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# UNIT 16 ADVERTISING AND PUBLICITY

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## Objectives

After studying this Unit, you will be able to:

- appreciate the role and types of advertising
- list different kinds of advertising objectives
- learn how an advertising copy is developed
- explain how media planning is done
- describe the parameters used for measuring, advertising effectiveness
- understand the need for planning publicity.

## Structure

- 16.1 Introduction
- 16.2 How Advertising works?
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- 16.5 Advertising Expenditure—Indian Scene
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## 16.1 INTRODUCTION

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In modern times advertising prevails in all walks of human life. It has acquired the distinction of being the most visible and glamorous method of marketing communication. You would recall from Unit 15 that advertising was defined as any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor. Some of the major marketing and communication functions performed by advertising today include to inform, entertain persuade, influence, remind, reassure and add value to the product or service advertised. Before going to role of advertising and managerial aspects of advertising, let us acquaint ourselves with how advertising works and what are the various types of advertising.

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## 16.2 HOW ADVERTISING WORKS?

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In order to perform the various marketing and communication functions listed above, according to Paul E.J. Gerhald, advertising moves through the following stages before accomplishing its purpose:

- it gets planned and brought into existence
- it is reproduced and delivered and exposed to people
- it is received and assimilated
- it affects ideas, intentions and attitudes
- it affects buying and buying process
- it responds to time (situation and repeated exposure)
- it affects trade effort and supply
- it affects product consumption
- it changes sales and profits
- it changes the market (size, quality mix, intensity of competition, trade relations, consumerism, etc.)

## 16.3 TYPES OF ADVERTISING

Depending upon the nature of the task involved, type of product represented or the focus of activity transacted, advertising efforts are grouped into various types. Let us take a few examples. Advertisements for machinery and machine tools form part of **industrial** advertising, and the ones for footwear, cornflakes or edible oil, the **consumer** advertising. The advertisements aimed at improving the corporate image are forms of **institutional** advertising and the ones promoting a company's products, the **product** advertising. Likewise, advertisements promoting the consumption of tea or carpets are called **primary demand** creating advertisements whereas those relating to say **Brooke Bond's 'Tajmahal'** or **'Nescafe'**, the selective **brand** advertising. Advertisement aimed at effecting immediate sale of the product advertised is called **direct** advertising, and the ones performing tasks like announcing the launch of the new product, building purchase intentions, creating interest in customers or changing their attitudes towards the product, are termed the **indirect** action advertising. The advertisements which are sponsored and paid for by the manufacturers, are **manufacturer advertising**, and such advertisements whose costs are shared by the manufacturer and wholesalers or retailers are **co-operative** advertising. Co-operative advertisements aim at increasing the demand of a specific product of a manufacturer through a particular wholesaler or retailer. On the other hand, when a retailer advertises for his shop entirely on his own to attract traffic to his shop it is **retail** advertising.

In short, the major types of advertising are: industrial and consumer, product and institutional, primary demand and brand-demand, direct (sales) demand and indirect (awareness, intentions and attitudes) action advertising, and manufacturer, co-operative and, retail advertising.

## 16.4 ROLE OF ADVERTISING

In the pursuit of its purpose, the economic and social effects of advertising have become the subjects of continuing debate. A quick flavour of the arguments put forward on both the sides can be had from Table 1. The table presents two viewpoints, one considering advertising as an information disseminating utility function and the other viewing advertising as a source of market power.

On balance, advertising has carved an indispensable place for itself in the marketing mix of a firm. Philip Kotler very aptly refers to the following **situations where advertising is likely to make greater contribution**. The situations are:

- when buyer awareness is minimal
- when industry sales are rising rather than remaining stable or declining
- when the product has features normally not observable to the buyer
- when the opportunities for product differentiation are strong
- when primary instead of secondary motives can be tapped.

Are there some **limitations** to the role of advertising? The answer obviously is in the affirmative. Advertising, in the words of Richard H. Stansfield, **cannot** do the following:

- sell a bad product—twice
- sell an overpriced or otherwise non-competitive product
- sell a poorly distributed product
- sell a seasonal product out of season (significantly)
- sell products to persons having no use for them
- work overnight
- do the selling job alone.

The usefulness of advertising, which as for long been accused as a capitalist tool and a bane of market economy, is now being realised by planned and communist economies too. While Yugoslavia, USSR, Poland and Hungary shed their hostility to advertising quite a few years ago, China is welcoming advertisement propelled marketing now. China will be hosting the **Third World Advertising Congress** in Beijing during June 1987. The

Economic Times in its marketing and advertising column reported that China's advertising expenditure in 1985 was around \$ 200 million.

Table 1: Role of Advertising – Two Views

Advertising-Market Power		Advertising Information
Advertising affects consumer preferences and tastes, changes product attributes and differentiates the product from competitive offerings	Advertising	Advertising informs consumers about product attributes and does not change the way they value those attributes
Consumers become brand loyal and less price sensitive, and perceive fewer substitutes for advertised brands	Consumer Buying Behaviour	Consumers become more price sensitive and buy best 'value'. Only the relationship between price and quality affects elasticity for a given product
Potential entrants must overcome established brand loyalty and spend relatively more on advertising	Barriers to Entry	Advertising makes entry possible for new brands because it can communicate product attributes to consumers
Firms are insulated from market competition and potential rivals concentration increases, leaving firms with more discretionary power	Industry Structure and Market Power	Consumers can compare competitive offerings easily and competitive rivalry is increased. Efficient firms remain, and as the inefficient leave, new entrants appear the effect on concentration is ambiguous
Firms can charge prices and are not as likely to compete on quality or price, dimensions. Innovation may be reduced	Market Conduct	More informed consumers put pressures on firms to lower prices and improve quality innovation is facilitated via new entrants
High prices and excessive profits accrue to advertisers and give them even more incentive to advertise their products. Output is restricted compared to conditions of perfect competition	Market Performance	Industry prices are decreased. The effect on profits due to increased competition and increased efficiency is ambiguous.

