

Subject-	Advertising Management
Code -	MBA 902
Class-	MBA 3rd Sem

Questions Bank

Section A

SECTION-A contains questions carrying FIVE marks

1. Write a short note on AIDA Model.
2. Explain the functions of Advertising agency.
3. What do you mean by Concurrent Testing?
4. What are the guidelines for copywriting?
5. Write a short note on client agency relationship.
6. What is surrogate advertising?
7. What is puffery in advertising?
8. What do you mean by Advertising theme?
9. Discuss various outdoor media for advertising.
10. Discuss DAGMAR approach to setting advertising objectives.
11. Define the term online advertising.
12. Discuss the various elements of Media strategy.
13. Highlight the elements of copy writing.

Section B

SECTION-B contains questions carrying EIGHT marks

1. Explain Lavidge –Steiner model of integrated communication with illustration.
2. Write a detailed note on
 - a) Production cost
 - b) Distribution cost
 - c) Consumer cost
3. Highlight the advantages and disadvantages of Television media, Radio media and Internet media.
4. What is Advertising Budget? Discuss approaches and procedure for determining the size of advertising budget.
5. Recommend tools for measuring effectiveness of advertisements.
6. Why is ethics and social responsibilities are important in advertising?
7. What are the different aspects an advertiser should consider while selecting an advertising agency?
8. What is Advertising Appeal? Describe different types of advertising appeal.
9. Write a detailed note on
 - a) AIDA Model
 - b) DAGMAR
10. What is advertising creation stage in building of advertising program?
11. Explain advertising agency and what are the different types of advertising agencies?

Solutions Bank

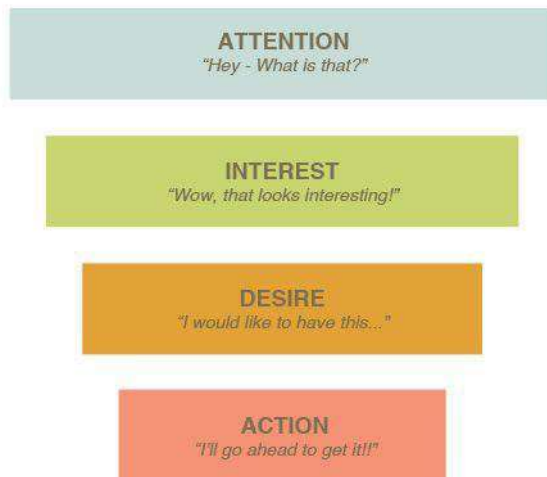
Section A

1. Write a short note on AIDA Model.

Solution:-

AIDA Model is a selling concept presented by Elmo Lewis to explain how personal selling works. AIDA Model outlines the processes for achieving promotional goals in terms of stages of consumer involvement with the message. The Stages are Attention, Interest, Desire, and Action.

THE AIDA - MODEL



1. Attention

In this media filled world, advertisers need to be quick and direct to grab audience attention. Ads are required to be eye catchy which can make audience stop and read or watch what advertiser have to say next. Powerful words and pictures are used in ads to make them attractive.

2. Interest

After getting attention of a chunk of the targeted audience, it is required to keep them engaged with the ad to make them understand the message in more detail. Gaining the reader's or audience interest is more difficult process than grabbing their attention. To gain audience interest the advertisers must stay focused on audience needs.

3. Desire

The Interest and Desire parts of AIDA go hand-in-hand. As advertiser builds the audience interest, he also needs to help them understand how what he is offering can help them in a real way. The way of doing this is by appealing to their personal needs and wants. A good way of building the reader's desire for advertiser offering is to link features and benefits. Hopefully, the significant features of the offering have been designed to give a specific benefit to members of the target market.

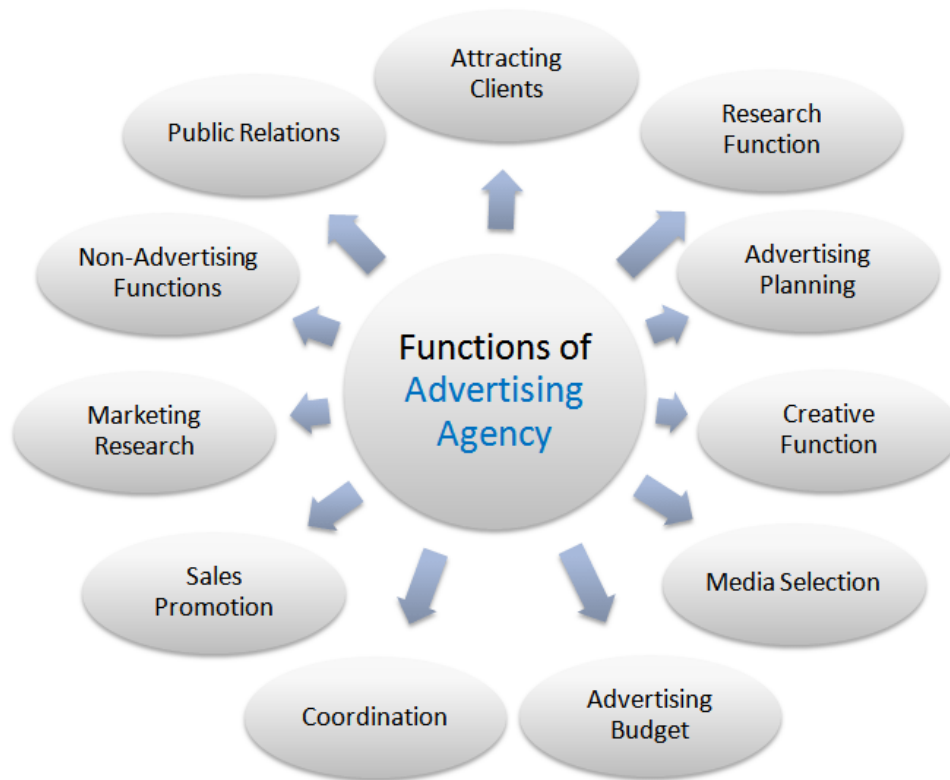
4. Action

Finally, advertiser needs to be very clear about what action he want the audience to take- trial, purchase, repurchase, or other.

2. Explain the functions of Advertising agency.

Solution:-

Advertising agency performs following functions:



1. **Contacting Clients:** Advertising agency first of all identify and contact firms which are desirous of advertising their product or services. Ad-agency selects those firms which are financially sound, makes quality products or services, and have efficient management.
2. **Planning Advertisement:** Advertising agency's next function is to plan ad for its client. For ad planning following tasks are required to be performed by ad-agency:
 - a) Study of client's product to identify its inherent qualities in relation to competitor's product.
 - B) Analysis of present and potential market for the product.
 - c) Study of trade and economic conditions in the market.
 - d) Study of seasonal demand of the product
 - e) Study of competition and competitor's spending on advertising.
 - f) Knowledge of channels of distribution, their sales, operations, etc.
 - g) Finally, formulation of advertising plan
3. **Creative Function:** Creative people like - the copywriters, artists, art-directors, graphic-specialists have to perform the creative function which is most important part of all advertising function.

4. **Developing Ad-Copy:** Ad-agency with the help of their writers, artists, designers, animators, graphic-designers, and film-directors prepares and develops Ad-copy.
5. **Approval of Client:** Ad-copy is shown to the client for his approval
6. **Media Selection and scheduling:** It is very important function of ad-agency to select appropriate media for its clients. Ad-agency has to consider various factors like- media cost, media coverage, ad-budget, nature of product, client's needs, targeted customer, and etc while selecting media.
7. **Ad-Execution:** After approval, verification, and required changes, the ad-copy is handed to the media for ad-execution.
8. **Evaluation Function:** After execution, it is the responsibility of ad-agency to evaluate the effectiveness of ad to know how beneficial the ad is for its client.
9. **Marketing Function:** The advertising agency also performs various marketing function like- selecting target audience, designing products, designing packages, determining prices, study of channel of distribution, market research, sales promotion, publicity, etc.
10. **Research Function:** Ad-agency performs various research functions like- research of different media, media cost, media reach, circulation, entry of new media, information regarding ratings, and TRP's of TV programmes, serials.

