

## **UNIT-III**

### **ADVERTISEMENT**

The American Marketing Association has defined advertising as "any paid form of non-personal presentation of ideas, goods or services by an identified sponsor". This definition includes the following four expressions:

#### i) Paid form

For every advertisement, some money has to be paid to the medium which carries the message. For instance, if the message is published in a magazine, payment must be made for printing and the space used in that magazine. If the matter is printed without any charge, it will not be treated as an advertisement

#### ii) Non-personal presentation

When a salesman directly talks to the customer about any product, it is personal presentation. If the message is communicated through mass media like radio, television, newspaper, magazine, direct mail, hoardings, etc., it is called non-personal presentation. In the case of advertising, the message is conveyed through non-personal media. In other words, there is no face-to-face communication by salesmen. It implies that if the message is presented to the customer by a salesman, it would not be treated as advertising.

#### iii) Ideas, goods and services

This implies that advertising may be intended to help selling not only goods but also ideas and services. For instance, banks insurance companies, airlines, restaurants, dry cleaners, and similar organisations advertise their services and ideas underlying the usefulness of savings, travelling, eating palatable food, etc. just as manufacturers of automobiles, soaps or hair oil advertise the usefulness of their products. Thus, the phrase ideas, goods and services explains that advertising is concerned with much more than the promotion of only tangible goods

#### iv) Identified sponsor :

The sponsor of an advertisement is the advertiser. The phrase identified sponsor means that the producer or seller who advertises the product should be known through the advertised message. In other words, the receiver of the message should be able to identify both of source and purpose of the advertisement. If it is not sponsored by any individual or institution, it would not come under advertisement.

### **Advertising Ethics**

Ethics is a set of moral principles, norms or values. It is a branch of social science. It deals with good and bad with reference to a particular culture. It refers to the moral duty and obligation and advertiser has towards the society. Moral principles are the rules or standards of what is "right" or "wrong". Every advertising tries to persuade the people. In the modern competitive market each advertiser wants to win over his rivals by effective advertising. In

this process, there are chances of hiding truth and facts in order to succeed in increased sales and profit. But the advertiser has social and moral duty or obligation towards consumers. An advertiser should maintain a high degree of ethical stands i.e. he must inform the facts or truth to consumers. An advertisement with false claims may succeed in short run but it will definitely give a bad name to the product in long run. Because one can fool some people all the time, and all the people for sometime, but one can not fool all the people all the time. If unethical practices are continued they will destroy the image of the business as a whole and advertising itself will become less effective.

Some of the moral codes developed in advertising are :

1. It should avoid attacking competitors unfairly.
2. It shall be free from offensive to public decency.
3. It shall make clearest claims regarding price reduction guarantees etc.

Ethics, as a tool of communication, plays a significant role both in business as well as in the profession of advertising, norms or ideals, that are accepted and upheld by the society as essential to good life should be followed while advertising any products or service, or, idea.

1. Ethics in advertising means that the advertisers should do only good advertising, meaning thereby honest advertising. It means that only true facts, no exaggeration and no lies, about the product, service, idea or institution should be stated, in clear Tenos, in the ad.
2. Ethics in advertising also means that only good products, services and ideas should be advertised and that too to the right consumers. Advertising for products like cigarettes, beer, whisky, rum, gin, tobacco, pan parag and other harmful products should be avoided. 3. Ads showing testimonials should be restricted to competent persons, who must express honest views and choices.
4. Ads in poor taste and offensive to public decency with double meaning tone must be avoided.
5. Ads should avoid attacking unfairly competitors. In sum, advertising should be honest, objective, informative and persuasive in contents.

### **TYPES OF ADVERTISEMENT**

1. Social Advertising : Social Advertising is undertaken by noncommercial organisations such as Trust, Societies, Associations etc. The main objective of Social Advertising is to work for social cause. Advertisements for collecting donations for war victims or for victims of natural calamities, sales of tickets for a show etc. are examples of Social Advertising.
2. Political Advertising : Political advertising is undertaken by political parties to motivate the general public in favour of the ideology of the party in question. Political advertising are intensively made during election times to gain favour of the voters. Such advertising promote plans and policies of the concerned party. It also try to expose weaknesses of the opposition

with a view to convince the voters to vote for their party candidates. Some political advertisements are also made to assist the Government to implement its schemes for rehabilitation and national reconstruction. Mumbai Regional Congress Committee children affected by communal riots in Mumbai under the scheme of National Foundation for Communal Harmony. Advertisements issued by a political party is essentially a political advertising.

