Advertising and Sales Promotion
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Aim

Learning outcome

1. Meaning of Sales Promotion
2. Use of Sales Promotion
3. Present Market Scenario
4. Difference between Sales Promotion and Advertising
5. Sales Promotion and Various Marketing Needs
6. Limitations/Drawbacks of Sales Promotion
7. Sales Promotion Mix
8. Consumer Sales Promotion
9. Trade Promotions
10. Promotion for Sales Force
11. Product Lifecycle
   11.1 Introduction Stage
   11.2 Growth Stage
   11.3 Maturity Stage
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.C</td>
<td>Before Christ</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>Co</td>
<td>Corporation</td>
</tr>
<tr>
<td>Pvt. Ltd.</td>
<td>Private Limited</td>
</tr>
<tr>
<td>LINTAS</td>
<td>Lever Inter National Advertising Services</td>
</tr>
<tr>
<td>AIR</td>
<td>All India Radio</td>
</tr>
<tr>
<td>ASP</td>
<td>Advertising &amp; Sales Promotion Co</td>
</tr>
<tr>
<td>AAAI</td>
<td>Advertising Agencies Association of India</td>
</tr>
<tr>
<td>CAG</td>
<td>Commercial Artists Guild</td>
</tr>
<tr>
<td>DAVP</td>
<td>Department of Advertising and Visual Publicity</td>
</tr>
<tr>
<td>MICA</td>
<td>Mudra Institute of Comm. Ahmadabad</td>
</tr>
<tr>
<td>TV</td>
<td>Television</td>
</tr>
<tr>
<td>DD</td>
<td>Doordarshan</td>
</tr>
<tr>
<td>STAR</td>
<td>Satellite Transmission for Asia Region</td>
</tr>
<tr>
<td>ISA</td>
<td>The Indian Society of Advertisers</td>
</tr>
<tr>
<td>INS</td>
<td>Indian Newspaper Society</td>
</tr>
<tr>
<td>IBS</td>
<td>Indian Broadcasting Society</td>
</tr>
<tr>
<td>DAGMAR</td>
<td>Defining Advertising Goals for Measured Advertising Results</td>
</tr>
<tr>
<td>AE</td>
<td>Account Executive</td>
</tr>
<tr>
<td>USP</td>
<td>Unique Selling Proposition</td>
</tr>
<tr>
<td>GRR</td>
<td>Goods Received Receipt</td>
</tr>
<tr>
<td>GRN</td>
<td>Goods Receipt Number</td>
</tr>
<tr>
<td>Sq.</td>
<td>Square</td>
</tr>
<tr>
<td>Cm</td>
<td>Centimetre</td>
</tr>
<tr>
<td>POP</td>
<td>Point of Purchase</td>
</tr>
<tr>
<td>INS</td>
<td>Indian Newspaper Society</td>
</tr>
<tr>
<td>IENS</td>
<td>Indian &amp; Eastern Newspaper Society</td>
</tr>
<tr>
<td>ASCI</td>
<td>Advertising Standards Council of India</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>PR</td>
<td>Public Relation</td>
</tr>
<tr>
<td>CD</td>
<td>Compact Disc</td>
</tr>
<tr>
<td>PPT</td>
<td>Power Point Presentation</td>
</tr>
<tr>
<td>OHP</td>
<td>Over Head Projector</td>
</tr>
<tr>
<td>FMCG</td>
<td>Fast Moving Consumer Goods</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
</tbody>
</table>
Chapter I
Advertising – History, Function, Objectives and Importance

Aim

The aim of this chapter is to:

- discuss the history of advertising
- outline the objectives of advertising
- describe the importance of advertising
- explain the functions of advertising

Objectives

The objectives of this chapter are to:

- analyse the landmarks in the history of advertising in India
- delineate the functions and the importance of advertising
- probe the advantages and drawbacks of advertising

Learning outcome

At the end of this chapter, the students will be able to:

- recall the various definitions of advertising
- understand the meaning of advertising
- classify the general and specific objectives of advertising
1.1 History of Advertising

The history of advertising can be traced back from the beginning of mankind, from the days of the caveman – where he painted pictures of his heroic deeds or even mishappenings on the walls of his cave to modern civilisation. Advertising in the real sense can date back to ancient Greece, Rome and even the Indus Valley civilisation, where pots, bricks and even household utensils had some sort of markings of a manufacturer on them. Excavations all over the world have shown many such instances of advertising in the Ancient Civilisations. In Egypt, papyri found in Thebes [about 3000 B.C.] displayed announcements being offered for the return of runaway slaves.

In India, our forefathers had names and surnames which indicated their trade or profession:

<table>
<thead>
<tr>
<th>Indian surnames</th>
<th>Profession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gawali</td>
<td>Milkman</td>
</tr>
<tr>
<td>Tambe</td>
<td>Coppersmith</td>
</tr>
<tr>
<td>Pitaie</td>
<td>Brassmith</td>
</tr>
<tr>
<td>Sonar</td>
<td>Goldsmith</td>
</tr>
<tr>
<td>Lokhane</td>
<td>Iron dealer</td>
</tr>
<tr>
<td>Lohar</td>
<td>Blacksmith</td>
</tr>
<tr>
<td>Bhatt</td>
<td>Priest</td>
</tr>
<tr>
<td>Sutar</td>
<td>Carpenter</td>
</tr>
<tr>
<td>Raje</td>
<td>King</td>
</tr>
<tr>
<td>Pradhan</td>
<td>Minister</td>
</tr>
<tr>
<td>Gavandi</td>
<td>Mason</td>
</tr>
<tr>
<td>Kulkarni</td>
<td>Writer</td>
</tr>
<tr>
<td>Peshwe, Upadhye</td>
<td>Teacher of Scriptures</td>
</tr>
<tr>
<td>Pujari</td>
<td>Priest</td>
</tr>
<tr>
<td>Vaidya</td>
<td>Doctor</td>
</tr>
<tr>
<td>Patil</td>
<td>Headman</td>
</tr>
<tr>
<td>Shimpie</td>
<td>Tailor</td>
</tr>
<tr>
<td>Deshmukh</td>
<td>Landlord</td>
</tr>
<tr>
<td>Mali</td>
<td>Gardener</td>
</tr>
<tr>
<td>Wani</td>
<td>Grocer</td>
</tr>
<tr>
<td>Phule</td>
<td>Florist</td>
</tr>
<tr>
<td>Saral</td>
<td>Goldsmith</td>
</tr>
<tr>
<td>Kumbhar</td>
<td>Potter</td>
</tr>
<tr>
<td>Koli</td>
<td>Fisherman</td>
</tr>
<tr>
<td>Pandit</td>
<td>Learned One</td>
</tr>
<tr>
<td>Munim</td>
<td>Clerk</td>
</tr>
<tr>
<td>Gaighani</td>
<td>Cowherd</td>
</tr>
<tr>
<td>Munshi</td>
<td>Clerk</td>
</tr>
<tr>
<td>Kapoor</td>
<td>Camphor Dealer</td>
</tr>
<tr>
<td>Chawla</td>
<td>Rice Dealer</td>
</tr>
<tr>
<td>Mehta</td>
<td>Clerk</td>
</tr>
<tr>
<td>Sainik</td>
<td>Soldier</td>
</tr>
<tr>
<td>Shroff</td>
<td>Goldsmith</td>
</tr>
<tr>
<td>Choudhary</td>
<td>Headman</td>
</tr>
<tr>
<td>Hakim</td>
<td>Doctor</td>
</tr>
<tr>
<td>Mullah</td>
<td>Religious Heads</td>
</tr>
<tr>
<td>Maulavi</td>
<td>Religious Heads</td>
</tr>
<tr>
<td>Kazi</td>
<td>Teacher</td>
</tr>
</tbody>
</table>

Table 1.1 Names and surnames which indicated trade or profession in older days

- This trend is also obvious in the Parsees – all the ‘wallas’ – Boochwala (Bottle cap maker), Batliwala (Bottle maker), Sodawala (Soda maker, Daruwalai (Alcohol maker), etc. Also surnames like Engineer, Doctor, Vakil (Lawyer), Dalal (Agent), Merchant (Trader), etc.
- The Western world is not far behind where the persons were named after their occupation or profession as witnessed by the following surnames that are common- Smith, Carpenter, Gunn, Mason, Taylor, Fisher, Clarke, Baker, Goldsmith, etc.

The earliest form of Advertising was in the form of “Town criers”, who went around the town announcing news, etc., quite literally, as the name suggests, shouting the news to be made public in the town square or wherever they could be assured of spreading the news to a wide section of the people.

Symbols or some sort of marking/trademark were made on the makers’ bricks, pots, jewellery, etc. to build the
craftsman’s reputation and identification. Buyers looked for these symbols/ markings when buying goods (this sort of marking of the items to indicate manufacturer’s identity is done even today). It breeds trust in the buyer who knows that the markings of a particular manufacturer ensure him of a certain quality and that he is familiar and comfortable with the brand and product.

The Chinese had developed the art of printing in 868 A.D. Johann Gutenberg, a German, is credited with having invented the first printing press, around 1450 A.D. Williams Caxton set up the first such press in England and began printing books for entertainment. The Cologne Chronicle contains the first acknowledgement of Gutenberg as the inventor of the movable type.

In 1473, the first advertisement in a printed form was seen, in the form of a handbill attracting people to buy a book of religious rules published by John Caxton. In the middle of the 17th century, a weekly newspaper, called ‘Mercuries’ was started in England.

The Industrial Revolution changed the pattern of the economics of consumption and production. With the overall mass production of goods, the need arose to sell goods. Printed material could be mass-produced only after the invention of the ‘movable type’ and the expense of printing en masse could not be passed on to the local consumer. To keep the printing business profitable as well as viable for the consumers, advertising became necessary.

Prominent early advertisers were importers of products new to England - offering of coffee was made in a newspaper in 1652, followed by the offering of chocolate in 1657 and of tea in 1658. The first form of ‘competitive’ advertising was as early as 1710.

The printed newspaper/newsletter was published weekly and was handwritten by professional writers and circulated amongst the nobles and the elite. The earliest advertisements were in the form of announcements. The first advertisement in America was in 1704, in the ’Boston Newsletter’.

Some milestones in the history of advertising are:

- 1729 - Benjamin Franklin - Father of Advertising in the US. – Pennsylvania Gazette
- 1729 - First Advertising Agency in England was started by James White & Charles Lamb
- 1841 - First Advertising Agency in the US by Volney Palmer

![First advertising agency in the US](Image)

- 1893 – Coca-Cola registers its trademark
4/JNU OLE

1.2 Landmarks in the Advertising History of India

- 1780 – On 29th January, the first newspaper ‘Bengal Gazette’ was published by James Hicky
- 1790 - 'Courier’, printed in Mumbai carried advertisements in english, marathi, gujarathi and urdu
- 1905 - B. Dattaram & Co, the oldest existing Indian advertising agency started operations in Mumbai
- 1920 – Marked the entry of the first of foreign-owned advertising agencies in India
- 1925 –The set-up of the advertising agency, LR Swami & Co., in Madras
- 1926 - LA Stronach & Co (India) Pvt. Ltd begins operations in Mumbai
- 1927 - Indian Broadcasting Co. - in 1936, became All India Radio
- 1929 - J Walter Thompson enters India
- 1934 - Venkatrao Sista sets up Sista Advertising & Publicity
- LINTAS - In-house advertising agency of Levers - Lever Inter National Advertising Services
- 1936 - Indian Broadcasting Company becomes All India Radio (AIR)

1904 - American printer, Ira W. Rubel invents the first offset press
1982 – ‘The Times’ becomes the first national newspaper to be published by the photographic typeset technology
• 1939 - Lever’s advertising department launches Dalda - first major brand and marketing campaign specifically developed
• 1939 - The Press Syndicate Ltd, Bombay is formed
• 1939 – The Indian Eastern Newspaper Society is formed
• 1940 - Lux signs Leela Chitnis as the first Indian film actress to endorse ‘Lux’
• 1941 - Hindustan Thompson Associates (HTA), a subsidiary of JWT, coins the ‘Balanced Nourishment’ concept to make 'Horlicks’ more relevant to India
• 1944 - Advertising & Sales Promotion Co (ASP) started in Calcutta
• 1945 - First Indian corporate PR department established by House of Tatas
• 1945 - Advertising Agencies Association of India – AAAI is established

Fig. 1.4 AAAI

• 1946 - Tom & Bay (Advertising) Pune
• 1948 - ABC - Audit Bureau of Circulation
• 1950s - Commercial Artists Guild - CAG
• 1950 - Radio Ceylon and Radio Goa commence operation
• 1954 - Advertising Club, Mumbai makes its debut
• 1955 – Department of Advertising and Visual Publicity – DAVP set up for the release of all government advertisements
• 1957 - Vividh Bharati

Fig. 1.5 Logo of Vividh Bharati

• 1967- First commercial broadcast on Vividh Bharati
• 1968 - India wins bid for the Asian Advertising Conference
• 1970 - National Readership Studies provide relevant data
• 1970 - Concept of commercial programming accepted by All India Radio
• 1980 - Mudra Communications sets up shop
Fig. 1.6 Logo of Mudra Communications

• 1990 - Advertising & Marketing (A&M) magazine launched

1.2.1 The Dawn of a New Medium – the Internet
Advertising agencies open new media shops to go with Websites and Internet advertising

• 1993 - India’s first advertising school, Mudra Institute of Communication (MICA), Ahmedabad is operationalized to formally teach advertising
• 1996 - The ad fraternity for the first time hits it big by bagging three awards at the 43rd International Advertising Festival, Cannes
• 1996 - Lintas merges with Lowe Group becomes Lowe Lintas & Partners
• 2004 - Pratisaad Advertising, Pune - First ISO Certified Advertising Agency in India

1.2.2 Television
• 1962 - Indian television’s first soap opera - “Teesra Rasta”

Fig. 1.7 First Indian TV soap opera

• 1967 - Government persuaded to open up the broadcast media, allow privatisation.
• 1970 - Broadcast time is extended to over three hours
• 1972 – TV launched in Bombay
• 1976 - DD dons a new avatar, separate from AIR

Fig. 1.8 Doordarshan, a national channel
• 1982 - Associate of UTV are pioneers cable television in India
• 1982 - The biggest milestone in TV - The Asian Games. Broadcast in colour for the first time.
• Bombay Dyeing - first colour TV advertisement
• 1985 - 'Hum Log', DD’s first soap opera in technicolour

![Image of Hum Log](image1.png)

**Fig. 1.9 Hum Log (India’s first family soap)**

• 1986 - Mudra makes India’s first telefilm - Janam
• 1990 - Mudra Communications creates India’s first folk-history TV serial “Buniyaad” shown on DD, it becomes legendary in the history of Indian television

![Image of Buniyaad](image2.png)

**Fig. 1.10 TV serial “Buniyaad” shown on DD**

### 1.2.3 The Beginning of Satellite Channels

• 1991 - First Indian satellite channel - Zee TV is launched

![Image of Zee TV logo](image3.png)

**Fig. 1.11 Zee TV logo**

• 1991 - STAR (Satellite Transmission for Asia Region)
Advertising and Sales Promotion

Fig. 1.12 STAR logo

- 1996 - Sun TV becomes the first regional TV channel to go live 24 x 7

Fig. 1.13 Sun TV logo

- 1999 - Game shows like Kaun Banega Crorepati are a rage; heavy media buying
- 1999 – The raging success of Kyunki Saas Bhi Kabhi Bahu Thi signals the return of family soaps on TV

Fig. 1.14 ‘Kyunki Saas Bhi Kabhi Bahu Thi’, blockbuster TV serial in recent television history

Presently in India, there are three main professional bodies which represent the three parties to advertising – namely,
- The Advertiser – The Indian Society of Advertisers – ISA
- The Advertising Agencies – The Advertising Agencies Association of India – AAAI
- The Media – Indian Newspaper Society – INS
- Broadcast Media- Indian Broadcasting Society – IBS

As of 2005, the advertising industry has a gross billing of about Rs. 10,000 crores. The future of advertising in India is very bright, given the ever increasing array of over 100 satellite channels on television, new FM radio stations and newspapers entering the market every year.

1.3 Definition and Meaning of Advertising

Advertisements hit us every day through various media. They have become a part of our life. We are exposed to a variety of products, services, multiple brands, discounts, sales, schemes, etc. Most persons are fascinated by the advertising field. Most people nurture the notion that the advertising field is all ‘glitz n glamour’, not realising that there is a lot of hard work and effort that is put in to create the advertisement that finally reaches the audience. Yes, there is ‘glitz n glamour’ but that is not all that there is to it.

Advertising is a mammoth, money churning industry all over the world. In India, the industry has grown in leaps and bounds – almost about 35%, every five years, since the ’90’s. Pre-independence and up until the liberalisation of the then prevalent government policy, the market was a ‘Sellers’ market- i.e., the buyer had very little choice
when buying a product. But with liberalisation, the market has steadily changed and become a ‘Buyers’ market, where manufacturers have to advertise their products to attract and inform the buyer. Large Indian corporates like Hindustan Lever, Bajaj Auto, Maruti Udyog, Tata Motors, Reid & Taylor, detergent companies, software companies, soft drink companies and cell phone companies are now advertising and spending heavily on advertising.

The dictionary meaning of the word ’Advertising’ is – a public announcement describing and praising of goods in a public medium to promote sales. The word ’Advertising’ is derived from the Latin word – ’Advert ere’, which means – turning valuable attention towards the product.

In simple words, Advertising can be defined as a ’Public Announcement’, or merely to announce or to inform the public. Even in the present scenario, many of the advertisements do the same thing – i.e., announce or inform about – a job, accommodation, sale of automobile, or any used / second hand goods, births, deaths, weddings, engagements, tenders, notices, financial statements – and ‘matrimonial alliances’.

Basically, advertising is an announcement to the public at large through any medium about a product or service. The medium could be newspapers, magazines, journals, etc. - Print media, or television, channels, cable operators, radio, internet, telephone, etc. - Electronic media, hoardings, banners, posters, etc. - Outdoor media}, or brochures, catalogues, folders, leaflets, pamphlets, etc. - Special print media.

1.3.1 Various Definitions of Advertising

The American Marketing Association (AMA) has defined advertising as – ‘any form of non-personal presentation of goods, services or ideas by an identified sponsor’.

“Advertising is a message paid by an identified sponsor and delivered through some medium of mass communication”- Thomas Russell & Roland Lane.

“Advertising is mass communication of information intended to persuade buyers so as to maximise profits”, - J.E. Littlefield and C.A. Kirkpatrik.

“Advertising is salesmanship in print”, - John F. Kennedy.

“Advertising is a form of communication intended to promote the sale of the product / service to influence public opinion, to gain political support or to advance a particular cause” – New Encyclopedia Britannica.

In short ‘Advertising’ can be defined as – any paid form of non-personal communication of information about products or ideas by an identified sponsor through the mass media in an effort to persuade or influence the behaviour of people in such a manner as to induce them to buy. In short, it means popularising a product or service.

The analyses of this definition would be as follows:

- **Any paid form:** Which may be a message, illustration, photograph, sign, symbol, etc. in any media for which the advertiser pays.
- **Non-personal:** It is not addressed to any identifiable person. Otherwise it would be an individual representation. It does not include any special form of selling.
- **Communication of information about products or ideas:** Information about the product or launch of the ‘improved’ existing product, or services, etc.
- **By an identified sponsor:** The name of the advertiser/company/organisation is in the advertisement.
- **Through the mass media:** Like print, electronic, outdoor, special print, etc.
- **In an effort to persuade or influence behaviour of people in such a manner as to induce them to buy:** This is the bottom-line. Nobody would advertise just for the sake of advertising. The intention is to sell the product / service.

Thus, the basic principle of Advertising is to communicate information about a product or company effectively to
groups of individuals or the public at large to influence and stimulate consumerism.

Advertisement must make the people:

- see the advertisement
- read the advertisement
- understand the advertisement
- believe the advertisement
- want the product

Remember the AIDA model:

- draw attention to the advertisement
- create interest in the mind of the public
- inject the desire for the product
- their action must be to purchase the product

Thus, advertising is a tool [or back–up] for 'Marketing'. It informs the existing/prospective buyer/consumer about the product and its manufacturer. It serves as a link between the manufacturer and the customer.

Please bear in mind that advertising can only create awareness and demand, but cannot sell the product on its own.

### 1.4 Objectives and Importance of Advertising

The objective of advertising is effective communication between the manufacturer and the consumer. Hence, the purpose of advertising is to increase awareness, demand and sales.

It is difficult to measure the advertising impact on sales. It would be impossible to peg advertising as being the sole stimulant to boost sales, given that there are many other factors that influence buying. Thus, we must consider the communication objective, which can be achieved by advertising. A number of models and schemes have been proposed to ascertain communication objectives.

The DAGMAR model is an acronym for 'Defining advertising goals for measured advertising results', as expounded in a book by Russell Colley, published in 1961. The book enlists about fifty-two possible objectives of advertising. But one can categorize them into four main stages of communication – namely - awareness, comprehension, conviction and action.

Amongst other parameters, the DAGMAR model, also mentions a checklist of advertising objectives:

- The selling function
- Second sale / or buyers who buy the product again
- Announcing a new or an improved product
- Special offering – price deal, quality, etc.
- Encourage and prompt the consumer to purchase the product
- Set-off any competitor claims
- Correct any false impressions about the product
- Build the brand and even the trademark
- Build customer demand
- Establish a reputation
- Assist the sales team in increasing sales, opening new avenues, getting prominent sales and display positions,
building the morale of the sales team, etc.

- Sustain the market position

The objectives of advertising can be broadly classified into – general objectives and specific objectives.

- **General objectives**
  These can be classified into – inform, persuade and reminder advertising

  - **Inform advertising**: The primary objective is to build a primary demand and or inform about a particular new product pertaining to the quality of the product, its salient features, its availability, its USP, etc. The better the customer is informed about the product, the more would he be encouraged to purchase it.

  - **Persuasive advertising to increase sales**: The objective is to build a demand for a particular brand of product – toilet soaps, toothpastes, etc. The advertisement should persuade the customer to purchase the product. This process could be take an undefinable amount of time – it could take days, weeks, even months for the customer to buy the product. But this is the essential aim of advertising – to influence the customer to buy the product and in the end, increase the sales of the product.

  - **Reminder advertising**: Public memory is very short. The public tend to forget things if they are not constantly reminded of them. Hence, frequent advertising is a must, even after a product has been established. The objective is to remind the consumer about the product – companies like Coca-Cola, Pepsi (any soft drink), Cadbury’s chocolates, Nescafe coffee, etc. advertise even after securing a position in the market – it is only to remind the consumer about the product available in the market and also to build the brand image.

- **Specific objectives**
  Following are some of the specific objectives of advertising:

  - Induce trial
  - Intensify usage
  - Sustain preference
  - Confirm image/Create a reputation/To build the brand
  - Change habits
  - Build line of acceptance
  - To build primary demand
  - To introduce/launch a new product
  - To introduce a price deal/scheme
  - To inform about a product’s availability
  - To help sales
  - Counter competition

**Induce trial**: The objective is to induce the consumer to try the product. Can be by an advertisement announcing that the company salesman would visit an area and give a demonstration / trial of the product. Thereby inducing the customer to try the product. Largely, applicable to household products, like detergents or toilet soaps e.g., Ariel, Vim bar / powder, Surf, etc.

**Intensify usage**: The objective is to persuade others or another segment to use/consume the product. To increase the customer base – Amul chocolates (I am too old for … too young for …), Cadbury’s chocolates – shows that chocolates are not only consumed by youngsters but also by adults.

**Sustain preference/Brand loyalty**: Established brands advertise to maintain their market share – Cadbury’s has become synonymous with the generic name of chocolates or ‘Maggie’ for noodles. Make the customer ask for a product by the brand name – specifically ask for a particular brand of toothpaste and not any toothpaste.
Confirm Image/Create a Reputation/to build the Brand: To imprint the brand’ in the minds of the customer and to confirm the image of the company. Over a period of time, companies have built their image in the minds of the public – Hence, when we think of - a scooter = Bajaj, a car = Maruti, locks = Godrej, Soft drink = Coca-Cola/Pepsi, computer printer = HP, Mobile phone handset = Nokia, luxury cars = Mercedes, etc. Companies have built their brand images over a period of time through advertising, increasing customer recall value.

