UNIT- V

2 Marks:

1 Define advertising agency.

According to Cundiff and still, "An advertising agency is an independent business organisation composed of creative and business people who develop, prepare and place advertising in an advertising media for sellers, seeking to find customers for goods and services.

2. Define advertising media planning.

Media planning is the process of designing the course of action that shows how advertising time space will be utilised to the acheivement of marketing and advertising objectives. Media planning is a general term expressing decisions involving the time and place of advertising in addition to the selection of the media.

3. Define advertising budjet

Advertising budjet is an estimation of total expenses that are to be incurred on advertising during a given period of time. The advertising budget includes items of expanditure relating to advertising programmes, cost of space, advertising material (including advertising programmes, cost of space, advertising copy), production expanses, media expenses, agency commission and advertising research etc. In the most elementary form, it states the company proposed advertising expenditure and informs and suggests the company management of the anticipated cost of executing the advertising plan. It is the translation of advertising plan into money. The advertising budget must be realistic, flexible and adequate for the advertising programmes. The advertising budget must consider the advertising goals and the size must relate to advertising needs.

4 Define advertising appeal

According to the committee on advertising, "An advertising appeal is the inducement used by an advertiser to stimulate a buying portion.

In the words of Sandge and Frybunger, "A form of stimulus used by the advertisers is generally referred as the advertising appeal". They further added, "An advertising appeal is an incentive which is used by the advertiser to induce the buying instinct.

5 Marks

What are the steps involved in advertising budget.

Steps Involved in preparing advertising budget

Before we consider the advertising budget process, a few doubts about advertising should be clarified. Some people think that money spent on advertising is an expenditure. Some consider it waste of money. Some are of the opinion that we spend money on advertising because our competitors spend a lot of money on it. They consider advertising as an evil. Here we do not intend to discuss the benefits of advertising and its necessity for business growth and survival. Nowadays, money spent on advertising is treated as a long-term investment in the image of a brand. Planned advertising expenditure is required to build a consumer franchise for the advertised brand, apart from its being of direct return. That is why every business enterprise spends a lot of money on advertising campaign every year out of its budget provisions.

Advertising budget is prepared by the advertising manager of the company. The advertising budget process includes the following major steps:

1). collecting of data and preparation of advertising budget:

The starting point of any advertising budget process is the determination of the sirze of advertising appropriation. The requisite information keeping in view with the products, packaging, target markets, advertising copy, new product introductions, types of consumers, extent of competition along with the competetors strategy, media selection etc. is gathered. Having decided upon the above variables, the advertising manager takes a decision upon on the very important issue 'how much to spend' for advertising. Once the total expenditure is arrived at, the next step is the apportionment of this fund among various advertising units over a period. By advertising unit, we mean a specific advertisement delievered through various media vehicles. The fund allocation has to take into account the market potential within various segments, the time period and the geographical areas over which advertising will be spread in accordance with the overall advertising strategy.

2). Presentation and approval of the budget:

After the preparation of advertising budget, the next step in a budget ~~marketing~~ making process, is to present the same before the top management through the chief of the marketing divisions for necessary approval. In some organisations, there is a seperate budget committee, comprising the representatives of the financial and other functional areas. The budget committee or the top management, as the case may be, will evaluate such proposed expenditure to achieve the target sales in a given budget period. Since advertising budget is employed to increase sales, the advertising budget must be compatible with the sales goals of the company. Besides increasing sales, it should be adequate enough for the new product to make a successful entry in the chosen segment of the market. After considering all these factors if satisfied, the budget committee or the top management, as the case may be, will finally accord its approval over the budget proposals and thus will return the same to the advertising manager for execution.

3). Budget Execution:

After the approval, the next step in budget making process is the execution of the budget. During the execution of the budget, the advertising manager has to exercise monitoring control so that the funds that have been allocated are spent in accordance with the approved plan and in economical manner. whenever there are critical changes in the marketing situation, neccessitating an adjustment in the advertising support the necessary modifications should be effected in the advertising budget. That is why, advertising budgets should be flexible and provisions is made for the contingency account to face the critical changes in the marketing environment. The advertising manager should be duly authorised by the budget committee or the top management for making the required modifications etc. as and when required.

