

Commercial Applications

17/6/2020

class - I

Chap - 3 (Advertising and Brand Promotion)

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Advertising and Brand Promotion

LEARNING OBJECTIVES

After studying this chapter, you should be able to understand :

- 3.1. Definition and Concept of Advertising
- 3.2. Types of Advertising
- 3.3. Objectives of Advertising
- 3.4. Advantages of Advertising
- 3.5. Criticism of Advertising
- 3.6. Distinction between Advertising and Publicity
- 3.7. Features of a Good Advertisement
- 3.8. Advertising Media
- 3.9. Meaning of Sales Promotion
- 3.10. Distinction between Advertising and Sales Promotion
- 3.11. Definition and Merits of Brand and Branding
- 3.12. How to Bring About Brand Promotion

Advertising, salesmanship, sales promotion and publicity are the four elements or techniques of promotion mix.

3.1. DEFINITION AND CONCEPT OF ADVERTISING

The word, advertising has been derived from the Latin term, '*advertere*' which means 'turn to'. Advertising turns the attention of people to a product, service or an idea. Some popular definitions of advertising are given below :

✓ "Advertising is any form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor".

— Philip Kotler

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

— William J. Stanton

✓ Advertising is any paid form of non-personal presentation or promotion of ideas, goods or services by an identified sponsor.

— American Marketing Association

Thus, advertising involves preparation of oral and visual messages and their dissemination through paid media for the purpose of making people aware and favourably inclined towards a product, service, idea or organisation.

The main features of advertising are as follows :

✓ **1. Non-Personal** : Advertising is non-personal as no face-to-face contact is involved between the advertiser and customers.

✓ **2. Mass Communication** : Advertising is a method of mass communication. The message is directed to a large number of persons.

✓ **3. Paid Communication** : Advertising is paid communication. Some money has to be paid for every advertisement to the medium which conveys the message. The advertiser has to pay for the space or time hired for disseminating the message.

4. Identified Sponsor : An advertisement is issued by an identified sponsor. The name of the advertiser is mentioned in the advertisement itself.

5. Information and Persuasion : The basic purpose of an advertisement is to inform customers about some product or service and to persuade them to buy it.

3.2. TYPES OF ADVERTISING

Advertising can be classified into the following categories :

1. Product Advertising : The main objective of product advertising is to promote the sale or reputation of a particular product, brand or service. It is sponsored by manufacturers, traders and other organisations to promote the uses, features, benefits and image of their products and services.

Product advertising may be further subdivided into direct action and indirect action advertising. Direct action advertising aims to seek a quick response or action to the advertisement. For example, a departmental store may give an advertisement in a local newspaper stressing this month's special arrivals. Indirect action advertising is designed to create a favourable attitude towards the advertised product over a long period of time.

2. Institutional Advertising : The aim of this type of advertising is to build a favourable image of the organisation rather than to promote the sale of a product or service.

3. Informative Advertising : This type of advertising contains information about a product/service or institution. It makes consumers aware of the existence, features, uses of goods and services. For example, advertisements suggesting how to save petrol or avoid accidents are informative advertising.

4. Persuasive Advertising : This type of advertising is designed to persuade the consumers to buy a product or service or to support an idea.

5. Reminder Advertising : It attempts to remind people about the product/service or idea.

6. Concept Advertising : This is also known as 'primary demand advertising' or 'pioneering advertising'. Its purpose is to stimulate demand for a new type of product. Advertisement designed to change life style of people is concept advertising. For example, 'a diamond is forever' seeks to promote diamond jewellery as a concept.

Advertisements can be done at local, national and international levels.

3.3. OBJECTIVES OF ADVERTISING

The main objectives of advertising are given below :

1. To Introduce New Products : Producers and traders advertise to inform customers about the availability of a new product and its salient features. They seek to develop a good image of the new product and persuade consumers to buy it. An attempt is made through advertising to create a demand for the new product or service.

2. To Sustain Demand for Existing Products : Advertising aims at maintaining demand for an existing product in the face of growing competition. The purpose is to increase sales by informing consumers about the new uses of existing products, about improvements made therein, about benefits available, etc. Advertisements are used to induce potential buyers to buy the product.