3. What do you mean by Concurrent Testing?

Solution:-

Concurrent testing is evaluated throughout the whole advertisement execution process. Tests are conducted while audience is exposed to different type of media. Following are the types of concurrent testing methods:

- a) **Consumer Diaries:** Diaries are provided to a selected customer. They are also informed to record the details of advertisements they watch, listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

- b) **Co-incidental Surveys:** This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.
- c) **Electronic Devices:** Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

5. What are the guidelines for copywriting?

Solution:-

Copywriting is the use of words to promote a person, business, opinion or idea. Broadly the whole ad is called a copy but specifically the matter written in words is called copy. The rest of the ad may have visual elements like photographs, pictures, illustrations, logos etc. Those who write verbal messages are called copywriters. The writing aims to achieve business objectives. Copywriting is a composite art that requires a combination of linguistic ability & business sense. Copywriters write copy and the associated headlines, slogans, base lines etc. They also develop copy for TV, cinema commercial etc. Here copy is the audio part that is co-ordinate with the video part. They prepare drafts for press releases & promote other promotional materials like direct mailing & catalogues.

Guidelines for copywriting

- a) Let your personality shine through
- b) Have sound structure (and a purpose)
- c) Know your audience
- d) Hit on emotions, needs and desires
- e) Be consistent

- f) Use calls to action
- g) Be persuasive
- h) Accent your strengths (your unique selling proposition)

6. What is surrogate advertising?

Solution:-

Surrogate advertising is a form of advertising which is used to promote banned products, like cigarettes and alcohol, in the disguise of another product. This type of advertising uses a product of a fairly close category, as: club soda, mineral water in case of alcohol, or products of a completely different category (for example, music CD's or playing cards) to hammer the brand name into the heads of consumers. The banned product (alcohol or cigarettes) may not be projected directly to consumers but rather masked under another product under the same brand name, so that whenever there is mention of that brand, people start associating it with its main product (the alcohol or cigarette). In India there is a large number of companies doing surrogate advertising, from Bacardi Blast music CD's, Bagpiper Club Soda to Officers Choice playing cards.

Surrogate Advertising In India

- Surveys resulted that liquor ads had direct influence on Consumers purchase behavior
- Advertisements for liquor and cigarettes has been banned since 1995
- So companies usually either go for brand extension and promotion of events .

7. Write a short note on client agency relationship.

Solution:-

Client-agency relationship means relationship between advertiser and ad-agency. Cordial relationship with full trust and confidence is must to get maximum from ad agency and agency can also work with free hand. Certain basic principles have been evolved by the experts of advertising management to have sound relations between the agency and the media that help client and media to have long ending business relations to reap the benefits of continuous relations.



These are pointed as;

1. **Agency and the Clients:** Advertising agency is known for selling professional services to the clients. There cannot be any hard and fast rules for arriving at working agreement between the two because each DVERTISING agency and its clients are unique working under their own set of circumstances and conditions
- 2). **Commitment:** Every advertiser expects that the agency he engages refrains from accepting advertising work for his competitors. It is equally true that the advertiser shall not engage any other agency without the prior consent of the agency.
- 3). **Prior Approval:** The advertising agency is to get the prior approval for all the advertising work on the basis of client feedback and for all the expenses connected with

the advertising. It is of crucial importance because; it is a matter of money spending and commitment. 5

4) **Payment:** In accordance with the agency contract with the media, the client is to pay the agency at the media's published rates and the agency, has the right to retain its commission allowed by the media. Any concession extended by the media is to be passed on to the client.

5) **Mutual Trust and Confidence:** There should be an attitude of mutual confidence and trust. The agency should be allowed to participate in planning and there should be no interference in its executive. The company should have the freedom to contribute creative ideas to the agency and the latter should accept them with due changes and considerations.

8. What is puffery in advertising?

Solution:-

Advertising puffery is defined as advertising or promotional material that makes broad exaggerated or boastful statements about a product or service that are subjective (or a matter of opinion), rather than objective (something that is measurable), and that which no reasonable person would presume to be literally true. Puffery does not create any express warranty or guarantee for the consumer.

For example :- 1. The best hamburger in the world

2. puffery is used in almost every type of advertisement. In 2000, Pizza Hut brought a lawsuit against Papa John's challenging whether Papa John's advertisements were puffery or false advertising. The Fifth Circuit Court of Appeals considered Papa John's ad that stated Better ingredients. Better Pizza. The court's judgment found that that statement standing alone was not a verifiable fact that would be relied upon by consumers and, therefore, was mere puffery.

9. Advertising theme.

Solution:-

An advertising theme is a central, repetitive message that promotes brand awareness and is meant to provide an impact beyond just individual or disconnected ads. A theme of advertising is a central idea intended to trigger desired action from customers. It is the heart

of advertising copy. Generally, advertising utilizing a theme may not only use that theme in television advertising, but also in radio, print, and Internet ads as well. Themes may be readily recognizable as promoting a certain emotion, such as fear, but they can also be strictly humorous in nature.

Common Type of Themes:

- i. Comfort: This theme is generally used in cars, air conditioners, home durables products
- ii. Beauty: This theme is generally expressed for the beauty products, cosmetics etc.
- iii. Family values: This theme is prominently used by Coca-Cola through their ads. Its main competitor use the theme of energy and youth in its ad campaigns. They use different themes for the similar product because they target different customer segment.
- iv. Prestige: Luxury products like jewelry, costly goods like refrigerators, high end automobiles show this theme to position themselves.
- v. Other commonly used themes are patriotism, courage, fear, achievement, self-confidence etc.

Examples:

- i. Coca-Cola Ad Theme: Coca-Cola has positioned itself as a product which care about relations and values. The same is reflected from its ad campaigns. In every ad of Coca-Cola, there will be a family rejoicing together over some event with Coca-Cola
- ii. Pepsi Ad Theme: Pepsi, although selling the similar product as Coca-Cola but using entirely opposite ad theme in its ad campaigns. In their ads, they always promote youth energy, courage to take up challenges and new initiatives. Pepsi ads never talk about family values relationships and this feature is found in every Pepsi advertisement.

10. Discuss various outdoor media for advertising.

Solution:-

1. Poster and wallpainting:-

Poster and wall paintings are effective media in advertising to the rural masses. These media are not suitable for towns as cities as it perceived to distasteful by the city dwellers.

2. Hoarding:-

Hoardings also known as billboard are very cheap media. It can be effective for

advertising cars, hotels and restaurants. Hoardings are usually focused at the driving



public.

3. **Electric/electronic sign:-**

Currently, neon boards are gradually replacing the traditional hand painted hoardings. Neon signs and electronically illuminated billboard are becoming popular.

4. **Sky writing:-**

Sky writing involves using inflated balloons and airplanes to display advertisements. This media is not so popular.

5. **Sandwich men:-**

Sandwich men medium use human being to display an advertisement. A person wears the advertisement boards and moves around the town.

6. **Traveling displays:-**

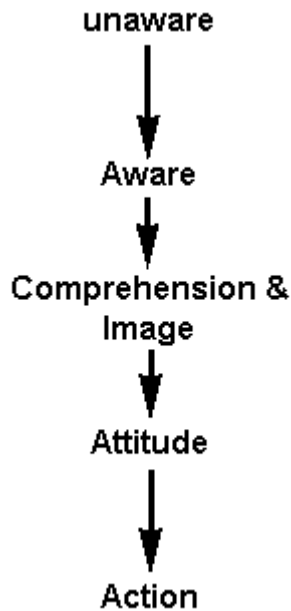
Traveling displays involves placing advertisement on public transport system such as buses, trucks and taxis.

11. Discuss DAGMAR approach to setting advertising objectives.

Solution:-

DAGMAR stands for Defining Advertising Goals for Measured Advertising Results. DAGMAR Model was developed by **Russell Colley** in 1961 for setting advertising objectives and measuring advertising results.

According to DAGMAR Model the ultimate objective of advertising involves a communication task, intended to create awareness, impart information, develop attitude and induce action.



1. Awareness

Before the purchase behavior is expected from target audience it is necessary to make the audience aware with the product or company. The initial communication task of the advertising activity is to increase the consumer awareness of the product or offer.

2. Comprehension

Only Awareness is not sufficient to stimulate a purchase, sufficient knowledge and information about product or organization is necessary. This step involves the target audience to learn something about product, organization, or offer. Here communication task of advertising activity is to make consumer learn about product - product characteristics, benefits, or uses.

3. Attitude or Conviction

At this step a sense of conviction is established. By creating interest and preference, buyers are moved to a position where they are convinced that a particular product in the class should be tried at the next opportunity. At this step communication task of advertising activity is to mould the audience's beliefs about the product and this is often done through messages that demonstrate the product's superiority over a rival or by talking about the rewards as a result of using the product.

4. Action

Finally, communication must encourage buyer to engage in purchase activity

12. Define the term online advertising.

Solution:-

Online advertising, also called online marketing or Internet advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. Consumers view online advertising as an unwanted distraction with few benefits and have increasingly turned to ad blocking for a variety of reasons.



