

DKB25 - ADVERTISING AND SALES PROMOTION

Unit I

Nature and scope of advertising, classification and type of advertising – Role of advertising in India's economic development – Problem and prospects – Industrial advertising and rural advertising.

Unit II

Campaign planning, creativity, copy writing concepts – layout principles – guidelines for preparation of art work, typesetting, photography and Block making.

Unit III

Media – types – factors guiding media selection – circulation readership data studies ORG, IENS, NRS I, II, III, IV, frequency, OTS. Advertising research -media research – copy research – measuring advertising performance.

Unit IV

Scope and importance of sales promotion – The promotion blend scope of sales promotion consumer sampling – sampling – premium contents and education.

Unit V

Trade association and sales promotion comprehensive sales promotion – programme planning and budgeting for sales promotion.

Reference:

1. Aaker and Myers – Advertising Management
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4. Alfred Gross – Sales Promotion

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UNIT 1

ADVERTISING

When a marketer or a company develop a product to satisfy market demand after carefully analyzing the market, there comes a need for establishing contact with the target market to sell that product. Moreover, this has to be a mass contact so that the product may get maximum exposure to large number of people. The best way to reach the mass market is through mass communication. Advertising is one of the means of such mass communication along with other means, which may or may not using mass communication, like publicity, sales promotion, public relations.

The word “advertise” comes from the Latin word "advertere" meaning “to turn toward" or “to pay attention”.

Advertising is an impersonal form of promotion that is directed towards the public at large and is paid for. It is a communication tool used to influence or persuade specific group of audience to take a desired action during a particular period.

It has been defined by various authors as:

“Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services through mass media such as newspapers, magazines, television or radio by an identified sponsor”. (Philip Kotler)

"Advertising consists of all the activities involved in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding disseminated information through one or more media and is paid for by an identified sponsor." (According to William J. Stanton)

“Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor". (American Marketing Association (AMA))

Advertising is an important and integral part of business; it helps in communicating business information to the present and potential customers. The advertisement is useful in

providing information about the company's product, its quality, features, price, usage, promotional offers, etc., to the customers. Advertisement is most visible form of all promotional activities, which has a direct effect on the minds of the target customers. It is important for both buyers and sellers. However, it is more important for sellers, as it is an indispensable tool to reach the target users in this modern age of large-scale production, intense competition in wide, distant and diverse market.

Advertising supplements all other form of promotional activities like personal selling, sales promotion, direct marketing. Without advertisement, sales promotional activities cannot reach out to the masses on time, rendering the sales promotional activities ineffective for producers.

Nature and Scope of Advertising

Advertising is the dispersal of information related to an idea, product or service to induce, motivate action according to the intention of the advertiser. It is a type of non-personal communication, paid by the sponsor, very often a manufacturer or a trader, to inform the present and prospective customers about its product. Sometimes the sponsor can be a Government agency who advertises for the public to look after the public interest and welfare. The entire presentation made verbally or visually in print or broadcast through a demo in one or more mediums is called an "Advertisement". Advertisement is inclusive of all, the message, slogan, and all those activities that enhance the image of message (for example: action, copy design, color and contrast used) that reaches and is well understood by the target group. Such an advertisement creates and builds an image so that the viewer or listener gets interested in it, his interest gets transformed into a desire, and then finally, his interest changes into action, sales/consumption.

NATURE OF ADVERTISING

The various definitions of advertising given reveal the following nature of advertising:

Communication: The main purpose of advertising is communication, with the target audience-existing and prospective customers together with the society at large. This is

achieved by dissemination of information in the form of message(s) through various mediums to the target audience in an effective way.

Paid form of communication: Advertiser purchases space and time on various Advertising mediums such as in newspapers, magazines, television, and Internet websites to communicate information to the prospective users.

Non-personal form of information: There is an absence of personal contact between the advertiser and the target user as there is no direct face-to-face contact. It complements the job of a personal seller as it creates awareness in the minds of potential customers. It is not for a specific user but common for all.

Identified sponsor: The advertisement is created, in the modern times not by an individual person or department in the same company that manufactures the product or service for sale. It is a company rather as ad-agency who creates an advertisement for an identified individual or a firm who pays for the advertisement referred to as sponsor. The product so advertised gets a good market when it is associated with a reputed company. It also makes an advertisement authentic.

Objective of promotion: The advertisement is done with an objective of promotion of ideas, goods and/or services.

One or more mediums: One or more mediums can be used simultaneously for the same advertisement. It can appear at the same point of time in the print media like books, brochures, newspapers and magazines; it can also be broadcasted in T.V., radio cinema and using other promotional tools as well. And as a result it can be in the form of visuals or oral messages.

Variety to consumers: Advertising provides the customer a wide range of products to choose from and make an informed choice. It increases the knowledge group of user relating to various products available in a specific product line.

Increase in sales and profitability: Advertisement has a wide reach at relatively lower cost to the producer, resulting in high sales and profitability to the seller.

SCOPE OF ADVERTISING

The scope of Advertising has increased many-fold in past decade due to the intensified competition from both domestic and international sellers. In the age of technology, products are launched at fast pace and providing information to users at such a speed has further increased the importance of advertising.

Introducing new products: Advertising helps business units to introduce itself and its products to the potential customers easily and in less time. People have more trust on firm who advertise their products as it increase authenticity of the firm in eyes of public.

Increase Demand for products: It helps to increase the demand for the existing product in current market and attracting new markets. It also helps in attracting new customers in international markets

Competition:Helps business enterprises to fight competition from domestic as well as to international companies. Continuous innovative advertising by firms helps in keeping the product in the minds of the customers and increase sale of the product.

Economies of Scale: Heavy advertising increases the demand of product that leads to large-scale production and thus decreases per unit of cost of production. This leads to economies of scale for the firm.

Good public image: Advertising enables a firm to create a good public image by communicating its achievements through advertisements. This satisfies the uncertainty in minds of the people and increases the goodwill and reputation of firm in market.

Increase standard of living: Advertising increases the knowledge of people about variety and quality of goods available in market, which increases the standard of living of people.

Research and Development: Advertising makes it necessary for the firm to indulge in research and development of products to provide better quality products to consumers. Research helps firm to continuously differentiate its products from other manufacturer's product and helps in fighting competition.

Educates People: It educates people about the new products available in the market and the various uses of the existing product. It helps widening the knowledge of people about a product utility. Advertising has helped people to adopt environment friendly habits and give up old habits. It, thus, helps to increase the standard of living of people.

Develops the Society: Advertisements bring in social and cultural change and help the society to rejuvenate it, adopt new norms and thinking.

Sustains Press and Media: Advertising support press and media houses by being an important source of revenue for them. Advertisements appear in daily newspapers and magazines that provide revenue to the publishing house and in turn people get the newspaper and magazines at cheaper rates. It is also provides a source of revenue for television network by running advertisements in between and after programs.

Classification and Type of Advertising

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.

CLASSIFICATION OF ADVERTISING

There are several classifications of advertising which can be used by the companies. Let us discuss them in detail. It is classified under nine heads.

1. Product advertising

A normal characteristic of advertising is to create primary demand for a product category rather than for a specific brand. It is wrongly believed that product advertising must stress on brand name. This is based on the feeling that a good image often enhances the effectiveness of product advertising. However, in practice, most companies are successful in

building the product image by using the brand names (e.g., Dettol, Horlicks). In short, when the company tries to sell its product or services through advertising it is referred to as product advertising.

2. Institutional advertising

These advertisements are not always directed to consumers. Instead, it is aimed at many of the various types of public (shareholders, creditors, etc.). It is not product oriented but is rather designed to enhance the image of the company.

3. Primary demand advertising

It is intended to stimulate primary demand for a new product or product category. It is heavily utilized during the introduction stages of the life cycle of the product.

4. Selective or competitive advertising

When a product enters the growth stage of its life cycle, and when competition begins, advertising emerges and becomes selective. Here, the goal of advertising is to increase the demand for a specific product or service. Advertising may begin to stress subtle difference in brands, with heavy emphasis on 'brand name recall'. Pricing also will be used as a key promotional weapon as products become very similar.

5. Comparative advertising

This is a highly controversial trend in today's competitive market. Such types of advertising play a decisive role on comparative features of two or more specific brands in terms of product / service attributes. This method is adopted in the maturity stage when similar products first appear in the market causing stiff competition.

6. Co-operative advertising

When manufacturers, wholesalers and retailers jointly sponsor and share the expenditure on advertising, it takes the form of co-operative advertising. Such advertising carry the names of all the parties involved. From the customers' point of view this is beneficial, as they can get the articles directly from the authorized outlets.

7. Commercial advertising

It is also termed as business advertising. As the name suggests such advertising is solely meant for effective increase in sales.

8. Non-commercial advertising

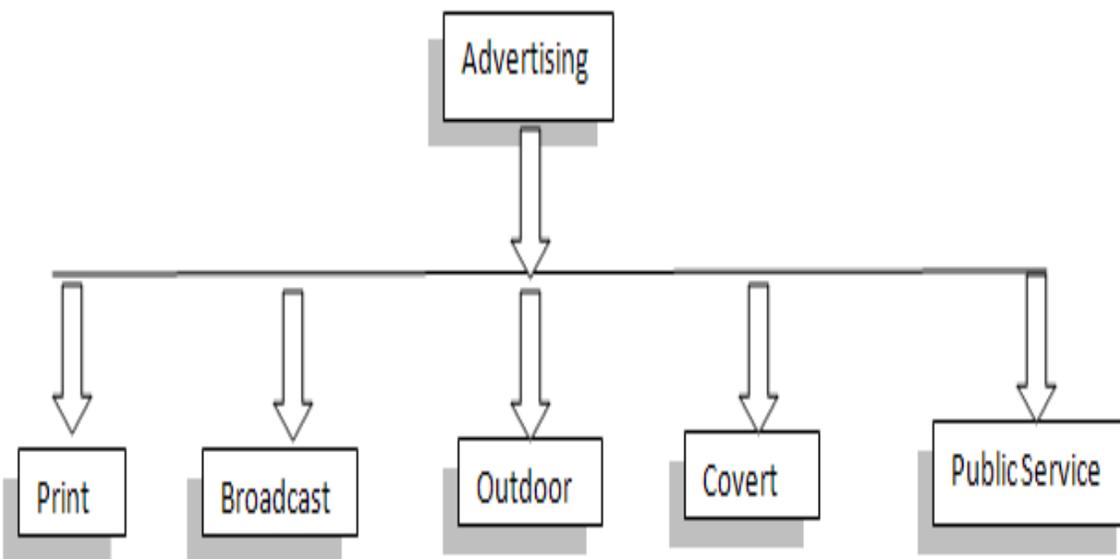
These are usually published by charitable institutions preferably to solicit general and financial help (such as collection of donation or sale of tickets).

9. Direct Action advertising

Advertising that stresses and persuades immediate buying of the product is known as direct action advertising. Direct mail advertising is capable of achieving immediate action to a large extent.

TYPES OF ADVERTISING

The various types of advertng are discussed bellow.



Print Advertising

The print media has been used for advertising since long. The newspapers and magazines are quite popular modes of advertising for different companies all over the world. Using the print media, the companies can also promote their products through brochures and fliers. The newspaper and magazines sell the advertising space and the cost depends on several factors. The quantity of space, the page of the publication, and the type of paper

decide the cost of the advertisement. So advertising on the front page would be costlier than on inside pages. Similarly advertising in the glossy supplement of the paper would be more expensive than in a mediocre quality paper.

BroadcastAdvertising

This type of advertising is very popular all around the world. It consists of television, radio, or Internet advertising. Advertising on the televisions have large audience and are very popular. The cost of the advertisement depends on the length of the advertisement and the time at which the advertisement would be appearing. For example, the prime time ads would be more costly than the regular ones. Radio advertising is not what it used to be after the advent of television and Internet, but still there is specific audience for the radio ads too. The radio jingles are quite popular in sections of society and help to sell the products.

OutdoorAdvertising

Outdoor advertising makes use of different tools to gain customer's attention. The billboards, kiosks, and events and tradeshows are an effective way to convey the message of the company. The billboards are present all around the city but the content should be such that it attracts the attention of the customer. The kiosks are an easy outlet of the products and serve as information outlets for the people too. Organizing events such as trade fairs and exhibitions for promotion of the product or service also in a way advertises the product. Therefore, outdoor advertising is an effective advertising tool.

CovertAdvertising

This is a unique way of advertising in which the product or the message is subtly included in a movie or TV serial. There is no actual Advertising, just the mention of the product in the movie. For example, Tom Cruise used the Nokia phone in the movie Minority Report.

PublicServiceAdvertising

As evident from the title itself, such advertising is for the public causes. There are a host of important matters such as AIDS, political integrity, energy conservation, illiteracy, poverty and so on all of which need more awareness as far as general public is concerned.

This type of advertising has gained much importance in recent times and is an effective tool to convey the message.

Role of Advertising in India's Economic Development

Advertising is an expression and part of an economic system. Each economic system has an interesting relationship with the social system, political system and cultural value. Whatever be the character of the economic system, there are three basic features which are common to all are

- Determination of goods and services and the quantities to be produced or offered.
- Allocation of resources according to priorities of production-mainly land, labor and capital;
- Distribution of goods and services among individuals and groups.

We are not concerned here about the relative importance of state intervention and market determination of these three processes.

ROLE OF ADVERTISING IN ECONOMIC AND SOCIAL DEVELOPMENT

A peculiarity of the mass communication system is that advertising pays most of the bills. All advertising contains both information and persuasion. It influence in the mass media market place. The classified advertisements in the daily newspaper are almost pure information. Their primary intention is to advise the readers of the availability of a product telling where, when, and for how much. The audience either wants it or they don't. Actually advertising is omnipresent and is basically persuasive in nature. It pays most of the bills. It accounts for around two thirds of the revenue of the print-media and nearly all the revenue for electronic media (Television and Radio). It has both marketing and communication. Advertising is a message industry that plays a major role in shaping the content and operation of the mass media. It plays an important role in our popular culture because it shapes and reflects our life styles. It is one step ahead of other elements in our culture and is usually the first to reflect social trends. Now the scenario is that the average adult is exposed to uncounted number of advertisements each day. Advertising plays two following broad roles in the socio-economic landscape of a country:

- Economic roles
- Social roles

Economic Role of Advertising

- Advertising performs an economic function for an advertiser, affect economic decision of the audience and is an integral part of the whole economic system.
- Advertising stimulates demand, educate consumer about new product, policies, programme services and organizations, increase competition and improve standard of life-style by helping to bring new product to the consumer.
- Advertising boosts the economy by helping to introduce new products faster and more effectively to consumer by supporting to achieve the economies of scale faster and by helping to remove the monopoly of the product.

Social Role of Advertising

- Advertising reflects society and society reflects advertising. At social level advertising plays upon, derives from and contributes to the social texture of a country.
- Various social changes are brought about or helped by advertising. Adult education, family planning and pulse polio campaign are the examples of few successful social advertising campaigns. It makes role models who can create societal change.
- Advertising are efficient source of information for product quality, new material or merchandise, new technology and cost.
- It reduces distribution costs, encourage competition and increases product quality through brand identity.
- It supports mass media to maintain independence from government, political parties and other special interest groups.

Problem and Prospects

While advertising can be seen as necessary for economic growth, it is not without social costs. Unsolicited commercial e-mail and other forms of spam have become so prevalent as to have become a major nuisance to users of these services, as well as being a financial burden on internet service providers. Advertising is increasingly invading public

spaces, such as schools, which some critics argue is a form of child exploitation. This increasing difficulty in limiting exposure to specific audiences can result in negative backlash for advertisers.

One of the most controversial criticisms of advertisement in the present day is that of the predominance of advertising of foods high in sugar, fat, and salt specifically to children. Critics claim that food advertisements targeting children are exploitive and are not sufficiently balanced with proper nutritional education to help children understand the consequences of their food choices. Additionally, children may not understand that they are being sold something, and are therefore more impressionable. The other criticisms include the change that are brought by those advertisements on the society and also the deceiving ads that are aired and published by the corporations. Cosmetic and health industry are the ones which exploited the highest and created reasons of concern.

NEGATIVE ROLE OF ADVERTISING IN THE SOCIETY

Objectionable and in bad taste – Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. Intrusive, repetitive, unreal, offensive and depressing are some of its unpleasant features.

Excessive fear appeal – The fear appeal in advertising creates anxiety that is supposed to be subsidized by an available product. Such appeals may create emotional disturbances in some audience members. Products like fairness cream, insurance or a germ killing toothpaste all tries to play with the fear factor.

Intrusiveness – An advertisement campaign moves with repetition from a period of effectiveness to acceptance, to a period of irritation.