3. To Build Brand Preference : Repeated advertisements are used to develop preference for a particular brand. Brand loyalty helps to yield repeat sales in the long run. Advertising continuously reminds consumers about the superiority of the brand. A brand image and customer's loyalty are so created that customers will not like to switch over to other brands.

4. To Eliminate Middlemen : Businessmen use advertisements to send their messages far and wide. They can establish direct contact with customers, thereby eliminating middlemen. Elimination of middlemen helps to reduce prices for consumers.

5. To Educate Consumers : Though the main purpose of advertising is to sell something,

result, public can get newspapers and magazines at very low prices.

(d) Advertising provides new knowledge to public. It helps to improve social customs and attitudes, thereby adding to culture.

(e) Advertising promotes healthy competition and growth of business. It acts as a barometer of the country's economic growth.

3.5. CRITICISM OF ADVERTISING

Advertising has been criticised on the following grounds.

1. Higher Prices : Advertising increases prices of products to consumers because the expenses incurred on advertisements are passed on to consumers. However, advertising may not increase prices if it leads to large scale production.

2. Creation of Monopoly : Big firms spend huge amounts of money on advertising. Small firms cannot compete with them and ultimately fail. As a result, big firms become monopolies and use their monopoly power to exploit consumers.

3. Wastage of Resources : Money spent on advertising is sheer waste because it does not add to the utility of products and services. Most of the advertisements are either ignored or escape the attention of consumers. Advertisements do not create new demand but only shift demand from one product to another.

4. Deceptive and Untruthful : In order to impress the people, false statements and exaggerated claims are made in advertisements. As a result, innocent people are misled to buy inferior and even worthless products. Advertising offers scope for fraud and deception.

5. Extravagance : Advertising tempts people to buy goods which they cannot afford. They become extravagant and do not hesitate

even to adopt corrupt practices to earn more. This creates frustration and corruption in society. People become greedy and self-centred, causing unrest and jealousy.

6. Vulgarity : Advertisements exploit emotions and sentiments of people. Several advertisements are vulgar, obscene and stupid. They are offensive to public decency and insulting to women. However, this can be checked by enforcing moral and ethical standards in advertisements. Advertising is used to promote sales of harmful products such as cigarettes, liquor, etc.

3.6. DISTINCTION BETWEEN ADVERTISING AND PUBLICITY

Publicity means the non-personal stimulation of demand for a product, service or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it on radio, television or stage that is not paid for by the sponsor. For example, a Minister inaugurates the new factory of a company. This news is reported by newspapers and Doordarshan. It improves the image of the company in public.

Publicity means any commercially significant news which has no sponsor, is non-personal and is not paid for by the individual or organisation involved in it. Mass media such as newspapers, radio and television give news and views about an organisation and its products or services in such a way that the image of the organisation is enhanced. News releases (e.g., about the opening of a new showroom), feature articles, letters to the editor, press conference and audio-visual material are the main techniques of publicity.

Publicity is an inexpensive, timely and credible method of promotion. But the organisation has no control over publicity. Just as good publicity can enhance image, bad publicity can spoil the image of an organisation.

advertising is also used to educate consumers in better living and about proper use of products which helps to increase the utility of products to consumers.

✓ **6. To Support Dealers :** The purpose of advertising is also to assist dealers and salespersons. Advertisements inform consumers and pave the way for the visit of salesmen. Advertisements carry details of dealers where the product is available.

✓ **7. To Build Goodwill :** Another objective of advertising is to build the reputation of the enterprise. Regular advertisements help to create a good impression in the minds of customers. Special gifts, discounts, etc., during off-seasons can be announced through advertisements.

3.4. ADVANTAGES OF ADVERTISING

The advantages of advertising are given below.

1. Advantages to Manufacturers

- ✓ (a) Advertising creates demand for new products by informing people about their availability and uses.
- ✓ (b) It helps to increase sales and profits by attracting people to buy and by expanding markets. Large sales facilitate large scale production which in turn leads to reduction in the cost per unit.
- ✓ (c) Advertising creates goodwill by making the manufacturers and his products famous and known in public.
- ✓ (d) It helps to maintain steady demand by smoothening out seasonal fluctuations in demand.
- ✓ (e) It helps to establish direct link between manufacturers and consumers. Direct contact helps in reducing the costs of distribution.
- ✓ (f) Advertising is helpful in meeting competition in the market.