Source: Paul W. Farms and Mark S. Aibion. The Impact of Advertising on the Price of Consumer Products Journal of Marketing (Summer 1980) pp. 17-35.

## 16.5 ADVERTISING EXPENDITURE INDIAN SCENE

Table 2 below gives a comparative profile of advertising expenditure as per cent of gross net product and per capita advertising expenditure in 1983 relating to nine developed and seven developing countries. Given the absence of a regular, reliable and

Table 2 : Advertising as % of GNP and per capita advertising expenditure in 1983.

Country	Ad expenditure as % of GNP	Per capita ad expenditure in US dollars
<b>Developed countries</b>		
USA	2.40	323.18
Canada	1.48	172.84
Switzerland	1.30	224.62
Australia	1.29	146.99
UK	1.09	107.56
Singapore	0.93	59.15
Japan	0.92	97.91
W. Germany	0.70	90.09
France	0.61	74.18
<b>Developing countries</b>		
Brazil	0.80	18.77
Malaysia	0.65	12.63
Thailand	0.37	3.06
India	0.28	0.83
Sri Lanka	0.24	0.78
Indonesia	0.20	1.19
Pakistan	0.16	0.63

comprehensive data on advertising expenditure in India one has to make do in this regard with whatever one could get from the adhoc advertising expenditure surveys conducted by various agencies such as Advertising Agencies Association of India, Reserve Bank of India, The Economic Times, etc.

According to a study by Reserve Bank of India on the performance of public limited companies in the private sector, the advertising expenses in relation to Sales generated income went up from 0.33 per cent in 1975-76 to 0.41 per cent in 1984-85.

The Economic Times survey on advertising expenses (limited to 208 private sector companies) reported that advertising and publicity expenses rose by almost 26 per cent over 1984-85 and amounted to Rs. 146.14 crores in 1985-86. These expenses formed only 1.0 per cent of the aggregate sales income of the private sector in 1985-86 which was marginally higher than 0.9 per cent recorded for 1984-85.

The frequency break up of these 208 companies according to advertising expenses is given in Table 3.

**Table 3: Advertising Expenditure of 208 Companies:  
Frequency Break-up**

Advertising Expenditure (Rs. lakhs)	Number of Companies
Less than 10.0	77
10.1 — 40.0	49
40.1 — 70.0	22
70.1 — 100.0	16
100.1 — 130.0	8
130.1 — 160.0	10
160.1 — 190.0	7
190.1 — 220.0	2
220.1 — 250.0	4
More than 250.0	13
	208

The 13 companies which spent more than Rs. 2.5 crores each by way of advertising and publicity in 1985-86 were:

1 Hindustan Lever	Rs. 13.5 crores
2 Colgate-Palmolive	5.1 "
3 McDowell	4.8 "
4 Brooke Bond	4.5 "
5 Pieco Electronics	4.4 "
6 ITC	4.0 "
7 Glaxo	3.4 "
8 Escorts	3.4 "
9 Bombay Dyeing	3.3 "
10 Bata India	2.8 "
11 Lipton India	2.8 "
12 Tata Oil Mills	2.7 "
13 Gwalior Rayons (GRASIM)	2.5 "

Industry-wise analysis of advertising expenses as a percentage of net sales income brought out that the toiletries and cosmetics industry topped the list by spending 2.9 per cent of their sales income on advertising. This was followed by electronics (2.4%), food products (2.1%) and pharmaceuticals as well as oil and oil based products (1.9% each). The industry of oil and oil based products includes companies such as Hindustan Lever, Tata Oil Mills, and WIPRO.

The advertising and publicity expenditure for industries such as paints & varnishes, oil and oil based products, packaged tea & coffee, footwear, man-made fibres, and cycles and accessories increased by more than 40 per cent in 1985-86 over 1984-85. Electronics was the only industry which saw a steep decline in its advertising and publicity expenses during 1985-86.

## 16.6 ADVERTISING MANAGEMENT

Advertising constitutes one of the four components of a firm's promotion mix which in turn forms an integral element of the firm's marketing mix. In order to implement the marketing concept and to achieve the objective of integration among different elements of marketing mix, it is necessary that the advertising function be systematically planned.

In particular, the link of advertising with the promotion and marketing objectives of the firm on the one hand, and with factors like product positioning objective, role of salesforce, dealer support plan and the buying habits of consumers, on the other hand, must be clearly established. This link helps a firm to achieve the desired push-pull strategy objectives, and enables the product to have a distinct personality. The task involved in advertising is, therefore, complex and its management requires systematic decision-making. Charles Ramond advocates appropriate research to precede each stage of an advertising campaign.

The suggested types of advertising related research listed by Ramond are given in Table 4

Table 4: Advertising Campaign: Questions and Answers

To Make This Decision	One Must Choose A	Using
What To Say	Theme, Copy Platform	Concept tests Positioning studies
To Whom	Target Audience	Market Segmentation Studies
How to Say it	Copy Commercial Execution	Copy Research Commercial Test
How Often	Frequency of Exposure	Studies of Repetition
Where	Media Plan	Media Research Modes
How Much To Spend	Budget Level	Sales Analysis, Marketing Models

Source: Charles Ramond, *Advertising Research: The State of the Art* (New York: Association of National Advertisers, 1976), pp. 3-4.