Manipulation – Advertisements have the raw power to manipulate consumers. Many companies have the capacity to obtain large numbers of advertisement exposures, which is not good for healthy competition.

Effects on Values and Life-Style

Advertising receives wide exposure as it is disseminated through mass media. It has an effects on what people buy and thus on their activities. It is a persuasive vehicle which has

an impact on the values and life-style of society. The impact of advertising has its negative as well as positive side.

The relationship of advertising to materialism – Advertising creates or fosters materialism. Materialism is defined as the tendency to give undue importance to material interests. People buy high-end luxury products for social status. It reflects changing values and attitudes that are created by more significant sociological forces.

Advertising plays role in **creating harmful stereotypes of women and ethnic minorities.**

Contribution of advertising in promoting harmful products – The harmful products like tobacco, alcohol are promoted through surrogate advertising.

REGULATIONS

There have been increasing efforts to protect the public interest by regulating the content and the influence of advertising. Some examples include restrictions for advertising alcohol, tobacco or gambling imposed in many countries, as well as the bans around advertising to children, which exist in parts of Europe. Advertising regulation focuses heavily on the veracity of the claims and as such, there are often tighter restrictions placed around advertisements for food and healthcare products.

The advertising industries within some countries rely less on laws and more on systems of self-regulation. Advertisers and the media agree on a code of advertising standards that they attempt to uphold. The general aim of such codes is to ensure that any advertising is 'legal, decent, honest and truthful'. Some self-regulatory organizations are funded by the industry, but remain independent, with the intent of upholding the standards or codes.

Some governments restrict the languages that can be used in advertisements, but advertisers may employ tricks to try avoiding them. The advertising of pricing information is another topic of concern for governments.

Industrial Advertising

The most popular terminology used for industrial advertising is Business to Business advertising. This type of advertising generally includes a company advertising its products or services for the companies which actually uses same or similar products or services or we can say that the advertising company should produce the products which the other company needs for its productions or functions. For e.g. some mineral water companies which work on a smaller scale outsource the packaging bottles, the caps for bottles, the cover with name printed on it, etc. So for this, the advertisements of the manufacturers of bottles, caps and outer packaging paper can work.

A smaller to smaller and largest of all, every company has to do industrial advertising. For e.g. if a company is making coffee powder, it will sell its powder to the distributors who in turn will sale it to the retailers and wholesalers and also to the big companies who has a coffee machine for their employees. Thus companies manufacturing any products can be advertised to the other companies, like raw materials, the machineries used by other companies, spare parts of the machines which makes it work, anything.

Role of Industrial Advertising

- It minimizes the hunt for buyers.
- It helps in increasing sales of the company.
- It helps in making more and more distribution channels.
- It makes company work more efficiently to produce the desired product or service.
- It creates awareness among the customers or other companies about the products and services.

Process of Industrial Advertising:

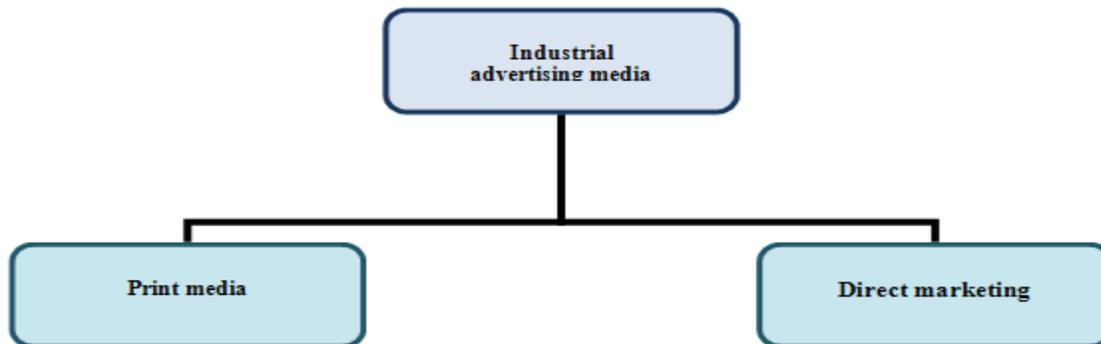
˘ The strategies used in industrial advertising differ from company to company, as different companies have different products to be advertised. So, a single rule cannot work for all the companies' advertisements.

The basic process which can lead to a successful advertisement is:

- Knowing the objective for advertising
- Identifying the target companies
- Researching about the market conditions and the competitors
- Creating the ad to be delivered
- Selecting media to be used
- What should be the budget allotted- execution of the advertisement
- Getting the feedbacks from the customers

Media types in Industrial Advertising

The media generally used in the industrial advertising is print media and direct marketing.



Print Media

Print Media includes business magazines, trade publications, newspapers, technical journals, etc. To make print media work efficiently, there are some do's and don'ts to be kept in mind:

- Visual image of the ad should be very sharp and prominent
- The ad should be so impressive that readers get attracted towards reading it
- The highlight should be on the service or product offered and not the source by which it is being offered
- The ad be simple to be read (with no difficult fonts)
- The picture shown should not be irrelevant with the product.
- The ad should reflect the company's image.
- The ad should to be in logical sequence if it is of two or more pages.

- Headlines should be catchy and suiting the product image.
- And lastly, at the bottom of the page, the company name, address and phone number of the respected office should be mentioned clearly without fail.

Direct Marketing:

Direct Marketing includes

1. **Direct Mail** – here, the newsletters, data sheets, and the brochures of the company are directly mailed to the customers' postal address.
2. **Telephonic Advertising** - the advertising is done by calling up the customers on their telephones, giving messages on mobile phones, etc.
3. **Online Advertising** - includes companies sending e-mails to the customers or other companies enclosing information about their products and services, putting online banners, providing e-shopping options, etc.

The advertisers also use other ways for promoting their products like participating in trade shows, trade expos, and fairs. Thus, the companies can use any or every type of advertising, the important motto being increase in sales, producing best quality products, maintaining good relations with the customers, and achieving the desired goal.

Rural Advertising

“Come with us to the fields, or go with our brothers to the sea and cast your net. For the land and the sea would be bountiful to you even as to us”- Kahlil Gibran. The footfalls in the villages are getting louder and louder as companies scramble to woo the rural consumers. Villages are no longer an abstraction, but fashionable in marketing terms. From talking endlessly about potential growth, companies are now actively cultivating the rural markets.

Consider the market; out of five lakhs villages in India only one lakh have been tapped so far. What has made the rural consumers so attractive to companies now? After all, the 122-million village households were not created overnight. The answer is simple. The urban market is getting saturated while villagers are flush with 'disposable income' thanks to bountiful harvests in the last four years. It is this income that the companies are raring to cash

in on. The estimate speaks of the potential volume of business that can be generated in rural Indian markets.

Rural Advertising Analysis shows that advertising is used for numerous purposes. It also shows that many companies have not given adequate thought to the question of exactly what they are trying to accomplish with their advertising. Retail stores frequently use advertising to bringing customers to the place where goods are sold.

The main objective of this Rural and Village advertising campaign was to help local distributors generate leads and to increase incoming presence at their showroom. The attractive display of merchandise ensured that attention was drawn towards the brand. Further to this display, promoting staff provided relevant information about the brand to interested consumers. Leaflets carrying main information about the brand were distributed and played a role in creating awareness about the brand

The store usually hopes to sell substantial quantities of the merchandise advertised; but more important, it hopes to get customers into the stores so that they will buy other types of merchandise and will develop habit of coming to that establishment for their subsequent requirements. Department stores use advertising in a similar manner. Those stores that feature price appeal undertake extensive advertising of "economy day", "president's birthday", and pre-season or post-season sales. Stores desiring to use a prestige appeal may have the author of a popular book give a lecture or secure designers of furniture, dinnerware, or clothing to talk about these particular products. A number of stores provide space for local art exhibits or a showing of crown jewels; a pair of unusual and very expensive fur pelts or the elaborate doll houses of a well-known T. V. actress may be featured for the purpose of attracting customers to the store. The point is well illustrated by a story told of two keen partners operating a store located in very low-income neighborhood. Upon observing that large number of customers was patronizing their near- by competitors, they set up a table filled with small articles, such as pickle forks, saltshakers, and cigarette holders. This table was placed near the front door where everyone entering or going out of the store would pass it.

“No great marketing decisions have ever been made on quantitative data” - John Scully. In India, rural advertising is increasingly evident throughout the countryside. The majority of advertisements and hoardings are for fertilizers, hybrid seeds, diesel pumps and pesticides, not to mention the message of family planning. Therefore advertising in the Indian rural context must be seen as consisting of techniques for improving economic mobility within the country. The emergence of an active cash economy is bound to create a strong rural demand and promote rural consumption. The traditional growth and dominance of urban industrial centers is undergoing rapid changes. A more equitable distribution in rural areas would also help in slowing down the rapidly increasing influx of people from rural into urban centers.

FEATURES OF RURAL MARKET

- 1. Large and scattered market:** The rural consumer market consists of over 63 crores consumers. The rural consumers are scattered over 576000 villages. The consumer market of non- foods market is over Rs 20000 crores
- 2. Demand related to agriculture:** Rural demand is linked to agriculture. Most of the purchases are made after harvest season. If there is a good harvest purchases will be more and vice versa.
- 3. Low Standard of Living:** Consumes in rural areas do have a low standards of living; this is because of low literacy, social backwardness, low per capita income, low savings and low purchasing power.
- 4. Great Diversity:** India is a land of great diversity with multi language, multi religious and multi cultural.
- 5. Traditional outlook:** An average rural consumer is traditional in outlook. They value old customs and traditions. However, a slow change is beginning to take place in their outlook, maybe because of the growth in literacy rate and the on slot of TV and other mass media in rural areas.

6. Steady growth rate: The growth rate for consumer goods is steady and infact increasing at a rapid pace. This is because of number of factors contributing to the change in outlook and purchasing power of rural consumers.

In a country of over one billion people, where more than 70 per cent of its population resides in rural areas, the sheer number has necessitated the marketers to reach out to them for marketing various goods and services. Despite the fact that more than 40 per cent of the Indian population is impoverished, there is still a great scope for necessity items in the rural hinterland. Over the years there has also been demand for various products that were considered 'urban' per se.

At a partnership summit organized by the Confederation of Indian Industries (CII) in 2001, celebrated management thinker Prof. C K Prahlad exhorted the Indian corporate Inc. to wake up and help create a consumer market out of the poor. Prahlad, Professor of Business Administration and Corporate Strategy at the University of Michigan took most of audience by surprise when he almost gave them a clarion call to retain their grip over the vast domestic market. "The bottom of the pyramid," said Prahlad," is very large and uncovered and represents a very counter-intuitive opportunity. It is a transformative challenge". Many analysts feel that there is a need to reinvent the mass market, in the face of global multinational companies setting up manufacturing units in India and the influx of cheap goods from some Asian countries, primarily China.

SCOPE OF THE RURAL ADVERTISING:

The new generation is no longer shying away from agriculture as a career. Many government initiatives like MNREGS and minimum support prices for various agriculture products have also given rural people a healthy income. There is no scarcity of job opportunities for the urban youth as well. In sectors like FMCG, automobile, retail, research and advertising, there are numerous prospects which are available at various levels in major companies having their operations in the rural sector.

Rural BPOs are one of the emerging sectors for rural masses. These ITEs (IT enabled services) are setting up their bases in the hinterlands as the cost of setting up a BPO unit is

somewhat lower in these areas. Another reason that has made these companies set up their establishments there is the easy accessibility of workforce in villages.

Unit 2

ADVERTISING CAMPAIGN

Advertising campaigns are the groups of advertising messages which are similar in nature. They share same messages and themes placed in different types of medias at some fixed times. The time frames of advertising campaigns are fixed and specifically defined.

The very prime thing before making an ad campaign is to know-

“Why you are advertising and what are you advertising?”

Why refers to the objective of advertising campaign. The objective of an advertising campaign is to

- Inform people about your product
- Convince them to buy the product
- Make your product available to the customers

Campaign Planning

An advertising campaign should be intimately related to the organization’s overall promotional goals. The organization and its advertising agency, if it uses one, must have a good idea of whom it wants to reach, what it will take to appeal to this market, and where and when the messages should be placed. Organizations and/or agencies need to take several steps to develop and implement the advertising campaign: identify the target market; set message goals; set the budget; design the ads; pretest; select media; execute the campaign; and posttest.

Identifying the Target Market

The target market of an advertising campaign is identified from research and segmentation decisions. Researchers try to understand the customer so that messages can be created that the customer will comprehend and respond to

Setting Message Goals

Message goals for a campaign can be increasing brand awareness, boosting sales by a certain percentage, or changing the image of a product. Sometimes the objective is simply to get people to recognize that they need the product. Effective advertising strategies accomplish at least one of three objectives: informing, persuading, or reminding consumers. The secret to success in choosing the best strategy is developing a message that best positions a firm's product in the audience's mind. Marketers often combine several advertising strategies to ensure that the advertisement accomplishes set objectives. As markets become more segmented, the need for personalized advertising increases.

Setting the Budget

After determining message goals, the organization next sets its advertising budget. Advertising is expensive. A firm allocates a percentage of its overall promotion budget to advertising, depending on how much and what type of advertising it can afford.

Five methods for setting promotion budgets are listed below:

- **Affordable method** – Promotion budget is set at the level management thinks the company can afford.
- **Percentage-of-sales method** – Promotion budget is set as a specified percentage of either past or forecasted sales.
- **Fixed-sum-per-unit method** – Promotion budget is set as a pre-determined dollar amount for each unit sold or produced.
- **Meeting competition method** – Promotion budget is set to match competitor's promotion outlays on either an absolute or relative basis.
- **Task-objective method** – Once marketers determine their specific promotion objectives, the amount (and type) of promotional spending needed to achieve them is determined. The task-objective method develops a promotion budget based on a sound evaluation of the firm's promotion objectives. As a result, it regulates its allocation of funds to modern marketing practices. Although this is the most rational approach, it is hard to implement it because it requires managers to specify their objectives and attach dollar amounts to them.

A brand's advertising budget often depends on its stage in the product life cycle. New products typically need large advertising budgets to build awareness and to persuade consumers to try the products. Mature brands, however, usually require lower budgets as a ratio to sales.

Market share also impacts the amount of advertising that is needed. Building the market or taking share from competitors requires larger advertising spending than does simply maintaining current share. Therefore, low-share brands usually need more advertising spending as a percentage of sales.

Brands in markets with many competitors and high advertising clutter also must be advertised more heavily to be noticed above the market noise. Undifferentiated brands—brands that closely resemble other brands in their product class, such as beer, soft drinks, and laundry detergents—may require heavy advertising to set them apart.

The reasons behind a campaign

- Many businesses launch advertising campaigns simply to boost sales or increase brand awareness.
- The launch of a **new product** will almost certainly require you to step up your advertising.
- **New businesses** will want to consider some form of advertising just to let people know they exist. You could consider an introductory offer to give people an incentive to visit or call.

Managing responses and monitoring campaign

A good advertising campaign can pull in the orders - but make sure you can deal with the response. You should determine the expected response level and check you have enough resources to meet it. It may not be a good idea to plan a campaign at popular staff holiday times. If this can't be avoided, consider temporary cover to deal with responses. You may need a system to ensure leads aren't missed. For example, you could design a standard enquiry form to be used by people fielding calls. The main aim is to find out as much as possible about what the caller wants. If they just want further details to be posted, the enquiry can be dealt with straight away. If the query is passed to a salesperson, give the customer an

indication of when they can expect a response. If you get a lot of these types of queries, it's a good idea to set up a system to track them.

Monitoring an advertising campaign

Each time you take an enquiry or make a sale, ask how the customer heard of you. This reveals whether any individual strand of your advertising or other marketing activities is particularly effective. Check to see if there are any patterns in enquiries relating to when and where your advertisements are displayed. If you include vouchers in print advertisements, use a different code for each publication they appear in. This allows you to pinpoint where incoming vouchers have come from. You might find some advertisements generate many enquiries but no actual sales. These cost most because they take up staff time without generating revenue. If this occurs, check whether your staff needs additional sales training or if your adverts need amending. It's also worth looking at the kind of sales each advertisement generates and whether they have a good profit margin. You should bear in mind that some advertisements may have delayed results. One person may order the next day, another might wait a few weeks or even months. More expensive products may not be purchased very often by consumers, and so your advertising may be targeted at keeping your brand at the front of people's minds for future reference. Advertising aimed at increasing brand awareness is always harder to measure because it does not transfer directly into sales.

Creativity

Creativity is the act of turning new and imaginative ideas into reality. Creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions. Creativity involves two processes; thinking, then producing. If you have ideas, but don't act on them, you are imaginative but not creative.