Change habit: The objective is to change the buying habit of the consumer, from one type of product to another – from an ordinary toilet soap to a luxurious one – Dove soap, or from a ‘datoon’ to brush teeth to using a toothpaste. Similarly with various cosmetics and beauty creams, soft drinks or other myriad consumer goods.

Build line: acceptance: In these types of advertisements, the notion is to display the entire range of products to the customer. Thus showing him the entire range of products of the advertiser – Bata shoes showcase the entire range of footwear – formal shoes, sports shoes, slippers, chappals, sandals, gumboots, shoes for school going children, footwear for tiny tots, etc. – in short everything in footwear.

To build primary demand: The objective of advertising is to create a ‘primary’ demand for the product by giving information about a product and selling a product category rather than a specific brand of products - initial advertising for laptop computers, mixer grinders, vacuum cleaners or microwave ovens. In the 1960’s, Surf detergent was introduced in the market, but was accepted by only a few. But, Surf continued advertising and later since the 1970s, the concept of detergent powder, per se, had been accepted by the consumer. In short, to build a demand for a new type of product rather than for a specific brand.

To introduce /launch a new product: Advertising is used to introduce a new product, giving its highlights, USP, availability, etc. It informs the public about new products, be it devices, equipment or a new version or an improvement of the existing product – Cinthol soap now available in cologne fragrance, or Bajaj Pulsar motorcycle in a different horsepower range.

To introduce a price deal / scheme: Manufacturers advertise to inform the customer about the price of the product, or reduction of price or of a scheme [buy one get one free], etc. Or bring the coupon and get a discount – Domino’s pizza.

To inform about a product’s availability: Advertisements inform customers as to where the product is available – often products are not available all over but in specific areas/cities.

To help salesmen: By creating an awareness of the product. It helps him to handle the customer and the dealers/distributors effectively.

Counter competition: Often advertising is carried out to counter any claim or remark made by the competitor about the product.

1.5 Functions of Advertising

The main function of advertising is to interpret for the target audience / public at large, information about the product and services being marketed by the client. To do so, the advertising agency must go through a number of steps, which are given below:

- know the strengths and weaknesses of the product and its competition
- analyse the product’s current and potential market
- study the distribution network of the client
- select suitable and correct media for advertising the product
- present the plan to the client for review and approval
- co-ordinate with the client’s sales and marketing activities

The basic function of advertising is to inspire, sustain and increase the consumer base, distribution of products and
primarily boost sales of the client. The functions of advertising can be categorized into two as – Primary function and Secondary functions.

1.5.1 Primary Functions of Advertising

The primary functions of advertising can be specified as:

- **Increase sales:** Advertising informs the consumer about the product, thereby securing more consumption, or attracting attention towards a new product. Advertising gives an impetus to the consumer to buy the product, thus increasing the sales and in turn, higher profits. Advertising helps to build up and encourage demand and expand the market.

- **Introduce a new product:** Advertising is the ideal and probably the only way to introduce a new / improved product to the consumer. Thus passing on information about the product as fast as possible to the consumer – and creating a demand.

- **Inducing dealers:** Advertising prompts dealers to stock more products as there would be a bigger demand for the product. In areas where the product is in less demand, advertising and direct contact with the dealer can induce the dealer to maintain a better stock.

- **Helps dealers:** Advertising makes it easier for the dealer, retailer to sell products faster, thus increasing their profits. Dealing with such well advertised goods has become quite prestigious for the dealers, as the names of their outlets also appear in the advertisement as dealers of the product. Thus the dealers get free publicity for their outlet.

- **Seasonal swing:** Advertising eliminates the seasonal swing. Selling of the product during the off-season period, e.g., sunglasses can sell all year round.

- **Awareness of the product:** Advertisement creates confidence in the mind of the consumer about the advertised product. The consumer would rather buy a product which he is aware of, rather than an unknown/not advertised product - a product which he has not heard of.

- **Increase of business:** Where advertising makes way for a demand for the product, it in turn increases sales, which makes way for an increase in production, thus expanding business. Advertising also creates goodwill in the market and an increase in the volume of sales. This reduces manufacturing cost, which in turn makes way for more profit for the company and its shareholders.

- **Perception function:** It is through advertising that the customer moves closer to buying the product. According to Lavidge and Steiner, a person goes through several steps before he decides to buy the product:
  - awareness of the product
  - knowledge of what the product offers
  - liking for the product
  - preference for the particular brand of the product
  - the desire to buy the product
  - the action of the consumer – to the actual purchase of the product

1.5.2 Secondary Functions of Advertising

The secondary functions of advertising can be stated as:

- **Spreading of information:** The consumer gets all the necessary information about the product, dealers, manufacturer, etc. through advertisements, which are often utilised to clear any doubts about the product – e.g., Pepsi and Coca-Cola recently had a problem with pesticides in their products. Both the companies used advertising as a medium to clear the doubts in the minds of the consumer.

- **Pride for the workers:** Advertising increases demand and thus there are higher sales, in turn, more production. All this creates a sense of pride in the workers that the product that they manufacture is so highly accepted in the market. It builds a certain pride in the workers and eggs more commitment to their work and its quality.
• **Safety:** Advertising leads to an increase in sales, leading to a sense of safety and security of jobs for the workers.

• **Better employees:** The company, with larger profits, can create the best pool of employees from the market. The employees, on the other hand, are attracted by the prospect of working for a reputed and famous company and enhancing their talent. Almost everyone desires to work for reputed and leading companies like Tatas, Bajaj Auto, Godrej, ICICI Bank and so on.

• **Encouragement for the salesman:** Advertising makes it much easier for the salesman to meet the targets set by the management. Advertising eases the job of the salesman as regards the technical and other specific details of the product. A good part of the selling is already done by the advertisement.

### 1.6 Advertising - A Waste?

Many people are of the opinion that advertising is a waste of money. The principal requirement of advertising is to promote and increase the sale of products. Nevertheless, advertising does not cause sales to increase. The advertiser is hopeful that sales would increase and he continues with advertising. This can result in wasteful spending of capital. Normally, advertising is not wasteful, but overdoing it can be wasteful.

There are numerous situations that can lead to waste, some of which are:

• Erratic and insufficient advertising: When advertising is undertaken in an erratic manner and is not systematic, or when it is not sufficient to reach and register with the customer, then, advertising will become a waste of money spent.

• Error of judgment: The advertiser may make an error of judgment in the method of advertising, an incorrect choice of media to advertise on, or he may miscalculate the appeal of the advertisement, which in turn, does not communicate the message properly to the customer – this could be termed as a waste of expenditure.

• Vague target segment: At times the advertiser is not very clear of his target segment and it is important to identify the proper and correct segment. Not identifying the target segment leads to a waste of money spent on advertising.

• Unsuitable time of the launch of the product: For every product, there is an apt time for its launch in the market – normally the festive season. Improper timing can lead to the product failing to capture the buying strategy of the customer.

• Unavailability of the product / insufficient supply: Manufacturers undertake an advertising campaign, which does succeed but the product is not easily available in the market and the customer turns his back on a good product. Once this is the case, it is very difficult for the manufacturer to make an impact in the market, as he has missed out on the opportunity that was created by the advertisement.

### 1.7 Advantages of Advertising

Advertising plays a significant part in economic development and betterment of an individual, the company and eventually the country. Some of the advantages of advertising are:

#### 1.7.1 Advantages for the Advertiser

• Increase in sales: Advertising helps to build and expand the market for the manufacturer, thereby increasing the sales volumes, increasing profits and thus reducing the manufacturing cost and cost of the product.

Example – About fifteen years ago, the cost of a cell phone handset and its operational cost were very high. But today, because of the demand, even a common man can avail of this facility and service. The cost of a cell phone handset along with activation fees is as low as about Rs.1500/-. Earlier, this was totally unheard of.

• Continual demand: Once advertising has established a demand for the product, the next step would be a continual demand for the product. Thereby, increase in sales and profit.
Better dealer / Retailer interest: As the demand for the product increases, the dealer/retailer would take more interest in the sale of the product – in order to increase his profit.

Educating the customer: Advertising helps in educating the customer about the various products. This is specifically useful in the case of capital goods, home appliances, etc.

Manufacturer – customer relationship (goodwill): Advertising creates goodwill for the manufacturer with the customer. It prompts the manufacturer to strive for the betterment of the product so as to satisfy the customer and his needs and perceptions. Advertising helps the customer in being well informed about the features about the product with respect to size, colour, price, specifications, availability, etc.

Enhances corporate image: The corporate image of an organisation is enhanced through advertisements and it makes it easier for the company to introduce/launch a new product.

1.7.2 Advantages for the Customer/Consumer

Guides the customer: Advertisements help him make a choice of the product that he wants to purchase, as advertising gives him the necessary information about the product – like price, size, colour, specifications, availability, etc.

Does away with the agent/middleman: As the advertisement gives the customer all the information about the product, the need for an intermediate/agent/middleman is not required. The customer can get in touch with the manufacturer/dealer directly. As there is no middleman, the manufacturer stands to gain in terms of a bigger profit margin or he may offer a higher discount/price to the consumer directly.

Educating the customer: Advertising helps in educating the customer about the various products, their availability, prices, etc. Advertising adds to consumer welfare, as he becomes aware of what to buy, when to buy, where to buy and why to buy a particular product.

Basically, advertisements do not force us to buy a product. They only make us aware of the choices available. Advertisements can only persuade us to buy a product.

Better livelihood: Advertisements create a desire within us to possess a better and newer product and improve our standard of living. In the earlier days people were keen only in the bare minimum necessities of life. But, now-a-days, in the modern era, the emphasis has shifted to a bare minimum of at least the semi-luxuries of life. Thus, the shift has been from the bare necessities to survive, to a desire for a better living and owning newer and a variety of products.

Employment opportunities: With the growing need for advertising, there is an increase in the number of advertising agencies. As a result, there are various opportunities for employment for talented, creative persons like artists, copywriters, filmmakers, singers, pressmen, photographers, models, etc.

Advertising also leads to opportunities for persons to do research and discovery for the development of newer products and innovations.

1.8 Limitations and Disadvantages of Advertising

Increase the cost of the product: Advertising is a massive stride towards persuading and convincing people to buy a product. The money spent on advertising is bound to be added on to the eventual cost and pricing of the product.

Advertising campaigns fail due to a variety of reasons: Wrong target audience, improper selection of media, incorrect selection of space / time. To a certain extent, waste is inevitable. Money spent in such cases adds to the cost of the product and makes it expensive.

Advertising prompts people to buy products they do not require: Advertising prompts/persuades people to purchase products that they really do not require. The advertisement appeals to people and provokes interest and a desire in their minds to own the product. It often leads to unnecessary purchase of products.

Advertisements are misleading: This statement is often true. Advertisements do not always provide authentic information about the product. Information/quality of the product are often not disclosed properly. Apart from
Advertising and Sales Promotion

the false promises about the product or its effects, repeatedly there are false comparisons, similarity in labels to those of popular products, spurious testimonials, etc.

- Advertising spreads an erroneous message and fictitious picture: Advertisements create a very fine and promising picture, which is untrue to life. Gullible people believe it to be true. Over the years, people have had various experiences with products advertised, with regards to tall claims and hyped expectations and hence they become skeptical about advertisements per se. Example – A cream to become fair.

- Advertisements cannot persuade somebody to buy a bad product the second time/twice: Advertising may influence a person to buy the product the first time, but if the product is not up to the quality mentioned in the advertisement, the customer will not venture to buy the product again.

- Advertisements are inflexible: Once the message is set, the advertisement cannot be changed to counter the reactions of the customer. As the campaign is planned, the advertisements are released, no matter what the customer reaction is. A repetition of the same advertisement very often causes annoyance to the customer. Hence, the inflexible nature of advertisement restricts its effectiveness.

- Advertisements are offensive, naughty and vulgar: There is this controversy of what is offensive/vulgar/naughty. Each one has their perception of these terms, depending on the individual’s thinking and outlook towards things. Example – a large majority of the people found the Tuff shoes advertisement with Milind Soman and Madhu Sapre to be vulgar and offensive. A case in the Mumbai court is still pending. There are advertisements which make use of scantily clad women in their advertisements just to attract attention, even though the picture of the woman does not have anything to do with the product advertised. There is a code and certain norms for advertisers, which they overlook.

- Advertising has restricted power to reach the target audience: Customer needs vary for every individual. Hence, what is apt for one individual or faction may be ignored by another, – cosmetic and beauty products may be noticed by ladies, but do not interest males. Advertisements are at the mercy of the media as to the space and timings available, which may not be conducive to the prospective customer. These factors add to the cost of advertising.

- Clutter of advertisements in any media: In the present situation of high competition, there is a need for advertising. With the result that, though there are hundreds of publications and television channels, every one of them is flooded with advertisements, leaving little space/time for news items or programmes and serials.

One can safely say that an advertisement can only persuade a customer to buy a product but cannot force him to do so. We can conclude that advertising is neither a blessing nor a nuisance. It is basically a tool for passing on information to the public, which is more often than not, misused. Yet advertising can be very effective for causes of social welfare. Example – the advertisement of ‘pulse polio’ dose. Like all things, advertising has its pros and cons, but this does not justify criticizing advertising.
Summary

• The objectives of advertising are divided into general and specific objectives.
• The general objectives of advertising are, to inform, persuade and reminder advertising.
• The specific objectives of advertising include induce trial, intensify usage, sustain preference, confirm image/create a reputation/to build the brand, change habits, build line of acceptance, to build primary demand, to introduce/launch a new product, to introduce a price deal/scheme, to inform about a product’s availability, to help salesman, counter competition.
• The functions of advertising are primary and secondary. Also answers the question- is advertising a waste? The advantages of advertising are for the advertiser, for the customer/consumer.
• Advertising also has few disadvantages and limitations to it.

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Recommended Reading

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Self Assessment

1. The Chinese had developed the art of printing in___________.
   a. 868 A.D
   b. 686 A.D
   c. 666 A.D
   d. 600 A.D

2. Johann Gutenberg, ____________, is traditionally considered to have invented the printing press, around 1450 A.D.
   a. a Chinese
   b. a German
   c. an Indian
   d. a Japanese

3. In______, the first advertisement in the printed form was seen, in the form of a handbill attracting people to buy a book of religious rules published by John Caxton.
   a. 1743
   b. 1374
   c. 1473
   d. 1472

4. Advertising prompts people to buy products they do not require is one of the ___________ of advertising.
   a. disadvantages
   b. advantages
   c. objectives
   d. prospects

5. The word __________ is derived from the Latin word – ‘Advert ere’, which means – turning valuable attention towards the product.
   a. advertisement
   b. advertising
   c. advertise
   d. advertisation

6. Match the following:

   | 1. 1841 | A. Doordarshan was given its own identity, separated from AIR |
   | 2. 1893 | B. First commercial broadcast on Vividh Bharati |
   | 3. 1967 | C. Coca-Cola registers its trademark |
   | 4. 1976 | D. First advertising agency in US by Volney Palmer |

   a. 1-c, 2-a, 3-d, 4-b
   b. 1-b, 2-c, 3-a, 4-d
   c. 1-b, 2-d, 3-a, 4-c
   d. 1-d, 2-c, 3-b, 4-a
7. Which of the statements is true?
   a. Primary objective of persuasive advertising is to build primary demand and or inform about a particular new product.
   b. Primary objective of reminder advertising is to build primary demand and or inform about a particular new product.
   c. Primary objective of information advertising is to build primary demand and or inform about a particular new product.
   d. Primary objective of informal advertising is to build primary demand and or inform about a particular new product.

8. Which of the statements is true?
   a. In 1968, Mudra made India’s first telefilm named ‘Janam’.
   b. In 1980, Mudra made India’s first telefilm named ‘Janam’.
   c. In 1886, Mudra made India’s first telefilm named Janam.
   d. In 1986, Mudra made India’s first telefilm named ‘Janam’.

9. Which of the statements is true?
   a. First commercial broadcast on Vividh Bharati started in 1967.
   b. First commercial broadcast on Vividh Bharati started in 1976.
   c. First commercial broadcast on Vividh Bharati started in 1867.
   d. First commercial broadcast on Vividh Bharati started in 1960.

10. Which of the statements is true?
    a. “Advertising is salesmanship in print”, was said by Thomas Russell.
    b. “Advertising is salesmanship in print”, was said by Johnson F. Kennedy.
    c. “Advertising is salesmanship in print”, was said by John F. Kennedy.
    d. “Advertising is salesmanship in print”, was said by Roland Lane.
Chapter II
Advertising Agency – The Set-up and Typical Job Flow

Aim
The aim of this chapter is to:

- examine the various departments of an advertising agency
- discuss the functions of the various departments
- familiarise the learner with the workflow of an advertising agency

Objectives
The objectives of this chapter are to:

- analyse the job flow in an agency – the beginning of a job to the completion of it
- describe the internal workflow of advertising agency departments
- outline the set up of an advertising agency, its various internal departments, the work process from ideation to execution

Learning outcome
At the end of this chapter, the students will be able to:

- define the medium of an advertising agency
- recognise the functions of the copy department
- explain the role of research, accounts and production departments in an advertising agency
2.1 Advertising Agency – Defining the Medium

One can term an advertising agency as, “a team of experts and professionals who plan, create, produce, publish and execute advertising campaigns in return for commission paid by the media or fees received from the advertiser”.

The American Association of Advertising Agencies (AAA) defines an advertising agency as “an independent business organisation composed of creative business people, who develop, prepare and place advertisements in the media, for sellers seeking to find customers for their goods and services”.

An advertising agency is a service organisation, which comprises of a body of creative specialists in their respective fields. Very broadly, an advertising agency can be categorized as a “departmental organisation”. There are major departments for each different function, headed by a department head, who is a specialist in that particular field. All the personnel in the department are responsible to the departmental head. An advertising agency has various departments with a specific task to perform and exhaustive information about these departments and their personnel and function will follow further in the text.

2.2 Client Servicing Department/Contact Department/Sales Department/Account Executive Department

The hierarchy in this department is Account Manager, Account Supervisor, Sr. Account Executive, Account Executive [AE], Jr. Account Executive and Trainee Account Executive.

Fig. 2.1 Hierarchy in client servicing department
A Client is considered in advertising as an ‘Account’. An Account Executive (AE) has nothing to do with the finance and accounts of the agency. He is the one who handles the ‘Account’, i.e., the client for the agency. Hence, the Client Servicing department of an agency is one of the most important departments, as these AE’s are the persons who interact with the client and are the first point of contact to secure the revenue for the agency by liaising with the client and bringing in valuable business proposals. They are the ‘Ambassadors’ of the agency when they visit the client and they also represent the client within the agency, as well. The AE is the only link between the agency and the client.

The primary function of Account securing/handling and servicing is performed in various degrees by the client servicing department, with the only distinction being the measure of experience and the division of work from the executive to the head of the department.

2.2.1 Functions of the Client Servicing Department

- Primarily the department services the needs of the Client and executes his jobs promptly, effectively and to the client’s satisfaction.
- They interact with all the various departments of the agency and hence, must have sufficient knowledge of the workings of all the departments.
- They study the client’s needs, problems, etc. and submit the plan for the client’s approval.
- They submit bills for the jobs completed and executed.
- They also collect/recover payments from the client for services rendered.

To be a member of the Client Servicing team, one must be:

- A very good ‘communicator’: One must have the skill to listen, understand and pass on communication effectively from the client to the various agency departments and vice versa, effectively and unerringly.
- A friendly and social person with good planning and resource management skills in order to liaise with the client, the agency and the third party, as his responsibility is to get the job done effectively up to the client’s satisfaction.
- Advertising is all about team work, involving the skills of various people from the various departments. The AE cannot execute the job independently. Hence, he must believe in team work And as a team leader and as the primary liaison between the agency and the client, he must face the client and bear the praise or the brickbats, be it as it may.
- He must think and work in the interest of the agency with a view towards meeting the targets set for him. But, he must also look for the interest and benefit of the client – given that his job is not only to rope in new business but to also retain the client he has already secured.
- He must be open to new ideas. An AE should always be receptive to new ideas and approaches to business. The source could be from a junior staff or even the head of the agency as long as the advice is valid and appropriate.
- The advertising world and media trends change very rapidly. An AE must be aware of the media trends and the changes – adapt to them, get to know more about them – eg. E-Commerce, mobile advertising, new television channels or any such development that would and will impact his sphere of action.
- He must plan his delivery schedule after consultation with all the departments that are involved in the production chain. He must refrain from setting unrealistic deadlines or in rushing any department to avoid sloppy work. All the jobs are not always urgent, He must remember to give the departments reasonable time to complete and execute the job effectively. There are exceptions to the rule. But do not make urgency the rule.
- He must have sufficient knowledge of printing technology, as this would help the AE in coordinating and dealing with the production department, even the printer/supplier to ensure timely delivery of the product as per the quality requirements.

Some important pointers for an Account Executive to remember when visiting a client are:

- Understand the range of services that the agency can offer. Every agency has its forte. Work towards that. Some
agencies are media houses – i.e., specialise in the release of advertisements in publications, radio, television and outdoors. While some offer only creative support – i.e., they only create the creatives – design, artwork, etc. Some are print production oriented, where they specialise in printing jobs. Some are television production oriented. Understand the strengths of the agency and sell its focal points to the client.

- Be actively aware and involved with your prospective as well as present client. Servicing is about building a mutually beneficial association between the client and the agency where the trust, familiarity and recall must be carefully cultivated and nurtured.

- Do your homework - i.e., researching about the client, his business interests what you can offer him, what he may be open to, evaluate your blindspot when dealing with him. What cinces the deal when you need to retain the client is not only the core product but also the value addition factor that can be the deal maker or breaker. An article in the newspaper, a casual conversation or something you see or hear when travelling could inspire you to improve your interaction with the client. Interact with your colleagues to seek their ideas on how to further your case with the client.

- The client may not be very familiar with the nitty gritties involved in advertising. Try to educate him and respect his views. You may know advertising, but allow that he knows his product just as well. Remember that – the customer is king and treat him like one.

- When discussing anything with the client, be structured, brief and punctual.

- Cultivate and build good relationships within your clients organization. A casual conversation could help you in securing a new assignment from the client – e.g., you may casually hear about the development of a new product. You can prepare a campaign even before the client actually instructs you. This showcases your willingness to do jobs other than those that have been commissioned by the client. All jobs can’t be urgent – don’t accept unreasonable deadlines.

- Get to know as much as possible about the client – his likes and dislikes of colours, type style, etc.

- Dress to suit your purpose. Be neat, clean and tidy in your dress. Your dressing not only reflects your personality but also reflects the culture of your agency.

- Listen to what your client has to say, understand his requirement. and then only will you be able to execute the job to his satisfaction.

- Confirm and reconfirm what you have understood of his needs and requirements. Not only give him what he wants but at times, make valid and concrete suggestions for better and effective communication of his requirement to the public.

- Do not over commit in your enthusiasm.

- After returning from the client interaction, plan your follow-up action with the creative team.

- Be prompt in your service report/call report, which is a letter confirming whatever was discussed in the meeting with the client – in short, minutes of the meeting. It must be sent for every meeting where key matters that would have implications on work have been discussed.

- Follow up for payments – understand the client’s internal structure and procedure so as to be effective in collecting the payment.

- You are the Ambassador of the agency when you visit the client and vice versa when you return – i.e., an Ambassador of the client within the agency.

Ten Commandments for an Account Executive (AE):

- return the client’s telephone call or any correspondence immediately

- send the contact report regularly

- don’t make false promises

- check and double-check all material to be released for advertising as well as the bills

- trust your colleagues

- don’t take things for granted
• be prepared for anything
• take the initiative
• don’t be afraid to ask for help
• your job is not over till the payment is received from the client

Thus, the Account Executive (AE) must be an ‘All Rounder’ – like Kapil Dev. An AE is the central Hub around whom the agency revolves and evolves.

• Revolves, as the AE is responsible for procuring new assignments, which keep all the departments busy and working. Basically responsible with feeding the departments with work and consequently, keeping the agency in business.