It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. Like other advertising media, online advertising frequently involves both a publisher, who integrates advertisements into its online content, and an advertiser, who provides the advertisements to be displayed on the publisher's content. Other potential participants include advertising agencies who help generate and place the ad copy, an ad server which technologically delivers the ad and tracks statistics, and advertising affiliates who do independent promotional work for the advertiser

13. Discuss the various elements of Media strategy.

Solution:-

The Four basic elements of Media strategy statement are:

1. Media Mix
2. Usage of Media

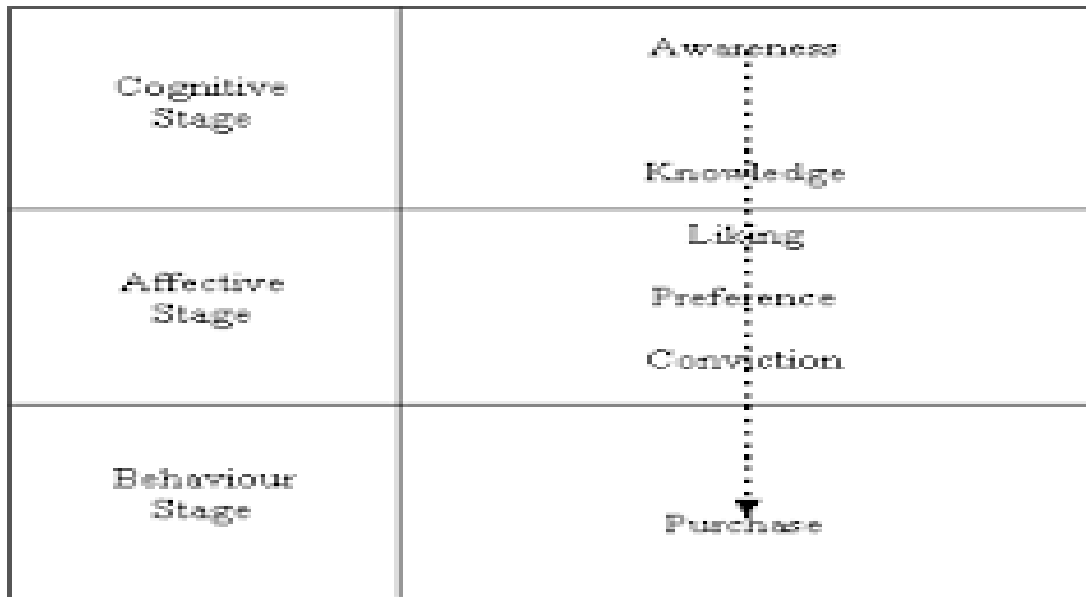
3. Geographic Allocation
 4. Scheduling Strategy
1. Media Mix For each target market, a market-media match exercise needs to be done and the role each medium would play in contributing to the achievement of media objectives is described. Summary explanation of the approximate allocation by medium is also provided.
 2. Usage of Media Each medium lends itself for use in various ways, by way of commercial forms in which it is available. How each is to be used in terms of spot buying vs. sponsorship on television, time/space units general interest vs. special interest publications, prime time/space vs. non-prime time/space, colour vs. black & white, main issue vs. supplements and so on – are decisions to be taken so as to extract the best mileage out of the selected media.
 3. Geographic Allocation In view of the market priorities and the differential media objectives set for such market, how the media mix is to be used in order to allocate the advertising effort is explained in strategic terms.
 4. Scheduling Strategy The extent and spacing of the media activity in a time frame is expostulated. Rationales for controlling the continuity of the exposures are also provided. These are dependent upon various factors drawn from various background analysis done earlier on seasonality, competitive advertising, budgetary considerations, brand purchase cycle and so on. Any other factor which is of strategic media significance and is believed to have a positive impact on the success of the media plan also needs to be highlighted in the Media strategy statement.

Section B

1. Explain Lavidge –Steiner model of integrated communication with illustration.

Solution:-

The Hierarchy of Effects Model was created in 1961 by Robert J Lavidge and Gary A Steiner. This marketing communication model, suggests that there are six steps from viewing a product advertisement (advert) to product purchase. The job of the advertiser is to encourage the customer to go through the six steps and purchase the product.



The six steps are as follows:

a) Awareness

The customer becomes aware of the product through advertising. This is a challenging step, there is no guarantee that the customer will be aware of the product brand after they view the advert. Customers see many adverts each day but will only remember the brand of a tiny fraction of products.

b) Knowledge

The customer begins to gain knowledge about the product for example through the internet, retail advisors and product packaging. In today's digital world this step has become more important as consumers expect to gather product knowledge at the click of a button. Consumers will quickly move to competitor brands if they do not get the information they want. The advertiser's job is to ensure product information is easily available.

c) Liking

As the title a state, this step is about ensuring that the customer likes your product. As an advertiser what features can you promote to encourage the customer to like your product?

d) Preference

Consumers may like more than one product brand and could end up buying any one of them. At this stage advertisers will want the consumer to disconnect from rival products and focus on their particular product. Advertisers will want to highlight their brand's benefits and unique selling points so that the consumer can differentiate it from competitor brands.

e) Conviction

This stage is about creating the customer's desire to purchase the product. Advertisers may encourage conviction by allowing consumers to test or sample the product. Examples of this are inviting consumers to take a car for a test drive or offering consumers a free sample of a food product. This reassures consumers that the purchase will be a safe one.

f) Purchase

Having proceeded through the above stages, the advertiser wants the customer to purchase their product. This stage needs to be simple and easy, otherwise the customer will get fed up and walk away without a purchase. For example a variety of payment options encourages purchase whilst a complicated and slow website discourages purchases.

Six Steps and Behaviour

Lavidge and Steiner suggested that the six steps can be split into three stages of consumer behaviour: cognitive, affective and conative. The job of the advertiser is to promote the three behaviours.

- Cognitive (thinking) so that the consumer becomes product aware and gathers product knowledge
- Affective (feeling) so that the consumer likes the product brand and has conviction in it
- Conative (behaviour) so that the consumer buys the product brand

2. Write a detailed note on

a) Production cost

b) Distribution cost

c) Consumer cost

Solution:-

- a) **Production cost** refers to the cost incurred by a business when manufacturing a good or providing a service. Production costs include a variety of expenses including, but not limited to, labor, raw materials, consumable manufacturing supplies and general overhead. Additionally, any taxes levied by the government or royalties owed by natural resource extracting companies are also considered production costs.

The key elements included in the production costs are as follows:

- i. Purchase of raw machinery
- ii. Installation of plant and machinery
- iii. Wages of labor
- iv. Building rent
- v. Interest on capital
- vi. Wear and tear of building and machinery
- vii. Advertisement expenses
- viii. Payment of taxes
- ix. Insurance charges
- x. The imputed value of factor of production owned by the firm itself is also added in the production cost.
- xi. The production cost also includes the normal profit of the entrepreneur.

Formula for computing Production Costs

The general formula used for computing production cost is:

Production cost per item = Fixed Cost (FC) + Variable cost (VC) / No. of units produced

- b) **Distribution costs** (also known as “Distribution Expenses”) are usually defined as the costs incurred to deliver the product from the production unit to the end user.

It is a broad terminology and it includes several costs. Some of the costs are discussed below.

If the shipper is a distributor and it further sells to the retailer and the retailer sells to the end user then all the separate distribution costs at each stage would be included in the total distribution cost. Moreover, in some cases the manufacturer has a production unit at one place and the “product pick up place” by the forwarder at another place. The cost of moving the product from the place of production to the pick up point is also included in distribution cost.

There are other types of costs as well that that are included in the distributions costs. Handling cost of inventory at all points for example production place, storehouse, sales point is part of distribution cost. Packing costs are also part of distribution costs. Distribution managerial cost such as the salary expense of distribution manager and his/her office expenses are also part of

distribution costs. Freight cost is usually the most important component of distribution costs. If the product is manufactured and sold in same country then freight cost refers to the “Trucking” or such transport fare to deliver the product.

If the product is sold internationally then it may include Air Freight, Less than container load (LCL), Day-Definite LCL or Full container load (FCL). In case the product is transported by air the cost would be higher and if it is transported through LCL the cost would be lower but there is one further point to contemplate i.e. Transit Time. The transit time for LCL is longer and the transit time for moving by air is smaller. Covering all ends there is a need for comparative analysis between the product demand urgency and transport cost. If the product is urgently needed and the shipper is losing sales revenue then it is optimum to reduce transit time and increase the freight expense. For example the sale loss is \$10,000 and moving by air increase the freight to \$20,000 then it is not recommended to move by Air. But it is recommended to move by Air if the sale loss is \$30,000

- c) **Customer cost** refers not only to the price of a product, but it also encompasses the purchase costs, use costs and the post-use costs. Purchase costs consist of the cost of searching for a product, gathering information about the product and the cost of obtaining that information. Usually, the highest use costs arise for durable goods that have a high demand on resources, such as energy or water, or those with high maintenance costs. Post-use costs encompass the costs for collecting, storing and disposing of the product once the item has been discarded.

