



SYLLABUS

Class – B.Com. I Sem.

Subject – Advertising Sales & Sales Management

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| UNIT – I | Meaning, Definition and concept of advertisement. Importance of advertising in modern marketing, role of advertising in the national economy. Objectives and functions of advertising. |
| UNIT – II | Means and types of advertising – commercial and non-commercial advertising, primary demand and selective demand advertising, process of scientific advertising. |
| UNIT – III | Classified and display advertising, internet advertising. Setting of advertising objectives, setting of advertising budget. Factors affecting expenditure in company. |
| UNIT – IV | Advertising copy, meaning, definition and Elements, structure of advertising copy. Essential of an effective advertising copy, elements of print advertisement (outline), elements of broadcast copy, copy for direct mail. |
| UNIT – V | Headlines, illustration, body-copy, colour, logo, colours and presentation, trademarks and names. Effective advertisement test, advertising appeal, consumer orientation in advertising. |



UNIT – I

What is advertising?

Advertising is a non-personal form of promotion that is delivered through selected media outlets that, under most circumstances, require the marketer to pay for message placement. Advertising has long been viewed as a method of mass promotion in that a single message can reach a large number of people. American Marketing Association defines advertising as "any paid form of non personal presentation of ideas, goods and services by an identified sponsor".

Elements

1. It can be in any form like a sign, symbol, an illustration or ads in magazines, newspapers, radio or TV.
2. It is non personal: There is no personal selling involved in it.
3. It is employed to communicate information about goods and services.
4. It is openly paid by an identified sponsor

Importance of Advertising

Market research firm Zenith Optimedia estimates that worldwide spending on advertising exceeds (US) \$400 billion. This level of spending supports thousands of companies and millions of jobs. In fact, in many countries most media outlets, such as television, radio and newspapers, would not be in business without revenue generated through the sale of advertising.

1. Advertising is an important contributor to economic growth
2. Advertising is the communication link between the seller and the buyer
3. Advertising informs, persuades and reminds the customers about a product.
4. It helps in achieving organizational goals.
5. Advertising is complementary to personal selling
6. It is a tool of marketing and a component of overall promotion activities
7. Advertising influence the marketing mix or 4 Ps-Product, Place, Price and Promotion
8. Advertising is also useful for promoting:
 - Standardized products products aimed at large markets
 - products that have easily communicated features products low in price
 - Products sold through independent channel members and/or are new.
9. Promoting Products or Organizations – Institutional Advertising promotes organizations, images, ideas or political issues. 1E Beer Company sponsors responsible drinking to promote the company image. Product Advertising promotes goods and services.
10. Stimulating Primary and Selective Demand – First to introduce product needs to stimulate primary demand. Pioneer Advertising informs people about the product (introduction stage of the product life cycle). Do not emphasize the brand name. It can also be used to stimulate the demand for a product group. For Selective demand, advertisers use Competitive advertising, brand uses, benefits not available with other brands. Can use comparative 'advertising, E.g. Competitive advertising between Pepsi and Coco Cola
11. Offsetting Competitors Advertising – Defensive advertising, offset to lessen the effect of competitors advertising. Used in fast food industry, extremely competitive consumer products markets.
12. Making salespersons more effective – Tries to presell product to buyers by informing them of uses, features and benefits- encourage them to contact dealers etc. Cars...bring, to retail store.
13. Increasing use of product – Consumer can consume only so much of a product, this limits absolute demand. May need to convince the market to use the product in more than one way.
14. Reminding and reinforcing customers – Reminder, need to keep company/product name at the forefront of consumers' minds in the competitive marketplace. Reinforcement prevents cognitive dissonance.



15. Reducing Sales fluctuations – Increase sales during slow periods will help increase production efficiency. Advertising reduces prices of soft drinks, A Cs in the winter months (reduce inventory costs).

IMPORTANCE, OF ADVERTISING TO DIFFERENT ELEMENTS OF MARKETING/BUSINESS

IMPORTANCE TO MANUFACTURERS

- It increases sales volume by creating attraction towards the product.
- It helps easy introduction of new products into the markets by the same manufacturer
- It helps to create an image and reputation not only of the products but also of the producer or advertiser. In this way, it creates goodwill for the manufacturer.
- Retail price, maintenance is also possible by advertising where price appeal strategy
- It helps to establish a direct contact between manufacturers and consumers.
- It leads to smoothen the demand of the product. It saves the product from seasonal fluctuations by discovering new and new usage of the product.
- It creates a highly responsive market and thereby quickens the turnover that results in lower inventory.
- Selling cost per unit is reduced because of increased sale volume. Consequently, product overheads are also reduced due to mass production and sale.
- Advertising gives the employees a feeling of pride in their jobs and to be in the service of such a concern of repute. It thus inspires the executives and worker to improve their efficiency.
- Advertising is necessary to Meet the competition in the market and to survive.