• Evolves – as the more assignments/jobs an AE procures, the agency will flourish and grow, as would the AE.

## 2.3 Copy Department

Copywriting is a specialised area. It is said that this talent is inborn in a person. It cannot be taught. The talent can be enhanced, developed and polished, writing be it novels or poetry, music and such are inborn talents. The copywriter simply provides the written framework for the advertisement where the written word is what catches the eye of the viewer, this is particularity true for radio and television where the spoken word is emphasised. The main job of this department is to prepare the copy for the advertisement/media which will be effective in promoting the message of the client. The copy department works in close co-ordination with the Art/Creative department. This department is headed by the Copy Chief/Copy Director assisted by the other members of the department.

Copywriting includes creating a concept for an advertisement. Writing the copy/text of the message for print, radio and TV. In short, the copy of an advertisement can be defined as the message of any advertisement.

Copywriting is not as easy as it appears to be. It takes a lot of thinking, ideas and inspiration to get the client’s message across in a manner that would be entertaining and yet get the message across. Copy writer for advertisements are generally short and crisp, without detracting from the effectiveness. Copywriting is working within the constraints of space for newspapers, magazines, outdoor, or any special print medium, while there are constraints of time in radio jingles and television spots.

### Objectives:

• must create awareness of an existing product
• create and build a brand image
• explain the superiority of the product, the USP (Unique Selling Proposition)
• counter any claims of the competitor, or clarify any false impressions about the product
• build up/highlight the trademark
• build a corporate image of the company

### An excellent copy must be:

• Catchy: there must be something special [out of the way] for the consumer so as to attract his personal interest. If not, the consumer will not notice/read the advertisement.
• Short but complete: due to the restriction of space for print advertisement and time constraints for radio and television advertisements. Hence, the copy must be brief and crisp and yet, it must deliver the message of the advertiser in its entirety.
• Appropriate: the copy must relate to the needs of the consumer and highlight the selling features – the USP of the product.
• Interesting: the copy must hold the interest of the consumer to go through the advertisement.
• Clear – must not leave any room for ambiguity in the minds of the consumer.

A copy for any advertisement can be divided into:

• **Headline**: It is the most important part of the advertisement. The headline must attract attention and must create interest. It must induce the reader to go through the advertisement. It is the theme of the advertisement and should co-relate to the illustration/photo. Without the headline, the advertisement is practically useless. An advertisement is wasted if the reader is not attracted to the advertisement and if it does not attract him to go through the advertisement. A headline should ideally be not more than 15 words. Seven words is the thumb rule. It should be crisp, concise and attractive. It must whet the readers appetite for him to read further.

• **Sub-head**: It is the continuation of the headline. Complements/supports the headline. The sub-head takes its lead from the headline and connects it to the main body of the advertisement. In short, a sub-heading is an intermediate between the headline and the main text of the advertisement.

• **Body copy**: The headline and the sub-head have induced the reader further, hence the body copy must do the selling of the product, by highlighting its salient features, product attributes and product values – give information so as to persuade the customer to purchase the product.

• **Closing**: The text should end with the selling of the product – ‘Buy now’, ‘Last couple of days’ offer’ etc. Conclude with a bang.

• **Slogan/Corporate Line/Baseline**: It should be short, easy to remember and should be understood easily by a mass audience. It creates a repetitious impact. It should be used for all advertising and publicity advertisements of the client. It should not be changed or altered very often; otherwise it loses its impact. A slogan largely gives an identity to an organisation.

Following are some figures and slogans that have instant recall value for the masses:

Fig. 2.2 Amul - “Utterly, Butterfly delicious”

Fig. 2.3 Bajaj - “You Can’t Beat A Bajaj”
Fig. 2.4 Amul Chocolates - “Share It with Someone You Love“

Fig. 2.5 Pepsi - “Yeh Dil Mange More”

Fig. 2.6 Coca Cola - “Thanda Matlab … Coca Cola”

Fig. 2.7 Raymonds - “Suitings for a Complete Man”

Fig. 2.8 Hero Honda - “Desh Ki Dhadkan”
Fig. 2.9 BPL - “Believe In the Best“

Fig. 2.10 Titan - “A Gift for Someone You Love”

Fig. 2.11 Nokia - “Connecting People”

Fig. 2.12 Kelvinator - “The coolest one”

Fig. 2.13 Bata - “The World at Your Feet”

Fig. 2.14 Mint-O - “All Mint, No Hole”

Fig. 2.15 Surf - “Daag Acchaa Hai”
Advertising and Sales Promotion

Fig. 2.16 Ceat Tyres - “Born Tough”

Fig. 2.17 Soap - “The beauty soap of film stars”

Fig. 2.18 Eveready - “Give me red”

Fig. 2.19 Nirma - “Doodh ki Safedi”

Fig. 2.20 Fevikwik - “Chutki me Chipke”

Fig. 2.21 Kit Kat - “Have a Break”
Copy for outdoor publicity like hoardings, posters, etc. should be very short and crisp and yet convey the message of the advertiser. There is a lot of space available, but since this is a ‘Travel Media’, one passes it in a flash. There is very little time to read long texts. Outdoor media is a secondary or a ‘reminder media’. Some good examples of copy for outdoor are – the Airtel, Birla Cement or L & T Cement hoardings – where they only stress the company name.

Copy for Radio/TV is time bound. The message must be conveyed in 10, 20, 30, or 60 seconds. The radio message is only heard. There are no illustrations/photos to attract attention. Hence, the copy must be short, to the point and still hold the attention of the listener – an average of 20 words per 10 second advertisement.

In TV, the advertisement and the message has to be very concise and sharp, as the visual images carries the advertisements does the spoken word. Say as little as possible – or only what is essential. Remember that advertising on TV is very expensive. And the making of a television commercial is very, very expensive. Hence, any changes and alternations would cost a lot.

**2.4 Visualising/Creative/Art Department**

This department is replete with the artists/visualisers who perform the creative function of advertising. The basic artistic urge and talent has to be inborn in a person. It cannot be taught, but it can be developed – it is like drawing, painting or writing a novel, poetry etc.

This department is headed by the Art director/Creative director. The main function is to create the visuals and make the final artworks for the advertisement, or any other media on the basis of the copy written by the copy department. The art department transforms the written word to a pictorial one. The art department is responsible for the visual effect and look of the advertisement. Creating the look of the advertisement as well as creating the advertisement as per the copy – thus understanding the language and message.

Visualising is the concept related to the product, services and ideas. Visual means the presentation of a concept in a pictorial as well as descriptive form. Visualising is made up according to the appropriate thinking regarding the product. The main idea is to gain the attention of the reader/audience. Visualising can be categorised as follows:

- **Illustration** is the pictorial and descriptive form of concept related to the product.

- **Graphic** is the representation of a certain concept – e.g., For danger, the graphic used is a skull and cross bones.

- **Typography** means a treatment given to the letter according to the concept. e.g., In the ‘Thums Up’ advertisement. – ‘Taste the Thunder’ – they have treated the word ‘Thunder’ in the form of a thunderbolt.

Visuals should be in simple form, which can be understood easily by the customer.

The creative process of creating the advertisement runs as follows:

**Layout** – This is the basic design/visuals submitted to the client for approval.

**Artwork** – This is the final design approved by the client and this is what is to be given to the publication or for printing or display.
The sphere of the creative department covers a very large area which include press advertisements, visiting cards, letterheads, company logo, trademark, brochures, folders, leaflets, calendars, posters, hoardings, presentations, exhibitions etc.

While doing so, there must be a link between the copy and the visual. The art department should have ability to picturise the advertisement in print media/television/outdoor/special. The artist should have sufficient knowledge of printing and its technology. Should have the ability to foresee what type of picture/photograph would suit the advertising material. The use of several and proper type fonts is also important – one can use Times Roman, Arial or Helvetica font for a corporate advertisement, yet for a ladies product, one should use the dainty, fancy fonts with soft colours. The visualiser is responsible for the proper and yet attractive background, colour scheme and colour combination in an advertisement, which would result in the ad being visually appealing which is most important.

In the case of television spots or advertisement film, the visualiser would have to create a detailed story-board so that the client understands the entire theme and the spot/film on paper. The storyboard would cover the angles for photography/shooting etc. In short, the visualiser must foresee the end result of the advertisement, irrespective of the medium to be utilised.

The visualisers also do the designing of mascots, logos or even trademarks. Mascot is a trademark/character/figure/illustration – real or imaginary figure, which should co-relate to a product. A Mascot should be attractive and should be used constantly in all advertising and publicity material.

- Air India – Maharaja

![Air India Mascot]

Fig. 2.23 Air India mascot

- Amul – Girl

![Amul Mascot]

Fig. 2.24 Amul mascot

- Onida – Devil

![Onida Mascot]

Fig. 2.25 Onida mascot

- Asian Paints – Gattu
A logo is different from a mascot. It is a symbol/badge/insignia/coat of arms. It is a symbol/design/group of letters used by a company to mark its product. Used in advertisements and all publicity material, it can be various shapes – round, square, oval, horizontal, vertical – an ideal shape is a horizontal one. The logo must be used everywhere – visiting cards, letter heads, vans, building, products, advertisements, etc. A logo should be designed in such a manner that it should be distinct and visible, even when reduced in size. The color, symbol, typography and other such elements of logo design determine how effective the logo is.

In larger agencies, or agencies specialising in audio-visual advertising, there is a further bifurcation of the creative department in terms of division of specialization as per media. It is due recognition of the fact that the message or advertisement should be tailored according to the medium that it is to be rendered on. They are also in touch with various outsourcing agencies for recording studio, lights, cameras and allied equipment and artists/craftsmen.

2.5 Media Department

The media department is in constant touch with the various media vehicles and has all the necessary information about these media like rates, circulation, readership/viewership, etc. It collects and analyses media information,
selects the proper media and also prepares schedules for the advertisement to be printed, aired or viewed. It contacts the media to buy space on behalf of the client. It also looks out for newer and innovative media. The department works as the Public Relations department of the agency in relation with the commercial representatives of the press, radio, television and other media outlets.

The department’s function is to negotiate and buy space with the media, raise media estimates, its schedules, the release of the advertisements; follow up with the media as regards the advertisement and finally bill the client for the same. The department consists of the Media Director, Media Chief, Media Assistants, etc.

2.6 Production Department
Production department is headed by the Production manager. This department maintains contact with the printers, the plate makers, the paper merchants, the binders, the lamination units and other suppliers who would be of use in executing a printing job. The function of this department is to negotiate rates with the above vendors, raise production estimates, its schedule; follow up for the actual printing work and finally bill the client. The department consists of the production director, production chief, production assistants, etc.

2.7 Accounts Department
Accounts department is headed by the Accounts manager. Like any other organisation, this department functions in the same manner and keeps tab of the expenses, revenue, making of bills, making payments to the various suppliers, salary to the staff, etc.

2.8 Research Department
Research department has grown in recent years and gained importance. Every agency has to do some research, fact-finding and even market survey. The Research director and his team help in serving the client better. It helps the agency to make better presentations to the client. It helps the other departments to build more effective advertising. Many agencies engage services outside the agency rather than doing research themselves.

2.9 Administration and Personnel Department
Administration and Personnel department is headed by the Administration manager. Like any other organisation, this department functions in the same manner looking after the administration and also recruitment and other activities associated with the Personnel department.

2.10 A Typical Job Flow - How an Agency Works
An assignment from a client is known as a ’Job’ in advertising parlance. The client would call upon the account executive or the client servicing department and give instructions as to his requirement. The AE must understand the requirements of the client thoroughly, as he has to convey them to the other respective departments in the agency, who shall then execute the creative aspect of the advert. The AE should have close ended questions whenever he takes instructions from the client. These are important, as the various concerned departments in the agency would ask the AE these very questions to come up with a proper advertising solution/suggestion. They are:

Why do you want to advertise? – There has to be some reason for the client’s decision to advertise – e.g., to launch a product, reminder of the product, festive season, boost sales in a particular area, to counter the advertisement of the competitor etc., No client would advertise for the sake of advertising.

What is the product to be advertised? – The client may have more than one product. So which product would he want to advertise? e.g., – Cadbury’s have a wide range of chocolates – Gems, Five Star, Dairy Milk, Fruit & Nut, Nutties, Bajaj Auto has scooters and bikes like Wind, Pulsar, Sprite, M-80 and so on.

Who is the target audience? – To identify the prospective buyer/customer. This would help in choosing the appropriate media to reach this target audience. e.g., – If the audience are young, upper middle class ladies, then the media chosen can be Femina, Filmfare, Grah Sobha, or any TV serial of Saas Bahu type. Yet if the target audience changes, then so might the media For college going/teenager ladies – the media could be Filmfare, or any film
When to reach the Target Audience? – This question is in terms of a time span. That is, for how long would the advertising campaign last – only one release, one week, one month, several months, etc.

Where to reach them? – Our country is very large. Hence in terms of area – maybe a specific state or zone.

How frequently to reach them? – In terms of how often should the advertisement be released in the media. The number of times it should air in media.

What is the Budget? – Very subtly, we must ask the client as to the budget for the said job. This should be the last query on the questionnaire. This would enable the Agency to decide on the size of the advertisement, or design, the media to be used, etc.

2.11 The Job Flow in the Agency

- The Account Executive from the Client Servicing Department is in touch with the Client. He takes instructions from the Client, which is called a “Brief” of the Client – whether it is a press advertisement or a print job, etc.

- On returning to the Agency, the AE holds a joint meeting with the Copy and Creative Departments. A joint meeting is preferred so that you don’t miss out / add any point, which is very likely when briefing them separately. Besides several heads are better than one. Here the broad Creative and Copy concepts are planned and discussed and finalised. Work in these Departments starts on the bases of the discussions.

- The AE then has a discussion with the Media Department. A media estimate and plan / action is prepared by the Media Chief, after giving necessary inputs as to budget, location, period, size of advertisement.

- In case of a print job, the AE has a discussion with the Production Department and gives the required details of size, paper, quantity, etc. for them to draw up the quotation and tentative schedule.

- All the outputs like the copy and design, estimate and plan of the media and /or estimate of the production department are submitted to the AE, who in turn submits them to the Client for approval. The Client may like the layouts, or they may have to be reworked – this process of reworked layouts continues till the Client approves one of them. The necessary quotations, plans and schedules are also worked and reworked till they are finalised and approved by the Client. The AE must ensure that the layouts, estimates and schedules are approved and signed by the Client. Without the approval, the job will not proceed and be executed.

- The job is then in the final stage of final artwork, photography, etc. The final artwork is submitted to the Client for approval. Simultaneously, the Media Department or the Production Department makes the necessary bookings in the media or printing press, as the case maybe.

- On getting an approval and instructions from the AE, the Media Department then issues a Release Order – which is a formal instruction to the media – enclosing the material to be advertised, which day and page / TV show the advertisement should appear / be aired by the radio. The Media Department follows up with the media regarding the proper release of the advertisement.

- The job is completed as per schedule and bills raised by the media department as per the approved estimate and schedule. The media department must ensure that the bill is accompanied by the proof of the release of the advertisement – i.e., copy of the newspaper/magazine and photograph of the hoarding. No such proof can be submitted as far as radio and television advertisements are concerned.

- On getting an approval and instructions from the AE to the Production department, the job is printed, completed as per the approved estimate and specifications. The job is delivered to the client with a proper delivery challan, mentioning the Purchase Order Number/Work Order/Letter of Indent. Upon delivery, the client may issue a GRR (Goods Received Receipt) – also known as GRN [Goods Receipt Number]. Depending on the quantity accepted, the Production department raises the bill, which should mention the delivery challan, purchase order number and the GRR/GRN. Ideally and wherever possible, do remember to enclose a copy of the printed job. All this would ensure a faster processing of the bill at the client’s end. The AE ensures that the bills are raised and submitted to the client on time. He must ensure that the bills reach the client’s accounts department for
payment i.e., he must acquaint himself with the structure and process of the client’s accounts department in order to effect a payment on time.

- The AE’s responsibility does not end here. He must follow up with the client for the payment and ensure that the payment is received within the agreed and specified period. The job is not over till the AE receives the payment from the client.

- In short, the AE is the main hub around whom the job within the Agency revolves and he is in constant touch with all the departments of the agency and the client.
Summary

- Primarily the client servicing department services the needs of the client and executes his jobs promptly, effectively to the client's satisfaction.
- The copywriter simply provides the written framework for the advertisement where the written word is what catches the eye of the viewer, this is particularly true for radio and television where the spoken word is emphasised.
- The main job of the copy department is to prepare the copy for the advertisement/media which will be effective in promoting the message of the client.
- A copy for any advertisement can be divided into headline, sub-head, body copy, closing and slogan or baseline.
- The main function of visualising or art department is to create the visuals and make the final artworks for the advertisement, or any other media on the basis of the copy written by the copy department.
- Visualising can be categorised as illustration, graphic and typography.
- The media department is in constant touch with the various media vehicles and has all the necessary information about these media like rates, circulation, readership/viewership, etc.
- Production department is headed by the Production manager. This department maintains contact with the printers, the plate makers, the paper merchants, the binders, the lamination units and other suppliers who would be of use in executing a printing job.
- The accounts department keeps tab of the expenses, revenue, making of bills, making payments to the various suppliers, salary to the staff, etc.
- An assignment from a client is known as a ’Job’ in advertising parlance.
- The AE is the main hub around whom the job within the agency revolves and he is in constant touch with all the departments of the agency and the client.

References


Recommended Reading

Self Assessment

1. ___________ is a very important person of an Agency, as these are the persons who interact with the client and represent the client within the agency.
   a. Account manager
   b. Account supervisor
   c. Sr. Account executive
   d. Account executive

2. ___________ interact with all the various departments of the agency and hence must have sufficient knowledge or workings of all the departments.
   a. client servicing department
   b. servicing department
   c. client department
   d. account department

3. The ___________ is responsible for procuring new assignments which keep all the departments busy and working and basically responsible to ‘feed’ the departments with work.
   a. account supervisor
   b. account executive
   c. jr. account executive
   d. account holder

4. The ___________ works in close co-ordination with the art or creative department.
   a. copy department
   b. account department
   c. research department
   d. production department

5. Accounts department is headed by the ___________.
   a. accounts executive
   b. accounts manager
   c. Jr. accounts manager
   d. Sr. account executive

6. ___________ helps the agency to make better presentations to the client.
   a. Account department
   b. Games department
   c. Research department
   d. Copy department
7. Match the following:

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<thead>
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<tbody>
<tr>
<td>1. Air India</td>
<td>a. Cat</td>
</tr>
<tr>
<td>2. Onida</td>
<td>b. Maharaja</td>
</tr>
<tr>
<td>3. Eveready Batteries</td>
<td>c. Devil</td>
</tr>
<tr>
<td>4. MRF</td>
<td>d. Man with tyre</td>
</tr>
</tbody>
</table>

a. 1-b, 2-c, 3-a, 4-d  
b. 1-c, 2-d, 3-b, 4-a  
c. 1-d, 2-c, 3-b, 4-a  
d. 1-b, 2-a, 3-c, 4-d

8. Which of the statements is true?
   a. “Asli swaad zindagi ka” is the corporate line of Coca Cola.  
   b. “Asli swaad zindagi ka” is the corporate line of Pepsi.  
   c. “Asli swaad zindagi ka” is the corporate line of Cadburys.  
   d. “Asli swaad zindagi ka” is the corporate line of Amul.

9. Which of the statements is true?
   a. When visiting an advertising agency do some homework i.e., researching, reading about him, discussing his activity, situation, his interests, etc.  
   b. When visiting an account executive do some homework i.e., researching, reading about him, discussing his activity, situation, his interests, etc.  
   c. When visiting a manager do some homework i.e., researching, reading about him, discussing his activity, situation, his interests, etc.  
   d. When visiting a client do some homework i.e., researching, reading about him, discussing his activity, situation, his interests, etc.

10. Which of the statements is true?
    a. Production department maintains contact with printers, plate makers, paper merchants, binders, lamination units and other suppliers who would be of use in executing a printing job.  
    b. Account department maintains contact with printers, plate makers, paper merchants, binders, lamination units and other suppliers who would be of use in executing a printing job.  
    c. Research department maintains contact with printers, plate makers, paper merchants, binders, lamination units and other suppliers who would be of use in executing a printing job.  
    d. Copy department maintains contact with printers, plate makers, paper merchants, binders, lamination units and other suppliers who would be of use in executing a printing job.
Chapter III
Advertising Media, Planning and Ethics

Aim
The aim of this chapter is to:

• describe various media of advertising
• explain the selection of the correct media for advertising
• discuss the ethics in advertising

Objectives
The objectives of this chapter are to:

• analyse strengths and weaknesses of various media
• outline the process of planning an advertising campaign
• highlight the advertising drawbacks

Learning outcome
At the end of this chapter, the students will be able to:

• analyse the advertising norms to be followed
• state the characteristics of various media of advertising
• explain INS
3.1 Various Advertising Media

The word ‘media’ is plural for the word ‘Medium’, which in advertising means a carrier/vehicle of the message of the advertiser. The variations in ‘media’ advertising can be categorised as:

- Press Advertising – Newspapers and Magazines
- Outdoor Advertising
- Film Advertising
- Radio Advertising
- Television Advertising
- Internet Advertising
- Direct Media – Reply Cards, Sales Letters, Product Leaflets, Folders and Catalogues, etc.
- Other Media - Exhibitions, Window Display, Street Shows, Sponsoring Events, etc.
- Point of Purchase Advertising
- Special Advertising – Diaries, Calendars, etc.

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<th>Table 3.1 Types of advertising media</th>
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<tbody>
<tr>
<td>Press advertising</td>
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<td>The different types of printed press would be newspapers, magazines, journals, etc.</td>
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Newspapers
Researchers have concluded that approximately 70% of the cost of newspaper is covered by advertising revenue. Newspapers can be classified by their frequency, language or by their nature. E.g.:

- **Morning Dailies** – Times of India, Indian Express, Hindustan Times, Loksatta, Gujarat Samachar, Thanti, Malayalam Manorama, etc.
- **Afternoon Dailies** – Afternoon, Mid Day, Sanj Samachar, etc.
- **Weekly** - Sunday Observer, Employment News, Screen, etc.

Further they can be classified by their type of news that they carry –

- **Financial** - Economic Times, Financial Express Business Standard, etc.
- **Trade Information** – Screen

Magazines
Magazines can be classified by their frequency, language or by their nature. The frequency could be weekly, fortnightly, monthly, bi-annual and annual.

By nature or genre, as:

1. **Sports** – Sportstar, Shatkar, Cricket, Wisden, etc.

   ![Sportstar magazine cover](image)

2. **Women magazines** - Femina, Eve’s Weekly, Sudha, Meri Saheli, Womens Era, etc.
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Fig. 3.2 Femina cover page

iii. Film and Entertainment- Filmfare, Stardust, Mayapuri, Premier, etc.

Fig. 3.3 Stardust cover page

iv. General – India Today, Outlook, Sunday, Malayalam Manorama, Chitralekha, Society, etc.

Fig. 3.4 Outlook cover page

v. Men’s magazines – Gentleman, Debonair, Fantasy, etc.


Fig. 3.5 Business today cover page

vii. Industry oriented – Electronics For You, Chemical Product Finder, Dataquest, etc.

Fig. 3.6 Electronics For You cover page

Trade Journals
These journals are specifically published with a bend towards the commerce of a particular industry. Normally these trade journals/magazines are not available in the stalls, but are subscribed to by the reader. The frequency of the trade journals can be monthly, quarterly, bi-annual or annual, e.g., Tradepost [Watches & Clock Trade & Industry], Industrial Product Finder, Purchase, Chemicals, Gas Turbines, etc.

Fig. 3.7 Some of the famous Trade Journals

Language
The print/press media reaches a mass audience from varied cultural, social and geographic segments by printing in vernacular languages as well as the standard languages e.g., Times of India is an English daily, Sanj Samachar – an evening Marathi daily, Filmfare – a monthly English magazine, etc. This gives wide viewership to the publication because you are tapping into a larger populace by publishing in a language that is familiar to the audience.