Elements of total customer cost

i. Purchase costs

Purchase costs include the cost of searching for a product, gathering information about it and transporting it, collectively also referred to as transaction costs.

The initial purchase of a product has the highest search and information costs. The consumer might also perceive additional risks in comparison to purchasing familiar products:

- financial risks: fear of the product being financially negative
- performance risks: fear of the product not performing as anticipated
- physical risks: fear of the product being harmful to user
- time risks: fear of the product being time-consuming in its adoption or use
- social risks: fear of the reaction of their personal social network to the product
- psychological risks: fear of the negative post-purchase emotions such as disappointment, regret or frustration of the purchase

ii. Use costs

Long-lasting products, such as cars or houses, require energy and maintenance, resulting in considerable operating costs when in use. These use related costs are often neglected or underestimated when the consumer purchases a product. Use costs also include the costs of switching to a new product. The consumer faces the costs of change if the product requires a different way of use. An extreme example for this would be the new behavioral patterns necessary for switching from owning a car to car-sharing or using public transportation systems.

This perceived cost can prevent consumers from switching to newly introduced sustainable products, that are designed to be resource efficient, thus having lower use costs than conventional products. Products such as washing machines and refrigerators are examples that save water and energy in significant amounts, at the cost of complicated controls.

iii. Post-use costs

Post-use costs comprise the costs, which occur after the product is at the end of its life: the costs include the collection, storage and disposal of the item. These costs are strongly affiliated to the type and amount of packaging, design and durability of the product, the use of recycled materials and the possible resale, recycle and deposition possibilities.

Consumers are generally not very aware of post-use costs. Since developed countries usually include the disposal costs in property or public service taxes, these costs are not explicitly related to the product, except when those extra costs are billed directly to the consumer.

3. Highlight the advantages and disadvantages of Television media, Radio media and Internet media.

Solution:-

1. **Television media** :- TV advertising is the most powerful form of advertising. Basically it is a combination of both video and audio advertising messages with various varieties. Some people believe that TV advertising is more powerful than other advertising means such as magazines, websites, radio stations, and newspaper. According to a research, it has been revealed that most of the people spend at least 4 to 5 hours watching television. In fact, it has become most common leisure activity of people. Because of this, television is considered to be the 'king' of advertising media. A TV Advertising Company always seeks to capture the attention of as many people as possible.

Before a product is advertised, a thorough market research is conducted in order to know the reactions of various consumers about the product. There are various advantages and disadvantages of TV advertising. They are:

Advantages

1. TV advertising allows the product to reach large number of people, both at regional as well as at national level. In addition, a very short span of time is required to reach the product to the public.
2. TV helps in conveying the message or advertisements with sound, visuals and actions.
3. TV advertisements can target large number of local people with local cable network channels and independent stations.
4. Various segments of people like house wives, young people and children are targeted through different channels like cartoon etc.
5. They provide complete flexibility and selectivity options to the customers so that they can choose the desired product offered by various companies.
6. Television advertisements can attract people and convince them to buy the products. This is extremely advantageous for small business.

2. Radio media:- Advertising on Radio has a lot of advantages. Usually, it is cheaper than other media, it can be aimed at a narrow audience and can reach people within this audience wherever you go. But there are also disadvantages. The ephemeral nature, the rapid nature of the ads on radio can make the message is not in the audience. Too many radio ads may alienate listeners.

Advantages:

1.cheap:-

Radio advertising is relatively cheap compared to print or television advertising, says marketing consultant Mike Brassil. Production costs are lower, you can rent a cabin sound for a couple of hours to make an announcement passable through the radio. You also have to pay less for advertising time to reach the same number of people as you would with a TV or print ad.

2. The destination:-

The wide range of offers, radio allows you to target your message to specific groups. Some stations are after the widest possible audience, but many point to niche markets, such as adolescents, sports fans, news junkies, political conservatives, university students, educated people, or fans of any kind of music. Advertising a smaller station could cost more individual listener, but have a much greater chance of reaching a demographic target.

3. Portability:-

The consultant of advertising media Gail Jordan says that radio is the only mass medium that people use while driving, clean the house or mow the lawn. TV advertising requires people to sit in front of their TV, print ads and web require focused attention on the page or screen. But you can listen to the radio while doing other things.

4.Special Interests:-

Radio stations target different audiences with their programming schedules, enabling advertisers to target special interest groups or different age groups with minimal waste. Different music programs, for example, give you the choice of targeting a teenage audience, an older audience with an interest in classical music or cultural events, or a general audience.

Disadvantages

1. lack of permanence

If an ad in a newspaper or magazine catches your eye, you can crop and save, or at least take a picture of it. With the advent of the DVR, including television advertising you can rewind and watch again, if it attracts the viewer's interest. But radio ads are ephemeral: you hear them, and then it is gone. If you have lost a phone number or any other details mentioned in the notice, you'll have to wait to be advertised again.

2. distraction

- This is the other side of portability. People can listen to the radio while driving, and in doing so will not be able to act immediately to listen advertisements. Nobody is going to stop on the highway, for example, to enter a number. Meanwhile, those who listen to the radio while working can be so focused on their tasks than ever logged.
- Morning and evening commutes are key times when many businesses want their ads to run, and there are only so many spots to go around. This can drive up the cost for those choice time slots.
- Radio can often be background noise. You will need to run your ad more than a few times in order for it to make an impact.

2. **Internet media:-** Advertising is the branch of marketing that deals with communicating to customers about products, brands, services and companies. The Internet, as a global

communications medium, provides advertisers with unique and often cost-effective ways of reaching advertising audiences. As with all media, however, advertising on the Internet has unique advantages and disadvantages.

Advantages

The Internet's vast reach can allow advertisers to reach significantly more people than traditional advertising media at a fraction of the cost. Internet advertising is ideal for businesses with a national or international target market and large-scale distribution capabilities. As a rule, the more people your business serves, the most cost-efficient internet advertising can be. Internet advertising can also be more targeted than some traditional media, ensuring that your messages are seen by the most relevant audiences.

Disadvantages

One disadvantage of advertising on the Internet is that your marketing materials are automatically available for anyone in the world to copy, regardless of the legal ramifications. Logos, images and trademarks can be copied and used for commercial purposes, or even to slander or mock your company. This is not the case with television and magazine advertising, wherein images must be replicated rather than simply copied electronically. Another disadvantage is the fact that the Internet-advertising gold rush has begun to introduce ad clutter to the Web. Web users are so inundated with banner ads and spam email that they have begun to ignore internet advertising just as much as ads on traditional media.

4. What is advertising Budget? Discuss approaches and procedure for determining the size of advertising budget.

Solution:-

In this advertising world, every day we see many advertisement of different products or brands. Organizations invest heavily in advertising to make their product popular and to increase sales. But, here the question is - how the organizations decide - how much to advertise? How much to invest in advertisement? What should be the size of advertising budget?

Definition of Advertising Budget

Advertising budget is an estimated amount an organization decides to invest in its promotional expenditures over a period of time. An advertising budget is the money a company set aside to accomplish its marketing objectives.

It is difficult to measure the effect of advertising on business sales. Advertising is just one of the variables that affect sales in a period of time. As a percentage of sales, advertising expenditure

varies from business to business. Because of such complications it is very difficult for business organizations to decide the size of advertising budget. There are various approaches that can be used to set advertising budget.

Approaches to Develop Advertising Budget

1. Percentage of Sales Budget
2. Competitive Parity Approach
3. Objective and Task Approach
4. All Organization can Afford Approach
5. Market Share Approach
6. All Available Fund Approach
7. Managerial Judgment Approach

1. Percentage of Sale Budget

According to this approach the business organization have to set their advertising spending at a fixed percentage of either past or anticipated sales. This Approach can be followed by organizations operating in markets with stable and predictable sales pattern. As it is simple in application, it is most commonly used by small business organizations.

This approach has some disadvantages, as sales is not directly related to advertising, it get affected by different variables too.

2. Competitive Parity Approach

This approach is followed by organizations whose product is well established and operating in market with predictable sales pattern. Organizations following this approach compare their advertising spending with that of its competitors. As the organization is aware of how much its competitors are spending in advertising, it can logically decide its advertising budget either equal, more, or less to that of the competitors.