2. Advantages to Consumers

- ✓ (a) Advertising informs consumers as to where and when products are

available. Consumers can buy without wasting much time and efforts.

- ✓ (b) Advertisements highlight the quality and prices of competitive products. Manufacturers have to maintain the quality of products at competitive prices.

- ✓ (c) Advertising has educational value for consumers. They come to know about various products, their uses, precautions in use, etc. Such information and education help to improve the standard of living of consumers.

- ✓ (d) As advertising creates a direct link between producers and consumers, products become available to consumers at lower prices and more quickly. Advertising also reduces prices by increasing the volume of sales and production.

- ✓ (e) Advertising reduces the possibility of cheating of consumers as they come to know about the quality and prices of products. Customers get wider choice.

3. Advantages to Society

- ✓ (a) Advertising creates employment opportunities for a large number of persons. Direct employment is created for artists, copywriters, advertising agents, pressmen, etc. Indirect employment is created by increasing the scale of business operations.
- ✓ (b) Advertising leads to variety in consumption and use of better quality products. Growing use of household appliances such as micro-ovens, air conditioners, refrigerators, cordless phones, washing machines, etc., is an example. This has helped to raise the standard of living in society.
- ✓ (c) Advertising sustains the press. It is a great source of revenue for newspapers and magazines. As a

Advertising and publicity differ in the following ways :

Basis of Distinction	Advertising	Publicity
1. Sponsor	The identity of the sponsor is clearly known.	Identity of the sponsor is not clear.
2. Source	The message originates from the advertiser.	The message originates from the media.
3. Payment	The advertiser has to pay to the media owners.	The individual or firm involved does not have to pay.
4. Control	The sponsor has control over the contents and timing of the message.	Media has control over the contents and timing.
5. Nature of Message	Persuasive message designed to persuade customers to favour a product, service, idea or organisation.	Informative message designed to inform public.

3.7. FEATURES OF A GOOD ADVERTISEMENT

A good advertisement should contain the following features.

1. Attention Value : The first requirement of a good advertisement is that it must be able to attract the attention of those to whom it is directed. Most of the people are busy and pay a cursory attention to advertisements. Unless the advertisement draws their attention, it will go waste. The following techniques may be used to make the advertisement attractive.

- By using catchy but short headlines. The headline may be a slogan or reference to the quality of the product. "Campa Cola, the only one"; "Don't say ink, say Quink"; "Mothers who care, use Dalda" are some examples of the use of headlines.
- By using pictures or drawings of the product being advertised. Lux toilet soap is, for example, advertised along with the photograph of a popular film star.
- By putting a question, e.g., "Is your premium due this month?" by LIC; "How white a white shirt can be?" by Snowwhite dry cleaners, etc.

- By quoting price where the price is comparatively low and is likely to attract the attention of the customers, e.g., "Buy a Televista TV for Rs 1295".
- By inserting reply coupons for gifts or free literature.

- By using artistic borders, blank spaces, bold types, bright colours, etc., which bring the message into sharp focus by separating it out from the rest of the material. Use of right page or space and underlining of key words also help to attract attention. For instance, "Campa Cola, the real thing" in which the word real is underlined.

2. Memorising Value : The design and layout of the copy should be such that it has a lasting impression on the minds of the people. Repeated use of brand names and trademarks helps to make the advertisement memorable. A picture depicting the use of the product for a specific need is useful, e.g., a housewife nursing a burnt finger with Burnol. Association of the product with a symbol or sketch also helps to create a long-term impact on mind. For instance, the smiling baby has become associated with Murphy radios.

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Questions:

1. Define the term advertising.
 2. Discuss the various types of advertising.
 3. Discuss the objectives of advertising.
 4. Discuss the advantages of advertising to the Manufacturers.
 5. Discuss the advantages of advertising to the Consumers.
 6. Discuss the advantages of advertising to the Society.
 7. Discuss the demerits of advertising.
 8. Distinguish between (a) Advertising and (b) Publicity.
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