



SREENIVASA INSTITUTE OF TECHNOLOGY AND MANAGEMENT  
STUDIES (AUTONOMOUS)  
DEPARTMENT OF MANAGEMENT STUDIES (MBA)

# LECTURE NOTES

**Course: ADVERTISING AND BRAND MANAGEMENT**

**Year/Branch: II MBA / III SEMESTER**

**Regulation: R22**

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**“Products are made in the factory, but  
brands are created in the mind.” — Walter  
Landor**

## 1. Syllabus

II MBA – Semester - III						
Course Code		ADVERTISING AND BRAND MANAGEMENT	L	T	P	C
22MBA236B			4	0	0	4
<b>Course Educational Objectives:</b>						
CE01: To provide knowledge basics of advertising						
CE02: To inculcate various aspects pertinent to Ad media						
CE03: To elucidate advertising budgets and study its effectiveness						
CE04: To provide necessary knowledge about various aspects of brand management						
CE05: To give a elaborate view of branding practices in various sectors						
<b>UNIT - I</b>	<b>Introduction to Advertising:</b>				Lecture Hrs: 8	
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 .						
<b>UNIT - II</b>	<b>Ad Media and Advertising models</b>				Lecture Hrs: 12	
<b>Ad Media</b> : Characteristics, Media Research–Media Planning and Selection, Media Scheduling – Creativity and Copy Writing - Different Types of Appeals - Visual Layout.						
<b>Advertising models</b> :AIDA Model, Lavidge and Steiner Model/Hierarchy of Effect Model, InnovationAdoption Model, Information Processing Model and Operational Model						
<b>UNIT - III</b>	<b>Advertisement Budgets</b>				Lecture Hrs:10	
Types - Determining Optimal Expenditure – Decision Models- <b>Advertisement Effectiveness:</b> Pre Testing, Post Testing, Experimental Designs.						
<b>UNIT - IV</b>	<b>Brand Management</b>				Lecture Hrs:8	
Brand Hierarchy - Brand Personality- Brand Image- Brand Identity- Brand Equity - Brand Building and Positioning.						
<b>UNIT - V</b>	<b>Brand Performance</b>				Lecture Hrs:12	
Industrial Sector - Retail Sector - Service Sector. Measuring Brand Performance- Brand Creation- Brand Extension- Brand Portfolio.						
<b>Course Outcomes:</b>						
<b>On successful completion of the course the student will be able to,</b>				<b>POs &amp; PSOs related toCOs</b>		
C01	<b>Explain</b> the basic concepts advertising, promotion mix and advertising ethics			PO1, PO4,PO7,PSO1,PSO2		
C02	<b>Classify</b> Ad Media and Advertising models			PO1,PO2, PO5,PO7, PSO1, PSO2		
C03	<b>Categorize</b> and analyze advertising budgets			PO1, PO2, PO5, PO7, PSO1, PSO2		
C04	<b>Examine</b> brand building and positioning strategy			PO1, PO5, PO7, PSO1,		

		PS02
C05	<b>Measure</b> brand performance and apply brand creation strategies	PO1, PO5, PO7, PS01, PS02

**Text Books:**

1. S A Chunwalla , Advertising and sales promotion management, Himalaya publishing house,2015.
2. Batra ,Advertising Management, Person Education India, 2009.
3. Chunawalla. S.A, Compendium of Brand Management, , Himalaya publishing house, 2011.
4. Philip Kotler, Kevin Lane Keller ,Marketing Management, ,15th Edition,Pearson, 2012.

**Reference Books:**

1. Product Management in India, Ramanuj Majumdar, PHI, 2004.
2. Product Management ,C.Nandan, , TMH.,2009
3. Product & Brand Management, Mathur.U.C, Excel books, 2008.
4. Marketing and Branding, S.Ramesh Kumar, Pearson, 2007.
5. Fundamentals of Advertising, Neeru Kapoor, 1/e, Pinnacle Learning, 2017.

**Online Learning Resources:**

- <https://ebooks.lpude.in/management/mba/term 4/DMGT508 PRODUCT AND BRAND MANAGEMEN NT.pdf>
- <http://www.eiilmuniversity.co.in/downloads/Brand-Management.pdf>
- <https://odl.ptu.ac.in/SLM/mba/3RD/Marketing/MBA%20903.pdf>

**COURSE OUTCOMES VS POs MAPPING (DETAILED; HIGH:3; MEDIUM:2; LOW:1):**

Course	PO	PO	PO	PO	PO	PO	PO	PO	PO	PS01	PS02
	CO	1	2	3	4	5	6	7	8		
C2306B :Advertising and Brand Management	C2306B.1	3	-	-	3	-	-	3	-	3	3
	C2306B.2	3	2	-	-	2	-	3	-	2.7	2
	C2306B.3	3	2	-	-	2	-	3	-	2.7	2
	C2306B.4	3	-	-	-	2	-	3	-	3	2
	C2306B.5	3	-	-	-	2	-	3	-	3	2
	C2306B	3	2	-	3	2	-	3	-	2.88	2.2

# **UNIT - I INTRODUCTION TO ADVERTISING**



## UNIT – I Introduction to Advertising

### 1. Quote

**“Advertising is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.”**

— American Marketing Association

### 2. Unit Overview

This unit introduces the fundamental concepts of **advertising and its role in marketing communication**. It explains the meaning, features, objectives, and different types of advertising. The unit also discusses the relationship between **advertising and other elements of the promotional mix**, the **DAGMAR approach**, and the role of advertising within an organization. In addition, the unit highlights the functions of **advertising agencies, client–agency relationships, and ethical practices in advertising**, including the regulatory role of the **Advertising Standards Council of India (ASCI)**.

### 3. Objectives of the Unit

After studying this unit, students will be able to:

1. Understand the **concept and importance of advertising**.
2. Identify the **features and objectives of advertising**.
3. Explain the **types of advertising and their classification**.
4. Understand the **role of advertising in the marketing mix and promotional mix**.
5. Explain the **DAGMAR approach and its role in advertising communication**.
6. Understand the structure and functions of **advertising agencies and advertising departments**.
7. Recognize the importance of **ethics and regulatory bodies in advertising**.

### 4. Learning Outcomes

After completing this unit, students will be able to:

1. Explain the **basic concepts and functions of advertising**.
2. Classify different **types of advertising used by organizations**.
3. Analyze the **role of advertising in marketing communication strategies**.
4. Understand the **structure and functioning of advertising agencies**.
5. Evaluate the importance of **ethical practices in advertising**.

### 5. Importance of Studying this Unit

1. Helps students understand the **role of advertising in modern business and marketing**.
2. Provides knowledge about **communication strategies used to influence consumer behaviour**.
3. Enhances understanding of **advertising planning and promotional strategies**.
4. Develops awareness about **ethical and responsible advertising practices**.

### 6. Key Concepts

- Advertising
- Advertising Objectives
- Types of Advertising
- Marketing Mix and Promotional Mix
- DAGMAR Approach
- Advertising Agencies
- Client–Agency Relationship
- Advertising Ethics
- Advertising Standards Council of India (ASCI)

## 1.1 INTRODUCTION

The word advertising comes from the latin word 'advertere' meaning to turn the minds oftowards.

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

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

### FEATURES OF ADVERTISING

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

**Information:** Advertising informs the buyers about the benefits they would get when they purchase a particular product. However, the information given should be complete and true. **Persuasion:** The advertiser expects to create a favourable attitude which will lead to favourable actions. Any advertising process attempts at converting the prospects into customers. It is thus an indirect salesmanship and essentially a persuasion technique.

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

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

**Identified Sponsor:**A sponsor is an individual or a firm who bears the cost of advertisement. Thename of reputed company may increase sale or products. The product gets good market because of its identity with the reputed corporate body.

