## ADVERTISING AND BRAND MANAGEMENT

**UNIT I** 

- ▶ UNIT I
- Introduction to Advertising:

Types of advertisements-Advertising in Marketing Mix -Relationship of Advertising with Other Elements of Promotional mix - DAGMAR Approach-Role of Advertising in an organisation- Advertising Department- Role of Advertisement Agencies, Client Agency Relationship. Ethics in Advertising, The Advertising Standards Council of India and its role.

### **ADVERTISING**

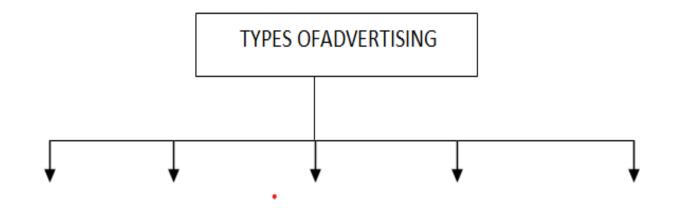
According to American Marketing Association "advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor".

### FEATURES OF ADVERTISING

- Communication:
- Information:
- Persuasion:
- Profit Maximization:
- Non-Personal Presentation:
- Identified Sponsor:
- Consumer Choice:
- Art, Science and Profession:
- Element of Marking Mix: .
- Element of Creativity:

#### **OBJECTIVES OF ADVERTISING**

- ▶ To introduce a new product
- To support personal selling programme.
- ▶ To reach people inaccessible to salesman.
- To enter a new market
- To light competition in the market
- To enhance the goodwill of the enterprise
- To improve dealer relations.
- To warn the public against imitation of an enterprise's products.



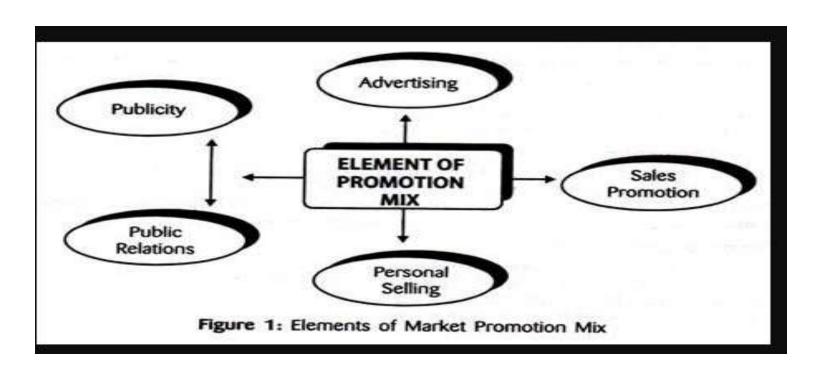
Area	Audience	Media	Function	Stage
Coverage				
1) Local	1) Consumer	1) Print Media	Direct Action and     Indirect Action.	1) Pioneering Stage
2) Regional	2) Industrial	2) Electronic	2) Primary & Selective	2) Competitive Stage
3) National	3) Trade	3) Outdoor	3) Product & Institutional	3) Retentive Stage
4) International	4) Professional	4) Other Media		

### Advertising in Marketing Mix

- PRODUCT
- PRICE
- PLACE
- PROMOTION



# RELATIONSHIP OF ADVERTISING WITH OTHER PROMOTION MIX ELEMENTS



### **DAGMAR**

### **DAGMAR**

- Defining Advertising Goals for Measured Advertising Results."
- Awareness:
- Comprehension:
- Conviction:
- Motivation:

### **ROLE OF ADVERTISING**

### **ROLE OF ADVERTISING**

- Promotion of Sales:
- Introduction of New Product:
- Creation of Good Public Image:
- Mass Production:
- Research:
- Education of People:
- Support to Press:

### **AD AGENCY**

### **AD AGENCY**

- Definition: The American Association of Advertising Agencies (AAAA) defines an advertising agency as: "
- An independent business organization, composed of creative and business people, who develop, repair and place advertisements in advertising media for sellers seeking to find customers for their goods and services"

### ROLE AND FUNCTIONS OF AD AGENCY

### ROLE/FUNCTIONS OF ADVERTISING AGENCY

- Selection of Clients :
- Media Selection:
- Advertising Planning:
- Creative Function:
- Research Function:
- Approval of the Client:
- Marketing Function:
- Evaluation Function:
- Coordination Function:

### ADVERTISING DEPARTMENT

- Accounts Department
- Client Serving Department
- Creative Department
- Production Department
- Media Planning Department

#### AGENCY- CLIENT RELATIONSHIP

Agency client relationship must be that of mutual trust and confidence

- Reasonable cost and reasonable compensation for the agency.
- Two way communication
- Interdependency

- What the clients have to do? :
- 1. Treat the agency with courtesy at all times.
- 2. Provide all possible information about the product
- . 3. Not unnecessarily bargain for the fees
- . 4. Motivate the agency to do a good work.
- ▶ 5. Not change the agency for the sake of change.
- 6. Approve the proposals submitted by the agency.
- . 7. Give sufficient time to the agency to develop a good advertising campaign.
- . 8. Reduce disputes to a minimum.
- 9. Finalize well in advance the charges for a particular plan or campaign.
- ▶ 10. Up-date the agency with any information .

### ETHICS IN ADVERTISING

Ethics means a set of moral principles which govern a person's behaviour or activities.

### Ethical and Moral principles of Advertising

- 1. Truthfulness in advertising;
- 2. The dignity of the human person; and
- 3. Social responsibility

### **ASCI**

- The Advertising Standards Council of India (ASCI) is a self-regulatory and a non-government body which was established in the year 1985.
- The members of the council are reputed firms of India which includes advertisers, PR agencies, media and advertising agencies and other professionals related to advertising.

### Objectives & Role of the ASCI

Promote truthfulness, honesty, public decency, societal standards and to oppose hazardous products.

- The role of the ASCI include to "monitor, manage and promote" standards
- Ensure no misleading and false claims are made.
- Prohibit offensive advertisement
- Prohibit advertisement for hazardous products
- Ensure fair competition
- Codify, modify and adopt
- Handle complaints through consumer complaints council

The complaints received by the ASCI are decides on the basis of the following 6 parameters

- False advertising
- Misleading advertising
- Indecent advertising
- Illegal advertising
- Advertising leading to unsafe practices
- Advertisements unfair to competition

### Cases handled by ASCI recently

- Dettol
- HUL hand sanitizers
- Arihant corona Resistant Mattress



#### UNIT - II

- Ad Media and Advertising models
- Ad Media: Characteristics, Media Research— Media Planning and Selection, Media
   Scheduling - Creativity and Copy Writing -Different Types of Appeals - Visual Layout.
- Advertising models :AIDA Model, Lavidge and Steiner Model/Hierarchy of Effect Model, Innovation Adoption Model, Information Processing Model and Operational Model

### **AD MEDIA**

- The word **media** comes from the Latin word "middle".
- A technical definition of advertising media is 'the medium through which an advertisement is delivered to a target audience for the purpose of marketing, promotion, and selling goods and services.'

#### CHARACTERISTICS OF AD MEDIA

THE CHARACTERISTICS OF AD MEDIA VARIES WITH ITS TYPES

THERE ARE 5 MAJOR TYPES OF AD MEDIA

- **TELEVISION**
- RADIO
- NEWSPAPER
- MAGAZINE
- OUTDOOR

Television Characteristics				
Advantages	Disadvantages			
<ul> <li>Mass Coverage</li> <li>High Reach</li> <li>Impact of sight, sound, and motion</li> <li>High prestige</li> <li>Moderate cost per thousand exposure</li> </ul>	<ul> <li>Low selectivity</li> <li>High absolute cost</li> <li>Short message life</li> <li>High production cost</li> <li>Clutter</li> </ul>			

Advantages	Disadvantages
Local coverage	<ul> <li>Audio only</li> </ul>
Low cost	<ul> <li>Clutter</li> </ul>
High frequency	<ul> <li>Fleeting message</li> </ul>
Low production cost	
Well segmented audience	

Newspaper Characteristics				
Advantages	Disadvantages			
<ul> <li>High coverage</li> <li>Low cost</li> <li>Short lead time for placing ads</li> <li>Ads can be placed in interest sections</li> <li>Timely or current ads</li> <li>Can be used for coupons</li> </ul>	<ul> <li>Short life</li> <li>Only visual</li> <li>Clutter</li> <li>Poor reproduction quality</li> <li>Selective reader exposure</li> <li>Low attention getting capability</li> </ul>			