3. Advocacy Advertising : We often come across advocacy advertising relating to the use of family planning methods. Conservation of scarce resources, maintaining green environment. An extreme example occurred in the 1960s, when a private citizen bought a two-page advertisement in the New York Times at a cost of \$12,000 to offer his peace plan for ending the war in Vietnam. In 1974, Mobil Oil Company began advocacy advertising concerning the need for offshore oil drilling to alleviate the energy crisis that existed at the time. NBC accepted the television commercial, but ABC and CBS did not, because of the controversial nature of the topic. As a result, Mobil Oil Company took out full-page newspaper ads, which reproduced in print the visuals and text for the commercial. This is designed to alert people to the fact that such ads are not editorials or informational pieces, but are specifically advertisements. Companies can place advocacy advertising on billboards, in print magazines and newspapers, online, and on television. In fact, many advertising firms consider candidates who have completed advertising internships far more attractive than those who have not. If you are planning to begin your career in advertising in the creative department of an advertising firm, a bachelor's degree may not be as essential.

4. Retail Advertising : Retail advertising is the advertising by retailers who usually sell goods direct to the customers. Retail advertising has such objectives as : (i) to sell the stock; (ii) to establish the identity of business; (iii) to attract personal, telephone or mail order shoppers. Retail advertising is done through window display, neon signs, posters, leaflets etc. It is usually local in character. The various advertising approaches of Akbarallys, Amarsons, Asiatic Departmental Stores are the examples of retail advertising.

5. Financial Advertising : When an advertising message is directed to attract for raising capital, it is called financial advertising. The banks, insurance companies and commercial undertakings collect required funds from the savings of the people by motivating them to post-pone present expenditure to future-period. An investor considers two things before investing his hard earned savings. (1) Safety of investment (2) Return on investment The safety of investment depends upon the reputation and goodwill of the company and the properties possessed by it. The institutional advertising helps in creating confidence in the minds of the investors. The financial advertisement inform the investors about the past performance in declaring dividends and the trend in declaring of dividend. The dividend depends upon the profitability of the company. The company with the help of charts, diagrams etc. communicate the rate of growth and rate at which profit is increasing. The financial advertising aims at establishing financial, solvency of the company in the minds of the prospective investors. It is because of financial advertising the company have succeeded in floating of mega issue of shares arc in cores. The financial advertising aims at establishing

financial solvency of the company in the minds of the prospective investors. It is because of financial exports.

6. Corporate Image Advertising : Corporate Image advertising designed or aimed to create a proper attitude towards the seller and to build goodwill or image for the advertiser (manufacturing concern or the selling concern) rather than to sell a specific product or service. Institutional advertising is done to build good public relations" image in the market for the marketer and a patronage for its product or products. Institutional advertising can therefore be patronage advertising and public relations service advertising. Public relations institutional advertising is aimed to create a favourable image of the company (advertiser) among employees, investors or general public. Public service institutional advertising aims at changing the attitudes or behaviour of the people to the good of the community or public at large. Patronage advertising is aimed to attract customers by appealing to their patronage buying motives rather than product buying motives. Most of the companies are successful in making their image in the minds of the people by using their names, such as „Bata“, „Tata“, „Dunlop“, „J.K.“, „Bombay Dyeing“ etc.

7. Public Relations Advertising : It is a part of institutional advertising. The basic objective of public relations advertising is to establish co-ordial and healthy relations with the customers, bankers, suppliers, Government. Patrons and the general public. Through public relations advertising company announces the changes in its policies, its developmental activities its position and stand when the employees are on strike. It helps the company to remove misconcepts about the company created by interested groups. During the periods of short supply of goods the public relations advertising helps to hold the interest of the customers. The company assures about the normalcy of supply and request its customers to bear with the company. Institutional advertising and public relations advertising are complimentary to each other. Both are directed in building up corporate image. There are several reasons as to why a corporate firm may resort to public relations advertising. The reasons are : (a) To create a favourable image of the organisation. (b) To secure and keep good suppliers. (c) To build goodwill of the dealers. (d) To arouse and serve customers in a better way. (e) To arouse interest of the present and potential shareholders. (f) To correct misconceptions about the firm during strikes. (g) To win confidence of its employees. (h) To render community service. (i) To make people aware of social evils, health hazards, etc. (j) To obtain public support for certain cause.