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

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

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

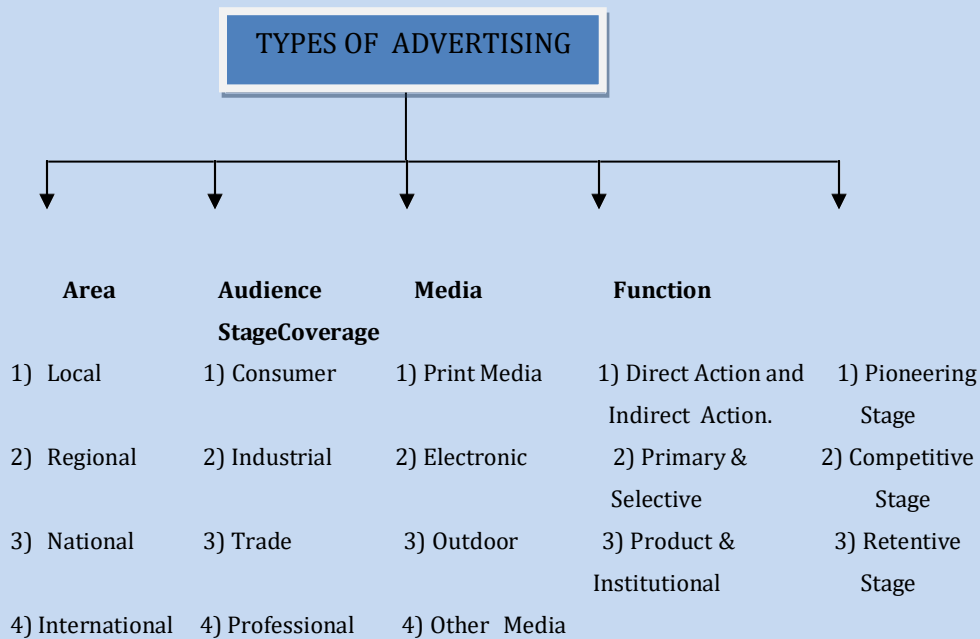
**Element of Creativity:** A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makesway for successful campaign.

#### OBJECTIVES OF ADVERTISING

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

1. To introduce a new product by creating interest for it among the prospective customers.
2. To support personal selling programme. Advertising maybe used to open customers' doors for salesman.
3. To reach people inaccessible to salesman.
4. To enter a new market or attract a new group of customers.
5. To light competition in the market and to increase the sales as seen in the fierce competition between Coke and Pepsi.
6. To enhance the goodwill of the enterprise by promising better quality products and services.
7. To improve dealer relations. Advertising supports the dealers in selling the product. Dealers are attracted towards a product which is advertised effectively.
8. To warn the public against imitation of an enterprise's products.

## 1.2 TYPES OF ADVERTISING



### *1) Classification on The Basis of Area Coverage:*

On this basis advertising may be classified into the following four categories, viz., (1) local, (2) regional, (3) national, (4) international advertising.

1. **Local Advertising:** It is also known as 'retail advertising'. It is undertaken by local retail stores, departmental stores, co-operative stores, selling cloth, saris and other consumer goods and consumer durables.
2. **Regional Advertising:** It has wider coverage, as compared to local advertising. It covers a particular region, which may be one state, or, more than one state, the people of which may be having a common tongue, or, using one common product
3. **National Advertising:** It is generally undertaken by manufactures of branded goods, for which, advertising messages is communicated to consumers all over the country. Almost all possible mass media, including national newspapers, radio and television network, are employed for national advertising.

**4. International Advertising:** This type of advertising is undertaken by those companies, which operate in more than one country, known as „multi-national“ companies. Coca-Cola and Pepsi are advertised globally, as the sales are almost all over the world.

## *II. Classification on The Basis of Audience*

On this basis, advertising may be classified into the following four categories, viz., (1) consumer advertising, (2) industrial advertising, (3) trade advertising, and (4) professional advertising.

**1. Consumer Advertising :** This type of advertising is directed to the ultimate consumers of the consumer products, i.e., the individuals, who buy, or, use the consumer products, or services, say, for example, toilet soap, toothpaste, toothbrush, tea, textiles, etc.,

**2. Industrial Advertising:** This type of advertising is used by manufacturers and distributors of industrial goods. Such as, machinery, plants, equipment, spare parts and components, and are directed at industrial users or customers.

**3. Trade Advertising:** This kind of advertising is employed by manufacturers and/or distributors to influence and persuade wholesalers and dealers (retailers)

**4. Professional Advertising:** It is directed at professional like doctors, professors, engineers and others, who are expected to recommend, prescribe, or, specify the advertised products to ultimate consumers.

## *III. Classification on The Basis of Media*

On the basis, advertising has been classified into the following four categories viz., (1) Print media advertising; (2) electronic, or, broadcast media advertising; (3) outdoor media advertising.

**1. Print Media Advertising:** The print media consists of newspapers, magazines, journals, handbills, etc. No newspaper or, journal, today, can survive without advertising revenue.

**2. Electronic or Broadcast Media Advertising :** Electronic, or, broadcast media consists of (i) radio, (ii) television, (iii) motion pictures, (iv) video, and (v) the internet.

### *3) Outdoor Media :*

This includes posters, neon signs, transit, point of purchase (POP), etc. Outdoor advertising can be a good supporting media to other forms of advertising. It is a good form of reminder advertising, especially, the POP

advertising.

*4) Other Media :*

This includes direct mail, handbills, calendars, diaries, cinema advertising, internet and so on. These miscellaneous media can play an important supporting role to the major media such as television, and newspapers.

*IV. Classification on The Basis of Function:*

- 1. Direct Action and Indirect Action Advertising:** Direct action advertising is undertaken to obtain immediate response or action on the part of target audience. Examples include discount sales advertising,
- 2. Primary and Selective Advertising:** Primary Advertising is undertaken by trade association or by cooperative groups.
- 3. Product and Institutional Advertising:** Product or Service advertising is undertaken to promote the sale of products and services-branded or unbranded. Institutional advertising is undertaken to build name and goodwill of the organization

*V. Classification on The Basis of Advertising Stages*

On this basis, advertising may be classified into the following three different categories, viz.,

- (1) advertising at pioneering stage, (2) advertising at competitive stage, and (3) advertising at retentive stage.

- 1. Advertising at Pioneering Stage:** Advertising at „pioneering stage“ is undertaken to make the audience fully aware of the new brand of product and to inform, influence, and persuade them to buy, or, use it by highlighting its unique features.
- 2. Advertising at Competitive Stages:** Once the brand survives the introductory stage, it has, soon to face a stiff competition with other well established brands in the market. At this stage, competitive advertising is undertaken to promote sales effectively.
- 3. Advertising at Retentive Stage or Reminder Advertising:** When the product has captured a large share of the market, ‘retentive advertising’ is undertaken to maintain, or retain the stable position in the market as long as possible.

### 1.3 Advertising in Marketing Mix

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

Advertising is an element of promotion. However, it not only assists in promoting the product, but also affects the other variables of marketing mix. This can be explained as follows: **Advertising and Product:** A product is normally a set of physical elements, such as quality, shape, size, colour and other features. The product may be of very high quality .At times, the product is so designed that it requires careful handling and operations. Buyers must be informed and educated on the various aspects of the product. This can be effectively done through advertising. Thus, advertising plays the role of information and education.