Creativity in Advertising

Advertising has a very important and vital role in the image building and marketing of products and or services in this rapidly changing competitive world.

Creativity is at the heart of everything we do our ability to transform strategic thinking into ideas enables us to develop creative communications that work in the market whether it is print, radio or television add, a corporate broacher or an annual report creativity makes our work stand out.

Creativity is being novel and appropriate. It is the ability to generate fresh unique and appropriate ideas that can be used as solution to communication problem.

There are three difference stages of creativity in advertising namely, create, creation and creative

CREATE: It means to bring something into being and originate a new and unique idea

CREATION: After the process of creating or originating a new idea, creating the original product of human invention or imagination leads to creation.

CREATIVE: In order to understand the creativity or being creative can be translated into seeing same thing as everybody else but thinking differently

Three aspects are most accepted:

For advertising being creative three aspects are universally most accepted these are the creative process, creative person and in this perspective the creative situation. These aspects are explained below:

- **The creative process.** It means receiving most of attention, focusing on mechanism and phases involved during the process one partakes in a creative act
- **The creative person.** This relates to the personality traits of creative people who are responsible and central to this process.
- **The creative situation.** In this situation the criteria & characteristics of creativity are considered to provide workable, acceptable and practical aspects of the situation.

Four Rules of Creativity:

There are generally four basic rules to be kept in mind during the creativity process these are mentioned below:

1. Make the product relevant to customer.

2. It should be promise to the customer.
3. Don't let it stand alone.
4. Always put product in the centre of the commercial.

Copy Writing Concepts

Copywriting is the act of writing text for the purpose of advertising or other forms of marketing. The product, called copy, is written content that aims to increase brand awareness and ultimately persuade a person or group to take a particular action.

COPY WRITER:

The purpose of each appealing message in advertisements is to motivate people to buy the advertised goods and services. Advertising copywriters are the people who write slogans like (Nike's "Just do it") and other slogans carefully making punchy phrases to coax the target audience into buying deluge of product and services. Following description will explain regarding copywriter and his/her assignments in advertising environment.

- A copy writer is who writes the most interesting and original copy that will get people appreciating and buying.
- A copywriter works in creative partnership with art director to conceive, develop & produce effective advertisements.
- While art director deals swith visual images, copy writer provides verbal or written aspect.

COPYWRITER'S WORK:

A copywriter's work depending upon the type of agency may include as under:

- Meeting with account management team to discuss client's requirements & background to the product.
- Working in close-knit creative partnership with art director to generate workable concepts and ideas.
- Writing clear, persuasive and original copy.

- Submitting ideas & discussing progress with the creative director.
- Amending & revising campaigns according to feedback from creative director or clients.
- Working on several campaigns at once under pressure & tight deadlines.
- Carefully proof reading copy to check spellings & grammar.
- Overseeing campaign through the production stage to final completion.
- Keeping up to date with popular culture & trends.
- Advising would be creative & reviewing portfolios

Copywriting is a job i.e. proceeds as creative, stimulating and even glamorous. The copywriter's work is often stressful since being creative on a tight schedule isn't all that easy.

The task of the copywriters includes:

- Writing ads for various media.
- Analyzing marketing data.
- Consulting with clients.
- Consulting with other members of creative team.
- Editing and re writing cop

CHARACTERISTICS OF COPYWRITER:

The skills abilities and personal characteristics of a copywriter are as follows:

- Writing creatively & persuasively.
- Working under pressure.
- Meeting deadlines.
- Working in team.
- Working cohesively with clients.
- Keeping abreast of market trends.

- Translating client's preferences.
- Having amazing sense of humor.
- Working on various projects simultaneously.
- Being a wordsmith.

Layout Principles

Layout is the logical arrangement of components of an advertisement in the copy. It refers to the overall structure, the position assigned to the various elements of the advertisement copy and illustrations. It is deciding on the placement of headlines, copy, illustrations, marketer's name, logo and the amount of free space in an advertisement copy. Thus, the physical arrangement of all the elements of advertisement is called layout. It is concerned with placing all the elements of the advertisement more attractively within the allotted space and time. The pattern of advertisement layout varies according to the medium to be used.

According to Sandage and Fryburger, "The plan of an advertisement, detailing the arrangement of various parts and relative spatial importance of each is referred to as layout".

Preparation of an Advertisement Layout

An advertisement layout is a plan for the guidance of the printer in arranging the units of an advertisement. Usually the layout man or visualizer prepares a rough layout which is submitted to the client for approval and he draws the finished layout for the guidance of the printer. In the creation of television commercials the layout is known as a 'Storyboard' which a series of pictures is of frames that coincides with the audio or sound script. A Radio does not utilize illustrations, except those that the medium can create with a description. Television, of course makes an extensive use of illustrations. A well conceived advertisement layout can be instrumental in obtaining attention comprehension, attitude change and behaviour change. Advertisers employ various layout techniques to attain their objectives.

Functions of an Advertisement Layout

An advertisement layout is a blueprint. The main functions of advertisement layout are:

- **Assembling Different Parts** – The main function of layout is to assemble and arrange the different parts or elements of an advertisement illustration, headline sub-headlines, slogans, body text and the identification mark etc. And boarder and other graphic materials – into a unified presentation of the sales message. In all the layouts present these elements in the same size, form, shape, position and proportion as desired by the advertiser in the final ad, proof , Thus layout gives both creative personals (copywriter and artists) and the advertiser who pays for it a good idea of how the finished ad will finally appear.
- **Opportunity of Modification** – The layout offers an opportunity to the creative teams, agency management and the advertiser to suggest modification before its final approval and actual construction and production begins.
- **Specification for Costs** – The layout provides specification for estimating costs and it is a guide for engravers typographers and other craft workers to follow in producing the advertisement.

Principles of Design and Layout

It is not necessary that all elements of advertisement copy must form part of the copy. They appear in today’s ads with varying degree of frequency. The components of the advertisement copy must be decorated or positioned on the basis of certain basic principles regardless of the number of elements in an add.

The following five principles of good composition are important to anyone who creates or evaluates the advertisement:

1. **Balance** – A layout may be called balanced if equal weight or forces are equidistant from a reference point or a light weight is placed at a greater distance from the reference point than a heavy weight. Balance is the law of nature. The reference point or fulcrum is the optical centre of the advertisement. The artists with a given area or space, are to place all the elements within this space. Optical centre of fulcrum of the

ad is often a point approximately two – thirds of the distance from the bottom. It is the reference of the advertisement layout.

2. **Proportion**– Proportion is closely related to balance since it refers to the division of space among layout elements for a pleasing optical effect. Good proportion in an advertisement requires a desired emphasis on each element in terms of size and position. If the major appeal in an advertisement is product's price. The price should be displayed in proportionate space position.
3. **Contrast and Emphasis** – Contrast means variety. It gives life to the whole composition and adds emphasis to selected important elements. An advertiser always looks to advertisements from completion point of view and desires the policy of the most important elements to attract the attention of the people. An advertisement with good contrast may attract the attention of customers Contrast maybe visible in a number of ways. It may be witnessed through sizes, shapes and colours. Different colours sizes and shapes of elements in an advertisement add contrast. The varying directions, of design elements (Vertical trees, horizontal pavements arched rainbows) add contrast; too there must be sales communication purpose behind every layout decision made.
4. **Eye Movement** – Eye movement is the design principle which helps to move the eyes of the readers from element to element in the order given in the hierarchy of effects model for effective communication of the message in advertising. An effective ad uses movement to lead its reading audience from initial message awareness through product knowledge and brand preference, to ultimate action (intent to purchase). Direction and sequence are two terms for the same element and artists may perform it in many ways. Mechanical eye direction may be created by devices such as pointing fingers lines arrows or even a bouncing ball that moves from unit to unit. Planned eye movement should follow the established reading patterns too, such as the tendency to start to top left corner of a page and read through to the lower right corner. The eyes also moves naturally from large items to small from dark to light and from colours to not – colours.

5. **Unity or Harmony** – Unity or harmony is another important design principle. Although each element should be considered as a separate unit in striving for balance, proportion, contrast and eye movement. The complete layout or design should appear as a unified composition.

Common methods of securing unity in layouts are

- (i) Use of consistent typographical design.
- (ii) Repetition of the same shapes and motifs
- (iii) Overlapping of elements
- (iv) Use of a boarder to hold elements together and
- (v) Avoidance of too much of space between various elements.

Although unity and contrast seems conflicting, they function quite smoothly together if they operate at cross purposes – if the artists strive for balance here too as well as in the advertisement layout overall. Unity contributes orderliness to elements – a state of coherence if they are properly placed. Contrasting Size shapes colours and directions can flow together beautifully.

Elements of an Advertising Layout

An advertising copy is the means by which the advertiser's ideas are given expression to in a message to readers. Regardless of its length and brevity copy refers to all the reading matters of an advertisement, including the headline, sub-headlines, text or body, and the name of the firm or the standard initials of the advertiser. As we have seen that advertising has so many immediate purposes but its ultimate goal is to stimulate sales. As a reader turns the pages of a magazine or newspaper, he notices so many advertisements but a great variation in copy. Some copy may be so sticking that the reader takes immediate action and rush to the nearest dealer to purchase it while there may be some other copy or copies that he does not like or it does not click to his mind. The first copy conforms to the requisites of a good advertisement copy. A copywriter must take pains in making up a sound advertisement copy containing its various components i.e. headlines, subhead lines, illustrations etc. The following are the main components of an advertisement copy:

Background: The background for the advertisements should be somewhat catchy and colorful. The arrangement of background differs from medium to medium and advertisement to advertisement. In short, background should be suitable for the contents of the advertisement.

Border: It is defined as the frame of the advertisement. Border is employed to impart the reading atmosphere. The border may be light or heavy, obvious, plain or fanciful. The border may also contain a logo.

Caption: It refers to the subtitle. But in most of the advertisement it is converted into heading or sub-heading.

Coupon: Coupon is that part of the advertisement which is intended for the convenience of the prospective customer in communicating with the advertiser. The coupon must contain the name and full postal address of the firm followed by the offer. The offer should be brief and clear. There should be space for name and address of the prospective customer. The usual shape of the coupon is triangular or rectangular.

Decoration: Advertisement decoration is the ornament of the advertisement. This is done to emphasize the advertisement message.

Heading: The heading or headline is defined as the title of the advertisement. The words in the heading should be short.

Illustration: Illustrations are the part of layout that pictures the basic theme of the advertisement. It has the power to capture the attention of the reader. The advertisements become richer by the use of illustrations.

Mascot: It is known as the trade character or trade figure. It is an illustration of either a real or an imaginary figure or personality given in the advertisement.

Name Plate (logo): The name plate or name block is the signature of the advertiser. It represents the personality of the company and its product.

Price: It is another part of layout. The price of the product should be featured clearly. The price is usually taken in the concluding lines of the copy.

Product: It refers to the representation of the product offered for sale. A very popular practice is to show the product in use with illustrations.

Slogan: Slogan is a sales argument. The arrangement of slogan in the layout is determined by the importance of its relation to the advertising message.

Space: Space refers to the entire space left in the space hired by the advertiser. This depends on the design of the copy.

Subheading: It is a secondary heading. It is given to support the heading or to pick out the various selling points given in the text.

Text: Text or body of the advertisement refers to the general reading matter. It is the subject matter of the copy. It should be neither too wide nor too narrow.

Trade mark: It is a word or design by which a product is defined. If the trade, marks are registered it can be included in the layout.

Guidelines for Preparation of Art Work

Advertising uses an array of techniques in their aesthetics to accomplish its task: to promote a product. The purpose of the art is to provide the product and the firm that manufactures it with an image. An image is a set of emotional associations the consumer, is meant to have with respect to the product. The artistic methods of advertising revolve around the creation of such an image.

Elements of Art Used in Advertisement

Lines

Lines can suggest speed, solidity and purposefulness. Lines are the basic building blocks of all art because they are the visual basics of all reality. In general terms, horizontal lines suggest passivity, while vertical lines suggest power and activity.

Shapes

A shape can suggest anything. Curves suggest feminine voluptuousness, while angles suggest masculine practicality. Depending on the product, the dominant shapes in the ad can

provide the impetus to build images and associations based on these basic ideas. A circle can imply eternity and virtue, while a line, like a road leading to a horizon, suggests freedom. Triangles, squares and parallel lines all suggest different concepts and emotions. Triangles focus the mind upward, while squares often suggest practicality and usefulness.

Forms

Forms are more complex than shapes. They are the outward manifestation of inward content. A form is the synthesis of line and shape, and establishes the groundwork for all the other elements.

Texture

Texture is the surface qualities of an object. They can be smooth, suggesting refined tastes, or rough, suggesting toughness. This might be the distinction, for example, between an ad for Lexus and one for Chevy trucks. The surface features suggest the different associations attached to those different vehicles.

Color

Colors are powerful image builders. Red is almost always used to depict youthfulness, power and action. Blue is often relaxing. Blue is often the dominant colors used in furniture or sleep-aid ads. Green almost always suggests growth, hope and the organic. Yellow and red together can suggest speed and power in a single object such as an automobile.

Value

Values refer normally to color. It refers to changes in the actual color in the "form" of an object, but also can change in intensity. Intense colors suggest speed, youth and virility. These are common in sports car ads and certain types of clothing aimed at youth. More cerebral ads focus on muted values, while ads aimed at youth often use bright, overpowering values.

Space

Space is the most comprehensive of all artistic elements. It is the synthesis of all other elements in the campaign. It is the stage on which all other artistic elements come together. It

is not empty space, but is rather a spatial distribution of objects in a defined environment. An automotive ad stressing speed and freedom might use few objects in an ad campaign, and stress the road and the horizon. A truck, more about strength and utility, might be in a cluttered space such as a construction zone.

List of Things to Put on an Advertisement

The slickest, most creative advertising campaign will fail to succeed if readers don't know what the product is or how it benefits them. In addition to attracting attention, an ad must promote a product's desirability and provide a clear route to next steps for the consumer. When putting together an advertisement must include both the artistic and textual elements to be effective.

Catchy Headline

An advertisement must catch a reader's attention within a matter of seconds. A headline that is made up of a few words -- three to five -- and is engaging enough for people to stop and look at the ad is essential for an effective marketing campaign. A natural skin care line could use the headlines, "Nature has the perfect cure," or "Natural beauty from the earth." If those few seconds are all you get from a reader, you want those key words to be essential links to your brand that the reader will retain.

Powerful Image

A single image can tell a story as powerfully as a paragraph of text. Choosing the right image, that draws attention to your ad and fully conveys the story of your product, is as important as the words that accompany it. The natural skin care product could use the image of a single green leaf, or a close up of a woman's face, clean and seemingly without makeup. Testing the image before rolling out your campaign may help show you that you're conveying the right message; words can have several meanings, and images can invoke different feelings in different people.

Benefit for the Reader

An ad should answer the "why" of purchasing the brand or product. This can be a subtext of your header, or implied by the image. If you sell a natural skin care line, an image

of a clean face and a headline using words such as "pure" can tell readers they should buy the product to obtain natural beauty. Sub-headers can also identify the benefit of the product: "because nature is the best cleanser," or "why add chemicals when you can have something pure," are examples.

Your Unique Advantage

The ad must tell the reader why your particular brand of product is preferred over a competitor in the market. You can not only state the advantage but prove it using testimonials from users, or statistics. The pure skin care line could boast it is the only line to contain organic jojoba oil from a particular geographic region, and include testimonials from users who confirm the product has made a difference to their skin.

Call to Action

The ad must tell the reader to do something, whether it's to claim a discount on the product, participate in a free trial or visit a retailer to purchase it for a limited time. The call to action can take many forms, including a coupon, list of stores that sell the product with the invitation to visit them, or a website address where readers can sign up for news.

Typesetting

Typesetting is the digital or physical arrangement of text in the fields of publishing and graphic design. Below introduces this unique art of organizing and fine tuning document titles and content.

The typeset process refers to the selection and setting of type for a document. It is sometimes confused with typography, which refers to the type design, because both focus on the visual presentation of text. The typeset process results in text and images carefully being arranged in preparation for printing. This requires editors, typesetters or graphic designers select the most appropriate size and style of every text chain and design element. Although the typeset process may appear simple, it is actually a very technical and time consuming activity. Failure to properly manage and edit the typeset will result in visually unappealing flaws within the text.

Care about the Typeset

A well-designed text is a mark of quality and professionalism. It also directly influences how the readers enjoy the article or book. Similar to how typos and grammatical errors distract readers, design mistake will disrupt the reader. Digital designers and typesetters are trained to eliminate the tiny mistakes that prevent a perfect reading experience. Authors themselves rarely are trained how to typeset, but they rely on their editors and publishers to meticulously proofread their work, which will subtly enhance the reader's experience. Still, authors and graphic designers should understand the basics of how to typeset in order to increase the overall quality of their work.