Technical details of print media
Broadly all the newspapers are published in one of two sizes – namely, broadsheet and tabloid. The broadsheet has a page size of 52 to 54 cms in height and has eight columns of 3.80 cms width each and 0.50 cms as ‘gutter’ space between the columns. The tabloid format of a newspaper is 38 cms in height and has five columns of 3.8 cms width each and 0.50 cms as ‘gutter’ space between the columns.

Advertisement rates, categories and slots
Advertising rates/tariff for newspapers is mostly quoted as ‘per square centimetre’, but some publications still follow the format of ‘per square column cms.’ i.e., one cm. in height and one column in width. The cost of the advertisement is calculated as - ‘A’ cms in height and ‘B’ number of columns in width = A x B = sq. area, multiplied by the rate per square column per cm. Most publications have now switched over to the ‘old’ format of tariff – ‘per sq. cm.’ – i.e., the width in cms. x height in cms. = sq. cms x rate. A column width being 3 cms and multiples thereof.

The publications have separate rates for advertisements that can be classified as follows:
- Product display
- Financial
- Corporate
- Legal Notice/Tenders
- Appointments
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- Employment
- Obituary
- Classified
- Classified display
- Entertainment

Newspapers also have premium rates for specific positions and pages. The only advertisement on a page is called ‘Solus’, while the same advertisement on the front page is called ‘Front Page Solus’ advertisement, Of course, with the difference in positioning, the rates and the size differ.

For magazines the ads are positioned as follows:
- Quarter page
- Half page
- Full page
- Double spread
- Centre spread
- Front or back inside cover
- Back cover

There are separate rates for ‘black and white, colour and bleed ads which depends on the palette used for printing,

Most magazines are in the overall size of 27.3 x 19.1 cms. or 8” x 11” and have an average printed full-page size of 24.5 x 17.5 cms.

- **Outdoor media**
  The message is not directed at anyone in particular, but to the public in general. Outdoor advertising is at sites and locations where the public can easily see and notice the advertisements – posters, hoardings, painted signs, neon signs, bus stops, airport lounges, travelling displays in buses, trains at a traffic signal etc. A potent and rapidly growing medium as people travel considerably to work and back and have very little time to read the newspaper or notice an advertisement in the newspaper.

- **Film advertising**
  It means advertising in the cinema theatre through the medium of posters at the theatre, cinema slides which are exhibited during the interval or before the start of the film, or a short advertising film.

- **Radio advertising**
  It is the cheapest of all media for advertising. Radio has very high penetration particularly in the rural areas where television and other media are absent or have low presence. This may also have to do with the fact that radio sets are far more cost effective than television sets and can run even without electricity. Radio advertising can be in the form of a ‘radio jingle’ – i.e., a song, or an announcement or even a skit about product. There are about 100 radio stations and about 25 FM radio stations in India.

- **Television advertising**
  It is a more recent entrant in the media world and yet it is growing very fast. Practically every household has at least one television set. But it is a very expensive medium, in terms of cost of tariff, ranging from a couple of thousands to about a lakh of rupees for a 10 seconds spot. Making a TV spot of 10 seconds is also very expensive, depending on the storyboard, model, location, etc. That is why we find some advertisements on TV that are very old; hence the advertiser does not change the advertisement often. There are about 100 different channels available for the viewer and advertiser and that too 24 hours a day.

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Internet advertising
The most recent of the advertising media, this one is associated with globalisation. Anyone with a computer and internet connection can access this medium. An advertisement on the internet can be in the form of:

- An ad banner: It appears at the top or bottom of the page and when clicked upon, it takes the user to the advertiser’s site.
- Website: It is the actual site of the organisation where all the necessary detailed information of the company and its products/services are available for the user to browse as he wishes.
- Ad button: It is a smaller type of banner. It is a small icon/sign, which when clicked on takes the user to the advertiser’s site.
- Sponsorship: The companies sponsor an entire page of a publisher’s webpage, or an event for a specific period of time.
- Pop ups: They are animated advertisements that literally ‘pop up’ on the computer screen when downloading/opening a website.
- Classified advertisements: They are small, composed advertisements which appear on web sites and are similar to the ones seen in the newspapers. They provide a good opportunity for the local advertisers who cannot afford the more expensive types of advertisements.

Direct media
It is a form of print media used by the manufacturer giving details of the product or services offered – reply cards, sales letters, product leaflets, folders and catalogues, etc. The printed material is posted/sent to the customer. This is a very personalised media, where you address the customer directly and individually. It is a very personalised form of advertising which has great potential for customer retention.

Other media
These would include exhibitions, window display, street shows, sponsoring events, etc. where the products are displayed and the customer can actually see and physically handle the product.

Point of purchase advertising (POP)
This form of advertising is done at the point or place where the customer makes a purchase. POP advertising include demonstrations, trial, display of the product at the place of purchase – window display, product display, wall display, counter display, product display racks/stands, showrooms etc.

Special advertising
It is a form of direct and reminder advertising. Annual diaries, calendars, pens, ashtrays, key chains, special gift articles, etc., mostly engraved with the company name, logo and relevant information to make the customer feel valued, he has not made a purchase but he is still getting a gift. Here, the advertiser’s name or message is printed on the article and so whenever the user uses the article; it reminds him of the company/product. This is sort of an incentive for the customer. However, some companies do not allow their employees to accept such ‘gifts’ from other companies.

In India, the media advertising budget that has been utilized is approximately:

Print media (newspapers and magazines) – 60%
Television – 34%
Outdoor/cinema/radio – 6%
3.2 Characteristics, Strengths and Weaknesses of Various Media

- **Newspapers**
  - **Features:** Broad and exhaustive information - politics, entertainment, local news about the community and its activities – anything that would interest the reader.
  - **Audience:** Large audience, but mostly adults who are educated and literate in a particular language. Strong among better-educated people, who are affluent.
  - **Location:** Mainly in highly populous areas.
  - **Cost:** Very costly – rates vary from publication to publication depending on the circulation/readership.
  - **Ideal Usage:** Very effective due its wide coverage and reach. Good for conveying information and for tie-up with dealers/retailers.
  - **Life:** Only relevant on the day of publishing – the newspaper becomes ‘stale’.
  - **Weakness/Disadvantage:** The cost is fairly reasonable as compared to other media. There is the chance of the advertisement not being noticed. Non-selective audience, limited time frame, read hurriedly, poor quality of printing due to the poor quality of paper are all the variables that may prove disadvantageous when advertising in the newspaper.

- **Magazines**
  - **Features:** The articles and news coverage have greater depth and examine the topic exhaustively. The overall presentation is good, but there is no news value. Lots of articles of good reading value, there could be detailed analyses of news as well but after the fact. The audience is selective, depending on the nature or genre of the magazine – i.e., sports, finance, entertainment etc.

  - Ladies magazine: Femina, Cosmopolitan, Meri Saheli, etc.
  - Male magazine: Gentleman, Debonair, etc.
  - General Information: India Today, The Week, Chitralekha, etc.
  - Film magazine: Filmfare, Stardust, Show Time, Mayapuri, etc.

  - **Location:** mainly published and headquartered in urban areas, metros and large cities.
  - **Cost:** very costly – rates vary from publication to publication, depending on the circulation/readership.
  - **Ideal Usage:** develops an awareness amongst the proper audience.
  - **Life:** long life span, depending upon the frequency and the use for reference.
  - **Weakness/Disadvantage:** there is a clutter of advertisements as there are too many advertisements in a magazine. The advertisement could get lost in the clutter.

- **Outdoor advertising**
  - **Features:** This media has very high visibility and hence, it is a very popular medium and yet, it has a very limited application. Outdoor advertising is accepted as a ‘secondary media’ or ‘support media’, as it is not utilised as a stand-alone media
  - **Audience:** It could be anyone who travels – can be a person walking or travelling by any vehicle.
  - **Location:** It can be selected by the advertiser. Ideally, it would be any place where there is a lot of vehicular traffic.
  - **Cost:** It is fairly expensive - depends on the location in any city or town.
  - **Ideal Usage:** It imprints the mind of the viewer with the name and the brand, due to the constant visibility. It has high recall value.
  - **Life:** Long life – at least one month, which is the minimum contract time for a hoarding, often longer, as the hoarding is not changed till the next client selects it.
  - **Weakness/Disadvantage:** Limited space to convey the message, hence details of the product cannot be
described, as one passes the outdoor media, rather quickly. Thus, noticing any details is not possible. It is
difficult to gauge the effect and the result of the advertisement.

- **Film advertising**
  - **Features:** A very popular media due its high exposure and popularity. Hence, it has a great impact.
  - **Audience:** Any film goer - rich/poor, literate/illiterate, man/woman alike.
  - **Location:** A wide range of local population – rich and poor alike.
  - **Cost:** Fairly expensive. Making an advertising film of 10 seconds is very expensive, depending on the
    storyboard, models, location, etc. That is why we find some advertisements are very old, hence the advertiser
does not change the advertisement often.
  - **Ideal Usage:** It is used as a ‘secondary media’ or ‘support media’, it is not utilised as a stand-alone
    media.
  - **Life:** Short - up to the contract period – a week, month and so forth.
  - **Weakness/Disadvantage:** The viewer is not interested in the advertising film, but is keen on enjoying the
    feature film. The data or feedback of the audience is not available.

- **Radio**
  - **Features:** Highly varied – news, music, play, skit, children’s programme, education, etc. A highly mobile
    and less expensive medium.
  - **Audience:** High reach – varies depending on the station. Very popular amongst the youth and retired persons.
    Yet restricted and regional.
  - **Location:** A vast area – urban and rural.
  - **Cost:** Less expensive as compared to other media. Varies as per location.
  - **Ideal Usage:** For local and rural products and clients.
  - **Life:** Short, as the message is concise and within 10 seconds or its multiples.
  - **Weakness/Disadvantage:** Limited audience.

- **Television**
  - **Features:** Mass audience, high visibility, instant exposure of ideas through audio/visuals.
  - **Audience:** Whole family, varies with time of the day or night.
  - **Location:** In any house, hotels, etc.
  - **Cost:** Very expensive.
  - **Ideal Usage:** Broad exposure, demonstrates product effectively as it engages all the senses.
  - **Life:** Short, as we tend to forget the advertisement or not watch it, as there is a clutter of advertisements.
  - **Weakness/Disadvantage:** Clutter of advertisements.

- **Cable television**
  - **Features:** Mass audience, high visibility, popular, good potential to reach those within a certain geographic
    area.
  - **Audience:** Anyone with TV and cable.
  - **Location:** Local and can be for specific area within a locality or city.
  - **Cost:** Cheap for actual release but expensive to produce the advertisement.
  - **Ideal Usage:** For local advertisers and dealers.
  - **Life:** Short, as most advertisements are not noticed due to the poor quality of production of the
    advertisements.
  - **Disadvantage:** Uneven reach and viewership. Will be seen only if the viewer tunes in to this particular brand
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of entertainment. The results of the advertisement cannot be measured and hence, very often considered as a waste of money.

- **Internet advertising**
  - **Features:** A global and inter active medium – direct contact with the customer.
  - **Audience:** Educated and computer savvy people who can access the internet – from a child to an adult.
  - **Location:** Anywhere where the internet facility is available- home, office, college, cyber café, etc.
  - **Cost:** Expensive, but with some cost variation.
  - **Ideal Usage:** For higher end products, electronic gadgets, etc.
  - **Life:** Depends on location, site and booking period of the message.
  - **Weakness/Disadvantage:** Only appeals to an elite class and not the masses. The sites are not up-dated frequently and hence the viewer often gets outdated addresses, telephone numbers and information.

- **Direct mail**
  - **Features:** Good potential, selective and personal
  - **Audience:** Control of the advertiser
  - **Location:** As per the choice and database of the advertiser
  - **Cost:** Least expensive
  - **Ideal Usage:** To explain the product / scheme, etc. in detail.
  - **Life:** Long life, but depends on the literature, personalised form of advertising.
  - **Weakness / Disadvantage:** Very low response rate.

- **Point of purchase advertising**
  - **Features:** This media is very popular and has visibility at the counter of an outlet. And yet it has very limited applications. Point of Purchase advertising is a ‘Secondary Media’ or ‘Support Media’, as it is not utilised as a stand-alone media.
  - **Audience:** Any one who goes shopping.
  - **Location:** Any company, dealer or retail outlets.
  - **Cost:** Fairly cheap, but varies depending on the outlet (mall, large dealer, etc.) and location.
  - **Ideal Usage:** For the pull technique and so the manufacturer need not depend on the retailer to push the product. A very effective sales promotion tool.
  - **Life:** Very often temporary.
  - **Weakness/Disadvantage:** Misuse of the advertiser’s dispensers with the competitor’s product e.g., A Coke branded fridge is stocked with Pepsi or vice versa, etc.. Limited space and availability of show windows. Often the retailers do not make use of the POP material sent to them for display.

- **Special advertising**
  - **Features:** Selective and personal
  - **Audience:** Control of the advertiser
  - **Location:** As per the choice and data base of the advertiser.
  - **Cost:** depends on the cost of the ‘gift’ item.
  - **Ideal Usage:** As a promotional, reminder and often as a ‘prestige’ tool.
  - **Life:** Long life, as long as the user utilises the ‘gift’ item- calendar or diary can last up to a year or even more.
  - **Weakness/Disadvantage:** Very often misused by the giver and also the receiver – most people crave for a New Year’s diary, use for sometime and then, it just lies in some corner.
3.3 What is ‘INS’

INS is the 'Indian Newspaper Society’. It was earlier known as IENS – Indian and Eastern Newspaper Society, which was set up in 1939. Various publications/newspapers formed this association to formulate broad policies amongst themselves and with the advertising agencies. Today, there are about 700 publications and about 800 advertising agencies who are INS members.

The society decides upon a fixed commission of 15% for the advertising agencies recognised/accredited by it. The agencies in turn have to fulfill certain norms laid down by INS.

Some of the mandatory requirements to become an accredited member of INS:

- The agency must have done business spread over at least five principal clients, one of whom must have been engaged in national advertising—advertising of goods in a state in which the main office of the advertiser is located and at least two other states.
- The agency must do a newspaper billing of a minimum of Rs. 50 lakhs in a year.
- The agency has to furnish a bank guarantee or a security deposit to the society.
- The accreditation is for a period of one year and is due for renewal annually.
- The agency, when accredited, enjoys certain privileges.
- An accredited agency gets a commission of 15% on all newspaper advertisements.
- Agency with provisional accreditation gets a commission of 10%.
- A credit period of 60 days for payment to the publications. Otherwise, publications do not offer any credit facility.

An agency may lose its accreditation in any of the following circumstances:

- Resigned as an accredited agency.
- Bankruptcy or death of the sole proprietor.
- Bad debtor or a defaulter.
- The dissolution of the agency.
- Upon the Agency failing to do business as per the norms and rules of INS.

3.4 Media Planning

Media is a vehicle for the advertiser to get across his message to the customer. The manufacturer is constantly in touch with the consumer through a medium. Hence, it is of vital importance that the proper and correct medium is selected to get the message to the customer. The onus of selecting and suggesting the correct media lies with the advertising agency. Selecting a proper media is a topic of cautious calculation. At times, these calculations can be a risk that can be rather costly as they involve a lot of money.

3.5 The Selection of the Proper/Apt Media for Advertising

The selection of the media is done by the senior executives of the manufacturer’s marketing department, like marketing managers, publicity managers, etc. They should avail the specialised knowledge and experience of their advertising agency personnel in this regard.

In the present world brimming with media choices – TV, Radio, Newspapers, Magazines, Outdoor and many others – one needs a systematic method of determining which media to use, how to use them, when to use them and where to use them to effectively and efficiently deliver the advertising message. The analytical framework used to consider these decisions are known as “media planning”.

When considering media planning, the following factors need to be borne in mind:
Select the target audience – First identify the prospective buyer or customer. This would help in choosing a proper media to reach this target audience. e.g., if the audience is young and upper middle class ladies then the media selection might be Femina, Filmfare, Grah Sobha, or any TV serial of Saas Bahu type. Yet, if the classification is changed, the media would also change. For college going or teenager ladies, the media could be Filmfare or any film magazine, any music TV channel, coffee Shops, etc.

Reaching the target audience – This factor is raised in terms of a time span and also in terms of time or season of the year. That is, for how long would the advertising campaign last, only one release, one week, one month, several months, etc. And even the time of the year, during an off-season, during festival season, annual fairs, etc.

Reaching place for the target audience – Our country is very large with diverse languages and culture. Hence in terms of area, maybe a specific state or zone or city or even during certain local and regional festivals during Holi in the North, or Durga Pooja in the East, Gudi Padva in Maharashtra, Pongal and Onam in the South, etc.

Frequency of reaching them – This factor is in terms of how often the advertisement should be released in the media or what should be the intensity of the appearance of the advertisement. With greater frequency, the product will remain in the minds of the public.

Confirm the product to be advertised – The client may have more than one product. So which product would he want to advertise should be clear and confirm, e.g., Cadbury’s has a wide range of chocolates – Gems, Five Star, Dairy Milk, Fruit & Nut, Nutties, Bournvita. Or Bajaj Auto has scooters, bikes like Wind, Pulsar, Sprite, M-80, Rickshaw and so on.

Reason of the advertisement – There has to be some reason for the client’s action to advertise, e.g., to launch a product, reminder of the product, festive season, boost sales in a particular area, to counter the advertisement of the competitor, etc. No client would advertise for the sake of advertising.

The budget – Very subtly the advertising agency must ask the client about the budget for the said job. This should be the last query on the questionnaire. This would enable the agency to decide on the size of the advertisement, or design, the media to be used, etc.

3.6 How to Plan an Advertising Campaign

Media planning is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel/vehicle. Media Planning helps answer questions such as - What audience do we want to reach? When and where to reach them? How many persons should we reach? How often do we need to reach them? What will be the cost to reach these people?

Planning of any advertising campaign must begin in the advertiser’s office. It is here that the agency gets the first hand information of:

• the characteristics of the product
• the advantages it offers
• weaknesses, if any

The agency should also get to know about:

• the volume of production
• the channels of distribution
• areas where the competition is the strongest
• who are the competitors, etc.
• the appeals, which influence purchase decisions

In short, one must have complete information about the client and the product/services to be advertised. There are some factors that an agency bears in mind when selecting any media. Not only the circulation of the newspaper or magazine, but also whether it reaches the target segment/audience or the visibility of the hoarding, or timing of the advertisement on the television channel, or radio station. Thus, several factors are considered when selecting any
media like features of the media, nature of the product, the distribution network, cost of media, its frequency, etc. It is important to avoid any duplication or overlap of readership/viewersh­ip – e.g., a businessman would be reading Times of India, Economic Times and also a business magazine like Business World/Business Today. Thus, a clear rational should be adopted when selecting any media. The biggest or the largest need not necessarily be the ideal media.

- **What is media mix?**
  A typical and a very broad media mix for a consumer product may be:

  - 40% - Television
  - 30% - Newspaper or print media
  - 20% - Magazine
  - 10% - Hoarding and other outdoor media

### 3.7 Timeliness of Advertisements

Timing of the release of an advertisement or campaign is an important factor. The advertisement should be seen and noticed by the target audience and induce them into buying the product during the appropriate season/time – e.g., sunglasses in summer, raincoats/umbrellas in the monsoon season, woollen clothing in winter, tours and travels during the holiday season.

The timing of the advertisements can also stimulate demand for the product during the slower/low period of the year – Bajaj Mahakhazana during the rainy/monsoons or the various sale advertisements during the off – season/slack season, like the rainy season. The timing of the advertisement in order to reach the target audience is when they are receptive to the message. That is to select the appropriate time when the audience will be most likely to read, watch or listen to magazines, radio, TV, etc.

Media planning is a part of advertising, which in turn is part of marketing. The information from the market analysis, the marketing plan and the advertising plan guides the development for the comprehensive media plan that includes specific media objectives, strategies and tactics to be used in advertising a particular product. Contemporary media planning has become more complex and therefore, media planners must evaluate the increasing number of media options, the ever-changing psyche of the target audience, their buying patterns, their needs and cost effectiveness of the product and most important, the after sales service.

Besides high costs of advertising in any media puts more pressure on the advertisers to use the selected media more cost effectively. Media planners need to set specific, measurable objectives using description of the target audience and reach, frequency and total message of the campaign.

Advertising timing/scheduling ought to help the advertiser to reach the target audience when they are most interested in the product or to stimulate demand during the slack season or reach people when they are most receptive to the medium being used.

Media planners should develop an effective media strategy, must understand the product, its audience and the selected media, within the constraints of the budget. And finally, preparing and implementing the media plan.

Often the client or the advertising agencies undertake a research or survey method, as regards the effectiveness of a media for their product. Only after that do they undertake the advertising campaign with the selected media. Sometimes, media selection could be a matter of chance and perception in making a media selection. There is no hard and fast rule or yardstick for selecting media, but only a broad outline. The biggest or the largest need not necessarily be the ideal media.
3.8 Ethics in Advertising

Ethics is a subjective term. It could be connoted differently to every individual, who judges things from his perspective. The Encyclopaedia Britannica describes ethics as a branch of philosophy concerned with the nature of ultimate value and standards by which human actions can be judged right or wrong. The term ethics is also applied to any system or theory of moral values and principles.

As advertising is a mass media viewed and noticed by the public at large, it also has to follow an ethical code. Ethics in advertising should be viewed from the customer’s viewpoint and not from the legal aspect alone.

To enforce ethical standards in India, The Advertising Standards Council of India {ASCI} was founded on November 20th, 1985. ASCI is a non-profit body, which brings together advertisers, agencies and the media. ASCI has drawn up a detailed code known as ‘The code for self-regulation in Advertising’, which is similar to the Advertising Standards Authority (AAA), USA. The aim is to attain the acceptance of impartial advertising practices for the advantage of the consumer. The aim and purpose of the code is to control the content of advertisements and not to hamper the sale of products.

Some important guidelines mentioned can be summed up as:

- **Truthful:** The advertisements must ensure truthfulness and honesty of the representations and claims made by advertisements and to safeguard against misleading advertisements.
- **Not offensive:** The advertisements should not be offensive to generally accepted standards of public decency.
- **Claims:** Claims made in an advertisement should be based on or supported by independent research or assessment, the source and date of this should be indicated in the Advertisement.
- **Fair Competition:** Observe fairness in competition.
- **Permission:** Advertisement should not contain any reference to any person, Firm, Institution or Organisation without their due permission.
- **Distortion:** An advertisement should not distort facts nor mislead the consumer by means of implications, omissions or exaggeration.
- **Trust:** The advertisement should not be so framed as to abuse the trust of the consumer or exploit his lack of knowledge – e.g., a product shall not be described as ‘free’ when actually it involves any cost of delivery, freight or postage.
- **Guarantee:** Claims such as ‘up to five years guarantee’ or ‘prices from as low as Y’ are not acceptable, if there is a likelihood of the consumer being misled either as to the extent of the availability or as to the applicability of the benefits offered.
- **Physical weakness:** Advertisement addressed to those suffering from weakness, perceived inadequacy of any physical attributes such as height or bust development, obesity, illness, impotency, infertility, baldness, etc.

3.9 Certain Restrictions in Advertising

No advertisement shall be permitted which:

- Tends to incite people to crime or to promote disorder and violence or intolerance.
- Derides any race, caste, creed, colour or nationality.
- Presents criminality as desirable or directly or indirectly encourages people to emulate it or conveys the modus operandi of any crime.
- Adversely affects relations with a foreign state.
- Advertisements addressed to children shall not contain anything, which might result in their physical, mental or moral harm.
- Advertisements encouraging children from entering strange places, talking to strangers in an effort to collect coupons, wrappers, labels, etc.
- Advertisements depicting children leaning dangerously outside windows, over bridges, climbing dangerous
3.10 Some Norms to be Followed for Competitive Advertisements

Comparative advertisements are permissible in the interests of vigorous competition and public enlightenment, provided:

- The comparison is not chosen in such a way as to confer an artificial advantage upon the advertiser or as to suggest that a better bargain is offered than is truly the case.
- The comparison is factual, accurate and capable of substantiation.
- The consumer is not misled by the comparison.
- The advertisement, directly or indirectly, does not unfairly denigrate, attach or discredit other products, advertisers or advertisements directly or by implication.
- Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trademark or symbol of another firm or its product or goodwill.
- Advertisements should not be similar to the competitor’s advertisement in general layout, copy, slogan, visual representation, music or sound effects as to be likely to mislead or confuse the consumer.