Magazines Characteristics				
Advantages	Disadvantages			
<ul> <li>Segmentation potential</li> <li>High information content</li> <li>Longer life</li> <li>Compatible editorial environment</li> <li>Multiple readers</li> <li>Quality reproduction</li> </ul>	<ul> <li>Only visual</li> <li>Long lead time for ad placement</li> <li>Lack of flexibility</li> </ul>			

Outdoor Characteristics	
Advantages	Disadvantages
<ul> <li>24 hour coverage</li> <li>Location specific</li> <li>High resolution</li> <li>Easily noticed</li> <li>Cost efficient medium</li> </ul>	<ul> <li>Short exposure time requires short ads</li> <li>Poor image</li> <li>Local restrictions</li> </ul>

#### QUALITATIVE MEDIA RESEARCH

- Focus Group Discussions
- Case Studies
- In-depth Interviews
- ADVANTAGES AND DISADVANTAGES

#### QUANTITATIVE MEDIA RESEARCH

- Experiments/clinical trials.
- Observing
- management information systems.
- surveys

#### MEDIA RESEARCH PROCESS

Define Research Problem

Review the available literature

Formulating Hypothesis

Research Design

Determining Sample Design

Collect Data (Execution)

Analyse Data

Test the hypothesis

Generalizations and Interpretation

Presentation of Report

# Media Planning and Selection

Media planning and selection is an exercise to find the best medium or combination of media that will produce the best overall effect relative to the needs of the advertised brand.

# PROCESS OF MEDIA PLANNING AND SELECTION

- 1. Decide Target Market: It is necessary to decide specific market where planned efforts can be directed.
- 2. Media Objectives: Media objectives are often stated in term of reach, frequency, gross rating points and continuity
- 3. Selection of MediaTypes:
- 4. Selecting Specific Media Vehicle:
- Media Mix: Media Buying
- . 5. Allocation of Funds:
- . 6. Media Scheduling:

#### **MEDIA TYPES**

- 1. Press Advertising Media (a) Newspapers and (b) Magazines and Journals.
- 2. Outdoor or Mural Advertising Media (i) Posters, (ii) Advertising Boards, (iii) Sandwich Boards, (iv) Electric Display, (v) Vehicular, (vi) Sticker, and (vii) Sky Writing.
- 3. Direct Mail Advertising Media (i) Circulars, (ii) Price-lists, (iii) Booklets, (iv) Leaflets, and Folders, (v) Business Reply Envelops and Cards, (vi) Gift Novelties, and (vii) Personal Letters.
- 4. Broadcast Advertising Media (a) Radio, (b) Television
   5. Promotional Advertising Media (i) Window Display, (ii) Showroom, (iii) Exhibitions and Fairs, (iv) Interior Display, (v) Trade Shows, (vi) Samples, Coupons and Premiums etc.
   6. Miscellaneous Advertising Media (a) Cinema and Cinema Slides, (b) Specialty Advertising, (c) Purchase Point Advertising, and (d) Video Advertising etc.

# Media scheduling

Media scheduling refers to the process of making a decision regarding the time and date that when the advertisement appears, the frequency of ads, etc

### Media Scheduling Strategies

- ▶ 1.) Continuous strategy
- 2.) Flighting strategy
- 3.) Pulsing strategy
- 4.) Steady strategy
- 5.) Step-down strategy

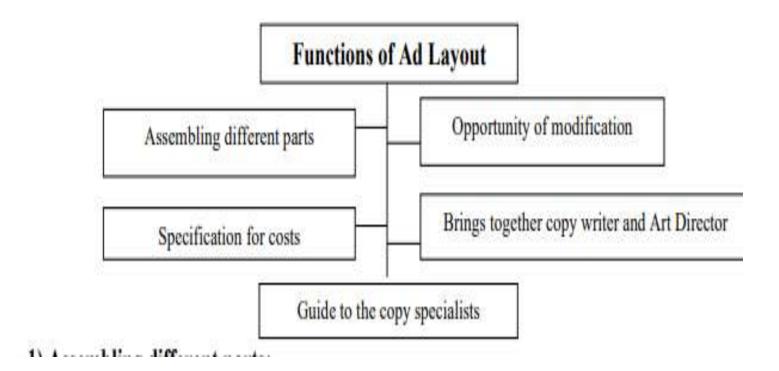
## **Elements of Copy:**

- 1. Main Headline:
- 2. Sub-Headlines:
- 3. Body Copy: .
- 4. Captions:
- 5. Slogans:
- ▶ 6. Logo:

# Types of Copy:

- 1. Scientific Copy:
- 2. Descriptive Copy: .
- 3. Narrative Copy:
- 4. Topical Copy :
- 5. Personality Copy:
- 6. Colloquial Copy:
- 7. Reasoning Copy:
- 8. Questioning Copy
- 9. Prestige Copy:

#### VISUAL LAYOUT



#### DESIGNING VISUAL LAYOUT

- ▶ 1. Thumbnail Sketches: .
- 2. Rough layout:
- . 3. Comprehensive:
- 4. Dummy:
- 5. Mechanical (paste-Up):
- 6. Approval:.

- ▶ 1. Emotional Appeals
- 2. Intellectual Appeals:
- 3. Human Instincts Appeal
- 4. Physical Sense Appeal:
- 5. Positive Appeal:
- 6. Negative Appeal:

### TYPES OF APPEAL

### **MODELS OF ADVERTISING**

#### AIDA MODEL

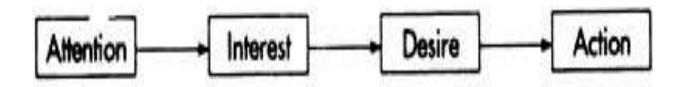


Fig 12.5 AIDA Model

# Lavidge and Steiner Model/Hierarchy of Effect Model

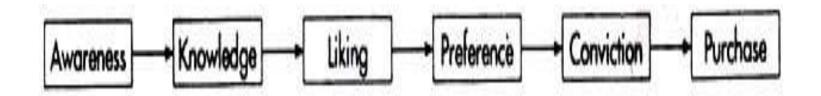


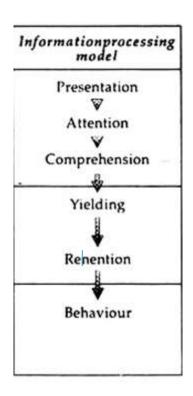
Fig 12.6 Hierarchy of effect model

### Innovation Adoption Model:



Fig 12.7 Innovation-adoption model

## Information Processing Model:



# Operational Model:

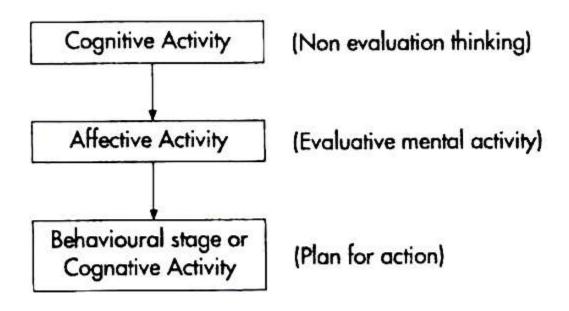


Fig 12.8 Operational model

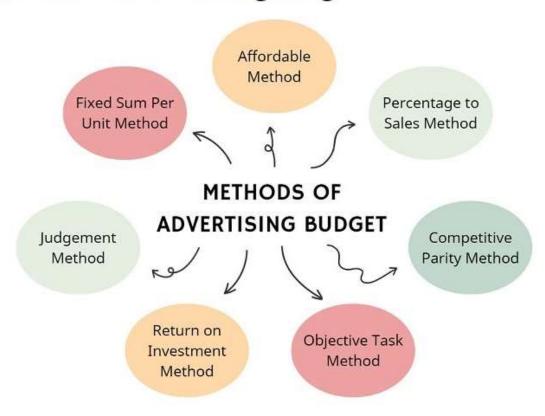
 ADVERTISEMENT BUDGET: Types –
 Determining Optimal Expenditure – Decision Models – Advertisement Effectiveness: Pre Testing, Post Testing, Experimental Designs.