Typesetter

A designer or typesetting will be responsible to review and format typesets. They prepare draft copies for printing by performing in-depth corrective reads. They maintain quality results by following and enforcing internal rules and industry standards. They recommend revisions based on proofreading protocols and copywriter procedures. They must control costs by tracking project deadlines, maintaining work logs and preparing final reports. Typesetters need strong project management skills in order to successfully manage and complete simultaneously demanding publishing projects. They must also have excellent scheduling and time management skills in order to meet daily production schedules, work closely with team members and exceed customer expectations.

Photography

Advertising and marketing is an important part of selling products and services. This is not just true in business, but also for local authorities, charities and educational establishments. Imagery can perform many functions from catching a prospective customer's eye, simplifying concepts, enhancing the appeal of a product or service, or just pulling together an idea. But it is often the part of an advertising campaign that is left to last, but strong photographs in advertising can make the difference between being just "okay" to being very effective. Photographs play an important role in advertising and marketing

because they can tell a story. As the ancient Chinese proverb so rightly stated “one picture is worth ten thousand words”.

Rather than seeing it as a drain on your business expenses, you should see them as a return on that investment. Using high quality marketing images should be used to ensure the growth of sales. Few businesses focus on the cost of photography for a marketing campaign and forget the benefits it can bring. It is agreed that high quality photography is likely to cost more than stock images or self-help photographs. But and it is a big BUT the overall benefit against cost is comparatively greater. It is frustrating that companies will happily spend large amounts on printing and distributing, but scrimp on photography costs. This will mean that the funds invested in the overall campaign have been wasted by a poor final result.

Make sparks fly with your marketing

Good use of photography can tie a whole advertising concept together. Now stock photography has a place in advertising and marketing, but it can also portray a lack of originality of the product or service. Poor use of photographs and pictures can weaken or destroy a campaign because it does not have real impact. Photography can bring that Impact. Just remember, we are bombarded by marketing messages. In the 1970s we were exposed to about 500 ads a day back, whilst today it can be as many as 5,000 a day today.” Because of this incessant bombardment, consumers are only able to give their attention to brochures and advertising materials for a few seconds before discarding it and moving on to the next piece. After that, be it in print or online – it goes in the rubbish bin. It is here that great photographs can make a real difference and extend those precious seconds to “a good read”.

A good professional photographer will produce high quality images that will be unique to your business. They will be unique because only you will have them. But more importantly, they will be photographs of you and your business. Done well, they will help your products and services stand out from your competitors. They can be tailored to fit with your brand, which will help target the right customers.

Getting your message across effectively

Rather than hiring a jobbing “professional photographer”, it is always more effective to deal with a photographer who has some experience with advertising photography. The product has to stand out, not disappear into a background. It needs to stand apart from other adverts in the field. A good photograph will grab a viewer’s attention and make an impact on their thought processes. Getting a message embedded in a photograph takes someone with a real eye for the product and its opportunities.

When planning your marketing and advertising campaigns, you should always allow an element in your marketing budget to cover photography. Paying for a professional photographer makes good business sense.

If you hire a photographer to do a photo shoot for you, you will have original images to use when you want. But do not forget to consider the license agreement you have with the photographer. Do they give you unlimited use of the images, are they for one project only, do you pay them a fee every time you use the photographs. Many photographers retain the copyright of the images, even if you can use them exclusively. What that means is that you can use them, but you cannot resell them.

Different types of advertising photography need different skills. Food photography is not just a simple case of putting a bit of food on a plate and taking a photograph. To make it appetizing it needs to be shown at its most desirable, which may require using materials that hold a product’s look. This can range from cocktail sticks, food varnish and other tricks of the trade. Fashion photographers need other skills to make a shot feel active, attractive and desirable.

Managing an effective advertising or marketing campaign can be a daunting task. But with good photography and a clear message you can grab the attention of customers. This will help them take the next step towards a purchase of products or services.

Block Making

Block printing is a technique for printing text, images or patterns used widely throughout East Asia and originating in China in antiquity as a method of printing on

textiles and later paper. As a method of printing on cloth, the earliest surviving examples from China date to before 220 AD. Woodblock printing existed in Tang China during the 7th century AD and remained the most common East Asian method of printing books and other texts, as well as images, until the 19th century. *Ukiyo-e* is the best known type of Japanese woodblock art print. Most European uses of the technique for printing images on paper are covered by the art term woodcut, except for the block-books produced mainly in the 15th century in India.

Technique

The block is carefully prepared as a relief pattern, which means the areas to show 'white' are cut away with a knife, chisel, or sandpaper leaving the characters or image to show in 'black' at the original surface level. The block was cut along the grain of the wood. It is necessary only to ink the block and bring it into firm and even contact with the paper or cloth to achieve an acceptable print. The content would of course print "in reverse" or mirror-image, a further complication when text was involved. The art of carving the woodcut is technically known as *xylography*, though the term is rarely used in English.

For colour printing, multiple blocks are used, each for one colour, although overprinting two colours may produce further colours on the print. Multiple colours can be printed by keying the paper to a frame around the woodblocks.

There are three methods of printing to consider:

- **Stamping:** Used for many fabrics and most early European woodcuts (1400–40). These were printed by putting the paper/fabric on a table or other flat surface with the block on top, and pressing or hammering the back of the block.
- **Rubbing:** Apparently the most common method for Far Eastern printing on paper at all times. Used for European woodcuts and block-books later in the fifteenth century, and very widely for cloth. Also used for many Western woodcuts from about 1910 to the present. The block goes face up on a table, with the paper or fabric on top. The back is rubbed with a "hard pad, a flat piece of wood, a burnished, or a leather froton". A traditional Japanese tool used for this is called a *baren*. Later in Japan,

complex wooden mechanisms were used to help hold the woodblock perfectly still and to apply proper pressure in the printing process. This was especially helpful once multiple colors were introduced and had to be applied with precision atop previous ink layers.

- **Printing in a press:** presses only seem to have been used in Asia in relatively recent times. Printing-presses were used from about 1480 for European prints and block-books, and before that for woodcut book illustrations. Simple weighted presses may have been used in Europe before the print-press, but firm evidence is lacking.

Seals and stamps

Prior to the invention of woodblock printing, seals and stamps were used for making impressions. The oldest of these seals came from Mesopotamia and Egypt. The use of round "cylinder seals" for rolling an impress onto clay tablets goes back to early Mesopotamian civilization before 3000 BC, where they are the most common works of art to survive, and feature complex and beautiful images. A few much larger brick (e.g. 13×13 cm) stamps for marking clay bricks survive from Akkad from around 2270 BC. There are also Roman lead pipe inscriptions of some length that were stamped, and amulet MS 5236 may be a unique surviving gold foil sheet stamped with an amulet text in the 6th century BC. However none of these used ink, which is necessary for printing (on a proper definition), but stamped marks into relatively soft materials. In both China and Egypt, the use of small stamps for seals preceded the use of larger blocks. In Europe and India, the printing of cloth certainly preceded the printing of paper or papyrus; this was probably also the case in China. The process is essentially the same—in Europe special presentation impressions of prints were often printed on silk until at least the 17th century.

Unit 3

MEDIA

The advertising medium refers to the means through which the advertiser can convey his message to audience. Proper selection of the media enables the advertiser to achieve the desired results. Hence, advertising media selection is vital for the success of an advertising campaign.

An advertising medium is any object or device that carries the advertising message. It should be capable of accomplishing following three objectives:

- To reach the largest number of people possible.
- To gain their attention.
- To be less expensive.

The character of the medium is largely determined on the objective and factual basis such as whether the coverage of the medium should be national, regional or only local.

Advertising media selection

Advertising media selection is the process of choosing the most efficient media for an advertising campaign. To evaluate media efficiency, planners consider a range of factors including: the required coverage and number of exposures in a target audience; the relative cost of the media advertising and the media environment. Media planning may also involve buying media space. Media planners require an intricate understanding of the strengths and weaknesses of each of the main media options. The media industry is dynamic - new advertising media options are constantly emerging. Digital and social media are changing the way that consumers use media and are also having an impact on how consumers acquire product information.

Types of Advertising Media

The selection of advertising media for a given campaign requires a deep and rich understanding of the media options available.

Television advertising

Television advertising offers the benefit of reaching large numbers in a single exposure. Yet because it is a mass medium capable of being seen by nearly anyone, television lacks the ability to deliver an advertisement to highly targeted customers compared to other media outlets. Television networks are attempting to improve their targeting efforts. In particular, networks operating in the pay-to-access arena, such as those with channels on cable and satellite television, are introducing more narrowly themed programming (i.e., TV shows geared to specific interest groups) designed to appeal to selective audiences. However, television remains an option that is best for products that targeted to a broad market. The geographic scope of television advertising may vary, from local or regional advertising through to national coverage, depending on whether public broadcasting or subscriber-based cable services are used.

Television advertising, once seen as the mainstay of media advertising, is facing numerous challenges from alternative media, especially interactive and social media. Technological innovations, especially the advent of ad blocking and zapping, have eroded TV's immediacy and relevance for some audiences.

Radio advertising

Promotion through radio has been a viable advertising option for over 80 years. Radio advertising is mostly local to the broadcast range of a radio station, however, at least three options exist that offer national and potentially international coverage. First, in many countries there are radio networks that use many geographically distinct stations to broadcast simultaneously. In the United States such networks as Disney (children's programming) and ESPN (sports programming) broadcast nationally either through a group of company-owned stations or through a syndication arrangement (i.e., business agreement) with partner stations. Second, within the last few years the emergence of radio programming delivered via satellite

has become an option for national advertising. Finally, the potential for national and international advertising may become more attractive as radio stations allow their signals to be broadcast over the Internet.

In many ways radio suffers the same problems as television, namely, a mass medium that is not highly targeted and offers little opportunity to track responses. But unlike television, radio presents the additional disadvantage of limiting advertisers to audio-only advertising. For some products advertising without visual support is not effective.

Print publications advertising

Print publications such as magazines, books, newspapers and Special Issue publications (such as annuals) offer a variety of advertising opportunities:

Magazines, especially those that target specific niche or specialized interest areas, are more tightly targeted compared to broadcast media. Additionally, magazines offer the option of allowing marketers to present their message using high quality imagery (e.g., full color) and can also offer advertisers the ability to integrate interactive, tactile experiences through the use of scratch-it papers impregnated with scents (e.g., perfume).

Newspapers have also incorporated color advertisements, though their main advantage rests with their ability to target local markets. For advertisers, the ability to insert catalogs or special promotional material into the newspaper is an advantage.

Special Issue publications can offer very selective targeting since these often focus on extremely narrow topics (e.g., auto buying guide, tour guides, college and university ratings, etc.).

Internet advertising

The fastest growing media outlet for advertising is the Internet. Compared to spending in other media, the rate of spending for Internet advertising is experiencing tremendous growth. Internet advertising's influence continues to expand and each year more major marketers shift a larger portion of their promotional budget to this medium. Two key reasons for this shift rest with the Internet's ability to: narrowly target an advertising message and track user response to the advertiser's message.

The Internet offers many advertising options with messages delivered through websites or by email:

- Standard online advertising formats (e.g. Banner ads, interstitials.) - A banner ad is a rectangular advertisement appearing at the top or bottom of a web-page. Banner ads are typically 468 X 60 pixels. An interstitial is an advertisement that interrupts the user. It may be a full page or a pop up window.
- Rich media advertisements - ads that incorporate a variety of technology components such as video and audio. Rich media ads are thought to deliver higher impact messages.
- Paid search advertising - A method of placing online advertisements on web pages that show results from search engine queries. Through the same search-engine advertising services, ads can also be placed on Web pages with other published content.
- Search Engine Marketing - A form of Internet marketing that involves the promotion of websites by increasing their visibility in search engine results pages (SERPs) primarily through paid advertising. SEM may incorporate search engine optimization (SEO), which adjusts or rewrites website content and site architecture to achieve a higher ranking in search engine results pages to enhance pay per click (PPC) listings.
- Online video gaming - An online game is a video game that is either partially or primarily played through the Internet or another computer network. Advertisers can pay to have their messages or products incorporated into the sets of online games.
- Paid inclusion Paid inclusion is a search engine marketing product where the search engine company charges fees related to inclusion of websites in their search index. The use of paid inclusion is controversial and paid inclusion's popularity has decreased over time among search engines.
- Email advertising - also known as *internet direct marketing*. Using email to deliver an advertisement affords marketers the advantage of low distribution cost and potentially high reach. In situations where the marketer possesses a highly targeted list, response

rates to email advertisements may be quite high. This is especially true if those on the list have agreed to receive email, a process known as “opt-in” marketing. Email advertisement can take the form of a regular email message or be presented within the context of more detailed content, such as an electronic newsletter. Delivery to a user’s email address can be viewed as either plain text or can look more like a website using web coding (i.e., HTML). However, as most people are aware, there is significant downside to email advertising due to highly publicized issues related to abuse (i.e., spam).

- Social media advertising - a collective term used to describe forms of online advertising that focus on social networking services such as Facebook, Twitter, Instagram.

Online advertising has spawned a range of new segmentation and targeting approaches including Affinity targeting, Behavioral, Contextual targeting and Geographic targeting and Purchase-based category targeting.

Out-of-home media

The use of signs to communicate a marketer’s message places advertising in geographically identified areas in order to capture customer attention. The most obvious method of using signs is through billboards, which are generally located in high traffic areas. Outdoor billboards come in many sizes, though the most well-known are large structures located near transportation points intending to attract the interest of people traveling on roads or public transportation. Indoor billboards are often smaller than outdoor billboards and are designed to attract the attention of foot traffic (i.e., those moving past the sign). For example, smaller signage in airports, train terminals and large commercial office space fit this category.

While billboards are the most obvious example of signage advertising, there are many other forms of signage advertising include:

- Sky writing where airplanes use special chemicals to form words
- Messages placed on hot air balloons or banners carried by small aircraft

- Mobile billboards where signs are placed on vehicles, such as buses and cars, taxis or even clapper-boards carried by paid agents
- Plastic bags used to protect newspapers delivered to homes
- Advertisements attached to grocery carts
- Holographic images projected into public spaces
- Laser projections onto city buildings

Mobile device advertising

The growth of hand-held devices is changing the way that consumers consume media and search for product information'

Handheld devices, such as cellphones, smartphones, portable computers and other wireless devices, make up the growing mobile device market. Such devices allow customers to stay informed, gather information and communicate with others without being tied to a physical location. While the mobile device market is only beginning to become a viable advertising medium, it may soon offer significant opportunity for marketers to reach customers at anytime and anywhere.

Also, with geographic positioning features included in newer mobile devices, the medium has the potential to provide marketers with the ability to target customers based on their geographic location. Currently, the most popular advertising delivery method to mobile devices is through plain text messaging, however, over the next few years multimedia advertisements are expected to become the dominant message format.

Factors Guiding Media Selection

Selection of a suitable medium for advertising is really a complex problem to the advertiser. There are a number of kinds and classes of media in the modern advertising. Hence, the advertising media selection means not only the choice of the right classes of media out also the individual medium within the class or classes. Besides there is no single medium that is best suited for all advertisers. In reality, a medium which is best suited for one may be almost useless for another. The medium once employed for advertising a

particular product itself may be found unsuited subsequently. Therefore, the right choice of a medium calls for a careful analysis. If the medium is unsuited the whole amount of money spent on the advertising campaign shall turn to be a waste.

The advertiser, therefore, while selecting the media, should consider the following factors:

Class of the audience: Firstly, the advertiser must note the class of the audience to be influenced by the medium. The audience can be classified into different groups by their social status, age, income, educational standard, religion, cultural interests. They may also be divided into men and women.

Extent of coverage: Secondly, the advertiser must consider the number of audience to be covered by the medium. Every media has a general as well as an effective circulation. The general circulation is made up of the total number of people who read or subscribe to the media. The effective circulation is the number prospective customers who read it and the number of those who influences sales, though they may not buy for themselves. Effective circulation must be considered while estimating the number of people to be covered. The extent to which the medium reaches the same audience as that covered by some other media i.e., the percentage of over-lapping must also be taken into account.

Nature of the product: Nature of the product itself is a principal factor governing the selection of the medium. Products can be classified into various kinds – consumer's products and manufacturer's products etc.

Nature of the competition: The nature of the competition exerts greater influence of the selection of the media. If the competition is stiff utmost care is needed in the selection of medium and a larger advertising budget is also required. In many cases, where the advertising copy is similar or the choice of the media solely determines the effectiveness of the campaign as compared with that of the other competitors.