In general, the following products cannot be advertised:

- Any harmful product – tobacco, alcohol, certain medicines, drugs, etc.
- Sanctity to be maintained of the national flag, national emblem, coins and currency, etc.
- Lawyers and Doctors cannot advertise.
- Surrogate advertising is not permitted.

3.11 Procedure to Hear a Complaint

A 14 member sub-committee consisting of people from various walks of life – medicine, law and media – hears a complaint from a member of the public, examines it in the light of the code, asks the advertiser or agency to comment and submit substantiation. On upholding the complaint by the ASCI, it asks the advertisers to withdraw the advertisement. But, this entire procedure takes about two months.

3.11.1 Limitations of ASCI

ASCI does not have any enforcement powers. It can only act as a moral pressure group. The code is not definite about offensiveness, etc. It has about 250 members of which 120 are advertisers, 36 media, 72 advertising agencies and 22 others. However, ASCI gives the ordinary consumer a chance to complaint if misled. Indian Advertisers Society aims to improve the standards and image of advertisements and practice of advertising?

3.11.2 Control by Customers

To protect his own interests, the customer should take the initiative in all those things that affect him from unethical advertising. The customer can check on advertising through their various Consumers Associations like The Consumer Action Forum, Kerala, Karnataka Consumer Service Society, Bangalore, The Consumer Guidance Society of India, Mumbai, Consumer Education and Research Centre, Ahmedabad, etc. These Associations keep track of the false and misleading advertisements. However, these Associations lack unrelenting and motivated members, insufficient finance, political influence and big influence business houses.
3.11.3 Government Control
Several important laws have been passed and enacted by the Government. Some of them are:

- Essential Commodities Act, 1955
- The Standards and Weights and Measures [Enforcement] Rules, 1977
- The Food Adulteration Rules, 1963
- The Monopolies and Restrictive Trade Practices Act, 1969
- Drugs and Remedies Act
- Food and Drugs Act, etc.

3.11.4 Code for Commercial Advertising on Doordarshan
This Code was presented to the Parliament in 1987. The Code incorporated the Indecent Representation of Women Act and the Consumer’s Act. Both these Acts were passed by the Parliament in 1986.

The Code suggests 33 DO’s and DON’Ts for advertisers, which are as follows:

- Advertisements should conform to laws and should not offend morality, decency and the religious susceptibilities of people.
- The Director General shall be sole judge of the Code and the following advertisements should not be permitted -
  - Advertisements that deride any race, caste, colour, creed and nationality or are against the Directive Principles or the Constitution.
  - Advertisements that tend to incite people to crime or cause disorder or adversely affect friendly relations with foreign nations.
  - Advertisements that exploit the national emblem, any part of the Constitution, or person / personality of national leaders or State dignitaries.
- No advertisements shall be presented as News.
- Advertisements that have relation to religion, political or industrial dispute.
- Advertisements that promote chit funds, money lenders, jewellery, fortune letters, foreign goods and private saving schemes.
- Guaranteed goods will have to be made available to the Director General of Doordarshan for inspection if necessary.
- No disparaging or derogatory remarks of other products or comparisons with them should be made.
- Advertisements that portray women as passive and submissive.
- Advertisements those are likely to startle viewers – such as gunfire, sirens, bombardments, screams and raucous laughter.
Summary

• The word ‘media’ is plural for the word ‘Medium’, which in advertising means a carrier/vehicle of the message of the advertiser.

• Newspapers can be classified by their frequency, language or by their nature.

• The selection of the media is done by the senior executives of the manufacturer’s marketing department, like marketing managers, publicity managers, etc.

• Media planning is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel/vehicle.

• Timing of the release of an advertisement or campaign is an important factor. The advertisement should be seen and noticed by the target audience and induce them into buying the product during the appropriate season/time.

• Ethics in advertising should be viewed from the customer’s viewpoint and not from the legal aspect alone.

• Comparative advertisements are permissible in the interests of vigorous competition and public enlightenment.

• The Code for Commercial Advertising on Doordarshan suggests 33 DO’s and DON’Ts for advertisers.

References


Recommended Reading


Self Assessment

1. Newspapers and magazines are included as the ____________ media.
   a. film advertising
   b. radio advertising
   c. press advertising
   d. television advertising

2. ____________ is at sites and locations where the public can easily see and notice the advertisements i.e., posters, hoardings, painted signs, neon signs, bus stops, airport lounges, travelling displays (in buses, trains) etc.
   a. Outdoor advertising
   b. Point of Purchase advertising
   c. Special advertising
   d. Direct media

3. ____________ generates message which is not directed to anyone in particular, but to the public in general.
   a. Radio advertising
   b. Television advertising
   c. Outdoor media
   d. Direct media

4. ____________ means advertising in the cinema theatre through posters, cinema slides which are exhibited during the interval or before the start of the film, or a short advertising film.
   a. Internet advertising
   b. Film advertising
   c. Television advertising
   d. Radio advertising

5. ____________ is the cheapest of all media for advertising.
   a. Television advertising
   b. Press advertising
   c. Special advertising
   d. Radio advertising

6. ____________ is a form of print media used by the manufacturer giving details of the product or services offered like reply cards, sales letters, product leaflets, folders and catalogues, etc.
   a. Direct media
   b. Other media
   c. POP
   d. Outdoor media

7. Match the following:

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>1. Essential Commodities Act</td>
<td>A. 1977</td>
<td></td>
</tr>
<tr>
<td>3. The Food Adulteration Rules</td>
<td>C. 1937</td>
<td></td>
</tr>
</tbody>
</table>
a. 1-C, 2-D, 3-A, 4-B  
b. 1-D, 2-A, 3-B, 4-C  
c. 1-B, 2-A, 3-D, 4-C  
d. 1-A, 2-D, 3-B, 4-C

8. Which of the statements is true?  
a. Media Planning is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel or vehicle.  
b. Direct Media is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel or vehicle.  
c. Outdoor Media is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel or vehicle.  
d. Special Advertising is a process of directing the advertising message to the target audience at the appropriate time and place, using the appropriate channel or vehicle.

9. Which of the statements is true?  
a. Advertisements that have relation to religion, political or industrial dispute should not be permitted.  
b. Advertisements that have relation to religion, political or industrial dispute should be permitted.  
c. Acts that have relation to religion, political or industrial dispute should not be permitted.  
d. Advertising plans that have relation to religion, political or industrial dispute should not be permitted.

10. Which of the statements is true?  
b. Code for Commercial Advertising on Doordarshan was presented to the Parliament in 1980.  
c. Code for Commercial Advertising on Doordarshan was presented to the Parliament in 1978.  
d. Code for Commercial Advertising on Doordarshan was presented to the Parliament in 1987.
Chapter IV
Public Relations, Press Conference, Press Release and Presentation Skills

Aim
The aim of this chapter is to:

• explain the meaning of publicity
• clarify the reason for holding a press conference and press release
• explain the preparation for the presentation

Objectives
The objectives of this chapter are to:

• describe difference between advertising and publicity
• explain the manner in which to conduct a press conference
• analyse the reasons for making a presentation

Learning outcome
At the end of this chapter, the students will be able to:

• understand publicity and information services
• comprehend Writing a Press Release and About the Press Kit
• discuss the advantages and disadvantages of press conference
4.1 Meaning of Publicity

The term ‘Publicity’ is a broad and elusive concept, which quite often implies – advertising, information services, propaganda and public relations – all these are included under the ‘Publicity’ umbrella.

Public Relations can be defined as a firm’s communication and relationship with various people – within the organisation and outside. An organisation has to deal with a number of people like suppliers, customers, employees, government setups, etc. The Public Relations department of the organisation improves the image of the organisation.

4.2 Difference between Advertising and Publicity

Publicity and advertising are essentially different in their objectives. Advertising has to be paid for and the advertising message is controlled by the advertiser/sponsor. Publicity on the other hand is not always paid for. Advertising is undertaken for the sale of goods and services offered. It is normally tied up with promotion. Thus, product advertising principally aims at selling and not informing.

Publicity on the other hand is undertaken with a view to informing the public about an Organisation’s policies and objectives. It is the expression of Management’s viewpoint about the achievements and progress of the enterprise in respect of services rendered to the public in general. Publicity, thus, serves as a background for the trading activities of the enterprise.

Publicity has been defined by the American Marketing Association (AMA) as a ‘non personal situation of demand for a product, service or business unit, by planting commercially significant news about it in a published medium or obtaining a favourable presentation of it on radio, television or stage that is not paid for by the sponsor’. Often, publicity is considered more effective than advertising as publicity is designed to familiarise the general public with the product’s characteristics and advantages. The vehicles of publicity are as similar as advertising – newspapers, magazines and other informative media. Publicity is an essential element of a promotional plan.

4.3 Publicity and Information Services

This is primarily so, because publicity and information services have still to reach a stage of maturity. Publicity, whether spoken, printed or expressed otherwise, is largely undertaken to secure public attention, acceptance or understanding of some individual or organisation. In a government organisation/administration, it is essentially a medium of an organisation for explaining its policies and objectives, so that the necessary goodwill is created for the services it presents and the policies it introduces or implements.

The overall objective of publicity is, therefore, to develop a favourable public opinion. Publicity, thus, becomes a vehicle for rendering information, services in respect of an industry and services it renders to the public in general.

Information services are primarily undertaken to keep the citizens in touch with the various activities of the enterprises. A continuous flow of factual information designed to enlighten the citizens on company policies is regarded as one of the essential functions of the individual enterprises. There is an essential difference between publicity” and propaganda”.

4.4 Propaganda

The term propaganda has not still acquired a respectable status, either in public or business administration. In propaganda, the public is asked to accept readymade conclusions and quite often the source and objectives of propaganda are carefully conceived. Propaganda can be carried on for good, as well as anti-social purposes. It is largely directed to emotions. One example is that of the various family planning measures being used by the Ministry of Health and Family Planning on Doordarshan. When propaganda is, thus, undertaken, the public knows its origin or source. The interest involved and the methods employed are also quite known. Propaganda is, thus, a legitimate tool, which could be used for publicity and information services. A clear-cut distinction should be made between information services and propaganda.
Information services are largely directed to educate the public, while propaganda is largely meant to create the desired results. In actual practice, information services and propaganda tend to overlap each other and sometimes it may become quite difficult to draw a firm line of distinction between the two.

‘Public relations is a wider concept. In business administration, it is undertaken to create a climate of favourable opinion for the business enterprise. Public Relations, as a tool of social engineering, has not attained maturity. Straight-out publicity is one of the tools of public relations. Securing goodwill and creating favourable public opinion through other media, then publicity has been the accepted goal of public relations. Besides, publicity, institutional advertising, motion pictures, house magazines, etc. are some of the other media of public relations.

Four essential points that will help you to understand the difference between publicity and advertising:

• In public relations, there is a lack of control over the final message. When you release an advertisement, you have total control of the message in the advertisement and what you want to say. You have created the advertisement and have paid for it in the media. Hence, your message is presented in the manner you desire. The PR executives can tell the media all about the product, but the reporters are under no obligation to pass the message to the general public. So if a reporter is not convinced about what the PR has to say, that media would get a negative message and not the one intended by the PR executive. In fact, very often, there is no guarantee that the media will cover the message at all.

• In public relations, there is no direct media cost. Like advertising, public relations is a communication activity, but unlike advertising, it does not involve any purchase of media space. Hence, the public relations budgets are smaller than advertising budgets.

• Public relations deals with an array of audiences, like shareholders, investors, media, government bodies, etc., whereas advertisements deal with customers, dealers and retailers.

• Public relations deal with important aspects other than marketing. It is used not only to increase sales, but also to encourage interest in the shareholders and bring public organisations a favourable opinion. PR also deals with labour relations, community involvement, government bodies and a number of other matters, not directly related to marketing. Sales promotion are those activities that supplement advertising and makes it more effective. Examples of Sales Promotion are – display, shows, exhibitions, demonstrations, product sampling, incentives to dealers, dealer salesmen training, etc.

• Why hold a press conference?
Calling for or holding a press conference is one of the ways of garnering publicity or managing public relations. It is basically an interaction between the organisation and the media. A press conference can be arranged by the agency for the client to launch a new product or service, or correcting and updating public perception, or to clarify anything which may have damaged the company’s / individual’s image – Cadbury’s and the germs issue, or Pepsi and Coca Cola and the pesticide issue.

A press conference is often referred to as meetings with the press or as a press meet. It is a meeting between the executives of a Company and the media personnel. A press release or news item is an important means of public relations or publicity. Many people tend to rely on the ‘news item’ rather than an advertisement. Hence the news item is often more important and effective and cheaper than an advertisement. On behalf of the client, the agency undertakes to call or invite the press reporters for a press conference or press meet. The reason or occasion is mentioned in the invitation. It is normally held at a hotel.

4.5 Writing a Press Release and About the Press Kit
A press note or press release can be prepared by the agency on behalf of the client. The press note or press release is a short document given to the media to provide information as to the matter of discussion. The press releases often distributed in a press kit, which is a package/folder which contains a writing pad, pen, product samples, photographs, information on the product, market and other necessary elements that will help to get the message across to the customer and general public.
The press note or release must be on the official letterhead of the client. It should be neatly typed, preferably on A4 size paper, in double spacing and with no spelling and grammatical errors. It should contain facts. A regional language (Hindi, Marathi, Bengali, etc.) translation of the texts would be handy for the local and regional press.

### 4.6 Organising and Conducting a Press Conference

Before beginning, a breaking news topic is absolutely essential. Without it, there is no need to hold a press conference. Now that you have your topic or new product, you must figure out what kind of media attention your story ultimately warrants. Once you have figured out your media target, issue a media alert or press release announcing your conference. Be sure to include a definite date, time and location. Changing any of these details after the alert has been issued may cause confusion among journalists that decide to attend. Journalists are very busy people and often do not have the time to check for updates. It would be helpful to arrange for multiple speakers to participate in press conference. Many reporters and journalists require numerous sources when writing an article, so having several people addressing the same issue would prove to be very convenient for them. Three is an ideal number, but you can always try for more.

### 4.7 Pre-conference

The advertising agency undertakes to call or invite the press reporters for a press conference / press meet. A formal invitation on the client’s letter-head or an invitation card is sent to the press. The invitation or letter must mention the reason or occasion of the conference, who from the client would be addressing the press, along with the date, time and venue. It is normally held at a five star hotel in the evening followed by dinner.

The media department undertakes the responsibility of physically distributing the invitations to the press or media. The concerned and appropriate reporters are chosen by the media department – special correspondents, financial reporters, sports reporters, outstation media representatives, etc., as the case may be. They have to utilise their good relations and ensure that the press reporters attend the conference.

### 4.8 At the Press Conference

Concerned personnel of the client, the concerned account executive and agency’s media personnel must attend the conference. The client’s personnel, as they would be addressing the issue. The account executive would know and interact with the client and the media personnel of the agency as they know the press personnel.

Rules to follow for the advertising agency personnel attending the press conference:

- **Punctual**: Be on time – as you are the co-coordinator, you should be at the venue, at least an hour before schedule.
- **Check projectors / audio system, LCD projector, have a test run of the CD/pen drive, etc.** In short, ensure that all equipment is working properly. Locate the electrical connections, etc.
- **Ensure that the seating and other arrangements are to the client’s satisfaction.**
- **Ensure that the stage backdrop, banners are properly put up.**
- **The seating on the stage along with the correct nameplates – with the correct spelling and designation of the persons.**
- **Dress neatly and formally**: Your dress reflects not only your personality, but also reflects on the agency as an organisation. Hence, dress neatly and formally, something comfortable, clean and ironed or pressed.
  - **Ladies** – Do not overdress – not as in a ‘Saas Bahu’ serial. Avoid overdoing the make-up or even applying make-up, if you are not comfortable. No cut-off, mini dresses, spaghetti straps, strapless, ‘T’ shirt, jeans, sports shoes. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Also avoid starched clothes, as you appear stiff and even bulky. Ideally wear – business suits, sarees or salwar-kameez.
  - **Gents** – No T-shirts, kurtas, jeans, sports shoes. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Also avoid starched clothes, as you appear ‘stiff’ and even bulky.
  - **Ideal wear** – business suit, blazer/coat, with formal shoes.
At the conference, when the media persons begin to arrive, they must have a register to note their details as to the publication they represent, address, etc. It makes it easier for follow-up action – or have a bowl/box so that the media personnel can drop their visiting cards into it. Distribute the press kit to the press to the press personnel as they register themselves. A single stem rose may accompany this.

- The Company executives address the press; presentation is made. The presentation must be followed by a question and answer session. An informal inter-mixing of the company personnel and the media usually follows this. The agency personnel should intermix with both the client and the press. This is followed by dinner. It’s normal practice (not compulsory) that when the press or media personnel are leaving, they be given a souvenir as a token of gratitude.

The news item will not appear in the next day’s paper as the conference would have got over late at night. Hence it would be reported or filed the next day. The next day, give the press kit and the souvenir to the press personnel who did not or could not attend the conference.

4.9 Follow-up of the Press Conference

- The following day, the account executive and the media person should go and visit those press or media persons who did not attend the conference and hand over the press kit and the memento.
- The advertising agency personnel – both the AE and the media head should follow up with the press regarding the news item.
- After the news item has been published, the AE should paste each Item on a separate sheet of paper or agency letterhead giving details of the publication, date, page number, etc.
- With a covering letter, all these sheets to be neatly filed and be handed over to the client.

4.10 Advantages and Disadvantages of a Press Conference

- **Advantages**
  - A press report or news has more credibility as it is reported news and not an advertisement, where the advertiser can say anything about his product. But a news item is reported by a third person.
  - Similarly, the reported news has news value and the public tend to believe it and also read it as news, rather than an advertisement.

- **Disadvantages**
  - The main disadvantage is that one does not have any control on what the reporter writes – it can be a misunderstanding of the product or concept.
  - One is not sure when, or whether the item will ever be published.
  - There is no control of the message, size, time and place.
  - Difficult to follow up on the outstation media.

4.11 The Reasons for Making a Presentation

Making a presentation of any kind is generally for a product/service/skill and is a very important factor to make headway into the market or in the company. You are making the presentation to inspire them to some action; you want them to buy something; or you want to educate them about something. Hence, list out the objectives of the presentation and go for it.

There are three important stages in making an effective presentation –
- Pre-presentation - takes about 75% of your efforts.
- Actual presentation - takes about 20% of your efforts.
- Post presentation - takes about 05% of your efforts.
4.12 The Pre-presentation Preparations

Pre-presentation takes 75% of your efforts:

- Know whom you will be making a presentation to. Get as much as information about the audience – their age group, their language preference, their educational background, etc. All this would assist you to prepare your presentation according to their taste, liking and understanding.

- Try to get a run down on what they are expecting from your presentation. Are you there to inspire them to some action; do you want them to buy something; or do you have to educate them about something. Hence, list out the objectives of the presentation and go for it.

- Have all the facts, figures and other information checked and double-checked. Avoid any misrepresentations and errors.

- Design a different type of format for each presentation to suit the audience. The audience will not necessarily be of the same nature, character and structure.

- Find out the strengths of your competitors (if any).

- Use simple language so that everyone in the audience can understand you.

- Be prepared for any contingency.

Preparation for the presentation

Some of the most sought aids to make a presentation:

- Power Point Presentation – PPT - on the Computer through ‘Power Point’ using a normal computer screen or via LCD on a large screen.

- Over Head Projector (OHP) – making slides (TP) and projecting on the screen, this method is getting slightly out-dated.

- Slide Projector – Regular 35mm slides are used for this purpose. Can be done on a single projector or with multiple projectors in synchronisation.

- Flip Charts - Hand written or printed on large sheets of paper and bound at one end so as to flip the sheets at the presentation.

- Use a presentation aid with which you are comfortable.

- Do not try a new aid just for the heck of it.

- Let the best presenter in your team/office, make the presentation – give your ego a rest. Designations are not important. It’s not necessary that superior authority is the best presenter.

- Rehearse your presentation with your colleagues and enemies in the office. Let them tear the presentation to bits. It’s okay. Rather than facing the situation with the Client, get their frank opinion about the presentation and take their remarks seriously. Work as a team at the presentation and leave behind any differences of opinion.

- Every presentation must have a theme, which must flow to a logical conclusion.

4.13 Writing a Presentation

What you are going to say is the heart of the presentation. There is no hard and fast norm in writing a presentation. Different people write presentations differently. But you can ask yourself three simple questions and try to answer them.

What do I want to get out of the presentation? – You must know why you are making the presentation. If you don’t, can you imagine how confused and impatient the audience would be.

There may be several points to be covered. So list them out and prioritise them in terms of importance and tackle them in that order. List them out and inform the audience in the beginning so that they know exactly what to expect.

Keep the presentation flexible so that any questions/queries can be answered during the presentation. If you have learned by heart what you have to say, then this can be a pitfall. So only keep the main points in mind and the rest
should follow.

4.14 Preparation for the Presentation

Some points to bear in mind when preparing a presentation:

- Don’t have too much text. Ideally, each slide should have not more than 8 – 10 words, plus the headline. The text on the slide should be in a point form. It is just your cue. You have to elaborate the points.
- The headline should be in a different colour than the text. Use the same pattern throughout the presentation.
- Select a type, which is easily readable. Ideally, use a sans serif type like Arial, Helvetica, Avant Garde, etc. Avoid italic type as it difficult to read. As far as possible, stick to the upper case for the text as it makes easier to read.
- As far as possible, the background for the text slides and the visual slides should be the same.
- Check the mounting of the 35mm slides – damaged slides can get jammed. Have extra mounts as an emergency.
- Number the slides – particularly TP’s (Touch Panel). In case of any problem, you know the sequence.
- Never let raw light hit the screen – have an opening/welcome slide at the beginning and a thank you at the end.
- Avoid hand written slides – or see that someone with good handwriting writes them.
- In a flip chart, there is plenty of space - avoid using up all the space.

4.15 Making of the Actual Presentation

Making the actual presentation takes 20% of your efforts

Precautions and check list

- Check the venue, the audio and visual system - screen/LCD/video/microphones/lights, etc. Test run before the audience arrives.
- Ensure you know where the switches are.
- Assign a role to every member of your team.
- Ensure that you have a ‘Question and Answer’ session.
- Dress neatly and formally - Your dress reflects not only your personality, but also reflects on the agency as an organisation. Hence, dress neatly and formally – something comfortable, clean and ironed / pressed.
  - Ladies –Avoid ‘Over make-up’ or even ‘Make-up’ if you are not comfortable. Avoid new clothes, as labels are scratchy and at times even uncomfortable. Ideally wear - Business Suit, Sarre and Salwar-kameez.
  - Gents –Ideally wear - Business Suit, Blazer / Coat, with formal shoes.
- Body Language – your posture should be straight and erect, exhibiting enthusiasm and eagerness.
- When making the presentation from the podium, do not rest on the podium or grab the corners of the podium.
- Keep fair distance from the podium.
- Podium is for support - not a bunker (what you do behind is reflected out on your body).
- Do not be nervous. Avoid the drained and tense look.
- Keep eye-contact with the audience (so as to include them).
- Do not keep moving around. Some people have the habit of walking and strolling around when speaking.
- When walking around, we often block the screen behind us. The audience has gathered to hear your thoughts and see what is there on the screen and not vice-versa.
- Ticking/knocking should be avoided.
- When speaking of the actual presentation, do not learn it by heart as any interruptions can break your thoughts and spoil it.
- Avoid hard/difficult to pronounce words - keep the language as simple as possible. Let the audience understand...
whatever you want to say.

• Talk loud enough for everyone to hear you and talk slowly and clearly. Do not mumble. The audience should understand your thoughts.

• As a presenter get rid of any shyness and the fear of speech making.

• When speaking, do not feign. Be your normal self.

• Do not put on an accent. You are not attending a call in a call centre.

• You should be moderate and modest in what you say.