In short, the basic decision-areas in advertising are:

- setting advertising objectives
- determining advertising budget
- developing advertisement copy and message
- selecting and scheduling media
- measuring advertising effectiveness

The approach used for setting the advertising as well as the promotion budget is the same. Since this has already been discussed in Unit 15, the other decision-areas of advertising are discussed below.

## 16.7 SETTING ADVERTISING OBJECTIVES

An advertisement is either good or bad in its ability to achieve its objectives. Though advertising is largely informative and persuasive in nature, yet to do a good job, the objectives of each advertising campaign need to be clearly spelt out in measurable terms, in order to focus clearly on the target audience, and on the time period over which these are to be achieved.

Russel H. Colley called for the need to provide explicit link between advertising goals and advertising results in his pioneering approach nicknamed DAGMAR—Defining Advertising Goals for Measured Advertising Results. Colley distinguished 52 advertising goals that might be used in connection with a single advertisement, a year's campaign for a product or a company's entire advertising philosophy. Some of such goals are:

- announce a special reason for 'buying now' (price, premium and so on)
- build familiarity and easy recognition of the package or trade mark
- place advertiser in position to select preferred distributors and dealers
- persuade prospect to visit a show room, ask for a demonstration
- build up the morale of company salesforce
- correct false impression, misinformation and other obstacles to sales
- implant information or attitude regarding benefits and superior features of brand.

According to DAGMAR, the communication task of the brand is to gain (a) awareness, (b) comprehension, (c) conviction, (d) image, and (e) action. Advertising goals should, therefore, be specific to the communication task(s) to be performed. The process of advertising goal-setting thus, should begin by understanding the dynamics of the consumer behaviour and the market environment in order to carry out the task of marketing communication effectively.

Further, let us also understand that improving sales is not the only objective of advertising. Advertising is only one of the factors influencing sales, the other being: (a) different elements of the marketing mix, (b) the competitive position of the firm, and (c) the purchasing power and the need of the buyer. Also, the impact of advertising often occurs over the long-run and not necessarily immediately, since consumers may belong to different stages of the product adoption process at a point of time. The advertising objectives are to:

- inform and build awareness
- create brand knowledge
- reinforce positive attitudes about the brand
- precipitate buying action
- increase sales
- build up an image.

To facilitate the realisation of advertising objectives, it is necessary that these are laid down in specific operational terms and are linked to the time span during which these are to be accomplished.

**Indian Experience:** The research on the practices of large sized companies has pointed out that companies in India pursue a wide spectrum of advertising goals at different time periods and in relation to different products. Even similar companies placed in more or less similar market situation may pursue different advertising goals depending upon a host of factors like advertising philosophy, past experience and the level of expertise existing in the company.

An analysis of the advertising goals pursued revealed that these basically focused on: moving the customer from one stage of the purchasing process to the other, expansion of the market and creation of favourable image, besides the overall goal of improving sales. The goals set, in general, lacked specific mention of the per cent of target market to be reached and influenced.

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## 16.8 DEVELOPING ADVERTISEMENT COPY AND MESSAGE

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This decision-area relates to creative aspect of advertising. Studies reveal that advertising effectiveness to a very large extent is dependent on the type of message and copy selected for communication, and the way it is executed. Well conceived advertising objectives guide in the development of effective message and copy.

An advertisement copy is the communicative portion of an advertisement. It includes headline, illustration, body copy (incorporating product and selling appeals) and signature line identifying the sponsor of the advertisement.

A review of the history of advertising reflects the diversity of opinions among creative teams as to what makes an effective copy. Over a period of time certain creative styles have got associated with particular individuals or agencies using them. Notable among these are the four given below:

**David Ogilvy:** What you say is more important than how you say it. Ogilvy believes in developing and retaining a prestige image of the brand. To reinforce the same Ogilvy often makes use of prestigious individuals and testimonials from celebrities to convey the desired prestigious image for products.

**William Bernbach:** How you say is as important as what you say in the copy style of Bernbach, where the execution part dominates. He preaches copywriters to be simple, swift and as penetrating as possible. At the same time the advertisement should have its own character and stand out from others.

**Rosser Reeves:** The Unique Selling Proposition (USP). Reeves approach is that each product should develop its own USP, and use whatever repetition is necessary to communicate the USP. Reeves' three guidelines for developing USP are:

- the proposition must involve a specific product benefit
- the proposition must be unique—one that competing firms are not using
- the proposition must sell.

The examples of USP include (i) Godrej Cold Gold Refrigerator with Puf, (ii) Topaz stainless is the first Indian blade to win ISI approval. Now mark the lack of USP in the advertisement issued by a Topaz's competitor reading as follows: The perfect blade at the perfect price only 30 paise.

**Leo Burnett:** The common touch, Burnett advocates search into the product to locate the distinctive characteristic that made the manufacturer to make the product. He referred to it as the 'inherent drama' and wants to build the copy around that. He uses plain ordinary people and focuses on raising curiosity aimed at the mass market. He emphasises that the advertising copy should be (a) straightforward without being flatfooted, (b) warm without being mawkish, and (c) believable.

**Advertising Appeals:** Creative copy strategy rests heavily on the selection of the appropriate appeal and its execution through properly worded message. Surveys of advertisements reveal the use of the following primary appeals which are most commonly used: highlighting unique product feature, relative competitive advantage, perceived price advantage, popularity or market superiority, projected savings through product use, self-enhancement, and creation of fears, anxiety or guilt through use or non-use of the product.

