Chapter 3: Literature Review:
Advertising Management
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Chapter 3: Literature Review: Advertising Management

3.1: Marketing

1. Introduction to Marketing

Marketing is the process of performing market research, selling products and/or services to customers and promoting them via advertising to further enhance sales. It generates the strategy that underlies sales techniques, business communication, and business developments. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves. Marketing is used to identify the customer, to satisfy the customer, and to keep the customer. With the customer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management. Marketing evolved to meet the stasis in developing new markets caused by mature markets and overcapacities in the last 2-3 centuries. The adoption of marketing strategies requires businesses to shift their focus from production to the perceived needs and wants of their customers as the means of staying profitable. The term marketing concept holds that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions. It proposes that in order to satisfy its organizational objectives, an organization should anticipate the needs and wants of consumers and satisfy these more effectively than competitors.

2. Marketing Definitions

Concept of marketing has been defined by various institutes and experts time to time. The definitions vary from one to another over a period of time. Some of the definitions are given below:

Marketing is defined by the American Marketing Association (AMA) as "the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing is a product or service selling related overall activities. The term developed from an original meaning which
referred literally to going to a market to buy or sell goods or services. Seen from a systems point of view, sales process engineering marketing is "a set of processes that are interconnected and interdependent with other functions,\textsuperscript{5} whose methods can be improved using a variety of relatively new approaches."

The Chartered Institute of Marketing defines marketing as "the management process responsible for identifying, anticipating and satisfying customer requirements profitably." A different concept is the value-based marketing which states the role of marketing to contribute to increasing shareholder value. In this context, marketing is defined as "the management process that seeks to maximise returns to shareholders by developing relationships with valued customers and creating a competitive advantage."

Philip Kotler defines marketing as 'satisfying needs and wants through an exchange process. Within this exchange transaction customers will only exchange what they value (money) if they feel that their needs are being fully satisfied; clearly the greater the benefit provided the higher transactional value an organisation can charge.

Marketing practice tended to be seen as a creative industry in the past, which included advertising, distribution and selling. However, because the academic study of marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neuroscience, the profession is now widely recognized as a science, allowing numerous experts to think. The overall process starts with marketing research and goes through market segmentation, business planning and execution, ending with pre- and post-sales promotional activities. It is also related to many of the creative arts.

3. Evolution of Marketing

The marketing concept is the philosophy that firms should analyze the needs of their customers and then make decisions to satisfy those needs, better than the competition. Today most firms have adopted the marketing concept, but this has not always been the case. In 1776 in The Wealth of Nations, Adam Smith wrote that the needs of producers should be considered only with regard to meeting the needs of consumers. While this philosophy is consistent with the marketing concept, it would not be adopted widely until nearly 200 years
later. To better understand the marketing concept, it is worthwhile to put it in perspective by reviewing other philosophies that once were predominant. While these alternative concepts prevailed during different historical time frames, they are not restricted to those periods and are still practiced by some firms today. An orientation, in the marketing context, related to a perception or attitude a firm holds towards its product or service, essentially concerning consumers and end-users. Throughout history, marketing has changed considerably in time with consumer tastes.

(a) Earlier Approaches
The marketing orientation evolved from earlier orientations, namely, the production orientation, the product orientation and the selling orientation.

**Table 3.1.1: Earlier Approaches of Marketing**

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Profit driver</th>
<th>Western European timeframe</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>Production methods</td>
<td>Until the 1950s</td>
<td>A firm focusing on a production orientation specializes in producing as much as possible of a given product or service. Thus, this signifies a firm exploiting economies of scale until the minimum efficient scale is reached. A production orientation may be deployed when a high demand for a product or service exists, coupled with a good certainty that consumer tastes will not rapidly alter (similar to the sales orientation).</td>
</tr>
<tr>
<td>Product</td>
<td>Quality of the product</td>
<td>Until the 1960s</td>
<td>A firm employing a product orientation is chiefly concerned with the quality of its own product. A firm would also assume that as long as its product was of a high standard, people would buy and consume the product.</td>
</tr>
<tr>
<td>Selling</td>
<td>Selling</td>
<td>1950s and</td>
<td>A firm using a sales orientation focuses primarily</td>
</tr>
</tbody>
</table>
methods 1960s on the selling/promotion of a particular product, and not determining new consumer desires as such. Consequently, this entails simply selling an already existing product, and using promotion techniques to attain the highest sales possible.

Such an orientation may suit scenarios in which a firm holds dead stock, or otherwise sells a product that is in high demand, with little likelihood of changes in consumer tastes diminishing demand.

| Marketing | Needs and wants of customers | 1970 to present day | The 'marketing orientation' is perhaps the most common orientation used in contemporary marketing. It involves a firm essentially basing its marketing plans around the marketing concept, and thus supplying products to suit new consumer tastes. As an example, a firm would employ market research to gauge consumer desires, use R&D to develop a product attuned to the revealed information, and then utilize promotion techniques to ensure persons know the product exists. |

(b) Contemporary Approaches
Recent approaches in marketing include relationship marketing with focus on the customer, business marketing or industrial marketing with focus on an organization or institution and social marketing with focus on benefits to society. New forms of marketing also use the internet and are therefore called internet marketing or more generally e-marketing, online marketing, search engine marketing, desktop advertising or affiliate marketing. It attempts to perfect the segmentation strategy used in traditional marketing. It targets its audience more precisely, and is sometimes called personalized marketing or one-to-one marketing. Internet
marketing is sometimes considered to be broad in scope, because it not only refers to marketing on the Internet, but also includes marketing done via e-mail and wireless media.

**Table 3.1.2: Contemporary Approaches**

<table>
<thead>
<tr>
<th>Orientation</th>
<th>Profit driver</th>
<th>Western European timeframe</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship marketing /</td>
<td>Building and keeping good customer</td>
<td>1960s to present day</td>
<td>Emphasis is placed on the whole relationship between suppliers and customers. The aim is to provide the best possible customer service and build customer loyalty.</td>
</tr>
<tr>
<td>Relationship management</td>
<td>relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business marketing / Industrial</td>
<td>Building and keeping relationships</td>
<td>1980s to present day</td>
<td>In this context, marketing takes place between businesses or organizations. The product focus lies on industrial goods or capital goods rather than consumer products or end products. Different forms of marketing activities, such as promotion, advertising and communication to the customer are used.</td>
</tr>
<tr>
<td>marketing</td>
<td>between organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social marketing</td>
<td>Benefit to society</td>
<td>1990s to present day</td>
<td>Similar characteristics as marketing orientation but with the added proviso that there will be a curtailment of any harmful activities to society, in either product, production, or selling methods.</td>
</tr>
<tr>
<td>Branding</td>
<td>Brand value</td>
<td>2000s to present day</td>
<td>In this context, &quot;branding&quot; is the main company philosophy and marketing is considered an instrument of branding philosophy.</td>
</tr>
</tbody>
</table>
(c) Customer Orientation

A firm in the market economy survives by producing goods that persons are willing and able to buy. Consequently, ascertaining consumer demand is vital for a firm's future viability and even existence as a going concern. Many companies today have a customer focus (or market orientation). This implies that the company focuses its activities and products on consumer demands. Generally, there are three ways of doing this: the customer-driven approach, the market change identification approach and the product innovation approach.

In the consumer-driven approach, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of a market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no reason to spend R&D funds developing products that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs.

A formal approach to this customer-focused marketing is known as SIVA (Solution, Information, Value, and Access). This system is basically the four Ps renamed and reworded to provide a customer focus. The SIVA Model provides a demand/customer-centric alternative to the well-known 4Ps supply side model (product, price, placement, promotion) of marketing management.

Product → Solution
Price → Value
Place → Access
Promotion → Information

If any of the 4Ps were problematic or were not in the marketing factor of the business, the business could be in trouble and so other companies may appear in the surroundings of the company, so the consumer demand on its products will decrease.
(d) Organizational Orientation
In this sense, a firm's marketing department is often seen as of prime importance within the functional level of an organization. Information from an organization's marketing department would be used to guide the actions of other departments within the firm. As an example, a marketing department could ascertain (via marketing research) that consumers desired a new type of product, or a new usage for an existing product. With this in mind, the marketing department would inform the R&D department to create a prototype of a product/service based on consumers' new desires. The production department would then start to manufacture the product, while the marketing department would focus on the promotion, distribution, pricing, etc. of the product. Additionally, a firm's finance department would be consulted, with respect to securing appropriate funding for the development, production and promotion of the product. Inter-departmental conflicts may occur, should a firm adhere to the marketing orientation. Production may oppose the installation, support and servicing of new capital stock, which may be needed to manufacture a new product. Finance may oppose the required capital expenditure, since it could undermine a healthy cash flow for the organization.

(e) Herd Behavior
Herd behavior in marketing is used to explain the dependencies of customers' mutual behavior. The Economist reported a recent conference in Rome on the subject of the simulation of adaptive human behavior. It shared mechanisms to increase impulse buying and get people "to buy more by playing on the herd instinct." The basic idea is that people will buy more of products that are seen to be popular, and several feedback mechanisms to get product popularity information to consumers are mentioned, including smart card technology and the use of Radio Frequency Identification Tag technology. A "swarm-moves" model was introduced by a Florida Institute of Technology researcher, which is appealing to supermarkets because it can "increase sales without the need to give people discounts." Other recent studies on the "power of social influence" include an "artificial music market in which some 19,000 people downloaded previously unknown songs" (Columbia University, New York); a Japanese chain of convenience stores which orders its products based on "sales data from department stores and research companies;" a Massachusetts company exploiting
knowledge of social networking to improve sales; and online retailers who are increasingly informing consumers about "which products are popular with like-minded consumers" (e.g., Amazon, eBay).

(f) Further orientations
(i) An emerging area of study and practice concerns internal marketing, or how employees are trained and managed to deliver the brand in a way that positively impacts the acquisition and retention of customers, see also employer branding.

(ii) Diffusion of innovations research explores how and why people adopt new products, services, and ideas.

(iii) With consumers' eroding attention span and willingness to give time to advertising messages, marketers are turning to forms of permission marketing such as branded content, custom media and reality marketing.

4. Marketing Research

Marketing research involves conducting research to support marketing activities, and the statistical interpretation of data into information. This information is then used by managers to plan marketing activities, gauge the nature of a firm's marketing environment and attain information from suppliers. Marketing researchers use statistical methods such as quantitative research, qualitative research, hypothesis tests, Chi-squared tests, linear regression, correlations, frequency distributions, Poisson distributions, binomial distributions, etc. to interpret their findings and convert data into information. The marketing research process spans a number of stages, including the definition of a problem, development of a research plan, collection and interpretation of data and disseminating information formally in the form of a report. The task of marketing research is to provide management with relevant, accurate, reliable, valid, and current information. A distinction should be made between marketing research and market research. Market research pertains to research in a given market. As an example, a firm may conduct research in a target market, after selecting a suitable market
segment. In contrast, marketing research relates to all research conducted within marketing. Thus, market research is a subset of marketing research.

5. Market Segmentation

Market segmentation pertains to the division of a market of consumers into persons with similar needs and wants. For instance, Kellogg's cereals, Frosties are marketed to children. Crunchy Nut Cornflakes are marketed to adults. Both goods denote two products which are marketed to two distinct groups of persons, both with similar needs, traits, and wants. Market segmentation allows for a better allocation of a firm's finite resources. A firm only possesses a certain amount of resources. Accordingly, it must make choices (and incur the related costs) in servicing specific groups of consumers. In this way, the diversified tastes of contemporary Western consumers can be served better. With growing diversity in the tastes of modern consumers, firms are taking note of the benefit of servicing a multiplicity of new markets.

6. Marketing Planning

The marketing planning process involves forging a plan for a firm's marketing activities. A marketing plan can also pertain to a specific product, as well as to an organization's overall marketing strategy. Generally speaking, an organization's marketing planning process is derived from its overall business strategy. Thus, when top management is devising the firm's strategic direction or mission, the intended marketing activities are incorporated into this plan. There are several levels of marketing objectives within an organization. The senior management of a firm would formulate a general business strategy for a firm. However, this general business strategy would be interpreted and implemented in different contexts throughout the firm.

7. Marketing Strategy

The field of marketing strategy encompasses the strategy involved in the management of a given product. A given firm may hold numerous products in the marketplace, spanning numerous and sometimes wholly unrelated industries. Accordingly, a plan is required in order
to effectively manage such products. Evidently, a company needs to weigh up and ascertain how to utilize its finite resources. For example, a start-up car manufacturing firm would face little success should it attempt to rival Toyota, Ford, Nissan, Chevrolet, or any other large global car maker. Moreover, a product may be reaching the end of its life-cycle. Thus, the issue of divest, or a ceasing of production, may be made. Each scenario requires a unique marketing strategy. Listed below are some prominent marketing strategy models.

8. Services Marketing

Services marketing relates to the marketing of services, as opposed to tangible products. A service (as opposed to a good) is typically defined as follows:

(a) The use of it is inseparable from its purchase (i.e., a service is used and consumed simultaneously)
(b) It does not possess material form, and thus cannot be touched, seen, heard, tasted, or smelled.
(c) The use of a service is inherently subjective, meaning that several persons experiencing a service would each experience it uniquely.

For example, a train ride can be deemed a service. If one buys a train ticket, the use of the train is typically experienced concurrently with the purchase of the ticket. Although the train is a physical object, one is not paying for the permanent ownership of the tangible components of the train.

Services (compared with goods) can also be viewed as a spectrum. Not all products are pure goods, nor are all pure services. An example would be a restaurant, where a waiter's service is intangible, but the food is tangible.

9. Marketing Mix

In the market a lot of business activities are carried to meet the requirements of customers and business. These activities are numerous. The activities start from maketing research, need
identification, market segmentation, product design, product modification, branding, packaging, product launching, pricing, changes in prices, advertising, personal selling, publicity, sales promotion, distribution, feedback etc. It is very difficult to remember these activities. For our easy understanding these activities are divided into various groups so that we can remember easily. For products the marketing activities are divided into four groups and for services these are divided into seven groups. Together these groups are called marketing mix. The term "marketing mix" was coined in 1953 by Neil Borden in his American Marketing Association presidential address. However, this was actually a reformulation of an earlier idea by his associate, James Culliton, who in 1948 described the role of the marketing manager as a "mixer of ingredients", who sometimes follows recipes prepared by others, sometimes prepares his own recipe as he goes along, sometimes adapts a recipe from immediately available ingredients, and at other times invents new ingredients no one else has tried.\[1\] A prominent marketer, E. Jerome McCarthy, proposed a Four P classification in 1960, which has seen wide use. The Four P's concept is explained in most marketing textbooks and classes.

10. Elements of Marketing Mix

Elements of the marketing mix are often referred to as the 4Ps because products, price, promotion, and placement are four groups of marketing activities and each starts with alphabet P that is why these are called four Ps of marketing. These are explained below;

(a) Product
It is a tangible object or an intangible service that is mass produced or manufactured on a large scale with a specific volume of units. Intangible products are service based like the tourism industry & the hotel industry or codes-based products like cell phone load and credits. Typical examples of a mass produced tangible object are the motor car and the disposable razor. A less obvious but ubiquitous mass produced service is a computer operating system. Packaging also needs to be taken into consideration. Every product is subject to a life-cycle including a growth phase followed by an eventual period of decline as the product approaches
market saturation. To retain its competitiveness in the market, product differentiation is required and is one of the strategies to differentiate a product from its competitors.

(b) Price
The price is the amount a customer pays for the product. The business may increase or decrease the price of product if other stores have the same product. The price is decided by the making managers according to the products features, demand and supply conditions, level of competition, profit margin and operating costs etc. It is to be decided very carefully. It is not proper then it may have the deterrent effect on the sales and profits both. If required time to time it is to be adjusted also. Different types of prices are being used by the companies time to time.

(c) Place
Place represents the location where a product can be purchased. It is often referred to as the distribution channel. It can include any physical store as well as virtual stores on the Internet. To sell the products to the customers it is required they should meet the point where it is available. Either the customers can buy from the factory of the company or stores or markets. It is to be decided by the management according to the nature of the products. All customers cannot reach to the factory of the company for all products. So these are to be made available at the suitable place from where the products can be bought. Proper decisions are to be taken regarding this.

(d) Promotion
It represents all of the communications that a marketer may use in the marketplace. Promotion has four distinct elements: advertising, public relations, personal selling and sales promotion. A certain amount of crossover occurs when promotion uses the four principal elements together, which is common in film promotion. Advertising covers any communication that is paid for, from cinema commercials, radio and Internet adverts through print media and billboards. Public relations are where the communication is not directly paid for and includes press releases, sponsorship deals, exhibitions, conferences, seminars or trade fairs and events. Word of mouth is any apparently informal communication about the product by ordinary
individuals, satisfied customers or people specifically engaged to create word of mouth momentum. Sales staff often plays an important role in word of mouth and Public Relations (see Product above.

Any organization, before introducing its products or services into the market; conducts a market survey. The sequence of all 'P's as above is very much important in every stage of product life cycle Introduction, Growth, Maturity and Decline. More recently, three more Ps have been added to the marketing mix namely People, Process and Physical Evidence. This marketing mix is known as Extended Marketing Mix for services.

(e) People
All people involved with consumption of a service are important. For example workers, management, consumers etc. It also defines the market segmentation, mainly demographic segmentation. It addresses particular class of people for whom the product or service is made available. The involvement of people like service providers and customers is there. There should be proper match between them to service the customers in a better way.

(f) Process
Procedure, mechanism and flow of activities by which services are used are parts of process. Also the 'Procedure' how the product will reach the end user must be decided. A particular type of service is to be provided for that purpose a set of activities are to be performed. These are to be arranged in a logical sequence and that is called process. Without process the service cannot be provided.

(g) Physical Evidence
The marketing strategy should include effectively communicating their satisfaction to potential customers. The service cannot be provided in isolation. For that purpose the requirement of physical evidence is there. The physical evidence includes building, interiors, and other products to deliver the service etc. For banking service the requirement of bank building. Interior cabins, computer, pass books and cheque books, ATM machines etc are part of physical evidence.
11. Four Cs Model 1 in 7Cs Compass model

A formal approach to this customer-focused marketing mix is known as Four Cs (Commodity, Cost, Channel, Communication) in “7Cs compass model.” Koichi Shimizu proposed a four Cs classification in 1973. This system is basically the four Ps renamed and reworded to provide a customer focus. The four Cs Model provides a demand/customer centric version alternative to the well-known four Ps supply side model (product, price, place, promotion) of marketing management. The Four Cs model is more consumer-oriented and attempts to better fit the movement from mass marketing to symbiotic marketing.

(a) Commodity: (Original meaning of Latin: Commodus=convenient) the product for the consumers or a commodity can also be described as an raw material such as; oil, metal ores and wheat, the price of these tend to change on a daily basis, due to the demand and supply of these commodities.

(b) Cost: It makes sacrifices) producing cost, selling cost, purchasing cost and social cost.

(c) Channel: Flow of commodity: marketing channels. The products to reach to the customers from the manufacturers and suppliers.

(d) Communication: marketing communication: It doesn't promote the sales.

(Framework of 7 Cs compass model)

(a) (C1): Corporation and competitors: The core of 4Cs is corporation and organization, while the core of 4Ps is customers who are the targets for attacks or defenses.

(b) (C2) : Commodity, (C3) : Cost, (C4) : Channel, (C5) : Communication

(c) (C6): Consumer (Needle of compass to Consumer) The factors related to customers can be explained by the first character of four directions marked on the compass model: N = Needs, W = Wants, S = Security and E = Education (consumer education).

(d) (C7) : Circumstances (Needle of compass to Circumstances )
In addition to the customer, there are various uncontrollable external environmental factors encircling the companies. Here it can also be explained by the first character of the four directions marked on the compass model --- N = National and International C, W=Weather, S = Social and Cultural C, E = Economic (Circumstances).

12. Four Cs Model 2

Robert F. Lauterborn proposed a four Cs(2) classification in 1993. The Four Cs model is more consumer-oriented and attempts to better fit the movement from mass marketing to niche marketing. The Product part of the Four Ps model is replaced by Consumer or Consumer Models, shifting the focus to satisfying the consumer needs. Another C replacement for Product is Capable. By defining offerings as individual capabilities that when combined and focused to a specific industry, creates a custom solution rather than pigeon-holing a customer into a product. Pricing is replaced by Cost reflecting the total cost of ownership. Many factors affect Cost, including but not limited to the customer's cost to change or implement the new product or service and the customer's cost for not selecting a competitor's product or service. Placement is replaced by Convenience. With the rise of internet and hybrid models of purchasing, Place is becoming less relevant. Convenience takes into account the ease of buying the product, finding the product, finding information about the product, and several other factors. Finally, the Promotions feature is replaced by Communication which represents a broader focus than simply Promotions. Communications can include advertising, public relations, personal selling, viral advertising, and any form of communication between the firm and the consumer. The four Ps are (product, promotion, price, and place)
These four P's are the parameters that the marketing manager can control, subject to the internal and external constraints of the marketing environment. The goal is to make decisions that center the four P's on the customers in the target market in order to create perceived value and generate a positive response. Marketing strategies are to be prepared on each P so that the plans can be achieved effectively in stiff competitive situation in the markets. These are to be adjusted time to time for effective results.

13. Limitations of the Marketing Mix Framework

The marketing mix framework was particularly useful in the early days of the marketing concept when physical products represented a larger portion of the economy. Today, with marketing more integrated into organizations and with a wider variety of products and markets, some authors have attempted to extend its usefulness by proposing a fifth P, such as packaging, people, process, etc. Today however, the marketing mix most commonly remains
based on the 4 P's. Despite its limitations and perhaps because of its simplicity, the use of this framework remains strong and many marketing textbooks have been organized around it.

14. Meaning of Promotion

Promotion is one of the four elements of marketing mix (product, price, promotion, distribution). It is the communication link between sellers and buyers for the purpose of influencing, informing, or persuading a potential buyer's purchasing decision. Promotion is defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea. Promotion is best viewed as the communication function of marketing. In short we can say that the strategy to get hike and to create awareness. The promotional mix is defined as the basic tools or elements that are used to accomplish an organization’s objectives. The role and function of each promotional mix element in the marketing program has both advantages and limitations. It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is commonly known as "promotion". A business' total marketing communications programme is called the "promotional mix" and consists of a blend of advertising, personal selling, sales promotion and public relations tools. In this revision note, we describe the four key elements of the promotional mix in more detail.

The specification of five elements creates a promotional mix or promotional plan. These elements are personal selling, advertising, sales promotion, direct marketing, and publicity.[2] A promotional mix specifies how much attention to pay to each of the five subcategories, and how much money to budget for each. A promotional plan can have a wide range of objectives, including: sales increases, new product acceptance, creation of brand equity, positioning, competitive retaliations, or creation of a corporate image. Fundamentally, however there are three basic objectives of promotion. These are:[3]

1. To present information to consumers as well as others
2. To increase demand
3. To differentiate a product.
There are different ways to promote a product in different areas of media. Promoters use internet advertisement, special events, endorsements, and newspapers to advertise their product. Many times with the purchase of a product there is an incentive like discounts, free items, or a contest. This is to increase the sales of a given product.

15. Elements of Promotion Mix

Marketing utilizes many techniques to promote a new and existing products or services. Utilizing all possible outlets for spreading the word on a product is known as its promotion mix. Using a combination of the seven major promotional tools, ranging from advertising to direct marketing, is the usual method for rolling out a product. How these seven are utilized varies greatly from company to company and product to product. For promotion of the products or services there are different objectives time to time and for that purpose the methods used for promotion are also different. The available methods can be used in combination as per requirements and there is no hard and fast rule for that. The promotion strategy is to be prepared by the company management to meet the objectives. The methods or techniques used in promotion are advertising, personal selling, sales promotion, publicity, direct marketing, corporate image etc. The elements of the promotions mix are integrated to form a coherent campaign. As with all forms of communication, the message from the marketer follows the 'communications process. For example, a radio advert is made for a car manufacturer. The car manufacturer (sender) pays for a specific advert with contains a message specific to a target audience (encoding). It is transmitted during a set of commercials from a radio station. The message is decoded by a car radio (decoding) and the target consumer interprets the message (receiver). He or she might visit a dealership or seek further information from a web site (Response). The consumer might buy a car or express an interest or dislike (feedback). This information will inform future elements of an integrated promotional campaign. Out of these the first four are main elements and these are explained below:

(a) Personal Selling

Personal Selling is an effective way to manage personal customer relationships. The sales person acts on behalf of the organization. They tend to be well trained in the approaches and
techniques of personal selling. However sales people are very expensive and should only be used where there is a genuine return on investment. For example salesmen are often used to sell cars or home improvements where the margin is high. Personal selling is another factor in the promotion mix, but it is not utilized by every organization. This involves an interpersonal relationship between buyer and seller. Examples of this include telemarketing, door-to-door sales and sales meetings with incentives.

(b) Sales Promotion.
Sales promotion tends to be thought of as being all promotions apart from advertising, personal selling, and public relations. For example the BOGOF promotion, or Buy One Get One Free. Others include couponing, money-off promotions, competitions, free accessories (such as free blades with a new razor), introductory offers (such as buy digital TV and get free installation), and so on. Each sales promotion should be carefully decided and compared with the next best alternative. Different parties are involved in sales promotion like salesmen, traders and customers. All these parties are to be taken care of to get the desired results from them. For this a number of methods are being used in the markets for different products.

(c) Public Relations (PR).
Public Relations is defined as 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics' (Institute of Public Relations). It is relatively cheap, but certainly not cheap. Successful strategies tend to be long-term and plan for all eventualities. All airlines exploit PR; just watch what happens when there is a disaster. The pre-planned PR machine clicks in very quickly with a very effective rehearsed plan. Similarly way the publicity can be made regarding the products and services by words of mouth. This is a very reliable method of promotion.

(d) Direct Mail
Direct mail is very highly focused upon targeting consumers based upon a database. The customers are selected for promotion target. Creative agencies work with marketers to design a highly focused communication in the form of a mailing. The mail is sent out to the potential consumers and responses are carefully monitored. For example, if you are marketing medical text books, you would use a database of doctors' surgeries as the basis of your mail shot.
(e) Trade Fairs and Exhibitions
Such approaches are very good for making new contacts and renewing old ones. Companies will seldom sell much at such events. The purpose is to increase awareness and to encourage trial. They offer the opportunity for companies to meet with both the trade and the consumer. Expo has recently finish in Germany with the next one planned for Japan in 2005, despite a recent decline in interest in such events.

(f) Advertising
Advertising easily is the most popular element of the promotion mix. This represents paid promotional placement of a product. Advertisements come in a wide range of types, from print advertisement to television commercials, web page banners and more. These usually are targeted to a specific audience. Advertising is a 'paid for' communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising 'media' such as newspapers (local, national, free, trade), magazines and journals, television (local, national, terrestrial, satellite) cinema, outdoor advertising (such as posters, bus sides).