• You should have the skill to change your approach as per the situation and need. Always have the presence of mind to tackle a situation.

• If necessary, keep photocopies of the presentation ready for distribution to the audience, for their reference. Inform the audience that photocopies will be given to them. It is better to distribute the copies after the presentation is over. The audience has the tendency to sheaf through the copies and disturb you when making the presentation. Also some may refer to a later point of your presentation which may be out of context at the given time.

Do not:

• Use jargon or slang. If there are any technical words, please explain the technical terms at the very beginning.

• Read what is there on the screen. The points on the screen are a reminder or a cue for you to elaborate your point.

• Final words of advice – Remember that communication is the key. The text is to support the communication. The use of pictures is to simplify complex concepts. The use of animation is advised for complex relationships. All the visuals are utilised to support what you say and not to distract the audience.

• It is advised that the use audio effect/sound should be used only when it is absolutely necessary.

• Be formal in the address as you represent your organisation or your department. It does reflect upon its culture.

• Do not stand with hands in your pocket - bad manners.

• When making the presentation do not fiddle with keys, change (coins), pen, etc. Do not be fidgety. It is a sign of nervousness and at times a sign of uneasiness.

• Normally the audience has patience to listen for about 20 minutes or so. Thus, keep it short and crisp.

### 4.16 Post Presentation Formalities

Post presentation takes 5% of your efforts. Have a question and answer session and answer the queries to the best of your ability. If you cannot answer a question, put it across to your colleague who is the expert in that field. After all it is all about ‘team work’.

• And finally, remember to say ‘thank you’ for hearing you out.

• Basically be very polite and yet very emphatic when speaking at the presentation.

• Remember the acronym – KISSES

• Keep it short simple, easy and smooth. The presentation should be short interesting and insightful.
Summary

- Public Relations can be defined as a firm’s communication and relationship with various people – within the organisation and outside.
- Publicity, whether spoken, printed or expressed otherwise, is largely undertaken to secure public attention, acceptance or understanding of some individual or organisation.
- In propaganda, the public is asked to accept readymade conclusions and quite often the source and objectives of propaganda are carefully conceived.
- The press note or press release is a short document given to the media to provide information as to the matter of discussion.
- A press kit is a package/folder which contains a writing pad, pen, product samples, photographs, information on the product, market and other necessary elements that will help to get the message across to the customer and general public.
- A press report or news has more credibility as it is reported news and not an advertisement, where the advertiser can say anything about his product. But a news item is reported by a third person.
- Making a presentation of any kind is generally for a product/service/skill and is a very important factor to make headway into the market or in the company.

References


Recommended Reading

Self Assessment

1. __________ can be defined as a firm’s communication and relationship with various people within the organisation and outside.
   a. Propaganda
   b. Publicity
   c. Public Relations
   d. Press conference

2. __________ is undertaken with a view to informing the public about an organisation’s policies and objectives.
   a. Publicity
   b. Advertising
   c. Information service
   d. Public relations

3. What does AMA stands for?
   a. Australian Marketing Association
   b. American Marketing Association
   c. American Marketing Assembly
   d. Australian Marketing Assembly

4. Advertising has to be paid for and the advertising message is controlled by the __________.
   a. agency
   b. press
   c. AE
   d. Advertiser

5. __________ are primarily undertaken to keep the citizens in touch with the various activities of the enterprises.
   a. Public relations
   b. Press conference
   c. Information services
   d. Advertising

6. Match the following:

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<td>1. Punctual</td>
<td>A. Something comfortable, clean and ironed or pressed.</td>
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<td>2. Ladies</td>
<td>B. Business suit, blazer/coat, with formal shoes.</td>
</tr>
<tr>
<td>3. Gents</td>
<td>C. Organiser should be at the venue, at least an hour before schedule.</td>
</tr>
<tr>
<td>4. Dress neatly and formally</td>
<td>D. Business suits, sarees or salwar-kameez.</td>
</tr>
</tbody>
</table>

   a. 1-B, 2-D, 3-A, 4-C
   b. 1-D, 2-A, 3-B, 4-C
   c. 1-C, 2-D, 3-B, 4-A
   d. 1-C, 2-A, 3-D, 4-B
7. Which of the statements is true?
   a. Pre-presentation takes about 70% of your efforts.
   b. Pre-presentation takes about 60% of your efforts.
   c. Pre-presentation takes about 75% of your efforts.
   d. Pre-presentation takes about 55% of your efforts.

8. Which of the following statement is true?
   a. Use difficult language so that everyone in the audience can understand you.
   b. Use simple language so that everyone in the audience can understand you.
   c. Use simple language so that nobody in the audience can understand you.
   d. Use hard language so that everyone in the audience can understand you.

9. Which of the following statement is true?
   a. Keep the presentation flexible so that any questions/queries can be answered during the presentation.
   b. Keep the presentation rigid so that any questions can be answered during the presentation.
   c. Keep the presentation flexible so that any answers can be questioned during the presentation.
   d. Keep the presentation flexible so that any answers can be questioned during the speech.

10. Which of the following statement is true?
    a. The presenter should be very rigid in what he says in the presentation.
    b. The presenter should debate in what he says in the presentation.
    c. The presenter should be moderate and modest in what he says in the presentation.
    d. The presenter should be very aggressive in what he says in the presentation.
Chapter V
Advertising: Production, Printing, Sales Promotion, Perception and Attitudes

Aim
The aim of this chapter is to:

- discuss the evolution of printing
- explain the general perception and attitude of an advertising agency
- describe difference between sales promotion and advertising

Objectives
The objectives of this chapter are to:

- outline the printing and production department of advertising
- define sales promotion
- analyse the general perception and attitude of a client

Learning outcome
At the end of this chapter, the students will be able to:

- understand the evolution of letterpress or flexography and screen printing
- discuss offset printing
- explain papers and their norms
5.1 Evolution of Printing

The production department is a multi-faceted department. It largely and mainly covers - printing and its allied activities like processing, paper, finishing, etc. The fabrication of exhibition stalls, arranging for the necessary equipment for events and road shows, etc. Since printing is its main area of working, we should understand the concept of printing. Printing is the mass or multiple reproduction of any matter from a common ‘master’.

Printing dates back to the 5th Century B.C. when the Chinese carved text and pictures into wooden blocks, wet these blocks with ink and then stamped them onto sheets of paper to create multiple copies. Ancient Egyptian artists used stencils to replicate designs. Since the whole page was carved onto wood, if there was any error, the entire wooden block had to be carved again. Thus, it was a very slow and laborious process. These methods are in principle followed in modern printing technology. It was during the Industrial revolution that the need for mass reproduction of a design/matter was realised. In England, John Caxton invented the first printing press, in 1476. Hence, John Caxton is known as the father of printing who started printing technology in the 15th Century. It was a vertical printing process of production department and printing.

Advertising & sales promotion

But it was in 1442 that Johann Gutenberg invented the movable type that printed material in mass. Earlier they used wooden types, but Gutenberg invented the metal type, which had a longer life and could be operated at a relatively high speed.

5.1.1 Other Historical Landmarks

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1638</td>
<td>The first press in US was in Cambridge, Massachusetts.</td>
</tr>
<tr>
<td>1702</td>
<td>First 'Daily' newspaper in England named ‘The Daily Courant’.</td>
</tr>
<tr>
<td>1704</td>
<td>First 'Daily' newspaper in USA named ‘The Boston News Letter’.</td>
</tr>
<tr>
<td>1803</td>
<td>First public library in the world was in Connecticut, USA.</td>
</tr>
</tbody>
</table>

Type: The type was made of lead, a very soft metal. It was kept in cases, made of wood which had pigeonholes/compartments for each letter. The text to be printed was put together manually and was called set/composed. There were separate cases for capital and small letters. The lesser used capital letter case was kept Vertical and on top of the rake. While the more frequently used small letters were kept horizontal for easier access. Thus, capital letters are known as ‘upper case’, while the small letters are known as ‘lower case’. The entire text for printing was thus composed manually – even for newspapers, magazines and books. This process was totally manual, thus very slow and time consuming.

The linotype machine was invented in the 1880s in the United States by the German born Ottmar Mergenthaler. The linotype was a typecasting compositor that cast type in a solid one-piece line, or slug, from movable matrices of each letter. The matrices were notched so that they could return only to their proper slot in the magazine after use. Justification was accomplished by inserting wedged space bands between groups of matrices immediately after making up the words of a line. Here the matrices rather than the type pieces went through the four basic operations of letterpress composition; cast lead was used for printing. The linotype can produce the equivalent of 5,000 to 7,000 characters per hour. In 1885, the monototype machine was invented in the United States, by Tolbert Lanston. The monototype casts individual pieces of type for a line and justifies each line by counting in units the width of the spaces taken up by the pieces of type and adding spacers to fit. The matrices are indefinitely reusable and the pieces of type, which are used only for the impressions, are returned to the caster. The contemporary monotype typecaster is controlled by a ribbon of paper perforated on a separate keyboard.

5.1.2 Photo/Design

The photograph or design is printed by making a metal block of zinc/micro zinc/copper. The process is to photograph the ‘master’. The photo negative is etched by chemicals on the metal. The photographs have a screen, which is a grid of dots in one square inch dividing the photo into small dots. Thus, creating an image on the metal. Screens are of 45 up to 133. It indicates the dots per line, per square inch. Poor quality paper requires a coarser screen while a
good quality paper requires a very fine screen. Screen is used even today to print any photograph – black and white or colour. Alois Senefelder invented the offset printing technology.

There are four major printing processes:

- Letterpress/Flexography
- Gravure
- Lithography – Offset Printing
- Silk Screen Printing

At present, only offset and screen printing methods are used. The others are more or less obsolete.

### 5.2 Letterpress/Flexography

It is also called the intaglio process. Here, printing is done by type called 'form' and engraved blocks called 'blocks'. The type is in a raised form made out of lead and zinc. Blocks are used to reproduce photographs, illustrations and special designs. The blocks were made of zinc, micro zinc or copper. The raised part gets inked and only those inked areas transfer the image to the paper in the same manner as a rubber stamp works. Flexography is a variation of letterpress. It uses a flexible rubber or plastic printing plate. This process is still very popular for packaging, bags, cellophane, aluminum cans and other non-paper material. The letterpress process is slow, the quality is not too good and is very laborious.

‘Gravure’ is the French word for ‘engraving’. The image is mechanically transferred and etched out on a plate. The difference is that the image is cut into the plate, i.e., it is below the non-image area and ink is held in these spaces. A ‘doctor’s knife’ scrapes the excess ink and the ink on the non-image area. The paper comes into contact with the plate and the image is transferred to the paper. It is very useful to print packages, boxes, labels, bags and even publications like magazines, publications, catalogues, etc. This process has its limits, besides it is expensive to create, gravure and print.

### 5.3 Offset Printing

Lithography means writing on stone. A chemical is used to create the image on stone. It has an oily/greasy composition, so when the stone is inked, the ink adheres only to this oily surface and not to the clean, non-image area. The offset process is very similar to the lithography process. Here the image is transferred to a thin aluminum plate. The image is slightly above the surface. Ink and water never mix with each other which is the principle followed in this method. The image or matter is in a straight form - i.e., one can read it as is regularly done. This image is then transferred to a rubber blanket, where it is in the inverted form. The paper comes into contact with this rubber blanket and gets printed on to the paper and we can read and see it in the correct form. The image is set off from the plate to the blanket and then onto the paper, thus this process of setting off is known as offset process of printing.

The machines have multiple ink and water rollers, thus giving the plate an even and thin coat of ink. This gives a very high quality of printing at a very high speed – about 4,000 to 7,000 impressions per hour. This method is very popular today for printing of brochures, leaflets and folders – anything in single or multi-colour. But this process is expensive, especially if the jobs are small and less in quantity.

The offset machines come in different sizes: - 10” x 15”, 15” x 20”, 18” x 23”, 19” x 29”, 20” x 30”, 23” x 36” and 30” x 40”. The offset machines are available as per their function – single colour, two colour or four/multi colour machines – i.e., they print a single colour, two colours or four colours at the same time.

Applications used by commercial printers, paperboard packaging and quick printers - like printing of catalogues, full colour advertising, brochures, books, folding cartons, magazines, billboards, business cards, letterhead stationary, envelopes and invitations, etc.
Offset printing: process-overview or the principles of offset printing

Ink is not applied directly from the printing plate (or cylinder) to the image as it is in letterpress. Ink is applied to the printing plate to form the ‘image’ (such as text or artwork to be printed) and then transferred or ‘offset’ to a ‘rubber blanket’. The ink image on the blanket is then transferred to the paper or paperboard to produce the printing product.

Offset uses a planographic plate, a type of plate on which the image areas are neither raised nor indented (depressed) in relation to the non-image areas. Instead, the image and non-image areas, both on essentially the same plane of the printing plate, are defined by differing physicochemical properties.

Offset is based on the principle that oil and water do not mix. Lithographic plates undergo chemical treatment that render the image area of the plate oleophilic (oil loving) and, therefore, ink is receptive and the non-image area hydrophilic (water loving). During printing, fountain (dampening) solution, which consists primarily of water and other additives to lower surface tension and control water is first applied in a thin layer to the printing plate and migrates to the non-image areas of the printing plate. Ink is then applied to the plate and migrates to the image areas. Since the ink and water essentially do not mix, the fountain solution prevents ink from migrating to the non-image areas of the plate.

The major unit operations in a lithographic printing operation include:

- Image preparation
- Processing printing plates
- Printing
- Finishing

Image preparation

Begins with camera-ready (mechanical) art/copy or electronically produced art supplied by the customer. Images are captured for printing by camera, scanner or computer. Components of the image are manually assembled and positioned in a printing flat when a camera is used. This process is called stripping. The artwork is scanned or digitally captured or now a days done by the computer with special software. A simple proof is prepared to check for position and accuracy. When colour is involved, a colour proof is submitted to the customer for approval.

Plate processing

The predominant surface plate in use today is termed a ‘presensitised’ plate. Presensitised plates are constructed of aluminum, plastic or paper base material and contain a light sensitive coating applied by the plate manufacturer.

Presensitised plates are available to produce either positive or negative plates. Single sided plates are generally used for high quality printing jobs. Double sided plates, which can be developed on both sides, may be used for lower quality printing jobs. Bi-metal plates may also be used for long run and high quality magazine applications. Bi-metal plates are extremely durable and also have excellent print characteristics due to their ability to print a very sharp dot. Bi-metal plates are etched in processing.

Sheet fed printing

In sheet fed offset, the paper is normally delivered to the machine in sheets, which must be trimmed and uniform before printing.

Finishing

After printing, the paper may run through a number of operations to be “finished” and ready for shipment to the customer. Finishing may include operations such as coating, cutting, folding, binding, stitching, embossing and die cutting.
5.4 Silk Screen Printing

A fine silk cloth {now-a-days it is nylon} is fitted onto a wooden frame and is exposed to light. The ink is pulled by a squeeze and the ink is forced through the created mesh of the cloth, to the paper or other material placed below.

A squeeze is used to force ink through unblocked portions of the mesh onto the printing surface. The major unit operations in screen-printing are:

- Image Preparation
- Stencil (Printing Screen) Preparation
- Printing
- Drying
- Finishing

Customers provide the screen printer with objects, text, ideas, or concepts of what they wish to have printed. The printer must then transfer a “picture” of the artwork to be printed onto a film (positive) which can then be processed and eventually used to prepare the screen stencil. In the image preparation step, the artwork/object of the customer must be converted to a full-size positive. This can be accomplished by several methods including photography, scanners, creation of an image on a computer by an art department, or some combination of these three processes. Images are transferred via these methods to film as positive images. In a positive image, dark areas of the artwork correspond to dark areas in the processed film and light areas of the artwork correspond to light areas in the processed film.

The full-size positive created in the previous step is then used to make a printing screen(s) with the desired image stenciled on it (multiple printing screens may be used). Printing screens are fabric mesh screens stretched and affixed tightly onto aluminum, wood, or steel frames. A stencil is applied to the mesh, blocking portions of the screen while leaving other portions unblocked. Once the printing screen has been made, printing may begin. In this step, the printing screen is placed over the substrate and ink is kept on the top of the screen. A squeeze is used to push ink downward through the openings in the mesh onto the substrate, making a print. After printing, the ink must be dried. Drying occurs through the evaporation of solvent in the ink. Finally, the print is ready for finishing. Finishing includes such steps as folding, assembling, binding, trimming, embossing and die cutting.

Limitations of screen printing

- Due to its limitation, only ‘line work’ can be done via this process – i.e., it is not very suitable for photographs {half tone}, nor is it suitable for multi-colour printing like off set. This is because the colours form a layer one upon the other and do not inter-mix as in offset.
- But now-a-days four-colour screen printing can be done with photographs with a maximum screen ruling of 65. But this is in a very rare case and used mainly for banners/posters/danglers/boards where the quantity is very small.
- This is a totally manual process and hence very time consuming and slow, even because one colour has to dry before printing the other.
- The screen printing process is used on a number of surfaces like - paper, fabric, plastic, metal, glass, leather, wood, electronic circuit boards, etc.
- Screen-printing imposes few limitations on the size and shape of the image being printed.
- Screen printed products include billboards, posters, greeting cards, decals, banners, wallpaper, T-shirts, bottles and cans.
5.5 Processing

Processing can be said to be a method of converting an artwork/photograph/any matter ready for printing to a medium suitable for printing i.e., making of the master for printing by block (letterpress)/positive (screen-printing)/positives for plates (offset printing).

Positives are photosensitive film sheets, which get altered when exposed to light. With computerisation it has become very easy to have two/three/multi colour separations. In printing, colours are printed one at a time – hence the requirement for the separations of the colours.

All multi colour photograph we see in any newspaper or in any printed form, we see it as a continuous photo – but actually the photo is in a ‘dotted’ form, basically consisting of only dots which overlap and mix with one another and we see it as a multi coloured photograph. Besides, the screen also gives the photograph the various tones and shades of the photograph.

There are only four colours – namely, Cyan (C), Magenta (M), Yellow (Y) and Black (K) for printing of any coloured photograph. For an artist or printer this is technically better known as CMYK. These four colours form a flower pattern giving the printed photo the effect of a photo to the naked eye. Multi colour printing is like a marigold flower which we see as a full flower, but actually is a bunch of flowers. Similarly, we see a multi coloured photograph in its entirety, but actually it consists of dots in these four colours which overlap and mix with one another and we see it as a multi coloured photograph.

To get this effect, the photo is automatically ‘separated’ by using filters in the following manner to get CMYK –

- Red filter at 65° angle, which will give the separation for 'Cyan' colour.
- Green filter at 105° angle, which will give the separation for 'Magenta' colour.
- Blue filter at 90° angle, which will give the separation for 'Yellow' colour.
- Yellow filter at 45° angle, which will give the separation for 'Black' colour.

Besides, in order to get the dotted/screen in the flower pattern like a marigold flower the photo also the screen at specific degrees. –

- Cyan - all screen lines at 115°
- Magenta - all screen lines at 75°
- Yellow - all screen lines at 90°
- Black - all screen lines at 45°

5.6 Papers and Their Norms

Paper Sizes – Normally used and available paper sizes.

- Double crown - 30” x 40”
- Single crown - 20” x 30”
- Half crown - 15” x 20”
- ¼ crown - 10” x 15”
- Double demy - 23” x 36”
- Single demy - 18” x 23”
- Half demy - 11½” x 18”
- Quarter / ¼ Demy - 9” x 11½”
- Foolscap - 17” x 27”
- Half foolscap - 13½” x 17”
- Quarter / ¼ foolscap - 8½” x 13½”
• Imperial - 22” x 30”
• Postal/Card - 22” x 28”
• RAI STD. - 24” x 34”

’A’ series (Internationally Recognised) –
• A1 - 594 x 841 mm - 23.50” x 33.00”
• A2 - 420 x 594 mm - 16.50” x 23.50”
• A3 - 297 x 420 mm - 11.75” x 16.50”
• A4 - 210 x 297 mm - 8.25” x 11.75”
• A5 - 148 x 210 mm - 5.75” x 8.25”
• A6 - 105 x 148 mm - 4.00” x 5.75”

Paper is normally sold and bought on ‘weight’ – i.e., G.S.M. = Grams per square meter. Paper is normally available in the following GSM:
56, 60, 65, 70, 80, 90, 110, 135, 150, 170, 210, 250, 300.
Card: 185, 200, 225, 250, 300.

5.6.1 Types of Paper
Some of the popular and widely used paper available in the market are:
  • Indian art card
  • Foreign art paper
  • Foreign art card
  • Chromo art paper
  • Sinar mass art paper
  • Sinar mass art card
  • Coloured maplitho/Coloured parchment
  • Super sunshine
  • Coloured printing paper
  • White printing paper
  • Bond paper (JK, Sunlit, Executive, etc.)
  • Tinted paper
  • Handmade paper

Note: There can be other variety, but not readily available everywhere.

5.7 Definition of Sales Promotion
Definition of sales promotion as per the American Marketing Association includes those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine [1960].

Noted author and professor at Harvard University, John A. Quelch defines sales promotion as “temporary incentives targeted at the trade, or at end consumers. While sales promotions generally aim to change purchase behaviour, they vary in whether they attempt to persuade trade customers or end consumers to buy a product for the first time, to buy more, to buy earlier, or to buy more often.”

Simply we can define sales promotion the incentive offering and interest activities which are generally short-time marketing events other than advertising, personal selling, publicity and directing marketing. The purpose of sales
Advertising and Sales Promotion

promotion is to stimulate, motivate and influence the purchase and other desired behavioural recourses of the firm’s customers. Hence, to put it in very simple words, one can define sales promotion as ‘a marketing activity to expand for the short term the value of the product by offering short term additional incentives to the customer to buy the product’.

We can say that sales promotion has the following distinct characteristics:

- Communication: To provide information of the product this may lead the customer to purchase the product.
- Incentive: concession, encouragement or contribution that gives value to the customer.
- Invitation: to engage in the buy/use/try the product now.
- Encourage: the customer to buy more than usual quantity.
- Loyalty: to give the customer something extra to stay loyal to the brand.

5.8 Difference between Sales Promotion and Advertising

Advertising is mostly an indirect tool, while sales promotion is a direct tool to consumers to buy a product. Advertising has long term objectives, like positioning, awareness, while sales promotion promotes sales immediately.

5.9 Purpose of Sales Promotion

- to launch a new product
- to increase sales volume
- to sell off accumulated stock
- to counter competition effectively
- to attract new customers
- to encourage repeat purchase
- to overcome seasonal depression in sales
- to boost or promote sales of a slow moving product
- to support and facilitate sales force efforts
- to motivate and boost dealers’ efforts
- to deflect customers’ attention from price

5.10 Various Tools of Sales Promotion

- Demonstration of the product: Product demonstration is now a very common practice with all companies. Several products ranging from soft drinks, shampoos, detergents, cars, motorcycles, kitchen mixers, etc. have been demonstrated to the consumer. Demonstrations can be conducted at dealer stores, retail stores, or even door to door.
- Trade Fairs and Exhibitions: Through trade fairs and exhibitions companies get an opportunity to display, introduce and even demonstrate existing product or launching of a new product to a large customer audience.
- Premium offers, free gifts, coupons, etc: Manufacturers offer free gifts to the consumer as an added benefit on the product – e.g., free Ray Ban sunglasses on the purchase of Suzuki Shogun, a Philips transistor radio on purchase of Aristocrat luggage, buy two Arrow shirts and get one free, buy a Hero Honda bike and get a Motorola handset free, buy a Maruti car and get registration and insurance free, buy a detergent and get a plastic bucket/mug free. Practically, every product in the consumer market has some sales promotional scheme on purchasing a product.
- Discounts: They are offered on the purchase of product with a certain time frame i.e., on or before a certain date. Or, Nirlep offered a 25% discount under an exchange offer, or Titan offered up to 25% discount on the purchase of any Titan watch by surrendering any old watch.
- Installment schemes: It is a very common phenomenon as a sales tool for most fairly highly priced products – cars, mobile handsets, motorcycles, computers, etc.
• Exchange schemes or offers: This is a very common feature in the four and two wheeler market. Customers not only sell off their old vehicle but also get a new vehicle, with a 'Loyalty Bonus'.

