maintain the market position of a well-established product and/or service because over a period of time the needs or requirements of a particular product may be altered or declined due to introduction of competitive products, change in socio-economic conditions, change in customers' habit, fashion, income etc.

2.11 ADVERTISING : AS A MEANS OF CONVEYING INFORMATION

Advertisement offers wider choice to retain the existing consumers and to encourage the potential consumers to buy a particular product and/or service. Advertising is too much important to retailers as well as to consumers because it stimulates retailers to stock the manufacturers products and to encourage them to provide favourable displays. Here, the purpose of advertising is designed to achieve a faster stock-turnover and a higher distribution penetration. Product differentiation and brand loyalty is an important function of advertising. Persuasive advertising helps to create product differentiation and helps to build
up brand loyalty and reputations which is claimed to result in higher prices and monopoly profits.

Product differentiation is an inherent factor in the market because consumers are not homogeneous in nature and have varying preferences, requirements and incomes which change over time. As a result, it is worthwhile for manufacturers to offer variations in price, size, quality, packaging, convenience, flavours, durability, service, design and comfort to meet the requirements of different groups of consumers. So, product differentiation acts as a competitive device in those established firms which develop new products or variations on existing products, in order to meet changing demand, and to forestall the entry of potential competitors.

In order to achieve extra sales in the market place, advertising plays an important role and at the same time the consumers in the market place should be categorised in terms of their relationship

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to the product. These categories may be stated as under.  

1. Non-users of the product category:

(i) Those who do not and never will use these products.

(ii) Non-users who are possible users but are unaware of our product.

(iii) Non-users who are possible future users and aware of our product.

2. Users of the product category:

(i) Users of competitive brands, who are unaware of our product.

(ii) Users of competitive brands, who are aware of our product.

a. Who have never tried our product.

b. Who have tried our product.

1. "Advertising what it is and how to do it."
   Roderick White.
3. Users of both competitive brands and of our product.

4. Users of our product only.

(i) Who have never used another brand.

(ii) Who have used another brand.

It is quite impossible for an industry to get an economic return from high capital outlay unless sufficient consumers use their products and/or services or visit their shops regularly. This means that shoppers must be able to identify a firm's products, and be encouraged to make repeated purchases if they have been satisfied and this is possible only by creating the brand loyalty. Loyalty also helps to measure the rate of consumers' turnover. Consumers loyalty comprises several elements viz., habit, inertia and irrationality besides satisfaction.

In 1970, economist J. K. Galbraith explain that advertising keeps the atmosphers 'suitably consumptive'. This definition highlights that advertising not only inform the customers regarding
the nature, existence and qualities of any particular product and/or service, it is also used as a mean to ensure the distribution of commodities to people in society at large and is designed to create demands for such goods and services.

From economical point of view, advertising helps the manufacturer or business to secure a section of the market by organising and controlling consumers' tastes and behaviour in the interest of profits and capital growth of the economy as a whole.

In modern business world, the central function of advertising is to create desires of the consumers and this function arouses consumers interests and emotions in favour of goods or services. In real life, the consumers desires are shaped by the demands of the system of production, not by the needs of the society or by the individual's needs. Thus, the task of advertiser is to try to persuade rather than inform.