(g) Sponsorship
Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization. The elements of the promotional mix are then integrated to form a unique, but coherent campaign. Out of these methods the advantages and disadvantages are considered for promotion mix decision. The promotion methods are selected to support each other so that the promotion campaign should go successful

16. Advantages and Disadvantages of Each Element

For comparative study of each element of promotion six are studies. On the basis of the comparative study the relative worth of each element would be known to the managers. The table given below shows all advantages and disadvantages in brief:
<table>
<thead>
<tr>
<th>Mix Element</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advertising</strong></td>
<td>Good for building awareness</td>
<td>Impersonal - cannot answer all a customer's questions</td>
</tr>
<tr>
<td></td>
<td>Effective at reaching a wide audience</td>
<td>Not good at getting customers to make a final purchasing decision</td>
</tr>
<tr>
<td></td>
<td>Repetition of main brand and product positioning helps build customer trust</td>
<td></td>
</tr>
<tr>
<td><strong>Personal Selling</strong></td>
<td>Highly interactive - lots of communication between the buyer and seller</td>
<td>Costly - employing a sales force has many hidden costs in addition to wages</td>
</tr>
<tr>
<td></td>
<td>Excellent for communicating complex / detailed product information and features</td>
<td>Not suitable if there are thousands of important buyers</td>
</tr>
<tr>
<td></td>
<td>Relationships can be built up - important if closing the sale make take a long time</td>
<td></td>
</tr>
<tr>
<td><strong>Sales Promotion</strong></td>
<td>Can stimulate quick increases in sales by targeting promotional incentives on particular products</td>
<td>If used over the long-term, customers may get used to the effect</td>
</tr>
<tr>
<td></td>
<td>Good short term tactical tool</td>
<td>Too much promotion may damage the brand image</td>
</tr>
<tr>
<td><strong>Public Relations</strong></td>
<td>Often seen as more &quot;credible&quot; - since the message seems to be coming from a third party (e.g. magazine, newspaper)</td>
<td>Risk of losing control - cannot always control what other people write or say about your product</td>
</tr>
<tr>
<td></td>
<td>Cheap way of reaching many customers - if the publicity is achieved through the right media</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 3.2: Advertising

1. Introduction
2. Definitions of Advertising
3. Characteristics of Advertising
4. Advertising Objectives
5. Types of Advertising
6. Advertising Approaches
7. Current Trends in Advertising
8. Importance of Advertising
3.2: Advertising

1. Introduction

Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideas, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action. The meaning of word advertising in previous century was limited only ‘to give notice of’ but in modern world it is used in specific commercial form. So advertising means to inform the public about the item or quality and price and motivate the public to invest money to help increase the sale of commodity. In other words it is pictorial salesmanship presented through printed or written words.

Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Non-commercial advertisers who spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement. Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Mass media can be defined as any media meant to reach a mass amount of people. Different types of media can be used to deliver these messages, including traditional media such as newspapers, magazines, television, radio, outdoor or direct mail; or new media such as websites and text messages. As it is known today, advertisements are parts of our daily lives since in every magazine, newspaper, TV, radio, internet we read or view advertisements with plenty of them repeatedly. In 2010, spending on advertising was estimated at more than $300 billion in the United States and $500 billion worldwide; nationally, the largest ("big four") advertising conglomerates are Interpublic, Omnicom, Publicis, and WPP.
2. Definitions of Advertising

The concept of advertising has been defined by many experts from time to time. They all have agreed on one definition. Some of the definitions are given below:

(a) "Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." According to Bovee,

(b) In the words of Jones, “Advertising is a sort of machine-made mass production method of selling, which supplements the voice and personality of the individual salesman much as in manufacturing the machine supplements the hands of the craftsmen.”

(c) According to Jon Shubin, “Advertising is the art of disseminating marketing information through various media of communication at the expense of the company for the purpose of increasing or maintaining effective demand.”

(d) According to Starch, “Advertising may be defined as the presentation of a proposition usually in print to the people in such a way that they may be induced to act upon it.”

(e) Defined by Willian. J. Stanton, “Advertising consists of all the activities in presenting to a group, a non-personal, visual, openly sponsored message regarding a product, service or idea.”

(f) According to Dr. Burden, “Advertisement includes those activities by which visual or oral messages are addressed to the public for purpose of informing them either to any merchandise, to act, to inclined favourably towards ideas, institution or persons featured.”

In this manner advertising is an impersonal or non-personal salesmanship in which through various sources consumers are informed about the products or services and motivated to purchase the goods. Advertising is bringing a product (or service) to the attention of potential and current customers. Advertising is focused on one particular product or service. Thus, an advertising plan for one product might be very different than that for another product. Advertising is typically done with signs, brochures, commercials, direct mailings or e-mail messages, personal contact etc.
3. Characteristics of Advertising

From the study of definitions quoted by various experts in the field of Advertising the following characteristics are summarized:

(a) Use of a Variety of Techniques
Celebrities and spokes persons, role playing, fantasy characters, children and puppies, music, drama, significant imagery, and creative media buying. Advertising is a complex voice of marketing.

(b) Advertising as a Strategic Move
Every great advertisement is strategically sound. In other words, it is carefully directed to a certain audience, it is driven by specific objects, its message is crafted to speak to that audience's most important concerns, and it is run in media that will most effectively reach that audience. The measure of an advertisement's success is how well it achieves its goals, whether they are increased sales, rememberability, attitude change or brand awareness.

(c) Creative Concept
The creative concept is a central idea that gets the attention and prevails in the consumer's mindset. A concern of creative thinking drives the entire field of advertising. Planning the strategy calls for creative problem solving, research efforts are creative; the buying and placing of the advertisements in the media (newspapers / television) are creative.

(d) Publicize Ideas of Products or Services
To advertise a thing is to publicize it. Now it is available to all. It must be known to all. They all should realize its value and importance. They will come to know the plus points. We may communicate with one another thorough advertisement. World is going to be a small global village as soon as possible. So we cannot deny the value of advertisement. It conveys the message to create awareness, remind, persuade for action and to retain customers.
(e) **Demonstrate Value**

It demonstrates the value of the products or services of the sponsored. By demonstrating value in advertisements the company gives its prospects a clean idea of the benefits provided and a clean reason to buy from you. Along with demonstrating value it can help the company to get competitive advantage.

(f) **Focus on client requirement**

The advertisements are prepared as per the plan and objective of the client. The message of client is given to the target prospects to convince to buy products and service or to take certain actions. The objective of client is making in preparation of an advertisement. It may to create awareness, remind, persuade and retain customers. If it is not prepared as per the requirement then it may not be a successful advertisement. The efforts would be in vain and a costly affair. Advertisement prepared as per the requirement of client would bring more customers, profits and business to the company.

(g) **Paid Form of Presentation**

Advertising is a paid form of presentation of ideas about products or service offered by the company. Here the message of the sponsor is communicated to the target customers regarding products or services. The expenses are met by the sponsors. It is different from publicity because in it no money is paid. Some of the sponsors are spending a huge amount on advertisements.

(h) **Non Personal Message**

Advertisement is given by the company or sponsor regarding their services or products offered to the customers. The attributes of products and services are explained through advertisements. No personal message is given in the advertisements by the sponsors. It may give the message regarding the company to develop public relations but not about individual owner or partners.
(i) Identified Sponsor
The advertisement is prepared by the advertising agency for its client. The client is the party that gives order to the agency to prepare and plan for media for advertisement. The client is the management of the company and that is identified. The money is spent by the identified sponsor. If required then the identified sponsor can be contacted for correction, legal action or false claims in advertisement.

4. Advertising Objectives

An objective can be defined as "something toward which efforts are put achieve it. Whatever the concerned party wants to achieve and for that efforts are put is called objective. Every organization should have objectives to provide a framework for action. Now, for advertising the objective is whatever the advertiser wants to achieve through the advertisements. In advertising, the well-developed campaign has aims and goals. Good objectives provide the advertiser with guidance and direction for the development of the campaign. Further the objective helps in evaluating the actual performance of the advertising whether it has been achieved or not.

The objectives are divided generally in two groups and these direct and indirect action objectives. Direct-action objectives are when efforts are put and results are achieved. These are easily measured in terms sales, profits, number of customers attracted etc. Indirect action objectives are when efforts are put but the result is not direct or immediate. The effect is in long run. When advertising is made to develop image of the company, changing consumers’ behaviour and developing public- corporate relations is called indirect action objectives. No immediate effect can be attributed to such ads in most situations. In other words, the evaluation process for ads with indirect-action (communication) objectives is much more subjective than is the case for the sales or action-oriented advertising effort.

There may be many objectives of advertising for the company time to time when they are giving advertisements. The objectives also vary situation to situation. However, the main objectives of advertising are summarized as follows:
(a) To create Awareness
The first objective of advertising is to create awareness among customers regarding the products or services the company offers for them first time. The customers are not knowing about the new product or service has been launched by the company. At that time the advertisement is given with the objective to inform them regarding the efforts of the company. This objective is only to create awareness of the prospects. For example, when a company introduces its new model of a car first time and interested to inform customers regarding this.

(b) To Remind the Customers
When the advertiser gives advertisement second time or repeatedly its objective is not to inform first time to create awareness but to remind regarding the first advertisement. Further, when the company is interested to inform its existing customers regarding its products or services already existing in market is to remind the customers. They should not forget the offers of the advertisers. This helps in keeping update knowledge of the customers regarding products availability in the markets. Most of the companies are giving advertisement with this objective in market competitive situation.

(c) To Persuade Customers
The advertiser is giving advertisements with the interest to remind them repeatedly so that it would become difficult for them to avoid advertisement. One day sooner or later they have to pay attention and agree for the products of the company. The efforts are to make them agree for buying the products of the company. The objective is to persuade them for the desired action. Only thing is that if time taken by the customer to get persuade is longer than it may be costly for the advertiser due to repeated advertisements for longer period.

(d) To Retain Existing Customers
Another objective of advertising is to retain the existing customers. The company is interested to keep its existing customers regarding products attributes, new changes, improvements etc. They should continue with their products and should not change over to the products of their competitors. It is very easy to lose a customer but difficult to retain a customer. In markets, the companies are putting their sincere efforts in advertising with the objective to keep their
customers well intact. With retaining the customers the company can sustain its sales, profits and market shares.

(e) To Neutralize Competition
In markets the companies are facing stiff competition in most of the areas. It has become very difficult for them to carry out their business effectively and efficiently. It is a matter of survival, growth, stabilise and excel in their business. Every competitor is putting sincere efforts to taken the advantage. For fighting this situation the advertisers are giving advertisements with the objectives to keep them in the race in the market. Therefore, the objective of advertising given is to neutralize competition effect.

From the situation of the market, it has been observed that the objectives of the companies are not same all the times. These vary from time to time. But the objectives are out of the above mentioned objectives individually or in combination.

5. Types of Advertising

Advertising is a form of communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon products, ideals, or services. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These brands are usually paid for or identified through sponsors and viewed via various media. Advertising can also serve to communicate an idea to a mass amount of people in an attempt to convince them to take a certain action, such as encouraging 'environmentally friendly' behaviors, and even unhealthy behaviors through food consumption, video game and television viewing promotion, and a "lazy man" routine through a loss of exercise. Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Mass media can be defined as any media meant to reach a mass amount of people. Several types of mass media are television, internet, radio, news programs, and published pictures and articles.

Commercial advertisers often seek to generate increased consumption of their products or services through branding, which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Different types
of media can be used to deliver these messages, including traditional media such as newspapers, magazines, television, radio, outdoor or direct mail; or new media such as websites and text messages. Advertising may be placed by an advertising agency on behalf of a company or other organization. Non-commercial advertisers that spend money to advertise items other than a consumer product or service include political parties, interest groups, religious organizations and governmental agencies. Nonprofit organizations may rely on free modes of persuasion, such as a public service announcement. On the basis of its targets, sponsors, media, objectives etc. there are different types of advertising. These are explained below:

(a) TV Advertising
The digital technology is being used for advertising TV, ratio etc. The TV commercial is generally considered the most effective mass-market advertising format, as is reflected by the high prices TV networks charge for commercial airtime during popular TV events. The annual Super Bowl football game in the United States is known as the most prominent advertising event on television. The average cost of a single thirty-second TV spot during this game has reached US$3 million (as of 2009). The majority of television commercials featured a song or jingle that listeners soon relate to the product. Virtual advertisements may be inserted into regular television programming through computer graphics. It is typically inserted into otherwise blank backdrops or used to replace local billboards that are not relevant to the remote broadcast audience. More controversially, virtual billboards may be inserted into the background where none exist in real-life. This technique is especially used in televised sporting events Virtual product placement is also possible.

(b) Infomercials
An infomercial is a long-format television commercial, typically five minutes or longer. The word "infomercial" is a portmanteau of the words "information" & "commercial". The main objective in an infomercial is to create an impulse purchase, so that the consumer sees the presentation and then immediately buys the product through the advertised toll-free telephone number or website. Infomercials describe, display, and often demonstrate products and their features, and commonly have testimonials from consumers and industry professionals.
(c) **Radio Advertising**

Radio advertising is a form of advertising via the medium of radio. Radio advertisements are broadcast as radio waves to the air from a transmitter to an antenna and thus to a receiving device. Airtime is purchased from a station or network in exchange for airing the commercials. While radio has the obvious limitation of being restricted to sound, proponents of radio advertising often cite this as an advantage. Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station, however, at least three options exist that offer national and potentially international coverage. First, in many countries there are radio networks that use many geographically distinct stations to broadcast simultaneously. In the United States such networks as Disney (children’s programming) and ESPN (sports programming) broadcast nationally either through a group of company-owned stations or through a syndication arrangement (i.e., business agreement) with partner stations. Second, within the last few years the emergence of radio programming delivered via satellite has become an option for national advertising. Finally, the potential for national and international advertising may become more attractive as radio stations allow their signals to be broadcast over the Internet.

(d) **Internet Advertising**

The fastest growing media outlet for advertising is the Internet. Compared to spending in other media, the rate of spending for Internet advertising is experiencing tremendous growth and in the U.S. trails only newspaper and television advertising in terms of total spending. Internet advertising’s influence continues to expand and each year more major marketers shift a larger portion of their promotional budget to this medium. Two key reasons for this shift rest with the Internet’s ability to: narrowly target an advertising message and, track user response to the advertiser’s message.

The Internet offers many advertising options with messages delivered through websites or by email.

(i) **Website Advertising:** Advertising tied to a user’s visit to a website accounts for the largest spending on Internet advertising. For marketers, website advertising offers many options in terms of:
• Creative types – Internet advertising allows for a large variety of creative types including text-only, image-only, multimedia (e.g., video) and advanced interactive (e.g., advertisement in the form of online games).

• Size – In addition to a large number of creative types, Internet advertisements can be delivered in a number of different sizes (measured in screen pixels) ranging from full screen to small square ads that are only a few pixels in size. The most popular Internet ad sizes include banner ads (468 x 60 pixels), leaderboard (728 x 90 pixels) and skyscraper (160 x 600 pixels).

• Placement – The delivery of an Internet advertisement can occur in many ways including fixed placement in a certain website location (e.g., top of page), processed placement where the ad is delivered based on user characteristics (e.g., entry of words in a search box, recognition of user via Internet tracking cookies), or on a separate webpage where the user may not see the ad until they leave a site or close their browser (e.g., pop-under).

• Delivery – When it comes to placing advertisements on websites marketers can, in some cases, negotiate with websites directly to place an ad on the site or marketers can place ads via a third-party advertising network, which has agreements to place ads on a large number of partner websites.

(ii) Email advertising: Using email to deliver an advertisement affords marketers the advantage of low distribution cost and potentially high reach. In situations where the marketer possesses a highly targeted list, response rates to email advertisements may be quite high. This is especially true if those on the list have agreed to receive email, a process known as “opt-in” marketing. Email advertisement can take the form of a regular email message or be presented within the context of more detailed content, such as an electronic newsletter. Delivery to a user’s email address can be viewed as either plain text or can look more like a website using web coding (i.e., HTML). However, as most people are aware, there is significant downside to email advertising due to highly publicized issues related to abuse.

(e) Product Placements
Covert advertising, also known as guerrilla advertising, is when a product or brand is embedded in entertainment and media. For example, in a film, the main character can use an
item or other of a definite brand, as in the movie Minority Report, where Tom Cruise's character John Anderton owns a phone with the Nokia logo clearly written in the top corner, or his watch engraved with the Bulgari logo. Another example of advertising in film is in I, Robot, where main character played by Will Smith mentions his Converse shoes several times, calling them "classics," because the film is set far in the future. I, Robot and Spaceballs also showcase futuristic cars with the Audi and Mercedes-Benz logos clearly displayed on the front of the vehicles. Cadillac chose to advertise in the movie The Matrix Reloaded, which as a result contained many scenes in which Cadillac cars were used. Similarly, product placement for Omega Watches, Ford, VAIO, BMW and Aston Martin cars are featured in recent James Bond films, most notably Casino Royale. In "Fantastic Four: Rise of the Silver Surfer", the main transport vehicle shows a large Dodge logo on the front. Blade Runner includes some of the most obvious product placement; the whole film stops to show a Coca-Cola billboard.

(f) Press Advertising

Press advertising describes advertising in a printed medium such as a newspaper, magazine, or trade journal. This encompasses everything from media with a very broad readership base, such as a major national newspaper or magazine, to more narrowly targeted media such as local newspapers and trade journals on very specialized topics. A form of press advertising is classified advertising, which allows private individuals or companies to purchase a small, narrowly targeted ad for a low fee advertising a product or service. There are several tips on making a print ad stand out more. The attached hyperlink will show you a youtube video about these tips Link label.

(g) Billboard Advertising

Billboards are large structures located in public places which display advertisements to passing pedestrians and motorists. Most often, they are located on main roads with a large amount of passing motor and pedestrian traffic; however, they can be placed in any location with large amounts of viewers, such as on mass transit vehicles and in stations, in shopping malls or office buildings, and in stadiums.
(h) Mobile Billboard Advertising
Mobile billboards are generally vehicle mounted billboards or digital screens. These can be on dedicated vehicles built solely for carrying advertisements along routes preselected by clients, they can also be specially equipped cargo trucks or, in some cases, large banners strewn from planes. The billboards are often lighted; some being backlit, and others employing spotlights. Some billboard displays are static, while others change; for example, continuously or periodically rotating among a set of advertisements. Mobile displays are used for various situations in metropolitan areas throughout the world, including: Target advertising, one-day, and long-term campaigns, Conventions, Sporting events, Store openings and similar promotional events, and Big advertisements from smaller companies.

(i) In-store Advertising
In-store advertising is any advertisement placed in a retail store. It includes placement of a product in visible locations in a store, such as at eye level, at the ends of aisles and near checkout counters, eye-catching displays promoting a specific product, and advertisements in such places as shopping carts and in-store video displays.

(j) Celebrity Branding
This type of advertising focuses upon using celebrity power, fame, money, popularity to gain recognition for their products and promote specific stores or products. Advertisers often advertise their products, for example, when celebrities share their favorite products or wear clothes by specific brands or designers. Celebrities are often involved in advertising campaigns such as television or print adverts to advertise specific or general products. The use of celebrities to endorse a brand can have its downsides, however. One mistake by a celebrity can be detrimental to the public relations of a brand. For example, Amitabh Bachchan appeared in many advertisements. For adverse effect, when a celebrity involved in illegal or unsocial activities, the ads contracts are cancelled also.

(k) Sales Promotions Advertising
The objective in advertising is to give message regarding sales promotion schemes to the target customers. Sales promotions are another way to advertise. Sales promotions are double
purposed because they are used to gather information about what type of customers you draw in and where they are, and to jumpstart sales. Sales promotions include things like contests and games, sweepstakes, product giveaways, samples coupons, loyalty programs, and discounts. The ultimate goal of sales promotions is to stimulate potential customers to action.

**Public Service Advertising**

The commercial advertising techniques are used to promote social issues to inform, educate and motivate the public about non-commercial issues, such as blood donation, eye camps, and family planning, save girl child, HIV/AIDS, polio eradication programme, political ideology, traffic safety, energy conservation, nature protection, pollution control, smoking, and deforestation. Advertising, in its non-commercial guise, is a powerful educational tool capable of reaching and motivating large audiences. Advertising justifies its existence when used in the public interest. Public service advertising, non-commercial advertising, public interest advertising, cause marketing, and social marketing are different terms for the use of sophisticated advertising and marketing communications techniques (generally associated with commercial enterprise) on behalf of non-commercial, public interest issues and initiatives.

In the United States, the granting of television and radio licenses by the FCC is contingent upon the station broadcasting a certain amount of public service advertising. To meet these requirements, many broadcast stations in America air the bulk of their required public service announcements during the late night or early morning when the smallest percentage of viewers are watching, leaving more day and prime time commercial slots available for high-paying advertisers. In India this type of advertising is used mainly by central, state and local governments in the interest of public. This is also used by NGOs also for charity and public interest. Its use is increasing day by day at least in India.

**Indirect Advertising**

It is called indirect or surrogate advertising. The advertisement of a product is not given directly but given indirectly. Surrogate advertising is prominently seen in cases where advertising a particular product is banned by law. Advertisement for products like cigarettes
or alcohol which are injurious to health are prohibited by law in several countries and hence these companies have to come up with several other products that might have the same brand name and indirectly remind people of the cigarettes or beer bottles of the same brand. Common examples include Fosters and Kingfisher beer brands, which are often seen to promote their brand with the help of surrogate advertising.

6. Advertising Approaches

Increasingly, other media are overtaking many of the "traditional" media such as television, radio and newspaper because of a shift toward consumer's usage of the Internet for news and music as well as devices like digital video recorders (DVRs) such as TiVo. Advertising on the World Wide Web is a recent phenomenon. Prices of Web-based advertising space are dependent on the "relevance" of the surrounding web content and the traffic that the website receives. Digital signage is poised to become a major mass media because of its ability to reach larger audiences for less money. Digital signage also offers the unique ability to see the target audience where they are reached by the medium. Technology advances has also made it possible to control the message on digital signage with much precision, enabling the messages to be relevant to the target audience at any given time and location which in turn, gets more response from the advertising. Digital signage is being successfully employed in supermarkets. Another successful use of digital signage is in hospitality locations such as restaurants and malls.

E-mail advertising is another recent phenomenon. Unsolicited bulk E-mail advertising is known as "e-mail spam". Spam has been a problem for email users for many years. Some companies have proposed placing messages or corporate logos on the side of booster rockets and the International Space Station. Controversy exists on the effectiveness of subliminal advertising (see mind control), and the pervasiveness of mass messages (see propaganda). Unpaid advertising (also called "publicity advertising"), can provide good exposure at minimal cost. Personal recommendations ("bring a friend", "sell it"), spreading buzz, or achieving the feat of equating a brand with a common noun (in the United States, "Xerox" = "photocopier", "Kleenex" = tissue, "Vaseline" = petroleum jelly, "Hoover" = vacuum cleaner, "Nintendo" (often used by those exposed to many video games) = video games, and "Band-
Aid" = adhesive bandage) — these can be seen as the pinnacle of any advertising campaign. However, some companies oppose the use of their brand name to label an object. Equating a brand with a common noun also risks turning that brand into a generalized trademark - turning it into a generic term which means that its legal protection as a trademark is lost.

As the mobile phone became a new mass media in 1998 when the first paid downloadable content appeared on mobile phones in Finland, it was only a matter of time until mobile advertising followed, also first launched in Finland in 2000. By 2007 the value of mobile advertising had reached $2.2 billion and providers such as Admob delivered billions of mobile ads. More advanced mobile ads include banner ads, coupons, Multimedia Messaging Service picture and video messages, advergames and various engagement marketing campaigns. A particular feature driving mobile ads is the 2D Barcode, which replaces the need to do any typing of web addresses, and uses the camera feature of modern phones to gain immediate access to web content. 83 percent of Japanese mobile phone users already are active users of 2D barcodes.

A new form of advertising that is growing rapidly is social network advertising. It is online advertising with a focus on social networking sites. This is a relatively immature market, but it has shown a lot of promises as advertisers are able to take advantage of the demographic information the user has provided to the social networking site. Friendvertising is a more precise advertising term in which people are able to direct advertisements toward others directly using social network service. From time to time, The CW Television Network airs short programming breaks called "Content Wraps," to advertise one company's product during an entire commercial break. The CW pioneered "content wraps" and some products featured were Herbal Essences, Crest, Guitar Hero II, Cover Girl, and recently Toyota. Recently, there appeared a new promotion concept, "ARvertising", advertising on Augmented Reality technology.

7. Current Trends in Advertising

Under liberalisation and globalization the companies are facing tough competition in the business in worldwide markets. It has become very difficult for them to sustain their positions
in markets. It has impact on advertising also. The major trends taken place in advertising are following:

(a) **Rise in New Media**

With the dawn of the Internet came many new advertising opportunities. Popup, Flash, banner, Popunder, advergaming, and email advertisements (the last often being a form of spam) 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. In the last three quarters of 2009 mobile and internet advertising grew by 18.1% and 9.2% respectively. Older media advertising saw declines: −10.1% (TV), −11.7% (radio), −14.8% (magazines) and −18.7% (newspapers).

(b) **Niche Marketing**

Another significant trend regarding future of advertising is the growing importance of the niche market using niche or targeted ads. Also brought about by 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 blanket the largest mass market audience possible. However, usage tracking, customer profiles and the growing popularity of niche content brought about by everything from blogs to social networking sites, provide advertisers with audiences that are smaller but much better defined, leading to ads that are more relevant to viewers and more effective for companies' marketing products. Among others, Comcast Spotlight is one such advertiser employing this method in their video on demand menus. These advertisements are targeted to a 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.
(c) 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. For the 2007 Super Bowl, the Frito-Lays division of PepsiCo held the Crash the Super Bowl contest, allowing consumers to create their own Doritos commercial. Chevrolet held a similar competition for their Tahoe line of SUVs. Due to the success of the Doritos user-generated ads in the 2007 Super Bowl, Frito-Lays re-launched the competition for the 2009 and 2010 Super Bowl. The resulting ads were among the most-watched and most-liked Super Bowl ads. In fact, the winning ad that aired in the 2009 Super Bowl was ranked by the USA Today Super Bowl Ad Meter as the top ad for the year while the winning ads that aired in the 2010 Super Bowl were found by Nielsen's Buzz Metrics to be the "most buzzed-about". This trend has given rise to several online platforms that host user-generated advertising competitions on behalf of a company. Founded in 2007, Zooppa has launched ad competitions for brands such as Google, Nike, Hershey’s, General Mills, Microsoft, NBC Universal, Zinio, and Mini Cooper. Crowd sourced advertisements have gained popularity in part to its cost effective nature, high consumer engagement, and ability to generate word-of-mouth. However, it remains controversial, as the long-term impact on the advertising industry is still unclear.

(d) Regulations in Advertising

In the US many communities believe that many forms of outdoor advertising blight the public realm. As long ago as the 1960s in the US there were attempts to ban billboard advertising in the open countryside. Cities such as São Paulo have introduced an outright ban with London also having specific legislation to control unlawful displays. There have been increasing efforts to protect the public interest by regulating the content and the influence of advertising. Some examples are: the ban on television tobacco advertising imposed in many countries, and the total ban of advertising to children under 12 imposed by the Swedish government in 1991. Though that regulation continues in effect for broadcasts originating within the country, it has been weakened by the European Court of Justice, which had found that Sweden was obliged to accept foreign programming, including those from neighboring countries or via satellite.
Greece’s regulations are of a similar nature, “banning advertisements for children's toys between 7 am and 10 pm and a total ban on advertisement for war toys”.

In Europe and elsewhere, there is a vigorous debate on whether (or how much) advertising to children should be regulated. This debate was exacerbated by a report released by the Kaiser Family Foundation in February 2004 which suggested fast food advertising that targets children was an important factor in the epidemic of childhood obesity in the United States. In New Zealand, South Africa, Canada, and many European countries, the advertising industry operates a system of self-regulation. Advertisers, advertising agencies and the media agree on a code of advertising standards that they attempt to uphold. The general aim of such codes is to ensure that any advertising is 'legal, decent, honest and truthful'. Some self-regulatory organizations are funded by the industry, but remain independent, with the intent of upholding the standards or codes like the Advertising Standards Authority in the UK.