John Maloney provides a structure to incorporate various advertising appeals in the message formulation exercise. Maloney identifies the four types of rewards that a buyer expects from a product. There are rational, sensory, social or ego-satisfaction. He thinks that buyers will experience this reward from result-of-use experience. The four types of rewards combined with the three types of experience generate 12 types of advertising messages which are reproduced below in Table 5.

Table: 5 Examples of Twelve Types of Appeals

Types of Potentially Rewarding Experience with a Product	Potential types of reward			
	Rational	Sensory	Social	Ego Satisfaction
Results-of-use Experience	1 Get clothes cleaner	2 Settles stomach upset completely	3 When you care enough to serve the best	4 For the skin you deserve to have
Product-in-use Experience	5 The flour that needs no shifting	6 Real gusto in a great light beer	7 A deodorant to guarantee social acceptance	8 The shoe for the young' executive
Incidental-to-use Experience	9 The plastic pack keeps cigarette fresh	10 The portable television that's lighter in weight, easier to lift	11 The furniture that identifies the home of modern people	12 Stereo for the man with discriminating taste

**Role of Headline and Illustration:** Another component that plays a vital role in the development of an advertisement copy and formulation of a message is the role of headline and illustration. The popular dictum in the advertising world reads “you must draw the reader’s eyes to your advertisement like a magnet. Make them look into your sales message.” Some copywriters believe that the headline alone can achieve the purpose, while others believe that the illustration serves this purpose, better. To us the compromise proposed by C.A. Kirkpatrick’s dictum, that “headline plus illustration assumes almost the complete attention of initial readership” sounds better. David Ogilvy also seems to be holding a similar view when he states that headlines below the illustration are read by 10 per cent more people than headlines above the illustration. Before proceeding further, let us review some of the recent professionally acclaimed advertisements released in India and note what aspect did these focus on. These have been adapted from the select columns on Marketing and Advertising in the **Economic Times**.

- 1 “Chloride batteries made in 1908 are still going strong—after spending 69 years at the bottom of the sea.” The story: The original “Holland I” sank in 1913. During salvage operations in 1982, the first of the battery’s 60 cells (originally fitted in 1908) were recovered. Chloride technicians washed out the cells, refilled them with electrolyte and after a 37 hour re-charge, found that they still worked. The illustration was some kind of a cross-section diagram of the vessel placed below the headline.
- 2 “Now the country need not look beyond **Godrej** for minting money” was the headline of an advertisement which appeared when the coin shortage was at its worst. **Godrej** had perfected a coin-making press capable of automatic production of coins from round shaped blanks at the rate of 200 coins a minute.
- 3 “Who killed the telephone?—**Finolex Cables** advertisement—generated interest instantly. Copy said water seepage could affect the efficiency of conventional cables; **Finolex** was now making moisture-resistant jelly-filled telephone cables in India in collaboration with **Essez** of USA.
- 4 A **Charms** ad was divided into two columns with the following headlines: “The good news for **Charms** smokers” and “Now the not-so-good-news.” In the first column some improvements were listed; the price increase was mentioned in the second.
- 5 “**Lipton** exports tea to China” was a delicious headline.
- 6 The Russians say “**Da to Emami for Men**” was an attention-getter.
- 7 “**Bribe**” was a poster-type headline in a small CBS advertisement. Copy: “Rumour has it that CBS is giving away a free cassette with every six international cassettes you buy over the next 45 days... sneak into your nearest CBS shop and catch the dealer red handed.”
- 8 “Till now headache tablets stopped at just relieving your pain... the dullness carried on. Now, you can relieve your headache... and remove the ‘after-headache’ dullness”.
- 9 “Do you suffer from monstrous colds?” “Ordinary medicines can only put the cold to sleep for a few hours. Ayurvedic has a weapon that knocks it out for good.” The illustration of a man in the grip of a monster is what attracts you to the advertisement. **Promise** “Ayurvedic **Trishun** strengthens your body’s own fighting mechanism so that it actually fights the cold. If you take **Trishun** at the first sign of cold, you can effectively avoid it.”
- 10 The advertisement for **Today**, a vaginal contraceptive (“the contraceptive for people who hate contraceptives”) dispensed with the usual headline. Instead there was a long quote above the illustration of a couple. It ran as follows:  
 “When Sobha told me about it, I thought that’s just what we need. But how would I tell him? I mean, it’s not that he isn’t understanding. It’s just that... well, I’ve always been shy about things like this. I thought and thought about it for days. Finally, I just cut out the advertisement and slipped it under his pillow.”
- 11 Motorists all over India are banned from contact with children. This was the headline in **Brakes India Limited** Advertisement.
- 12 “Which jar has your favourite **Monaco**? None. **Genuine Monaco** are baked light, crisp and Flaky that they need protective packing. That’s why they come to you in airtight tin or foil pack—never loose.”



In short, an advertisement copy to be effective must establish a clear link with the various stages or AIDA—the buyer adoption process. It must be capable of arresting attention, inspiring interest, creating desire, and precipitating action among the target customers. For this purpose, it should use a judicious mix of aspects like advertisement layout, headline, illustration, and motivating appeals. We must not forget that a bad advertisement copy is a bad investment, irrespective of how precisely the objectives were set, and how meticulously the media planning and scheduling were done. It pays to pretest the advertisement copy before release.

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## 16.9 SELECTING AND SCHEDULING MEDIA

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Media planning includes decisions relating to (i) which media should be used, and (ii) when and how often should advertisements be placed in the selected media. The basic purpose of media planning is to optimise the communication reach to the relevant audience within the available budget.