IMPORTANCE TO WHOLESALERS AND RETAILERS

- Easy sale of -the products is possible since consumers are aware of the product and its quality.
- It increases the rate of the turn-over of the stock because demand is already created by advertisement.
- It supplements the selling activities.
- The reputation created is shared by the wholesalers and retailers alike because they need not spend anything for the advertising of already a well advertised product:
- It ensures more economical selling because selling overheads are reduced
- It enables them to have product information.

IMPORTANCE TO CONSUMERS

- Advertising stresses quality and very often prices. This forms an indirect guarantee to the consumers of the quality and price. Further large scale production assumed by advertising enables the seller to sell product at a lower cost.
- Advertising helps in eliminating the middlemen by establishing direct contacts between producers and consumers. It results in cheaper goods.
- It helps them to know where and when the products are available. This reduces their shopping time.
- It provides an opportunity to the customers to compare the merits and demerits of various substitute products.
- This is perhaps the only medium through which consumers could know the varied and new uses of the product.
- Modern advertisements are highly informative.

IMPORTANCE TO SALESMEN

Salesmanship is incomplete without advertising. Advertising serves as the forerunner of a salesman in the distribution of goods. A sale is benefited the advertisement in following ways:

- Introducing the product becomes quite easy and convenient because manufacturer has already advertised the goods informing the consumers about the product and its quality.



- Advertising prepares necessary ground for a salesman to begin his work effectively. Hence sales efforts are reduced.
- The contact established with the customer by a salesman is made permanent through effective advertising because a customer is assumed of the quality and price of the product.
- The salesman can weigh the effectiveness of advertising when he makes direct contact with the consumers.

IMPORTANCE TO COMMUNITY OR SOCIETY

- Advertising, in general, is educative in nature. In the words of the late President Roosevelt of the U.S.A., "Advertising brings to the greatest number of people actual knowledge concerning useful things: it is essentially a form of education and -the progress of civilization depends on education."
- Advertising leads to a large-scale production creating more employment opportunities to the public in various jobs directly or indirectly.
- It initiates a process of creating more wants and their satisfaction higher -standard of living. For example, advertising has made more popular and universal the uses of such inventions as the automobiles, radios, and various household appliances.
- Newspapers would not have become so popular and so cheap if there had been no advertisements. The cheap production of newspapers is possible only through the publication of advertisements in them. It sustains the press.
- It assures employment opportunities for the professional men and artist.
- Advertising does provide a glimpse of a country's way of life. It is, in fact, a running commentary on the way of living and the behavior of the people and is also an indicator of some of the future in this regard.

ADVERTISING

THE ECONOMIC IMPACT OF ADVERTISING

The economic effect of advertising is like he breaks shot in billiards. The moment a company begins to advertise, a chain reaction of economic events takes place. The extent of the chain reaction, although hard to measure, is related to the force of the shot. But because it occurs at the 1p time as many other economic events, the direction is often disputed.

For example

- Does advertising affect the value of products?
- Does advertising raise or lower prices?
- Does advertising promote competition or discourage it?
- How does advertising affect the total demand for a product category?
- Does advertising make more consumer choices available or fewer?
- How does advertising influence the business cycle?
- These are just some of the frequently asked (an difficult to answer) questions related to the chain reaction of economic events

1. Effect on the Value of Products

Why do most people prefer Coca-Cola to some other cola? Why do more women prefer Estee Lauder to some unadvertised, inexpensive perfume? Are the advertised products functionally better? Not necessarily. But advertising: can add value to a product in the consumer's -mind.

Advertising also creates added value by educating customers about new uses for a product. VEET was originally advertised make-up remover, later as a disposable handkerchief. Sunkist promoted oranges a food and later as a drink.