Here considering competitors advertising budget organization should consider its objectives too, as the competitors objectives may not be similar or comparable.

3. Objectives and Task Approach

This approach is followed by big organizations having well defined marketing objectives, and business goals. Following this approach advertiser can correlate its advertising spending to marketing objectives. In long term this correlation is important to keep organizational spending focused on business goals.

4. All organization can afford approach

It is difficult for small business organizations to invest heavily in advertising. Small business organization's advertising spending depends more on their affordability. According to this approach advertisers base their advertising budget on what they can afford.

5. Market Share Approach

Similar to competitive parity approach, the market share approach bases its advertising spending on external market trends. With this method a business equates its market share with its advertising expenditures.

6. All Available Fund Approach

According to this approach all available profit is used in advertising spending. It can be too risky for any size of organization as the all available fund is used in advertising and no fund is allocated to help business grow in other ways like- technology up-gradation, or work force development. This approach is useful for new business organizations trying to develop its brand.

7. Managerial Judgment Approach

In long run managers gain expertise in their field of operation. Similarly, some of the marketing managers working over the years develops a feel for the market that permits them to arrive at appropriate decisions. According to this approach the organizations advertising spending depends on the judgment of experienced managers.

5. Recommend tools for measuring effectiveness of advertisements.

Solution:-

In today's advertising world, every firm invests heavily on advertisement for making their products or services known to the target audience and to arouse the interest of target audience in firm's products or services. Advertising is done with some predefined objectives- to generate awareness about product, to arouse interest in product, to change the attitude of audience towards product, to stimulate desire for product, or to make them buy the product.

Advertising is of no use if the defined objective of communication is not achieved. So, it is necessary to evaluate the effectiveness of advertisement at different level, starting from creation of ad-copy to running of ad on media, and also after execution of ad to know to what extent the objectives are achieved.

Types of Test

Following are the types of test applied in advertisement evaluation:

- Pre-Testing
- Concurrent Testing
- Post Testing

1. Pre-Testing

Pre-Testing follows the universal law "Prevention is better than cure". Advertising can be pretested at several points in the creative development process. Pre-Testing helps the advertiser to make a final go or no go decision about finished or nearly finished advertisement. Pre-Testing method refer to testing the potentiality of a communication message or ad-copy before printing, broadcasting, or telecasting. Following are the types of pre-testing methods:

A. Qualitative Methods of Pre-Testing

- a) **Focus Group:** Focus group involves exposing the ad to a group of 8 to 12 respondents. Focus groups are used with surprising frequency for making final go or no go decision. A moderator facilitates the discussion and walk s the group through a series of issues that are outlined in discussion guide.
- b) **In-depth Interview:** In-depth interview involve one on one discussion with respondents. Interviews are very effective when a researcher has a good idea of critical issues but does not have a sense of the kind of responses one will get. This method can be effectively used to generate new ad concepts and ideas.
- c) **Projective Techniques:** In this technique the respondent is instructed to project himself into the situation and verbalize the thoughts. Projective technique can be very effective for evaluating ad concepts and for generating new ad concepts. But, it cannot be used for making final decisions.

B. Quantitative Methods of Pre-Testing

- d) **Checklist Method:** Checklist method is used to test the effectiveness of ad-copy. The purpose of this method is to ensure that all elements of the ad-copy are included with due importance in the advertisement. As it is a pre-test method any omitted element of ad can be included in the copy before release of the advertisement.
- e) **Consumer Jury Method:** This method involves the exposure of alternative advertisements to a sample of jury or prospects. This test is designed to learn from a typical group of prospective customers. Advertisements which are unpublished are presented before the consumer jury either in personal interviews or group interviews and their reactions are observed and responses are recorded.
- f) **Sales Area Test:** Under this method advertising campaign is run in the markets selected for testing purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for effective sales campaign. In other markets suitable changes are made in the advertising campaign.
- g) **Questionnaire Method:** It is a list of questions related to an experiment. The draft of an advertisement along with some relevant questions is to be sent to a

group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.

- h) **Recall Test:** Under this method, advertising copies are shown to a group of prospects. After few minutes they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.
- i) **Reaction Test:** The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilation etc. Their reactions reveal the psychological or nervous effects of advertising.
- j) **Readability Test:** All the listeners of advertisements cannot read it equally. So respondents are drawn from different socio economic and geographical backgrounds. This method is used to find out the level of effectiveness when and advertisement is read.
- k) **Eye Movement Test:** The movements of eyes of the respondents are recorded by using eye observation camera when advertisements are shown to them in a screen. This helps to find out the attention value of advertisement.

2. Concurrent Testing

Concurrent testing is evaluated throughout the whole advertisement execution process. Tests are conducted while audience is exposed to different type of media. Following are the types of concurrent testing methods:

- d) **Consumer Diaries:** Diaries are provided to a selected customer. They are also informed to record the details of advertisements they watch, listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.
- e) **Co-incident Surveys:** This method is also called as co-incident telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.
- f) **Electronic Devices:** Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

3. Post Testing

Post testing is done to know- to what extent the advertising objectives are achieved. Following are the types of post testing methods:

- a) **Recognition Test:** Recognition test involves the ability of viewers to correctly identify ad, brand, or message they previously exposed to. The types of recognition test are:

- b) **Starch Test** - The Starch test is applied only to print ads that have already run. The interviewer shows each respondent a magazine or newspaper containing the ads being tested. For each ad the interviewer asks the respondents to reply to ad related questions.
- c) **Bruzzone Test** - The Bruzzone test is conducted through mail surveys. Questionnaires containing frames and audio scripts from television commercials are sent to respondents and respondents are asked whether they recognize the ad and brand.
- d) **Recall or Impact Test:** The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listeners, days after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the readers or viewers to answer some ad related questions, and in response to the question asked, the reader reveals the accuracy and depth of his impression.

6. Why is ethics and social responsibilities are important in advertising?

Solution:-

In today's world of cut throat competition every organization is investing heavily in advertising. Advertising is necessary to make a new product popular in the market and to increase the sales of existing brands. Advertising plays an important role in brand building and informing public about available products so that they can make informed choice among different products or brands.

Advertising is a powerful medium of mass communication. As advertising is a form of mass communication and thus just like other popular forms it too have some social responsibilities associated with it. However, the question is whether advertising fulfill its social responsibilities or not.

Advertisements are meant for the masses and people relate themselves with this medium. Thus, for understanding its responsibilities towards the public, its positive and the negative aspects needs to understood.

PositiveandNegativeAspectofAdvertising

As like any other medium of mass communication, advertising also have positive as well as negative aspects. Advertising increases sales, advertising makes the product popular, advertising helps in brand formation, advertising makes the public aware with the available brands or products. Advertising is the largest financial source for mass media. Advertising is sometimes

subjected to wide criticism. Many of the advertisements are criticized as deceptive or manipulative. Other criticism focus on the social or environmental impact of advertising, the effect of advertising on our value system, commercial clutter, stereotypes, and offensiveness.

Ethics in Advertising

Ethics means a set of moral principles which govern a person's behaviour or activities. Ethics in advertising means a set of well defined principles which govern the ways of communication taking place between the seller and buyer.

Advertising benefits advertisers in many ways, similarly it makes the public aware with the available brands so that they can make informed choice among the available products or brands. But, some of the advertisement doesn't match the ethical norms of advertising, such ads causes political, cultural, or moral harm to society. Ethical ad is one which is in the limit of decency, make no false claims, and doesn't lie.

Nowadays advertisements are highly exaggerated and a lot of puffing is used. It seems like the main area of interest for advertisers is to increase their sales, gain maximum market share, prove their product best in the market by presenting a well decorated, colourful, and puffed advertisement.

Ethical and Moral principles of Advertising

Advertisers must have sufficient knowledge of ethical norms and principles, so that they can understand and decide what is correct and what is wrong. We can identify several ethical and moral principles that are particularly relevant to advertising. We are speaking briefly of three as follows:-

1. Truthfulness in advertising;
2. The dignity of the human person; and
3. Social responsibility.

1. Truthfulness in Advertising

Truth in advertising promotes a highly efficient, functioning economy by:

- a) Discouraging deceptive business practises;
- b) Encouraging the provision of accurate and truthful information;
- c) Enhancing competition by ensuring a level playing field; and
- d) Enabling informed consumer choice.

2. The Dignity of the Human Person

- a) The dignity of human beings should be respected; advertisements should not insult the dignity of human beings;

- b) Different cultures and ethnic groups should be presented in advertising as equal with the majority of the population;
- c) Special care should be given to weak and vulnerable groups like - children, poor people, or elderly people.