For making efficient and effective media decisions it is necessary that a beginning be made by collecting appropriate data from internal and external sources. The data to be collected from the internal sources relate to: advertising objectives, copy strategy, product attributes and the budget available. The external data relate to media characteristics such as reach, credibility, and suitability to company's product/copy strategy; media availability; media cost; and competitors' media-mix. Before looking into other steps of media selection, let us take a look at the media scene in India.

### Indian Media Scene

Major advertising media available currently in India alongwith the chief characteristics are given below:

**Press** (including all types of newspapers and magazines): wider circulation, limited life, good for mass communication and reminder message.

**Direct Mail:** Restricted circulation, flexible usage, private in nature, high impact.

**Outdoor** (including hoardings, posters, neon signs): local circulation, durable, reminder media.

**Radio:** Wide reach, cuts through illiteracy barriers, quick reminder messages possible.

**Television:** Combines both Audio and Visual, limited reach, high degree of viewers involvement, suitable for product demonstration.

**Cinema:** Limited to cinema going population, short life, effective use of audio-visual, also good for illiterates.

**Miscellaneous** (such as exhibition/fairs, shandies, etc.) local reach, good product demonstration, impactful.

With the growing rate of literacy, increased electrification of rural areas, vast ownership of radio receivers, and widening network of television transmission, the Indian media scene has undergone a tremendous change during the last decade. For example, with the popularity of the Television media, the attraction of consumer goods for radio and the cinema has declined somewhat. Similarly, the increased availability of colour magazines and television time, consumer products needing colour exposure have moved away from the newspapers to the former. Hence, as consumer product advertisements are moving over to magazines, television and radio: investment advertisements, and advertisements of restaurants and service business organisations are filling up the vacuum in the newspapers.

**Media Selection:** After the suitable and available media are shortlisted they are then subjected to an evaluation criteria for their selection. Some of the concepts used in this connection are discussed here.

**Reach:** It refers to the number of households or individuals reached by a given medium over a period of time. In the case of press media this is called readership. Readership is

calculated by ascertaining the circulation figures of say a newspaper and then the same is multiplied by the average numbers of readers per copy. National readership surveys, in addition to several other specially conducted studies provide the reach data in India, though not regularly. The possibilities of duplication in readership also exist as two or more than two media may be reaching the same target audience.

**Frequency:** It refers to average number of times different target households or individuals are reached by a medium in a given period of time.

**Gross Rating Point:** A combined measure of reach and frequency gives gross rating points (GRPs) for a given medium. For example, if 35 per cent of people are reached four times in a week by a given medium, the GRP for the medium will work out to 140.

**Comparative Costs:** For facilitating media selection comparative cost sheets are prepared. In the cost sheets, media costs are converted into a common denomination. This denomination in the case of a newspaper is called "Milline Rate" which is arrived at as:

$$\frac{\text{Line rate} \times 1,000,000}{\text{Circulation}}$$

In the case of magazines, this denomination is called cost per thousand and is arrived at as:

$$\frac{\text{Rate per page} \times 1,000}{\text{Circulation}}$$

In the case of TV and radio commercials, such a denomination is popularly known as cost per thousand viewers or listeners per commercial minute.

In addition to the comparative media (rental) costs, it is desirable that the production cost of advertisements for different media is also worked out. For example, TV time is expensive; so is the creation of the script and story, the hiring of actors, and other production costs.

An advertising film to be released through the cinema medium in addition will require enough number of prints to cover the desired number of cinemas. Similar estimation of costs should be made while participating in an exhibition or using direct mail or releasing an advertisement through a newspaper. Efforts should be made in the company to develop data whereby cost per conversion of enquiries to sales, media-wise, could be ascertained. This will prove to be a good source for measuring the impact of each media.

Based on the data relating to relative gross rating points, the costs involved, and the advertising goals of the firm, specific media mix is selected. To add precision to the media selection process various operations research models are available now. The major limitation of these models continue to be the data base which becomes outdated soon, besides certain technical lacunae in the models. Clarion Advertising Services Limited is one of the few advertising agencies which enables its clients the benefit of scientific media planning. For this purpose, it offers them the usage of Clarion-Mote model, CASPA and the Response model.

**Advertisement Scheduling:** Once the media mix for the firm has been selected, the next task relates to scheduling of media over a period of time. The goals of media scheduling besides attaining longer time visibility and timely reminders for reinforcement of the message lie in the compatibility of advertisement release with the purchase occasion, seasonality peaks, product launch, relaunch or promotion needs of the firm. So, based on considerations such as the above factors media scheduling is done by the firm.

The steady appearance of Amul Chocolate advertisement; product launch and promotional scheduling and sustenance scheduling of Maggie 2-Minute noodles, aggressiveness of the campaigns of Air Coolers during summer; peaking of Unit Trust of India's advertisements for sale of Unit in June-July; and of woollen garments during winter months—are a few examples of the advertisement scheduling by their sponsors.

**Exercise 1**

Which advertising media would you suggest for advertising the following products and why?

- a) Refined Oil
- b) Cellular Phones
- c) Passenger Cars

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**Exercise 2**

Write a short note favouring radio as the advertising medium compared to television.

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## **16.10 MEASURING ADVERTISING EFFECTIVENESS**

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Let us begin the discussion on this point by making a reference to a popular saying on advertising. "I know half the money I spend on advertising is wasted; but I can never find out which half". Measuring advertising effectiveness is one of those areas of advertising about which nothing can be said for sure. Advertising communications have a time lag between buyer's awareness and action. But, if the lag happens to be longer and/or the competitor happens to be more aggressive the decay or forgetting effect of the advertisement may set in soon. It is, thus, very difficult to define the appropriate advertising level and which advertisement will produce how much effect.