Reputation of the medium: Newspapers and magazines can offer a beautiful illustration for the reputation of the media. There are a few newspapers and magazines which have international reputation with a high readership. Advertisements in such magazines and

newspapers are generally recognized and believed as true. Such advertisements also add prestige to the product.

Cost of the media: Cost of the medium in most cases, is an important factor in the selection of the medium. Advertisements in certain media are expensive, for instance, TV and Radio advertisements. Magazines and newspaper advertisements are generally considered as less expensive. Yet, certain magazines and newspapers, having larger circulation and high reputation charge higher rates. The rates also differ depending upon the space occupied and the preferential positions. The first page of a newspaper is rarely missed by the reader. Hence they have more attention value, than the advertisements presented anywhere inside the newspaper.

Time and location of buying decisions: The location of the audience and the time by which it should reach them must also be looked into. This consideration also enables the advertiser to keep his retail outlets in the proximity of the customers.

Circulation / Readership / Viewership Data Studies

Selecting the optimal media vehicles for a given campaign requires detailed research and analysis. Media planners need to match their target market with media audiences. Identifying the audience for a magazine or newspaper, or determining who watches television at a given time, is a specialized form of market research, often conducted on behalf of media owners.

Print Media

Circulation: the number of copies of an issue sold (independently assessed via a circulation audit)

Readership: the total number of people who have seen or looked into a current edition of the a publication (independently measured via survey)

Readership profiles: Demographic/ psychographic and behavioural analysis of readership (sourced from Readership surveys)

Broadcast Media

Average audience: The average number of people who tuned into the given time or given program, expressed in thousands or as a percentage. It is also known as a *Rating* or Total Audience Rating Point (TARP).

Audience share: The number of listeners (or viewers) for a given channel over a given time period, expressed as a percentage of the total audience potential for the total market. (The audience share is normally calculated by dividing a given channel's average audience by the average audience of all channels).

Audience potential: The total number of people in a given geographical area who conform to a specific definition, such as the number of people with a television (or radio) set or the total number of people aged 6-12 years. Population potentials are normally derived from the census figures and are used to estimate the potential market reach.

Audience movement by session: The number of listeners (or viewers) who switch channels during a given time period.

Audience profile: Analysis of audience by selected demographic, psychographic or behavioural variables.

Cumulative audience (CUME): The number of *different* listeners (or viewers) in a given time period; also known as *reach*.

People Using Television (PUT): The number of people (or households) tuned to any channel during a given time period.

Out-of-home media

Opportunities to See (OTS) - a crude measure of the number of people who were exposed to the medium, For example, the number of cars that drive past an outdoor billboard in a given time period

Internet and digital media

Site traffic: The number of visitors to a website within a given time period (e.g. a month)

Unique visitors: The number of *different* visitors to a website within a given time period

Site stickiness: The average length of time a person remains on a page (a measure of audience engagement)

Average page views per visit: The number of different pages generated by a visitor to a site (a measure of engagement)

Click Through Rate (CTR): The number of people who clicked on an advertisement or advertising link

Cost per Click (CPS): The average cost of generating one click through

Rate of return visitors: The number of unique visitors who return to a site

Bounce rate: Number of site visitors who leave the site within a predetermined time (seconds)

Although much of the audience research data is normally only available to subscribers and prospective advertisers, basic information is published for the general public, often as topline survey findings. The type and depth of freely available information varies across geographic markets. Audience research for broadcast media is provided to prospective advertisers via the networks or via a media buying group. A limited amount of basic audience data is available to the general public through statutory authorities or media organizations.

Television Rating Point (TRP)

Television Rating Point (TRP) is a tool provided to judge which programmes are viewed the most. This gives us an index of the choice of the people and also the popularity of a particular channel. For calculation purpose, a device is attached to the TV set in a few thousand viewers' house for judging purpose. These numbers are treated as sample from the overall TV owners in different geographical and demographic sectors. The device is called as

Peoples Meter. It records the time and the programme that a viewer watches on a particular day. Then, the average is taken for a 30-day period which gives the viewership status for a particular channel.

Audit Bureau of Circulations (ABC)

Audit Bureau of Circulations (ABC) is one of the several organizations of the same name operating in different parts of world. ABC founded in 1948 is a not-for-profit, voluntary organization consisting of publishers, advertisers and advertising agencies as members. It does pioneering work in developing audit procedures to certify the circulation figures of publications which are members of ABC.

ABC as it is called and understood by all is a founder member of the International Federation of Audit Bureau of Certification. The main function of ABC is to evolve, lay down a standard and uniform audit procedure by which a member publisher shall compute its Qualifying copies. The circulation figure so arrived at is checked and verified by a firm of chartered accountants which are empanelled by the Bureau. The Bureau issues ABC certificates every six months to those publisher members whose circulation figures confirm to the rules and regulations as set out by the Bureau.

Circulation figures that are checked and certified by an independent body are an important tool and critical to the advertising business community.

ABC's membership today includes 562 Dailies, 107 Weeklies and 50 magazines plus 125 Advertising Agencies, 45 Advertisers & 22 New Agencies and Associations connected with print media and advertising. It covers most of the major towns in India.

An Advertiser would like to know the facts and figures before investing his money in advertising. An Advertiser ought to know how many people buy a publication and in which area. The ABC gives all these vital statistics every six months. The ABC figures are not the outcome of opinions, claims or guesswork, but they are the result of rigid, indepth and impartial audits of paid circulation of member publications by independent firms of Chartered Accountants working in accordance with the rules / procedures prescribed by the Bureau.

ORG

Operation Research Group is a leading market research company of India. Operations Research Group was set-up in 1961, by the visionary Dr. Vikram Sarabhai, with the objective of applying modern analytical operations research, quantitative techniques and systems methodology to problems of planning and decision-making in management. The original company went through a series of ownership and management changes between 1991 and 2001. Senior professionals from the parent ORG have set up ORG India with the vision and mission of its pioneering founder.

Indian and Eastern Newspaper Society (IENS)

The Indian and Eastern Newspaper Society now renamed as Indian Newspaper Society. **The Indian Newspaper Society (INS)** acts as the central organization of the Press of India, an independent body authenticating circulation figures of newspapers and periodicals in India. It is an organization which plays a major role in protecting and promoting the freedom of press in India. The society was founded in 1939. Its headquarters are at New Delhi.

INS membership comprises the owners, proprietors and publishers of print media who discuss and suggest various measures to the government regarding the problems related to the newspaper industry. It is a kind of pressure group which works to protect the interest of newspaper industry in particular and print media in general.

Indian newspaper industry today faces problems ranging from rising cost and paucity of newsprint to shrinking revenue from advertisement due to boom in electronic media. The executive committee of INS represents the current 990 members from newspapers, journals, periodicals and magazines.

National Readership Survey (NRS)

The NRS is a survey on all media, but especially the print medium, conducted by the National Readership Survey Council. This body consists of members from the INS (Indian

Newspaper Society), AAAI (Advertising Associations of India) and ABC (Audit Bureau of Circulation).

Opportunity to See (OTS)

Opportunity To See or OTS is a measure in advertising media which denotes number of times the viewer is most likely to see the advertisement. It is basically frequency of media exposure. It is used in media planning or advertising media selection to answer the question-how many times.

This term is used by marketers and analysts to differentiate between total audience reach and total no. of people who actually see it. It signifies that not all reported audience actually read or see the advertisement. For Ex- If 100 people buy a magazine which contains an ad for the company then the reach can be said 100 but how many times each one of them has seen or read the ad is denoted by OTS.

If you take the example of television, OTS can be defined as average number of times the target audience sees the commercial during a given period.

Mathematically,

$$\text{OTS} = \text{Total GRP} / \% \text{ Reach}$$

where GRP= Gross Rating Point

% Reach = % of target audience who is exposed to commercial for at least once.

For Ex – If an advertisement has 100 GRPs with 60% reach during morning hours 9:00 - 12:00,

Frequency

Frequency is the number of times people in the target audience (adults 18+) will have had the opportunity to be exposed to the message during the campaign. Frequency does include duplication.

Effective frequency is a variant term referring to the minimum number of times that a message must be exposed to a potential consumer in order to change their behavior and have

them buy into the product/message. The theory of effective frequency has been around for over 130 years. Back in 1885, British businessman Thomas Smith published his theory of successful advertising strategy:

- The first time people look at any given ad, they don't even see it.
- The second time, they don't notice it.
- The third time, they are aware that it is there.
- The fourth time, they have a fleeting sense that they've seen it somewhere before.
- The fifth time, they actually read the ad.
- The sixth time they thumb their nose at it.
- The seventh time, they start to get a little irritated with it.
- The eighth time, they start to think, "Here's that confounded ad again."
- The ninth time, they start to wonder if they're missing out on something.
- The tenth time, they ask their friends and neighbors if they've tried it.
- The eleventh time, they wonder how the company is paying for all these ads.
- The twelfth time, they start to think that it must be a good product.
- The thirteenth time, they start to feel the product has value.
- The fourteenth time, they start to remember wanting a product exactly like this for a long time.
- The fifteenth time, they start to yearn for it because they can't afford to buy it.
- The sixteenth time, they accept the fact that they will buy it sometime in the future.
- The seventeenth time, they make a note to buy the product.
- The eighteenth time, they curse their poverty for not allowing them to buy this terrific product.
- The nineteenth time, they count their money very carefully.
- The twentieth time prospects see the ad, they buy what is offering.

You are probably thinking "20 times before purchasing?!" and wondering how your budget will possibly stretch that far. Keep in mind, it's not the 1800's (or even 1900's anymore) and advertising has become much more sophisticated. An updated version of

Thomas Smith's effective frequency theory has been put forth by Michael Naples in a monograph that he published in 1979 called Effective Frequency.

The Relationship between Frequency and Advertising Effectiveness:

- First time: Startle or provide the message that this communication has something to say
- Second time: Recognize communication
- Third time: Comfort, familiarity & acceptance

Three times... much more manageable and realistic with your budget, right? Three times certainly isn't a guarantee though. You need to consider your target audience, your creative design and messaging, and how you want to build the reach and frequency of your campaign. You also can't forget about your internal process of sales once you get the consumer in your door.

Conversely, bombarding a consumer with your message might have a negative effect on them, so be sure to consider the wear out of your ad design when running your campaign.

So, Frequency is the average number of times an individual (or household) sees or hears an advertising message, an advertising campaign, or a specific media vehicle.

Average Frequency = Gross Impressions / Net Reach or GRP's / Net Reach %.

Reach

Reach is the number of different people (unduplicated) who are exposed to an advertising message at least once over the course of the campaign. The number is expressed as a percentage of the target audience. For our purposes in transit advertising, reach is the percentage of adults 18+ in a given market.

Advertising Research

Advertising research is a specialized form of marketing research conducted to improve the efficiency of advertising. Advertising research is the systematic gathering and analysis of information to help develop or evaluate advertising strategies, ads and commercials, and media campaigns. It is a subset of marketing research.

“Advertising research may focus on a specific ad or campaign, or may be directed at a more general understanding of how advertising works or how consumers use the information in advertising. It can entail a variety of research approaches, including psychological, sociological, economic, and other perspectives.”

Advertising research often referred to as ad testing, aims to determine an ad’s effectiveness based on consumer responses, feedback, and behaviour. This can be done on a piece-by-piece basis, or it can be done with periodic or continuous in-market research that monitors the performance of a campaign over time.

Types of Advertising Research

There are two types of advertising research,

1. Customized
2. Syndicated.

Customized research

Customized Research is conducted for a specific client to address that client’s needs. Only that client has access to the results of the research.

Syndicated research

It is a single research study conducted by a research company with its results available, for sale, to multiple companies.

Pre-market research can be conducted to optimize advertisements for any medium: radio, television, print (magazine, newspaper or direct mail), outdoor billboard (highway, bus, or train), or Internet. Different methods would be applied to gather the necessary data appropriately.

Post-testing is conducted after the advertising, either a single ad or an entire multimedia campaign has been run in-market. The focus is on what the advertising has done for the brand, for example increasing brand awareness, trial, frequency of purchasing.

Pre-testing

Pre-testing, also known as **copy testing** is a specialized field of marketing research that determines an ad's effectiveness based on consumer responses, feedback, and behavior. Pre-testing is conducted before implementing the advertisement to customers. The following methods can be followed to pre-test an advertisement:

- Focus group discussion
- In-depth interview
- Projective techniques
- Checklist method
- Consumer jury method
- Sales area test
- Questionnaire method
- Recall test
- Readability test
- Eye movement test

Campaign pre-testing

A new area of pre-testing driven by the realization that what works on TV does not necessarily translate in other media. Greater budgets allocated to digital media in particular have driven the need for campaign pre-testing. The addition of a media planning tool to this testing approach allows advertisers to test the whole campaign, creative and media, and measures the synergies expected with an integrated campaign.

Post-testing

Post-testing/Tracking studies provide either periodic or continuous in-market research monitoring a brand's performance, including brand awareness, brand preference, product usage and attitudes. Some post-testing approaches simply track changes over time, while others use various methods to quantify the specific changes produced by advertising—either the campaign as a whole or by the different media utilized.

Overall, advertisers use post-testing to plan future advertising campaigns, so the approaches that provide the most detailed information on the accomplishments of the campaign are most valued. The two types of campaign post-testing that have achieved the greatest use among major advertisers include continuous tracking, in which changes in advertising spending are correlated with changes in brand awareness, and longitudinal studies, in which the same group of respondents are tracked over time. With the longitudinal approach, it is possible to go beyond brand awareness, and to isolate the campaign's impact on specific behavioral and perceptual dimensions, and to isolate campaign impact by media.

Media Research

It is the study of the effects of the different mass media on social, psychological and physical aspects. Research survey that segments the people based on what television programs they watch radio they listen and magazines they read.

For example: Time a person spends with a particular medium.

It includes achievements and effects of media and a study about the development of mediasuch as Newspapers, magazines, radio, TV, Cinema or other mass media analysis and collection of information's. It helps to understand the ways in which media can meet the needs of the audience whether it can provide information and entertainment to more and different types of people. New technological improvements help to improve or enhance the medium. Thus in order to deal with social and political issues insightfully, management and regulation of media is needed. Unbiased evaluation of data can be achieved through media research.

Copy Research

Copy Research is a type of survey method used to test the effectiveness of an advertising message based on consumer reaction. This method can be used for all kinds of advertisement channels: broadcast (TV, Radio), Print (newspapers, magazine), social media and Internet.

It is conducted in two phases:

- **Pre-testing:** This explores the technical aspects, product claims, target audience and other areas before or at the beginning of the advertisement campaign.
- **Post-testing:** It explores the effectiveness of the advertisement in communicating the message at the conclusion of an advertisement campaign.

Copy research is an important part of the creative development process and is used to choose among multiple advertisements based on the impact it has on the consumer and whether the advertisement was able to communicate the intended marketing strategy. For copy research to be effective, the consumers should be from the target group of the advertisement.

Measuring Advertising Performance

When a child writes the examination papers, he has to see the result come what it may be, so that he comes to know where he is wrong and where he should pay more attendance. This will help him work better in future.” This is exactly the case of the advertisement. The work is not complete if the effectiveness of advertise is not measured. This is the only way to know how the advertisement is performing, is it reaching the targets and is the goal achieved.

It is not at all possible to measure advertisement effectiveness accurately as there are many factors like making a brand image, increasing the sales, keeping people informed about the product, introducing new product, etc, which affect the effectiveness of an advertisement.

We all know that there are some companies who advertise at very low level but still their products are a hit and some companies indulge in very heavy advertisements but they don't get desirable results. But then, there are some traditional and modern tools to measure most of the effectiveness of an advertisement through which the advertiser can or may get more and more information about how their ads and product are performing in the market. According to Philip Kotler and Armstrong, the Gurus Of Marketing, there are two most popular areas which need to be measured for knowing the effectiveness of advertisement and they are:

- Communication Effect

- Sales Effect

Communication Effect Research consists of three types of researches:

1. **Direct Rating Method** - here, customers are directly asked to rate the advertisement and then these rating are calculated.
2. **Portfolio Tests** - here, the customers see the ads and listen carefully to the ads and all the contents of the ads and then they are asked to recall the ad and the contents. Then the calculations are done with help of this data.
3. **Laboratory tests** - here, the apparatus to measure the heart rates, blood pressure, perspiration, etc are used on the customer after he watches the ad, to know the physiological reactions of the body.

Sales Effect Research totally depends on the sales of the company. The sales keep varying from time to time. There are some factors affecting sales like product availability, the price of the product, contents of the product, and sometimes the competitors. So this method is a little difficult than the communication one. The company doing sales effect research generally bothers about the sales of the product, they try to know whether or not the money they are spending on the ads is enough or excess.