3. Advertising and Social Responsibility

Advertising has a strong social responsibility, independent of its known commercial responsibility. Advertisers should have a deeper sense of social responsibility and should develop their own set of ethical and social norms taking into consideration the values of their society.

7. What are the different aspects an advertiser should consider while selecting an advertising agency?

Solution:-

The Advertiser looks for an advertising agency whose services and expertise meets his requirements. Following factors should be considered while selecting an advertising agency:-

- a) **Services offered by Ad-agency** - There are different agencies provides different services, some provides all the services, some provide selected services, some provides only media services. It depends on the requirement of advertiser whether he need a fulls service agency, creative boutique, media buying service agency, or a sweet shop.
- b) **Experience of Agency** - An experienced agency performs better then a new agency because it is familiar with different components of marketing environment like-competitors' policies, taste of consumer, income of consumer, consumer responses, fashions and trends, reputation of different media etc.
- c) **Location** - A major factor to be considered while selecting ad-agency is location of office of agency. A considerable amount of communication is required at different level of ad planning, creation and execution. So, a local or near by ad-agency should be preferred which is easily accessible.
- d) **Size of Agency** - There are both large size agencies and small size agencies, both have their own advantages and disadvantages. Large agencies serves big clients, provides wide variety of services, and charges higher but, cannot give personal attention because of having large number of clients, also cannot give much attention to small clients because of having large number of big clients.

- e) **Competitors' Agency** - Agency which is working for competitors must be avoided otherwise agency will not prepare ads which help the advertiser to take an edge over competition.
- f) **Image of Agency** - While selecting ad-agency the advertiser should inquire the image, integrity, ethical standards, and relations of agency with its clients.
- g) **Creativity and other skills** - Ad-agency must be creative enough to generate new ideas to gain the attention of target audience.
- h) **Rates Charged by Agency** - The rates of agency must suit the pocket of client. Advertiser should select agency whose rates are reasonable and within the ad-budget.
- i) **Financial Strength of Agency** - A financially strong ad-agency have better turnover and better contacts with media owner, and afford better infrastructure, well-equipped-ad labs, and quality staff.
- j) **Past Records of Agency** - It is necessary to know who were the past clients of agency, how long were they with agency, why they left the agency, brand image of products of clients, etc.

8. What is Advertising Appeal? Describe different types of advertising appeal.

Solution:-

Advertising Appeal is an igniting force which stimulates the customer mindset towards the product or services. It not the only factor in the marketing mix which initiates a consumer for buying the product but it is certainly one of the advertisers' most important creative strategy decisions involves the choice of an appropriate appeal.

Advertising appeals are designed in a way so as to create a positive image of the individuals who use certain products. Advertising agencies and companies use different types of advertising appeals to influence the purchasing decisions of people. There are three types of appeals:

1. Rational or Informational Appeal
2. Emotional Appeal
3. Moral Appeal

1. Rational or Informational Appeals

This is generally product oriented appeal, highlights the functional benefits like- quality, economy, value, or performance of a product. Following are different types of rational appeals:

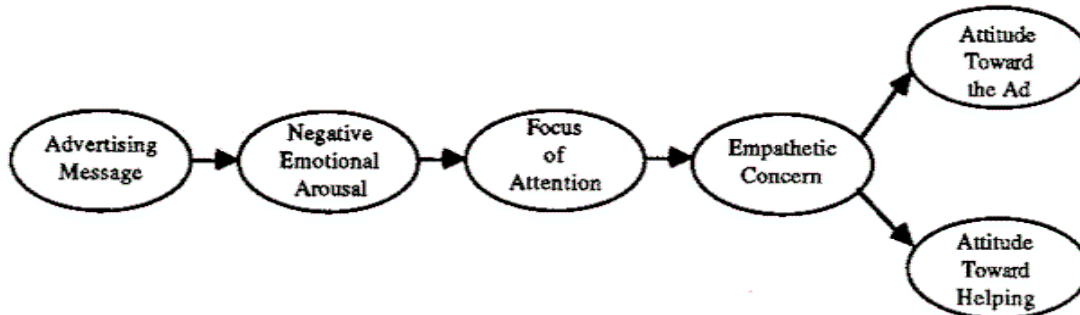
- a) **Feature Appeal** - Advertisements based on such appeal are highly informative, provides information of product attributes or features that can be used as the basis for rational purchase decision. Technical and high involvement product often uses this appeal.
- b) **Competitive Advantage Appeal** - Such appeal is used to compare the product with the competitor's product directly or indirectly and advertiser try to present his product superior then competitor's product on one or more attributes.
- c) **Favourable Price Appeal** - Here price offer is considered as the dominant point of the message.
- d) **News Appeal** - Some type of news or announcements about product or company dominates the advertisement.
- e) **Product Popularity Appeal** - Product popularity is considered as the dominant point of advertisement by highlighting the increasing number of users of brand or the number who have switched to it.
- f) **High Quality** - Some products are preferred for their quality not merely because of their taste or style, such products are advertised by highlighting the quality attribute in advertisement .
- g) **Low price** - Many people prefer low priced goods. To target such audience products are advertised by highlighting the low price tag of the product.
- h) **Long Life** - Many consumers want product of durable nature that can be used for a long period, in advertisement of such product durability is the dominant point of the message.

2. Emotional Appeals

An emotional appeal is related to an individual's psychological and social needs for purchasing certain products and services. Emotions affect all type of purchase decisions. Types of emotional appeals are as follows:

FIGURE

AN ILLUSTRATION OF THE MEDIATING ROLE OF NEGATIVE EMOTIONS AND EMPATHY ON ATTITUDES TOWARD HELPING



- a) **Positive Emotional Appeal** - Positive emotions like- humour, love, care, pride, or joy are shown in advertisements to appeal audience to buy that product. For example- Jonson and Jonson baby products.
- b) **Negative Emotional Appeal** - This includes fear, guilt, and shame to get people to do things they should or stop.
- c) **Fear** - Fear is an emotional response to a threat that expresses some sort of danger. Ads sometimes use fear appeals to evoke this emotional response and arouse consumers to take steps to remove the threat. For example- Life Insurance
- d) **Anxiety** - Most people try to avoid feeling anxious. To relieve anxiety, consumers might buy mouthwash, deodorant, a safer car, get retirement pension plan.
- e) **Humour** - Humour causes consumer to watch advertisement, laugh on it, and most important is to remember advertisement and also the product connected with humour. For example- Happydent, and Mentos.

3. Moral Appeals

Moral appeals are directed to the consumers' sense of what is right and proper. These are often used to exhort people to support social and ethical causes. Types of Moral Appeal are as follows:

- Social awakening and justice
- Cleaner and safe environment
- Equal rights for women
- Prohibition of drugs and intoxication
- Adult literacy
- Anti-smuggling and hoarding
- Protection of consumer rights and awakening

9. Explain the nature, scope and classification of Advertising.

Solution:-

What is advertising? Explain in detail the functions and classifications of advertising.

Answer

Meaning of Advertising - Advertising is an activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media.

Advertising is the promotion of a company's products and services through different mediums to increase the sales of the product and services. It works by making the customer aware of the product and by focusing on customer's need to buy the product. Globally, advertising has become an essential part of the corporate world. Therefore, companies allot a huge part of their revenues to the advertising budget. Advertising also serves to build a brand of the product which goes a long way to make effective sales.

Functions of Advertising - Following are the basic functions of advertising:

1. To distinguish product from competitors' products

There are so many products of same category in the market and they compete with each other, advertising performs the function of distinguishing advertiser's product from competitors.

2. To communicate product information

Product related information required to be communicated to the targeted customers, and advertisement performs this function.

3. To urge product use

Effective advertisement can create the urge within audience for a product.

4. To expand product distribution

When the market demand of a particular product increases, the number of retailer and distributor involved in sale of that product also increases, hence product distribution gets expanded.

5. To increase brand preference

There are various products of different brands available, the brand which is effectively and frequently advertised is preferred most.

6. To reduce overall sale cost

Advertising increases the primary demand in the market. When demand is there and the product is available, automatically the overall cost will decrease, simultaneously the cost of sales like distribution cost, promotional cost also get decreased.

Classification of Advertising - Advertising can be classified on the basis of **Function, Region, Target Market, Company demand, Desired response, and Media.**

A) Classification on the basis of function

- Advertisement informs the customers about a product
- Advertisement persuades the consumers to buy a product
- Advertisement reminds existing customers about the presence of the product in the market

Let us discuss some important types of advertising based on the functional aspect of advertising.