Notwithstanding the above, the task of measuring the advertising effectiveness can become simpler and methodical if the advertising goals are clearly set. You may recall here the importance of DAGMAR model mentioned earlier on seeing the advertising objectives.

What should be measured? The goals of advertising relate either to effecting some kind of communication between the sponsor and the audience, or to bring about desired sales. The advertising effectiveness, therefore, is measured by examining the following:

- communication effectiveness of the advertising campaign and
- sales-effect of advertising efforts.

Generally speaking, some of the aspects that need examination are which of the headlines, appeals, themes, symbolic contents or illustrations etc. in the advertising copy are effective and how much. And, which among the broad class of media, which space type and which pattern of scheduling of advertisements productive and how much. Let us look at some of these aspects now.

## Measuring Communication Effectiveness

You would recall that advertising is a very popular method of marketing communication. Also, lot of advertising efforts are put into encourage the customer to buy the advertised product starting from gaining the customer's attention to the product to inculcate a desire in him to possess the product. The effectiveness of advertising, therefore, depends on why and how the communications are made.

The communication effectiveness of an advertising campaign can be measured both before and after its release. The three major methods used for pretesting advertisements are :

- Asking consumers or specialists to rate or rank alternative advertisements in terms of elements such as attractiveness, liking, and interest of the theme, slogan and illustration used in the advertisement copy. This method of pretesting is called '**Direct Ratings**' method.
- Checking the extent of recall of both the overall advertisement as well as its content. This is done by first making available, to select consumers, a set of advertisements. This type of pretesting can be done both by providing aid/lead to the consumer to recall, or can be unaided. The purpose is to ascertain the extent of recall of the alternative advertisements, and the reasons that make an advertisement stand out. This method is called **Portfolio Test** method.
- The third method makes use of equipment and gadgets to measure consumer's physiological reactions like pupil dilation, heart beat, etc. on seeing an-advertisement. These tests popularly call as 'Laboratory tests' help in the measurement of attractiveness of the advertisement to a consumer.

**Post-testing of advertisement:** Testing of the communication effectiveness after the advertisements are released is done through measuring the 'recognition' and 'recall' among the target audience.

**Recognition Tests** aim at measuring the degree of memorability of an advertisement. For this purpose, the use of Daniel Starch methodology is used. The test begins by qualifying the readers in terms of whether they have seen or read the specific issue of the magazine which carried the advertisement. The qualifying readers are classified into the following three categories.

**Noted:** Per cent of readers who have seen the advertisement

**Associated:** Per cent of readers who have seen and read parts of the advertisement

**Read most:** Per cent of readers who reported they had read more than 50 per cent of advertisement reading matter.

The results of the recognition tests help in ascertaining the extent to which a company's advertisement made a communication impact. When compared to past or alternate campaigns used, the results throw light both on the trends, as well as the popularity of a company's advertising campaigns besides contributing to making the advertisements better read.

**Recall Tests:** As already mentioned under Pretesting, these tests aim at measuring the extent of recall of what had been seen or read in the advertisement. Gallop and Robinson Impact post-test is one of the popular test used for recall studies. Under the test, the qualifying readers are shown the magazine cover and with the help of a deck of cards bearing names of different brands are asked to state which brand advertisement has been seen by the reader, and he is asked to recall everything he can remember about each advertisement identified by him.

Probing is done in areas like what did the advertisement look like? What did it say? Did it increase his interest in buying the product, etc.? In the next step the same advertisement which he was thinking of, is shown to the reader. The percentage of all qualified magazine issue readers who successfully associate the brand or advertiser with specific feature or sale point of the advertisement is called '**Proved Name Registration**' (PNR). Like the above tests, various other tests are conducted for measuring the association, awareness, knowledge and attitudes of the readers.

## Measuring Sales Effectiveness

Sales being the result or both advertising as well as other elements of the marketing mix,

it is very difficult to isolate and relate advertising to sales. However, it can be done to some degree of accuracy by:

- measuring sales that take place in response to mail order offers in select sales territories
- counting of inquiry coupons received and relating them to the sales effected out of them
- conducting experiments by varying advertising efforts in isolated sales territories and comparing sales results, or
- establishing historical relationship between advertising expenditure, media used and sales over a sufficiently long duration.

Based on various researches in the field of measuring advertising effectiveness, some of the benchmarks which have been established are as follows:

- A full-page advertisement in four-colour generally attracts about 40 per cent more readers than a full-page black and white advertisement.
- Two-colour advertisement (black and one colour) generally achieve lower levels of readership than black and white only.
- Advertisements in cover positions get sizeable readership bonus compared with those in regular pages.
- Illustrations showing the product in use normally obtain higher readership than 'static' product illustrations.
- Household appliance advertisements shown in a household setting usually score higher than advertisements which show the product alone.
- Working women are more likely to read major appliance advertisements than the non-working women.
- Food advertisements with recipes are usually better read than those without recipes.
- In general, advertisements with illustrations that take up more than half the space are more effective than those in which the picture occupies less than half of the advertisement.

### Exercise 3

From the recent magazines select one advertisement each of an industrial product and a consumer product. For both the advertisements (a) describe the target market for each advertisement, and (b) offer your observations on their effectiveness.