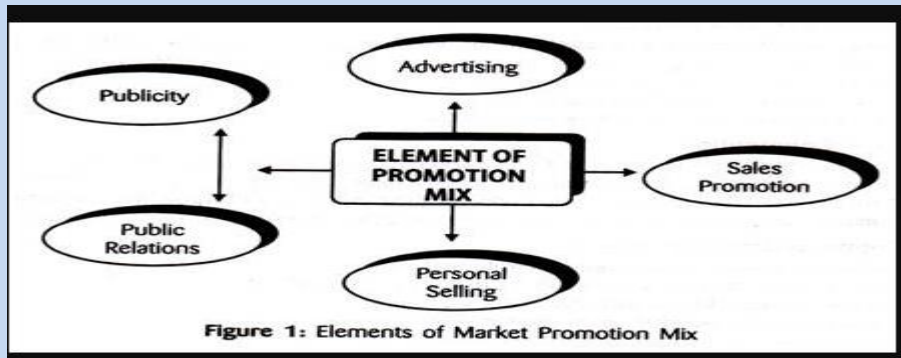
**Advertising and Price:** The price is the exchange value of the product. A marketer may bring out a very high quality product with additional features as compared to competitors. In such a case, price would be definitely high. But buyers may not be willing to pay a high price would be definitely high.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

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

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

## Relationship of Advertising with Other Elements of Promotional mix

Elements of promotional mix are also called as tools, means, or components. Basically, there are five elements involved in promotional mix.



### A. Sales Promotion and advertising:

Sales promotion covers those marketing activities other than advertising, publicity, and personal selling that stimulate consumer purchasing and dealer effectiveness. . The popular methods used for sales promotion are demonstration, trade show, exhibition, exchange offer, seasonal discount, free service, gifts, contests, etc. Advertisement creates awareness of sales promotion,

### B. Personal Selling and Advertising :

Personal selling includes face-to-face personal communication and presentation with prospects (potential and actual customers) for the purpose of selling the products. It involves personal conversation and presentation of products with customers. It is considered as a highly effective and costly tool of market promotion. Advertisement makes the efforts of the sales representatives easier and supports sales promotion.

### C. Publicity:

Publicity is also a way of mass communication. It is not a paid form of mass communication that involves getting favourable response of buyers by placing commercially significant news in mass media. . Publicity involves giving public speeches, giving interviews, conducting seminars, charitable donations, inauguration by film actor, cricketer, politician or popular personalities, stage show, etc., that attract mass media to publish the news about them. All these need advertisement to create awareness.

#### **D. Public Relations and Advertisement:**

The public relations is comprehensive term that includes maintaining constructive relations not only with customers, suppliers, and middlemen, but also with a large set of interested publics. Note that public relations include publicity, i.e., publicity is the part of public relations. Advertisement increases the value of Public relations.

#### 1.4 DAGMAR Approach

DAGMAR model for arousing consumer interests was developed by Russen Colley in his study entitled "Defining Advertising Goals for Measured Advertising Results." The name DAGMAR model is derived from the study title. The study begins from a point where the prospect is not aware about the existence of the product. From this point of non-awareness the prospect advances ahead towards awareness. He will have to go through the following steps:

1. **Awareness:** When the prospect is asked to mention the name of a brand of product, perhaps he is in a position to recollect the name of a specific brand only.
2. **Comprehension:** The prospect is conscious about the main sales theme of a brand of product. When asked upon, he is able to associate a brand with the sales theme, which is already known to him.
3. **Conviction:** At the stage of conviction, the prospect is able to foresee how the benefits of the brand of goods will serve his need. He is convinced that if he purchases this brand of goods it would be a right decision.
4. **Motivation:** Having been convinced, the prospect is motivated to buy a specific brand of goods.

DAGMAR model suggests that all consumers will not be at the same stage but they would be at different stages. The advertising efforts required to move on person from non-awareness to Awareness could be very taxing as compared to the efforts involved in moving persons from conviction to motivation. DAGMAR model also illustrates the success of means of communication. After advertisements have been carried out, how people associate themselves with a specific brand of product.

#### 1.5 Role of Advertising in an organization

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

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

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

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

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

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

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

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

## 1.6 Advertising Department

The major classification of the personnel that is witnessed in an Advertisement firm is as follows:

Y Accounts Department

Y Client Serving Department

Y Creative Department

Y Production Department

Y Media Planning Department

Y Accounts Department : One of the major departments of an ad agency is the Accounts department. If you go by the advertising parlance, 'Account' means client. Usually the accounts department is headed by an accounts director who is also the member of the board in case if it is a limited agency. He will be assisted by Accounts Executives or an Account Planner who will assist him in carrying out the further activities. The main duty of these account executives is to understand the needs and requirements of a client.

Y Client Serving Department : Client servicing refers to providing all the necessary assistance for a client in terms of planning, designing, budgeting, production and media placements. Some clients spread their budget across more than one agency, but some prefer appraisal system too. Clients move out for a new agency when there is monotony, difference in ideas, difference in opinions or if the creative team moves out to a new agency in order to maintain brand continuity

Y Creative Department : The creative department is headed by a creative director who will be assisted by a group of creative members which include, copy chief, copy writers, visualiser, layout artists, typographers, freelancers and a full time artists. These team members work together to develop concepts of advertisements. In bigger and larger agencies, a creative director manages various teams who work on different accounts. Where as, in smaller firms, these creative directors work with freelance writers to finish the tasks. Creative team will always have a vibrant and creative bunch of people, who are bright and loaded with innovative ideas and stand ahead of others in creating some new and attractive concept, copy or graphic.

Y Production Department : The team which is responsible for the delivery of the approved ad copy is the production department. The production department is headed by a production manager, who is assisted by several assistants. They coordinate with external suppliers such as videographers, photographers, artists and printers

Y Media Planning Department : Another important department in an agency is the Media Planning department. The finished end product (advertisements) has to be sent to different media. The Media planning department is headed by a Media Controller or Planner, who is usually assisted by a number of sales executives and marketing executives.

## 1.7 Role of Advertisement Agencies

### **ADVERTISEMENT AGENCY**

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".

#### *SERVICE RENDERED BY AN AD AGENCY*

The main function of advertising agency is to see that its client's advertising leads to greater profits in the long run. The agency thus plans, prepares and places with advertising with the objective. The main functions of a full-service advertising agency are as follows:

- 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 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 competitors' 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 art specialists employed by the advertising agency.

**5. Research Function:** 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 agencies gather and analyze 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. is prepared, the next function of the advertising agency is to show the copy to his client and obtain his approval. In case if any changes are suggested by the 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 function 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, necessary suggestions 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.

### **1.8 Client Agency Relationship.**

Agency client relationship must be that of mutual trust and confidence. The perfect relationship results in optimum advertising effectiveness at a reasonable cost and reasonable compensation for the agency. It is characterized by continuous and complete two way communication between individuals in the two organizations in an atmosphere of mutual trust. Interdependency of the advertiser and the agency helps in creating effective advertising as part of the company's marketing effort.

*What the clients have to do? :*

1. Treat the agency with courtesy at all times.
2. Provide all possible information about the product that is to be advertised and about the organization. This facilitates the agency to do their job much better.

3. Not unnecessarily bargain for the fees charged by the agency.
4. Motivate the agency to do a good work. Agency charges such as media bills, fees and other costs must be paid well in time. In no way the client should wait for the agency to remind of payment.
5. Not change the agency for the sake of change.
6. Approve the proposals submitted by the agency. The client should not argue for the sake of arguing.
7. Give sufficient time to the agency to develop a good advertising campaign. The client should not put the agency unnecessarily in deadline crisis.
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 from his side that would help the agency to serve the client better.

### **1.9 Ethics in Advertising**

Ethics in Advertising : Ethics means a set of moral principles which govern a person's behaviour or activities. Ethics in advertising means a set of well defined principles which govern the ways of communication taking place between the seller and buyer. Ethical and Moral principles of Advertising Advertisers must have sufficient knowledge of ethical norms and principles, so that they can understand and decide what is correct and what is wrong. We can identify several ethical and moral principles that are particularly relevant to advertising. We are speaking briefly of three as follows:-

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

Truthfulness in Advertising Truth in advertising promotes a highly efficient, functioning economy by:

Discouraging deceptive business practices;

- Encouraging the provision of accurate and truthful information;
- Enhancing competition by ensuring a level playing field; and
- Enabling informed consumer choice.
- The Dignity of the Human Person The dignity of human beings should be respected; advertisements should not
  - insult the dignity of human beings; Different cultures and ethnic groups should be presented in advertising as equal
  - with the majority of the population;

Special care should be given to weak and vulnerable groups like - children, poor people, or elderly people.