As earlier said, it is not possible to measure each and everything and the chances are at the lower end if the company has many ads running through various mediums at the same time. So suggestion is that the advertiser or the company should use appropriate and different methods which are most suitable for the media under use.

- The company can hold surveys and product recognition tests
- Questionnaire or feedback flyers can be distributed and customers could be asked to fill it up.
- Toll free number can be highlighted on the ads so that customers can call up.

- The response rates can be increased by telling customers what to do. For e.g. some ads have lines in flashy color like “Hurry Up” or “No one can eat just one” or “be the first” etc.

These are the traditional ways. Now days, internet is the modern tool for measuring the effectiveness of an advertisement. There are some types such as:

Integrated direct marketing - This is an internet based tool where they have a response corner designed on the websites. Whenever the customers visit the sites, they fill up their contact details and give feedbacks. Thus the company supplies more information and sends newsletters and also gets the idea for further action. But then its not that only online advertiser have this facility but then advertisers who don't work online can use coupons, discount vouchers, etc. to do this.

Analysis tool - there is an analysis tool available on internet by using which the advertiser will know how many customers are visiting the site, who are shopping online, how many pages are viewed, etc. which in turn will help advertiser to measure the effectiveness. Internet is the most easy, cheaper and cost effective way to measure the effectiveness because here no money is wasted as the ad is only viewed when the customer want to view it where as in normal print method or using TV, the ad sometimes goes unwatched or unattended and viewed for the sake of viewing.

Measuring digital campaign performance

Measuring digital campaign performance has come a long way since the days when, as Ad Age notes, nineteenth century merchant John Wanamaker declared, "Half my advertising is wasted; I just don't know which half." These days, digital tools exist to give you the information you need to optimize your campaign performance — if you know where to find them.

Users are exposed to an overwhelming amount of information each day, so they have become very selective about what they'll click on and when. They'll only pay attention to a message if it's intrinsically valuable to them. To determine if your message is reaching the

right audience, you'll first need to determine your objectives, and then marry them to the right metrics. Here are 10 metrics to help you decide what's working and what needs to be retooled or dropped.

1. Traffic Generation

Measuring the traffic to your main website is an important tool for gauging the effectiveness of your search engine optimization (SEO), but you can get more detailed measurements by looking at landing pages for individual pay-per-click (PPC) campaigns. The number of visits to your site will give you a bird's-eye view of how well your campaign is driving traffic. If your campaign is healthy, these visits should steadily build. If they don't, you'll need to review your individual marketing channels and adjust what's not working.

2. Visitor Characteristics

Most analytics tools allow you to measure the total number of new sessions, so you can see how many of your visitors are new and how many are returning. This will show your effectiveness in reaching and engaging customers. If you're not attracting new visitors, you may need to make adjustments to your strategy at the top of the funnel. If your bounce rate is high — meaning that visitors leave without interacting with your site — you may need to review your relevance to your target customer and adjust your outreach efforts. The longer users stay on your site, the more likely they are to convert.

3. Repeat Visitors

Most businesses can measure customer retention rate simply by looking at the number of repeat customers. This metric is affected by elements like how engaging and relevant your site is to your customer; the freshness of your content; and design elements such as ease of navigation, contact information, FAQs and consistent branding. If users travel through your website but don't return, you may need to look at elements such as overall website design, relevance, keyword used (if the visits were organic) and final sales strategy. The rate of return to your site helps you determine whether you need to improve your content to make it more enticing to users. Engaged users are more likely to return — and convert.

4. Location of Visitors

Google Analytics has an acquisition section that shows you where your visitors are originating from, which is a useful metric for determining which channels are performing well and which aren't. High organic results indicate that your SEO is strong because people are visiting your site after performing a search. High social traffic is indicative of your social media advertising and presence. External results will show you how effectively your brand is being mentioned on third-party sites. Mobile visits will show you how well you're engaging mobile and smartphone users.

5. Click-Thru Rate

The traditional measurement of key performance indicators (KPI) has been click-thru rates (CTRs), largely from display advertising. But as Ad Exchanger notes, display ads have a notoriously low CTR. This is understandable. Inherent in banner ads is the expectation that users will stop what they're doing and click on your link. But a direct response metric doesn't factor in that exposure may prompt users to search for you later. Therefore, CTR should be used in combination with other metrics for a more accurate determination of banner ad effectiveness.

6. Conversion Rate

Ultimately, measuring conversions is one of the most important metrics you need to track. But a conversion does not necessarily mean a sale. Conversion goals can include increasing interactivity or generating leads by filling out a form or commenting. You can set up a goal in your analytics toolbox and measure these conversions. If your conversion rates are low, you'll need to assess aspects of your website, including design, navigation, relevance, engagement potential and the checkout process.

7. Cost per Click

Cost per click (CPC) is calculated by dividing the total cost of clicks on your ad by the total number of clicks. The cost of each click is determined by the value of the keywords you bid on. If your CPC is high in relation to conversions, you'll need to review your keywords and adjust them to see which ones work and which don't. You can use your analytics program to guide you.

8. Cost per Lead

Cost per lead (CPL) offers more detailed insights into the effectiveness of specific marketing channels. Compare the average monthly cost of a PPC campaign, for example, to the total number of leads generated to determine the value of your campaign. If you spend \$1,000 on your PPC campaign and 10 users convert to leads, your cost per lead is \$100. If this is too high in comparison to the cost of your product or service — \$100 per lead has a different value for a business selling luxury cars than for a toy store — you know you'll need to adjust your PPC campaign accordingly.

9. Social Metrics

Social is primarily about exposure and is measured by interactivity or "mentions." For example, if your campaign generates a million new followers but few are interacting, sharing or retweeting, then your campaign can't be considered a success. Social metrics should include new followers, comments, likes, retweets, channel views, bounces and subscribers, as relevant to your social media platform. When it comes to social, your growth rate is a more important metric.

10. Return on Investment

Measuring the ROI for digital marketing campaigns can be complicated and confusing. While different marketing channels have different objectives, depending upon your goals and where your customer is in the sales funnel, calculating the ROI for individual channels gives you better insights into which of your campaigns are driving conversions and sales and which areas need to be revised or dropped.

However, in general, ROI can be calculated by dividing Customer Acquisition Cost (CAC) against average customer value — that is, the amount a customer spends on your product or service. If CAC is \$100 and each new customer spends more than \$100, your ROI is positive. If not, you'll need to assess your individual campaigns to identify what's not working.

Given the amount of information served up to users each day and the increase of user-driven content, measuring digital campaign performance can seem like an overwhelming

task. But by using the digital marketing tools available to you and using the right metric for each campaign, you can combine each result to get detailed, actionable insights in a well-rounded and informative report that can help shape future digital campaigns.

Unit 4

SALES PROMOTION

Sales promotion describes promotional methods using special short-term techniques to persuade members of a target market to respond or undertake certain activity. As a reward, marketers offer something of value to those responding generally in the form of lower cost of ownership for a purchased product (e.g., lower purchase price, money back) or the inclusion of additional value-added material (e.g., something more for the same price).

Sales promotions are often confused with advertising. For instance, a television advertisement mentioning a contest awarding winners with a free trip to a Caribbean island may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are:

1. whether the promotion involves a short-term value proposition (e.g., the contest is only offered for a limited period of time), and
2. The customer must perform some activity in order to be eligible to receive the value proposition (e.g., customer must enter contest). The inclusion of a timing constraint and an activity requirement are hallmarks of sales promotion.

Sales promotions are used by a wide range of organizations in both the consumer and business markets, though the frequency and spending levels are much greater for consumer products marketers.

In consumer markets, typically spend on **sales promotion** outstrips that of media advertising. It offers buyers a supplementary attraction as an incentive to engender an instant sale. As such it is regarded as a short-term promotional tool. The category of sales promotional tools includes some of the best known communications used in marketing such as coupons, self-liquidating offers, sample, bargain packages etc.

Scope and Importance of Sales Promotion

As consumers have developed a resistance to advertising, the use of sales promotion has increased. There is scope for a variety of activities with sales promotion and companies seek to create a promotion that singles it out from competitors. Advertising is partly restricted by the media that can be used.

The role of sales promotion is to encourage purchase by temporarily improving the value of a brand. However, it is part of the overall marketing mix and should tie in with advertising, product performance and pricing. The purpose of advertising is to improve dispositions towards a brand, while the objective of sales promotion is to translate favorable attitudes into actual purchase. Advertising cannot normally close a sale because its impact is too far from the point of purchase, but sales promotion can.

Sales promotion is often managed in isolation from other elements of marketing, because there is the need to gain shelf space through retailer support and in this context it is referred to as 'the silent salesman'.

Objectives of Sales Promotion

Sales promotion is a tool used to achieve most of the five major promotional objectives

- **Building Product Awareness** – Several sales promotion techniques are highly effective in exposing customers to products for the first time and can serve as key promotional components in the early stages of new product introduction. Additionally, as part of the effort to build product awareness, several sales promotion techniques possess the added advantage of capturing customer information at the time of exposure to the promotion. In this way sales promotion can act as an effective customer information gathering tool (i.e., sales lead generation), which can then be used as part of follow-up marketing efforts.
- **Creating Interest** – Marketers find that sales promotions are very effective in creating interest in a product. In fact, creating interest is often considered the most important use of sales promotion. In the retail industry an appealing sales promotions

can significantly increase customer traffic to retail outlets. Internet marketers can use similar approaches to bolster the number of website visitors. Another important way to create interest is to move customers to experience a product. Several sales promotion techniques offer the opportunity for customers to try products for free or at low cost.

- **Providing Information** – Generally sales promotion techniques are designed to move customers to some action and are rarely simply informational in nature. However, some sales promotions do offer customers access to product information. For instance, a promotion may allow customers to try a fee-based online service for free for several days. This free access may include receiving product information via email.
- **Stimulating Demand** – Next to building initial product awareness, the most important use of sales promotion is to build demand by convincing customers to make a purchase. Special promotions, especially those that lower the cost of ownership to the customer (e.g., price reduction), can be employed to stimulate sales.
- **Reinforcing the Brand** – Once customers have made a purchase sales promotion can be used to both encourage additional purchasing and also as a reward for purchase loyalty. Many companies, including airlines and retail stores, reward good or “preferred” customers with special promotions, such as email “special deals” and surprise price reductions at the cash register.

Importance of Sales Promotion

The business world today is a world of competition. A business cannot survive if its products do not sell in the market. Thus, all marketing activities are undertaken to increase sales. Producers may spend a lot on advertising and personal selling. Still the product may not sell. So incentives need to be offered to attract customers to buy the product. Thus, sales promotion is important to increase the sale of any product. Let us discuss the importance of sales promotion from the point of view of manufacturers and consumers.

From The Point of View of Manufacturers

Sales promotion is important for manufacturers because of the following reasons.

1. It helps to increase sales in a competitive market and thus, increases profits.
2. It helps to introduce new products in the market by drawing the attention of potential customers.
3. When a new product is introduced or there is a change of fashion or taste of consumers, existing stocks can be quickly disposed off.
4. It stabilizes sales volume by keeping its customers with them. In the age of competition it is quite possible that a customer may change his/ her mind and try other brands. Various incentives under sales promotion schemes help to retain the customers.

From The Point of View of Consumers

Sales promotion is important for consumers because of the following reasons.

- i. The consumer gets the product at a cheaper rate.
- ii. It gives financial benefit to the customers by way of providing prizes and sending them to visit different places.
- iii. The consumer gets all information about the quality, features and uses of different products.
- iv. Certain schemes like money back offer create confidence in the mind of consumers about the quality of goods.
- v. It helps to raise the standard of living of people. By exchanging their old items consumers can use latest items available in the market. Use of such goods improves their image in society.

Sales Promotion Opportunities and Limitations

- Increase in sales by providing extra incentive to purchase. May focus on resellers (push), consumers (pull) or both.
- Objectives must be consistent with promotional objectives and overall company objectives.

- Balance between short term sales increase and long term need for desired reputation and brand image.
- Attract customer traffic and maintain brand/company loyalty.
- Reminder functions-calendars, T Shirts, match books etc.
- Impulse purchases increased by displays
- Contests generate excitement esp. with high payoffs.

Limitations

- Consumers may just wait for the incentives
- May diminish image of the firm, represent decline in the product quality.
- Reduces profit margins, customers may stock up during the promotion.
- Shift focus away from the product itself to secondary factors, therefore no product differential advantage.

The Promotion Blend Scope of Sales Promotion

Sales Promotion Activities:

Many activities may be part of the total promotion program, including trade shows, specialty advertising (e.g., imprinted calendars), contests, point-of-purchase displays, coupons, recognition programs (e.g., awards to top suppliers), and free samples. Companies may direct their sales promotion activities to consumer buyers, industrial buyers, value-chain members, and salespeople. Sales promotion programs fall into three major categories: incentives, promotional pricing, and informational activities.

Promotion to Consumer Targets

Sales promotion is used in the marketing of many consumer goods and services, and includes a wide variety of activities. A key management concern is evaluating the effectiveness of promotions such as coupons, rebates, contests, and other awards. The large expenditures necessary to support these programs require that the results and costs be objectively assessed.

The sponsoring of sports events and individuals is a major initiative by various companies and brands. Sales promotion results from the association of the brand with the event or person. An example is PepsiCo's sponsorship of the Pepsi 400 NASCAR race. Similarly, sports celebrities may be sponsored. The strategy issue is determining the benefits versus costs of these sales promotion activities.

Product-placement activities are expanding in popularity with product sponsors. Viewing a product on a TV show provides interesting use exposure if the placement is in a realistic setting. Companies may be interested in positioning the product in a typical use setting rather than the immediate generation of sales. General Motors obtained an impressive product placement opportunity in the movie *Transformers*. Interestingly, the stars of the movie are GM cars that are transformed into robots fighting evil. Leveraging the sales promotion opportunity, movie fans are able to create their own transformers at Chevyautobot.com.

Promotion to Industrial Targets

Many of the sales promotion methods that are used for consumer products also apply to industrial products, although the role and scope of the methods may vary. For example, trade shows perform a key role in small- and medium-sized companies' marketing strategies. The advantage of the trade show is the heavy concentration of potential buyers at one location during a very short time period. The cost per contact is much less than a salesperson calling on prospects at their offices. While people attending trade shows also spend their time viewing competitors' products, an effective display and buyer/seller interactions offer a unique opportunity to hold the prospects' attention.

The Internet has many of the features of trade shows while eliminating certain of their limitations. For example, the Web enables the French woolens manufacturer, Carreman, to provide its customers fabric samples in one day. The company posted its top fabrics on the Etexx website for online sample ordering. Management is optimistic that its customers will respond favorably to the initiative. Etexx, a start up based in Nice, France, created an e-marketplace for buyers and sellers of fabrics.

Sales promotion programs that target industrial buyers may consume a greater portion of the marketing budget than advertising. Many of these activities support personal selling strategies. They include catalogs, brochures, product information reports, samples, trade shows, application guides, and promotional items such as calendars, pens, and calculators.

Promotion to Value-Chain Members

Sales promotion is an important part of manufacturers' marketing efforts to wholesalers and retailers for such products as foods, beverages, and appliances. Catalogs and other product information are essential promotional components for many lines. The Internet offers an alternative way to make catalog information available. Promotional pricing is often used to push new products through channels of distribution. Various incentives are popular in marketing to value chain members. Specialty advertising items such as calendars and memo pads are used in maintaining buyer awareness of brands and company names.

Promotion to the Salesforce:

Incentives and informational activities are the primary forms of promotion used to assist and motivate company salespeople. Sales contests and prizes are popular. Companies also make wide use of recognition programs like the "salesperson of the year." Promotional information is vital to salespeople. Presentation kits help salespeople describe new products and the features of existing products to customers.

Consumer Sales Promotions

Consumer sales promotions encompass a variety of short-term promotional techniques designed to induce customers to respond in some way. The most popular consumer sales promotions are directly associated with product purchasing. These promotions are intended to enhance the value of a product purchase by either reducing the overall cost of the product (i.e., get same product but for less money) or by adding more benefit to the regular purchase price (i.e., get more for the money).

While tying a promotion to an immediate purchase is a major use of consumer sales promotion, it is not the only one. As we noted above, promotion techniques can be used to achieve other objectives such as building brand loyalty or creating product awareness.

Consequently, a marketer's promotional toolbox contains a large variety of consumer promotions.

Next we discuss the following 11 types of consumer sales promotions:

1. Coupons
2. Rebates
3. Promotional Pricing
4. Trade-In
5. Loyalty Programs
6. Sampling and Free Trials
7. Free Product
8. Premiums
9. Contests and Sweepstakes
10. Demonstrations
11. Personal Appearances

Coupons

Most consumers are quite familiar with this form of sales promotion, which offers purchasers price savings or other incentives when the coupon is redeemed at the time of purchase. Coupons are short-term in nature since most (but not all) carry an expiration date after which the value may not be received. Also, coupons require consumer involvement in order for value to be realized. In most cases involvement consists of the consumer making an effort to obtain the coupon (e.g., clip from newspaper) and then presenting it at the time of purchase.