#### **ADVERTISEMENT BUDGET**

Advertising budget is an estimation of total expenses that are to be incurred on advertising during a given period of time.

# TYPES OF ADVERTISEMENT BUDGET

Methods of Advertising Budget



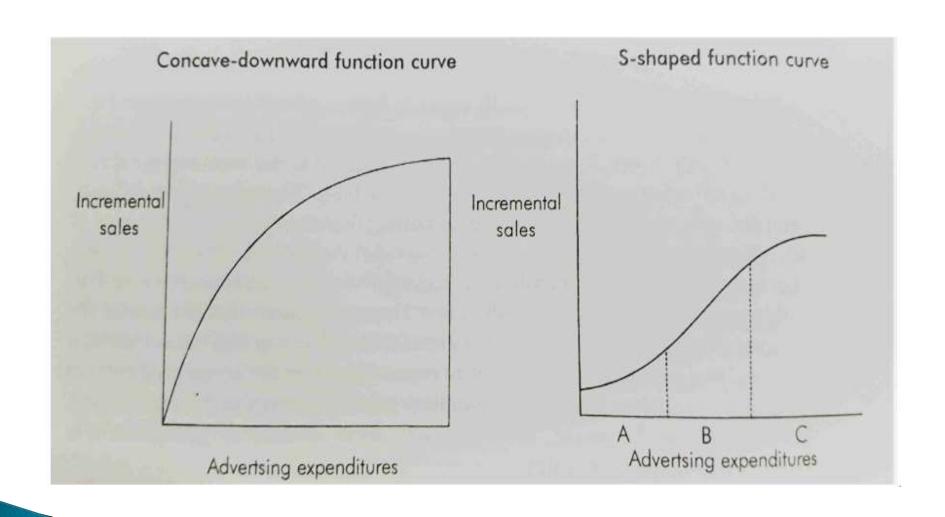
# DETERMINING OPTIMAL EXPENDITURE

- Sales objectives
- Communication objectives

- Price of products
- Advertising and Promotion
- Personal selling
- Competition
- Consumer tastes
- Product quality
- Economy
- Technology
- Direct action advertising

#### **DECISION MAKING MODELS**

The Theoretical basis for creating an advertising budget is **Economic Marginal Analysis**. According to Economic Marginal Analysis a firm should continue to increase its advertising budget for a particular brand or for a certain target market as long as the (MR) Marginal Revenue exceeds the Incremental Expenditure (IE).



#### Top Down Approach

Top management sets the spending limit

Advertising budget is set within the allocation limits.

Advertising objectives and activities are planned according to the set budget.

It is a Judgmental Approach

Budget is not linked to the objectives.

This leads to predetermined budget allocations which are not related to advertising objectives.

Methods - Affordable Method, Arbitrary Allocation, Percentage of Sales, Competitive parity, Return on investment

#### Build Up Approach

Advertising objectives are set

Activities necessary to achieve objectives are planned

Costs of different advertising elements are budgeted.

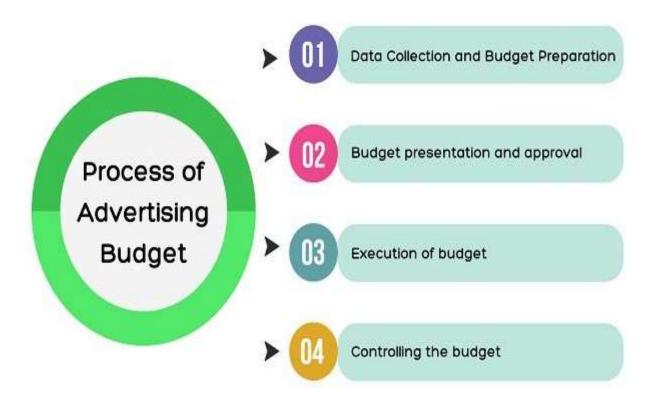
Total advertising budget is approved by top management

Budget is allocated on the basis of activities considered essential to accomplish the objectives.