In India the government is interested to take steps to check false claims through advertising. It misguides the customers. In future strict rules are expected from government to check mal practices in advertising. In the UK most forms of outdoor advertising such as the display of billboards is regulated by the UK Town and County Planning system. Currently the display of an advertisement without consent from the Planning Authority is a criminal offense liable to a fine of £2,500 per offence. All of the major outdoor billboard companies in the UK have convictions of this nature. Naturally, many advertisers view governmental regulation or even self-regulation as intrusion of their freedom of speech or a necessary evil. Therefore, they employ a wide-variety of linguistic devices to bypass regulatory laws (e.g. printing English words in bold and French translations in fine print to deal with the Article 120 of the 1994 Toubon Law limiting the use of English in French advertising). The advertisement of controversial products such as cigarettes and condoms are subject to government regulation in many countries. For instance, the tobacco industry is required by law in most countries to display warnings cautioning consumers about the health hazards of their products. Linguistic variation is often used by advertisers as a creative device to reduce the impact of such requirements.
(e) 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, maximising local effectiveness of ads, and increasing the company’s speed of implementation. Born from the evolutionary stages of global marketing are the three primary and fundamentally different approaches to the development of global advertising executions: exporting executions, producing local executions, and importing ideas that travel. Advertising research is the key to determining the success of an ad in any country or region. The ability to identify which elements and/or moments of an ad that contributes to its success is how economies of scale are maximised. Once one knows what works in an ad, that idea or ideas can be imported by any other market. Market research measures, such as Flow of Attention, Flow of Emotion and branding moments provide insight into what is working in an ad in any country or region because the measures are based on the visual, not verbal, elements of the ad

(f) Diversification
In the realm of advertising agencies, continued industry diversification has seen observers note that “big global clients don't need big global agencies any more”. This is reflected by the growth of non-traditional agencies in various global markets, such as Canadian business TAXI and SMART in Australia and has been referred to as "a revolution in the ad world".

(g) New technology
The ability to record shows on digital video recorders (such as TiVo) allow users to record the programs for later viewing, enabling them to fast forward through commercials. Additionally, as more seasons of pre-recorded box sets are offered for sale of television programs; fewer people watch the shows on TV. However, the fact that these sets are sold, means the company will receive additional profits from the sales of these sets. To counter this effect, many advertisers have opted for product placement on TV shows like Survivor.
(h) Advertising education
Advertising education has become widely popular with bachelor, master and doctorate degrees becoming available in the emphasis. A surge in advertising interest is typically attributed to the strong relationship advertising plays in cultural and technological changes, such as the advance of online social networking. A unique model for teaching advertising is the student-run advertising agency, where advertising students create campaigns for real companies. In India and abroad many universities and institutes have started advertising programmes at graduation and post graduation levels.

(i) Advertising research
Advertising research is a specialized form of research that works to improve the effectiveness and efficiency of advertising. It entails numerous forms of research which employ different methodologies. Advertising research includes pre-testing (also known as copy testing) and post-testing of ads and/or campaigns—pre-testing is done before an ad airs to gauge how well it will perform and post-testing is done after an ad airs to determine the in-market impact of the ad or campaign on the consumer. Advertising research is become more popular among

(j) Evidence-based Advertising
Evidence-based advertising refers to advertising principles, which have been proven through experimental studies. They can be applied to an advertising campaign with high confidence of increasing persuasiveness regardless of time and place. Principles are usually accompanied with various conditions, which must be taken into consideration when applying them. According to Professor J. Scott Armstrong from The Wharton School, evidence-based principles “draw upon typical practice, expert opinion, factual evidence and empirical evidence.”

(k) Advertising Skills
The scope of advertising has a lot of future to go because in present life the technology has been increased that much. The advertising task is becoming more and more complex. It needs higher degree of skills for better performance The scope of advertising management mainly depends on the change in technology, for example now-a-days advertising can make a blender
by increase the sale of one thing to many people by publicity such publicity can create along sale and services towards the product used by them. Only higher required skilled persons can meet the requirements of advertising campaigns.

8. Importance of Advertising

Advertising is a favorable representation of product to make consumer, customers and general public aware of product. It let the potential buyers, general public and end users to be aware and familiar with the brands and their goods and services. Advertising can be define as a paid form of non – professional but encouraging, complimenting and positively favorable presentation of goods and services to a group of people by an identified sponsor. It does not include distribution of free samples or offering bonuses, these are sales promotion. In simplest words advertising is introduction, to consumers and general public, of services and goods. Many people think that advertising a product means to sell it. But real aim of advertising is to make general public and potential buyers aware of goods, products and services available under a brand.

The importance of advertising can be judged from the following advantages of advertising:

In a successful business, advertising play an essential and important role. Though advertising does not mean selling of products and services but it helps in increasing your sells. Advertising create awareness in people. When general public be conscious to the products, services and goods under the brands and pursue people towards brands and make them buying better brands. Advertising is of great importance in our world of competition. It is important for both seller and buyer. Even the government cannot do without it.

First, of all, advertising introduces new products to general public. Creation of awareness is the primary objective of any advertisement. Thus, when any product is advertised, people become aware about its existence and as mentioned above, a need and craving to purchase and own the commodity. For the new products the information before advertisements are not available with customers. In this situation they cannot think to buy and use the new products. The important link is provided by the advertising.
Secondly, advertising introduces different brands of same product. Advertisement tells about qualities of each brand and we can easily select. For example there are three different brands of bicycle produced by same company.

Thirdly, government can very profitably advertise its schemes and policies. It can tell general public what it might do for good of nation. Many advertisements are given by the various governments relating to social issues to create awareness regarding issues like family planning, eye camps, girl child education, pollution control, nature protection, HIV and AIDS. Without advertising the programmes of governments cannot be planned and implemented properly.

Fourthly, it is through advertisements that we come to know of new service jobs. Qualified people apply for them and get adjusted in life. Fifthly, advertisement is a dependable and effective means of expanding education and of bringing students to educational institutions. Schools, colleges and universities advertise their classes, courses, and fees and attract students for admission.

Fifthly product differentiation for customers is very important for buying the products. Advertising is very important because there are literally thousands of companies manufacturing the same thing and what differentiates their products from each other are the brand names not the actual product. It leads the customers to take buying decision on the basis attributes explained by advertising. Without it the decision may not be proper.

Sixthly, advertising creates competitive advantage by positioning the product in such a way that people want to buy it. With the buying of the products the company’s sales, profits and market shares go high. The advertiser gets competitive advantage over its competitors. There are many methods for getting competitive edge over others and advertising is one of them. The position of the company in business and markets becomes stronger due to advantages of advertising.

Seventhly it maximizes the results into a lot of revenue and profits for the company. Advertising ensures that the sales of the business increase. The second importance is that the product which is sold under the banner of a specific brand also becomes a household name.
For example, Coke or coca-cola is a household brand name. Same is the case of Pepsi. Such popular brand names have huge customer base that is loyal to the brand and continues to purchase the product for a prolonged time period. Such a customer base also introduces the product and brand to many other people.

Eighthly, from the business point of view, advertising not just optimizes sales and product promotion but the goodwill of the specific brand that is earned is an important asset. A well known brand not only has a good customer base but it is a great ground to introduce new products under the same banner. In such a case, there is a very high probability that people are going to purchase the new product out of curiosity. It is often said that reputation gained and maintained due to advertising helps out the business throughout the life time.

Ninthly, apart from gaining a loyal customer base, advertising is often successful in marketing the brand and conveying financial details about the brand to the consumers. The pricing details often generate an interest and the process of money planning, starts ticking in the person's mind. Offers such a buy 2 get 1 free or discounts are introduced to the consumers successfully through advertising. Such offers result into a spurt of sales and are quite instrumental for clearance sales, new introduction sales, re-release sales, etc. Advertising thus, plays quite a comprehensive role in marking policies.

Tenthly, there is a significant importance of online advertising due to the fact that an online advertisement results into global awareness. Today, when a person feels the need to purchase something, his first reaction is to search the web. With your advertisement being present on the web, there is a high possibility that the consumer is going to purchase your product. In fact, financially speaking online marketing services are much more convenient for consumers and cheap for producers as it drastically brings down the cost of advertising.

The manifold advantages of advertising have been observed for a long period of time. However, the intensity and importance of advertising have greatly increased due to the technological advancements of the modern era. However the advertising is criticized also. Spending on advertising is huge. One often quoted statistic by market research firm Zenith Optimedia estimates that worldwide spending on advertising exceeds (US) $400 billion. This
has increased the costs but simultaneously on other side it provides job opportunities also. Advertising can also be harmful. When advertisement misstates qualities of their products, they misguide public. When manufacturers advertise harmful products like cigarettes, they are promoting harmful products. Advertising is useful within proper limits. These limits clearly lay down by religion, law and our traditions. Finally, keeping in view it’s plus and minus points it is concluded that the role played by advertising in present time in business and non profitable activities is very important. It cannot be ignored and if done so the parties would be deprived of benefits of advertising.
Chapter 3.3: Advertising Management

1. Introduction
2. Major Decision Areas of Advertising
3. Advertising Message
4. Types of Advertising Appeals
5. Advertising Budget
6. Media
7. Advertising Media Planning
8. Media Planning Process
9. Measuring Advertising Effectiveness
10. DAGMAR Approach
3.3: Advertising Management

1. Introduction

Advertising management is that branch of advertising management that takes care of all aspects relating to advertising in the organization. Advertising management is a career path in the advertising industry. Advertising & promotions managers may work for an agency, a PR firm, a media outlet, or may be hired directly by a company to develop branding for the company's product or service. This position can include supervising employees, acting as a liaison between multiple agencies working on a project, or creating and implementing promotional campaigns. Regarding terminology, while advertising is the promotional campaign itself, advertising management can address the whole process - the function of marketing starting from market research continuing through advertising, leading to actual sales or achievement of objective, potentially including evaluation of the entire cost-benefits to the company involved.

Advertising management incorporates various specialised sub-functions like media strategy, message strategy, media planning, media buying etc. Advertising management is the process of overseeing campaigns that seek to inform and attract consumers regarding a particular good or service. This process begins with the first stages of the market research that helps to create the advertising strategy, moves on to the development of the general outline for the campaign, the creation of a specific plan of action and the launching of the completed project. Without effective advertising management, ad campaigns and public relations efforts tend to founder and produce little or no results.

Effective advertising always begins by engaging in competent advertising research. The research helps to identify the sectors of the consumer market that are most likely to positively respond to a given product. In order to identify these niche markets within the larger group of consumers, researchers will not only seek to understand what appeals to these buyers but why those goods and services have that inherent appeal. The data collected from the research can then be used to enhance the marketability of products, addressing everything from function to packaging. The next phase of the advertising management process has to do with deciding
exactly how to apply the data collected during the research stage. Here the basis for deciding on what forms of advertising are most appropriate begins to take shape. Depending on the specifics of the products and the nature of the niche markets that the campaign will seek to connect with, advertising services such as print media, radio, television, or the Internet may be deemed the most appropriate options.

Once the niche markets are identified and the determination of which types of advertising media are most appropriate for the campaign, advertising management focuses on the creation of the specifics of the overall campaign. This may involve such elements as the development of print ads for use in magazines and newspapers, audio campaigns for radio advertising, or commercials appropriate for television broadcast or streaming across the Internet. Because any given campaign may use several advertising options in one campaign, the process of advertising management also involves making sure all strategies complement one another and present a unified public image to consumers. It is necessary to possess the proper training. Advertising training is often a combination of formal education and experience derived from working under the direction of more seasoned professionals who have learned over time how to identify and interact with consumers in order to secure the data needed to structure a campaign. While creativity and inspiration are always vital elements in any advertising campaign, the ability to organize and view the greater picture are essential to managing the process and launching a campaign that will successfully reach the right consumers and generate the desired amount of revenue over the lifetime of the campaign.

While advertising management is an inseparable part of the marketing department, usually, the marketing department of an organisation is concerned more with market research and evaluation of results. All the critical processes of advertising management are generally outsourced to specialised advertising agencies. For example the media buying is done in bulk by these ad agencies on which they receive discount/commission that goes into their earning. It involves designing the strategies to be adopted for influencing the public ie media selection and deciding on the aspect to be advertised based on the image of the company and the present marketing objective.
2. **Major Decision Areas of Advertising**

Advertising is defined as any paid from on non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertising could be through various media: magazine and newspaper space, radio and television; outdoor displays, direct mail, novelties, catalogs, directories and circulars. And advertising has many purposes, long term buildup of the organizations cooperate image. Long-term build up of a particular brand announcement of a special sale, advocacy of a particular cause and information dissemination about a sale/service of automobile, property etc. The organizations handle their advertising in different ways. In small companies, advertising is handled by someone in the sales or marketing department, who works with an ad agency. A large company will often set up its own advertising department or else hire an ad agency to do the job of preparing advertising programmes.

In developing an advertising programmer, marketing managers must always start identifying the target market and buyer motives. The five major decisions in developing an advertising program are known as five Ms of advertising. The decision areas starts with letter M and are five in numbers that is why these are called 5Ms. These are following;

(a) Mission: what are the advertising objectives?
(b) Money: how much can be spent?
(c) Message: what message can be sent?
(d) Media: what media should be used
(e) Measurement: how should the results be evaluated?
The above mentioned five Ms can be explained by the diagram given below:

**Table 3.3.1: The 5Ms of Advertising**

<table>
<thead>
<tr>
<th>The 5Ms of Advertising</th>
<th>Checklist for planning of each M of an advertising campaign.</th>
</tr>
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<tbody>
<tr>
<td><strong>Mission</strong></td>
<td>• What are the objectives?</td>
</tr>
<tr>
<td></td>
<td>• What is the key objective?</td>
</tr>
<tr>
<td></td>
<td>• What would be objective in future?</td>
</tr>
<tr>
<td><strong>Money</strong></td>
<td>• How much is it worth to reach my objectives?</td>
</tr>
<tr>
<td></td>
<td>• How much can be spent?</td>
</tr>
<tr>
<td></td>
<td>• What methods of fixing money amount can be used?</td>
</tr>
<tr>
<td><strong>Message</strong></td>
<td>• What message should be sent?</td>
</tr>
<tr>
<td></td>
<td>• In which language is to be sent?</td>
</tr>
<tr>
<td></td>
<td>• What points are to be focused in message copy?</td>
</tr>
<tr>
<td></td>
<td>• Is the message clear and easily understood?</td>
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<tr>
<td><strong>Media</strong></td>
<td>• What media vehicles are available?</td>
</tr>
<tr>
<td></td>
<td>• What is the coverage of available media?</td>
</tr>
<tr>
<td></td>
<td>• How much cost is involved in selected media?</td>
</tr>
<tr>
<td></td>
<td>• What is the effectiveness of selected media?</td>
</tr>
<tr>
<td></td>
<td>• What media vehicles should be used?</td>
</tr>
<tr>
<td></td>
<td>• What time, duration and frequency media is to be used?</td>
</tr>
<tr>
<td><strong>Measurement</strong></td>
<td>• How should the result be measured?</td>
</tr>
<tr>
<td></td>
<td>• How much is the deviation between result and objectives of advertising?</td>
</tr>
<tr>
<td></td>
<td>• What should be follow up action to check deviation?</td>
</tr>
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</table>
An advertiser has to take decisions on these five Ms and these are explained in detailed in the following paragraphs:

(a) Mission
This refers to the purpose/objective behind advertising. The objectives behind advertising are varied in character. They include sales promotion, information and guidance to consumers, developing brand loyalty, market goodwill, facing market competition effectively, making the products popular/successful and introduction of a new product. Decision in regard to mission is a basic one as other decisions are to be adjusted as per the mission or objective or purpose of advertising decided. For consumer products like chocolate, tooth paste, soap, the mission/objective include facing market competition, sales promotion and making the product popular in the market.

(b) Money
This refers to the finance provided for advertising purpose (advertising budget). It means the budget allocation made by the company for advertising. Money provided is a limiting factor as effectiveness of advertising, media used, coverage of advertising, etc. are related to the funds provided for advertising purpose. Advertising is costly and companies have to spend crores of rupees for this purpose. Advertising should be always within the limits of funds provided. Naturally, decisions on advertising package should be adjusted as per the budget allocation for advertising. It may be noted that consumer products like tooth paste or chocolate are highly competitive with many substitutes easily available in the market. Naturally, extensive advertising on TV, newspapers, radio, etc. is required. These media are costly. Naturally, the manufacturing/marketing company will have to provide huge money for advertising purpose.

(c) Message
Message is provided through the text of advertisement. The message is given through written words, pictures, slogans and so on. The message is for the information, guidance and motivation of prospective buyers. Attractive and meaningful messages give positive results and the advertising becomes result-oriented. The services of creative writers, artists, etc. are
used for giving attractive message to the consumers. Here, the advertiser has to decide the message to be given, the media to be used for communicating the message, the extent of creativity, the specific customer group selected for giving the message and so on. The message is also related to the decisions taken as regards mission and money provided for advertising. For advertising consumer product like chocolate, the message is important. The buyers are mainly children and others of lower age groups or for the benefit (pleasure and satisfaction) of younger generation. The advertising message should be simple and easily understandable with the help of picture or slogan. It should be also attractive and agreeable to younger generation. The pictures or slogans used should be short and impressive.

**d) Media**

Media of advertising are already noted previously. The advertiser has to take decision about the media to be used for advertising purpose. Media differ as regards cost, coverage, effectiveness and so on. The selection of media depends on the budget provided, products to be advertised, and features of prospective buyers and so on. Wrong decision on media may make advertising ineffective and money spent will be wasted. This suggests that media should be selected properly and decision in this regard is important and critical. For advertising popular and extensively used consumer items like chocolate, the media should be selected properly. TV advertising particularly a cartoon channel, advertising in children books or newspaper supplements for children, advertising on radio programmes for children, etc.

**e) Measure**

Measure relates to the effectiveness of advertising. An advertiser will like to make evaluation of advertisement in order to judge its effectiveness. If an advertisement is not effective /purposeful, it will be modified or withdrawn. This is necessary for avoiding expenditure on the advertisement which is not effective or is not likely to give positive results. An advertiser has to measure the effectiveness of his advertisement programme/ campaign and take suitable decisions. This decision-making as regards effectiveness of advertising is equally important and essential. Such testing facilitates introduction of suitable remedial measures, if required. For measuring effectiveness of chocolate advertising, the post advertising sale is one major
consideration. Demand creation in new market segments or in new age groups is another consideration for the measurement of advertising effectiveness. Even success of sales promotion programme is useful for measuring advertising effectiveness. In brief, like other areas of marketing management, decision-making is necessary in advertising. This relates to Five Ms - mission, money, message, media and measurement.

3. Advertising Message

Message is an important part of decision areas of advertising. It is only though message the ideas regarding the products and services reach to the target customers. The message should be in position to communicate the information properly. If done so the objective of advertising would be fulfilled. Effective message should be prepared and given for advertising. The message is often considered as the most vital part in the communication process. The “message is the thought, idea, image, or other information that the advertiser wishes to convey to the targeted audience“. How an advertising message is presented is critically important in determining its effectiveness. Brand or promotion managers must focus on what will be the message content, how this information will be structured for communication and what kind of message appeal would be appropriate. Effective communication requires the message source to create (encoding) a message that can be interpreted (decoding) by the intended message receiver. In advertising, the act of creating a message is often considered the creative aspect of carrying out an advertising campaign. And because it is a creative process, the number of different ways a message can be generated is limited only by the imagination of those responsible for developing the message. When creating an advertising message the marketer must consider such issues as:

(a) General Message Factors
(b) Message Structure
(c) Message Testing

The points are explained in the following paragraph;
(a) **General Message Factors**

When preparing a message for advertising the following points are to be considered:

(i) **Attract customers by eye catching message:** Customer must be kept glued to words. They may leave at any point of your copy so keep it attractive and relevant to their needs, right through to their decision to purchase. Words, pictures are to be selected as per expectation of the customers. Don’t go overboard with pictures, its words that sell. The product photo of course is needed but it’s the caption or headline that will make the difference. And the headline will be a benefit. People buy products for what it will do for them, not what it looks like. Quite often, it is seen products like printers with features listed below an image. Here the advertiser has assumed that everyone knows the benefits of their printer and just need to know the specific features.

However a lot of people do not respond to pictures and lists of features, but they may respond to a photo of the product in use. For example you could show a child sat using a computer. But that’s not enough. Add a headline such as...Now your child can obtain higher grades and that should get parents interested. You get the idea. The body text would describe how the computer helps children to learn. Be very wary about using an agency to produce your copy writing. They may not know the principles involved in successful selling. The only way you can be sure is to have control over the production usually unlikely when dealing with agencies or produce the content yourself.

(ii) **Content strategies:**

- **Descriptions:** A lot of promotional documents leave the customer to guess at the benefits of the product or service advertised. They just describe it and their company. This is not good. Don’t do it this way.
- **Comparisons:** Here you could compare your product/service with your competitors and specify how much better yours is. You could get in trouble if you name the other company and/or cant back up your claims with evidence. Works best by you having a major provable advantage over your competitors and not naming them.
• Storyline: A favorite with lots of folk. Tell a story involving the person the customer will relate to in a situation that shows the benefits your product/service gives that person. Use a before using the product and after using the product strategy. At the end the person will summaries how much better their situation is now after using your product. And you tell your readers how it will help them as well. The hard bit is writing a true story. It’s less effective than a made up one.

• The most effective strategy is to use the well-known AIDCA formula.

(iii) Inspiration: The message is to go for a walk in the countryside. There are two halves to our brains; the left being for logical functions and the right half for creative thinking. Apparently few logical people are able to take advantage of the creative side at will. You have to relax and trick the brain into releasing your ideas. Walking and day dreaming are a couple of techniques to employ.

(iv) Ideas for copy: You need to saturate your brain with all the elements about your product or service. Study what your product is made of, how strong it is and how it is put together. Consider the manufacturing process and the care taken throughout the production. Write down all these details with the angle of how much better than our competitors is our product and in what ways? Write down your conclusions. Do the same for your service. Take your service apart and study it as individual steps. Do your customers know about these steps? What benefits do these steps have for your customers? May be your competitors don’t mention theirs and you could take advantage of this.

(v) Producing ads copy: Don’t overdo it when you first start to put your ideas down on paper. Go over your notes and details about your product or service a few times and have a break from that particular subject for a day or too if necessary. I am not saying take it too easy but don’t try to force yourself, it won’t work. During this initial period you may well be getting flashes of inspiration and ideas ay odd moments. Write them down. I would advise always carrying a notebook or maybe a voice recorder to ensure all your creativity is not lost. When you have decided to formally put everything down, find yourself a quiet room and ideally use a large to record your information. Remember, you are writing down what it is you want to say to your customers to make them buy.
Write down the most important buying factor on the pad. Then continue to put down all the others related to customer needs and buying factors. Forget any logical order, put them down as they come to you, adding detail as necessary. Keep relaxed and don’t censor any ideas you have (unless they are too far removed from your area). You could introduce others into this exercise and in effect hold a group brainstorming session. You should end up with several pages of ideas.

**(vi) Compiling messages needed to sell:** You will see many ideas that you are familiar with but there may be some that you are not. Do some research on these? Your competitors may not have bothered and there could be some gold here. Next you need to group together related ideas with colored pens. You would find some remaining that don’t fit in a group, but keep these. They may come to life later. Now you need to structure your results so that you can develop your story to relay to your customer. Put the group headings around a circle and then like the legs of a spider put the related ideas along them in order of sequence, importance or whatever criteria you have decided. As you do all this your creative side will flag up more ideas to add to the pool. Now you can get some feedback from colleagues or even customers on what you have produced. This will optimize your results even further.

**(vii) Producing your copy framework:** You have two choices here. Hand your work over to a copywriter or carry on yourself. If you are carrying on yourself you need to decide on the most appropriate approach as defined in section 2 above; descriptions, comparative, situation or benefits.

Your message will be built around the AIDCA structure.

- **Attention:** You must get the readers’ attention within seconds using your headline.
- **Interest:** Get your prospect interested in your product.
- **Desire:** This is where you detail how their needs can be fulfilled.
- **Conviction:** Provide proof that this is the product that they need.
- **Action:** Here you tell them what they must do to get it.

**(viii) Using the AIDCA formula:** Attention seeking headlines: Often the headline is left till last as it is the most difficult part of the message. And you may find it in the main copy itself.
Short headlines rarely work. Remember, if you are using a picture it is the words that will matter. The picture is a supporting element.

- Benefit type headlines are best (even better if they are tiny storylines) with News type second best. Generally you should include your product and the main benefit. Length is less important. Brochures, mail shots and magazine adverts tend to have longer headlines than straightforward advertisements.
- Interest to be aroused: This is where you tell your main story using one of the strategies described earlier; description, comparative, situation or benefits.
- Concentrate on how your product or service fulfils primary and secondary needs. Relate how it satisfies the customers buying factors and success factors that you have defined in your marketing assessment.
- Desire to be created: You need to be enthusiastic here in describing what the product or service can do for the customer. Convince them that they will really benefit from your product. Expand on the detail. For example if your car is economical to run then write about how much money they will save and then buy a holiday with it.
- Conviction needed: Here you need to prove to the reader that your claims about your product are true. Assume that they will disbelieve your claims. If you have statistics use them. Show graphs. Show testimonials or endorsements from satisfied customers. Don’t make them up. How could you prove they were real?
- Action: It is imperative that you tell your readers what action you want them to take. And include a benefit along with it. For example; "Send for our full color catalogue. It’s free, there is no obligation to buy."

(b) Advertising Message Structure
Message structure refers to how the element of a message are organized. Extensive research has been conducted to understand how the message structure influences its effectiveness and includes “message sidedness, refutation, order of presentation, conclusion drawing and verbal versus visual message characteristics. A message can be either one-sided or two sided. A one-sided message mentions only benefit or positive attributes of the product or service. For example advertisements of Maruti 800 only address its advantage and don’t mention any of its
weakness. If the audience is preferably predisposed, or if it is not likely to hear an opposing argument, then a one sided message appears to be most effective. A two sided message highlights both the strengths and weaknesses.

If the audience is hostile, critical and well educated then it is likely to hear opposing claims about the product or service. A two sided message is hugely successful in a market of high competition where every player claims its superiority. In such cases an advertisement can be hugely effective and can claim credibility by disclaiming superiority of some features over other competitors, just as Khaitan fan claimed that they might be better than others in every way but they are more expensive than them. This strategy helps provide consumers with “counter argument “to dilute any attacks by competing brands. Two sided are often seen in case of comparative advertising where the name of one or more competitors are openly mentioned for the purpose of claiming overall superiority or superiority on selective attribute basis. To enhance credibility, the advertiser usually mentions an independent research as the supplier of comparison data.

One-sided messages tend to confirm what the audience already believes about the brand and therefore consumers generate cognitive responses in the form of support arguments which reinforce their initial position. When the audiences are not preferably predisposed, a two sided message is more effective because it acknowledges their initial position and the consumers that view the advertiser as more honest and credible. That minimizes the audience’s use of counter-arguments as the advertiser is perceived as being trustworthy leading to better acceptability of the advertiser’s message. Refutation appeals in an advertising message are considered as a special type of two sided message. The advertisers first present both strong and weak points about the product or service and then the views concerning the weaknesses. This approach is particularly useful when the advertiser wishes to inculcate favorable consumer attitudes toward the product or the firm. The ad is aimed to build resistance in the consumer mind against competitor attacks or criticism. According to many, reputational ads led consumers to generate more support arguments than ads with only supportive information.

Most advertising messages share common components within the message including:
(i) **The appeal:** This refers to the underlying idea that captures the attention of a message receiver. Appeals can fall into such categories as emotional, and rational. Further emotional appeals include personal and social appeals. These are explained under the following paragraphs.

(ii) **Value proposition:** The advertising message often contains a reason for customers to be interested in the product which often means the ad will emphasize the benefits obtained from using the product.

(iii) **Slogan:** To help position the product in a customer’s mind and distinguish it from competitors’ offerings, advertisements will contain a word or phrase that is repeated across several different messages and different media outlets.

(c) **Advertising Message Testing**

Before choosing a specific message marketers running large advertising campaigns will want to have confidence in their message by having potential members of the targeted audience provide feedback. The most popular method of testing advertising for the marketer (or their ad agency) is to conduct focus groups where several advertising messages are presented. On the Internet, advertising delivery technology allows for testing of ads by randomly exposing website visitors to different ads and then measuring their response.