Advertising and Social Responsibility Advertising has a strong social responsibility, independent of its known commercial responsibility. Advertisers should have a deeper sense of social responsibility and should develop their own set of ethical and social norms taking into consideration the values of their society.

The Advertising Standards Council of India and its role .

What is the 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. It was established to ensure all the advertisements to be legal, decent, honest and truthful along with a sense of social responsibility towards the consumers and to the rules of fair competition. The Ministry of Information and Broadcasting in August 2006, issued a notification holding it mandatory for all the TV commercials in India to follow the ASCI codes. This move has made the Advertising Council more effective and considerable.

Objectives of the ASCI

- The ultimate mission of the ASCI is to promote truthfulness, honesty, public decency, societal standards and to oppose hazardous products. The objectives of the ASCI include to "monitor, manage and promote" standards with respect to advertising practices in the country, with a view to ensure the following:
- That advertising claims are presented with truthfulness and honesty, and that no misleading and false claims are made.
- That the advertisements are not made and presented in a manner which is offensive to the general public in India, and that the standards of public agency are followed.
- That no advertisement is made in respect of products or services regarded as hazardous or unacceptable to individuals or to the society.
- That no unfair means are used by anyone player in the market, and that advertisements are made in a competitive manner.
- The ASCI also has been established in order to codify, modify and adopt a code for fair advertisement, and that such code is modified from time-to-time. Another objective includes to provide for a Consumer Complaints Council to entertain claims against advertisements in violation of the set standards and

practices.

The ASCI's CCC comprises:

Twelve non-advertising professionals representing civil society, recognised opinion leaders in disciplines such as medical, legal, industrial design, engineering, chemical technology, human resources and consumer interest groups. Nine advertising practitioners from member firms of ASCI.

The ASCI's CCC (content complaint council) decides upon the complaints within a period of four to six weeks after giving the other party an opportunity of being heard. If the complaint is upheld, then the advertiser and its agency are given two weeks to comply with the ASCI's CCC decision. Noncompliant advertisements are published in ASCI's Media quarterly release on an all-India basis.

In the case of noncompliant television advertisements, the advertiser is in violation of the Cable TV Networks (Regulation) Act 1995 and will be reported to the Ministry of Information & Broadcasting, Government of India. In the case of noncompliant advertisements in the press, ASCI will inform the Press Council of India about breach of the ASCI Code.

The complaints received by the ASCI are decided 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

ASCI's codes and Guidelines

ASCI's codes and guidelines regarding the brand extensions are:

The brand extension of products like liquor, tobacco, etc be considered genuine, it must be registered under an appropriate government authority such as the Food Safety and Standards Authority of India.

The in-store availability must be at least 10% of that of the leading brand in the category that the product competes, or sales turnover must exceed Rs 5 crore per annum or Rs 1 crore per annum in each state where it is distributed.

It must have a proper certificate from an independent organization for such turnover and distribution data.

If the advertisement does not comply with the criteria or the data provided is not certified by an independent body, the advertisement is discontinued. Further, it is to be noted that advertisers cannot show advertisements or even hint in the advertisements at products which are prohibited or banned by law.

## Recent controversies regarding Misleading Advertisements

- Recently, during the outbreak of the coronavirus pandemic, there have been a number of instances where advertisers have received criticism over false advertisements promising to offer enhanced protection against the coronavirus. Some of such cases have been discussed here:

- **The Dettol advertisement**

In the present case, Hindustan Unilever, one of the major handwash selling company move the court over a DETTOL advertisement by Reckitt Benckiser which was trying to mock the effectiveness of Hindustan Unilever's product LIFEBOUY soap. With a view to promote washing hands and to prevent the spread of coronavirus, the plaintiff had advertised their LIFEBOUY soap. Subsequently, the defendant company aired an advertisement about its DETTOL handwash which was more effective than a regular soap, which was shown as a red bar soap. Hindustan Unilever contended that the defendant tried to degrade its product (LIFEBOUY) as its red color and shape was recognizable in the advertisement.

The Bombay High Court in the impugned advertisement viewed that the advertisement showed false claims and subsequently, Reckitt Benckiser removed the advertisement in question.

- **Arihant's Corona-Resistant Mattress**

Recently, an FIR was logged against the Arihant Mattress, a private company for its advertisement in a Gujrati newspaper for 'anti-corona mattress'. The owner was booked under Section 505(2) of Indian Penal code which covers-Statement conducing to public mischief and under various other sections of Drug Remedies Objectional Act and Disaster Management Act. The said advertisement was totally false and misguiding the people while the country is going through a pandemic.

- **Hindustan Unilever Hand Sanitizer Advertisement**

Under the Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945; the Drug Controller General of India (DCGI) issued a show cause notice to Hindustan Unilever on its product which claims to boast the immunity and also claiming to prevent Covid-19. It asserts to improve the immunity by using its hand sanitizer which in turn prevents the virus.

Hand sanitizer was licensed under 'cosmetic' under the Drug and Cosmetics Act, 1940 but now advertised as a 'drug' which was a clear breach of law.

Thus, DCGL contended that Lifebuoy's ad of hand sanitizer was false and misleading in nature as the product cannot boost immunity against virus.

Question No.	Questions	PO Attainment
<b>UNIT - 1: Introduction to Advertising</b>		
<b>PART-A (Two Marks Questions)</b>		
1	Define Advertising	P01,P04, P07
2	List the Types of advertisements	P01,P04, P07
3	Is Advertising a part of Marketing Mix?	P01,P04, P07
4	Do Advertising have Relationship with Other Elements of Promotional mix	P01,P04, P07
5	What is DAGMAR Approach	P01,P04, P07
6	What is Role of Advertising in an organization	P01,P04, P07
7	Define Advertising Department	P01,P04, P07
8	Define Ad manager	P01,P04, P07
9	Define Advertising Department	P01,P04, P07
10	What are the types Advertising Department	P01,P04, P07
11	<b>Define</b> Advertisement Agencies	P01,P04, P07
12	<b>What is the Role of Advertisement Agencies</b>	P01,P04, P07
13	<b>Is</b> Client Agency Relationship required ?	P01,P04, P07
<b>PART-B (Ten Marks Questions)</b>		
1	<b>Explain the types</b> of advertisements	P01,P04, P07
2	Describe the role of Advertising in Marketing Mix	P01,P04, P07
3	<b>Conclude the Relationship of Advertising with Other Elements of Promotional mix</b>	P01,P04, P07
4	<b>How</b> DAGMAR Approach works ? describe	P01,P04, P07
5	<b>Write a short notes on</b> Role of Advertising in an organisation	P01,P04, P07
6	<b>What are the functions of</b> Advertising Department	P01,P04, P07
7	<b>What are the functions of</b> Advertising agencies	P01,P04, P07
8	Describe the importance of Client Agency Relationship	P01,P04, P07

### UNIT HIGHLIGHTS

- Advertising is a paid form of non-personal communication by an identified sponsor.
- Major features: Communication, persuasion, creativity, profit maximization, and mass appeal.
- Objectives include introduction of new products, supporting personal selling, building goodwill, and fighting competition.
- Types of advertising: Local, Regional, National, International; Consumer, Industrial, Trade, Professional.
- DAGMAR Model stages: Awareness → Comprehension → Conviction → Motivation.
- Ethics in advertising emphasize truthfulness, dignity of human person, and social responsibility.
- ASCI monitors misleading, false, indecent, illegal, and unsafe

### CASE STUDY

During the COVID-19 pandemic, several companies released advertisements claiming superior protection against the virus. A notable dispute arose between Hindustan Unilever and Reckitt Benckiser regarding comparative advertisements of Lifebuoy soap and Dettol handwash. The case reached the Bombay High Court, which observed that misleading or disparaging advertisements could harm fair competition. Similarly, false claims such as “anti-corona mattress” and immunity-boosting sanitizers attracted legal action under the Drugs and Cosmetics Act and IPC provisions. The Advertising Standards Council of India (ASCI) played an important role in examining complaints related to misleading and unsafe advertisements. These incidents highlight the importance of ethical standards, truthfulness, and social responsibility in advertising, especially during public health emergencies.