• Consumer contests: Like quiz contests, beauty contests, bonny baby contests, slogan contests, scratch cards, etc. One can only participate in these contests after the purchase of the product. Example – Bajaj Scratch card scheme for scooters, any soft drink. But these are time bound or even city bound.

• Joint promotion: Wherein one company ties up with another company for various offers – e.g., Bajaj and ICICI, offering 0% interest on the loan to purchase a Bajaj product, Akai products and Bajaj Sunny Zip, Hero Honda and Motorola, etc.

• Merchandising and display contests: As the retail boom flourishes, PoP (Point of Purchase) displays are very important in attracting the attention of the customer. Contests are organised for dealers and retailers to display the manufacturers’ products. Displays can be of various type – window display, wall display, product display, product dispenser with product display, counter display, aerial display, floor display, outdoor display, etc.

5.11 Some 'Dos' and 'Don'ts'

• Do not undertake a promotional activity just for the sake of it – or just because the competitor has done so. There could be cheaper means to achieve an identical goal.

• Do not promote the entire brand, if you aim for a specific category of the brand.

• Do not undertake an activity that you are not very sure of being successful in.

• Do keep the promotional activity to the bare minimum.

• Do not undertake a promotional activity very often – it loses its charm and effect.

• Do keep the activity as simple as possible – as you have planned it in the office, but the field staff or the one executing the activity may face different problems. Hence, take the sales personnel into confidence when undertaking any sales promotional activity that involves them.

5.12 Budget

This a very vital factor for any Sales Promotional programmes. The resources and the results are estimated first and then it is decided whether the activity is feasible or not. The ‘trial and error’ method is not a very pleasant thought.

The budget is ideally based on the ‘percentage of sales’ method. A method is outlined to arrive at a budget amount, which is approximately 0.5 percent of the total sales. It may vary up to 1 percent.

5.13 The Attitude and Perception of an Advertising Agency

• agency is the representative of the consumer

• agency is the extension of the client’s marketing department

• agency knows the best

• agency will ‘service’ the client’s needs

• agency is a communication expert

• agency is the marketing expert

5.14 The Attitude and Perception of a Client

• agency knows nothing

• agency does not understand marketing

• agency does not understand the typical customer

• agency only talks to strange buyers

• agency is ‘creative’ but not ‘selling’

• agency is good at servicing
• agency people are great/fun guys
• agency people are snobs
• agency people are over-paid
• agency commitments are only on their commissions
• agency knows best
• agency understands consumer needs
• agency fleeces the client
Summary

• The production department mainly covers - printing and its allied activities like processing, paper, finishing, etc.
• The different types of printing include letterpress printing, offset printing, processing of an artwork, screen printing, papers and their norms.
• Letterpress or flexography is also called the intaglio process.
• The offset process is very similar to the lithography process. Offset is based on the principle that oil and water do not mix.
• Processing can be said to be a method of converting an artwork/photograph/any matter ready for printing to a medium suitable for printing.
• Positives are photosensitive film sheets, which get altered when exposed to light.
• There are only four colours – namely, Cyan (C), Magenta (M), Yellow (Y) and Black (K) for printing of any coloured photograph.
• We can define sales promotion the incentive offering and interest activities which are generally short-time marketing events other than advertising, personal selling, publicity and directing marketing.
• The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioural recourses of the firm’s customers.
• Advertising is mostly an indirect tool, while sales promotion is a direct tool to consumers to buy a product. Advertising has long term objectives, like positioning, awareness, while sales promotion promotes sales immediately.
• The budget is ideally based on the ‘percentage of sales’ method.

References

• Dawar, R.S. Marketing and Advertising, Kitab Mahal, New Delhi.

Recommended Reading

Self Assessment

1. __________ largely and mainly covers printing and its allied activities like processing, paper, finishing, etc.
   a. Account department
   b. Production department
   c. Press department
   d. Presentation department

2. In England John Caxton invented the first printing press, in __________.
   a. 1746
   b. 1476
   c. 1467
   d. 1576

3. In __________, the first press in US was established in Cambridge, Massachusetts.
   a. 1368
   b. 1683
   c. 1538
   d. 1638

4. The __________ was invented in the 1880s in the United States by the German born Ottmar Mergenthaler.
   a. genotype machine
   b. lithograph machine
   c. linotype machine
   d. flexographic machine

5. The four major printing processes are letterpress, gravure, __________ and silk screen printing.
   a. onset printing
   b. offset printing
   c. press printing
   d. sheet fed printing

6. Match the following:

<table>
<thead>
<tr>
<th>1. Image preparation</th>
<th>A. The paper may run through a number of operations to be finished and ready for shipment to the customer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Processing printing plates</td>
<td>B. The paper is normally delivered to the machine in sheets which must be trimmed and uniform before printing.</td>
</tr>
<tr>
<td>3. Printing</td>
<td>C. The predominant surface plate in use today is termed as presensitised plate.</td>
</tr>
<tr>
<td>4. Finishing</td>
<td>D. It begins with camera-ready art electronically produced art supplied by the customer.</td>
</tr>
</tbody>
</table>

a. 1-D, 2-C, 3-B, 4-A
b. 1-C, 2-D, 3-A, 4-B
c. 1-B, 2-C, 3-A, 4-D
d. 1-A, 2-D, 3-B, 4-C
7. Which of the following statements is true?
   a. Press printing is a totally manual process because one colour has to dry before printing the other.
   b. Silk printing is a totally manual process because one colour has to dry before printing the other.
   c. Offset printing is a totally manual process because one colour has to dry before printing the other.
   d. Screen printing is a totally manual process because one colour has to dry before printing the other.

8. Which of the following statements is true?
   a. Sales promotion is mostly an indirect tool while advertising is a direct tool to consumers to buy a product.
   b. Advertising is mostly an indirect tool while sales promotion is a direct tool to consumers to buy a product.
   c. Advertising is mostly a direct tool while sales promotion is an indirect tool to consumers to buy a product.
   d. Advertising is mostly an indirect tool while sales promotion is a direct tool to sellers.

9. Which of the following statements is true?
   a. Press screens are fabric mesh screens stretched and affixed tightly onto aluminum, wood, or steel frames.
   b. Printing screens are fabric mesh screens stretched and affixed tightly onto aluminum, wood, or steel frames.
   c. Printing press are fabric mesh screens stretched and affixed tightly onto aluminum, wood, or steel frames.
   d. Screens are fabric mesh screens stretched and affixed tightly onto aluminum, wood, or steel frames.

10. Which of the following statements is true?
    a. Sales agency includes those sales activities that supplement both personal selling and help to make them effective such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine.
    b. Sales account includes those sales activities that supplement both personal selling and help to make them effective such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine.
    c. Advertising includes those sales activities that supplement both personal selling and help to make them effective such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine.
    d. Sales promotion includes those sales activities that supplement both personal selling and help to make them effective such as displays, shows, demonstrations and other non-recurrent selling efforts not in the ordinary routine.
Chapter VI
Sales Promotion: Present Scenario, Sales Promotion Mix, Tools, Strategies and Product Lifecycle

Aim
The aim of this chapter is to:

• discuss the meaning of sales promotion
• explain the present market scenario
• outline the various sales promotion tools used for consumers

Objectives
The objectives of this chapter are to:

• define how sales promotion is different from advertising
• describe sales promotion and various marketing needs
• analyse the product life cycle stages

Learning outcome
At the end of this chapter, the students will be able to:

• understand the meaning of sales promotion
• analyse relevant sales promotion strategies in the various stages of the PLC
• recognise the various sales promotion tools used for trade partners and the sales force
6.1 Meaning of Sales Promotion
Sales promotion comprises of a collection of various tools which are short term in nature. Sales promotion tools are planned, used and designed to generate faster and greater purchase response for products by consumers. Sales promotion can be for the end users as also well as for traders. Sales promotion adds value to the product and motivates the customer to buy it. Sales promotion offers an ‘Incentive’ to the final buyer. The ‘American Marketing Association’ defines sales promotion as follows- ‘In a specific sense, sales promotion includes those sales activities that supplement personal selling and advertising and co-ordinate them and make them effective, such as displays, shows, demonstrations and other non - recurrent selling efforts not in the ordinary routine.

6.2 Use of Sales Promotion
There are several factors which have pushed the growth of sales promotion, specifically in consumer products, FMCG and automobiles. There are two types of factors which contribute to the rapid growth of sales promotion. These are:

• Internal factors
Sales promotion is looked at as an effective sales tool and also an effective tool to stimulate customer traffic in the shop, showroom, service shop, etc. by the top managers of an organisation. Secondly, there is a great pressure on the sales force to increase their current sales volumes.

• External factors
In every product category, the number of segments is increasing day by day. There are more numbers of products, brands for every market segment. Many products are ‘me too’ products and physical similarities are increasing day by day. Consumers today therefore have become more deal oriented, demanding and less loyal.

6.3 Present Market Scenario
There are many reasons that are favourable to the growth of sales promotion. Some are as below:

• Cut throat competition
On the product front, every category has so many ‘me too’ products. They are physically very identical to each other. Currently the market is witnessing cut throat competition in the following product categories:
  • two wheelers, motorcycles in particular
  • four wheelers
  • mobile phones
  • FMCG (Fast Moving Consumer Goods)
  • televisions, refrigerators, music systems
  • personal computers
  • pizza
  • soft drinks
  • insurance products
  • banking products
  • credit cards

• Advertisements have become costlier and less effective
Today, a majority of the customers look at advertisements as the voice of the manufacturer. Customers find advertisements, are not reliable any more. Secondly, advertising in press as well as television has become extremely costly and also highly crowded.
Channel partners (trade)
Retailers, dealers, wholesalers have also become more demanding and powerful. In metros retailing has become extremely competitive and specialised. Channel members expect the manufacturer to play a larger role in sales promotions.

Customers have also changed
The large Indian middle class has changed over a period of time. It is the fastest growing segment in the society. The new Indian middle class is smart and is engaged in increasing its income. These people are highly ambitious and result oriented. The new Indian middle class is exposed to information and the best things in life. Moreover, due to the IT industry boom, both husband and wife are working and have good disposable incomes.

6.4 Difference between Sales Promotion and Advertising
Sales promotion is a diverse offer to the consumers to immediately buy the product. It motivates the customers to pre-pone their buying decisions. On the other hand advertising is an indirect approach towards convincing customers to buy a product.
Sales promotion has short term objectives of immediately increasing the Sales Volumes in a shorter period. Advertising normally has long term objectives of popularising the product, product positioning, penetrating new markets and ensuring brand awareness. Advertising and Sales promotion have their individual roles to perform in a promotional campaign.

6.5 Sales Promotion and Various Marketing Needs
Apart from stimulating store customer traffic, sales promotion serves many marketing needs. It helps in liquidating accumulated stocks in the shops. Sales promotion also helps in overcoming seasonal sales fluctuations particularly in dull selling seasons. Companies typically launch a sales promotion campaign in the monsoon season. During this period, the store traffic is low and also the sales volumes. A sales promotion campaign is a great support to the company’s advertising campaign.

It also helps the sales force’s selling efforts. An intelligent, well timed sales promotion effort is a great competitive advantage to the company. It not only generates additional store traffic but also generates additional sales volumes. Thus helps in getting competition customers and also helps in increasing the company’s market share. Apart from boosting sales volumes, a Sales promotion campaign generates a lot of interest in the channel partners. It motivates channel partners to buy more merchandise.

6.6 Limitations/Drawbacks of Sales Promotion
Frequent use of sales promotion tools may erode brand image and brand loyalty as customers may start doubting the brand quality and its response from the market. Customers become more deal/scheme oriented and waits for promotional deals to be announced. Frequent sales promotion campaigns may affect the profitability of channel partners in the long run, as their margins may get squeezed.

6.7 Sales Promotion Mix
Sales promotion mix is a basket of various sales promotion methods to boost products, services or ideas.

- Advertising: Advertising is non personal communication aimed towards the mass market. Advertising is defined as ‘any paid form of non personal presentation’ and promotion of ideas, goods or services by an identified sponsor.
- Personal selling: A personnel selling is a one - to - one persuasive form of selling of a product, service or an idea to a potential customer by a company salesperson.
- Publicity: Publicity is - gaining popularity for a product or a service through a third party or media without a charge. Publicity is viewed as more credible and authentic than other tools of promotion.
- Direct marketing: Direct marketing is a customer contact programme personally or through non personal tools like telephone, fax and e-mail.
6.8 Consumer Sales Promotion

Sales promotion aimed at consumers is known as ‘consumer sales promotion’. This promotion requires the participation of customers. Customers are motivated to invest their time and effort in the sales promotion campaign. Some of the important consumer sales promotions are as follows:

- **Price discounts**
  On this offer, products are made available at a lower price than the normal, for a limited period. This motivates the customers to buy the product immediately, e.g., buy before 31st March 07 and get discount up Rs. 500/-.

- **Free samples**
  Free samples are offered to convince the customers to try the product. This is a good tool to enter a new market. This strategy is very useful in the FMCG (Fast Moving Consumer Goods) sector. Samples can be offered by the sales team, retailers, direct mail, through newspapers or on-pack or in pack.

- **Consumer contests**
  Here the consumers are invited to take part in quiz contests, rallies, beauty contests, slogan suggestion, brand name suggestion, logo suggestion, etc. Contests are conducted to generate customer interest and excitement. Contests also help in creating product awareness and push store traffic or enquiries.

- **Gift schemes**
  Gift schemes are intended to create additional sales and value addition to the product and customer benefits. Gifts may include, walkmans, dinner sets, pens, sunglasses, cell phones, gold coins, helmets, tankful of Petrol, accessories etc.

- **Finance, hire purchase offers**
  This is a very commonly used promotional tool in consumer durables and automobiles. Private banks and nationalised banks are aggressively financing automobiles. This tool is extremely useful in attracting lots of customers who are interested in buying but have less money to invest. Typically up to 80% financing is offered by the banks.

- **Exchange offers**
  In exchange offers, customers can surrender their used two wheelers, cars, TV sets, gas stoves, pressure cookers, refrigerators for a price and take home a brand new product.

- **Demonstrations**
  Product demonstrations are organised to improve and increase awareness, particularly new products in the markets. Free test ride is a commonly used tool in selling 4 wheelers and 2 wheelers. Demonstrations can be organised at various housing colonies, retail malls in schools or door - to - door. Demonstrations are a great support to company’s advertising campaign. Dealers, company, sales force or an outside agency are involved in product demonstration.

6.9 Trade Promotions

Trade promotions are essentially aimed and designed for trade partners or channel partners like retailers, wholesalers, dealers etc. Trade promotions are crucial because they motivate channel partners to buy more and sell more. Trade promotions are designed in such a way that they deal with purchase as also retail sale. Targets are designed for purchase from the company as well as sale to the final customers. Trade promotions are very common in the FMCG sector, pharmaceutical sector, consumer goods sector and paint sector.

Some of the trade promotions are as follows:
• Display allowance
In this effort, the company offers special allowance to the retailer for arranging desired display and merchandising effort. This helps the retailer, dealer to boost the store traffic. A good, professional display influences the consumers’ mind. Many trade partners organise relevant display as per the season in the market. e.g., special displays in ganapati festival, Diwali, Christmas, Gudhi Padwa, etc.

• Trade and buying incentives
The incentives are designed by the manufacturer to load inventory to the dealer. On a purchase of specific quantity of goods, the company offers a special reduced buying price to its dealers.

• Free goods
This offer to the trade partners is in the form of extra product quantity purchased. Some product quantity offered free. If a chemist buys 10 bottles of tonic, he may get 2 or 3 bottles of tonic free. This helps and motivates the retailers to stock more.

• Sharing of advertising expenditure
Many a times a dealer or a retailer needs to advertise in the local media. This could be a scheme, a test ride campaign or new product arrival. The manufacturer can share up to 50% of the cost incurred by the dealer.

6.10 Promotion for Sales Force
These sales promotions are aimed and designed for the sales people. These schemes are expected to motivate the sales force to deliver better results all the year round. Some sales promotion schemes for the sales force are mentioned below:
• sales contests
• sales incentives
• awards and prizes
• roll of honour
• foreign tours
• sales training

6.11 Product Lifecycle
A product passes through four typical phases during its life span. These four stages are:
• Introduction stage
• Growth stage
• Maturity stage
• Decline stage

6.11.1 Introduction Stage
In this stage the product is just introduced in the market. Market response is not very high. Sales volumes are quite low. The product may have initial performance problems. In this stage the demand has to be created and developed. Looking at the product response, the competition may retaliate with a similar product to pre-empt the launch.

6.11.2 Growth Stage
In the growth stage the product experiences a climb in the sales volumes. Competitors retaliate thinking that the market will give new opportunities. The production goes up and company starts making profits. As the sales rise at a faster rate, the promotion to sales ratio is low. Marketing and distribution efficiency has to be good.
6.11.3 Maturity Stage
The maturity stages mean the saturation point of product sales. Channel partners carry more inventory than the demand. This may result into a price war. The manufacturer may modify the product and try to be different than the competitors. The marketers try to exploit new market segments and may offer promotional deals to maintain sales volumes. Marketing costs are increased in this stage and profits are lower.

6.11.4 Decline Stage
In this stage the sales begin to decline. The product demand also shrinks. This results into squeezed margins. Many smart companies keep new products merely to overcome this phase. However all products that are launched need not pass through all these stages. Some products may even fail to take off resulting into heavy losses.

6.12 Promotional Strategies in Various Stages of the Product Lifecycle

- **Strategies in the introduction stage**
The first and foremost strategy in this stage is to make the product available in the trade channel. Sales promotion strategies like free trials, free test rides, demonstrations and free samples are adopted by companies. Since store traffic is high, personal selling effort is also very high.

The company can adopt the ‘rapid skimming strategy’ which means launching of a product at a High Price and a high promotional effort. A second option is ‘show skimming strategies’ which means launching of new product at a high price and low promotional effort. This is adopted to recover profits as early as possible.

- **Rapid penetration strategy**
This means launching a product with a low price but high promotional effort. This helps in gaining the fastest market penetration and market share.

- **Slow penetration strategy**
This strategy consists of launching of a product at low price and low level of promotional effort. This strategy is useful in large size markets and where product awareness is quite high.

- **Strategies in the growth stage**
During this stage the company adopts many strategies to sustain the market growth to the best possible extent. Some of the strategies are
  - improved product quality
  - improved styling
  - improved packaging
  - addition of new features
  - identification of new markets and segments
  - enhancement of distribution channels
  - reduced advertising expenditure
  - enhancement of production levels of the product

- **Strategies in the maturity stage**
Many sales promotion tools like discounts, increased advertising, incentives to dealers, gifts to consumers, demonstrations and dealer contests are some of the strategies used in the maturity stage. Product modification is also a very commonly adopted strategy at the product level.

- **Strategies in the decline stage**
The company experiences various tasks in this stage of the product lifecycle, some of the tasks are as follows:
Advertising and Sales Promotion

- motivating channel partners
- motivating the sales force
- identifying weak markets
- identifying weak products

These are at the manufacturers’ level strategies aimed at traders which are discounts, free schemes, contests, etc. Strategies aimed at consumers are, gift schemes, loyalty bonus, exchange offers, zero percent finance schemes, etc.

6.13 Pull Strategies or Pull Promotions

These types of strategies are designed by the manufacturer for consumers. Some of these pull promotions are as follows:

- discounts
- gifts
- contests
- special hire purchase schemes
- gift coupons
- special incentives
- exchange offers
- loyalty bonus
- special bonus

6.14 Push Strategies or Push Promotions for Trade Partners

- Buying incentives
- Free schemes
- Trade coupons
- Advertisement sharing
- Contests
- Quantity discounts
- Display incentives

6.15 Some Real Examples of Sales Promotion

Disussed below are some examples of actual sales promotion.

6.15.1 Product Demonstrations

- Door - to - Door: Vacuum cleaners by Eureka Forbes are demonstrated and sold door - to - door. Consumer appliances like food processors, irons are also sold directly to the consumers.
- In Schools: Products like books, encyclopaedias, games, personal computers are demonstrated at schools.
- At Retail Malls: Many FMCG goods like shampoos, detergents, soft drinks are displayed and demonstrated at big and small retail malls.
- Trade Fairs and Exhibitions: These are the most popular and the oldest form of product demonstrations. Auto Expo in New Delhi attracts lakhs of customers. Industrial Products of high cost are also demonstrated at Trade Fairs. Hot orders and enquiries for the products are generated at the trade fair.

6.15.2 Free Gift Offers

This is a very popular promotion for a variety of product categories. The consumer is motivated to buy a product
and also gets an incentive in the form of a free gift.
For e.g.
• ‘Free’ 2 band transistor on purchase of moulded luggage.
• Free Sun Glasses on purchase of a bike.
• Tank full of petrol free on purchase of bike.
• Accessories and CD player free on buying a car.
• Buy two shirts and get one free.
• Buy a personal Computer and get an internet connection free.
• Buy toothpaste and get toothbrush free.
• Buy a refrigerator and get a stabiliser free.

6.15.3 Discounts and Price Off
• Buy a motorcycle before 31st March ‘07 and get Rs. 1001/- off.
• Entry level bike now at Rs. 35,000/-. 
• Buy a new pressure cooker, get up to 150/- off. Hurry offer for a limited period.
• Cell phones now at affordable, reduced prices. The frequency of promotion in FMCG and durables is almost the same. While in the service products, the frequency of the promotion is the lowest.
Summary

- Sales promotion comprises of a collection of various tools which are short term in nature. Sales promotion tools are planned, used and designed to generate faster and greater purchase response for products by consumers.
- Internal and external factors contribute to the rapid growth of sales promotion.
- Sales promotion campaigns are designed for consumers, Trade partners and for the sales force too.
- A product goes through various stages before it dies. This phenomenon is known as product life cycle.
- Every stage of the product life cycle has different sales promotion strategies.
- Sales promotion mix is a basket of various sales promotion methods to boost products, services or ideas.
- Sales promotion aimed at consumers is known as ‘consumer sales promotion’. This promotion requires the participation of customers. Customers are motivated to invest their time and effort in the sales promotion campaign.
- Trade promotions are essentially aimed and designed for trade partners or channel partners like retailers, wholesalers, dealers etc. Trade promotions are crucial because they motivate channel partners to buy more and sell more.
- A product passes through four typical phases during its life span. These four stages are, Introduction stage, Growth stage, Maturity stage and Decline stage.

References


Recommended Reading

1. __________ tools are planned, used and designed to generate faster and greater purchase response for products by consumers.
   a. Advertising
   b. Printing
   c. Sales promotion
   d. Press

2. __________ helps in liquidating accumulated stocks in the shops.
   a. Sales promotion
   b. Press conference
   c. Printing
   d. Product

3. In __________, customers can surrender their used two wheelers, cars, TV sets, gas stoves, pressure cookers and refrigerators for a price and take home a brand new product.
   a. quiz contests
   b. exchange offers
   c. free gifts
   d. free sample

4. __________ is a basket of various sales promotion methods to boost products, services or ideas.
   a. Sales promotion mix
   b. Sales promotion
   c. Sales person
   d. Sales planning

5. Product __________ are organised to improve and increase awareness, particularly new products in the markets.
   a. offers
   b. schemes
   c. promotions
   d. demonstrations

6. Match the following:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1. Advertising</td>
<td>A. Is a customer contact programme personally or through non personal tools like telephone, fax and e-mail.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Personal Selling</td>
<td>B. Is gaining popularity for a product or a service through a third party or media without a charge.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Publicity</td>
<td>C. Is a one - to - one persuasive form of selling of a product, service or an idea to a potential customer by a company sales person.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Direct Marketing</td>
<td>D. Is non personal communication aimed towards the mass market</td>
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</tr>
<tr>
<td></td>
<td>a. 1-D, 2-C, 3-B, 4-A</td>
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<td></td>
<td>b. 1-C, 2-A, 3-D, 4-B</td>
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<td>c. 1-B, 2-D, 3-A, 4-C</td>
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<tr>
<td></td>
<td>d. 1-B, 2-A, 3-D, 4-C</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. Which of the following statement is true?
   a. In growth stage the product is just introduced in the market.
   b. In decline stage the product is just introduced in the market.
   c. In maturity stage the product is just introduced in the market.
   d. In introduction stage the product is just introduced in the market.