Methods - Objective and Task Method, Payout Planning, Quantitative Approach, Experimental Approach

#### PROCESS OF ADVERTISING BUDGET

The process of advertising budget covers four steps:



#### **ADVERTISEMENT EFFECTIVENESS**

 Advertisement effectiveness is measured using the pre test and post test to analyse the real outcome of advertisement

# COMPONENTS OF MEASURING ADVERTISEMENT EFFECTIVENESS

- (1) message variables,
- (2) media variables,
- (3) scheduling variables and
- (4) budgeting variables

### Need for measuring Advertising Effectiveness

- Achieve awareness
- Affects attitudes
- Actuate action
- Judge overall effectiveness

# METHODS OF MEASURING ADVERTISEMENT EFFECTIVENESS

# Pre testing methods

- ▶ 1. Proposition Tests:
- 2. Concept Testing:
- 3. Sales Area Testing:
- 4. Folio Tests:
- 5. Project Tests:
- ▶ 6. Trailer Tests:
- 7. Consumer Jury Tests:
- 8. Rating Scales:
- 9. Portfolio Tests
- ▶ 10. Simulated Tests

### Post testing methods

- ▶ 1. Recognition Tests:
- 2. Recall Tests
- 3. Inquiry and Coupon Response:
- 4. Split-Run Test:
- 5. Psychological Tests
- 6. Focus Interviews:
- 7. Readership Test:

# Experim ental Design

#### EXPERIMENTAL RESEARCH DESIGN

- Pre-experimental research design
- True-experimental research design
- Quasi-experimental research design

- 1. One-shot case study research design
- 2. One-group pretest-posttest research design
- 3. Static-group comparison
- 4. Posttest-only control group design
- 5. Pretest-posttest control group design
- 6. Solomon four-group design
- 7. Time-series design:
- 8. No equivalent control group design:

- WHAT TESTS YOU MAY SUGGEST IN THIS ISSUE?
- WHICH TYPE OF EXPERIMENTAL DESIGN IS MORE APPROPRIATE?



- UNIT V Brand Performance
- Industrial Sector Retail Sector Service Sector. Measuring Brand Performance – Brand Creation Brand Extension – Brand Portfolio

### **BRAND PERFORMANCE**

• Brand performance is a multi-faceted concept encompassing the overall effectiveness of a company's branding efforts. It measures how well a brand connects with its target audience, influences consumer behavior, and drives business results.

#### Most chosen in-home brands - Rank 1st to 10th





















## Key Metrics for Evaluating Brand Performance

- Brand familiarity:
- Brand sentiment:
- Customer experience:
- Marketing activities:

## BRAND AND ITS PERFORMANCE IN VARIOUS SECTORS

- ▶ INDUSTRIAL SECTOR
- RETAIL SECTOR
- SERVICE SECTOR

Aspect	Industrial Sector	Retail Sector	Service Sector
Customer Type	B2B (Business clients)	B2C (Consumers)	B2C / B2B
Brand Driver	Quality & reliability	Experience & visibility	Trust & service quality
Brand Building	Technical reputation	Advertising & store branding	Service experience
Performance Measure	Repeat contracts, exports	Sales & loyalty	Customer satisfaction
Example Brands	L&T, Bharat Forge	DMart, Reliance Retail	TCS, HDFC Bank

#### INDUSTRIAL BRAND OR B2B BRAND

The term Business-to-Business brand or industrial brand describes brands for industrial and capital goods, machines for instance.