2. **Effect on Prices** - If advertising adds value, to products, it follows that advertising also adds cost. Right? And if companies stopped all that expensive advertising, products would cost less. Right? Advertised products do cost more than unadvertised products; the opposite also true. We can make some important points:



- As one of the many costs of doing business, advertising is indeed paid for by the consumer who buys the product. In most product categories, though, the amount spent on advertising is usually very small compared to the total cost of the product.
- Advertising is one element of the mass-distribution system that enables many manufacturers to engage in mass production, which in turn lowers the Unit cost of products. These savings can then be passed on to consumers in the form of lower prices. In this indirect way, advertising helps lower prices.
- In industries subject to government price regulation (agriculture, utilities), advertising has historically had no effect on prices. In the 1980s, though, the government deregulated many of these industries in an effort to restore free market pressures on prices. In these cases, advertising does affect price – often downward, sometimes upward.
- In retailing, price is a prominent element in many ads, so advertising tends to hold prices down. Manufacturing firms advertise to stress features that make their product better, advertising tends to support higher prices.

3. Effect on Competition —

- Intense competition does tend to reduce the number of businesses in an industry. However, the firms eliminated by competition may be those that served customers least effectively.
- In many cases, advertising by big companies has only effect on small businesses because no advertiser is large enough to dominate the whole country.
- Regional oil companies for example, compete very successfully with national oil companies on the local level. And non-advertised store brands of food compete effectively with nationally advertised brands on the same shelves.
- In industries characterized by heavy advertising expenditure, advertising does inhibit the entry of new competitors.
- In some markets, the original brands probably benefit greatly from this barrier. But heavy spending on plants and machinery is usually a far more significant barrier.

4. Effect on Consumer Demand – The question of advertising's effect on total consumer demand is extremely complex.

- Many social and economic forces including technological advances, the population's educational level, increases in population and per capita income, and revolutionary changes in lifestyle, are more significant.
- For example, the demand for CD players, cellular phones, and personal computers expanded at a tremendous rate, thanks in part to advertising but more to favorable market conditions. At the same time, advertising has not reversed sales declines for such items as hats, fur coats, and manual typewriters.
- Advertising can help get new products off the ground by stimulating demand for a product class. But in declining markets, advertising can only slow the rate of decline.
- In growing markets, advertisers generally compete for shares of that growth. In mature; static, or declining markets, they compete for each other's shares—conquest sales.

Features of Advertising

1. Non-personal presentation of message — In advertising there is no face-to-face or direct contact with the customers. It is directed to the prospective buyers in general.
2. Paid form of communication – In advertising the manufacturer communicates with prospective customers through different media like, newspapers, hoardings, magazines, radio, television, etc. He has to pay certain amount for using some space or time in those media.
3. Promotion of product, service or idea —Advertisement contains any message regarding any particular product, service or even an idea. It makes people aware about the product and induces them to buy it.
4. Sponsor is always identified – The identity of the manufacturer, provider who issues advertisement is always disclosed.



5. Communicated through same Media – Advertisements are always communicated through use of certain media. It is not that there will be just one medium All the media may also be used.

History of Indian Advertising

- Pre independence —West end watch co Mumbai 1907
- 1930 —Talkies and radio emerge in India
- 1941 Leclachitnis : LUX SOAP(1943), EVEREST (1946)
- 1950 2-3 MIN FILMS in existence
- 1960 first Indian ad convention(Kolkata), nargis wadia :made for each other
- NRS(National Readership Survey), INS (Indian News Paper Society), AAI (Advertising Association of India) Come into existence.
- 1970 – 1980 : radio & TV Commercials
- 1990 —CNN, DD2, and channels.
- LINTAS (Lever International Advertising Service), Mc Cann,O & M (Ogilvy and Mather), FCB Ulka, Orienta etc.(2008)

Objectives

1. Communicate
2. Inform
3. Increase in sale
4. Competition
5. New product launch
6. Build goodwill
7. Better dealer relations
8. Effective brand performance

FUNCTIONS OF ADVERTISING

1. Primary Functions — To Increase Sales,
 - Persuasion of dealers
 - Help to dealers
 - Increase in per capita use
 - Receptiveness of new- product
 - Insurance for manufacturers Business
 - Confidence in quality
 - To eliminate seasonal fluctuations
 - More Business for all
 - Raising standard of living.
2. Secondary Functions —
 - To encourage salesman ship and lend them moral sport
 - To furnish information
 - To impress Executives
 - To impress factory workers
 - To secure better employees



Unit - 2

Types of Advertising

A. Advertising based on Demand influence Level

Advertising can be grouped on the basis of whether advertisers attempts to promote in general or specific brand of product. Two type of advertising can be grouped in this category.