4. **Types of Advertising Appeals**

Advertising appeals aim to influence the way consumers view themselves and how buying certain products can prove to be beneficial for them. The message conveyed through advertising appeals influences the purchasing decisions of consumers. The most basic of human needs is the need for food, clothing and shelter. Special need for these necessities cannot be created with advertising. However there are certain other products that provide comfort in life and advertising aims to generate demand for these products. Advertising uses appeals as a way of persuading people to buy certain products. Advertising appeals are designed in a way so as to create a positive image of the individuals who use certain products. Advertising agencies and companies use different types of advertising appeals to influence the purchasing decisions of people.
The most important types of advertising appeals include emotional and rational appeals. Emotional appeals are often effective for the youth while rational appeals work well for products directed towards the older generation. Here are just some of the various different kinds of advertising appeals seen in the media today:

(a) Emotional Appeals

An emotional appeal is related to an individual’s psychological and social needs for purchasing certain products and services. Many consumers are emotionally motivated or driven to make certain purchases. Advertisers aim to cash in on the emotional appeal and this works particularly well where there is not much difference between multiple product brands and its offerings. Emotional appeal includes personal and social aspects. These are explained as follows:

(i) Social appeals: Social factors cause people to make purchases and include such aspects as recognition, respect, involvement, affiliation, rejection, acceptance, status and approval. In an advertisement appeal is made relating to social issues like recognition, status, respect, approval. Those who are conscious about the social issues get attracted by the appeal. Mercedez Benz car is used in advertisement for status appeal. Those who enjoy better position in society go for purchase due to social appeals.

(ii) Personal appeal: Some personal emotions that can drive individuals to purchase products include safety, fear, love, humor, joy, happiness, sentiment, stimulation, pride, self esteem, pleasure, comfort, ambition, nostalgia etc. The personal appeals are explained as follows:

- Fear appeal: Fear is also an important factor that can have incredible influence on individuals. Fear is often used to good effect in advertising and marketing campaigns of beauty and health products including insurance. Advertising experts indicate that using moderate levels of fear in advertising can prove to be effective.
• **Humor appeal:** Humor is an element that is used in around 30% of the advertisements. Humor can be an excellent tool to catch the viewer’s attention and help in achieving instant recall which can work well for the sale of the product. Humor can be used effectively when it is related to some benefit that the customer can derive without which the joke might overpower the message.

• **Sex appeal:** Sex and nudity have always sold well. Sexuality, sexual suggestiveness, over sexuality or sensuality raises curiosity of the audience and can result in strong feelings about the advertisement. It can also result in the product appearing interesting. However use of sex in types of advertising appeals can have a boomerang effect if it is not used carefully. It can interfere with the actual message of the advertisement and purpose of the product and can also cause low brand recall. If this is used then it should be an integral part of the product and should not seem vulgar. The shift should be towards sensuality.

• **Music appeal:** Music can be used as types of advertising appeals as it has a certain intrinsic value and can help in increasing the persuasiveness of the advertisement. It can also help capture attention and increase customer recall.

• **Scarcity appeal:** Scarcity appeals are based on limited supplies or limited time period for purchase of products and are often used while employing promotional tools including sweepstakes, contests etc.

• **Masculine Feminine appeal:** Used in cosmetic or beauty products and also clothing. This type of appeal aims at creating the impression of the perfect person. The message is that the product will infuse the perfection or the stated qualities in you.

• **Brand appeal:** This appeal is directed towards people who are brand conscious and wish to choose particular products to make a brand statement. Brand appeal helps in attracting the customers over the non branded products.
• **Snob appeal:** This appeal is directed towards creating feeling of desire or envy for products that are termed top of the line or that have considerable qualities of luxury, elegance associated with them.

• **Adventure appeal:** This appeal is directed towards giving the impression that purchasing a product will change the individual’s life radically and fill it with fun, adventure and action. These things are shown in the advertisements given by the companies.

• **Less than Perfect appeal:** Advertisements often try to influence people to make certain purchases by pointing out their inadequacies or making them feel less perfect and more dissatisfied with their present condition. These types of advertising appeals are used in cosmetic and health industries.

• **Romance appeal:** These advertisements display the attraction between the sexes. The appeal is used to signify that buying certain products will have a positive impact on the opposite sex and improve your romantic or love life. Fragrances, automobiles and other products use these types of advertising appeals.

• **Youth appeal:** Advertisements that reflect youth giving aspects or ingredients of products use these types of appeals. Cosmetic products in particular make use of these appeals.

• **Endorsement:** Celebrities and well known personalities often endorse certain products and their pitching can help drive the sales. Many celebrities have been endorsement by advertisers for advertisements of their products like Amitabh Bachchan, Salman Khan etc.

• **Plain appeal:** These advertisements use every day aspects of life and appeal to ordinary people regarding the use of a product or service. The focus of appeal is on routine of daily life. It is for common man to use the products in daily uses.
• **Bandwagon appeal:** This type of advertising appeal is meant to signify that since everybody is doing something you should be a part of the crowd as well. It appeals towards the popularity aspect or coolness aspect of a person using a particular product or service.

**(b) Rational Appeals**
Rational appeals as the name suggests aims to focus on the individual’s functional, utilitarian or practical needs for particular products and services. Such appeals emphasize the characteristics and features of the product and the service and how it would be beneficial to own or use the particular brand. Print media is particularly well suited for rational appeals and is often used with good success. It is also suited for business to business advertisers and for products that are complex and that need high degree of attention and involvement. Its directly related to the thinking process of the audience that involve some sort of a deliberate reasoning process, that a person believe would be acceptable from other members of his social group. You may consider some buying motives behind such appeal that can be considered rational under normal circumstances. These appeals are:

(i) **High quality appeal:** Most of the consumers durable like Plasma TV, stereophonic music system or other electronic or PC hardware items too are bought for their high quality. Appeal is made on the quality of the products and its quality of performance. Without increasing price, high quality products are offered by the company claimed in advertising.

(ii) **Low price appeal:** Many people buy low priced locally made like air conditioners for their home because they believe that these products will perform the same as rationally reputed brands. In this case he is exhibiting a rational motive.

(iii) **Long life appeal:** the durability time factors plays important role for a few prospect performance, ease of use, re-sale value and economy are the matter considered before purchase. Appeal is made on durability of products that would keep the products for longer time in use.
(iv) Emotional motive appeal: Usually the emotional motives are below the level of consciousness they may not be recognized by a person, even if recognized the person may be unwilling to admit to others because he or she may feel that it would be unacceptable as a proper reason for buying among his her associates and colleagues example like sex toys.

These days, promotion and advertising have assumed significant importance to sell products in the global markets for most companies. The increased competition in the markets has compelled people to think of unique advertising techniques to outdo their competitors. Advertising appeals is the approach to attract the consumers and prove to them how your product can satisfy all their needs. Advertising appeals are decided by the senior members of the marketing department of a company by keeping in mind the kind of people they wish to attract to buy their products. Out of the above mentioned appeals these are used individually and in combination depending upon situation to situation.

5. Advertising Budget

Budget is the statement of source and expenses of fund that is used to achieve the objectives. Advertising budget is summary of source of income and expenditure to be made on advertising activities. The advertising budget is to be prepared well in time before the advertising campaign. Without budget the tasks cannot be completed properly. Setting an advertising objective is easy, but achieving the objective requires a well-thought out strategy. One key factor affecting the strategy used to achieve advertising objectives is how much money an organization has to spend. The funds designated for advertising make up the advertising budget and it reflects the amount an organization is willing (i.e., approved by high-level management) to commit to achieve its advertising objectives.

The advertising budget of a business typically grows out of the marketing goals and objectives of the company, although fiscal realities can play a large part as well, especially for new and/or small business enterprises. As William Cohen stated in The Entrepreneur and Small Business Problem Solver, "In some cases your budget will be established before goals and objectives due to your limited resources. It will be a given, and you may have to modify your goals and objectives. If money is available, you can work the other way around and see
how much money it will take to reach the goals and objectives you have established." Along with marketing objectives and financial resources, the small business owner also needs to consider the nature of the market, the size and demographics of the target audience, and the position of the advertiser's product or service within it when putting together an advertising budget.

(a) Budgeting Methods

Advertising budget is to be fixed for advertising activities time to time. The advertising managers use different methods for fixing this budget. There is not hard and fast rule that a particular method is to be used. There are several allocation methods used in developing a budget. The most common are listed below:

(i) Percentage of sales method
(ii) Objective and task method
(iii) Competitive parity method
(iv) Market share method
(v) Affordable method
(vi) Combination method

These methods of advertising are explained in the following paragraphs:

(i) **Percentage of sales method**: Due to its simplicity, the percentage of sales method is the most commonly used by small businesses. When using this method an advertiser takes a percentage of either past or anticipated sales and allocates that percentage of the overall budget to advertising. Critics of this method, though, charge that using past sales for figuring the advertising budget is too conservative and that it can stunt growth. However, it might be safer for a small business to use this method if the ownership feels that future returns cannot be safely anticipated. On the other hand, an established business, with well-established profit trends, will tend to use anticipated sales when figuring advertising expenditures. This method can be especially effective if the business compares its sales with those of the competition (if available) when figuring its budget.
(ii) Objectives and tasks method: Because of the importance of objectives in business, the task and objective method is considered by many to make the most sense, and is therefore used by most large businesses. The benefit of this method is that it allows the advertiser to correlate advertising expenditures to overall marketing objectives. This correlation is important because it keeps spending focused on primary business goals. With this method, a business needs to first establish concrete marketing objectives, which are often articulated in the "selling proposal," and then develop complimentary advertising objectives, which are articulated in the "positioning statement." After these objectives have been established, the advertiser determines how much it will cost to meet them. Of course, fiscal realities need to be figured into this methodology as well. Some objectives (expansion of area market share by 15 percent within a year, for instance) may only be reachable through advertising expenditures that are beyond the capacity of a small business. In such cases, small business owners must scale down their objectives so that they reflect the financial situation under which they are operating.

(iii) Competition parity method: While keeping one's own objectives in mind, it is often useful for a business to compare its advertising spending with that of its competitors. The theory here is that if a business is aware of how much its competitors are spending to inform, persuade, and remind (the three general aims of advertising) the consumer of their products and services, then that business can, in order to remain competitive, either spend more, the same, or less on its own advertising. However, as Alexander Hiam and Charles D. Schewe suggested in The Portable MBA in Marketing, a business should not assume that its competitors have similar or even comparable objectives. While it is important for small businesses to maintain an awareness of the competition's health and guiding philosophies, it is not always advisable to follow a competitor's course.

(iv) Market share method: Similar to competitive parity, the market share method bases its budgeting strategy on external market trends. With this method a business equates its market share with its advertising expenditures. Critics of this method contend that companies that use market share numbers to arrive at an advertising budget are ultimately predicing their advertising on an arbitrary guideline that does not adequately reflect future goals.
(v) **Affordable method:** With this method, advertisers base their budgets on what they can afford. Of course, arriving at a conclusion about what a small business can afford in the realm of advertising is often a difficult task, one that needs to incorporate overall objectives and goals, competition, presence in the market, unit sales, sales trends, operating costs, and other factors.

(vi) **Combination method:** Combination method for fixing the advertising budget is very complex one. It decides the budget on the basis of the available methods as per the need. It entirely depends upon the advertising manager and situation to select a combination of various methods. It should meet the requirements of the advertising complain. In combination one, two or more methods may be considered but not sure which one to be considered. In practice this method is mainly used for fixing advertising budget because none of the methods are purely used for budget fixing. It may consider competition level, capacity to afford, tasks and objectives methods. It is important to notice that most of these methods are often combined in any number of ways, depending on the situation. Because of this, these methods should not be seen as rigid, but rather as building blocks that can be combined, modified, or discarded as necessary. Remember, a business must be flexible—ready to change course, goals, and philosophy when the market and the consumer demand such a change.

Now in mind of the manager responsible for fixing advertising budget definitely a question is there that which method is the best for fixing advertising budget. None of the above mentioned methods can claim as the best method. Only it can be said that the combination method is flexible and can be adjusted as per the changing needs so it can be said the best method.

(b) **Advertising Negotiations and Discounts**
No matter what allocation method, media, and campaign strategy that advertisers choose, there are still ways small businesses can make their advertising as cost effective as possible. Writing in The Entrepreneur and Small Business Problem Solver, author William Cohen put together a list of "special negotiation possibilities and discounts" that can be helpful to small businesses in maximizing their advertising budget effectiveness:
(i) **Mail order discounts:** Many magazines will offer significant discounts to businesses that use mail order advertising.

(ii) **Per Inquiry deals:** Television, radio, and magazines sometimes only charge advertisers for advertisements that actually lead to a response or sale.

(iii) **Frequency discounts:** Some media may offer lower rates to businesses that commit to a certain amount of advertising with them.

(iv) **Stand-by rates:** Some businesses will buy the right to wait for an opening in a vehicle's broadcasting schedule; this is an option that carries considerable uncertainty, for one never knows when a cancellation or other event will provide them with an opening, but this option often allows advertisers to save between 40 and 50 percent on usual rates.

(v) **Help if necessary:** Under this agreement, a mail order outfit will run an advertiser's ad until that advertiser breaks even.

(vi) **Remnants and regional editions:** Regional advertising space in magazines is often unsold and can, therefore, be purchased at a reduced rate.

(vii) **Barter:** Some businesses may be able to offer products and services in return for reduced advertising rates.

(viii) **Seasonal discounts:** Many media reduce the cost of advertising with them during certain parts of the year.

(ix) **Spread discounts:** Some magazines or newspapers may be willing to offer lower rates to advertisers who regularly purchase space for large (two to three page) advertisements.

(x) **An in-house agency:** If a business has the expertise, it can develop its own advertising agency and enjoy the discounts that other agencies receive.

(xi) **Cost discounts:** Some media, especially smaller outfits, are willing to offer discounts to those businesses that pay for their advertising in cash.

Of course, small business owners must resist the temptation to choose an advertising medium only because it is cost effective. In addition to providing a good value, the medium must be able to deliver the advertiser's message to present and potential customers.
6. Media

Media like data is the plural form of a word borrowed directly from Latin. The singular of it is Medium early developed the meaning “an intervening agency, means, or instrument” and was first applied to newspapers two centuries ago. In the 1920s media began to appear as a singular collective noun, sometimes with the plural media. This singular use is now common in the fields of mass communication and advertising, but it is not frequently found outside them: in general, "media" refers to various means of communication. For example, television, radio, and the newspaper are different types of media. The term can also be used as a collective noun for the press or news reporting agencies. Communication channels through which news, entertainment, education, data, or promotional messages are disseminated. Media includes every broadcasting and narrowcasting medium such as newspapers, magazines, TV, radio, billboards, direct mail, telephone, fax, and internet.

(a) Types of Media

In terms of overall advertising expenditures, media advertising is still dominated by Press and television, which are of comparable size (by value of 'sales'). Posters and radio follow some way behind, with cinema representing a very specialist medium. Different types of media and their features are explained as follows:

(i) Press: In the United Kingdom, spending is dominated by the national and regional newspapers, the latter taking almost all the classified advertising revenue. The magazines and trade or technical journal markets are about the same size as each other, but are less than half that of the newspaper sectors.

- **National newspapers:** These are still traditionally categorized, from the media buyer's viewpoint, on the basis of class; even though this is of declining importance to many advertisers. 'Quality' newspapers for example, tend to have a readership profile of in excess of 80 per cent of ABC1 readers, though it is more difficult to segment readerships by age categories. They are obviously best matched to national advertisers who are happy with black and white advertisements, although colour is now available - and high-quality
colour is available in some supplements. National newspapers in general, and the quality Press in particular, are supposed to carry more 'weight' with their readers (since they are deliberately read, not treated just as 'background'); so that an advertisement placed in one is taken more seriously than a comparable one in a regional newspaper, although it may be more transitory (since it is not kept for reference as some local weeklies may be).

- **Regional newspapers**: These may be dailies, which look and perform much like the nationals, or weeklies, which are more specialized, though they dominate the classified advertising market. There is usually much more advertising competing for the reader's attention, and the weekly newspaper is now largely the province of the 'free-sheet'—typically delivered free to all homes in a given area—which earn revenue from their high proportion of advertising, and accordingly having the least 'weight' of all.

Advertisements in newspapers, referred to as 'insertions', are usually specified as so many centimeters across so many columns. In these days of metrication, a multiple of 3 cm is used as the standard measure in the UK, instead of the previously traditional inch. Thus, a '30 cm double' is an advertisement that is 30 cm long, down the page, and across two columns of type; where the width of columns varies from paper to paper - an important consideration when you are having the printing 'blocks' made. The position is also often specified; so that, for example, an advertiser of a unit trust will probably pay extra to make certain that the insertion is next to the financial pages.

- **Magazines**: These offer a more selective audience (which is more 'involved', with the editorial content at least). Magazines are traditionally categorized into general interest, special interest and trade or technical. The advertiser will, therefore, be able to select those that match the specific profile demanded by the advertising strategy. The weight, or 'authority', of magazines is correspondingly high, and they may be kept for a considerable time for use as reference - and passed to other readers (so that 'readership' figures may be much higher than 'circulation' figures). They can offer excellent colour printing; but, again, the clutter of many competing advertisements may reduce the impact of the advertiser's message.
• **Trade and technical**: In the trade and professional fields there are now a significant number of 'controlled circulation' magazines. These are like the 'free Press', in that they are delivered free to the recipients; but, at least in theory, those recipients should have been carefully screened to ensure that they are of value to the advertisers - and the circulation can, if properly controlled, represent a wide cross-section of the buyers, and influencers, in the advertiser's target audience. The rates for positioning are usually more varied than for newspapers, with premiums being paid for facing editorial matter and, of course, for colour.

(ii) **Television**: This is normally the most expensive medium, and as such is generally only open to the major advertisers, although some regional contractors offer more affordable packages to their local advertisers. It offers by far the widest coverage, particularly at peak hours (roughly 7.00—10.30 p.m.) and especially of family audiences. Offering sight, sound, movement and colour, it has the greatest impact, especially for those products or services where a 'demonstration' is essential; since it combines the virtues of both the 'story-teller' and the 'demonstrator'. To be effective, these messages must be simple and able to overcome surrounding family life distractions—especially the TV remote.

Television is relatively unselective, and offers relatively poor coverage of upper class and younger age groups. Being regionally based, however, it can be used for regional trials or promotions (including test markets). The price structures can be complicated, with the 'rate card' (the price list) offering different prices for different times throughout the day. This is further complicated by a wide range of special promotional packages and individual negotiations. This complication provides work for specialist media buyers. Satellite television—long believed the medium of the future, as once was cable television has largely fulfilled that expectation in the US. It is now an important feature in other countries, though terrestrial 'free view' broadcasting poses a challenge.

(iii) **Posters**: This is something of a specialist medium, which is generally used in support of campaigns using other media. On the other hand, some advertisers, particularly those in brewing and tobacco, have successfully made significant use of the medium; although, to achieve this, they have developed the requisite expertise to make efficient use of its
peculiarities. The main roadside posters are described in terms of how the poster is physically posted on to them (pasted on, one sheet at a time, by a bill-poster); as 16 sheet (the main, 10' x 6'8" size in vertical format) and 48 sheet (10' x 20', in horizontal/landscape format). Those smaller ones, seen in pedestrian areas, are typically four sheets (5' x 3'4"). The best sites are typically reserved for the long-term clients, mainly the brewers and tobacco companies (hence one reason for their success in use of the medium), so that new users may find this a relatively unattractive medium.

This industry is also known as Out of Home Media. However, this category is not limited to posters and billboards. It may involve the use of media space in airports, malls, convenience stores, etc., and it could even tie into guerilla marketing, a nontraditional approach to advertising that may involve grassroots tactics (e.g. posting branded stickers or static clings to buildings, restrooms, and other surfaces in metropolitan areas). In Malaysia there are numerous sizes from 10'x40', 20'x60', 20'x80' to 40'x60'. In both formats landscape and portrait. Current Outdoor Media Owners include Prisma Outdoor, Ganad Media, Seni Jaya, Big Tree, Gelumbang Jaya, & etc...

(iv) Radio: Radio advertising has increased greatly in recent years, with the granting of many more licenses. It typically generates specific audiences at different times of the day—adults at breakfast, housewives, and commuters during rush hours. It can be a cost-effective way of reaching these audiences—especially since production costs are much cheaper than television, though the lack of visual elements may limit the message. In radio advertising we need to identify the timing of radio listeners, like many people listen on time when they are stuck with the traffic, and many of the listeners they listen at night time.

(v) Cinema: Though national audience numbers are down, this may be the most effective medium for extending coverage to younger age groups, since the core audience is 15 to 24. In cinema the advertisements are shown before, and during interval of the show. The advertisements are seen only in the cinema hall and not outside. Its coverage is limited to cinema only and it is costly affair also. But its effectiveness is high. The cinema facilities are only available in cities and some of the towns in India.
(vi) **Internet/Web advertising:** This rapidly growing marketing force borrows much from the example of press advertising, but the most effective use adopted by search engines is interactive. A lot of advertisements are placed in web sites of the internet. Those who are interested to get information regarding the required products or services they can get at their convenience time with very low cost. Its importance in future would be increasing definitely.

(vii) **Mobile advertising:** Personal mobile phones have become an attractive advertising media to network operators, but are relatively unproven and remain in media buyers' sidelines.

(viii) **Advertising-free media:** Advertising-free media refers to media outlets whose output is not funded or subsidized by the sale of advertising space. It includes in its scope mass media entities such as websites, television and radio networks, and magazines. The public broadcasters of a number of countries air without commercials. Perhaps the best known example of this is the United Kingdom's public broadcaster, the BBC, whose domestic networks do not carry commercials. Instead, the BBC, in common with most other public broadcasters in Europe, is funded by a television licence fee levied on the owners of all television sets. A 2006 report by the Senate of Canada suggested that the country's public broadcaster, the Canadian Broadcasting Corporation, be funded sufficiently by the federal government so that it could air without any advertising.

(b) **Advertising Media Selection**

Media selection is an important decision of advertising management. It is the process of choosing the most cost-effective media for advertising, to achieve the required coverage and number of exposures in a target audience. The proper media selection ensures effective advertising complain. The required effects would be there through properly selected media. A comprehensive discussion is to be there for finalizing media. Many factors like cost, frequency, coverage, availability and effectiveness are to be considered. These are explained below:

(i) **Frequency:** To maximize overall awareness, the advertising must reach the maximum number of the target audience. There is a limit for the last few per cent of the general
population who don't see the main media advertisers use. These are more expensive to reach. The 'cumulative' coverage cost typically follows an exponential curve. Reaching 90 per cent can cost double what it costs to reach 70 per cent, and reaching 95 per cent can double the cost yet again. In practice, the coverage decision rests on a balance between desired coverage and cost. A large budget achieves high coverage a smaller budget limits the ambitions of the advertiser.

Frequency even with high coverage, it is insufficient for a target audience member to have just one 'Opportunity To See' (OTS) the advertisement. In traditional media, around five OTS are believed required for a reasonable impact. To build attitudes that lead to brand switching may require more. To achieve five OTS, even in only 70 per cent of the overall audience, may require 20 or 30 peak-time transmissions of a commercial, or a significant number of insertions of press advertisements in the national media. As these figures suggest, most consumers simply don't see the commercials that often (whereas the brand manager, say, sees every one and has already seen them many times before their first transmission, and so is justifiably bored).

The life of advertising campaigns can often extend beyond the relatively short life usually expected. Indeed, as indicated above, some research shows that advertisements require significant exposure to consumers before they even register. As David Ogilvy long ago recommended, "If you are lucky enough to write a good advertisement, repeat it until it stops selling. Scores of good advertisements have been discarded before they lost their potency."

(ii) Spread: More sophisticated media planners also look at the 'spread' of frequencies. Ideally all of the audience should receive the average number of OTS. Those who receive fewer are insufficiently motivated, and extra advertising is wasted on those who receive more. It is, of course, impossible to achieve this ideal. As with coverage, the pattern is weighted towards a smaller number—of heavy viewers, for example—who receive significantly more OTS, and away from the difficult last few percent. However, a good media buyer manages the resulting spread of frequencies to weigh it close to the average, with as few audience members as possible below the average.
Frequency is also complicated by the fact that this is a function of time. A pattern of 12 OTS across a year may be scarcely noticed, whereas 12 OTS in a week is evident to most viewers. This is often the rationale for advertising in 'bursts' or 'waves' (sometimes described as 'pulsing'). This concentrates expenditure into a number of intense periods of advertising spread throughout the year, so brands do not remain uncovered for long periods.

(iii) Media cost: In the end, it is the media buyers who deliver the goods; by negotiating special deals with the media owners, and buying the best parcels of 'slots' to achieve the best cost (normally measured in terms of the cost per thousand impressions or for thousand household 'impressions', or per thousand impressions on the target audience. The "best cost", can also be measured by the cost per lead, in the case of direct response marketing). The growth of the very large, international, agencies has been partly justified by their increased buying power over the media owners.

(c) Advertising Media Scheduling

Scheduling refers to the pattern of advertising timing, represented as plots on a yearly flowchart. These plots indicate the pattern of scheduled times advertising must appear to coincide with favourable selling periods. The classic scheduling models are continuity, flighting and pulsing. These are highlighted below:

(i) Continuity: This model is primarily for non-seasonal products, yet sometimes for seasonal products. Advertising runs steadily with little variation over the campaign period. There may be short gaps at regular intervals and also long gaps for instance, one ad every week for 52 weeks, and then a pause. This pattern of advertising is prevalent in service and packaged goods that require continuous reinforcement on the audience for top of mind recollection at point of purchase. The main advantages of this are:

- Positioning advantages within Works as a reminder in the form of large media discounts
- Covers the entire purchase cycle

(ii) Flighting: This scheduling model is primarily used for products in sales cycles that have a high seasonality. The goal is to coincide with the selling periods, so the advertising is scheduled to reach the target audience during these peak times. This model is particularly useful for seasonal products, where the advertising can be intensified during peak buying periods.

(iii) Pulsing: This model is used for products that require a high intensity of advertising during specific periods. It involves concentrating the advertising in bursts or waves, often referred to as 'pulsing'. The advantage of this model is that it allows brands to allocate their advertising budget more effectively, focusing on periods when the audience is most receptive to their message.
Program or plan that identifies the media channels used in an advertising campaign, and specifies insertion or broadcast dates, positions, and duration of the messages.

(ii) Flighting: In media scheduling for seasonal product categories, lighting involves intermittent and irregular periods of advertising, alternating with shorter periods of no advertising at all. This is suitable for the products of seasonal use only. For instance, products like rainwear, woolen clothes, air conditioners etc. During off seasons the schedule is not done much but during season it is used heavily. The main advantage of this are:

- Advertisers buy heavier weight than competitors for a relatively shorter period of time
- Little waste, since advertising concentrates on the best purchasing cycle period
- Series of commercials appear as a unified campaign on different media vehicles

(iii) Pulsing: Pulsing combines lighting and continuous scheduling around the year. The heavy advertising during peak selling periods and low in off seasons are given. Product categories that are sold year round but experience a surge in sales at intermittent periods are good candidates for pulsing. For instance, under-arm deodorants, sell round the year, but more in summer months. Following are the main advantages of it:

- Covers different market situations
- Advantages of both continuity and lighting possible

7. Advertising Media Planning

The two basic tasks of marketing communications are message creation and message dissemination. Media planning supports message dissemination. Media planning helps you determine which media to use--be it television programs, newspapers, bus-stop posters, in-store displays, banner ads on the Web, or a flyer on Face book. It also tells you when and where to use media in order to reach your desired audience. Simply put, media planning refers to the process of selecting media time and space to disseminate advertising messages in order to accomplish marketing objectives. When advertisers run commercials during the Super
Bowl game at more than $2.5 million per thirty-second spot, for example, media planners are involved in the negotiation and placement.