Informative advertising: This type of advertising informs the customers about the products, services, or ideas of the firm or organization.

Persuasive advertising: This type of advertising persuades or motivates the prospective buyers to take quick actions to buy the products or services of the firm. Example: “Buy one, get one free”.

Reminder advertising: This genre of advertising reminds the existing customers to become medium or heavy users of the products or services of the firm that have been purchased by them at least once. This type of advertising exercise helps in keeping the brand name and uses of the products in the minds of the existing customers.

B) Classification on the basis of region

Advertisements can also be classified on the basis of the region, say:

Global advertising: It is executed by a firm in its global market niches. Reputed global magazines like Time, Far Eastern Economic Review, Span, Fortune, Futurist, Popular Science. Cable TV channels are also used to advertise the products through out world. Supermodels and cinema stars are used to promote high-end products Examples: Sony, Philips, Pepsi, Coca Cola, etc.

National advertising: It is executed by a firm at the national level. It is done to increase the demand of its products and services throughout the country. Examples: BPL (Believe in the best). Whirlpool Refrigerator (Fast Forward Ice Simple) etc.

Regional advertising: If the manufacturer confines his advertising to a single region of the country, its promotional exercise is called Regional Advertising. This can be done by the manufacturer, wholesaler, or retailer of the firm. Examples: Advertisements of regional newspapers covering those states or districts where these newspapers are circulated. Eg. The Assam Tribune (only for the NE region) etc.

Local advertising: When advertising is done only for one area or city, it is called Local Advertising. Some professionals also call it Retail Advertising. It is sometime done by the retailer to persuade the customer to come to his store regularly and not for any particular brand. Examples: Advertisements of Ooo la la, Gupshup (Local FM channels) etc.

C) Classification on the basis of target market

Depending upon the types of people who would receive the messages of advertisements, we can classify advertising into four subcategories:

Consumer product advertising: This is done to impress the ultimate consumer. An ultimate consumer is a person who buys the product or service for his personal use. This type of advertising is done by the manufacturer or dealer of the product or service. Examples: Advertisements of Intel, Kuttans (shirt), Lakme (cosmetics) etc.

Industrial product advertising: This is also called Business-to-Business Advertising. This is done by the industrial manufacturer or his distributor and is so designed that it increases the demand of industrial product or services manufactured by the manufacturer. It is directed towards the industrial customer.

Trade advertising: This is done by the manufacturer to persuade wholesalers and retailers to sell his goods. Different media are chosen by each manufacturer according to his product type, nature of distribution channel, and resources at his command. Hence, it is designed for those wholesalers and retailers who can promote and sell the product.

Professional advertising: This is executed by manufacturers and distributors to influence the professionals of a particular trade or business stream. These professionals recommend or prescribe the products of these manufacturers to the ultimate buyer. Manufacturers of these products try to reach these professionals under well-prepared programmes. Doctors, engineers, teachers, purchase professionals, civil contractors architects are the prime targets of such manufacturers.

Financial advertising: Banks, financial institutions, and corporate firms issue advertisements to collect funds from markets. They publish prospectuses and application forms and place them at those points where the prospective investors can easily spot them.

D) Classification on the basis of desired responses

An ad can either elicit an immediate response from the target customer, or create a favourable image in the mind of that customer. The objectives, in both cases, are different. Thus, we have two types of advertising under this classification.

Direct action advertising: This is done to get immediate responses from customers. Examples: Season's sale, purchase coupons in a magazine.

Indirect action advertising: This type of advertising exercise is carried out to make a positive effect on the mind of the reader or viewer. After getting the advertisement he does not rush to buy the product but he develops a favourable image of the brand in his mind.

Surrogate advertising: This is a new category of advertising. In this type of promotional effort, the marketer promotes a different product. For example: the promotion of Bagpiper soda. The firm is promoting Bagpiper Whisky, but intentionally shows soda. They know that the audience is quite well aware about the product and they know this fact when the actor states, "Khoob Jamega Rang Jab Mil Baithenge Teen Yaar ... Aap ... Main, Aur Bagpiper").

E) Classification on the basis of the media used in advertisement

The broad classification based on media is as follows:

Audio advertising: It is done through radio, P A systems, auto-rickshaw promotions, and four-wheeler promotions etc.

Visual advertising: It is done through PoP displays, without text catalogues, leaflets, cloth banners, brochures, electronic hoardings, simple hoardings, running hoardings etc.

Audio-visual: It is done through cinema slides, movies, video clips, TV advertisements, cable TV advertisements etc.

Written advertising: It is done through letters, fax messages, leaflets with text, brochures, articles and documents, space marketing features in newspapers etc.

Internet advertising: The world wide web is used extensively to promote products and services of all genres. For example Bharat Matrimony, www.teleshop.com, www.asianskyshop.com etc.

Verbal advertising: Verbal tools are used to advertise thoughts, products, and services during conferences, seminars, and group discussion sessions. Kinesics also plays an important role in this context.

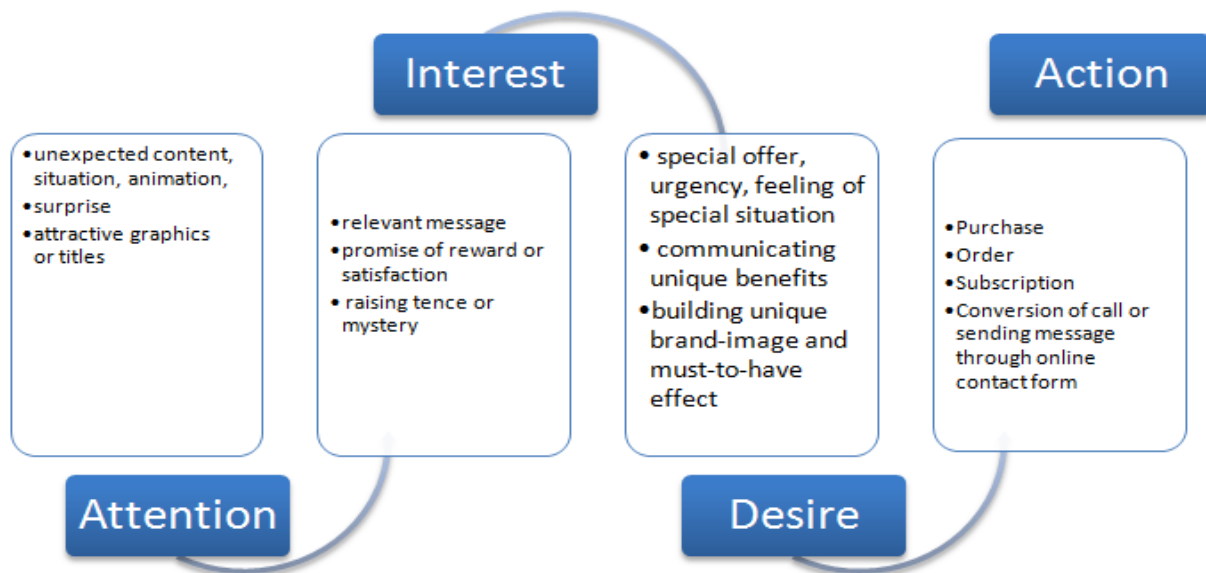
10. Write a detailed note on

a) AIDA Model

b) DAGMAR Model

Solution:-

AIDA Model is a selling concept presented by Elmo Lewis to explain how personal selling works. AIDA Model outlines the processes for achieving promotional goals in terms of stages of consumer involvement with the message. The Stages are Attention, Interest, Desire, and Action.



1. Attention

In this media filled world, advertisers need to be quick and direct to grab audience attention. Ads are required to be eye catchy which can make audience stop and read or watch what advertiser have to say next. Powerful words and pictures are used in ads to make them attractive.

2. Interest

After getting attention of a chunk of the targeted audience, it is required to keep them engaged with the ad to make them understand the message in more detail. Gaining the reader's or audience interest is more difficult process than grabbing their attention. To gain audience interest the advertisers must stay focused on audience needs.

3. Desire

The Interest and Desire parts of AIDA goes hand-in-hand. As advertiser builds the audience interest, he also need to help them understand how what he is offering can help them in a real way. The way of doing this is by appealing to their personal needs and wants. A good way of building the reader's desire for advertiser offering is to link features and benefits. Hopefully, the significant features of the offering have been designed to give a specific benefit to members of the target market.

4. Action

Finally, advertiser need to be very clear about what action he want the audience to take- trial, purchase, repurchase, or other.