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## 16.11 COORDINATING WITH ADVERTISING AGENCY

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We have seen how complex the advertising function is. We also note from our experience that whether it be a newspaper, magazine or television, each of these carry an increasing number of advertisements these days. But a good number of advertisements fail to get our attention and thus lead to wastage of their sponsors' efforts. On the other hand, the growing competitive orientation demands that the advertising activity be stepped up. The rising media costs are also compelling the firms to budget larger advertising outlays. The challenge thus lies in optimising advertising outlays, which demands that at least the creative and media planning aspects of advertising be managed professionally. The growth in advertising and promotion

business has resulted in the emergence of specialists in this field popularly known as advertising agency. An advertising agency is an independent business organisation 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. Well established advertising agencies in India offer a mix of the following services: copywriting, media buying, media planning, personnel placement advertising, marketing research, sales promotion and merchandising, public relations and advertising research.

Considerations of specialists, advice and experience are influencing larger number of firms to take the assistance of advertising agency in the management of their advertising function. Research on marketing practices of Indian companies brought out that nearly seventy per cent of the large sized companies surveyed hired the services of advertising agencies. The major services for which assistance was solicited included developing advertising campaigns; media selection; measuring the effectiveness of advertising campaigns; development of point-of-purchase material; organisation of consumer contests; test marketing; and market research. By offering their specialised services at very competitive rates advertising agencies have established a place of significant importance in the advertising and marketing world.

The issue is no longer whether to use an advertising agency or not but how to use it effectively. Like any other service, these agencies are quite keen to retain and build on relationships with their clients. Satisfactory relationship between the client and advertising agency, among others, is the function of complete and common understanding of each others' business, and development of mutually compatible goals and-working styles. Particularly, at the initial stage of relationship, the client has to entrust a lot of time and information to enable the agency to have a complete understanding of the client's business, its marketing objectives and product-market situation.

A thorough briefing on the marketing communication objectives followed by detailed discussion of each major aspect of an advertising campaign for example helps the client in getting a better deal from an advertising agency. It proves beneficial if the client firm identifies an executive, who is entrusted with the task of keeping communications open with the agency, and who coordinates the routines of advertising copy preparation, production, media planning, scheduling, insertion, etc., including getting the approval of senior management on all activities performed by the advertising agency.

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## 16.12 PUBLICITY

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Let us recall from Unit 15 that publicity is non-personal stimulation of demand for a product, service or business unit by placing commercially significant news about it in a published medium or obtaining favourable presentation of it upon radio, television, or stage that is not paid for by the sponsor.

The crucial aspect of publicity is that it should emanate from a neutral and impartial source such as editorial material and is not paid for by the sponsor. To achieve the aim of credibility it should not raise any doubts regarding interested sponsorship. Publicity and public relations have a lot in common. In fact, publicity is one of the tools of public relations.

### Uses of Publicity

Publicity which is essentially aimed at building positive image, goodwill or favourable visibility has acquired a sound footing to assist a company in its marketing efforts. Specifically, it has a vital role in disseminating information regarding new products; warranty terms; product replacement policies and customer service arrangements; new R & D findings; successful bids or contracts won; contributions made to the promotion of sports, culture, and technology; employees' welfare, policies; dealer training and promotion activities; membership of top and senior employees in governmental and international bodies; community development programmes; promotion of company trade mark and slogans; and issues of public interest and welfare from time to time.

Newsworthiness of the event or an activity to be publicised and good relations with the media act as the prerequisites for good publicity.

**Need for Planning**

With significant potential for doing good to the corporate promotion efforts, publicity needs to be systematically planned and suitably handled.

Also a coordinated effort is needed to manage the mishaps and negative occurrences as well as to prevent rumours and damaging stories from circulating about a company. Though surprising, at times, the companies may even make use of advertising space to overcome or reduce the impact of the media bias and to communicate correct picture or offer clarification to the public.

One of the recent instances of the usage of advertising space to rebut a negative story is the one inserted by Air India about an India Today story. The story in India Today is said to contain serious allegations against Air India in the matter of leasing freight aircrafts and purchasing a Boeing 747 to replace the ill-fated Kanishka. The article had suggested, according to Air India's advertisements, "that Air India had manipulated these deals, as a result of which foreign exchange has been lost and the operations 'became costlier' in the long run". The advertisement released by Air India denied any irregularity and berated India Today. The result of the advertisement has been both 'dramatic and immediate' Chief PR Manager of Air India opined that the larger outcome of the Air India decision to go public through advertising space was that pressmen would now be a great deal more circumspect before rushing into print. Air India's action would, therefore, have a salutary effect on the entire press fraternity.

**Measuring Effectiveness of Publicity**

Ratings received on corporate image studies carried out by independent bodies, awareness of the company's efforts, and the change in attitudes of the public towards the company are the major methods through which the effectiveness of publicity can be measured. Both periodic surveys as well as before and after-event surveys can be conducted to gauge the level of exposure, awareness and the type of opinions and attitudes held by public.

Publicity when used in an integrated way with other elements of the promotion mix adds punch and provides considerable mileage to a firm's promotions efforts.

**Exercise 4**

Identify some publicity about a product or a firm that is positive. Explain how the firm might have generated this publicity. What are some of the limitations of publicity?

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## 16.13 SUMMARY

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Advertising is an impersonal mass selling and communication method. It makes use of various types of media to reach the target public in a short-time. Being persuasive in nature, advertising broadly aims at gaining exposure, creating awareness, changing attitudes of target customers in favour of sponsor's products and services, and also at effecting sales and improving corporate image. Besides, it can also act as a good offensive/defensive tool in managing competition.