Media planners often see their role from a brand contact perspective. Instead of focusing solely on what medium is used for message dissemination, media planners also pay attention to how to create and manage brand contact. Brand contact is any planned and unplanned form of exposure to and interaction with a product or service. For example, when you see an ad for Volkswagen on TV, hear a Mazda's "zoom zoom" slogan on the radio, are told by a friend that her iPod is the greatest invention, or sample a new flavor of Piranha energy drink at the grocery store, you are having a brand contact. Television commercials, radio ads, and product sampling are planned forms of brand contact. Word of mouth is an unplanned brand contact -- advertisers normally do not plan for word of mouth. From the consumer's perspective, however, unplanned forms of brand contact may be more influential because they are less suspicious compared to advertising.

The brand contact perspective shows how the role of media planners has expanded. First, media planners have moved from focusing only on traditional media to integrating traditional media and new media. New media like cable and satellite television, satellite radio, business-to-business e-media, consumer Internet, movie screen advertising and videogame advertising is playing an increasingly significant role. Spending on new advertising media is forecast to grow at a compound annual rate of 16.9 percent from 2005-2009. Second, media planners are making more use of product placements now, in lieu of advertising insertions. Advertising insertions, like print ads or television commercials, are made separately from the content and are inserted into it. The ads are distinct from the articles or TV programs, not a part of them. As a result, the ads seem intrusive. In contrast, product placement (also called brand placement or branded entertainment) blends product information with the content itself. Whether content is a television program, movie, video game or other form of entertainment, product placement puts the brand message into the entertainment content. For example, in the movie some of the products brands are used. After the movie release the sales of the product placed in movie increases.
Finally, the role of media planners has expanded as media planners have moved beyond planned messages to take advantage of unplanned messages as well. Whereas planned messages are what advertisers initiate like an ad, press release or sales promotion. Unplanned messages are often initiated by people and organizations other than advertisers themselves. Word of mouth, both online and offline, is one form of unplanned message. Although advertisers have little direct control over the flow of unplanned messages, they can facilitate such a flow. These new approaches have altered how media planning works in the advertising process. "Seven years ago media was the last five minutes of the presentation. Now it's reversed," said Rishad Tobaccowala of Publicis Group Media, whose fast-growing Starcom division helps clients buy and measure interactive, mobile, and gaming ads. Media planners are playing an increasingly important role in today's advertising industry because of the continuing proliferation of new media options and the increased complexity of media and audience research.

8. Media Planning Process

Media planning process involved number of steps to meet the requirement of the advertising. These steps are arranged in a logical order. The four are steps involved in it are following:
(a) Setting media objectives
(b) Developing a media strategy for implementing
(c) Designing media tactics for realizing media strategy
(d) Procedures for evaluating the effectiveness of the media plan.

These are explained in detail below:

(a) Setting Media Objectives
Media objectives are to be set in line with the marketing and advertising objectives. Media objectives should contribute in achieving the objectives of advertising and finally of marketing. These are to be decided very carefully. There are two objectives of media and these are setting target audience and communication goal. The first objective of a media plan is to select the target audience: the people whom the media plan attempts to influence through various forms
of brand contact. Because media objectives are subordinate to marketing and advertising objectives, it is essential to understand how the target audience is defined in the marketing and advertising objectives. The definition may or may not be exactly the same, depending on the marketing and advertising objectives and strategies. The second objective is to achieve communication goal. These two objectives of media are explained as follows:

(i) Selection of target audience: The target audience is very important for releasing an advertisement. It is to be selected very carefully. Many factors are to be considered in this. If care is not taken then all efforts would misfire and it would be fruitless. A common marketing objective is to increase sales by a specific amount. But this marketing objective does not specify a target audience, which is why the media objective is needed. Consider Kellogg's Corn Flakes and all the different strategies the advertiser could use to increase sales among different target audiences. For example, one target audience might be current customers encouraging people who eat one bowl a day to also "munch" the cereal as a snack. Or, the advertiser might target competitors' customers, encouraging them to switch brands. Or, the advertiser might target young adults who are shifting from high sugar "kids cereals" to more adult breakfast fare. Finally, the advertiser could target a broader lower-income demographic. The point is that each campaign could increase sales via a different target audience.

Marketers analyze the market situation to identify the potential avenues for boosting sales increase and consider how advertising might achieve those aims. If the advertiser chooses to attract competitors' customers like what Nokia does to attract users of other mobile phones the media plan will need to define the target audience to be brand switchers and will then identify reasons to give those potential switchers to switch, such as greater convenience, lower cost, or additional plan features. For selection of target audience the following points are to be considered:
• **Demographics and psychographics:** The target audience is often defined in terms of demographics and psychographics. Syndicated research services such as Simmons Market Research Bureau (SMRB or Simmons) and Mediamark Research Inc. (MRI) provide national data on a number of demographics of U.S. consumers, including gender, age, education, household income, marital status, employment status, type of residence, and number of children in the household. Similar way the research agencies provide information in India also. Using demographic variables, for example, the target audience of a media plan could be decided.

Some advertisers believe that demographic definitions of a target audience are too ambiguous, because individual consumers that fit such definitions can be quite different in terms of their brand preference and purchase behavior. For example, think about the students in a media planning class. Even though some of them are the same age and gender, they may like different brands of toothpaste, shampoo, cereal, clothing, and other products. Therefore, media planners use psychographics to refine the definition of the target audience.

Psychographics is a generic term for consumers' personality traits (serious, funny, conservative), beliefs and attitudes about social issues (opinions about abortion, environment, globalization), personal interests (music, sports, movie going), and shopping orientations (recreational shoppers, price-sensitive shoppers, convenience shoppers). Mazda, for example, doesn't define its target audience by age, income or gender, but by psychographic principles. Mazda targets people who have a need for self-expression, are young at heart, and love to drive.

• **Generational cohorts:** In addition to demographics and psychographics, generational cohort is another useful concept for selecting the target audience. Because the members of a particular generational cohort are likely to have had similar experiences during their formative years, they maintain analogous social views, attitudes, and values. Each of the cohorts possesses distinct characteristics in their lifestyles and often serves as a reference group from which finer segments of the target audiences can be selected for specific advertising campaigns.
An interesting example of a generational cohort is "kogals" in Japan. Originating from the world for "high school," kogals are a unique segment of young women in urban Japan who conspicuously display their disposable incomes through unique tastes in fashion, music, and social activity. They have the leisure time to invent new ways of using electronic gadgets. For example, they started changing mobile phones' ring tones from boring beeps to various popular songs and changing screen savers from dull defaults to cute pictures. Manufacturers observe kogals and listen to what they say is unsatisfactory about the products. In some cases, manufacturers simply imitate the new usages that kogals spontaneously invented and incorporate these usages part of their own new commercial services, thereby increasing sales.

Product and Brand Usage: Target audiences can also be more precisely defined by their consumption behavior. Product usage includes both brand usage and the use of a product category such as facial tissue or chewing gum. Product use commonly has four levels: heavy users, medium users, light users and non-users. The levels of use depend on the type of product. This highlights the importance of users for a brand's performance. Examples of defining a target audience by product usage can be "individuals who dine out at least four times in a month" or "individuals who made domestic trips twice or more last year." Similarly, brand usage has several categories. Brand loyal are those who use the same brand all the time. Primary users use a brand most of the time but occasionally also use other brands in the same category; they are secondary users for these competing brands. Brand switchers are those who have no brand preference for a given product category but choose a brand on the basis of situational factors. An analysis of the brand usage pattern is helpful for the identification of the appropriate target audience.

- **Primary and secondary target audience:** The target audience in a media plan can be either primary or secondary. A primary target audience is one that plays a major role in purchase decisions, while a secondary target audience plays a less decisive role. In the case of video game players, for example, children's requests often initiate a purchase process; parents often respect their children's brand selection. Thus, it is reasonable to consider children as the primary target audience and their parents as the secondary target.
audience. If the parents are aware of the advertised brand, it will be easier for children to convince them of the purchase. Media planners need to examine and identify the role of consumers in shopping, buying and consuming a product or service to target the right groups of consumers effectively.

- **The size of target audiences:** In the process of defining a target audience, media planners often examine and specify the actual size of a target audience -- how many people or households fit the definition. Knowing the actual size helps advertisers to estimate the potential buying power of the target audience. For example, if the target audience of a campaign is defined as working women 26-to-44 years old who are interested in receiving daily news updates on their mobile phones, media planners should estimate the number of these women to quantify the sales potential.

When the above mentioned factors are considered by the media planner in selection of target audience for advertising, the advertising efforts would be successful otherwise the required result may not be achieved effectively.

(ii) **Communication goals:** After media planners define the target audience for a media plan, they set communication goals: to what degree the target audience must be exposed to and interact with brand messages in order to achieve advertising and marketing objectives. For example, one communication goal can be that 75 percent of the target audience will see the brand in television commercials at least once during a period of three months. Another communication goal is that 25 percent of the target audience will form a preference for a new brand in the first month of the brand launch. The different communication goals can be better understood in a hierarchy of advertising objectives.

Another group of communication goals is advertising recall, advertising persuasion, leads and sales. Advertising recall represents the cognitive effect of the ad, advertising persuasion represents the emotional effect of the ad, and leads and sales are the behavioral effects of the ads. Each can be specified in a media plan as a communication goal. For example, a communication goal can specify that 50% of the target audience will recall the radio ad during the month of the campaign, or that a campaign will generate 3000 leads.
Media planners often define the communication goals of a media plan using the three interrelated concepts of reach, gross rating points, and frequency. These are explained as follows:

- **Reach gross rating points and frequency**: Media planners use reach to set their objective for the total number of people exposed to the media plan. Reach is one of the most important terms in media planning and has three characteristics. First, reach is a percentage, although the percentage sign is rarely used. When reach is stated, media planners are aware of the size of the target audience. For example, if a media plan targets the roughly 5 million of women who are 18-25 years old, then a reach of 50 means that 50% or 2.5 million of the target audience will exposed to some of the media vehicles in the media plan. Second, reach measures the accumulation of audience over time. Because reach is always defined for a certain period of time, the number of audience members exposed to the media vehicles in a media plan increases over time. For example, reach may grow from 20 (20%) in the first week to 60 (60%) in the fourth week. The pattern of audience accumulation varies depending on the media vehicles in the media plan. Third, reach doesn't double-count people exposed multiple times if the media plan involves repeated ads in one media category or ads in multiple media categories. Media planners use reach because it represents that total number of people exposed to the marketing communication.

Besides reach, media planners use Gross Rating Points as a shorthand measure of the total amount of exposure they want to buy from media outlets such as TV networks. For example, the 2006 Super Bowl game received a rating of 42, which means 42 percent of U.S. television households tuned in to the program. If an advertiser planned to run a commercial once during the Super Bowl, that ad would appear in 42% of households. If the commercial was run only once, the reach is equal to the rating of the program, a GRP of 42. If the advertiser's media plan called for running the ad twice during the Super Bowl, the GRP would be 2*42 = 84. Media planners often think in terms of gross rating points because ad prices often scale with this measure. As a rule of thumb, it costs about twice as much to obtain a GRP of 84 as to obtain a GRP of 42. A media plan that calls for a GRP
of 84 doesn't necessarily mean that the advertiser must advertise twice on the Super Bowl. The advertiser could also buy 6 spots on popular primetime shows that each have a rating of 14 (6*14 = 84) or buy a large number of spots (say 42 spots) on a range of niche-market cable TV programs, radio stations or magazines that have a rating of 2. Some media vehicles are best-suited to specific target audiences. For example, the Nickelodeon TV channel controls 53% of kids GRPs. Notice the difference between GRP and reach: GRP counts total exposures while reach counts unique people exposed. Thus, GRP does double-count people who see ads multiple times.

Frequency connects the concept of reach with that of GRP. To see this relationship between GRP and reach, let's consider what happens when an advertiser puts two spots on the Super Bowl, one during the first half of the game and another in the second half. As mentioned earlier, this example plan has a GRP of 84. But what is the reach? That depends on how many people watch both halves of the game. Rating services such as A.C. Nielsen monitor who watches the game, when they watch, and whether they watch the first half or the second half or both halves of the game. Frequency is the ratio of GRP over reach. Frequency is a measure of repetition. The formula of calculating frequency is:

Frequency = Gross rating points / Reach

Using the Super Bowl example again, if the GRPs were 84 and the reach was 56, then the frequency would then be 1.5 (84/56=1.5). A frequency of 1.5 would mean that, on average, audience members of the Super Bowl game had one-and-a-half opportunities to watch the ads. The media objectives of a media plan often call for some combination of reach and frequency. Media planners want the highest reach possible because that means more people will be exposed to the campaign, which should lead to more brand awareness, customer loyalty, sales, and so on. Media planners also seek high frequency if they feel that consumers will only take action (that is, buy the product) after multiple exposures to the campaign. For example, launching a new brand or teaching consumers about the features of a product (like the features of a five-bladed shaving system) may take several impressions.
Thus, reach indicates the media dispersion while frequency shows the media repetition. Notice that the formula for frequency can be flipped to make a formula for GRPs; GRPs are the product of reach multiplied by frequency. If a media plan calls for a broad reach and a high frequency, then it calls for very high GRPs (lots of ad exposures to lots of people). Achieving a very high GRP is very expensive, however, and budget issues may preclude such a high GRP. Thus, media planners may start with budget, then estimate the GRPs that they can afford and then either sacrifice reach to maintain frequency or let frequency drop to one in order to maximize reach.

- **Frequency distribution, effective frequency and effective reach:** Media planners also consider frequency distribution in order to fully understand exactly how many exposures different people experience; that is, how many people will see the ad once, twice, three times, etc. This lets the planner estimate the effective reach of the plan at the effective frequency needed by the campaign, the number of people who see the ads a sufficient number of times for the media plan to be effective. Effective frequency refers to the minimum number of media exposures for a communication goal to be achieved, while effective reach is the reach (% of households) at the effective frequency level. Media planners choose an effective frequency based on the communication goals. Communication goals vary across the continuum from awareness, preference, attitude change to trial, purchase, and repurchase. To change brand attitude requires more exposures (higher effective frequency) than does creating brand awareness. If the effective frequency is set for a given communication goal, the reach at that effective frequency level will be the effective reach.

- **Setting Communication Goals:** Media planners can set communication goals based on the level of reach. That is, how many of the target audience should be reached with the media plan, say 50%, 75% or 95%. Theoretically, a reach of 100 is possible, but it is rarely a communication goal because some audience members may not use any of the media, making them unreachable. What, then, would be the optimal level of reach for a given product category or a market situation? There is no quick answer to this question; it all depends on the media planner's analysis of major factors facing the brand. Media
experts suggest high reach is appropriate when something new is associated with the
brand, such as new features, new sales incentives, new packaging or new service
opportunities. The newness requires a high level of awareness among the target audience.
A high reach is also often necessary in three other situations are: advertising in support of
sales promotion activities, for reminder advertising for a mass market product, and when
the brand faces severe competition.

When setting levels of frequency, media planners have more rules of thumb to choose
from when setting levels of reach. For example, media planners have often been setting a
frequency of 3 during a purchase cycle, following Michael Naples' seminal study of
effective frequency published in 1979. Naples' study suggests that there is a threshold
level of repetition; advertising below the threshold level will be ineffective. Therefore,
three exposures during a purchase cycle are necessary. Many media planners still use this
rule in setting the effective frequency of a media plan.

When setting frequency level goals, media planners know that higher-level
communication goals such as persuasion and lead generation require higher frequency
levels. For example, brand awareness usually requires a lower level of frequency than
advertising persuasion and lead generation. In other words, a media plan that intends to
change the brand preference among consumers of competing brands would need a higher
frequency of advertising exposures than a media plan that intends to introduce a new
brand. In addition to the reach and frequency goals, media planners may set goals for
other forms of communication. For example, promotional activities may be used in a
media plan, such as sweepstakes, contests and coupons. Media planners estimate and
specify response rates for these activities. By establishing communication goals, media
planners set the stage for assessing the effectiveness of a media plan at the end.

(ii) Media Strategies: Media planners make three crucial decisions: where to advertise
(geography), when to advertise (timing), and what media categories to use (media mix).
Moreover, they make these decisions in the face of budget constraints. The actual amount of
money that an advertiser spends on marketing communications can vary widely, from billions
of dollars for multinational giants such as Procter & Gamble, to a few thousand dollars for
local "mom-n-pop" stores. In general, companies spend as little as 1% to more than 20% of revenues on advertising, depending on the nature of their business. Regardless of the budget, some media options are more cost effective than others. It is the job of media planners to formulate the best media strategies allocating budget across media categories, geographies, and time. Let's look at each of these three decisions in turn, and then consider cost effectiveness.

- **Media mix decisions:** Which media should the advertiser use? Media planners craft a media mix by considering a budget-conscious intersection between their media objectives and the properties of the various potential media vehicles. That is, they consider how each media vehicle provides a cost-effective contribution to attaining the objectives, and then they select the combination of vehicles that best attain all of the objectives. When making media mix decisions, planners look to a whole spectrum of media, not just to traditional media vehicles such as TV, radio, and print. That is, media planners consider all the opportunities that consumers have for contact with the brand. These opportunities can be non-traditional brand contact opportunities such as online advertising, sweepstakes, sponsorships, product placements, direct mail, mobile phones, blogs, and podcasts. The scale and situations of media use are especially important when evaluating suitable brand contact opportunities. For example, product placement in a video game makes sense if the target audience plays video games. Sweepstakes make sense if many of the target audience find sweepstakes attractive.

A media planner's first media mix decision is to choose between a media concentration or a media dispersion approach. The media concentration approach uses fewer media categories and greater spending per category. This lets the media planner create higher frequency and repetition within that one media category. Media planners will choose a concentration approach if they are worried that their brand's ads will share space with competing brands, leading to confusion among consumers and failure of the media objectives. For example, when Nestle launched its 99% fat-free cereal Fitness, the similarity of ads actually increased the sales of the competing Kellogg's Special K Cereal. Media planners can calculate or measure share of voice to estimate the dominance of their...
message in each category of media they use. Share of voice is the percentage of spending by one brand in a given media category relative to the total spending by all brands that are advertising in that media category.

A company can create a high share of voice with a concentrated media strategy. That is, the company can be the dominant advertiser in a product category in the chosen channel. Moreover, because only one set of creative materials will need to be prepared, a concentrated media strategy lets advertisers spend a higher percentage of their budget on frequency and reach. But a concentrated strategy is also an "all-eggs-in-one-basket" strategy. If the particular ad is not well received or the particular media category only reaches a fraction of the intended target audience, then it will perform poorly.

In contrast, media planners choose a media dispersion approach when they use multiple media categories, such as a combination of television, radio, newspapers and the Internet. Media planners will use dispersion if they know that no single media outlet will reach a sufficient percentage of the target audience. For example, a concentrated approach using only ads on the Internet might reach only 30% of the target consumers because some consumers don't use the Internet. Similarly, a concentrated approach using national news magazines might reach only 30% of the target audience, because not every target customer reads these magazines. But a dispersed approach that advertises in print magazines as well as on Web sites might reach 50% of the target audience. Media planners also like the dispersion approach for the reinforcement that it brings consumers who see multiple ads in multiple media for a given brand may be more likely to buy. The media concentration approach is often preferable for brands that have a small or moderate media budget but intend to make a great impact.

- **Media category selection:** Whether media planners select media concentration or media dispersion, they still must pick the media category for the media plan. Different media categories suit different media objectives. Most media options can be classified into three broad categories: mass media, direct response media, and point-of-purchase media. A media planner's choice will depend on the media objectives. If the media planner wants to create broad awareness or to remind the largest possible number of consumers about a
brand, then he or she will pick mass media such as television, radio, newspaper and magazine. If the media planner wants to build a relationship with a customer or encourage an immediate sales response, then direct response media such as direct mail, the Internet and mobile phone are good choices.

For example, online ads for car insurance such as link directly to the application process to capture the customers right at the time they are interested in the service. Finally, if media planners want to convert shoppers into buyers, then they might use point-of-purchase media such as sampling, coupons and price-off promotions. In short, each of these three categories of media serve a different role in moving the customer from brand awareness to brand interest to purchase intent to actual purchase and then to re-purchase. An integrated campaign, such as the one described for P&G's Fusion shaving system, might use multiple categories combining national TV ads to introduce the product, Internet media to provide one-to-one information, and in-store displays to drive sales.

The creative requirements of a media category also affect media planners' decisions. Each media category has unique characteristics. For example, television offers visual impact that interweaves sight and sound, often within a narrative storyline. Magazines offer high reproduction quality but must grab the consumer with a single static image. Direct mail can carry free samples but can require compelling ad copy in the letter and back-end infrastructure for some form of consumer response by return mail, telephone or Internet. Rich media ads on the Internet can combine the best of TV-style ads with interactive response via a click through to the brand's own Web site. Media planners need to consider which media categories provide the most impact for their particular brand. The costs of developing creative materials specific to each media category can also limit media planners' use of the media dispersion approach.

- **Geographic allocation decisions:** In addition to allocating advertising by media category, media planners must allocate advertising by geography. In general, a company that sells nationally can take one of three approaches to geographic spending allocation: a national approach (advertise in all markets), a spot approach (advertise only in selected markets),
or a combined national plus spot approach (advertise in all markets with additional spending in selected markets).

Media planners will choose a national approach if sales are relatively uniform across the country, such as for Tide laundry detergent or Toyota automobiles. A national approach will reach a national customer base with a national advertising program. For many other products, however, a company's customers are concentrated in a limited subset of geographic areas, which makes a spot approach more efficient. For example, the sales of leisure boats are much higher in markets such as Florida, California and Michigan due to the large water areas in these markets. A spot approach will target these states. For example, a leisure boat manufacturer such as Sea Ray might use a spot approach to target Florida, California and Michigan while not advertising in other states like Iowa or Nebraska.

Media planners perform geographic analyses by assessing the geographic concentration of sales in two ways. The first method is called the Brand Development Index (BDI) of a geographic region. BDI measures the concentration of sales of a company's brand in that region. The second method is called the Category Development Index (CDI) and measures the concentration of sales of the product category (across all brands) in that region. Media planners use BDI to measure a brand's performance in a given market in comparison with its average performance in all markets where the brand is sold. Mathematically, BDI is a ratio of a brand's sales in a given geographic market divided by the average of its sales in all markets.

- **Media schedule decisions**: Having decided how to advertise (the media mix) and where to advertise (allocation across geography), media planners need to consider when to advertise. Given a fixed annual budget, should all months receive equal amounts of money or should some months receive more of the budget while other months receive less or nothing? Media planners can choose among three methods of scheduling: continuity, flight, and pulse. Continuity scheduling spreads media spending evenly across months. For example, with an annual budget of $1,200,000 a year, continuity scheduling would allocate exactly $100,000 per month. This method ensures steady brand exposure over
each purchase cycle for individual consumers. It also takes advantage of volume discounts in media buying. However, because continuity scheduling usually requires a large budget, it may not be practical for small advertisers.

The flight scheduling approach alternates advertising across months, with heavy advertising in certain months and no advertising at all in other months. For example, a board game maker like Parker Brothers might concentrate its advertising in the fall when it knows that many people buy board games as gifts for the holidays. Or, with the same budget of $1,200,000, for example, a different brand could spend $200,000 per month during each of six months -- January, March, May, July, September and December -- and spend nothing during the other months, in hopes that the impact of advertising in the previous month can last into the following month.

Pulse scheduling combines the first two scheduling methods, so that the brand maintains a low level of advertising across all months but spends more in selected months. For example, an airline like United Airlines might use a low level of continuous advertising to maintain brand awareness among business travelers. United Airlines might also have seasonal pulses to entice winter-weary consumers to fly to sunny climes. In budget allocation terms, a consumer goods brand may spend $5,000 in each of the twelve months to maintain the brand awareness and spend an additional $10,000 in January, March, May, July, September and December to attract brand switchers from competing brands. The pulse scheduling method takes advantage of both the continuity and flight scheduling methods and mitigates their weaknesses. However, this does not mean it is good for all products and services. Which method is the most appropriate for a given campaign depends on several important factors.

How do media planners select among continuity, flight, and pulse scheduling approaches? The timing of advertising depends on three factors: seasonality, consumers' product purchase cycle, and consumers' interval between decision-making and consumption.

The first, and most important, factor is sales seasonality. Companies don't advertise fur coats in summer and suntan lotions in winter. Likewise, some products sell faster around
specific holidays, such as flowers on Mother's Day, candy on Halloween, and ornaments around Christmas. Companies with seasonal products are more likely to choose flight scheduling to concentrate their advertising for the peak sales season. Other goods, however, such as everyday products like milk and toothpaste, may lack a seasonal pattern. Everyday goods may be better served by a continuity approach. Media planners can use a breakdown of sales by month to identify if their brand has seasonal fluctuations, which can serve as a guide for the allocation. They can allocate more money to high-sales months and less to low-sales months.

The second factor that affects when advertising is scheduled is the product purchase cycle: the interval between two purchases. Fast-moving consumer goods such as bread, soft drinks and toilet paper probably require continuous weekly advertising in a competitive market to constantly reinforce brand awareness and influence frequently-made purchase decisions. In contrast, less-frequently purchased products such as carpet cleaner or floor polisher may only need advertising a few times a year.

A third factor that affects media scheduling is the time interval between when the purchase decision is made and when a product or service is actually bought and consumed. For example, many families who take summer vacations may plan their trips months before the actual trips. That is, they make purchase decision in advance. Thus, travel industry advertisers will schedule their ads months before the summer, as we saw in the Wyoming example. Destination advertising has to be in sync with the time of decision making, instead of the actual consumption time.

New product launches usually require initial heavy advertising to create brand awareness and interest. The launch period may last from a few months to a year. As mentioned earlier, P&G launched its Gillette six-bladed Fusion shaving system with advertising on Super Bowl XL, the most expensive form of advertising in the world. If consumers like the product, then personal influence in the form of word-of-mouth or market force (brand visibility in life and media coverage) will play a role in accelerating the adoption of a new brand. Personal influence and market force are "unplanned" messages, which often play
an important role in new product launches. Media planners should take advance of these "unplanned" messages in a new product launch campaign.

(iii) Designing media tactics: Establishing media objectives and developing media strategies are the primary tasks of media planners. Designing media tactics is largely carried out by media buyers. Media buyers select media vehicles to implement established media strategies. Among the major factors that affect media vehicle selection are reach and frequency considerations.

- **Reach considerations:** As a major component of media objectives, the planned level of reach affects not only media mix decisions but also what media vehicles are used in each media category. High levels of reach will require a different set of media vehicles than low levels of reach. That is, high levels of reach can be better served with a mix that includes multiple media vehicles with different audiences so that cross-media duplication of audience is minimal. For example, if there are three magazines that each reach a portion of the target audience but that have few readers who read more than one magazine, advertising in these three magazines would reach the widest target audience possible because of the low overlap of the readers of the these magazines.

What are some ways to maximize the levels of reach? One way is to analyze the audience composition of media vehicles by using syndicated media research. For example, cross-tabulations of Simmons data can be conducted to identify several magazines that reach the target audience of women aged 35 to 55, with little cross-title duplication -- few readers of one magazine also read other the magazines. These magazines can be used to implement high levels of reach in the media plan. When audience data are not available for cross-vehicle comparisons, you can select competing media vehicles in the same media category, because there is usually less duplication among the competing media vehicles. For example, most people who are interested in news may read one of the three major news weeklies: Newsweek, Time, and U.S. News and World Report; few people read all three of them. Therefore, running a print ad in all the three news magazines can reach a wide audience.