Coupons are used widely by marketers across many retail industries and reach consumers in a number of different delivery formats including:

- **Free-Standing Inserts (FSI)** – Here coupon placement occurs loosely (i.e., inserted) within media, such as newspapers and direct mail, and may or may not require the customer to cut away from other material in order to use.
- **Cross-Product** – These consist of coupons placed within or on other products. Often a marketer will use this method to promote one product by placing the coupon inside another major selling product. For example, a pharmaceutical company may imprint a coupon for a cough remedy on the box of a pain medication. Also, this delivery approach is used when two marketers have struck a cross promotion arrangement where each agrees to undertake certain marketing activity for the other.
- **Printout** – A delivery method that is common in many food stores is to present coupons to a customer at the conclusion of the purchasing process. These coupons, which are often printed on the spot, are intended to be used for a future purchase and not for the current purchase which triggered the printing.
- **Product Display** – Some coupons are nearly impossible for customers to miss as they are located in close proximity to the product. In some instances coupons may be contained within a coupon dispenser fastened to the shelf holding the product while in other cases coupons may be attached to a special display (see POP display below) where customers can remove them (e.g., tear off).
- **Internet** – Several specialized websites, such as HotCoupons.com, and even some manufacturer’s sites, allow customers to print out coupons. These coupons are often the same ones appearing in other media, such as newspapers or direct mail. In other cases, coupons may be sent via email, though to be effective the customer’s email program must be able to receive HTML email (and not text only) in order to maintain required design elements (e.g., bar code).
- **Electronic** – The Internet is also seeing the emergence of new non-printable coupons redeemable through website purchases. These electronic coupons are redeemed when the customer enters a designated coupon code during the purchase process.

Rebates

Rebates, like coupons, offer value to purchasers typically by lowering the customer's final cost for acquiring the product. While rebates share some similarities with coupons, they differ in several key aspects. First, rebates are generally handed or offered (e.g., accessible on the Internet) to customers after a purchase is made and cannot be used to obtain immediate savings in the way coupons are used. (So called "instant rebates", where customers receive price reductions at the time of purchase, have elements of both coupons and rebates, but for our purposes we will classify these as coupons due to the timing of the reward to the customer.)

Second, rebates often request the purchaser to submit personal data in order to obtain the rebate. For instance, customer identification, including name, address and contact information, is generally required to obtain a rebate. Also, the marketer may ask those seeking a rebate to provide additional data such as indicating the reason for making the purchase.

Third, unlike coupons that always offer value when used in a purchase (assuming it is accepted by the retailer), receiving a rebate only guarantees value if the customer takes actions. Marketers know that not all customers will respond to a rebate. Some will misplace or forget to submit the rebate while others may submit after a required deadline. Marketers factor in the non-redemption rate as they attempt to calculate the cost of the rebate promotion.

Finally, rebates tend to be used as a value enhancement in higher priced products compared to coupons. For instance, rebates are a popular promotion for automobiles and computer software where large amounts of money may be returned to the customer.

Promotional Pricing

One of the most powerful sales promotion techniques is the short-term price reduction or, as known in some areas, "on sale" pricing. Lowering a product's selling price can have an immediate impact on demand, though marketers must exercise caution since the frequent use

of this technique can lead customers to anticipate the reduction and, consequently, withhold purchase until the price reduction occurs again.

.Trade-In

Trade-in promotions allow consumers to obtain lower prices by exchanging something the customer possess, such as an older product that the new purchase will replace. While the idea of gaining price breaks for trading in another product is most frequently seen with automobile sales, such promotions are used in other industries, such as computers and golf equipment, where the customer's exchanged product can be resold by the marketer in order to extract value.

Loyalty Programs

Promotions that offer customers a reward, such as price discounts and free products, for frequent purchasing or other activity are called loyalty programs. These promotions have been around for many years but grew rapidly in popularity when introduced in the airline industry as part of frequent-filler programs. Loyalty programs are also found in numerous other industries, including grocery, pizza purchasing and online book purchases, where they may also be known as club card programs since members often must use a verification card as evidence of enrollment in the program.

Many loyalty programs have become ingrained as part of the value offered by a marketer. That is, a retailer or marketing organization may offer loyalty programs as general business practice. Under this condition loyalty program does not qualify as a sales promotion since it does not fit the requirement of offering a short-term value (i.e., it is always offered). However, even within a loyalty program that is part of a general business practice, a sales promotion can be offered such as special short-term offer that lowers the number of points needed to acquire a free product.

Sampling and Free Product and Premiums

Enticing members of a target market to try a product is often easy when the trial comes at little or no cost to the customer. The use of samples and free trials may be the oldest

of all sales promotion techniques dating back to when society advanced from a culture of self-subsistence to a culture of trade.

Sampling and free trials give customers the opportunity to experience products, often in small quantities or for a short duration, without purchasing the product. Today, these methods are used in almost all industries and are especially useful for getting customers to try a product for the first time.

Some promotional methods offer free products but with the condition that a purchase be made. The free product may be in the form of additional quantities of the same purchased product (e.g., buy one, get one free) or specialty packages (e.g., value pack) that offer more quantity for the same price as regular packaging.

Another form of sales promotion involving free merchandise is premium or "give-away" items. Premiums differ from samples and free product in that these often do not consist of the actual product, though there is often some connection. For example, a cellphone manufacturer may offer access to free downloadable ringtones for those purchasing a cellphone.

Contests and Sweepstakes

Consumers are often attracted to promotions where the potential value obtained is very high. In these promotions only a few lucky consumers receive the value offered in the promotion. Two types of promotions that offer high value are contests and sweepstakes.

Contests are special promotions awarding value to winners based on skills they demonstrate compared to others. For instance, a baking company may offer free vacations to winners of a baking contest. Contest award winners are often determined by a panel of judges.

Sweepstakes or drawings are not skill based but rather based on luck. Winners are determined by random selection. In some cases the chances of winning may be higher for those who make a purchase if entry into the sweepstake occurs automatically when a purchase is made. But in most cases, anyone is free to enter without the requirement to make a purchase.

A sub-set of both contests and sweepstakes are games, which come in a variety of formats such as scratch-off cards and collection of game pieces. Unlike contests and sweepstakes, which may not require purchase, to participate in a game customers may be required to make a purchase. In the United States and other countries, where eligibility is based on purchase, games may be subjected to rigid legal controls and may actually fall under that category of lotteries, which are tightly controlled.

Demonstrations and Personal Appearances

Many products benefit from customers being shown how products are used through a demonstration. Whether the demonstration is experienced in-person or via video form, such as over the Internet, this promotional technique can produce highly effective results. Unfortunately, demonstrations are very expensive to produce. Costs involved in demonstrations include paying for the expense of the demonstrator, which can be high if the demonstrator is well-known (e.g., nationally known chef), and also paying for the space where the demonstration is given.

An in-person or personal appearance by someone of interest to the target market, such as an author, sports figure or celebrity, is another form of sales promotion capable of generating customer traffic to a physical location. However, as with demonstrations, personal appearance promotion can be expensive since the marketer normally must pay a fee for the person to appear.

Sampling

A free sample is a portion of a product given to consumers at no cost for their trial with the aim of driving product adoption.

Introduction

In 2000, best-selling author Seth Godin released a book entitled “The Idea Virus” and then proceeded to give it away for free. Was Seth, who has sold tons of books, suffering from temporary insanity? No, quite the contrary. You see, Seth knew that if he gave the book away for free, people would read it, and if they liked it they would help create a buzz about the book. That’s exactly what happened. In less than a month, 400,000 copies were

downloaded for free and even though the downloads were free, people bought the hardcover. The book ended up being #5 on Amazon.com's best seller list. The promotion strategy Seth Godin used is called sampling and when done correctly it can be one of the most effective ways to market your product.

A free sample or "freebie" is a portion of food or other product (for example, beauty products) given to consumers in shopping malls, supermarkets, retail stores, or other venues. Sometimes samples of non-perishable items are included in direct marketing mailings.

The purpose of a free sample is to acquaint the consumer with a new product. It is similar to the concept of a test drive, in that a customer is able to try out a product before purchasing it.

Try it, You'll Like it.: This free wine tasting allows potential buyers to try, or sample, the wine before making a purchase.

Many consumer product companies now offer free samples through their websites to encourage consumers to regularly use the products and to gather data for mailing lists of potentially interested customers.

Food courts, grocery stores, and companies such as Costco and Sams Club routinely give out free samples to customers to persuade them to buy the product. Paint chips are samples of paint colors that are sometimes offered as free samples.

The expansion of online marketing with regard to promotional giveaways has facilitated the rise of "Freebie sites" that seek to aggregate all promotional free sample offers in one place. These sites will often compile free product samples from all over the web and categorize them by type.

Some product sample offers may require consumers to complete a survey or refer a friend to qualify for the freebies. When all requirements are fulfilled, the product samples are shipped to the consumer.

Additionally, the advent of the social graph and the realization that consumers take more and more cues from each other's reviews has opened up a new branch of sampling called social sampling.

Soap manufacturer Benjamin T. Babbitt in the 19th century was one of the first known, though almost certainly not the first ever, people to offer free samples of his products.

Other Samples

It is also possible to purchase products in small “trial size” containers. This is common with toiletries such as shampoo, which are useful for vacations or other travel, where large bottles or other containers would be impractical (or more recently, not permitted for air travel). These are also often provided in hotel and motel rooms for the guests.

Samples may also be loaned to the customer if they are too valuable to be given for free, such as samples of a countertop or of carpet to be used for remodeling, or tasting samples as in the Scream Sorbet stand at a farmers market.

Points to be remembered to Create an Effective Sampling Program

Sampling has been around for ages. So it obviously works. But like other promotional programs, bad implementation will lead to bad results. Here are some tips marketers use to create successful sampling programs:

- Find ways to drive new users to your company: Simply giving samples to people who already love your brand or your product is like preaching to the choir. They’ve already got the message.
- Get permission: You may think that you would never turn down something that is free. But how many free samples of perfume or cologne do you have stuffed in the back of your bathroom cabinet? Taking a sample doesn’t turn people into customers unless you have asked permission to give them the sample.
- Encourage trial: To do this, you need to give your samples as close to the point of need as possible. People who are your target audience, but in the wrong setting, will not pay any attention to your samples.
- Start a conversation: Be like Seth Godwin who gave away free copies of his book “The Idea Virus.” Create a buzz.

- Measure your results: Sampling results might not be as easy to measure as other promotional strategies, but they can be measured. It would be a mistake not to do so. Seth Godin saw the result of his sampling program not in the number of downloads, but in the number of people who bought the hardcover version of his book.

Premium

Another form of consumer sales promotion is the premium. Premiums are prizes, gifts, or other special offers received when a consumer purchases a product. When a company presents a premium, the consumer pays full price for the good or service, as opposed to coupons that grant price reductions or to samples, instead of receiving the actual product.

One of the first loyalty marketing programs ever offered was a premium in which proof of purchase was redeemed for prizes or gifts. Some marketing experts believe that coupon over-use damages a brand's image, while premiums can actually enhance it. The key is to match the right type of premium with the product and a predisposed buyer.

Though not as successful as coupons, premiums can be used to boost sales and remain a valuable consumer promotional tool. In the United States, each year over \$4.5 billion is spent on premiums.

Type of Premiums

Premiums fall into one of two categories: free premiums which only require the purchase of the product and self-liquidating premiums which require consumers to pay all, or some, of the price of the premium.

Free Premiums

Free-in-the-mail premiums are gifts that individuals receive for purchasing products.

Free In-The-Mail Premium: Such premiums are gifts individuals receive for buying a product.

The marketing objectives of such premiums are to:

- Promote multiple brand(s) purchases;

- Increase brand recognition and customer awareness;
- Encourage new or additional brand use;
- Make brands more user-friendly; and
- Reward loyal consumers.

The benefits of Free-In-The-Mail Premiums are that:

- They add value and are brand related;
- There is no need for elaborate packaging; and
- They allow larger premiums to be offered.

The marketing objectives of such premiums are to:

- Increase brand visibility and customer awareness;
- Revitalize a mature brand;
- Promote multiple purchases through continuity premiums;
- Encourage new or additional uses for a brand; and
- Reward customer loyalty.

The benefits of In- or On-Package Premiums are that they:

- Impact at point-of-sale due to their visibility;
- Offer immediate consumer gratification;
- Have no redemption or couponing cost;
- Provide added value.

Store or manufacturer premium are gifts given by either the retail store or the manufacture when the customer purchases a product.

The marketing objectives of such premiums are to:

- Increase brand visibility and customer awareness; and
- Encourage consumers to try a brand.

Marketers benefit from store or manufacturer premiums as they add value to their brand.

Self Liquidating Premiums

Self liquidating premiums require the consumer to pay an amount of money for a gift or item.

Getting Double: Self-liquidating premiums require consumers to pay an amount of money for a gift or an item.

The marketing objectives of this type of premium are to attract more customers with low prices.

The benefits to the manufacturer are that they receive additional revenues.

Keys to Successful Premium Programs

Successful premium programs require that marketers:

- Match the premium to the targeted market;
- Carefully select the premium (avoid fads, try for exclusivity);
- Pick a premium that reinforces the company's product and image;
- Integrate the premium with other IMC tools (especially advertising and POP displays); and
- Don't expect premium to increase short-term profits.

Contests and Sweepstakes

Contests and sweepstakes are two forms of sales promotions which attract consumers by offering them the chance to win a valuable prize. Consumers tend to like sales promotions because they get something for "free." If you as a marketer really want to get their attention, however, give a select few of them the chance to receive something with a high value.

Marketers who want to use this type of sales promotion have two options to choose from:

- Contests
- Sweepstakes

Contests

Contests normally require the participant to perform some type of activity. The winner is selected based on who performs the best or provides the most correct answers. No purchase is required to enter a contest and a panel of judges determines the winner. Consumers can enter as many times as they wish, although it is permissible for firms to restrict customers to one entry per visit to the store.

The Best Quote Wins: Contests require skill; sweepstakes generally only reward luck.

Sweepstakes

There is another consumer sales promotion known as a sweepstake (also known by its inflected forms which are both single and plural: sweepstakes and sweeps). These have become associated with marketing promotions targeted toward both generating enthusiasm and providing incentive reactions among customers. A sweepstake entices consumers to submit free entries into drawings of chance (and not skill) that are tied to product or service awareness wherein the featured prizes are given away by sponsoring companies.

Prizes can vary in value from less than one dollar to more than one million U.S. dollars and can be in the form of cash, cars, homes, electronics, and so on. In Australia, New Zealand and the United Kingdom, a sweepstake is known as a competition.

Sweepstakes frequently have eligibility limited by international, national, state, local, or other geographical factors.

Sweepstakes are often referred to by marketing promoters as second-chance sweepstakes when utilized in conjunction with the awarding of unclaimed prizes during instant-win promotions.

General Structure of Winning a Sweepstakes Prize

Almost every sweepstakes in the United States offering prizes valued at 600 dollars or greater will typically follow the following structure:

Sponsorpromotion

- Creating the sweepstakes promotion for a sponsor or sponsors;
- Advertising the sweepstakes, prize structure, and the official rules;
- Opening date for receiving entries;
- Closing date for receiving entries;
- Drawing date to judge winning entries.

Winner notification

- Sweepstakes promotion judges contacting the prize winner;
- Winner filing publicity release with sponsor's sweepstakes promotion agency;
- Winner filing affidavit of eligibility (compliance with official rules) with sponsor's sweepstakes promotion agency;
- Winner filling any required federal or state tax forms with sponsor's sweepstakes promotion agency;
- Winner receives prize.

By law, the sponsors of sweepstakes must not require the prize winners to pay any shipping or handling charges in order to win or receive their prizes.

Sweepers frequently send out SASE (Self Addressed, Stamped Envelopes) to receive free game pieces, official entry forms, and copies of the official rules that are unique and pertain to individual sweepstakes promotions.

Value from Contests and Sweepstakes

Marketers have a lot to gain from giving away valuable prizes to consumers. Contests and sweepstakes allow them to:

- Create a buzz about the product — With the rise of social media, word-of-mouth marketing can help make or break a product. Exciting events, such as contests and

sweepstakes, encourage people to talk about the company and its products. It is a great, cost-effective way to extend your advertising reach.