8. Institutional Advertising : The object of institutional advertising is to build manufacturers reputation in the minds of the public in general. The advertising message is directed to tell about the Company, its people, its contribution in promoting social welfare activities, in promoting consumer satisfaction its achievements in technology its broad philosophies, its share in economic progress of the Company etc. Such advertisement do not bring benefits in the form of higher sales immediately. But they create good footing for the company in the long run. The competitive strength of the company goes up with the enhancement of corporate image. It is much easier for a highly reputed company to launch a new product in the market. Basically the institutional advertising aims at getting public support for raising the capital through public subscription. The following points are normally referred in

institutional ads : (a) Research & Development of the firm. (b) Number of factories or branches of the firm. (c) The number of employees and facilities provided to them. (d) Foreign collaborations, if any. (e) Distribution network of the firm. (f) Market position of the firm. (g) Products or services offered by the firm. (h) Social welfare programmes undertaken by the firm, etc.

9. Internet Advertising : The Internet facility has been around for some 30 years. It actually began in the early 1960s in USA, where the U. S. Department of Defense saw it as a means of supercomputer communication for researchers and military facilities across the country. Until its commercial explosion in 1990s, the Internet remained a relatively obscure network of linked computers - mostly by academics, military researchers, and scientists around the world to send and receive electronic mail, transfer files, and find or retrieve information from databases – At present, Internet the fastest growing medium in history, offers incredible opportunities for a wide range of people in both business and advertising. For advertisers, there is a whole new world of potential customers

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### **Categories of Advertising**

1. Brochures or flyers -- Many desk-top publishing and word-processing software packages can produce highly attractive tri-fold (an 8.5 inch by 11 -inch sheet folded in thirds) brochures. Brochures can contain a great deal of information if designed well, and are becoming a common method of advertising.

2. Direct mail -- Mail sent directly from you to your customers can be highly customized to suit their nature and needs. You may want to build a mailing list of your current and desired customers. Collect addresses from customers by noticing addresses on their checks, asking them to fill out information . cards, etc. Keep the list on-line and up-to-date. Mailing lists can quickly become out-of-date. Notice mailings that get returned to you. This should be used carefully and it can incur substantial cost, you don't want to inundate your stakeholders with information so make the most of your message.

3. E-mail messages -- These can be wonderful means to getting the word out about your business. Design your e-mail software to include a "signature line" at the end of each of your e-mail messages. Many e-mail software packages will automatically attach this signature line to your e-mail, if you

4. Magazines -- Magazines ads can get quite expensive. Find out if there's a magazine that focuses on your particular industry. If there is one, then the magazine can be very useful because it already focuses on your market and potential customers. Consider placing an ad or writing a short article for the magazine. Contact a reporter to introduce yourself. Reporters are often on the look out for new stories and sources from which to collect quotes.

5. Newsletters -- This can be powerful means to conveying the nature of Promotion your organization and its services. Consider using a consultant for the initial design and layout. Today's desktop publishing tools can generate very interesting newsletters quite inexpensively.

6. Newspapers (major) - Almost everyone reads the local, major newspaper(s). You can get your business in the newspaper by placing ads, writing a letter to the editor or working with a reporter to get a story written about your business. Advertising can get quite expensive. Newspapers are often quite useful in giving advice about what and how to advertise. Know when to advertise -- this depends on the buying habits of your customers. \*

7. Newspapers (neighborhood) -- Ironically, these are often forgotten in lieu of major newspapers, yet the neighborhood newspapers are often closest to the interests of the organization's stakeholders.

8. On-line discussion groups and chat groups -- As with e-mail, you can gain frequent exposure to yourself and your business by participating in on-line discussion groups and chat groups. Note, however, that many groups have strong ground rules against blatant advertising. When you join a group, always check with the moderator to understand what is appropriate.

9. Posters and bulletin boards -- Posters can be very powerful when placed where your customers will actually notice them. But think of how often you've actually noticed posters and bulletin boards yourself. Your best bet is to place the posters on bulletin boards and other places which your customers frequent, and always refresh your posters with new and colorful posters that will appear new to passers by. Note that some businesses and municipalities have regulations about the number of size of posters that can be placed in their areas.

\* 10. Radio announcements -- A major advantage of radio ads is they are usually cheaper than television ads, and many people still listen to the radio, for I example, when in their cars. Ads are usually sold on a package basis that considers the number of ads, the length of ads and when they are put on the air. . A major consideration with radio ads is to get them announced at the times that your potential customers are listening to the radio.