In television, media buyers sometimes use road blocking, which means the placement of commercials in all major television networks in the same period of time. No matter which
television channel an audience member tunes in at that time, they have the opportunity to watch the commercial. The road blocking approach has become more expensive and less effective recently because of increasing fragmentation of television audience. The term has been extended to the online world, however, where it has been very effective. To roadblock in the online world, a media planner can buy all the advertising on a Web site for a 24-hour period, such as Coke did for its launch of C2 and Ford did for its launch of the F-150. Each company bought all the ad space on the front page of Yahoo for a 24-hour period. The Yahoo front page draws 25 million visitors a day. Alternatively, media planners can roadblock Yahoo, MSN, and AOL all on the same day, as Coke and Pepsi have both done. The results can produce "an astonishing, astronomical amount of reach," said Mohan Ranganathan of MediaVest Worldwide, one of the biggest services for buying ad space.

- **Frequency Considerations:** In contrast to high levels of reach, high levels of frequency can be effectively achieved through advertising in a smaller number of media vehicles to elevate audience duplications within these media vehicles. A commercial that runs three times during a 30-minute television program will result in higher message repetition than the same commercial that runs once in three different programs. Broadcast media are often used when high levels of frequency are desired in a relatively short period of time. Broadcast media usually enjoy a "vertical" audience, who tune in to a channel for more than one program over hours. Another phenomenon in broadcast media is audience turnover, which refers to the percentage of audience members who tune out during a program. Programs with low audience turnover are more effective for high levels of frequency.

- **Media Vehicle Characteristics:** With reach and frequency considerations in mind, media buyers will compare media vehicles in terms of both quantitative and qualitative characteristics. Quantitative characteristics are those that can be measured and estimated numerically, such as vehicle ratings, audience duplication with other vehicles, geographic coverage, and costs. Media buyers will choose vehicles with high ratings and less cross-vehicle audience duplication when they need high levels of reach. Media buyers also evaluate the geographic coverage of media vehicles when implementing spot advertising
such as heavy advertising in certain geographic regions. Finally, media buyers pay attention to the costs of each media vehicle. When two media vehicles are similar in major aspects, media buyers choose the less expensive media vehicle.

There are two basic calculations of media vehicle cost. The first one, cost per rating point (CPP), is used primarily for broadcast media vehicles. To derive the CPP, divide the cost of a 30-second commercial by the ratings of the vehicle in which the advertisement is placed, CPP: The cost of a broadcast ad per rating point (1% of the population) provided by the media vehicle that shows the ads. The formula for calculating CPP is as follows:

Cost Per Rating Point = Cost of the Ad / Rating of the Vehicle

For example, if the cost for a 30-second commercial ABC's "Grey's Anatomy" television program is $440,000 and the rating of the program is 9.7, then CPP for this buy will be $25,360.

Another media cost term is cost per thousand impressions (CPM), which is the cost to have 1000 members of the target audience exposed to ads. Cost Per Thousand (M is the Latin abbreviation for 1000): the cost per 1000 impressions for an advertisement. As you recall, the impressions are simply opportunities to see the ads, one difference between CPP and CPM is that CPM also contains the size of a vehicle audience. CPM is calculated in two steps. First, the gross impressions that an ad may get is calculated using the rating of the program and the size of the market population. Second, CPM is calculated using the cost and gross impressions. The two formulas are as follows:

Gross Impressions = Audience size * Rating / 100

CPM = Cost / Gross Impressions * 1000

Using the previous example, the rating of a television program is 10 and the cost for a 30-second commercial is $25,000. If there are 5,000,000 adults in the market, then CPM for the buy will be as follows:
Gross Impressions = 5,000,000 * 10 / 100 = 500,000

CPM = $25,000 / 500,000 * 1000 = $50

Thus, CPM for this media buy is $50.

CPM can be calculated for different media, including online media. For example, an informal consensus of online media buyers agreed that a $10 CPM asking price seemed about average to pay for advertising on social-networking like Friendster, Yahoo 360 and Britain's FaceParty.

In contrast to these quantitative characteristics, qualitative characteristics of media vehicles are those that are primarily judgmental, such as vehicle reputation, editorial environment, reproduction quality, and added values. For example, media vehicles vary in reputation; newspapers such as The New York Times and The Wall Street Journal generally enjoy high reputation. Furthermore, the editorial environment can be more or less favorable for advertisers. The impact of food ads, for instance, can be enhanced when they appear around articles about health or nutrition. Likewise, some magazines are better in reproduction quality than others, which enhance the impact of the ads. Finally, some media vehicles offer added values. Added values take various forms, and they benefit advertisers without additional cost. For example, a newspaper may publish a special page whose editorial context fits an advertiser's products, or a television channel may host a local event in association with a car dealership. Media buyers can work with the media to invent creative forms of added values for advertisers.

- **Selection of Media Vehicles:** Media buyers can use tools, like the one shown below, to make the process of selecting a media vehicle easier. To use the selection tool shown in Figure 91, develop a list of the potential vehicle candidates you are considering. Then, select several quantitative and qualitative characteristics that are relevant to reach and frequency considerations, such as quantitative characteristics like CPM or GRP, and qualitative characteristics like reputation and added value. Next, make a table that lists the vehicle candidates in rows and the characteristics in columns. Now you can rate each of
the characteristics of each vehicle on a scale of 1 to 3. Then add all the numbers in each row, dividing by the total number of characteristics (columns) to arrive at the rating for each vehicle. The best media vehicles to choose are those with the highest index numbers.

(iv) Evaluating Media Plan Effectiveness: Accountability is increasingly important in media planning, as more advertisers expect to see returns on their investments in advertising. Because media spending usually accounts for 80 percent or more of the budget for typical advertising campaigns, the effectiveness of media plans is of particular importance. As a result, media planners often make measures of the effectiveness of a media plan an integral part of the media plan. Although sales results are the ultimate measure of the effectiveness of an advertising campaign, the sales result is affected by many factors, such as price, distribution and competition, which are often out of the scope of the advertising campaign. It is important, therefore, to identify what measures are most relevant to the effectiveness of media planning and buying. The following points are to considered in evaluation:

- **Things to Measure:** Because of the hierarchical nature of the media effects, the effectiveness of media planning should be measured with multiple indicators. The first measure is the actual execution of scheduled media placements. Did the ads appear in the media vehicles in agreed-upon terms? Media buyers look at "tear-sheets" -- copies of the ads as they have appeared in print media -- for verification purposes. For electronic media, media buyers examine the ratings of the programs in which commercials were inserted to make sure the programs delivered the promised ratings. If the actual program ratings are significantly lower than what the advertiser paid for, the media usually "make good" for the difference in ratings by running additional commercials without charge.

The most direct measure of the effectiveness of media planning is the media vehicle exposure. Media planners ask: How many of the target audience were exposed to the media vehicles and to ads in those vehicles during a given period of time? This question is related to the communication goals in the media objectives. If the measured level of exposure is near to or exceeds the planned reach and frequency, then the media plan is considered to be effective.
Several additional measures can be made of the target audience, such as:

Brand awareness - how many of the target audience are aware of the advertised brand?
Comprehension - does the target audience understand the advertised brand? Is there any miscomprehension?

Conviction - is the target audience convinced by ads? How do they like the advertised brands?
Action -- how many of the target audience have purchased the advertised brand as a result of the media campaign?

The measured results of brand awareness, comprehension, conviction and action are often a function of both advertising creative and media planning. Even effective media planning may not generate anticipated cognitive, affective and cognitive responses if the ads are poorly created and not appealing to the target audience. On the other hand, ineffective media planning may be disguised when the ads are highly creative and brilliant. Thus, these measures should be reviewed by both creative directors and media planners to make accurate assessments of the effectiveness of the media plan.

- **How to Measure:** The measurement of the effectiveness of a media plan can be conducted by the advertising agency or by independent research services, using methods such as surveys, feedback, tracking, and observation. Each method has its strengths and weaknesses. For example, surveys can be conducted among a sampling of the target audience in the different periods of a media campaign, such as in the beginning, the middle and the end of the campaign. Surveys can ask questions about the target audience's media behavior, advertising recall, brand attitudes and actual purchase. Radio watch, for instance, conducts monthly surveys on advertising recall of radio commercials in England. Radio watch surveys 1000 adults age 16-64 and asks them which radio commercials they remember hearing. In the April 2006 survey, the most-recalled ad was for T-Mobile, with 46% of respondents recalling the ads. An ad for McDonald's had 36% recall, while the ad for Peugeot received 18%.
Besides surveys, feedback can be collected to measure the media and ad exposure of the target audience. Feedback devices such as reply cards, toll-free numbers, coupons and Web addresses can be provided in ads so that tallies of the responses or redemptions can be made to estimate the impact of advertising media. Advertisers often use a different code in direct response ads to identify different media vehicles. As you can see from the Radio watch and Garden of Eatin' examples, one advantage of surveys over feedback devices is that surveys reach people who have taken no action on the product, whereas feedback devices require the consumer to mail back, click or call a toll-free number. In this way, surveys can help media buyers evaluate the effectiveness of an ad in relation to other ads, whereas feedback devices help them evaluate the effectiveness of one media vehicle over another.

Tracking is measurement method that media buyers use to track the effectiveness of online ads. When a user visits a Web site or clicks on a banner ad, Web servers automatically log that action in real time. The logs of these visits and actions are very useful for media buyers, because the buyers can use them to estimate the actual interaction of audience members with the interactive media. For example, a banner ad may have a code for each Web site where the ad is placed. Media buyers can compare the click-through rates of the banner ad across all Web sites daily, to estimate the effectiveness of each Web site. Media buyers are making more use of the tracking method given the increasing use of interactive media.

Finally, in the physical world, media buyers can use observation to collect audience reaction information at the points of purchase or during marketing events. For example, researchers can be stationed in grocery stores to observe how consumers react to in-store advertising or how they select an advertised brand in comparison of other brands. The advantage of observation is that it provides rich, detailed data on how consumers behave in real situations in response to the marketing communication. The downside is that direct observation is more costly to conduct and tabulate.
9. Measuring Advertising Effectiveness

All advertising efforts are directed mainly towards the achievement of business, marketing and advertising objectives i.e., to increase the sales turnover and thus to market the maximum profit. The advertiser spends lakhs of rupees in to this advertising activity. In the background of all these efforts, is an attempt to attract the customer towards the product through advertising. As soon as the advertising campaign is over, a need is generally arisen to measure the effectiveness of the campaign. Whether, it has achieved the desired results i.e. desired sales profitability or results in terms the change in customer’ behaviour in favour of the company’s product which will naturally, affect the future sale of the product.

Our main objective in measuring advertising effectiveness is to determine the effect of each advertising campaign from the results of our measuring and compare it with its price. Then we can decide which campaigns bring the best value for the money spent. It is also important to realise the various factors influencing advertising. The medium, ad copy, format, audience etc. affect the final success of the campaign. Therefore, it is necessary to judge the effectiveness in context. It is necessary to decide the criteria which are to be monitored or measured. These may include the following;

(a) Customers tell how did they learn about us
(b) Increase in sales of the promoted goods
(c) More calls to our toll-free line
(d) Calls to a campaign-specific phone number
(e) Specific codes applied by customers to receive offered discount (i.e. „tube“)
(f) Redeemed coupons or vouchers that were given out at a campaign
(g) Increased visits on our website
(h) Other metrics from our website statistics (i.e. Orders amount) – see below

It is best to combine several criteria, because a customer can for example either contact you by calling your line or by sending you an email. Also, accept the fact that we are not going to be able to measure everything. Especially if you run several campaigns in various media simultaneously, it may be difficult to describe the measured effects to a specific campaign.
This can be helped by careful choice of criteria or by running campaigns separately (though it is not always desirable). Contrary to traditional media, online campaigns are usually very easily traceable and can be measured well. Small companies will probably not use the methods of big corporations (ad recognition or recall) which are based on questioning samples of people once the campaign has ended. This would be too costly for small advertisers. Instead, you can simply judge the impact by how many people has the medium reached.

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In order to measure the effectiveness of advertising copy, two types of tests pre tests and post tests can be undertaken. Pre tests are generally conducted in the beginning of the creation process or at the end of creation process or production stage. There are several pre and post tests techniques to measure the effectiveness of the advertising copy. Not caring about the effectiveness of your advertising usually means you are wasting money. The efficiency can be measured best on the internet, but offline advertisement can be also measured. The aim of advertising is either increase in sales or building brand. Measuring advertising effectiveness is not easy. Sometimes, the results of measuring are just better guesses. Still, it is much better this way than not to address this problem at all. There are dramatic differences in the effectiveness of various forms of advertising. If you pay for advertising, then it is probably important for you see some results. But if we waste money on inefficient advertising, we are missing better opportunities and the results may not come at all.

The effectiveness of advertising in a particular media may also be measured in any of the following ways;
(a) By giving different addresses to different media,
(b) Different newspapers may be selected for advertisements of different departments,
(c) Coupon blank etc. May be provided with the advertisement or
(d) Enquiry from consumers should mention the name of the source of information.

The technique is known as keying the advertising. Thus in measuring the effectiveness of advertising we include measuring of the effectiveness of advertising campaign, advertising copy and the effectiveness of individual media.

(a) Importance of Measuring the Effectiveness of Advertising
The importance of measuring effectiveness of advertising can be judged from the following advantages:

(i) **Acts as a safety measure**: Testing effectiveness of advertising helps in finding out ineffective advertisement and advertising campaigns. It facilitates timely adjustments in advertising to make advertising consumer oriented and result oriented. Thus waste of money in faulty advertising can be avoided.

(ii) **Provides feedback for remedial measures**: Testing effectiveness of advertising provides useful information to the advertisers to take remedial steps against ineffective advertisements. If any deviation is found then that can be corrected timely though this feedback.

(iii) **Avoids possible failure**: Advertisers are not sure of results of advertising from a particular advertising campaign. Evaluating advertising effectives helps in estimating the results in order to avoid complete loss. If the advertisement is not on the track then remedial action can improve it and if after that also it is not doing well then it can be stopped.

(iv) **Justify the investment in advertising**: The expenditure on advertisement is considered to be an investment. The investment in advertising is a marketing investment and its objectives should be spelt out clearly indicating the results expected from the campaign. The rate and size of return should be determined in advance. If the expected rate of return is achieved in terms of additional profits, the advertisement can be considered as effective one.
(v) **Know the communication effect**: The effectiveness of the advertisement can be measured in terms of their communication effects on the target consumers or audience. The main purpose of advertising is communicated to the general public, and existing and prospective consumers, various information about the product and the company. It is therefore desirable to seek post measurements of advertising in order to determine whether advertisements have been seen or heard or in other words whether they have communicated the theme, message or appeal of the advertising.

(vi) **Compare two markets**: Under this procedure, advertising is published in test markets and results are contrasted with other. Markets – so called control markets – which have had the regular advertising program. The measurements made to determine results may be measurements of change in sales, change in consumer attitudes, changes in dealer display and so on depending upon the objectives sought by the advertiser.

To assess the effectiveness of your advertising campaign, you can monitor sales, new customers, requests for information, phone inquiries, retail store traffic, website traffic, or click-through rates. Use these tactics to gauge the power of your ads:

- A simple way to tell if your advertising is working is to track retail traffic by counting the people who enter your store. Don't forget to monitor traffic before you start the ad campaign, so you'll have a basis for comparison. And ask new customers how they heard about your business.
- Compare sales before, during, and after an ad campaign. Keep in mind that advertising often has a cumulative or delayed effect, so ad-driven sales may not materialize immediately.
- In print ads, include a coupon that customers can redeem for a discount or gift with their purchase. Code the coupons so you can determine which ad or publication generates the best results.
- Offer an incentive for customers to tell you they're responding to an ad: "Mention this ad and get a 10 percent discount on your first order." Put it on your website or in the local newspaper, or use it as part of an ad on local TV or radio. It’s an easy way to know where customers are finding out about you.
• Use dedicated phone lines to track phone orders. For example, if you mention a toll-free number in your ad, assign different extensions to particular advertisements.

• Compare pre- and post-advertising traffic on your website. Your Web host logs the hits on your site and should be able to provide you with daily, weekly, or monthly reports. If you maintain your own Web server, invest in software that generates easy-to-read traffic reports.

• When advertising online, the old metric of click-through rates (the number of viewers who click your banner ads) is not a reliable method of knowing whether your advertisements are working. While ad networks that sell ad space on the Web track click-through rates and can provide you with performance reports, the numbers you really want to know are how long people are spending on your site and how many pages they are viewing per visit. That way, you will know whether you have truly engaged your clients. Of course, if they purchase something from your Web site, then you know you really did capture them.

(b) Techniques for Measuring Effectiveness of Advertising

The most suitable criteria for evaluating the effectiveness of advertising, depends on a number of variables, such as the advertising goals, the type of media used, the cost of evaluation, the value that the business or advertising agency places on evaluation measures, the level of precision and reliability required, who the evaluation is for and the budget. It is difficult to accurately measure the effectiveness of a particular advertisement, because it is affected by such things as the amount and type of prior advertising, consumer brand awareness, the availability of cost effective evaluation measures, the placement of the advertising and a range of things about the product itself, such as price and even the ability of the target audience to remember. There are a number of different following models for measuring advertising effectiveness:

(i) Pomerance suggests that advertising agencies might attempt to measure effectiveness under the five headings of Profits, Sales, Persuasion, Communication and Attention. He uses a cube diagram to illustrate how to evaluate advertising that recognizes the effect of repeated exposures.
(ii) Lavidge and steiner suggest a model for ‘predictive measurement of advertising effectiveness’ which recognises various stages of purchasing behaviour, and suitable measures for each stage. Kotler and Armstrong call these stages, 'Buyer readiness stages' they may be viewed like this: Awareness, Knowledge, Liking, Preference, Conviction, and Purchase.

(iii) Kotler and armstrong suggest that two areas need to be evaluated in an advertising programme. They call them the ‘communication effect’ and ‘the sales effect. To evaluate the sales effect, company information about sales and sales expenditure would be needed. To evaluate the communication effect, Kotler and Armstrong suggested using a number of research tests. They suggest that these evaluation measures are not perfect. One cost effective way of evaluating the effectiveness of the advertisement in terms of sales and movement towards purchasing is what Kotler and Armstrong call Integrated Direct Marketing. It is marketing that has a response section which can lead to more appropriate communication between the company and the prospect. This can also give the company the opportunity to trigger further movement towards purchasing, so it has the potential to have a greater impact on sales than a similar advertisement without the response section.

(iv) Website stats: Website stats counter can be used for collection of data relating to this. Not knowing how many visitors one get each day or where they come from will not help to see which online tactics are working, or if others have found you through offline promotion either. At least one should be aware of what keywords are bringing traffic to the site, how many are coming directly by typing in your domain name, and other referring pages. More detailed info such as bounce rates, visitor paths, landing and exit pages will all give additional information to assess what marketing value the website is providing.

(v) Asking people the source of information: When the persons are coming to the company stores, outlets etc they should be asked regarding the source of information through which they came to know about the products and company along with other relevant questions. This would provide the information regarding source.
Comparing time with promotion: Some promotions will bring immediate results, others might take months before you see results. For example, if you are consistently sending out postcards to a targeted neighborhood, you likely won’t get calls the first month or two. But, after 6 months you might start seeing calls. Make sure before judging that a campaign has been a failure that you’ve allotted enough time to assess it’s effectiveness and give it time to perform.

Stop running ads: If you’ve been regularly advertising in the newspaper every week for years for example, try a few weeks of going without the advertising. If you don’t see any difference in calls or business, there’s an excellent chance you won’t miss it and can cut it out unless your seller demands it for their listings.

Use different phone numbers: You can often track an ad’s performance by using different contact phone numbers. If you get calls to a number that’s only listed in one advertisement, then you can be pretty certain that ad was successful. On different numbers the calls may not be there many.

Use direct response postcards: Postcards that can offer a simple pre-paid “drop in the mail for more info” type of response can help you gauge the effectiveness of a direct mail campaign. This works well with an offer to do a free home consultation or to provide the customer with more information about recent news, events, or special promotion. While there is no exact science to understanding how your marketing efforts are paying off and what response and return on investment they are bringing, doing just a few of these will help you choose if what you are doing is working and should be continued, if you should try something else, or if there are other ways to improve your marketing campaigns. Taking the time to analyze the effectiveness of a campaign will not only help you spend less time preparing ads that don’t work but also save you money as well. One of the most important techniques for measuring effectiveness is DAGMAR and that is explained separately.
10. DAGMAR Approach

DAGMAR refers to a process of establishing goals for an ad campaign such that it is possible to determine whether or not the goals have been met. It stands for Defining Advertising Goals for Measured Advertising Results. Dagmar Approach is the task of measuring ad effectiveness will not be daunting if we clearly spell out the advertising goals. Russel H. Colley (1961) pioneered an approach known by the acronym DAGMAR – Defining Advertising Goals for Measured Advertising Results, where to establish an explicit link between ad goals and ad results, Colley distinguished 52 advertising goals that might be used with respect to a single advertisement, a year’s campaign for a product or a company’s entire advertising philosophy.

(a) Communication Process in DAGMAR Approach

According to DAGMAR approach, the communication process takes place to gain a number of these things and these are arranged in a local sequence of happening or timing. These are:(a) Awareness, (b) Comprehension, (c) Conviction, (d) Image and (e) Action.

![Diagram 3.3.1: Communication Process in DAGMAR Approach](image)

Diagram 3.3.1: Communication Process in DAGMAR Approach
The model suggests that before the acceptance of a product by an individual, there is a series of mental steps which the individual goes through. At some point of time, the individual will be unaware of the product or offer in the market. The initial communication task of the advertising activity is to increase consumer awareness of the product or offer. The second step of the communication process is comprehension of the product or offer and involves the target audience learning something about the product or offer. What are its specific characteristics and appeals, including associated imagery and feelings? In what way does it differ?

(b) Objectives of the DAGMAR Approach

These goals may pertain to sales, image, attitude, and awareness of this approach are following;
(i) Persuade a prospect to visit a show room and ask for a demonstration.
(ii) Build up the morale of the company’s sales force.
(iii) Facilitate sales by correcting false impression, misinformation and other obstacles.
(iv) Announce a special reason for buying now’s (price, discount, premium and so on.
(v) Make the brand identity known and easily recognizable.
(vi) Provide information or implant attitude regarding benefits and superior features of brand.

(c) Characteristics of Objectives in DAGMAR

DAGMAR also focused attention upon measurement, encouraging people to create objectives so specific and operational that they can be measured. A major contribution of DAGMAR was Colley’s specification of what constitutes a good objective. Five following requirements or characteristics of good objectives were noted:

(i) Concrete and measurable: the communications task or objective should be a precise statement of what appeal or message the advertiser wants to communicate to the target audience. Furthermore the specification should include a description of the measurement procedure.

(ii) Target audience: a key tenet to DAGMAR is that the target audience be well defined.
For example – if the goal was to increase awareness, it is essential to know the target audience precisely. The benchmark measure cannot be developed without a specification of the target segment

(iii) Benchmark and degree of change sought: another important part of setting objectives is having benchmark measures to determine where the target audience stands at the beginning of the campaign with respect to various communication response variables such as awareness, knowledge, attitudes, image, etc. The objectives should also specify how much change or movement is being sought such as increase in awareness levels, creation of favorable attitudes or number of consumers intending to purchase the brand, etc. a benchmark is also a prerequisite to the ultimate measurement of results, an essential part of any planning program and DAGMAR in particular.

(iv) Specified time period: A final characteristic of good objectives is the specification of the time period during which the objective is to be accomplished, e.g. 6months, 1 year etc. The time period should be appropriate for the communication objective as simple tasks such as increasing awareness levels can be accomplished much faster than a complex goal such as repositioning a brand. All parties involved will understand that the results will be available for evaluating the campaign, which could lead to a contraction, expansion or change in the current effort. With a time period specified a survey to generate a set if measures can be planned and anticipated.

(v) Written goal: Finally goals should be committed to paper. When the goals are clearly written, basic shortcomings and misunderstandings become exposed and it becomes easy to determine whether the goal contains the crucial aspects of the DAGMAR approach.

Advertising goals should be consistent with these communication tasks. Later performance on these counts and projected goals is compared. For example, a company setting a goal of 15 per cent increase in sales advertises and achieves this objective. Its ad then is successful and effective. It presupposes the understanding of the dynamics of consumer behavior without these goals cannot be set. Besides, a thorough acquaintance of market environment is called for. DAGMAR is a planning and control tool. It may guide the creation of advertising.
However, as well as appreciated, the basic inputs of DAGMAR are not so easily to formulate and may also inhibit creativity.

(d) Criticism of DAGMAR
This approach has been criticized on the basis of following points;

(i) Problems with the response: It is difficult to get proper response from the customers or viewers. They may not give proper feedback regarding advertising exposure. If proper information are not given the results may not be measured properly.

(ii) Sales objectives: cannot be fixed because it is difficult to say how much sales would take place in future. It depends on a number of variable factors. Only an estimate can be made.

(iii) Less practical: The working of this approach is not much practical. The most of the things are on paper and it is very difficult to implement it. In application part the difficulties are there.

(iv) Cost involved: In this approach the functions of planning and control of advertising take place. It is a long process and a lot of efforts are needed with a number of persons to perform these functions. It adds to costs of advertising also. The profitability of the campaign goes down.

(v) Lack of creativity: In this approach a lot of creativity is required in planning and measuring the effectiveness of advertising. The available staff may not have that level of creativity. The work is affected and this way effectiveness of this approach goes down

Keeping in view its advantages and criticism it is summarized that the DAGMAR approach is a modern technique to measure the effectiveness of advertising. If it is planned and implemented properly the results would be more fruitful. This approach is more effective than the other approaches.
Chapter 3.4: Advertising Industry

1. Overview
2. The History of the Advertising Industry
3. Overview of Advertising Industry in India
4. Advertising Agency
5. Major Advertisers in India
6. Advertising Regulations in India
7. Current Advertising Position in India
8. Future of Advertising
3.4: Advertising Industry

1. Overview

Advertising industry is a rapidly growing industry and determines to a considerable extent the GDP or the gross domestic product of any country. The advertising industry besides functioning as an intermediate between the manufacturers and the customers plays an important role in the economy of the country. This industry necessitates investment for funding different resources. One cannot measure the degree of development by interpretation of inputs in the economy. Which yields some production? In the event when consumption levels far exceed than what is reckoned, this is not a means of triggering or bringing about transformation in the culture, society or development in human resources or economy. What the time demands is optimum and efficient execution of advertising projects by involving appropriate technology along scientific lines.

Firms in the advertising and public relations services industry prepare advertisements for other companies and organizations and design campaigns to promote the interests and image of their clients. This industry also includes media representatives-firms that sell advertising space for publications, radio, television, and the Internet; display advertisers-businesses engaged in creating and designing public display ads for use in shopping malls, on billboards, or in similar media; and direct mail advertisers. A firm that purchases advertising time (or space) from media outlets, thereafter reselling it to advertising agencies or individual companies directly, is considered a media buying agency.

Most advertising firms specialise in a particular market niche. Some companies produce and solicit outdoor advertising, such as billboards and electric displays. Others place ads in buses, subways, taxis, airports, and bus terminals. A small number of firms produce aerial advertising, while others distribute circulars, handbills, and free samples. Groups within agencies have been created to serve their clients’ electronic advertising needs on the Internet. Online advertisements link users to a company or product’s Web site, where information such as new product announcements, contests, and product catalogue appears, and from which purchases may be made.
The advertising industry can be categorized into the following categories; filmed entertainment, television, music, radio and print. As implied, many aspire to join this industry due to the high visibility and glamour associated with many of the top jobs. That said, the opportunities are many and varied, and not all focused on celebrity status, such as in the areas of mass communication, content development, animation, production and event management.

(a) Performance
Movies, Internet, Print Media, broadcasting constitute 0.99% in approximately 57 countries in terms of economic growth worldwide. This ratio was found to be unaltered in the years 2005 through 2006. It was observed that expenses incurred on advertising in the European countries exceeded the expenses incurred by United States of America in the year 2005. Reports also suggest that the trend of growth in the advertising industry may become sluggish in 2007, the ratio being 5.6%. This ratio may drop to 5.3% in the year 2008. 2005 through 2008 will see a majority of the emerging markets whose advertising markets are likely grow as much as USD19.2 billion. On the other hand, the stake in the global advertising market may escalate from 7.9%- 10.8% during the same period. It is apprehended that the advertising industry which contributed 0.96% towards the global GDP in the year 2005, is anticipated to escalate to 0.99% in 2008.