#### INDUSTRIAL SECTOR

Automotive and ancilliaries

Aviation, aerospace, and defense

Electrical components and equipment

Electronic components and equipment

Home and building products and technology

Industrial diversified

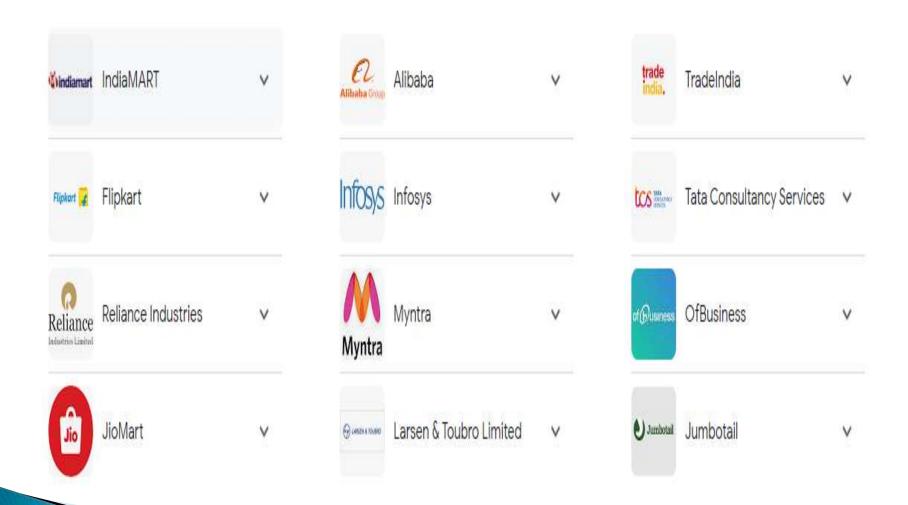
Industrial machinery

Industrial materials

Industrial services

Industrial trading and distribution

- Industrial brands are highly specialized.
- Visibility drives performance
- Visibility declines for most brands over time.

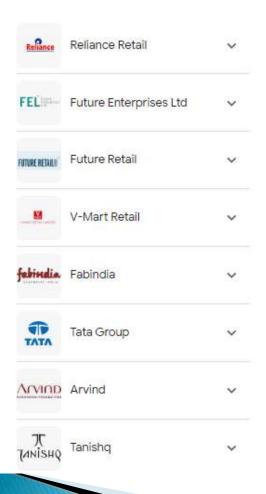


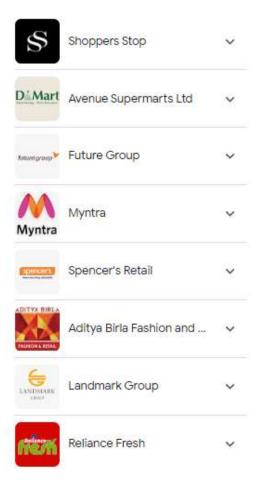
#### Retail Brand

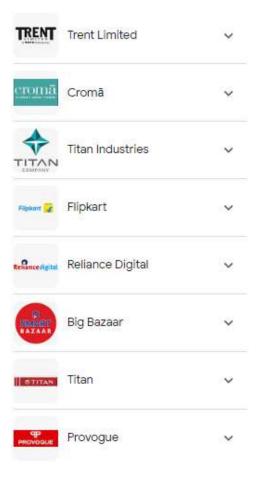
• Retail branding is a strategy in which stores, , are uniquely marketed to optimize reach and sales. A retail brand is a group of retailers' stores with a unique name and logo.

#### RETAIL BRAND PERFORMANCE

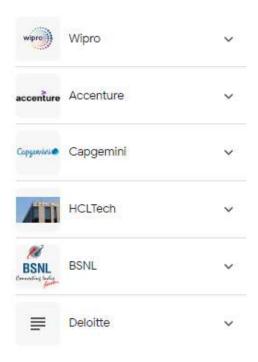
- Successful Retail Branding ensures Stable long term demands
- ▶ 2. Better margins
- Differentiation by way of creating long term association
- 4. Adds value to the product
- ▶ 5. Trust of fulfillment of service expectations
- ▶ 6. Protection from growing competition
- > 7. Image as a company attractive enough to work for
- Negotiation with suppliers from a position of improved strength

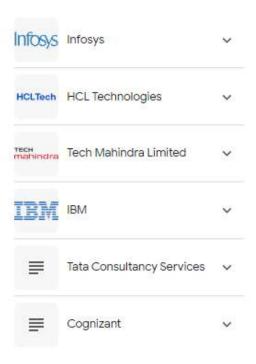


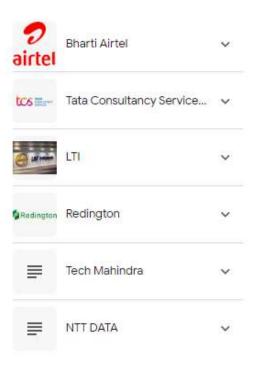




#### **SERVICE BRAND**







- Classic Service Brands They include banks, beauty salons, consultation services, car rentals, and airline services.
- Pure Service Brands They include association memberships.
- Professional Service Brands They include advisors, consultants, travel agents, estate agents, etc.
- Retail Service Brands They include restaurants, fashion stores, supermarkets, etc.

