



[Academic Script]

Introduction to Advertising

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Unit No. & Title:	Unit – 1 Foundations of Advertising
Lecture No. & Title:	Lecture – 1 Introduction to Advertising

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1. Introduction

Advertising is used for communicating business information to the present and prospective customers. It usually provides information about the advertising firm, its product qualities, place of availability of its products, etc. Advertisement is indispensable for both the sellers and the buyers. However, it is more important for the sellers. In the modern age of large scale production, producers cannot think of pushing sale of their products without advertising them. Advertisement supplements personal selling to a great extent. Advertising has acquired great importance in the modern world where tough competition in the market and fast changes in technology, we find fashion and taste in the customers.

After completion of this lesson you will be able to understand:

Meaning, Nature and Features of Advertising

Objectives of Advertising

Importance of Advertising

Active Participant in Advertising

Role of Advertising in Marketing Mix

Role of Advertising in Society Advertising and Brand building

2. Definition of Advertising

The word advertising comes from the Latin word "advertere" meaning to turn the minds of towards".

1. American Marketing Association has defined advertising as "any paid form of non-personal presentation of ideas, goods and services by an identified sponsor".

2. According to Webster, "Advertising is to give public notice or to announce publicity".

3. According to Gardner, "Advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production".

3. Features of Advertising

1. Communication: Advertising is means of mass communication reaching the masses. It is a non-personal communication because it is addressed to masses.

2. Information: Advertising informs the buyers about the benefits they would get when they purchase a particular product. However, the information given should be complete and true.

3. Persuasion: The advertiser expects to create a favorable attitude which will lead to favorable actions. Any advertising process attempts at converting the prospects into customers. It is thus an indirect salesmanship and essentially a persuasion technique.

4. Profit Maximization: True advertising does not attempt at maximizing profits by increasing the cost but by promoting the sales. This way It won't lead to increase the price of the product. Thus, it has a higher sales approach rather than the higher-cost approach.

5. Non-Personal Presentation: Salesmanship is personal selling whereas advertising is non-personal in character. Advertising is not meant for anyone individual but for all. There is absence of personal appeal in advertising.

6. Identified Sponsor: A sponsor may be an individual or a firm who pays for the advertisement. The name of reputed company may increase sale of products. The product gets good market because of its identity with the reputed corporate body.

7. Consumer Choice: Advertising facilitates consumer choice. It enables consumers to purchase goods as per their budget requirement and choice. Right choice makes consumer happy and satisfied.

8. Art, Science and Profession: Advertising is an art because it represents a field of creativity. Advertising is a science because it has a body of organised knowledge. Advertising is now treated as a profession with its professional bodies and code of conduct for members.

9. Element of Marketing Mix: Advertising is an important element of promotion mix. Advertising has proved to be of great utility to sell goods and services. Large manufacturers spend crores of rupees on advertising.

10. Element of Creativity: A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makes way for successful campaign.

4. Objectives of Advertising

The fundamental purpose of advertising is to sell something - a product, a service or an idea. In addition to this general objective, advertising is also used by the modern business enterprises for certain specific objectives which are listed below:

1. To introduce a new product by creating interest for it among the prospective customers.
2. To support personal selling programme. Advertising may be used to open customers' doors for salesman.
3. To reach people inaccessible to salesman.
4. To enter a new market or attract a new group of customers.
5. To fight competition in the market and to increase the sales as

seen in the fierce competition between Coke and Pepsi.

6. To enhance the goodwill of the enterprise by promising better quality products and services.
7. To improve dealer relations. Advertising supports the dealers in selling the product. Dealers are attracted towards a product which is advertised effectively.
8. To warn the public against imitation of an enterprise's products.

5. Importance of Advertising

Advertising has become an essential marketing activity in the modern era of large scale production and severe competition in the market. It performs the following functions:

1. Promotion of Sales: It promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning new customers both in the national as well as in the international markets.

2. Introduction of New Product: It helps the introduction of new products in the market. A business enterprise can introduce itself and its product to the public through advertising. A new enterprise can't make an impact on the prospective customers without the help of advertising. Advertising enables quick publicity in the market.

3. Creation of Good Public Image: It builds up the reputation of the advertiser. Advertising enables a business firm to communicate its achievements in an effort to satisfy the customers' needs. This increases the goodwill and reputation of the firm which is necessary to fight against competition in the market.

4. Mass Production: Advertising facilitates large-scale

production. Advertising encourages production of goods in large-scale because the business firm knows that it will be able to sell on large-scale with the help of advertising. Mass production reduces the cost of production per unit by the economical use of various factors of production.