1. What are the ethical issues involved in misleading advertisements?
2. How does comparative advertising sometimes become unfair competition?
3. What role does ASCI play in regulating advertisements in India?

### REFERENCES

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# **UNIT - II Ad Media and Advertising models**

## UNIT – II

### Ad Media and Advertising Models

#### 1. Quote

**“The medium is the message.”** — Marshall McLuhan

#### 2. Unit Overview

This unit focuses on **advertising media and advertising models used in marketing communication**. It explains different types of advertising media such as television, radio, newspapers, magazines, and outdoor media along with their characteristics, advantages, and limitations. The unit also discusses **media research, media planning, media selection, and media scheduling strategies**. In addition, it covers the **creative aspects of advertising including copywriting, advertising appeals, visual layout, and advertising design**. Various advertising communication models such as **AIDA model, Hierarchy of Effects model, Innovation Adoption model, Information Processing model, and Operational model** are also discussed.

#### 3. Objectives of the Unit

- Understand the concept and characteristics of **advertising media**.
- Explain the **process of media research and media planning**.
- Understand different **media scheduling strategies**.
- Explain **creativity and copywriting techniques in advertising**.
- Analyze different **advertising communication models**.

#### 4. Learning Outcomes

Students will be able to:

- Identify different **advertising media and their effectiveness**.
- Analyze **media planning and media selection strategies**.
- Understand **creative advertising and copywriting techniques**.
- Explain **advertising models used in marketing communication**.

#### 5. Key Concepts

- Advertising Media
- Media Planning
- Media Scheduling
- Copywriting
- Advertising Appeals
- Visual Layout
- AIDA Model
- Hierarchy of Effects Model

2.1 **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: There are two types of media for communication - mass media and interpersonal media. Interpersonal media is an expensive medium but highly useful for focused reach. On the other hand mass media like television, or radio, or newspaper are cost efficient and characterised by wide reach. Now, let's examine the characteristics of each of the mass medium.

### 1. Television

Following are the specific characteristics of television:

- It is more impact-full as it is the combination of sound, sight, and motion,
- It has broad reach and mass coverage,
- It is highly intrusive medium,
- It has high absolute cost but cost per thousand is moderate.

#### Television Characteristics

##### Advantages

- Mass Coverage
- High Reach
- Impact of sight, sound, and motion
- High prestige
- Moderate cost per thousand exposure

##### Disadvantages

- Low selectivity
- High absolute cost
- Short message life
- High production cost
- Clutter

### 2. Radio

Following are the specific characteristics of radio:

- It can reach out to remote audiences,
- It is most cost efficient among all mass media,
- Radio can reach mobile population,
- Radio has local market identification.

<b>Radio Characteristics</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>• Local coverage</li> <li>• Low cost</li> <li>• High frequency</li> <li>• Low production cost</li> <li>• Well segmented audience</li> </ul>	<ul style="list-style-type: none"> <li>• Audio only</li> <li>• Clutter</li> <li>• Fleeting message</li> </ul>

### 3. Newspaper

Following are the specific characteristics of newspaper:

- Newspaper is a better option to provide detailed information,
- A publication have different editions for different areas, so there is a geographic flexibility in newspaper,
- Newspaper have different sections, so there is opportunity of targeting special interest groups,
- Newspaper are vehicle for coupon delivery.

<b>Newspaper Characteristics</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <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 style="list-style-type: none"> <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>

### 4. Magazine

Following are the specific characteristics of magazine:

- There are magazines for sports, corporate, business, women, children, etc., so we can say magazines have specific audience selectivity, as they are specialised,
- Magazines have longer life,
- Magazines provide them opportunity for message scrutiny, and geographic and demographic flexibility.

<b>Magazines Characteristics</b>	
<b>Advantages</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <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 style="list-style-type: none"> <li>• Only visual</li> <li>• Long lead time for ad placement</li> <li>• Lack of flexibility</li> </ul>

## 5. Outdoor

Following are specific characteristics of outdoor media:

- Outdoor media is easily noticeable, and it provides 24 hours coverage,
- Outdoor is location specific media, it has local market presence,
- Outdoor media is Cost efficient medium,
- It can be good reminder media.

Advantages	Disadvantages
<ul style="list-style-type: none"><li>• 24 hour coverage</li><li>• Location specific</li><li>• High resolution</li><li>• Easily noticed</li><li>• Cost efficient medium</li></ul>	<ul style="list-style-type: none"><li>• Short exposure time requires short ads</li><li>• Poor image</li><li>• Local restrictions</li></ul>

### 2.2 Media Research-

Media research is the study of effects of media and its development. It includes collection and analysis of information regarding Newspapers, magazines, radio, TV, online or other media. It helps to understand the ways in which media can meet the needs of the audience.

The three forms of Media research are

#### a. Content Analysis

Content analysis is a research technique that involves analyzing the content of various forms of media. Through content analysis, researchers hope to understand both the people who created the content and the people who consumed it. A typical content analysis project does not require elaborate experiments. Instead, it simply requires access to the appropriate media to analyze, making this type of research an easier and inexpensive alternative to other forms of research involving complex surveys or human subjects.

#### b. Surveys

Surveys are ubiquitous in modern life. Questionnaires record data on anything from political preferences to personal hygiene habits. Surveys can employ either open-ended or closed-ended questions. Open-ended questions require the participant to generate answers in their own words, while closed-ended questions force the participant to select an answer from a list. Although open-ended questions allow for a greater variety of answers, the results of closed-ended questions are easier to tabulate. Although surveys are useful in media studies, effective use requires keeping their limitations in mind.

c. Meta Analysis : According to Grant & Booth (2009), a meta-analysis is defined as a "technique that statistically combines the results of quantitative studies to provide a more precise effect of the results". Primary studies often involve a specific type of participant and explicitly defined interventions. A selection of studies in which these characteristics differ can allow investigation of the consistency of effect across a wider range of populations and interventions. It may also, if relevant, allow reasons for differences in effect estimates to be investigated

## Qualitative and Quantitative Research: Media Research can be qualitative or quantitative

### Qualitative Research

Qualitative Research is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions, and motivations.

Some examples of when qualitative research is helpful include:

- Testing response to advertising messages and concepts
- Analyzing response to products and features
- Exploring what issues should be tested during quantitative research

What are some qualitative research methods?