#### the presented brands

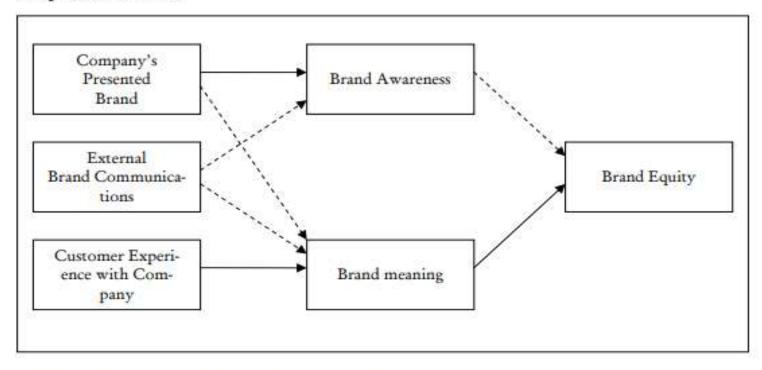


Figure 2-2 The Service-Branding Model (Berry, 2000, p. 130)

## METHODS OF MEASURING BRAND PERFORMANCE

- 1. Brand awareness
- 2. Customer satisfaction
- 3. Net promoter score
- 4. Brand consideration
- 5. Brand perception
- 6. Brand associations
- 7. Brand loyalty
- 8. Brand equity
- > 9. Brand sentiment
- ▶ 10. Brand salience

#### **BRAND CREATION**

- Step 1 Create it from the heart
- Step 2 Describe how it looks and feels
- Step 3 Connect with your customers
- Step 4 Tell your brand story
- Step 5 Keep brand on your plan
- Step 6 Own your brand

### **BRAND EXTENSION**



A brand extension is when a company uses one of its established brand names on a new product or new product category.

#### TYPES OF BRAND EXTENSION

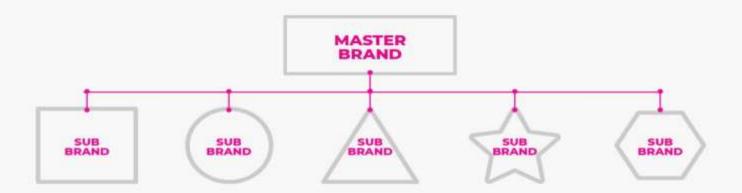
- Product extension
- Line extension
- Customer franchise extension
- Company expertise extension
- Brand distinction extension
- Transfer of component extension
- Extension by leveraging a lifestyle

### **BRAND PORTFOLIO**

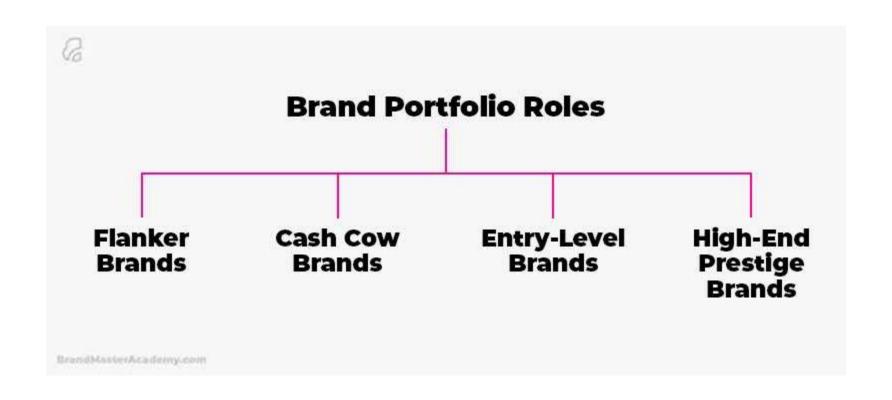
Brand Portfolio is a collection of brands falls under the overarching umbrella of a larger firm or company.



#### **HOUSE OF BRANDS**



BrandMasterAcademy.com



- CO1 Explain the basic concepts advertising, promotion mix and advertising ethics
- CO2 Classify Ad Media and Advertising models
- CO3 Categorize and analyze advertising budgets
- CO4 Examine brand building and positioning strategy
- CO5 Measure brand performance and applybrand creation strategies