4). control of Budget:

The fourth and the last step in the budget making process is to have a control over the budget. It is the prime duty of the advertising manager to see whether the actual expenditure coniides with the budgeted expanditure or not. The advertising manager should also see that the amaunt appropriated for advertising is being used only on the item and activity as expressed in the budget.

2. List out various importance of Advertising agencies.

1). Nature of product:

This is the first importance and it means when the product is a form of mass media than advertising agency can use print media while when the producers want a demonstration that screen and television advertising can be used.

At the time of advertisement, the nature of a product plays a very effective role because it helps to define the target audience related to their product which is sold in the world.

2) Advertising budget:

This is the second important and it means that the choice of advertising agency rest on advertising budget since a large organization can only bear the expanses of an advertising agency. Thus, the advertising budget defines the estimation of total expenses which are related to the advertisement.

It includes various estimations regarding their budget control system like it includes expenditure relating to advertising programme, advertising material, media expenses, and so on.

3) Potential market:

This is the third importance and it means an advertising agency has to conduct the market surveys and identify the changes in consumers in a proper manner. Thus, the potential market produces potential customers.

4). Reputation of agency:

This is the fourth importance and it means that the reputation of the agency attracts the companies to higher than for Various purposes such as copywriting or media planning. Agencies like mudra are employed by large organizations.

5). Media alternatives:

The advertising agency has to decide which media alternatives are available in the branding of a regular product. For example): If a company wants to advertise a product on T.V. then the timeslot should be available.

3. Write a short note on objectives of advertising appeals.

The appeal made in advertisement must be specifically directed either to the public in general or to a group of persons keeping in view the objectives / functions. An advertising appeal should have the following objectives / functions:

1). To attract attention:

An advertising appeals should have the capacity to attract the attention of the prospect otherwise the whole effort is wasted. Attention is purely a mental process and has certain charecteristics. It is selective as one attends to several things at a time. Only the outstanding things attract one's attention easily. Secondly, attention is limited as to time as one develops disgust for the same

2). Appeal to discrimination:

Here an appeal is made to the prospective buyer to select one particular product in preference to another; price, quality durability, economy, performance, resale value, ease of use are appeals to the rational buying motives of the buyer. By trying these various appeals, it is possible to determine which one is dominant in the case of buyer in view. It is also called rational appeal. It is directed to the thinking process of the prospect, such as, many consumer goods are purchased for their quality, such as clothing, food items, beverages etc. Resale value, as of a two-wheeler scooter 'Bajaj' has a better resale value than any other make. Similarly, economy in the operating expenses of some brands of cars ('Maruti'), refrigerators (Kelvinator) and two-wheelers (L.M.L) claim that they are most economical.

3). Ideation Appeal:

It is an appeal to ideas. A new product for consumer's use must normally be introduced by an ideation appeal.

4). Association appeal:

In the majority of cases, successful advertising appeals depend upon the use of correct association. This is more powerful than a direct assertion that a product is of superior quality. If the want or the desire is closely associated to a particular product through the use of association, the advertiser need not comment upon the article, but should allow the prospect to draw this own inferences.

5). Emotional appeals:

These are generally known as human intrest appeals which include any feeling of joy, grief, love, fear, hatred. Emotional appeals are based on human emotions. Emotions are those mental agitations or excited states of feeling which prompted us to purchase a particular product. Emotional appeals are designted to stir up some negative or positive emotions which will motivate product interest or purchase interest in the prospect. Thus, emotional appeals are of two types,