2) DAGMAR stands for Defining Advertising Goals for Measured Advertising Results. DAGMAR Model was developed by **Russell Colley** in 1961 for setting advertising objectives and measuring advertising results.

According to DAGMAR Model the ultimate objective of advertising involves a communication task, intended to create awareness, impart information, develop attitude and induce action.

Advertising objective is to carry a consumer through four levels of understanding :-

- a) From unawareness to awareness - consumer must be aware of product or company,
- b) Comprehension - what the product is and its benefits,
- c) Conviction - mental conviction to buy the product, and
- d) Action - finally buy the product.

Communication Process in DAGMAR Approach



1. **Awareness**

Before the purchase behaviour is expected from target audience it is necessary to make the audience aware with the product or company. The initial communication task of the advertising activity is to increase the consumer awareness of the product or offer.

2. **Comprehension**

Only Awareness is not be sufficient to stimulate a purchase, sufficient knowledge and information about product or organisation is necessary. This step involves the target audience to learn something about product, organisation, or offer. Here communication task of advertising activity is to make consumer learn about product - product characteristics, benefits, or uses.

3. **Attitude or Conviction**

At this step a sense of conviction is established. By creating interest and preference, buyers are moved to a position where they are convinced that a particular product in the class should be tried at the next opportunity. At this step communication task of advertising activity is to mould the audience's beliefs about the product and this is often done through messages that demonstrate the product's superiority over a rival or by talking about the rewards as a result of using the product.

4. **Action**

Finally, communication must encourage buyer to engage in purchase activity

▪

11. What is advertising creation stage in building of advertising program?

Solution:-

Ad-creation stage consists of three stages:

1. Idea Generation
2. Copy-writing
3. Layout

1. Idea generation stage

1. **Orientation:** First of all in the process of idea generation it is necessary to identify the purpose or objective of communication then only a proper creative idea can be decided.
2. **Preparation:** Relevant and sufficient information is required to be gathered.
3. **Analysis:** Once the information is collected is required to be properly organized under different heads like- technical information, consumer behavior information, competitors' information etc.
4. **Ideation:** Ideation is the generation of actual ideas by trying different combinations of facts and information available.
5. **Incubation:** Once ideas are generated, they are kept aside to incubate, i.e., to let the subconscious mind work on them for some time.
6. **Synthesis:** When the team arrives at this step, it is equipped with a number of ideas. In this stage, the emphasis is on combining these ideas and evolving something substantial from it.
7. **Evaluation:** The various ideas generated in the previous steps are evaluated here. The criteria used for evaluation are described here. The idea should be:
 - i) Relevant to the communication objectives.
 - ii) Original and capable of catching the attention of the viewer.
 - iii) Flexible so that they can be modified or extended to other advertisements in the future.

2. Copy Writing

The word 'Copy' has a specific meaning in the world of advertising. Advertisement Copy is the soul of advertisement. An Advertisement Copy is the written and spoken matter expressed in words, sentences, and figures designed to convey the desired message to the target audience. In print media the elements of an ad-copy are head line, sub-headlines, illustrations, slogans, and brand name.

Approaches to Copy Writing

A copy-writer has to answer the following questions to prepare an effective advertising copy:

- What am I advertising?
- To whom am I advertising?
- How can I convey best the advertising message to my readers?
- Where and how the product is being sold?
- When the product is purchased and used?
- What legal implications are involved?

3. Layout

A layout is a miniature sketch of the proposed advertisement. A rough layout is first prepared in which the headline and subheads are lettered in artwork and photographs are drawn or provided, and the position various elements of ad-copy is indicated. The rough layout is tested and modified to prepare the final layout. The final layout is appended with many explanations and mechanical designs to give a comprehensive view. It refers to specifications for estimating costs, guidance for engravers and blueprints for advertisers.

‘Layout’ means two things; in one sense, it means the total appearance of the advertisement – its design and the composition of its elements; in another sense, it means physical rendering of the design for the advertisement – its blueprint for production purposes.

Functions of the Layout

- It Organizes all the Elements
- It Brings Together Copy Writer and Art Director
- It Enables the Advertiser to Visualize his Future Advertisement.
- It Acts as a Guide to the Copy Specialists.

Copy Testing

Copy testing is a means of measuring the communication value of advertising. As a diagnostic tool rather than an evaluative tool, copy testing can be instrumental to the creative development process. There are two key objectives in a copy testing framework. One objective is to determine whether the advertising can cut through the clutter and make people stop and notice the ad. The second is to assess whether the ad communicates the intended message

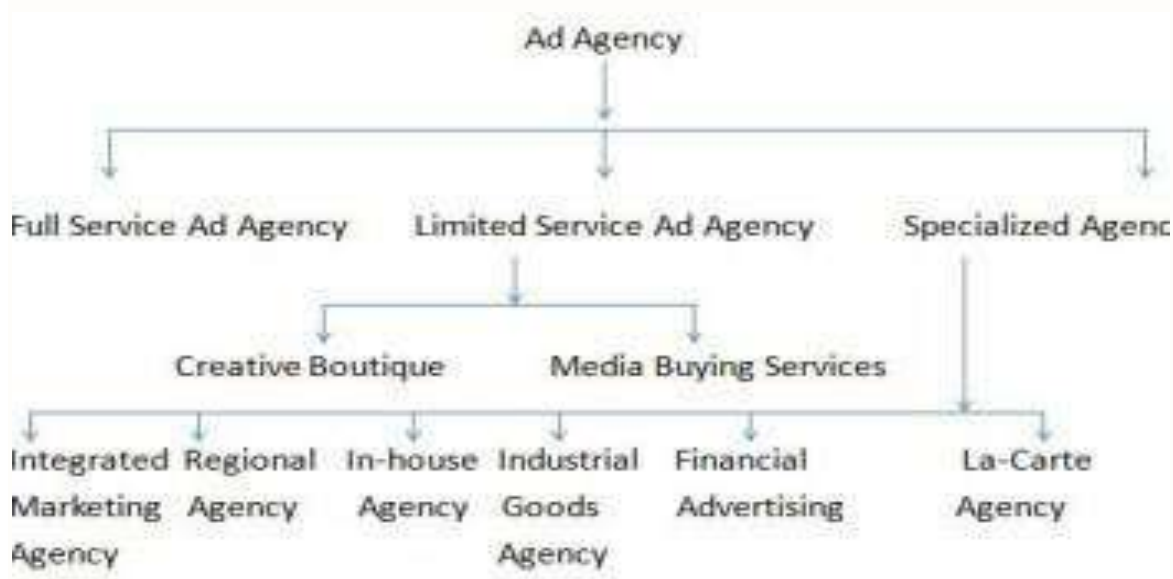
12. Explain advertising agency and what are the different types of advertising agencies?

Solution:-

According to **American marketing Association**, "An Advertising agency is an independent business organization composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods and services."

Advertising Agency is an independent business organization specialized in advertising related work which undertakes the work of planning, preparing, and executing advertising campaign for its clients. Advertising Agency is a body of experts specialized in advertising.

Types of Advertising Agency –



Following are the different types of advertising agencies:

1. Full Service Agency
2. In house Agency
3. A Creative boutique
4. Media Buying Service
5. La Carte Agency
6. Special Service Agency
7. Sweet Shops

- 1. Full Service Agency** - Such Advertising Agencies offers its clients a full range of marketing, communication, and promotion services including research, planning, creating, producing the ad, and selecting media. Full service agency also offers other services like- strategic market planning, sales promotion, direct marketing, package design, public relation, and publicity.
- 2. In House Agency** - In house Agency is the advertising department of the firm which is responsible for planning and preparation of advertising materials. Big organizations like- Gap, Calvin Klein, Revlon, and etc can manage in house advertising department and can take the advantage of proper coordination and greater control in all phase of advertising and promotion process.
- 3. Creative Boutique** - Creative boutiques are known for their creative concept development and artistic services to their clients. Any advertiser wants to infuse greater creativity into the message theme or individual advertisement can approach a creative boutique. Such agency provides only creative services.
- 4. Media Buying Services** - They are independent companies specialized in media buying. Media Buying service agencies particularly deal in buying radio time and television time.
- 5. La Carte Agency** - Some advertisers prefer to order a la carte rather than using all the services of an agency. A la carte can be purchased from a full service agency or from an individual firm deals in creative work, media, production, and or research.
- 6. Special service agency** - Some agencies focuses on some selected areas, and gains specialization or expertise in those areas, such agencies collectively are called special service groups.
- 7. Sweet shops** - Such agencies are small agencies operates only in one city. Small clients who want advertisement in local media like- local cable, banners, posters, pamphlets etc, approaches such agencies.

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