5. Research: Advertising stimulates research and development activities. Advertising has become a competitive marketing activity. Every firm tries to differentiate its product from the substitutes available in the market through advertising. This compels every business firm to do more and more research to find new products and their new uses. If a firm does not engage in research and development activities, it will be out of the market in the near future.

6. Education of People: Advertising educate the people about new products and their uses. Advertising message about the utility of a product enables the people to widen their knowledge. It is advertising which has helped people in adopting new ways of life and giving-up old habits. It has contributed a lot towards the betterment of the standard of living of the society.

7. Support to Press: Advertising provides an important source of revenue to the publishers and magazines. It enables to increase the circulation of their publication by selling them at lower rates. People are also benefited because they get publications at cheaper rates. Advertising is also a source of revenue for TV network. For instance, Doordarshan and ZeeTV insert ads before, in between and after various programmes and earn millions of rupees through ads. Such income could be used for increasing the quality of programmes and extending coverage.

6. Active Participants in Advertising

Following are the group of people who are actively involved in advertising.

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

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

3. Advertising Agencies : An advertiser has two options viz. (i) to design, develop and produce and advertising message and get it placed in desired media directly through his own sales or advertising department, or (ii) to entrust the entire job of advertising to a team of highly professionalized, specialized, independent, advertising agency. An advertising agency is composed of creative people, who conceive design, develop and produce, advertising message with creative ideas and place it in the desired advertising media, for and on behalf of its client (the advertiser). The advertising agencies usually charge a

commission of 15% on the media bills from the media owners. In addition, they charge out-of pocket expenses to their clients, i.e. the advertisers. They employ copywriters, artists, photographers. Typographers, layout designers, editors and such other creative people

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

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

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

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

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

6. Mass Media : Advertising messages are communicated to the target audience through different mass media, such as,

(i) Print Media: They consist of newspapers, magazines, journals, handbills, etc.

(ii) Electronic Media: They consist of radio, television motion pictures, video, multi-media and the internet.

(iii) Outdoor Media: They consist of posters, hoarding, handbills, stickers air balloons, neon sign bill boards, local cinema houses, and transit media.

(iv) Direct Mail: It consist of brochures, leaflets, pamphlets, letters and return cards addressed to consumers.

The advertising agencies guide their clients (advertisers) in selection of the most appropriate advertising media, which is known as „media planning“. Each medium has its own merits and demerits.

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

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

7. Role of advertising in marketing mix

Marketing mix consist of four important variables of marketing, i.e. 4Ps-Product, Price, Promotion and Place. Apart from the traditional 4 Ps, there are also other variables, i.e. Packaging, Position, and Pace.

Advertising is an element of promotion. However, it not only

assists in promoting the product, but also affects the other variables of marketing mix. This can be explained as follows:

1. Advertising and Product: A product is normally a set of physical elements, such as quality, shape, size, colour and other features. The product may be of very high quality .At times, the product is so designed that it requires careful handling and operations. Buyers must be informed and educated on the various aspects of the product. This can be effectively done through advertising. Thus, advertising plays the role of information and education.

2. Advertising and Price: The price is the exchange value of the product. A marketer may bring out a very high quality product with additional features as compared to competitors. In such a case, price would be definitely high. But buyers may not be willing to pay a high price. Here comes advertising. Advertising can convince buyers regarding the superiority of the brand and thus its value for money. This can be done by associating the product with prestigious people, situations, or events. Alternatively when a firm offers a low price product the job of advertising needs to stress the price advantage by using hard hitting copy. It is not just enough to convince, but it is desirable to persuade the buyer. Thus advertising plays the role of conviction and persuasion.

3. Advertising and Place: Place refers to physical distribution and the stores where the goods are available Marketer should see to it that the goods are available at the convenient place and that too at the right time when the buyers need it. To facilitate effective distribution and expansion of market, advertising is of great significance. Thus advertising do help in effective distribution and market expansion.

4. Advertising and Promotion: Promotion consists of advertising, publicity, personal selling and sales promotion technique. Businessmen today have to face a lot of competition. Every seller needs effective promotion to survive and succeed in this competitive business world. Advertising can play a significant role to put forward the claim of seller, and to counter the claims of competitor. Through effective advertising, sellers can face competition and also help to develop brand image and brand loyalty.

5. Advertising and Pace: Pace refers to the speed in marketing decisions and actions. It involves among other things the launch of new products or brand variations at greater speed than before. As and when new brands are launched, advertising plays an important role of informing, educating and persuading the customers to buy the product.