i) Negative emotional appeal and (ii) positive emotional appeal An advertiser may try to induce a particular behavioural change by emphasising either positive or negative appeals or combination of both. For example, an advertising campaign to get the target audience to buy fire insurance may stress the positive aspect low cost relative to other investment, the services to the insurance company provides, early settlement of claims and so on, or it may stress the negative aspect of not getting insurance - the danger claims losing one's possession or the ravages of fire. positive appeals use the strategy of 'reducing' a person's anxiety about 'buying and using' product, while negative appeals use the strategy of 'increasing' person's anxiety about 'not using' a product or service. In general, positive appeals stresses the positive gains to a person from complying with the persuasive message. the negative appeal stresses his loss which he is bound to suffer if he fails to comply. Fear appeal is a negative appeal and is most important among emotional appeals, and also the most effective. For example, a recent advertisement of 'promise toothpaste' shows a boy weeping because of severe toothache, and then suggests the use of 'promise toothpaste' to avoid the recurrence of toothache. Similarly, while advertising a 'helmet' for scooter riders, the fear of injury to the head is most appealing to wife and mother and also to someone close to the rider. On the other hand, positive advertising highlights product benefits and attributes capable of influencing consumer's behaviour. They are love, pride, prestige, humour and joy etc. Most baby food products have a mother's love appeal. For example, mother's love for the baby has been appealed in an advertisement of Jhonson's baby soap. It says," Gentle as a kiss of your baby's tender skin." It further goes on to say," Gentle as "Jhonson's baby soap, because, Jhonson and Jhonson care more for your baby almost as much as you do". However, positive appeal is not effective when he adviser shows as much care for the child as his mother does.

10mark

1. What are the functions of advertising agencies. Give the steps of advertising planning.

1). collection of useful information about the target :

The first and the foremost step in media planning is the collection of useful information about the target customers of the market to be reached through advertising. The more detailed and specific target market data available on geography, age group, sex, income, atitudes interest etc. the more appropriate the media selation would be.

2) Media selection :

Media selection is another major function of the advertising agency. In making a media selection several factors such as cost, circulation, population which it serves, audiance, nature of the product, types of customers and above all needs of the clients should be kept in mind.

3). Advertising planning:

The third as well as the major function of advertising agency is the advertising planning for its clients. For this purpose, the advertising agency requires a detailed knowledge of the firm's products, its advertising history, market conditions, channel of distribution, knowledge of competitor's products and their advertising techniques, field to be covered, nature and type of consumers etc.

Next planning job is to decide about the advertising medium in which the advertisement is to appear. The advertising message must be adapted to the medium in which it is to appear.

4). Creative function:

The creative function starts when the planning function ends. It includes the preparation of an advertising copy, layout, illustration, photographs, advertising messages, theme of advertisement etc. These functions are performed by a Varied group of creative people including writers, designers, artists, producers, photographers and graphic specialists employed by the advertising agency.

5). Research functions:

It is the fifth major function of an advertising agency. It supports the decisions taken in the media and creative areas. In this connection the advertising agency gathers and analyses actual information about the product, extent of market, competitors' strategies and buyers' habits etc. That may help the creative personnel to make the advertising copy more attractive and effective.

6). Approval of the client:

As soon as the advertising copy etc, are prepared, the next function of the advertising agency is to show the copy to his client and obtain his approval. In case any changes are suggested by client, the same may be incorporated and thus the final approval should be taken from the client.

7). Marketing function:

The advertising agency also performs marketing functions such as selecting target consumers, designing products and packages, developing channels of distribution strategy, determining prices and rate of discount etc. It gives useful advice to its clients with regard to the nature and trend of the market conditions. Accordingly, the client produces goods keeping in his mind the prevailing conditions in the market.

8). Evaluation function:

Simply drafting advertising copy and handing over the same to the media is not enough. The next major functi[on] of the advertising agency is to have an exhaustive evaluation of the advertising effects for the benefit of his client. In case of any deficiency, neccessary suggestion should be given and the same be made effective after approval of the client.

9). coordination function:

The last but not the least important function of the advertising agency is to establish effective coordination with client's sales force and distribution network to ensure the long running success of the advertising campaign. Each time the advertising agency contacts the client regarding advertising media to be used and the number of times the advertisement is to be repeated after giving effect to changes, if any, as suggested by the advertiser.

Thus, in all, an advertising agency performs ~~part~~ practically all the functions of an advertiser.

~~10 Marks.~~

What are the functions of advertising agencies

1) Selection of clients :

The first and the foremost function of an advertising agency is to contact and select clients who are desirous of advertising their products, services or anything which they want to sell. The preference in contacting and choosing the clients is given to those firms which have sound Values, able management, efficient operative products and services. The financial position, size and nature of business, efficient management and operative products etc. must be given due weight.