- Focus Group Discussions
- Case Studies
- In-depth Interviews

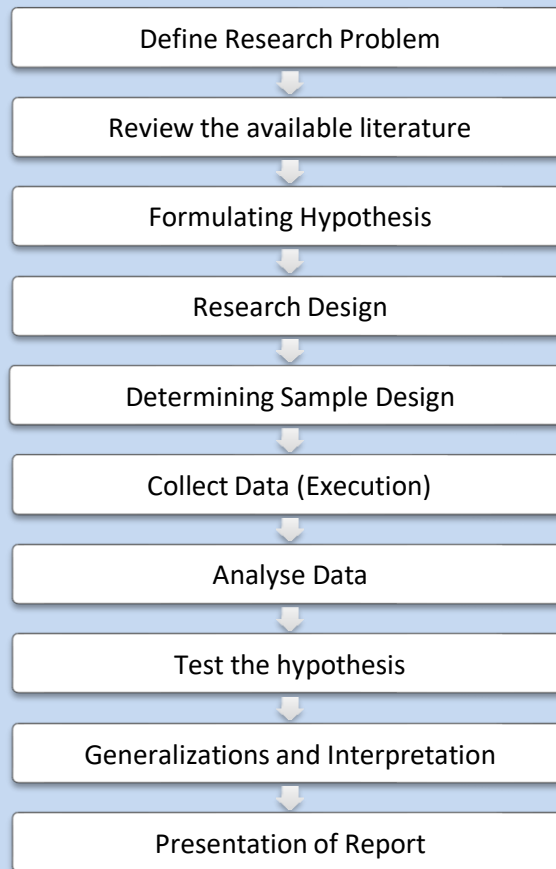
Quantitative research is the method to use when:

- Measuring market size
- Analyzing demand of a new product
- Determining how many people exhibit a particular attitude or behavior
- Measuring the size of particular market segments

Typical quantitative data gathering strategies include:

- Experiments/clinical trials.
- Observing and recording well-defined events (e.g., counting the number of patients waiting in emergency at specified times of the day).
- Obtaining relevant data from management information systems.
- Administering surveys with closed-ended questions (e.g., face-to face and telephone interviews, questionnaires etc).

## Steps involved in research process



### Research Process Steps

The research process consists of a series of systematic procedures that a researcher must go through in order to generate knowledge that will be considered valuable by the project and focus on the relevant topic.

To conduct effective research, you must understand the research process steps and follow them. Here are a few steps in the research process to make it easier for you:

#### Step 1: Identify the Problem

Finding an issue or formulating a research question is the first step. A well-defined research problem will guide the researcher through all stages of the research process, from setting objectives to choosing a technique. There are a number of approaches to get insight into a topic and gain a better understanding of it. Such as:

- A preliminary survey
- Case studies
- Interviews with a small group of people
- Observational survey

#### Step 2: Evaluate the Literature

A thorough examination of the relevant studies is essential to the research process. It enables the researcher to identify the precise aspects of the problem. Once a problem has been found, the investigator or researcher needs to find out more about it.

This stage gives problem-zone background. It teaches the investigator about previous research, how they were conducted, and its conclusions. The researcher can build consistency between his work and others through a literature review. Such a review exposes the researcher to a more significant body of knowledge and helps him follow the research process efficiently.

### Step 3: Create Hypotheses

Formulating an original hypothesis is the next logical step after narrowing down the research topic and defining it. A belief solves logical relationships between variables. In order to establish a hypothesis, a researcher must have a certain amount of expertise in the field.

It is important for researchers to keep in mind while formulating a hypothesis that it must be based on the research topic. Researchers are able to concentrate their efforts and stay committed to their objectives when they develop theories to guide their work.

### Step 4: The Research Design

Research design is the plan for achieving objectives and answering research questions. It outlines how to get the relevant information. Its goal is to design research to test hypotheses, address the research questions, and provide decision-making insights.

### Step 5: Describe Population and Sample

Research projects usually look at a specific group of people, facilities, or how technology is used in the business. In research, the term population refers to this study group. The research topic and purpose help determine the study group.

Suppose a researcher wishes to investigate a certain group of people in the community. In that case, the research could target a specific age group, males or females, a geographic location, or an ethnic group. A final step in a study's design is to specify its sample or population so that the results may be generalized.

### Step 6: Data Collection

Data collection is important in obtaining the knowledge or information required to answer the research issue. Every research collected data, either from the literature or the people being studied. Data must be collected from the two categories of researchers. These sources may provide primary data.

- Experiment
- Questionnaire
- Observation
- Interview

### Step 7: Data Analysis

During research design, the researcher plans data analysis. After collecting data, the researcher analyzes it. The data is examined based on the approach in this step. The research findings are reviewed and reported.

Data analysis involves a number of closely related stages, such as setting up categories, applying these categories to raw data through coding and tabulation, and then drawing statistical conclusions. The researcher can examine the acquired data using a variety of statistical methods.

### Step 8: The Report-writing

After completing these steps, the researcher must prepare a report detailing his findings. The report must be carefully composed with the following in mind:

### 2.3 Media Planning and Selection:

Media planning 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. Media planning in general should involve optimum benefits in the long run. The media mix, in terms of balance of usage for TV, radio and print media or other types of media vehicles, should be such that the best utility of the advertising budget is obtained, and duplication of audience is avoided as far as possible.

**STEPS IN MEDIA PLANNING** The following are the steps in media planning:

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.

(a) **Reach:** It refers to the number of different persons or household exposed to a particular media schedule at least once during a specific time period.

(b) **Frequency:** It refers to the number of times within the specified time period that an average person or household is exposed to message.

(c) **Gross Ratings Points:** It refers to the total weight of a media effort in quantitative terms. GRP's are equal to each multiplied by average frequencies. E.g. 80% of the homes watch Chitrahara and they are exposed on average 2.5 times within the 4 week period. The total impact or GRP's =  $80 \times 2.5 = 200$ .

(d) **Continuity:** It refers to the timing of the media insertions.

3. **Selection of MediaTypes:** Every media plan requires that specific media types to be selected. There are a number of advertising media available to the advertiser for advertising the goods etc. These may be grouped under the following heads:

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.

4. **Selecting Specific Media Vehicle:** Once a decision is made on media types, specific media vehicles within each medium must be chosen.

**Media Mix:** Once the media selection is decided upon, the next step is to determine the mix of the media one must use. This will be arrived at by considering the advertising company's marketing objectives, its target market, media characteristics and it's matching with the target market. The overall advertising budget also influences the nature of such mix, in addition to the available audience. For example, to achieve certain advertising objectives, one may require using a mix of 50% newspaper, 25% magazine and the rest 25% television.

. Media Buying: The specialist who is the counter part of the media sales representative is the media buyer. Most of these specialists work for advertising agencies, although some are retained by advertisers and some work for firms of media specialists who offer media buying services to both advertising agencies and advertisers. Media buying service is likely to be more personal and direct. The media buying specialist helps to decide what media should be used for a product, purchases the media, and controls and evaluates the performance of the media purchased. There is growth of Media Buying Units (MBUs) throughout the world.

6. Media Scheduling: Media scheduling could be used depending upon the requirements of the advertisers.

## **2.4 Media Scheduling**

### **Meaning of Media Scheduling**

When an advertiser decides the media channel for their advertising, then the next step is to make a decision regarding 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. Advertisers have to choose the best time for maximum customer response.

### **Media Scheduling Strategies**

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

#### **1.) Continuous strategy**

This scheduling involves advertising the message throughout the year. This type of advertising is used where products are sold and used by the customer throughout the year. This strategy helps the advertiser to constantly remind the products to its customers.

**For example** - Toothpaste, Shampoo, Soap.

#### **2.) Flighting strategy**

Flighting strategies include giving advertisements at specific intervals. The advertiser makes advertising for some time after then took a break of no ads, then take the second flight of advertising. The company with seasonal products or according to the life cycle of products and services use such scheduling strategies.

#### **3.) Pulsing strategy**

In this strategy, the advertiser advertises its product all over the year. But for some period the expenditure on advertising is high and sometimes less. It removes the limitation of continuous or

fighting strategy. The advertiser can increase or decrease the expenses of advertising depending upon the requirement.