1. **Primary Demand Advertising** - Primary demand refers to the demand for the generic products like TV, Milk and Magazines, etc. Primary demand advertising intends to promote the demand of a product and not simple one particular brand of that product.
2. **Selective Demand Advertising** - The selective demand advertising is done with the objective of stimulating the demand of specific brands in which the advertiser deals. Competitive advertising stimulates selective demand. The advertisement of Surf, Godrej, Colgate, Nescafe, Samsung, and Sony are all examples of selective brand advertisements.

B. Advertising based on Objectives

Another classification of advertising is on the basis of objective/functions they are expected to perform. Such advertising comprises of -

1. **Institutional Advertising** - The institutional advertising is intended of focus and enhance the image of the institution. Big companies like Reliance, L&T, and Godrej etc. resort to this type of advertising.
2. **Product Advertising** - A large number of advertisements fall under this category. The purpose of this advertising is to stimulate the demand of the product being advertised and includes description of the product, size, quality benefits, uses etc.
3. **Public Service Advertising** - Public service advertising is done as part of social responsibility by the advertiser. The focus of this advertising is welfare of the public and includes social, economic and cultural issues of public interest. For instance, advertisements of road safety, pollution control, AIDS family Welfare, literacy etc, Such advertising may intend to educate, creating awareness, information and reminding the public at large.

C. Advertising based at Audience

Such advertising is targets to specific segment of audience and depending the nature and requirements of the audience. Advertising copy is prepared and messages are drafted. Such advertising includes -

1. **Consumer Advertising** - Most of the consumer goods producer engage in consumer product advertising. Such advertising is done for the ultimate user of the product appealing directly to the buyers/consumers. Toothpastes, Soaps, Cold, Drinks and Cosmetics are all examples of consumer advertising. Such advertising may be done through various media like Radio, TV and Print (news papers and magazines.)
2. **Industrial Advertising** - The manufacturer of industrial goods such as raw material, machinery, equipments, suppliers or fabricated parts do industrial goods such as advertising is targeted towards industrial buyers with the object of promoting goodwill of the product as well as the company persuades industrial users to deal in the product being advertised. Such advertising is done through Trade Journals, Magazines, Catalogues and Direct Mail etc.
3. **Trade Advertising** - This category includes all such advertisements that are directed to retailers and suppliers of consumer's goods. the main purposes of these advertising is to convince the retailers to stock a particular product and emphasis is an improved profit potential.
4. **Professional Advertising** - There are certain products for which consumers they do not take the buying decision. The professionals like doctors, dentists, architects, civil engineers etc. exert considerable influence in consumers purchase decisions. Because these professionals are considered to be an expert in their field, the consumers respect their judgment about the quality and usefulness of the product hence these professionals demand comprehensive evaluate criteria for the product.



D. Timing of the Response it Elicits

Such advertising includes –

1. **Direct Action Advertising** – The objective of direct action advertising is to obtain the immediate or response over a short period of time. Such advertising use words like – Hurry, Discount/offer is valid for limited period, send the enclosed etc. Such advertisements are given to make sales promotion campaign successful.
2. **Indirect Action Advertising** – Such advertising to create a favorable attitude of the customer about the product, company. Therefore such advertising is a normal part of the company's advertising strategy to get a positive response in the long run and not on seeking immediate response in the form of inquires or orders. Action sought here is indirect in nature.

E. Advertising based on Geographical coverage

Advertising can be classified on the basis of geographical coverage also. The message of such advertisements are aimed at specific response for specific geographical segments –

1. **National Advertising** – This advertising spread, throughout the country largely use such advertising. Such companies select those advertising media, which have wide accessibility. Companies like Ford, Reliance, Tata, Broke Bond, Escorts advertising their products at the national level.
2. **Local Advertising** – The Company with limited resources, productions and target market do local advertising. Big companies, who are interested to penetrate the local market intensively, many also sometimes use the local media for advertising.
3. **Global Advertising** – Multi-national firms do the business in different countries. Firms such as IBM, Proctor & Gamble, Sony, National Panasonic, and General Electric etc. advertise globally through international media. However, they will have to keep local cultural conditions into consideration while preparation of advertising copy.