2). Media selection:

Media selection is another major function of the advertising agency. In making a media selection several factors such as cost, circulation, population which it serves, audiences, nature of the product, types of customers and above all needs of the clients should be kept in mind.

3). Advertising planning:

The third as well

4. Give the ~~importance~~ steps of advertising planning.

1. collection of useful information about the target.
2. Advertising budget.
3. Nature of the message to be conveyed.
4. Search for an Ideal match.
5. To reach Target audience.
6. Frequency.
7. continuity
8. competitive.
9. Deciding the media vehicle.

Advertising budget:

The available advertising budget is also an important guide in media planning. The task to plan a media more suited to the target market at a given budget cost is a difficult one. This concept of what can you afford' in media planning is equally relevant to small, medium and large - seized companies.

Search for an Ideal match:

The next step is to search an ideal match of the audience characteristic of media with the target market profile and at the same time, check for the perfect ~~adaptablity~~ adaptablity of the message requirements with the media.

To Reach target audience:

To reach is expressed in terms of the number of households or individuals reached by a given media over a period of time. This is usually expressed in terms of percent of total household or individuals in the target market. The media must reach the target audience over a period of time.

Frequency:

Frequency refers to the average number of times different household or individuals are reached by a media in given period of time. The frequency of advertising exposure of the target market depends upon the amount of reinforcement of the image required or the amount of remainding required to have a sustaining patronage from the target customer. The greater is the frequency, the greater is the probablity of the advertisement message making a deep and lasting impression.

Continuity :

Another step in media planning is continuity. Continuity refers to message delivers over a period of time or a season. This is important because isolated advertisement generally make very little impact. If a company advertises daily, its advertising campaign has excellent continuity.

2. What are the factors Influensing media planning

1). Market or market considerations:

The first and the foremost consideration in designing a media plan is the marketing considerations. It is a major factor of influencing a media plan. A good strategy will fail if the marketing conditions are not favourable. The advertiser must have the full understanding of the target market.

1) Product charecteristics :

The type of product and its charecteristics also determine the media to be used for advertising. For example industrial products and new products of a technical nature are advertised through 'purchase magazine'. Products for exports are advertised in 'products from India' in the 'product finder' Fashion-wear are advertised in flim magazines or fashion magazines, such as filmfare, India today etc

2) channel of distribution characteristics.

After the characteristics of the product come the characteristics of the channel of distribution. Distribution outlets may be classified into local, regional, national and international. If the products is to be distributed locally or regionally, the media which may cover those markets be considered.

3). Advertising copy formulation:

The advertising copy formulation and its method of prescenting the message play an important role in making choice for the advertising media. It should be kept in mind that only an appropriate media can give a proper expression to the advertising message and create a lasting impression on the minds of prospective customers.

4). Promotional strategy:

If the advertiser wishes to promote the sales of the product to the prospective customers, he should use an aggressive sales promotion device. All media should be used rationally.

II). Specific media considerations.

Specific media considerations also play a key-role in media planning. Specific media considerations may include the following factors :

1). Size of the Budget :

The size of the budget, i.e., the money allotted for advertising campaign also plays an important role in media planning. The smaller the size of advertising budget, the more difficult task will to be make media selection and media planning because these cannot afford any wastage in their advertising programme.

2). Media availablity :

Media availablity is also an important factor in media planning. Media availablity covers such qualitative values as audience charecteristics, editorial personality, and contribution to advertising effectiveness; above all it refers to a 'media image' capable of enchancing the perception and communication value of a given message.

3). Media charecteristics :

Media charecteristics also a key factor in media planning. The major inherent charecteristics of the media should be considered. These include i) Reach, ii) Frequency, iii) continuity.

4). Media cost efficiency :

Usually the advertiser wants to carry the message to the largest number of audience and thus attain an economy in the cost of advertising per audience.

5). Media discount :

As already discussed in earlier chapters, advertising media offer discount to their customers. Hence advertisers try to concentrate in few media only so as to get maximum discount.

iii). Level of competition considerations.

Media planners must know how much their competitors are spending on advertising campaign. They should also know the media used by their competitors. What are their media makes? The media planning should be done keeping in view the strategy of the competitors in field. If required, the assistance of advertising agency should be taken.