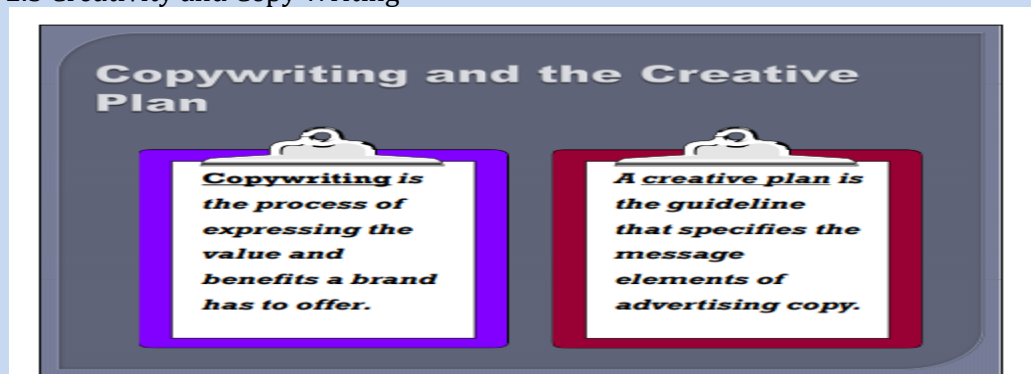
#### 4.) Step-down strategy

This strategy includes seasonal products. When the time of seasonal products started, then the advertiser starts advertising their products. As the season getting into the finishing phase, then the advertising starts declined.

**For Example** - When the rainy season begins companies give advertisements related to rainy shoes, raincoat, umbrella, etc.

**5.) Steady Strategy** : Steady strategy is the strategy of advertising on a steady phase irrespective of the changes that takes place in the market.

#### 2.5 Creativity and Copy Writing –



Types of Copy:

1. **Scientific Copy:** A Scientific copy is prepared for technical products describing about the features, advantages, uses, contents and all the technical details about it. It is prepared for machineries, computers etc. Scientific copy is directed, towards well versed customers who know about the product. For instance, a medicine may be advertised to appeal to doctors. Thus, it explains the ordinary people in general and professional men in particular about the technicalities of the product.
2. **Descriptive Copy:** It is a non-technical copy presented in such a manner that any layman can easily understand. It does not require a professional expert to and the copy. It is just an ordinary, announcement of new items.
3. **Narrative Copy:** It is in the form of a fictitious story which narrates the uses advantages, after effect etc., of the product. The story narrated is humorous to make it interesting.
4. **Topical Copy :** This copy establish a connection between the product and a particular happening e.g., A watch company may advertise that those who were successful in climbing Mount Everest had with them the watches of the company thus proving their excellent quality.
5. **Personality Copy:** This copy takes advantages of the opinion of an important personality. The statements are made by leading personalities like sportsman, film actors, politicians etc. Their statements act as certificates about the superior quality to increase the sales.
6. **Colloquial Copy:** In this type, informal language may be used to convey the message. The terms which are used in daily conversation are in the copy.
7. **Reasoning Copy:** It is one which reasons to the customer as to why he should buy a product. This copy explains to the customer in detail all the particular product must be purchased.

8. **Questioning Copy:** In this type, the text asks one or more questions to readers not for any answer but only for the sake of response to it. For e.g. Do you want quiet holiday in Summer? (Then stay at Hotel ABC at the XYZ hill station).
9. **Prestige Copy:** In this type, the position and prestige of the customer is emphasized. It creates a favourable atmosphere by changing the position of the customer for the sale of product. Normally luxury items are advertised by such copies.

**Elements of Copy:** A copy normally includes the following elements or parts:

1. **Main Headline:** Headlines is the starting or the top line of an advertisement, usually printed in bold and of larger type size. The prime function of the headline is to gain immediate attention.
2. **Sub-Headlines:** At times, some ads have more than one headline. Of these, one is usually the main headline, and the others are sub-headlines. There may be overlines - that precede the main headline and there can underlines - that follow the main headline. The subhead lines are used to support or to complete the meaning of the main headline.
3. **Body Copy:** It refers to the text of the advertising message. Favorable information about the product and its features is provided in the copy text. It is through effective copy writing the audience can be converted into prospects and the prospects into customers.
4. **Captions:** Captions do form part of copy text. Captions are small sentences that seem to come out the mouth of the people shown in the ads. Comic strip type of copy makes use of captions. For example, you must have come across such captions in the print ads of Tortoise Mosquito Coil.
5. **Slogans:** Most ads do make use of slogan. It is a small catchy phrase used to sum up the advertising message. Ideally the slogan should be short, preferably 3 to 6 words. Many a times the slogan says it all. For instance, "The best tobacco money can buy" Rothmans.
6. **Logo:** Logos or signature cuts are special designs of the advertiser or its products which are used to facilitate identification. There is no rule as to where a logo should be placed. However, in most of the cases, the logo is placed at bottom right.

## **2.6 Different Types of Appeals -**

**Types of Appeals Used in Advertising:**

The following are the appeals widely used in advertising:

1. **Emotional Appeals:** Emotional appeals are used in advertising the consumer product. They are used for inducing initial interests and arousing interest in the advertised product. Goods like toys for children and baby food are sold on emotional appeals.
2. **Intellectual Appeals:** These appeals are free from emotional touch and are based on intelligence. Intellectual appeals are used for selling high priced industrial goods. They are based on rational thinking. Emotional appeals work fast to create interest and desire but it is intellectual appeal of the Bombay Dyeing advertisement where a young and beautiful girl is shown wearing eye-catching prints. The picture of the girl and prints provide emotional appeal but the headline „icy summer prints“ provide and atmosphere of coolness and appeals to the intellect.
3. **Human Instincts Appeal:** Human beings are guided by such instincts as: selfpreservation, parental care, food, clothing, curiosity and so on. When a copy makes proper appeal to the appropriate

instinct, it will create a desire in the minds of the reader to buy the article. For an appeal to the self-preservation instinct health, food, woolen clothes and physical fitness courses are appropriate articles. Baby food can be sold more easily by making an appeal to the parental instinct and the natural affection of the parents for their children.

4. **Physical Sense Appeal:** Appeals to physical senses evoke greater response. For example, food and beverage products are sold by inciting taste appeal. During summer, cold drinks can be effectively advertised with pictures of cool, refreshing summer drinks but during winter this advertisement would be a misfit if appeal is made to the sense of taste alone, a more viable approach would be to appeal to the instinct of self-preservation.
5. **Positive Appeal:** Appeals that follow positive approach are called positive appeal. They create situations under which prospects are likely to attain happiness and peace of mind with the possession of advertised goods. With a view to arouse product interest, the following positive emotional appeals are used e.g., appeals to comfort, healthy, living, family affection, pleasure, personal appearance, sympathy, love, pride etc. These appeals are positive because they create awareness under which prospects are likely to attain happiness and the mental satisfaction of possession of materials.
6. **Negative Appeal:** Negative appeals are those which follow negative approach. They normally include feelings like jealousy, anger, pain and fear. These are the unpleasant feelings and no prospect would desire to associate himself with frustration. It would be unwise to assume that negative appeals are ineffective. Sometimes they work very fast. We shall present a few negative appeals from illustrative advertisements. For example, Motwane Manufacturing Co., in its advertisement for Motwane Digital Millimeters used the negative appeal which gave striking impact.