F. Others

Besides the above, other types of advertising can be as follow &

1. **Financial Advertising** – Financial advertising refers to advertisements issued by financial institutions like bank mutual funds and other companies offer sale of shares/debentures to public.
2. **Cooperative Advertising** – When two or more advertisers join hands to participate in the advertising campaign collectively, it is termed as cooperative advertising. Examples include Acc, Indian Bank Association etc.
3. **Push and Pull Advertising** – Push advertising is aimed at advertising the benefits of the products to the retailers and the middleman so they can carry the product and promotes it to the customer.
Pull strategy, on the other hand, often used in a situation when the manufactures go directly to the consumers and stimulate the demand for the products that the customer will ask and the dealers will be motivated to stock the brand in order to please their customers.
4. **Comparative Advertising** – It compares specific product attributes with competitor's brand. Today's comparative advertising is used widely. Here the advertiser put the competitors name (sometimes not) and highlight the advantages of his product. Negative comments about competitors are viewed as unethical or unprofessional.

Commercial Advertising

Commercial advertising in general is the use of advertising to generate revenue. One important aspect of commercial advertising is that it creates a demand or a perceived need for something. As soon as the consumer has a reason to want, commercial advertising is there to offer a solution to that need.

Advertisements give answer to a consumer's questions, including where to eat, where to go, or what to buy. Effective advertising works to create a desire a solution to that need.



Not every aspect of commercial advertising relates to fulfilling and immediate need. Advertisers also strive to create name recognition, which is commonly called "branding". Effective branding means the consumer instantly recognizes the company or the product name and has come to feel positively about it. Companies use commercial advertising in an effort to impress consumers with how happy they will be once they buy the item or use the service offered.

Non-Commercial Advertising

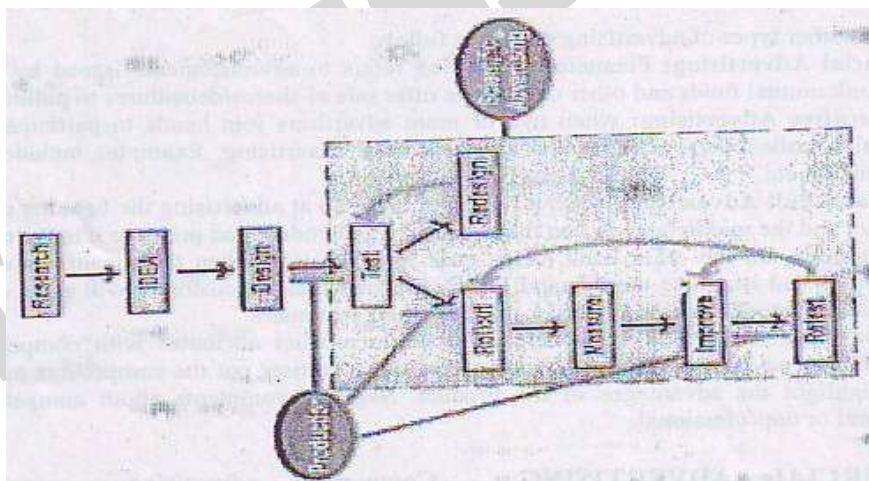
It is sponsored by or for a charitable institutions or civic group or religious or political organization. Many noncommercial advertisements seek money and placed in the hope of raising funds. Others hope to change consumer behaviour. So the main goals of noncommercial advertising are –

- Stimulate inquires for information
- Popularize social cause
- Change activity habits
- Decrease waste of resources
- Communicate political view point
- Improve public attitude
- Remind people to give again

So called word-of-mouth advertising is a person communication that is perceived as using noncommercial concerning goods or services, it is face-to-face product related communications between and among the friend's relatives and others. Because it is usually seen as being an unbiased sources of information.

Process of Scientific Advertising

All sales involve selling something to someone. Businesses don't buy products people do (and for those of you thinking about automated system and computer programs – people program them and tell them what to buy).



Ethical Aspects of Advertising

- Ethics are the moral standards against which behaviour is judged
- Key areas regarding ethics and advertising are –
 1. Truth in advertising
 2. Advertising to children
 3. Advertising controversial products
- Truth in Advertising
 1. Deception is making false or misleading statements



2. Puffery (commercial exaggeration) is legal
 3. Cannot legislate against emotional appeals
- Advertising to Children – Issues
 1. Advertising promotes superficiality and materialism in children
 2. Children are inexperienced and easy prey.
 3. Persuasion to children creates child parent conflicts.
 4. What does the literature say about kid's abilities to process persuasive
 - Advertising Controversial Products
 1. Critics question the “targeting” of minorities.
 2. Tobacco, Alcohol, gambling and lotteries are product categories of greatest concern.
 3. How does the concept of “primary demand” provide insight here?
 4. What does the literature say about advertising's impact on these product categories?