The industry has suffered a great deal during the economic recession, with U.S. top media companies managing flat revenues in 2008 and a 5% contraction in 2009 according to Ad Age reports. Many players, dominated by those in the print industry, have plunged into bankruptcy, primarily due to the shrinking revenues coupled with massive debt loads taken on in the market boom. Though certain digital media firms such as Google fared well (revenues up 23%), others such as Microsoft witnessed a flat top line. Ad spending in the U.S. was also severely depressed, falling 4% in 2008 a further 14% in the H1 2009, according to WPP's TNS Media Intelligence. Despite this sorry state, newspapers, magazines and cable systems continue to operate and media companies have been trying to slash their crippling debt. Analysts believe the worst is over, and globally, the industry is poised to emerge with less debt and stronger balance sheets in the coming 6 months. The situation in Indian market of advertising industry is good and it is progressing. It has not been affected by economic recession.
(b) Growth Potential

The Indian entertainment and media sector is one of the fastest growing sectors in the economy, and its segments have all witnessed tremendous double digit growth in the last few years. The past 2 years were tumultuous, especially due to poor liquidity in the system for financing big projects for the big and small screen. However, with global indicators realigning themselves once again, the Indian media and advertising industry too looks poised to resume where it left off pre 1H 2008. According to a 2009 report jointly published by the Federation of Indian Chambers of Commerce and Industry (FICCI) and KPMG, the media and entertainment industry in India is likely to grow at ~13 % CAGR over 2009-13, touching US$ 20 billion by 2013. The key reasons favoring the rapid growth of the Indian entertainment and media sector are the demographic and economic factors buoying India’s development; with a majority of the population below the age of 35, and increasing disposable income in Indian households, the average spend on media and entertainment is likely to grow, according to the 2009 edition of PricewaterhouseCoopers report. In addition, advances in technology, increasing penetration of communication mediums, policy initiatives of the Indian government to increase FDI and the increased participation of private media companies have been the other key drivers of the industry. As per current estimates the television industry is projected to grow by 22%, filmed entertainment by 16%, radio by 18% and the Indian advertising industry 61% over the next 3 years. Given the lucrative prospects of this segment, international media giants are all vying for a stake in the segment. In addition to domestic growth, the growing popularity of Indian content in the world market and South Asia in particular, has encouraged Indian entertainment industry players to also venture abroad to tap this booming segment; according to a report by CII-AT Kearney, the share of international markets in total box office collections is estimated to increase from 8% in 2006 to 15% in 2010.

The greatest opportunities naturally lie in those sub-areas that are expected to grow the fastest over the next few years, namely, in the development of digital distribution platforms for TV such as DTH, digital music platforms, digital media advertising (internet, mobile and digital signage) and global cinema content. For new graduates, the industry poses great prospects for achievement given its growth trajectory. On the flip side, it is extremely fast-paced and stressful as well. Additionally, being creative on a tight schedule can be emotionally draining, especially because most of the work includes long hours and meeting stringent deadlines.
(c) Trends in Advertising Industry

The advertising business is going through rapid changes due to consolidation and globalization. Meanwhile, advertisers, more than ever before, want to create a seamless global brand—they need the services of multinational agencies and consultants who can help them in dozens of countries worldwide. Campaigns and branding, regardless of scale, must be consistent and cost-effective. Online advertising is booming. Search engines such as Google are seeing revenues soar thanks to paid search inclusion. Also, more and more of advertising budgets are being directed to online ads. Advertisers of all types have learned that targeted ads online are now highly productive. Newspapers, magazines, radio and television are trying to adapt and evolve to changes in audiences and technology. In last few decades the advertising industry has been affected by rapidly changing business environment and following trends have taken place:

(i) Online advertising industry: Trend in the growth of the Online advertising Industry and its impact on the economy is good. It is assumed that by the year 2008, the revenues generated in the Online advertising industry, as a result of searches, will amount to $5.7 billion. Online advertising industry is growing by leaps and bounds. The Online advertising industry is reckoned to improve further in the years to come. Expenses incurred on online advertising industry are gradually increasing. Reports suggest that in the year 2003, the Online advertising industry yielded revenues equal to $1.9 billion, which escalated to $2.3 billion. The year 2007 will be a witness to several alternative means of advertising other than the conventional tools of marketing. Advantage of Online advertising industry is that an individual has the liberty to browse through the different products on offer and can also compare prices from the comfort of one’s office or home. Online Advertising industry can use the Internet as a marketing tool for different spheres. Whether an individual wishes to sell, buy relocate etc, the real estate marketing sites can be accessed. There are several instances when the Internet can be made an effective marketing instrument. Online advertising industry is expected to be stable and manifest an upward trend in the year 2007. This trend is likely to continue till 2011. The compound annual growth rate is anticipated to increase by 17.4% during this period(2007 through 2011) and touch the $197.11 billion mark. Every industry in the US economy use the Online advertising tool for marketing products. The different sectors yield revenues and add to the GDP or the gross domestic product. Online advertising tools can be used in several sectors as enumerated below:
- Banking
- Real Estate
- Steel
- Mining
- Paper
- Plastic
- Software
- Biotechnology
- Health Care
- FMCG
- Agriculture, etc.

(ii) **Outdoor advertising industry:** Outdoor advertising industry plays an important role in determining the economy of any country. Outdoor advertising is a very cost effective. Way of putting across one's product to the common people. Statistics have indicated that the growth in the revenue due to outdoor advertising industry was approximately 5.5 billion in the year 2002. This sale record in the outdoor advertising market is predicted to go up to around 12.4 billion in the year 2009. Revenues also increased to $298 million in 2002 which escalated by 9% in the year 2005. It is anticipated that this figure may go up to $324 million in the next few years.

(iii) **Advertising industry and employment:** In addition to generating revenue for the country, it also provides employment facilities to individuals directly associated or indirectly associated with the advertising industry. It was found that in Florida alone, the total number of jobs available in the outdoor advertising segment or outdoor advertising related segment was 10,000 in the year 2001. It is believed that there will be a decrease in the number of jobs, the job count going down to 7,600 by 2010. The decline can be attributed to diversification in other industries. The Gross revenue product or the GRP was found to be $405 million in the year 2001 and is expected to be $457 million by the year 2010. Statistics also suggest that the real disposal income in the outdoor advertising industry as in 2001 was $264 million which is likely to rise to $311 million in 2010.
(iv) Accessing product information: Growth in the economy of United States of America has accelerated the production of different products. Every effort is made by the companies to penetrate into the market by opting for better and efficient marketing tools. Outdoor advertising is a very effective economic instrument which enables an individual to access critical information about the new products on the shelf. Outdoor advertising industry also helps individuals to decide about purchasing products. The outdoor advertisers comprise of the entertainment industry, lodging, tourism, telecommunications, amusement, automobile industry etc.

(v) Contribution in global development: Advertising Industry trends reflect the dynamics of the advertising industry and its contribution to the economy of the country. The advertising industry plays a significant role in contributing to the global GDP or the gross domestic product. Advertising industry trends suggested that advertising expenses with regard to magazines in the beginning of 2007 escalated by 7.1% as compared to the first half of 2006. The same period witnessed a decrease in the expenses on magazines dealing with business articles, reports and business statistics by as much as 5.2%. A survey conducted on the advertising industry trends also suggested that total amount spent on advertising pertaining all categories of media registered a reduction by 0.3% in the first three months of 2007 as compared to the last quarter of the 2006. The advertising analysis report conducted on advertising industry trends observed that approximately 19.2% was spent on magazines during the first 3 months of 2007. There was an increase by 0.9% as compared to the hike registered last year during the same time.

(vi) Trends in different media: Research and analysis carried out in the context of the advertising industry noticed the following advertising industry trends:

- As many as 1,370 magazines were launched in the United States of America and Canada in the year 2006.
- The advertising industry report anticipates that another 820 magazines are likely to be launched within 2007. This will take the number of magazines to 26,960 by 2007 end.
- It is apprehended that a decrease is likely to occur in the number of advertisement pages in the magazines by around 9% between 2006 through 2011. The shift in the trend of advertising industry from the print media to the Internet is considered to be one of the reasons for the down slope.
• Surfing the Internet for various purposes like shopping on line, information about a store, searching for information or randomly browsing the net accounted for approximately 12%, 15%, 22% and 31% respectively.

Studies on advertising industry trends also revealed that people are opting for surfing the net for commodities on line as compared to the print media. Due to escalation in the cost of postage in the year 2007, a tendency might set in when the publishers may opt for the reduction of the size of papers and decrease in paper weight. Consequently, page volume is likely to go down by 9% by the year 2011. The Advertising Industry Report suggests that the revenue earned from media as well as advertising in the United States of America attained the $13.10 billion mark in the year 2006. Advertising Industry Report analyzes the trends and the market conditions pertaining to the advertising industry. Advertising industry reports revolving around advertising related activities like campaigning, electronic and printed displays, billboards, shopping malls, retail market etc., are all taken into consideration while working out reports. The contribution of the advertising industry to GDP or the gross domestic product is also accounted for. The advertising industry report also implies that as many as 30,000 plus companies operate in the United States of America.

(d) Advertising Companies
Contributions of advertising companies towards yearly revenue up to approximately $60 billion. Omnicom, WPP, Interpublic are some of the reputed advertising companies operating in America. Segregation prevails in the advertising market. Trends in the advertising industry indicate that the as many as 50 companies which are quite reputed hold around 40% of the market stake. This was an increase by approximately 4.2% as compared to the revenues earned in the year 2005. The yearly revenue earned from every employee in the advertisement industry amounts to $150,000. Advertising industry reports indicating risks involved in the advertisement industry. There are many risks which the advertisement industry is subjected to. The advertisement industry report throws light on the various types of risks and the statistical data pertaining to the risks which the advertisement companies have been subjected to at that point of time. Risks can be of three types, structural risks are the risks which may be encountered from within the advertisement industry. Growth risk report provides the probabilities of the risks likely to appear in future. Several factors like prices of articles, regulations of the government rates of
interest and exchange rates may affect the advertising industry to a considerable extent and these factors constitute the last risk factor called the sensitivity risk.

2. The History of the Advertising Industry

An advertising company is a potentially very successful and enjoyable business, but only if done correctly. Advertising promotion is older than most people think, and here is a brief history of advertising companies. There are four very influential inventions that have shaped the media and thus the advertising industry - the printing press, radio, television and the Internet. The printing press made the wide dissemination of information with words on paper possible, mainly advertisements in newspapers and magazines. Selling material had to be created and advertising agencies were born. The first advertising agency, Volney B. Palmer, was opened in Philadelphia in 1841. By 1861 there were 20 advertising agencies in New York City alone. Among them was J. Walter Thompson, today the oldest American advertising agency in continuous existence. Radio became a commercial medium in the 1920s.

For the first time, advertising could be heard, not just seen. Soap operas, music, and serial adventures populated the new medium, and as radios appeared in virtually every home in America, sales of products advertised on the air soared. Advertisers rushed to write infectious advertising jingles, an art form that still has its place in the advertising repertoire of today. Then television changed everything. Although TV was invented in the 1920s, it didn't become a mass commercial medium until the 1950s when the prices of television sets began to approach affordability. Print and radio had to take a back seat because, for the first time, commercials were broadcast with sight, sound and motion. The effect of the television on the advertising industry and the way products were sold was remarkable. Advertising agencies not only had to learn how to produce these mini movies in units of 30 and 60 seconds, they had to learn to effectively segment the audience and deliver the right commercial message to the right group of consumers.

Cable television was the next great innovation, offering a greater variety of channels with more specific program offerings. That allowed advertisers to narrowcast. Before the advent of cable television, the networks attempted to reach demographics by airing at different times throughout the broadcast period. Soap operas were broadcast during the day to reach women, news in the
evening to reach an older target audience. Cable television, on the other hand, brought with it channels like MTV that catered to young music lovers, ESPN, for (typically) male sports fans, and the Food Network, for people who love cooking (or at least love to watch others cook). These new advertising channels were delightful for advertisers who wished to target certain audiences with specific interests, though less so for the networks who saw their share of ad revenue dwindle.

The earliest forms of advertising included simple signs that merchants put over their doors to inform the public about what was for sale inside. Posters, pamphlets, and handbills began appearing in England following the invention of movable type in Germany around 1450. Advertising became a part of newspapers when they first appeared in England in the seventeenth century and in America at the beginning of the eighteenth century. Magazine advertising followed in the early nineteenth century. During the 1700s Great Britain made great advances in advertising. Handbills and trade cards were common. A wide variety of goods were advertised. For example, one of the most exciting subjects of advertising was the New World. Historians have commented that posters and handbills lauding the wonders of the New World may have hastened emigration there.

During the eighteenth century advertising could be found in the British colonies in America a practice that, centuries later, achieved a great level of refinement and popularity in the new nation. Advertising in the colonies, however, initially had little impact. Since America was predominantly wilderness and farm country, many people lived in comparative isolation. In addition, ads appearing in newspapers were often illegible and poorly written. Improvements in printing technology and a new advertising philosophy led to advances in U.S. advertising in the larger cities during the 1820s and 1830s. New York's penny press newspapers began to make their advertising more understandable and accessible to common readers. Finally in 1848 the New York Herald began changing the newspaper's ads daily. This expansion created a need for advertising agencies.

Advertising agencies began to emerge in the United States in the 1840s. They sold space in newspapers and magazines for commission. The commission system allowed the agency to collect a fee for placing an ad in a given newspaper or journal. It became established that agencies were compensated by their clients, that is, agencies represented the newspapers and
periodicals in which advertising appeared. In 1875 George Rowell, who pioneered buying advertising space in bulk, announced that he would reverse the relationship and act on behalf of the advertisers. Soon F.W. Ayer introduced a new arrangement, the "open contract," in which terms were vague, and the agency was permitted to represent the advertiser over an indefinite period of time. It created a dynamic, long-term relationship between advertiser and agency that was generally healthy for the industry.

Changes in the American marketing system in the 1880s made modern advertising models possible. Previously the market was dominated by wholesalers who purchased goods in large lots and sold them in smaller lots for a profit. During the 1880s, however, manufacturers of packaged goods began to package, brand, and distribute their products throughout the country. This change introduced a need for advertising on a national level. These advertisers provided agencies with a new set of clients with higher standards than those who sold to only local markets. For example, packaged goods manufacturers wanted their advertising to create a bond of trust with the consumer, so their advertising needed to be more truthful. Throughout the nineteenth century the most widely advertised products were patent medicines. Even as late as 1893 more than half of all advertisers who spent more than $50,000 annually on advertising were patent medicine manufacturers.

For firms making durable and non-durable goods advertising served many purposes. It helped introduce new products and suggested new uses for those already existing. It could also reach new audiences to inform them about established products that were unfamiliar to them. Heavily advertised products were safer to stock and easier to sell because advertising created consumer demand and brand loyalty. During the 1890s the advertising industry grew dramatically. By 1897 more than 2,500 companies were conducting large-scale advertising campaigns. This expansion was the result of the increased use of brand names and trademarks and growing newspaper distribution. Copywriters also contributed to the growth. In 1892 N.W. Ayer & Son agency in Philadelphia hired its first copywriter to create an advertisement. Previously it had simply bought advertising space from newspapers and magazines and sold it to advertisers. Now agencies could provide both art and copy for their clients.

In 1900 the major agencies included J. Walter Thompson, N. W. Ayer & Son, and Lord & Thomas. In the nineteenth century J. Walter Thompson had persuaded several literary magazines
to carry advertising, and by 1900 his agency was creating ads for thirty of the most popular women's and general interest monthly periodicals. J. Walter Thompson can be credited with transforming magazines into an advertising medium. The Chicago agency Lord & Thomas, which later became Foote, Cone & Belding, is credited with developing a now-common form of advertising that stressed salesmanship. It originated with Albert Davis Lasker, who joined the agency in 1898 and was its sole owner from 1912 to 1942. Lasker, along with copywriter John E. Kennedy, were the founders of the "reason-why" school of advertising. Until its advent, the industry was mainly concerned with keeping the client's name before the public. Lasker innovated by adding the element of persuasion (stressing benefits to the consumer). He argued that an advertisement must give the consumer a specific reason for buying a product. This new approach later earned him the title, "the father of modern advertising."

During the 1920s the introduction of radio in the United States gave advertising an impetus that carried it through the Great Depression (1929–1939) and World War II (1939–1945). When radio was first introduced, many people felt that radio advertising should be prohibited. This view was supported by then Secretary of Commerce Herbert Hoover (1874–1964). By the end of the decade, however, advertisers began to use radio's advantages as an advertising medium by injecting elements such as drama and immediacy into commercials. With the formation of the NBC and CBS radio networks in 1926 and 1927, respectively, radio became an important medium for advertisers. Ad agencies created nighttime radio programs as a way to communicate their client's message. They also created daytime radio dramas that became known as "soap operas" (a term that was first applied to the dramas created for consumer product giant Proctor & Gamble).

During the 1920s advertising agencies were transformed into professional organizations offering specialized services. Market research was used to gain a better understanding of the prospective audience, and agencies developed separate departments and operating units, including research and art departments (which were added to complement copy-writing services). Ad budgets soared. Following World War II, the introduction of television laid the foundation for an advertising boom in the 1950s. By 1948 one million U.S. homes had television sets; the first coast-to-coast network was established in 1951. It was a period marked by numerous changes: ad
agencies added more staff; new agencies were formed; mergers strengthened those already existing. From 1950 to 1980 advertising expenditures increased tenfold.

After World War II the U.S. advertising industry began spread throughout the world. American companies began to sell again to markets that they had entered before the war and compete in new ones. Offices were set up abroad, and the major agencies became multinational to serve their multinational clients such as Coca-Cola, Ford Motor Company, Eastman Kodak, General Foods, and many others. In the 1980s and 1990s, U.S. advertising came to dominate the international market. There were, however, some notable exceptions. For example, London's Saatchi & Saatchi, became a giant by acquiring smaller shops located in strategic cities around the world. The Dentsu agency was the principal company in Japan. France also had its own dominant agencies.

By 1980 U.S. advertising expenditures were more than $55 billion, or about two percent of the gross national product. Sears, Roebuck and Co. was the nation's largest advertiser, spending $700 million in national and local advertising. From 1976 to 1988 U.S. spending on advertising grew faster than the economy as a whole. TV advertising was mainly responsible for this growth. In 1988, as the country began slipping into an economic recession, there was a slowdown in advertising spending. U.S. ad spending would not recover until 1993, when U.S. advertising spending reached $140.6 billion. At the time of the economic recession industry analysts began to question the effectiveness of traditional advertising to sell products and services. They offered several possible explanations: consumers were becoming less receptive to the continual barrage of advertising messages, and they grew more prices conscious and less brand loyal.

Technological innovations also had an impact on traditional advertising. The proliferation of alternative communication, including the rise of cable television, changed the way advertisers could reach their audience. Advanced market research techniques allowed companies to gather a wealth of data about their customers and consumers in general. This data could be effectively used to create a database marketing program. Direct marketing increased in usage and popularity. In addition to traditional advertising, clients began demanding agencies provide integrated marketing programs that combined a variety of elements such as direct mail, direct response, database marketing, coupon redemption, in-store promotions, and other, similar techniques. Although large advertising agencies could offer their clients a range of marketing
services, smaller agencies seemed better able to adjust to the changing marketing needs of their clients. This ability made smaller agencies the fastest-growing segment of the advertising industry in the early 1990s.

In spite of the growth of smaller agencies, advertising in the 1990s was dominated by large marketing conglomerates that owned several well-known advertising agencies. These conglomerates were formed through acquisitions and mergers. The largest included WPP Group PLC (which, among others, owned ad agencies J. Walter Thompson and Ogilvy & Mather); Omnicom Group Inc. (which held BBDO Worldwide Network and DDB Needham Worldwide Network and several independent agencies); Interpublic Group of Companies (whose holdings included McCann-Erickson Worldwide, Lintas: Worldwide, Dailey & Associates, and The Lowe Group); and True North Communications Inc. (which, among other agencies, owned Foote, Cone & Belding and Bozell, Jacobs, Kenyon, & Eckhardt Inc.

3. Overview of Advertising Industry in India

The structure of the advertising industry in Asia Pacific has been affected by globalisation and international alignments creating a smaller number of very large agencies and the growth of independent major media buying houses. Very sophisticated software optimisation and planning systems are now integral to the industry, enabling agencies to offer a unique positioning in the marketplace to attract new business. The Indian advertising industry is talking business today. It has evolved from being a small-scale business to a full-fledged industry. It has emerged as one of the major industries and tertiary sectors and has broadened its horizons be it the creative aspect, the capital employed or the number of personnel involved. Indian advertising industry in very little time has carved a niche for itself and placed itself on the global map.

American companies are discovering the appeal of marketing their products in India. With a population of approximately one billion, and a middle class that's larger than the total population of the United States, there's definitely money to be made. Local retailers in apparel, food, watches and jewellery have all increased their average ad spending by almost 50% in the past two years. Coupled with many other local players big retailing brands are spending to the tune of Rs 12,000 crores annually on advertising and promotional activities. This figure, according to
industry estimates, was less than Rs 400 crores about 3 years ago. Which means the growth has been a whopping 40%? The local firms are using all the available advertising tools from electronic to print, outdoor advertising and even models. The advertising and promotional spending by local brands is substantial during the festival season and almost 70% of the spending is done between September to January.

The advertising industry in India is growing at an average rate of 10-12% per annum. Over 80% of the business is from Mumbai and Delhi followed by Bangalore and Chennai. Indian advertising industry with an estimated value of es13, 200-crore has made jaws drop and set eyeballs gazing with some astonishing pieces of work that it has given in the recent past. The creative minds that the Indian advertising industry incorporates have come up with some mind-boggling concepts and work that can be termed as masterpieces in the field of advertising. Advertising agencies in the country too have taken a leap. They have come a long way from being small and medium sized industries to becoming well known brands in the business. Mudra, Ogilvy and Mathew (O&M), Mccann Ericsson, Rediffussion, Leo Burnett are some of the top agencies of the country.

Indian economy is on a boom and the market is on a continuous trail of expansion. With the market gaining grounds Indian advertising has every reason to celebrate. Businesses are looking up to advertising as a tool to cash in on lucrative business opportunities. Growth in business has lead to a consecutive boom in the advertising industry as well. The Indian advertising today handles both national and international projects. This is primarily because of the reason that the industry offers a host of functions to its clients that include everything from start to finish that include client servicing, media planning, media buying, creative conceptualization, pre and post campaign analysis, market research, marketing, branding, and public relation services.

(a) Online Ad Spending in India

Online advertising spending is holding its own and will continue to grow steadily over the next several years. Marketers are responding to the economic challenges with new techniques and strategies, along with research data to prove their effectiveness. According to statistics, online ad spending has reached $23 billion. Nonetheless, nearly three-quarters of web advertising space goes unsold and more than 99.7 per cent of banner ads are not clicked on.
(b) Scope of Advertising Industry in India

The advertising industry in India has several competitive advantages:

- India has a rich pool of strategic planning, creative and media services personnel: Indeed, Indian advertising industry has been exporting senior-level talent to many countries, particularly to the Gulf, South-East Asia, China, the UK and the US. Indian talent is recognised and respected in global agency networks.
- No other country has access to so many trained management graduates who can provide strategic inputs for brand and media planning.
- Indians are multicultural: we learn at least two languages and that gives us a head start in understanding cultural diversity.
- Most of the top 20 agencies in India have a global partner or owner, which should provide an immediate link to global markets.
- Our production standards in TV and print have improved: With a vibrant animation software industry, we have access to this area of TV production.
- India's advanced IT capabilities can be used to develop Web-based communication packages for global clients.

The Indian advertising industry is a very upcoming and promising sector. However there is severe competition and survival is for the fittest and the best. In this sector what matters the most is knowledge and experience of the work and the industry and its functioning. The more the knowledge you can provide the better the productivity you give. Exchange4media is an ad agency that has the knowledge as well as experience that will be a big benefit in making your ad campaigns run successfully.

(c) Indian Advertising Industry Needs to Make Up for Lost Time: Sam Balsara

Cavelossim, Goa: After facing rugged recession, the Indian advertising industry must now begin to look at ways and means to rejuvenate its sagging market share, according to industry experts. "After growing at nearly 20 per cent year on year for five years, the advertising market dipped in 2009 by as much as 10%. Just 0.4% of GDP is contributed by advertising market. It’s time to grow now and make up for the lost time with sharp strategies and plans to develop brands,
markets, creativity, media markets and research," Sam Balsara, co-chairman, Discovery Channel India Leadership Conclave, an event held a day ahead of the Adfest Goa, said here. The two-day Adfest begins today with 3,000-odd delegates participating in the event organised by Advertisement Agencies Association of India (AAAI) and Ad club Bombay.

Conclave Chairman Colvyn Harris said the advertising market is under developed in India compared to many developed and developing countries, despite high growth rates in the last five years. "It is not growing at a fast enough pace to drive consumption. India contributes to 17 per cent of the world population but is only 0.7% of the world advertising market," he said. Piyush Mathur, regional managing director, AC Nielsen, suggested that the country should work on 'indo-vation', an innovation emanating from India. "Indo-vation is happening on the streets of India," he said. Shiv Moulee, chief client officer and Director Global Solution Board, Millward Brown opined that the consumer’s engagement with brand is declining over the years. "In today's environment brands needs to stand out," they said. "There is need to create unique space in the market. We are equal to any when it comes to effectiveness of advertising but creative impact is low compared to other countries," Moulee said.

4. Advertising Agency

An advertising agency or ad agency is a service business dedicated to creating, planning and handling advertising (and sometimes other forms of promotion) for its clients. An ad agency is independent from the client and provides an outside point of view to the effort of selling the client's products or services. An agency can also handle overall marketing and branding strategies and sales promotions for its clients. Typical ad agency clients include businesses and corporations, non-profit organizations and government agencies. Agencies may be hired to produce an advertising campaign.

(a) History

George Reynell, an officer at the London Gazette, set up what is believed to be the first advertising agency in London, United Kingdom, in 1812. This remained a family business until 1993, as 'Reynell & Son', and is now part of the TMP Worldwide agency (UK and Ireland) under the brand TMP Reynell. Another early advertising agent in London was Charles Barker, and the
firm he established traded as 'Barkers' until 2009 when it went into Administration. Volney B. Palmer opened the first American advertising agency, in Philadelphia in 1850. This agency placed ads produced by its clients in various newspapers produce "photographs, ambrotypes and daguerreotypes." His ads were the first whose typeface and fonts were distinct from the text of the publication and from that of other advertisements. At that time all newspaper ads were set in agate and only agate. His use of larger distinctive fonts caused a sensation. Later that same year Robert Bonner ran the first full-page ad in a newspaper.

In 1864, William James Carlton began selling advertising space in religious magazines. James Walter Thompson joined this firm in 1868. Thompson rapidly became their best salesman, purchasing the company in 1877 and renaming it the James Walter Thompson Company, which today is the oldest American advertising agency. Realizing that he could sell more space if the company provided the service of developing content for advertisers, Thompson hired writers and artists to form the first known Creative Department in an advertising agency. He is credited as the "father of modern magazine advertising" in the US.