- Draw traffic to their website or store — Some consumers may never have heard of your company before. So contests and sweepstakes offer these companies an opportunity to build brand awareness with such consumers.
- Build an e-mail list — Marketers usually give contestants a newsletter or mailing list opt-in option when they enter the contest or sweepstake. New names mean new potential customers in the long-run.
- Perform marketing research — Marketers can easily add a survey to a contest or sweepstakes entry form. The information gathered is just as valuable to them as the prize is to the consumer because it can help marketers better understand their target audience. This better understanding can lead to better marketing campaigns.
- Strengthen their relationship with their customers — People buy from people they like. Contests and sweepstakes allow consumers to interact with the company in a fun way and create a positive image of the company and its products.

Unit 5

Trade and Professional Marketing Associations and Groups

Below are some of the top professional associations for a number of marketing areas

General Marketing

- **American Marketing Association** *Leading professional society for those with interest in the practice, study and teaching of marketing.
- **The Chartered Institute of Marketing** *UK-based marketing association with strong emphasis on training and professional accreditation.
- **CMO Council** *Aimed at the chief marketing officer, this association has a heavy Internet/technology leaning. The site does have market reports, white papers and a newsletter that may be accessible to non-members.
- **The Marketing Institute** *A professional trade organization in Ireland.

Advertising & Promotion

- **Advertising Research Foundation** *Association that provides resources aimed at helping to create more effective marketing and advertising communications.
- **American Association of Advertising Agencies** *Trade organization representing the advertising agency business.
- **Association of Marketing Service Providers** *Supports the interests of mailing service companies.
- **Association of National Advertisers** *This appears to be a fairly exclusive group whose membership consists of mostly large brand marketers who spend big money advertising on a national and international level.
- **Brand Activation Association** *Trade group that mostly focuses on consumer and trade promotions. Home of the annual Reggie Awards for top promotions.

- **Cable Television Advertising Bureau** *Trade group site has information, research reports and other materials related to advertising on cable television.
- **Council of Public Relations Firms** *Trade organization mostly for PR firms (as opposed to freelancers). Site includes firm rankings, career resources and directory for locating members.
- **Direct Marketing Association** *Leading professional association for direct marketers.
- **Path to Purchase Institute** *Focus is mostly on marketing promotions within retail stores.
- **Promotional Products Association International** *Industry group focusing on the use of products to aid promotional objectives.
- **Public Relations Society of America** *Society for those engaged in PR activities.

Customer-Focused Marketing

- **Professional Association for Customer Engagement** *Trade group that is focused mostly on offering help to companies using contact centers (e.g., telemarketing) for marketing.
- **Word of Mouth Marketing Association** *Supports those using referral methods to achieve marketing objectives.

Internet Marketing

- **Digital Analytics Association** *Newer group that looks to make sense out of data gathered through website traffic reports.
- **Interactive Advertising Bureau** *Not-for-profit trade association focusing on advertising issues across all interactive formats.
- **Mobile Marketing Association** *Focus of this group is on marketing via wireless means including advertising and SMS messaging through cell phones and PDAs.

- **Search Engine Marketing Professional Organization** *Professional group site that is dedicated to improving the understanding of search engine marketing.

Marketing Research

- **Council of American Survey Research Organizations** *Trade group whose mission is to improve the ethics and practice of survey research.
- **Marketing Research and Intelligence Association** *Canadian-based group with comprehensive site direct towards marketing, advertising, social and political researchers.
- **Marketing Research Association** *US-based organization dedicated to promoting excellence in marketing and opinion research. Offers news/event information, links to leading research firms and more.
- **The Marketing Research Society** *UK group which claims "largest professional body for individuals employed in market research."
- **Society of Competitive Intelligence Professionals** *This association's site includes FAQs about CI, job opportunities, chapter listings and educational options.

Product Issues

- **Corporate Design Foundation** *An association that believes and teaches that organizational interests can be served through the effective use of design disciplines.
- **Product Development & Management Association** *Trade and academic group whose mission includes improving "the effectiveness of people engaged in developing and managing new products - both new manufactured goods and new services."
- **User Experience Professionals Association** *This professional association site has good information for those involved in online and offline product design including coverage of the usability concept, links to guidelines and methods, and conference information.

Retailing

- **American Association of Franchisees and Dealers** *Site contains information about owning a franchise, rights of franchise owners and other materials for those thinking of buying a franchise.
- **International Franchise Association** *Mission "is to enhance and to safeguard the business environment for franchisees and franchisors worldwide."
- **National Retail Federation** *This site from the leading retail trade group is well stocked with information for those interested in traditional retailing and includes a supplier guide, listing of state, retail associations and other information.
- **Point of Purchase Advertising International** *An international trade group that focuses on sales promotion and other marketing techniques within the retail environment.

Sales & Sales Management

- **Center for Exhibition Industry Research** *The main benefit offered by this group is the wide range of fee-based research reports available to both members (cheaper) and non-members covering many industries.
- **Exhibit & Event Marketers Association** *Association whose objective is "to engage exhibit and event professionals". While members get access to special services, there are many free areas including case studies and articles, glossary of terms and more.
- **National Association of Sales Professionals** *Relatively new group that is pushing for salesperson certification.
- **Society of Incentive and Travel Executives** *Association for those in the incentive industry.

Others

- **Hospitality Sales and Marketing Association International** *Association of travel sales and marketing professionals in industries such as hotels, resorts, airlines, cruise lines, car rental agencies, theme parks and attractions.
- **Information Technology Industry Council** *A society of US providers of information technology products and services.
- **International Newspaper Marketing Association** *An association for the advancement of newspaper marketing activities. Includes a nice research section that offers case studies and links to international newspapers and to newspaper associations.
- **Professional Pricing Society** *This is a society that provides tips on establishing a pricing strategy. Intended for "both pricing professionals and executives seeking solutions to their pricing challenges."
- **Society for Marketing Professional Services** *While the name sounds like it covers a lot of ground, this trade group appears to limit its coverage to those interested in marketing issues related to architects, engineers and contractors.

Comprehensive Sales Promotion

The Steps in Planning an Effective Sales Promotion Program

Small business owners rely on sales promotions to communicate product information to customers in a target market. A sales promotion is an element of the marketing mix that differentiates a product from competing products in the mind of a potential customer. For example, a small business can promote a product using advertisements, press releases and trade fairs. Planning a sales promotion program begins by defining objectives based on marketing opportunities and ends with the creation of budgets and timetables.

Assess Communication Opportunities

To understand marketing communication opportunities, you must profile your target market and identify the likely benefits of your product to current potential customers.

Determine the target market's economic and cultural characteristics, such as potential customers' income level and ethnicity, which will determine the effectiveness of your sales promotion. Also, pinpoint current and potential customers who are the market's “deciders” and “influencers.” A decider has the power and financial resources to purchase your product and an influencer is a buyer or third party, such as a journalist or industry analyst, that sways the purchase decisions of others.

Select Communication Channels

You use information about the target market, your products and business environment to decide the channels -- personal or non-personal -- you'll use to launch the promotional campaign. A personal channel uses two-way communication to deliver a marketing message and receive customer feedback. Such communication may occur face to face, over the telephone, through the mail or email. A sales promotion for a tablet computer might involve a sales representative, a system expert and a satisfied customer. The tablet computer manufacturer might also choose non-personal communication channels, such as television broadcasts, mobile billboards or transit advertising.

Select Objectives

The next step is establishing the desired effect of your promotional communication. If promoting a new product, you'll seek product awareness. After you achieve awareness, your promotion program can focus on conveying your product's benefits to deciders and influencers to establish brand acceptance. Customers must then become convinced they prefer your brand and that they want to own your product, which is brand insistence. Finally, the sales promotion should convince the buyer to take action, such as brand trial or purchase, and confirm the customers are satisfied with the purchase.

Determine Promotion Mix

After establishing promotion objectives, determine how to allocate company resources to achieve sales goals. For example, decide to use advertisements, publicity or personal selling to promote your product. A manufacturer of tablet computers might rely on incentives including coupons, contests and trade shows to promote sales. In turn, the

manufacturer might rely on advertisements to inform potential customers of the tablet's benefits, persuade individuals to buy the tablet and inform the public of purchase locations. Primary communication channels might include print and electronic media and press releases.

Develop Message

In developing the promotional message, you focus on the message content, its format and likely appeal. The appeal, which is the reason the potential customer will purchase a product, affects the relative position of your product in the market. In turn, the message structure may or may not draw a conclusion for the customer regarding the desirability of your product. For example, an advertisement regarding a laptop might refer to its relative size or processing speed. You must also consider the message format, the script, sound and camera angle for an electronic message or the headline, copy, color and illustrations for a print advertisement.

Develop Promotion Program Budget

The budget is prepared after the promotion campaign planned. As the budget is created, you break down the costs by territory and the individual promotion mix elements, such as advertising. In creating the budget, allot money to the program based on probable amounts spent by competitors, a percent of anticipated sales revenues or the estimated cost of each program element.

Determine Program Effectiveness

The final step to create a sales promotion program is to create a formal sales-promotion program document. Include in the document a situation analysis, copy strategy -- which describes the theme of an advertisement campaign -- and a timetable that references both the elements of the promotion mix and the marketing mix. Also include a means to evaluate the program, such as the use of a focus group, to determine if an advertising message is memorable, the message's selling points are recognizable and how individuals feel about the message, product and company.

Programme Planning and Budgeting for Sales Promotion

Sales Promotion is a tool which comes after Marketing Policies, Systems and Procedures are positioned. The promotion is a continuous process. It begins with the inception of sale to attract customers, survive competition and increase sales volumes and consequently revenues. Therefore a careful planning and budgeting of expenses have to be worked out for sales promotion. No marketer can survive profitably without sales promotion. The process may vary from company to company and product to product.

Sales Promotion Planning

The main stages which are involved in sales promotion planning are:

1. Establishment of objectives
2. Selection of promotional tools
3. Planning the sales-promotion programme
4. Pre-testing
5. Implementation and
6. Evaluation

As in the case of advertising, effective sales promotion involves an on-going process with a number of stages.

1. Establishment of objectives:

Sales-promotion objectives vary according to the target market. If the target is the customer, objectives could include the encouragement of increased usage or the building of trial among non-users or other brand users. For intermediaries, objectives could be to encourage off-season sales or offsetting competitive promotions. Sales-promotion activity could also be aimed at internal personnel, making up part of the reward system

2. Selection of promotional tools:

Promotional objectives form the basis for selecting the most appropriate sales-promotion tools. The cost and effectiveness of each tool must be assessed with regard to

achieving these objectives in respect of each target market. The tools available to the service marketer are described in more detail in the next section.

3. Planning the sales-promotion programme:

The major decisions that need to be made when designing the sales-promotion programme relate to the timing of the promotion and how long this tool is to be used. Also important are the size of incentive, rules for eligibility and, of course, the overall budget for the promotion.

4. Pre-testing:

This needs to be undertaken to ensure that potentially expensive problems are discovered before the full launch of a promotion. Testing in selected market segments can highlight problems of ambiguity, response rates and give an indication of cost effectiveness.

5. Implementation:

The programme for implementation must include two important time factors. First, it must indicate the 'lead time'- the time necessary to bring the programme up to the point where the incentive is made available to the public. Second, the 'sell in time' which is the period of time from the date of release to when approximately 90-95 per cent, of incentive material has been received by potential customers.

6. Evaluation:

The performance of the promotion needs to be assessed against the objectives set. If objectives are specific and quantifiable, measurement would seem to be easy. However, extraneous factors could account for the apparent success of many sales-promotion activities.

For example, competitive actions or seasonal variations may have influenced customers' decision making. It can also be extremely difficult to separate out the effects of sales-promotion activity from other promotional activity-or indeed from other marketing-mix changes.

SALES PROMOTION BUDGETS

In order to understand the concept of budget it's necessary to understand that the budget that's taken in consideration is dependent on the organizations promotional strategy.

So first total amount of money for the promotion is determined and then the budgeting is done for different promotional activities. But how do you determine the amount of money involved in the promotional activities?

This is different to different business. It's more or less dependent on various factors that play role in a products life cycle; the factors like different stages of PLC, the market condition (of the company), the economy within the organization functions, the extent of competitive activities etc. All these factors individually or together might affect the promotion budget to a great extent. You just can't expect the company to have huge promotional budget in times of rescission.

- **Direct Fixed and Variable Costs**

The direct fixed costs are costs of physically distributing samples, placing advertisements and point of purchase material, etc. Variable costs are payment made to the retailer for each coupon redeemed.

- **Likely market response**

The marketer, it is suggested should analyze six types of market responses. These are:

- a. Redemption rates
- b. Displacement rates
- c. Acquisition rates
- d. Stock up rates
- e. Conversion rates
- f. Product line effects

Let us analyze the above types of responses in a greater detail.

- a. **Redemption rates:** This measure reflects the total number or percentage of potential / target customers responding to the sales promotion programs. Generally, this is based on how the incentive coupons have been distributed. Others factors that influence redemption rate are :
- Popularity of the brand.
 - Depth of distribution of a brand.
 - Number of households using the product form.
 - Frequency of purchase of the product form.
 - The value of the incentive.
- b. **Displacement Rates:** This is a measure that helps the marketer determine the amount of lost contribution margin that results from selling to regular buyers at a discounted price. Any sales promotion programs are bound to displace sales that would have otherwise been made to regular buyers at the normal price. This rate is dependent on the method of distribution of coupons or the method by which the target market is made aware of these incentives. Generally, redemption rates will be a percentage somewhat higher than the product's market share.
- c. **Acquisition Rates:** This reflects the addition to the customer base of the company. However, marketer should appreciate that displacement and replacement rates together may not add up to 100 percent of redemptions. There is another category also called stock up buyers.
- d. **Stock up Rates:** This effect is desirable when sales promotion objective is to motivate consumers to build up inventories. This will result in a decline in post promotion sales of the product. Hence, the marketer should analyze lost contribution resulting from such decline in sales.
- e. **Conversion Rates:** Here, the marketer has to analyze the rate of penetration in the competitors market. The marketer has to also analyze penetration among the non-user group. Accordingly, the marketer should attempt to estimate the level of post-promotion sales that will come from customers acquired during the promotion period.
- f. **Product Line Effects:** Managers should study cross elasticity of demand between promoted product and complementary or substitute product, like in the case of

shaving cream and after shave lotion. Retailers and other firms offering promotions on such products should examine increase in sales of complementary products due to increased sales in the promoted leader product.

- **Set up control mechanisms to ensure effectiveness of the campaign.**

Techniques Used To Allocate Funds

There are basic five techniques that are used to determine/ allocate funds to sales promotion.

Percentage of sales method

In most cases and by most firms this “percentage of sales method” is used to determine the promotional budget of the company. So they more or less pull certain percentage of the sales made in a fixed period. Remember when I say fixed it can be for say last year or for several past years. This decision is more dependent on the current business scenario and current working of the company. It might be that the company may consider just last year’s sales figures under consideration as they may have made great sales. (So you may take one year or an average of several these depends on many conditions in which the org functions). This can also be a forecasted sale of the year under certain conditions.

Unit of sales method

For Biggies that build big products like two-wheelers auto-manufactures, and other consumer durable this is most preferred method of sales promotion – “Unit of Sales Method” so here the base is UNITS of sales that are made. Here the figures of units are multiplied by fixed amount of money to reach the budge amount. For example: they might allocate \$1000 per unit for sales promotions. (I did say it’s for Biggies so this amount might be big.)

Competitive parity method

Any marketers match or base their sales promotion budget to that of the major competitors. The logic attributed to this method is that the collective minds of the companies

in the industry probably generate promotion budget that are close to optimal and any departure from the industry norms may lead to promotion war.

All you can afford method

Here the amount used literally means “All you can afford” in other words all you are left with. So you pick all that is left after all other relevant allocations have been made. So normally this approach is used by Small fishes (small companies with small budget) or may be by some other firms that are big when they are introducing the new product. This approach is merely an availability oriented budget and kina unsophisticated. Apparently, there is no realization that in a competitive market situation, sales promotion mainframe sales in many ways.

Objective end task method

As said the promotional budget is determined by the overall promotional strategy of the organization hence objective end task methods is the one which is strategy driven. This is even the most popular technique to decide on sales promotions budget. So what do we do? We (Marketing Managers) start by making a thorough study i.e. understanding the market, the product, the offerings, the most crucial competition and consumer behavior in order to set the ultimate promotion objectives. Remember these objectives may relate to reach short term sales objectives .Remember this is sales promotions that are ultimately derives sales and sales and sales. These objectives may even relate to introducing a new product, stimulate trial, increasing distribution, etc., within a specified period of time. Now you determine how much money would be required to fulfill each of these tasks in order to achieve the promotion objectives. If the cost happens to be greater that money available then ether the objectives are refined or the funds are made available the contingency reserve or by reducing the budgets of the other promotional activities.

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