6. Advertising and Packaging: The main purpose of packaging is protection of the product during transit, and preservation of quality and quantity. Nowadays, marketers take lot of efforts to develop and design attractive packages as they carry advertising value. A creatively designed package attracts the attention of the customers. It also carries an assurance of quality and creates confidence in the minds of customers to buy the product.

7. Advertising and Positioning: Product positioning aims at creating and maintaining a distinct image of the brands in the minds of the customers. Through advertising the marketer can convey the positioning of the brand and accordingly can influence the buying decision of the target audience.

8. Role of Advertising in Society

Advertising is the integral part of every day's life. It is a pervasive method of marketing in society. Though the methods by which marketers advertise have changed over the decades, the role and purpose of advertising has changed over the period of time. Without advertising modern society cannot survive. Advertising is useful to society in following ways.

Encourage purchasing

Encouraging people to purchase goods and services is the main role of advertising. Some industries rely on advertising more than others: A cereal company, for instance, must advertise more aggressively, due to the wide range of competing products, than a power company that faces too little or no competition. Advertisers often influence members of society to purchase products based on instilling a feeling of scarcity or lack. .

Reflect cultural trends

Advertising bridges the gap among people by communicating varied culture through advertising message. It bring variation in the social life

Promotes economic growth

Advertising contributes to bring about all round development of the economy by increasing demand and by encouraging economic activities it fuels the desire to shop and, in turn, shopping stimulates the economy.

Improves standard of living:

Advertising is an economic activity. It provides opportunities to people to improve their income. It motivates people to consume more material and thereby improves their standard of living.

Provides employment:

Effective advertising generates demand for goods and services. high demand calls for more production which requires more of physical and human resources thus creating employment opportunities.

Advertising and Brand building

Brands are the identification that differentiates one business from another (through name, symbol etc.). However, today brands can also be defined as the personality they reflect to people in relation to status, emotional characteristics and subjective quality. They give the consumers a perceived knowledge of the product, its quality and uniqueness before they buy it.

Brands Ensure delivery of service as promised by them For example, Pizza Company A claims to deliver pizza within a certain time and Pizza company B claims to deliver most delicious Pizzas. It makes easy for the consumers to identify what they want and which brand to choose for it. It is important for a brand to accomplish the claim advertised to retain Brand Image.

Advertising is one of the key elements in building a brand, which is equally important to the marketer and consumers. Brand personality acts as a potent brand differentiator and offers sustainable competitive advantage.

Advertising by creating or reinforcing brand's personality enhances brand value or equity which in turn can be leveraged through brand extension. Brand personality also helps brands to gain market share, command price premium and insulates from discounting Brands.

Building a strong brand name is key factor for business success. In the competitive business environment of today, consumer

sophistication has altered business practices. Organizations are forced to anticipate customers' needs and convey clear messages to consumers by establishing strong brand names and focusing on brand building.

A brand's practical attributes and symbolic values are inherent elements that help the brand appeal on consumers' minds and emotion. When consumers relate brands with symbols, it becomes easier for an organization to raise consumer interest. For instance, Lexus is known for luxury, or Apple is known for innovation. Therefore, in consumers' minds, a brand is more than just a recognizable name: it is a promise that needs to be met on a regular basis.

Advertising is important for building brand awareness. By raising consumer interest and making consumers aware of their products and services, firms not only expand their customer base, but they also keep their loyal customers and increase their market share. In other words, the more aware consumers are of a brand, the more likely they are to buy from a particular business.

Approaches in Brand building:

To make brand distinctive: brand building can be done through repetitive advertising. Also by highlighting unique selling proposition one can distinguish brand from one another.

1. Constant innovation: Consumers need continuous innovation and new products. It is not always a new product even an improvement on the existing product is acceptable to the consumers. Through intensive advertising such brands are built which is time consuming.

2. Domination of brand: brand building largely depends on the domination it creates on the competitors. Domination can

take place either in national market or in niche market.

3. Prompt availability: Prompt delivery of the product is one of the factors that ensure brand building. This is possible if there is proper coordination between the finance, production, and marketing department.

4. Integration of new and old media: Consumers have ever changing demand. Due to availability of various media option the seller can push the product in the market by blend multiple media option .Thus advertising message are flashed to consumers through media mix.

9. Summary

Advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization.

Advertising has become essential to promote sales, to introduce new product, to create good public, for large scale of production, for educating people etc.

Advertising is the integral part of every day's life. Without advertising modern society cannot survive .Advertising is useful to society as it encourages people to purchase goods and services, it bridges the gap among people by communicating varied culture through advertising message, it contributes to bring about all round development of the economy by increasing demand, it provides opportunities to people to improve their income.