11. Telemarketing -- The use of telemarketing is on the rise.

12. Television ads -- Many people-don't even consider television ads because of the impression that the ads are very expensive. They are more expensive than most of major forms of advertising. However, with the increasing number of television networks and stations, businesses might find good deals for placing commercials or other forms of

advertisements. Television ads usually are priced with similar considerations to radio ads, that is, the number of ads, the length of ads and when they are put on the air.

13. Web pages -- You probably would not have seen this means of advertising on a list of advertising methods if you had read a list even two years ago. Now, advertising and promotions on the World Wide Web &e almost commonplace. Businesses are developing Web pages sometimes just to appear up-to-date. Using the Web for advertising requires certain equipment. and expertise, including getting a computer, getting an Internet service Communication provider, buying (usually renting) a Web site name, designing and installing the Web site graphics and other functions as needed (for example, 'an online store for e-commerce), promoting the Web site (via, various search engines, directories, etc.) and maintaining the Web site.

14. Yellow Pages --The Yellow Pages can be very effective advertising if your ads are well-placed in the directory's categories of services, and the name ' of your business is descriptive of your services and/or your ad stands out (for example, is bolded, in a large box on the page, etc.). The phone - company will offer free advice about placing your ad in the Yellow Pages. They 'usually have special packages where you get a business phone line along with a certain number of ads.

### **Creation of advertisement**

1. Advertiser : Seller who manufacture and market consumer products are the prominent group of advertisers. Hindustan unilever , proctor and gamble, Seimen and Larson and toubro are the examples of advertisers. Also the retailers are the second prominent segment among advertisers. They stock the products . and sell them to the ultimate consumers. Government and social organization are also the active participant in this category.

2. Target audience : It refers to the recipient of the advertising message. Every message is either directed to a mass audience and class audience. Advertising desire to cover this target audience for promoting sales. Advertising message intends to cover the potential user and non user who may purchase the product in future. The messages are also directed to the user of the competitor's product so that they switch over the advertiser's products.

3. Advertising Agencies : An advertiser has two options viz. (i) to design, develop and produce and advertising message and get it placed in desired media directly through his own sales or advertising department, or (ii) to entrust the entire job of advertising to a team of highly professionalised, specialised, independent, advertising agency. An advertising agency is composed of creative people, who conceive design, develop and produce, advertising message with creative ideas and place it in the desired advertising media, for and on behalf of its client (the advertiser). The advertising agencies usually charge a commission of 15% on the media bills from the media owners. In addition, they charge out-of pocket expenses to their clients, i.e. the advertisers. They employ copywriters, artists, photographers. Typographers, layout designers, editors and such other creative people.

4. Advertising Production People (Artists) : The production of impressive and persuasive advertisements is possible only with the active help and creative spirit of the artists like copywriters, artists, photographers, typographers, layout designers, editors and such other creative people. Such people are usually employed by the ad agencies or, their services may be hired by the ad agencies on job basis.

5. Target Audience (Readers, Listeners, Viewers and Present and Future Buyers) : Advertising messages are given about products services and ideas to readers, listeners, viewers and actual and potential buyers, who are known as the audience. The target audience may be classified into the following three categories, viz.,

(i) existing or, current consumers, who are reminded and influenced to continue their patronage and to increase the volume of their buying,

(ii) consumers, who buy and use, a competitor's brand; hence they are persuaded to buy the advertised brand, instead of the competitor's brand; and

(iii) those consumers, who do not use any such product; and even then, are persuaded to buy the advertised product.

6. Mass Media : Advertising messages are communicated to the target audience through different mass media, such as, (i) Print Media : They consist of newspapers, magazines, journals, handbills, etc. (ii) Electronic Media : They consist of radio, television motion pictures, video, multi-media and the internet. (iii) Outdoor Media : They consist off posters, hoarding, handbills, stickers air balloons, neon sign bill boards, local cinema houses, and transit media.

7. Government Authorities : The business of advertising is regulated by the government department. The government adopts law and regulation which have a direct or an indirect bearing on the advertising. Apart from this ASCI (Advertising standards council of India) and ABC (Audit Bureau of circulation) are also some of authorities regulating advertising.

8. Advertising Production Firms: Advertising production firms are the support agencies which help in the production of advertisement. This includes copywriter, artist, photographers, typographers, producer, editors. These are the people who transform ideas into a finished forms Thus the success and failure of the advertisement depend on these people.