Management of effective advertising requires that the process be initiated by setting of measurable and realistic goals. Matching with a firm's advertising needs' advertising budget be determined, message formulated, copy developed, and media selected and scheduled. Identification and knowledge of the economic, demographic, cultural and psychological characteristics of the target customers should trigger the process of advertising planning. This should be followed by selection of appropriate appeals, proper illustrations and unique copy themes in the language which the audience understands and should be transmitted to them through such media vehicles which have a meaningful reach and desired credibility.

Advertising decisions are complex and capable of getting influenced by various forces. The decisions arrived at should, therefore, be evaluated in a regular manner so that remedial measures and corrective actions could be taken before it is too late. Pretesting of advertising campaigns before release and post-testing in terms of recall and recognition studies as well as their impact on sales or the number of inquiry coupons received back are some of the ways through which advertising efforts can be evaluated. In this context, the use of professionally manned advertising agency proves by and large advantageous to the company.

The spread of good word through editorial space of neutral agencies, i.e., publicity, adds significant credibility to a firm's efforts in building and strengthening its image. Organisation of news worthy events and good relations with media help. Besides, a large sized organisation is vulnerable to rumours and damaging stories. Organised publicity and public relations activities help in correcting misinformation and providing an opportunity to the public to view a firm in its right perspective.

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## 16.14 KEY WORDS

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**Advertising Campaign :** Advertising effort relating to a specific product or service extending over a specified time period.

**Advertising Target:** The group of people toward which advertisement are aimed.

**Cooperative Advertisement:** Joint advertising in which a manufacturer and retailer join hands and share the costs.

**Copy :** The verbal or written material of an advertisement including the head line, illustration, name and address of the advertiser and his signature.

**Corporate Advertising (also called Institutional Advertising):** Advertising aimed at promoting the image of a firm as a whole instead of any of its specific product or service.

**Layout:** The arrangement in which various design elements of an advertisement such as headline, illustration, body copy, and signature appear so that the desired impact is achieved

**Media Plan:** The plan that specifies the media mix and the date time, and sequence in which advertisements are scheduled for release.

**Point-of-Purchase (POP):** Promotional material displayed in the retail store to encourage sales.

**Pull:** Promotional methods directing the end consumer to demand specified products or services. One popular form is advertising.



**Push:** Promotional strategy directing the dealers and the salesforce to achieve marketing communication and sales objective.

**Read-Most:** Those members of the audience who read half or more of the written part in the advertisement.

**Reinforcement:** Efforts to keep the existing customers sold and advising them to get the maximum satisfaction from the product.

**Reminder Advertising:** Advertising reminding consumers about the availability and benefits of the specific brand or service.

**Unaided Recall:** Post-testing of advertisements by asking audience to identify what they have seen or heard but without giving any clues to aid their memory.

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## 16.15 SELF-ASSESSMENT EXERCISES

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**A) Check whether the following statements are true or false**

Statement	• True	False
1 The most frequently stated goal of advertising is to increase sales.	<input type="checkbox"/>	<input type="checkbox"/>
2 Reach is the total audience that an advertising medium covers.	<input type="checkbox"/>	<input type="checkbox"/>
3 It is easier to measure the sales effectiveness of advertising than to measure accomplishment of communication objectives.	<input type="checkbox"/>	<input type="checkbox"/>
4 Advertising can be used to reduce fluctuations in sales.	<input type="checkbox"/>	<input type="checkbox"/>
5 The extensive media coverage of the Union Carbide's Bhopal plant tragedy is not an example of publicity since the coverage was not indicated by Union Carbide India Ltd.	<input type="checkbox"/>	<input type="checkbox"/>

**B) Tick the one most appropriate answer**

- 1 The theme "close up is for close-ups", can, in terms of basic advertising appeals be categorised as:
  - a) sensory
  - b) rational
  - c) social
  - d) ego-satisfaction
- 2 The theme "Only Vimal—the commitment to excellence continues" can, in terms of basic advertising appeals be categorised as:
  - a) rational
  - b) sensory
  - c) social
  - d) ego-satisfaction
- 3 The total audience that an advertising medium covers is called
  - a) target population
  - b) frequency
  - c) reach
  - d) response
- 4 While managing advertising efforts
  - a) objectives should be very general to facilitate creative techniques
  - b) objectives become self-evident after advertisements are released
  - c) objectives should be very specific and quantifiable
- 5 Generally speaking, advertising media selected by advertisers are such that
  - a) these could have as large a coverage as the funds permit
  - b) these attain a high level of reach and frequency
  - c) these reach only the target market

- 6 Advertising effectiveness during an advertising campaign is usually measured by
- post-test
  - inquiries
  - pretest
  - sales comparison
- 7 The creative challenge in developing an advertising campaign is to finalise
- what to say
  - how to say it
  - the headline and the illustration
  - a and b
  - none of the above
- 8 The milling rate is cost-comparison indicator for
- magazines
  - radio
  - outdoor
  - newspapers
- 9 The first objective of any advertisement is to
- communicate effectively
  - stimulate exchange
  - increase sales
  - enhance customer satisfaction
- 10 "Siemens Quality—Because anything less costs you more" is an advertising theme which in terms of basic advertising appeals can be categorised as
- sensory
  - rational
  - social
  - ego-satisfaction
  - none of the above

**Key to Self-assessment Exercises**

A) 1 True, 2 True, 3 False, 4 True, 5 False.

B) 1(c) 2(d) 3(c) 4(c) 5(c) 6(b) 7(d) 8(d) 9(a) 10(b).

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## 16.16 FURTHER READINGS

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Aaker David A. and John G. Myres, 1975. *Advertising Management*, Prentice Hall (India): Bombay.

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