(b) Types of Advertising Agencies
Ad agencies come in all sizes and include everything from one or two-person shops (which rely mostly on freelance talent to perform most functions), small to medium sized agencies, large independents and multi-national and multi-agency conglomerates. Different types of advertising agencies are following;

(i) Limited-service advertising agencies: Some advertising agencies limit the amount and kind of service they offer. Such agencies usually offer only one or two of the basic services. For example, although some agencies that specialize in "creative" also offer strategic advertising planning service, their basic interest is in the creation of advertising. Similarly, some "media-buying services" offer media planning service but concentrate on media buying, placement, and billing. When the advertiser chooses to use limited-service advertising agencies, it must assume some of the advertising planning and coordination activities that are routinely handled by the full-service advertising agency. Thus, the advertiser who uses limited-service agencies usually takes greater responsibility for the strategic planning function, gives greater strategic direction to
specialist creative or media agencies, and exercises greater control over the product of these specialized agencies, ensuring that their separate activities are well-ordered and -coordinated.

(ii) Full service advertising agencies: A full service advertising agency is a company that can manage all aspects of the marketing process, which includes planning, designing, manufacturing and placement of products. Those days, a full service agency can provide its clients online advertising as well, PR services or sales promotions. Advertisements are created for printing, radio, television or internet, which means that you get maximum coverage. Based on detailed surveys and market research, a full service agency helps the clients in achieving their advertising goals more effectively because they can have access to all the distribution channels and marketing means. Full service agency provides service of account management, research, creative, media planning and feedback.

(iii) Specialist advertising agencies: In addition to the full-service, general-line advertising agencies, there are also agencies that specialize in particular kinds of advertising: recruitment, help-wanted, medical, classified, industrial, financial, direct-response, retail, yellow pages, theatrical/entertainment, investment, travel, and so on. Specialization occurs in such fields for a variety of reasons. Often, as in recruitment advertising, for example, specialized media or media uses are involved that require knowledge and expertise not ordinarily found in a general-line agency. In other cases, such as medical or industrial advertising, the subject is technical and requires that writers and artists have training in order to write meaningful advertising messages about it. Such specialist advertising agencies are also usually "full-service," in that they offer all the basic advertising agency services in their area of specialization plus other, peripheral advertising services related to their area of specialization.

(iv) In-house advertising agencies: Some advertisers believe that they can provide such advertising services to themselves at a lower cost than would be charged by an outside agency. There are different departments in an agency and some them provides different type of services to the organisation. It varies from company to company.

(v) Interactive agencies: Interactive agencies may differentiate themselves by offering a mix of web design/development, search engine marketing, internet advertising/marketing, or e-
business/e-commerce consulting. Interactive agencies rose to prominence before the traditional advertising agencies fully embraced the Internet. Offering a wide range of services, some of the interactive agencies grew very rapidly, although some have downsized just as rapidly due to changing market conditions. Today, the most successful interactive agencies are defined as companies that provide specialized advertising and marketing services for the digital space. The digital space is defined as any multimedia-enabled electronic channel that an advertiser's message can be seen or heard from. The 'digital space' translates to the Internet, kiosks, CD-ROMs, DVDs, and lifestyle devices (iPod, PSP, and mobile). Interactive agencies function similarly to advertising agencies, although they focus solely on interactive advertising services. They deliver services such as strategy, creative, design, video, development, programming (Flash and otherwise), deployment, management, and fulfillment reporting. Often, interactive agencies provide: digital lead generation, digital brand development, interactive marketing and communications strategy, rich media campaigns, interactive video brand experiences, Web 2.0 website design and development, e-learning Tools, email marketing, SEO/SEM services, PPC campaign management, content management services, web application development, and overall data mining & ROI assessment.

The recent boost in the interactive agencies can also be attributed to the rising popularity of web-based social networking and community sites. The creation of sites such as MySpace, Facebook and YouTube have sparked market interest, as some interactive agencies have started offering personal and corporate community site development as one of their service offerings. It still may be too early to tell how agencies will use this type of marketing to monetize client ROI, but all signs point to online networking as the future of brand marketing and Interactive being the core of Brand's Communication and Marketing Strategy.

Due to the social networking explosion, new types of companies are doing reputation management. This type of agency is especially important if a company needs online damage control. For example, disgruntled customers can quickly and easily damage a company's reputation via social networking sites. Reputation management companies help stem the negative information or misinformation that might proliferate in their absence.
(vi) **Search engine agencies:** Lately, pay per click (PPC) and search engine optimization (SEO) firms have been classified by some as 'agencies' because they create media and implement media purchases of text based (or image based, in some instances of search marketing) ads. This relatively young industry has been slow to adopt the term 'agency', however with the creation of ads (either text or image) and media purchases; they do technically qualify as 'advertising agencies'.

(vii) **Social media agencies:** Social media agencies specialize in promotion of brands in the various social media platforms like blogs, social networking sites, Q&A sites, discussion forums, microblogs etc. The two key services of social media agencies are:

- social media marketing
- online reputation management

(viii) **Healthcare communications agencies:** Healthcare communications agencies specialize in strategic communications and marketing services for the Healthcare and Life Science industries. These agencies distinguish themselves through an understanding of the strict labeling and marketing guidelines mandated by the U.S. Food and Drug Administration (FDA) and industry group guidelines, most notably Advamed Pharma.

(ix) **Medical education agencies:** Medical education agencies specialize in creating educational content for the Healthcare and Life Science industries. These agencies typically specialize in one of two areas:

- Promotional education - education and training materials tied to the promotion of a given product or therapy
- Continuing medical education - accredited education and training materials created for continuing physician and medical professional education.

(x) **Other agencies:** Not advertising agencies only, enterprise technology agencies often work in tandem with advertising agencies to provide a specialized subset of services offered by some interactive agencies: Web 2.0 website design and development, Content management systems, web application
development, and other intuitive technology solutions for the web, mobile devices and emerging digital platforms.

(c) Agency Departments
Depending upon the area of specialization and workloads the advertising are having different departments. It varies from agency to agency. Some of the departments of an advertising agency are following;

(i) Creative department: The people who create the actual ads form the core of an advertising agency. Modern advertising agencies usually form their copywriters and art directors into creative teams. Creative teams may be permanent partnerships or formed on a project-by-project basis. The art director and copywriter report to a creative director, usually a creative employee with several years of experience. Although copywriters have the word "write" in their job title, and art directors have the word "art", one does not necessarily write the words and the other draw the pictures; they both generate creative ideas to represent the proposition (the advertisement or campaign's key message). Once they receive the creative brief from their account team, the creative team will concept ideas to take to their creative director for feedback. This can often be a back and forth process, occurring several times before several ads are set to present to the client. Creative departments frequently work with outside design or production studios to develop and implement their ideas. Creative departments may employ production artists as entry-level positions, as well as for operations and maintenance. The creative process forms the most crucial part of the advertising process.

(ii) Account services: Agencies appoint account executive to liaise with the clients. The account executives need to be sufficiently aware of the client’s needs and desires that can be instructed to the agency’s personnel and should get approval from the clients on the agency’s recommendations to the clients. Creativity and marketing acumen are the needed area of the client service people. They work closely with the specialists in each field. The account manager will develop a creative brief, usually about a page that gives direction to the creative team. The creative brief often includes information about the target audience and their attitudes and behaviors. The creative team will take the brief and, aware of their parameters; develop original copy and graphics depending on media strategy.
(iii) Media services: The media services department may not be so well known, but its employees are the people who have contacts with the suppliers of various creative media. For example, they will be able to advise upon and negotiate with printers if an agency is producing flyers for a client. However, when dealing with the major media (broadcast media, outdoor, and the press), this work is usually outsourced to a media agency which can advise on media planning and is normally large enough to negotiate prices down further than a single agency or client can. They can often be restrained by the client's budget, in which, the media strategy will inform the creative team what media platform they'll be developing the ad for. Modern agencies might also have a media planning department integrated, which does all the spot's planning and placements.

(iv) Production: Without the production department, the ads created by the copywriter and art director would be nothing more than words and pictures on paper. The production department, in essence, ensures the TV commercial or print ad, etc., gets produced. They are responsible for contracting external vendors (directors and production companies in the case of TV commercials; photographers and design studios in the case of the print advertising or direct mailers). Producers are involved in every aspect of a project, from the initial creative briefing through execution and delivery. In some agencies, senior producers are known as "executive producers" or "content architects".

(v) Other departments and personnel: In small agencies, employees may do both creative and account service work. Larger agencies attract people who specialize in one or the other, and indeed include a number of people in specialized positions: production work, Internet advertising, planning, or research, for example.

An often forgotten, but integral, department within an advertising agency is traffic. The traffic department regulates the flow of work in the agency. It is typically headed by a traffic manager (or system administrator). Traffic increases an agency's efficiency and profitability through the reduction of false job starts, inappropriate job initiation, incomplete information sharing, over- and under-cost estimation and the need for media extensions. In small agencies without a dedicated traffic manager, one employee may be responsible for managing workflow, gathering
cost estimates and answering the phone, for example. Large agencies may have a traffic department of five or more employees.

Advertising interns are typically university juniors and seniors who are genuinely interested in and have an aptitude for advertising. Internships at advertising agencies most commonly fall into one of five areas of expertise: account services, interactive, media, public relations and traffic. University students working on the creative side can find internships as a assistant art director or assistant copywriter. An internship program in account services usually involves fundamental work within account management as well as offering exposure to other facets of the agency. The primary responsibility of this position is to assist account managers. Interns often take part in the internal creative process, where they may be charged with creating and managing a website as well as developing an advertising campaign. Hands on projects such as these help intern learn how strategy and well-developed marketing are essential to a sound advertising and communications plan. During their internship, the intern will experience the development of an ad, brochure and broadcast or communications project from beginning to end. During the internship, the intern should be exposed to as much as possible within the agency and advertising process.

(d) Advertising Agency Functions

Today advertising agencies are found in virtually every major city on the world and their role in stimulating economic growth is solidly established. Advertising only issue is the advertising agency which, in most cases, making the creative decisions and media. Also often supplies support market research and even participate in the total marketing plan. In some advertiser relations agency, the agency operates fairly autonomous in its sphere of competence, in others the poster continues to participate in the creative decisions and media as the campaign progresses. A modern agency employs three different types of people experts in the field of creative work, media and marketing research, and client services. These professionals at advertising agencies and other advertising organizations offer a number of functions including:

(i) Account management: Within an advertising agency the account manager or account executive is tasked with handling all major decisions related to a specific client. These responsibilities include locating and negotiating to acquire clients. Once the client has agreed to
work with the agency, the account manager works closely with the client to develop an advertising strategy. For very large clients, such as large consumer products companies, an advertising agency may assign an account manager to work full-time with only one client and, possibly, with only one of the client’s product lines. For smaller accounts an account manager may simultaneously manage several different, though non-competing, accounts.

(ii) Creative works: The principle role of account managers is to manage the overall advertising campaign for a client, which often includes delegating selective tasks to specialists. For large accounts one task account managers routinely delegate involves generating ideas, designing concepts and creating the final advertisement, which generally becomes the responsibility of the agency’s creative team. An agency’s creative team consists of specialists in graphic design, film and audio production, copywriting, computer programming, and much more.

(iii) Research service: Full-service advertising agencies employ market researchers who assess a client’s market situation, including understanding customers and competitors, and also are used to test creative ideas. For instance, in the early stages of an advertising campaign researchers may run focus group sessions with selected members of the client’s target market in order to get their reaction to several advertising concepts. Researchers are also used following the completion of an advertising campaign to measure whether the campaign reached its objectives.

(iv) Media planning: Once an advertisement is created, it must be placed through an appropriate advertising media. Each advertising media, of which there are thousands, has its own unique methods for accepting advertisements, such as different advertising cost structures (i.e., what it costs marketers to place an ad), different requirements for accepting ad designs (e.g., size of ad), different ways placements can be purchased (e.g., direct contact with media or through third-party seller), and different time schedules (i.e., when ad will be run). Understanding the nuances of different media is the role of a media planner, who looks for the best media match for a client and also negotiates the best deals.

(v) Monitoring feedback: By monitoring consumer feedback, a decision on whether to revise the message, the medium, the target audience or all of them can be made. Ad agencies are developing to reach the target audience. As information is the backbone of all advertising, to
prepare ads, one requires information about the product; its competitors, the market situation and trends, information about the audiences (their likes and dislikes and media habits) also need to be collected. Some of the most effective advertising includes advertisement written in their native language. All of these specialized campaigns are creating new demands on agencies and are requiring new talents for people who work in advertising.

In addition, many agencies also offer a variety of allied services. These include:

- Merchandising
- Public relations
- Organizing exhibitions and fairs
- Preparing all kinds of publicity material
- Planning and organizing special events (event management)
- Direct marketing

(e) Top Advertising Agencies in India
Advertising is a big business in this era in India. Indian Advertising industry has witnessed a prominent globalization. With the inception of various divisions, the advertising industry has undergone a sea change. Indian consumer's deepening pocket and blooming markets for ad-spends have touched new heights in India. The Indian Advertising Companies are creating stories and brand experiences in a way that engages and involves. The Best Indian sites offer the names of the top Advertising Organizations in India.

There is a big list of advertising companies big and small. Here is a list of the top Indian websites and a quick glance at them will help you to get the required knowledge about the websites: Following are the top advertising agencies in India.

(i) Ogilvy and Mather: This is one of the leading advertising companies in India. This organization believes that devotion to the brand defines the profile of their company. This company has offices across the globe. The objective of the company is to build brands. It is a subsidiary of WPP Group plc. The headquarters of the company is in New York.

(ii) J Walter Thompson India: One of the most popular companies in the advertising industry is J Walter Thompson India. Their objective is to make advertising a part of the life of the consumers. This is also world's best advertising brand with about 200 offices in 90 countries.
This company is the first one to introduce pioneer careers in ad for women, sex-appeal ads and also produced the first ever sponsored -TV program.

(iii) Mudra Communication Pvt. Ltd: This is one of the renowned advertising companies of India. This advertising organization was founded in the year 1980 at Mumbai. Recently the Ad Company declared the addition of public relations, rural marketing, events etc. The head office of the company is in Bombay Area.

(iv) FCB-Ulka Advertising Ltd: One of the best companies in India in the advertising arena is FCB-Ulka Advertising Ltd. In US, this advertising company ranks third and tenth in the world having about 188 offices in 102 countries. Their aim is to reflect the needs of the brand and not the personality of the brand. It has about 500 professionals and no prima donnas.

(v) Rediffusion-DY&R: This Advertising Company of India has made a benchmark in the field of creativity. India's 5th largest advertising company is Rediffusion. This advertising agency offers a wide array of integrated pr services for external and internal communications. The primary strength of the company lies in the media relations.

(vi) McCann-Erickson India Ltd: The prominent name among the best advertising companies of India is McCann-Erickson India Ltd. They define work in relation to the impact that advertising has on the lives of masses. The testimony of the company in which it firmly believes is the campaign of Coca -cola-'Thanda Matlab Coca Cola'.

(vii) RK Swamy/BBDO Advertising Ltd: It maintained the record of remaining consistently among the top ten advertising agencies in India. Established in 1973, this advertising reached great heights. This is also India's No.1 research company in the market sector and is fully run by Indians. Brand Equity is an integral part of the company.

(viii) Grey Worldwide (I) Pvt. Ltd: A significant name in India in the world of advertising agencies is Grey Worldwide (I) Pvt Ltd. The Company is primarily based in Mumbai and has offices in Kolkata, Ahmedabad, Bangalore and New Delhi. It is a subsidiary of Grey Worldwide. The company specializes in advertising and marketing services.

(ix) Leo Burnett India Pvt. Ltd: It has a significant presence in about 96 offices in 10 countries. This advertising agency was awarded the 'Worldwide Agency of the Year' in
2004. They are proficient in explaining how a single image is worth thousand words and can break the barriers of language but not at the cost of the ad's emotional power.

(x) Contract Advertising India Ltd: This advertising company of India is one of the leading advertising agencies in India. It is one-to-one customer lifecycle management advertising agency. It was founded in 1992 and is situated in Mumbai. It offers a wide range of services like online marketing and strategy and many others.

5. Major Advertisers in India

In past advertising was considered as a luxury. But with fast economic development, competition, customers’ awareness, liberalization and globalization the use of advertising has been increased worldwide and India is also no exception. The foreign origin companies having business in different countries are spending more amounts on advertising. Some the local companies are also coming up for advertisements. According to Advertising Age TAM India, the India's leading advertisers in 2008 by media spend are following:

1. Unilever India
2. Pantaloons
3. Tata Group
4. Suzuki
5. Reckitt Benckiser
6. ITC
7. Procter & Gamble
8. LG Group
9. Bharti Group
10. PepsiCo
11. Dabur India
12. Emami
13. Paras Pharmaceutical
14. Hero Honda
15. Nestle
16. Colgate
These are the leading companies and there is big list of advertisers now in India. They started spending more amounts in present time and in future more competitive situation the advertising budget is going to increase definitely. The interest towards advertising of many companies is increasing in the markets. For example, Frito-Lay, Vodafone, Essar and Nestlé are among a growing number of advertisers looking to employ crowd sourcing to connect with their target audience in India. Earlier this year, Frito-Lay which is owned by Pepsi Co launched a contest asking members of the public in India to submit their suggestions for a new flavour of crisp to add to its portfolio. Some 200,000 entries were received in the first week of this programme alone, with the organisation now in the process of selecting which of these options will go forward for popular consideration.

The company will then allow web users to vote for their favourite, with the person behind the winning idea taking a prize of 50 lakh rupees, and 1% of future revenues generated by the product. Alongside supporting this initiative with advertising across TV, outdoor, radio and digital, the Frito-Lay is considering making a reality TV series based around the scheme. "There will be some outrageous flavours out there, and then some that are interesting."Vodafone Essar, the Indian arm of the UK telecoms company, also recently unveiled a new communications campaign featuring animated characters called "Zoozoos". As part of this process, it challenged members of online portals like Facebook, the social network, to watch a partially-completed ad featuring these brand mascots, and suggest how it might end. Nestlé India has also called for customers to reveal their real-life stories related to its Maggi noodle brand, with some going on to appear on its packaging, and others being recounted in TV spots.

6. Advertising Regulations in India

Advertising Industry in India is on the expansion spree for the last few years and has become a serious and big business growing at a considerable rate. However, the growth of this industry is affected by the prevalent malpractices carried out by advertisers in order to lure the consumers and sustaining an edge over the competitors. Advertisement is often described as commercial speech and enjoys protection under Article 19(1)(a) of the Indian Constitution. As a facet of the Right to Information, it facilitates the dissemination of information about the sellers and their products. However, the manner of facilitation is subject to a number of statutory provisions.
Under the Indian legal regime, the prominent, prohibit legal provisions that regulate advertising are:

(a) Obscene publication or advertisement of a lottery under the Indian Penal Code.
(b) Harmful publication under the Young Persons (Harmful Publications) Act, 1956.
(c) The indecent representation of women under the Indecent Representation of Women (Prohibition) Act, 1986.
(d) Use of report of test or analysis for advertising any drug or cosmetic under the Drugs and Cosmetics Act, 1940.
(e) Inviting transplantation of organs under the Transplantation of Human Organs Act, 1994.
(f) Advertisement of magical remedies of diseases and disorders under Drugs and Magical Remedies (Objectionable Advertisements) Act, 1954.
(g) Advertisements relating to prenatal determination of sex under the Prenatal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994.
(i) Any political advertisement forty hours prior to polling time under the Representation of People Act, 1951.

Absence of a single comprehensive legislation had created a lot of confusion in the advertising industry. In 1985, a self regulatory mechanism of ensuring ethical advertising practices was established in the form of the Advertising Standards Council of India (ASCI), a non statutory tribunal. ASCI entertained and disposed of complaints based on its Code of Advertising Practice (ASCI Code). Gradually, the ASCI Code received huge recognition from the advertising industry. In August 2006, the ASCI Code was made compulsory for TV advertisements by amending the Cable Television Networks (Amendment) Rules, 2006: “No advertisement which violates the Code for Self-Regulation in Advertising, as adopted by the ASCI, Mumbai for public exhibition in India, from time to time, shall be carried in the cable service.” This move has provided a binding effect on the ASCI Code. Rule 7 postulates that any advertisement which derides any race, caste and tends to incite people to crime, cause disorder or are indecent or vulgar. Further, section 6 of the Cable Television Networks (Regulation) Act, 1955 prohibits the
transmission or retransmission of any advertisement through a cable service unless they are in conformity with the ASCI Code. The key objectives of ASCI code is to ensure that advertisements must:

(a) Make truthful and honest representations and claims which is essential to prohibit misleading advertisements;
(b) Not be offensive to public decency or morality;
(c) Not promote products which are hazardous or harmful to society or to individuals, particularly minors; and
(d) Observe fairness in competition keeping in mind consumer’s interests.

Under the ASCI Code, complaints against the advertisements can be made by any person who considers them to be false, misleading, offensive, or unfair. The complaints are evaluated by an independent Consumer Complaints Council (CCC). CCC decides on complaints from the general public including government officials, consumer groups, etc., complaints from one advertiser against another and even suo moto complaints from the member of the ASCI Board, CCC, or the Secretariat. The CCC usually decides upon the complaints within a period of 4 to 6 weeks once the party concerned is afforded an opportunity of presenting its case.

The Indian advertising is slowly recognising the potential of web casting as well which is the transmission of video and audio content over the Internet, used for updating the news, weather or coverage of any selected events such as seminar, product launches or training. Though online advertising which is now also considered as Viral Marketing uses social networking sites, popular sites and industry specific portals to target audience. In order to target its audience, it considers the twin formulae of demographic information and online behaviour of the user. Equally popular is the mobile advertising in India, which is growing like forest fire with increasing mobile connections in India.

Technology is here to re-define advertising industry in India. The regulators will have to be cautious with these new trends. The self-regulated industry has so far been managed in a decent way but the recent controversy surrounding the “dil titli” and “dimaag nahi to no kiya” ads have again brought to the fore the ethical and business morals in a competitive environment. We need to wait and watch the trend. The code of self –regulation drawn up for advertisers India is not at
all sufficient and there should be more sincere observance of the code. However whenever there is competitive advertisement the competition drags each of the advertisers to the ASCI which is a non–statutory body. But whenever there is breach of public confidence by these advertisers by showing misleading advertisements, they should be immediately checked to safeguard the interest of innocent customers. Moreover there should be a statutory regulatory authority instead of ASCI which is non statutory which being so, has no binding authority on the non-members. This would definitely help to improve the quality of advertisements in India.

7. Current Advertising Position in India

Advertising, in its profound and deep sense of the term, reminds you of all the embroidered drama, inflated emotions, mellifluous jingles and colourful myriad pictures that form a beautiful collage of incidents and brands and consumer and the beautiful relationship of romance that they share is manifested through this patchwork. Take a brand like Cadbury’s; won’t you say you love Cadbury’s? Won’t you feel close to this brand – something that you are possessive about, something that you can identify with and feel comfortable with? And how! Imagine a situation where Cadbury would not have been advertised! Would you feel the same connection that you feel right now? No! Somewhere – lines like ‘kuch khass hai zindagi mein’, ‘Asli swaad zindagi ka’, ‘khaanewalon ko khaane ka bahana chahiye’, ‘rishton ki mithaas’ etc have etched in our minds. We feel nostalgic when we recollect the girl dancing on the cricket field in the Cadbury ad, our mouth waters when we recollect the swirling melting chocolate shown just before the Cadbury pack shot.

Thus advertising is that magical elixir of romance that creates the sparks between the brand and the consumer. Since ages, advertising is used as a medium of communication. However, today this medium is not just that. It is a means to feel emotions, indulge with the brands, create rippling effects on the consumer and above all make them feel warm, special and important. Advertising takes the consumer through that romantic journey where the consumer first gets acquainted with the brand, then tries to find more information about the product makes the first purchase, expresses his likes and dislikes, and after he likes, he becomes a brand loyal customer. Later discounts and other offers make him feel special and wanted and thus the romantic journey of the brand and the consumer carries on for the rest of the life.
When one considers high involvement products like a car or a diamond set, people collect more information as they are in the process of making a purchase decision. One can just imagine the quixotic, dreamy and indulging process of a woman buying a diamond set (say for instance Nakshatra diamond). Since it is popularly and truly said that diamonds are women’s best friend – the romantic buying journey is even more exciting. The lavish and extravagant Aishwarya Rai Nakshatra diamond TVC creates the first bounce of mawkish feelings towards the brand as we repeatedly see the ad with glaring eyes. It is not just wishful and dreamy but establishes a space in your heart that lightens up every time you see the ads. Just imagine the sentiments in the consumer’s heart when he or she has just bought Nakshatra diamond earrings. It is this particular feeling that advertising slogs to create in the heart of the consumers. It is that moment when you come home and adore yourself in the mirror with those earrings and the happiness you feel is the same when you are being loved by your special someone.

Many criticize that advertising lures customers into a pit of false dreams and hopes. But doesn’t advertising offer a stage for you to romance with your favorite brands, watching them evolve, feeling connected with the characters in the ad, dancing with imaginations about the product, flaunting your purchases, loving your brands, creating long lasting relationships with things you use, feeling nostalgic, experiencing emotions and above all making you feel so special against the rest of the world. Advertising is truly a romantic indulgence. Television advertising in India has is one of the fastest growing markets in the Asia Pacific regions of the globe. Since the Indian television is on a threshold of a major technological change, with new distribution technologies like digital cable, DTH (Direct- to – home) and IPTV (Internet Protocol television), television on advertising is surely going to take on a new role.

Because of the increased interactivity in content and niche programming styles catering to every specific target groups, advertising on television too is going to be more focused and will definitely draw more eyeballs. Moreover, today, TV enabled mobile handsets are gaining popularity in India. This might change the nature of TV advertising. Bharti, Vodafone and Reliance will provide their channels on mobile handsets. Times Now, a 24 hours news and current affair channel from the Times Group was first launched on Reliance mobiles and then on the regular TV sets. Reality formats are popular amongst television and they lay emphasis on audience interaction. SMS voting and in-programme advertising has become a key ingredient in
most of these shows. This too gives new scope of advertising. Because of the increased audience fragmentation, both the advertisers and the broadcasters are constantly on their toes.

Also, the launch of six DTH platforms in India will create innovative advertising spaces. In fact the incoming of the DTH services in India is being viewed as a healthy development for the advertising and the television industry. There has been a 29% growth in TV advertising in during the first quarter of 2008. Hindustan Unilever Ltd. was the number one television advertiser during the first quarter of 2008. At the same time, many companies are refraining to use this medium because of the clutter and lack of focus in the medium. Today in India, the scope for advertising has progressed considerably although the Indian advertising spends as a percentage of the Gross Domestic Product (GDP) is still abysmally low (at 0.34 %) as opposed to other developed and developing countries. Advertising revenues are vital for the growth of Entertainment and Media (E&M) industry in India. These low ad spends are an immense potential for growth. This can be seen through the development of so many new mediums of advertising in recent years. Current advertising revenues are estimated to be about 250 billion for 2010.

### Table 3.4.1: The Pitch-Madison Media Advertising Outlook 2009

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<th>Medium</th>
<th>Advertising Market size in Crores (2008 estimate)</th>
<th>Growth %</th>
<th>Share %</th>
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The Pitch-Madison Media Advertising Outlook 2009, now in its 6th consecutive year, the study provides an exhaustive analysis of the year gone by, in terms of advertising spends by media. It shows that the amount spend on different media is large amount and it is increasing at a higher rate. Further it would increase in the forthcoming years.

8. Future of Advertising

Advertising is the most important tool of promotion in the business. It has been used for promotion of products, services and corporate image. It could achieve its objectives very effectively in past and present too. Due to competition it is undergoing tremendous changes and in future also it is likely to face. In future more creativity and innovation is likely to take place due to advance technology. The companies are spending huge amount on advertisement and there is still scope for development in India with the development of economy. Some time false claims are also made by the clients that misguide the customers. The focus of advertising clients and agencies is on relationship based on trust. No doubt the clients want more creative and innovative ideas in advertising but reluctant to pay higher rates. Keeping in view all these factors it is concluded that the future of advertising in business in definitely bright worldwide and in India also. Wait and watch the situation in near future with positive anticipation.