8. Which of the following statement is true?
   a. Free gifts are offered to convince the customers to try the product.
   b. Free samples are offered to convince the customers to try the product.
   c. Free schemes are offered to convince the customers to try the product.
   d. Offers are offered to convince the customers to try the product.

9. Which of the following statement is true?
   a. Free schemes are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   b. Free gifts are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   c. Consumer contests are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.
   d. Offers are conducted to generate customer interest and also help in creating product awareness and push store traffic or enquiries.

10. Which of the following statement is true?
    a. Slow Penetration strategy means launching a product with a low price but high promotional effort which helps in gaining the fastest market penetration and market share.
    b. Rapid Penetration strategy means launching a product with a low price but high promotional effort which helps in gaining the fastest market penetration and market share.
    c. Growth stage strategy means launching a product with a low price but high promotional effort which helps in gaining the fastest market penetration and market share.
    d. Decline stage strategy means launching a product with a low price but high promotional effort which helps in gaining the fastest market penetration and market share.
Chapter VII

Sales Promotion: Point of Purchase Display, Consumer Behaviour and Planning

Aim

The aim of this chapter is to:

- discuss the point of purchase display and its importance
- explain how sales promotion influence sales
- describe the elements of sales promotion programme

Objectives

The objectives of this chapter are to:

- define instrumental conditioning
- state the various parameters of the sales promotion process contents
- explain classical conditioning

Learning outcome

At the end of this chapter, the students will be able to:

- state the importance of the point of purchase display
- classify the different types of display
- recognise the various parameters of the sales promotion process contents
7.1 Introduction
Point of purchase display has become an extremely important tool in the current competitive scenario. The manufacturer or retailer may have a good quality product. But of vital importance is the ability of a retailer to sell the product. Much depends upon the kind of display given to the products.

To stimulate store traffic and sales, dealers must organise very eye catching product displays. Eye catching displays have the ability to move products and generate interest in the consumers mind.

Since different products are aimed at different market segments, point of purchase display becomes even more crucial. This helps in product differentiation in the showroom and avoids confusion. Consumers tend to believe that all products may be the same.

7.2 Importance of Point of Purchase Display
- It acts as a substitute for a salesperson. This is true in self-service shops, where the consumer shops by himself/herself. An attractive display will have a strong effect on his/her buying. In the absence of a salesman, the customer will look for product information which the point of purchase display will provide.
- Effective point of purchase display is crucial because it guides the customer at the point when he or she is making a choice or a decision. It exerts its greatest influence on the consumers mind. Point of purchase display adds persuasive power to the sales promotion and advertising efforts.
- Each product has its own personality and therefore display concepts must be fitted and match the individual product personality.
- Each product carries its own personality and status and so the display concept should also have the status symbol of the product. This helps in Pre-selling to a customer.
- Display should be built around a sound selling idea.
- Display must do a sound selling job.

7.3 Various Types of Displays
- Window displays
- Counter displays
- Outdoor displays
- Demo van displays

7.4 Sales Promotion and Consumer Behaviour
Majority of the customers respond to sales promotion and companies who understand this have a competitive edge. It is extremely essential to be able to design effective sales promotion programmes which match the consumers’ needs and wants.

7.5 Classical Conditioning
Most of the Sales promotion programmes follow this pattern. Customers think that brand which dealers schemes serves is Unconditioned Stimulus. The customer response could be motivation and excitement towards that product or brand. Discounts, Bonus, Gifts, etc. can work as Unconditioned Stimulus for customers.

7.6 Instrumental Conditioning
This means that if behaviour is enforced it is more likely to occur. This also means that marketers educate customers to buy a particular brand through a gift coupon. This becomes a strong reason for the customer to buy a product. The difference between both these consumer behaviours is that in classical conditioning, stimulus comes first and then comes the response. In case of Instrumental Conditioning, response comes first and is consolidated later. Consumers understand and learn that buying a product through a deal are not of sub standard quality. Consistent deals, schemes mould consumer behaviour in a particular way.
7.7 How does Sales Promotion Influence Sales

There are some patterns which emerge out of the sales promotion which are as follows:

- **Brand switching**: Consumers switch over from these regular brands to the brands which are promoted.
- **Repeat purchase**: Because of Sales promotions, a particular product or a brand is bought again and again.
- **Enhanced purchases**: Here the customer response is that customers end up buying more than the usual quantity.

7.8 Category Expansion and Consumption

7.8.1 Brand Switching

Consumers change their brand preferences often, shifting from their normal brand to another. This occurs due to aggressive promotion and too many similar products available in the market. Price offs influence the consumers’ behaviour towards buying a brand. Point of purchase displays also remind the customer of price off promotions. If there is a price off on an premium product, the same consumers from lower product category may switch to the expensive brand. But customers from the premium segment can’t be converted to lower product segment due to promotion.

7.8.2 Repeat Purchases

Repeat buying may happen because it may become habitual as the product is bought more than once on account of Sales Promotion. It is often an outcome of habit forming and learning. Sales promotions induce customers to buy a product which later on becomes a habit.

7.8.3 Purchasing More

This phenomenon or behaviour pattern of consumers is seen during sales promotions. The consumer pre-pones his buying of a product or may buy more than the normal requirements as he gets a deal. Retailers also stock up good inventory which may prevent brand switching by consumers. In some cases the consumer may delay their buying decisions as they learn about the forthcoming sales promotion scheme on the product they want to buy.

7.8.4 Increasing Category Expansion

Excellent displays based on particular selling themes remind the customers that a particular product is good for a particular segment for e.g., Children. This may increase the product consumption as consumers may try new things e.g., food products like cheese, mayonnaise etc, thus expanding the product category itself.

7.9 Choice of Sales Promotion

There can be two options of sales promotion plans

- **Immediate value offer v/s Delayed value offer**
  
  In this sales promotion, the incentive offer is at the time of purchase. It could be discount, premium, extra offer, etc. Promotions that offer reward to the buyer at the time of purchase have a much deeper impact. These can promote impulse buying of customers. Brand switching takes place in impulsive buying. This happens in low cost products like Soaps, Toothpastes, Shampoos, etc.

- **Delayed value offers**
  
  These sales promotions often produce weak initial response as the incentive to the consumer is not immediate. These promotion tools are used to consolidate and reward loyal customers of the product. e.g., free services, extra warranties, etc.

- **Price cuts**
Price cuts generate quick response while promotion offers ‘Extra value’ to customers to trigger or motivate customers of increased usage. It means ‘extra or more’ for the same price. Strong brands are promoted in this way. e.g., valuable software free on purchase or a PC or laptop.

### 7.10 Product Selection
This step highlights the selection of the product for a sales promotion effort. Sales promotion managers have to take a decision whether a particular product is to be promoted or the entire product line. Should promotion be offered on a slow moving or fast moving product? When strong brands/products are promoted, discounts are offered to the channel partners as they may share the extra benefit with their customers.

### 7.11 Target Market
Sales managers have a choice of selecting national or regional market for sales promotion effort. Creating regional promotional plans is a very complicated process and may lead to high cost and expenditure. This is particularly true in case of Indian markets.

### 7.12 Sales Promotion Timing, Duration and Frequency
If the inventory is less in the channels, sales promotions help manufacturers to build and push inventories/stocks with the channel partners. If the inventories get piled up at the channels, sales promotions help them to liquidate faster.

Success of any sales promotion plan depends on how well the promotion is communicated to the channel partners and sales force and the market. Some manufacturers have promotions planned during the low selling period while some plan it during the good selling period as the customer walk is are high and the buying mood is also great.

### 7.13 Competition
Sales promotions offers can easily be copied and designed by the competition. One way to be protected from the competition is to design unique promotions which will be difficult to copy. e.g., Bajaj crorepati hungama.
7.14 Sales Promotion Guidelines

- **Features of a successful sales promotion**
  - It must be cost effective, yielding maximum results.
  - It should motivate the consumers to buy. It should promote a sense of urgency in the customers.
  - Sales promotion offers should match the customer demands.
  - Sales promotion should be straight, simple and customer friendly.
  - It should have high visibility in the target market.
  - Sales promotion should be ‘honest’. Customers should not feel cheated.
  - Sales promotion should fulfill all legal formalities before implementation.
  - Implementation should be efficiently done.
### Objectives and various types of sales promotion

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Objective</th>
<th>Promotion Type</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Increase in Volume and market share</td>
<td>Discounts, Gifts, Contests, Coupons, etc.</td>
</tr>
<tr>
<td>2</td>
<td>Repeat Purchase</td>
<td>Loyalty Bonus, Extra Services, Exchange offers</td>
</tr>
<tr>
<td>3</td>
<td>New Product launch</td>
<td>Free trials, free samples, Demonstrations</td>
</tr>
<tr>
<td>4</td>
<td>Excessive Stock liquidation</td>
<td>Trade, Channel targets and incentives</td>
</tr>
</tbody>
</table>

Table 7.1 Objectives and various types of sales promotion

### 7.15 Sales Promotion Evaluation

- Sales volume before and after the promotion.
- Market share before and after the promotion.
- Number of customer enquiries before and after the sales promotion.
- Leakage Analysis: How many customers enquired but did not buy. Enquiries to sales ratio.
- Money spent on advertising and cost per unit, high or low.
- Margins before and after the promotion.
Summary

• Point of purchase displays are an important supportive tool to the sales promotion effort. In the current scenario only a good product may not be enough to attract customers and make a sale. Displays therefore have gained a lot of importance as it helps in pre-selling a customer.

• Customers are influenced by sales promotion programmes. Promotions encourage brand switching and repeat buying too. More and more companies are undertaking sales promotion programmes to negotiate competition and prevent brand switching.

• Sales promotion must be planned and executed in a very, professional way. It should be clearly aimed at target customers and target markets.

• Consumers behave differently for low cost product promotions (FMCG) and high cost product promotions.

• The timing of sales promotion has to be correct, as it has to yield benefits to all, e.g., manufacturer, trade partners and consumers.

References


Recommended Reading


Self Assessment

1. Effective __________ display is crucial because it guides the customer at the point when he or she is making a choice or a decision.
   a. point - of – purchase
   b. purchase - of – point
   c. purchase
   d. selling

2. The four types of point-of-purchase display are window displays, __________, outdoor displays and demo van displays.
   a. count displays
   b. indoor displays
   c. counter displays
   d. door displays

3. __________ means consumers switch over from these regular brands to the brands which are promoted.
   a. Repeat Purchases
   b. Purchasing More
   c. Increasing Category Expansion
   d. Brand switching

4. __________ may happen because it may become habitual as the product is bought more than once on account of Sales Promotion.
   a. Repeat purchases
   b. Brand switching
   c. Direct purchase
   d. Indirect purchase

5. __________ generate quick response while promotion offers extra value to customers to trigger or motivate customers of increased usage.
   a. Price increase
   b. Price offers
   c. Price Cuts
   d. Direct purchase

6. Match the following:

   | 1. Brand Switching              | A. This phenomenon or behaviour pattern of consumers is seen during sales promotions. |
   | 2. Repeat Purchases             | B. Excellent displays based on particular selling themes remind the customers that a particular product is good for a particular segment for e.g., Children. |
   | 3. Purchasing More               | C. Consumers change their brand preference. They shift from their normal brand to another. |
   | 4. Increasing Category Expansion| D. Repeat buying may happen because it may become habitual as the product is bought more than once on account of Sales Promotion. |
a. 1-D, 2-C, 3-B, 4-A  
b. 1-C, 2-D, 3-A, 4-B  
c. 1-B, 2-A, 3-D, 4-C  
d. 1-C, 2-A, 3-D, 4-B

7. Which of the statements is true?
   a. Sales offer should be straight, simple and customer friendly.
   b. Sales planning should be straight, simple and customer friendly.
   c. Sales person should be straight, simple and customer friendly.
   d. Sales promotion should be straight, simple and customer friendly.

8. Which of the statements is true?
   a. Delayed value sales promotions often produce weak initial response as the incentive to the consumer is not immediate.
   b. Immediate value sales promotions often produce weak initial response as the incentive to the consumer is not immediate.
   c. Value sales promotions often produce weak initial response as the incentive to the consumer is not immediate.
   d. Price cut sales promotions often produce weak initial response as the incentive to the consumer is not immediate.

9. Which of the statements is true?
   a. In repeat purchases the customer response is that customers end up buying more than the usual quantity.
   b. In purchasing more the customer response is that customers end up buying more than the usual quantity.
   c. In enhanced purchases the customer response is that customers end up buying more than the usual quantity.
   d. In brand switching the customer response is that customers end up buying more than the usual quantity.

10. Which of the statements is true?
    a. Classical conditioning means that marketers educate customers to buy a particular brand through a gift coupon.
    b. Instrumental conditioning means that marketers educate customers to buy a particular brand through a gift coupon.
    c. Consumer behaviour means that marketers educate customers to buy a particular brand through a gift coupon.
    d. Sales promotion means that marketers educate customers to buy a particular brand through a gift coupon.
Case Study I

Differential pricing & promotion and their effect on growth of SMEs which offer standardised services: A Case Study of Snowhite Dry Cleaners, Pakistan

Problem
In bid to stay competitive in the industry, SMEs (Small and medium enterprises) have to apply several formal marketing techniques which will help them edge past their competitors regardless of the many operational challenges they are facing. Moreover, through the first questionnaire the authors realized that if the case company could appreciate the use of marketing techniques in the market, it would gain more market share hence realizing organic growth. However this entirely depends on the leadership and management teams which also have to be innovative in the market place which will eventually create value for the customers who tend to be loyal and as such purchase the service or product repeatedly. In addition, the management and leadership teams should seek cultural integration and talent which will enable the SMEs to achieve their vision hence survival in the business.

Purpose
The issue under investigation during this research will be “the effect of differential pricing and promotion on the growth of SMEs which offer standardized services.” This research will add to the existing knowledge relevant to the SMEs in line with the marketing activities and growth. In addition, this research will help Snowhite Dry Cleaners in particular, to achieve growth if the managerial implications are put into consideration as highlighted in this thesis. For the authors, this thesis is a pre-requisite to the award of a masters” degree in marketing with a major in business administration once successfully completed.

Method
An inductive approach has been used throughout this thesis while we adopted a case study design. In order to fulfill the purpose of this thesis, three unstructured questionnaires were sent to the director of operations of the case company.

Theories
The theoretical areas that were used in this thesis consisted of theories regarding; Competitive strategy, Pricing of services, Promotion of services, Services marketing management, Business growth, Marketing management etc

Conclusions
The authors came to a conclusion that promotion strategies induce trial of product or service hence organic growth in the long-run. They also impact on customer choice of product or service and service provider which leads to increased demand hence organic growth. As well, value-adding promotions for services increase the demand and market share arising from less competitor activity due to fear of adverse price wars. In addition, promotions increase perceived customer value which results into repeated purchases of a product or service hence organic growth. However, value-increasing promotions are recommended for product firms otherwise they will have a negative impact on sales save for objectives like margin reduction or tarnishing the competitors” image. Notably, if value adding promotions are run for a long time, they risk becoming obsolete to the customers who seek value on a daily basis. In addition, differential pricing has no effect on sales growth for a service firms which offer standardized services like laundry but rather, it is likely to have a positive impact on firms which sell tangible products as a primary objective and treating the services offered as peripheral.

Reference
http://www.essays.se/essay/626c1f7e8a/
Questions

1. Describe the problem of the Snowhite Dry Cleaners, Pakistan.

Solution:
In bid to stay competitive in the industry, SMEs (Small and medium enterprises) have to apply several formal marketing techniques which will help them edge past their competitors regardless of the many operational challenges they are facing. Moreover, through the first questionnaire the authors realized that if the case company could appreciate the use of marketing techniques in the market, it would gain more market share hence realizing organic growth. However this entirely depends on the leadership and management teams which also have to be innovative in the market place which will eventually create value for the customers who tend to be loyal and as such purchase the service or product repeatedly. In addition, the management and leadership teams should seek cultural integration and talent which will enable the SMEs to achieve their vision hence survival in the business.

2. Elaborate the conclusion of the about case study.

Solution:
From the above study we can conclude that promotion strategies induce trial of product or service hence organic growth in the long-run. They also impact on customer choice of product or service and service provider which leads to increased demand hence organic growth. As well, value-adding promotions for services increase the demand and market share arising from less competitor activity due to fear of adverse price wars. In addition, promotions increase perceived customer value which results into repeated purchases of a product or service hence organic growth. However, value-increasing promotions are recommended for product firms otherwise they will have a negative impact on sales save for objectives like margin reduction or tarnishing the competitors’ image. Notably, if value adding promotions are run for a long time, they risk becoming obsolete to the customers who seek value on a daily basis. In addition, differential pricing has no effect on sales growth for a service firms which offer standardized services like laundry but rather, it is likely to have a positive impact on firms which sell tangible products as a primary objective and treating the services offered as peripheral.

3. What is the purpose of the above case study?

Solution:
The issue under investigation during this research will be “the effect of differential pricing and promotion on the growth of SMEs which offer standardized services.” This research will add to the existing knowledge relevant to the SMEs in line with the marketing activities and growth. In addition, this research will help Snowhite Dry Cleaners in particular, to achieve growth if the managerial implications are put into consideration as highlighted in this thesis. For the authors, this thesis is a pre-requisite to the award of a masters’ degree in marketing with a major in business administration once successfully completed.
Case Study II

A descriptive research on the promotional tools used in the tourism industry: Case study on Ving

Background

Promotional techniques are used to make prospective customers aware of products, to whet their appetites and stimulate demand; they also provide information to help customers decide. In the promotional process the selection and the use of the tools is crucial. Nowadays the tourism industry is extremely challenging. Tourism has evolved during the latter half of the 20th century from a marginal and locally significant activity to a widely dispersed economic giant. Many aspects of tourism promotion have been developed these last years to attract new customers.

Purpose

The purpose of this study is to outline and analyse the use and the construction of three promotional tools (advertising, Public Relations, printed materials) and find out their goals. These three promotional tools are represented by TV commercials, press releases and brochure.

Method

This study was conducted using the case study method. It is based on primary data. These data are coming from a questionnaire, from the internet and from one printed material. The applied theoretical frames of references are about the use and goals of the three promotional tools and also about models for the analysis of the construction of the latter.

Conclusion

By answering the research questions this thesis presents first the comparison results between the frames and the data concerning the use of the three promotional tools. Then the main aspects of the construction of the tools are showed. And finally their goals coming from the frames and the data are presented and compared.

Reference

http://www.essays.se/essay/4ffd732164

Questions:

1. Explain the main outline for the study of descriptive research on the promotional tools used in the tourism industry.
2. Describe the purpose of the above case study.
3. Discuss the summary of the above case.
Case Study III

Strategies adopted by Barista, Cafe Coffee Day and Qwiky’s in Indian Market

Barista established in 2000 in New Delhi was the largest and fastest growing coffee chain in India. Barista positioned itself as a lifestyle brand with Italian neighborhood. Barista was the leader in espresso coffees. Barista was made with top grand Arabica beans and brew masters from Italy were invited to create blends. Alliance with Tata coffee would supply food items like baguettes, croissants, cookies, sandwiches, pastries and desserts. Every month it introduced and focused on a particular type of coffee. The idea was to change customer’s occasional indulgence and make it a habit and educate them about the original coffees. It also developed store-in-store concept by focusing on themes that compliment coffee, such as music, books and art. Barista entered into marketing tie-ups with planet M, crossword and Ebony to set up it Espresso’s at the corner. It also wanted to enter into co-branded marketing tie-ups with several banks for credit cards. The company also entered branded merchandising with caps, coasters, co’s and cups. Barista entered home brew segment with freshly grounded coffee. The company extended its product portfolio from roasted coffee range to single origin coffee. Barista’s single origin coffee powder has a status symbol. It was planning to enter the international market. Barista planned to tie-up with ABN amro for opening “Banlafes”. This concept helps to ‘bank at leisure” enabling customers to visit the bank after banking hours on any day in an informal and friendly environment. It even tied up with BPCL to open coffee kiosks. Barista’s adopted a strategy on which it segmented itself to the elite class. This class has high potential because these people associate with anything that is of status symbol. They spend very high. So Barista choose this segment contains people with big designations like MD’s, Doctors, CEO’s and people belonging to elite class. They like to be in a place which is classy and luxurious like Barista. This segment has high potential.

Strategies adopted by Cafe Coffee Day
Cafe Coffee Day offered an informal ambience with bright and eye-catching interiors. Visitors could sip coffee, browse the internet, conduct business meetings or just while away time with friends. Cafe Coffee Day was well looked as a cool-hangout for college crowd and teenagers. This promoted young artists and displayed their paintings on their walls. In 2001, a new logo was chosen leaving the old one which was bit old fashioned. The interior were redesigned and new menu was also introduced along with the new crockery. The baseline also changed to “A lot can happen over coffee”. Musical events were organized to attract youth. “Café jockey” was introduced which selected children above 15yrs and gave them 1 week training. In addition to the commercial and residential clusters in metros, Cafe Coffee Day’s also targeted other locations like corporate houses, airport, hospitals and shopping malls. Cafe Coffee Day priced its products 20% lower than its competitors. Cafe Coffee Day positioned itself as a mass market brand; mini-metros were also added to its list. It targeted the middle class, upper middle class, house wives and students. The prices are less compared to the other two. This segment has high potential and great buying power and has great market share.

Strategies adopted by Qwiky’s
Qwiky’s strategy was that to make their customers make them feel comfortable and have fun. The staff at Qwiky’s was trained to understand body language. They were very frankly with the customers. Qwiky’s objective was to target the “young at heart” that were looking for fun and relaxatation. They offered different varieties of coffee. Customers were given a choice of drinks that were not common in India. It had a separate vending area for chocolate products. Qwiky’s coffee pubs were located at strategic points which were frequented by youth. Qwiky’s pubs were located at intersection of roads in a corner were two side of café were made of glasses and faced the road. It even had coffee making machines for sale and also a trainer to teach how to make perfect espresso. It also planned to launch ready to drink coffee sachets. Their prices were based on the real-estate prices in that particular area. Qwiky’s positioned itself as a place where people can come for fun and relaxatation it targeted people who having fun and young at heart. People who were quite interactive and friendly were appointed as staff to make their customers feel comfortable and while away their time. It was a place to hangout.

Conclusion
The strategy adopted by Barista would suit the Indian market. Barista came up with uniqueness in its interior with Indian neighborhood. It also offered several services along with serving coffee. Several international varieties of

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coffees are served in Barista. The ambience was great. The perfect Italian varieties of coffees were served with brew masters from Italy. They came up with single origin coffees and attracted with the niche set of consumers. Many varieties of coffees are served in Barista people feel very comfortable. It also serves food items like pastries, sandwiches. People started thinking that Barista has become a status symbol. So they wanted to associate themselves with Barista. It’s planning to go international into many countries. It’s even planning to co brand with several banks for credit cards. People of India always wanted something new and different. So Barista’s strategy perfectly suits the Indian market.

Reference

Questions
1. What are the strategies adopted by Cafe Coffee Day?
2. Explain the strategies adopted by Qwiky’s.
3. Discuss the conclusion of the above case study.
References

- Dawar, R.S. *Marketing and Advertising*, Kitab Mahal, New Delhi.

Recommended Reading


Self Assessment Answers

Chapter I
1. a
2. b
3. c
4. a
5. b
6. d
7. c
8. d
9. a
10. c

Chapter II
1. d
2. a
3. b
4. a
5. b
6. c
7. a
8. c
9. d
10. a

Chapters III
1. c
2. a
3. c
4. b
5. d
6. a
7. c
8. a
9. a
10. d

Chapter IV
1. c
2. a
3. b
4. d
5. c
6. c
7. c
8. b
9. a
10. c
Chapter V
1. b
2. b
3. d
4. c
5. b
6. a
7. d
8. b
9. b
10. d

Chapter VI
1. c
2. a
3. b
4. a
5. d
6. a
7. d
8. b
9. c
10. b

Chapter VII
1. a
2. c
3. d
4. a
5. c
6. b
7. d
8. a
9. c
10. b