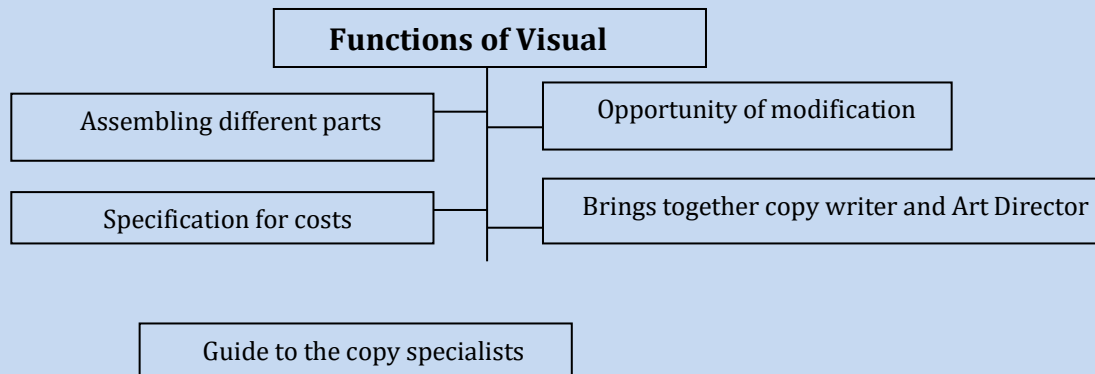
## **2.7 Visual Layout:**

Layout is a plan, arrangement, overall structure, blue print of advertising copy. It arranges headlines, sub-headlines, slogans, illustrations, identification marks, text body etc., in a systematic manner. Attractive layout can help the advertisement to come out from media-clutter (increased number of ads in media ) and gain attention of readers/ viewers.

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

## **FUNCTIONS OF VISUAL LAYOUT:**

The main functions of layout are:



### **1) Assembling different parts:**

The main function of layout is to assemble and arrange the different parts or elements of an advertisement illustrations, heading, sub-headlines, slogans, body text and the identification mark, etc., and boarder and other graphic materials – into a unified presentation of the sales message.

### **2) 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.

### **3) 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.

### **4) Brings together copy writer and Art Director:**

Every advertisement is the outcome of the contributions of specialists. The services of creative persons are required like visualizes or idea-men, copy writer, art directors, artists,

photographer, type - setters, block-makers and the printer.

### **5) Guide to the copy specialists:**

Layout serves as a reliable guide to the specialists such as type-setters, engravers, printers and other craftsmen. These are the person who actually prepare the advertisement for use in print.

## **2.8 DESIGNING OF LAYOUT FOR ADVERTISEMENTS**

The design process serves as both a creative and an approval process. In the creative phase, the designer uses thumbnails, roughs, dummies, and comprehensives- in other words, non-final art- to establish the ad's look and feel. The final illustration with the actual type in place along with all the visuals the printer will need to reproduce the ad. The approval process takes place throughout the entire design process.

### **1. Thumbnail Sketches:**

The thumbnail sketch or thumbnail is a small, rough, rapidly produced drawing artist uses to visualize layout approaches without wasting time on details.

### **2. Rough layout:**

In a rough, the artist draws to the actual size of the ad. Headlines and subheads suggest the final type style, illustrations and photographs are sketched in, and body copy is simulated with lines. The agency may present rough to clients- particularly cost-conscious ones.

### **3. Comprehensive:**

A comprehensive layout is generally quite elaborate, with elaborate , with colored photos.

At this stage, all visuals should be final.

### **4. Dummy:**

The artist assembles the dummy by hand, using color markers and computer proofs, mounting them on sturdy paper and then cutting and folding them to size. A dummy for a brochure, e.g., is put together, page by page, to look exactly like the finished product.

### **5. Mechanical (paste-Up):**

The type and visuals must be placed into their exact position for reproduction by printer.

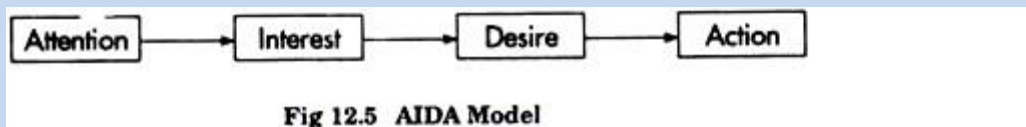
### **6. Approval:**

The work of copywriter and director is always subject to approval. The biggest challenge in approval is keeping approvers from corrupting the style of the ad.

**2.9 Advertising models:** The models are: 1. AIDA Model 2. Lavidge & Steiner Model/Hierarchy of Effect Model 3. Innovation Adoption Model 4. Information Processing Model 5. Operational Model.

### **1. AIDA Model:**

It was developed to represent the stages a sales person must take a customer through in the personal selling process. The effect is the action into which a prospect may be induced as a result of advertising.



**Fig 12.5 AIDA Model**

It highlights the importance of catching the eye/ear of the prospect and creating interest through the advertising message and its presentation. The desire to obtain advertising goods/ services may be generated though to varying degrees among different prospects as a result of advertising.

The final stage of action will depend not only on the determination of the prospect but also on other factors, such as availability, which is the function of distribution system.

## 2. Lavidge and Steiner Model/Hierarchy of Effect Model:

This model shows the process by which the advertising works and assumes that a consumer passes through a series of steps in sequential order from initial awareness of a product or service to actual purchase.

A basic premise of this model is that advertising effects occur over a period of time. Advertising communication may not lead to immediate behavioural response or purchase; rather, a series of effects must occur, with each step fulfilled before the consumer can move to the next stage in the hierarchy.

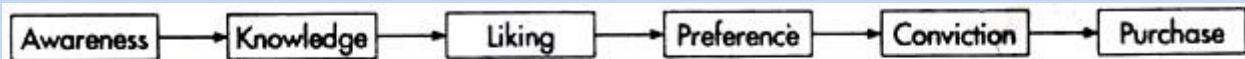


Fig 12.6 Hierarchy of effect model

The model takes into account the cognizance of the competitive situation. Such competition may arise between brands of a product or even between substitute products as perceived by prospects constituting the target audience

The stage of liking following those of awareness and knowledge may refer to the advertising thus emphasizing the creative aspects. Performance for the product or the brands play be the combined effect of the product characteristics and their relevance to the target audience, and of advertising.

Table 12.1 Hierarchy of Effect Model

<b>Model Steps— Adoption Process (Basically the Lavidge- Steiner Model)</b>	<b>Description of Buyers</b>	<b>Advertising that Might be Related at Various Stages</b>
UNAWARENESS ↓	At some point in time, potential customers are unaware of the product/service.	Mass Media.
AWARENESS ↓	These people must become aware of the product's existence before a sale takes place.	Slogans, classified ads, announcement.
KNOWLEDGE ↓	Generally, potential customers want to know what the product will do for them.	Informative or Descriptive ads.
LIKING ↓	Gaining product knowledge leads to forming attitudes showing whether a product is liked or disliked.	Status or glamour appeals, image ads.
PREFERENCE ↓	Potential customers develop preferences for some products over others, consistent with how well each product is liked.	Competitive ads, persuasive copy.
CONVICTION ↓	Prior to purchase, potential customers become convinced that the preferred product is a good buy and there is a desire to buy.	Testimonials, Price deal offers, Lost "Chance" offers, "Direct Action", retail ads.
PURCHASE ↓	This is the act of actually buying the product.	Point-of-Purchase ads.
CONFIRMATION	This is the act of reminding the customers.	Informative "Why" ads, "Reminder" ads.

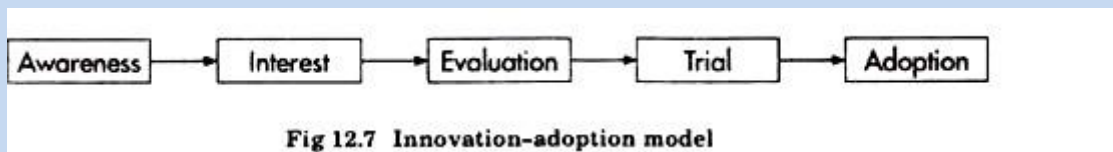
## 3. Innovation Adoption Model:

Model is evolved from work on the diffusion of innovations. This model represent the stages a consumer passes through in adopting an innovation—innovation such as a new product.

Like the other models, this model says potential adopters must be moved through a series of steps before taking some action (in this case deciding to adopt a new product). The steps preceding adoption include awareness, interest evaluation, and trial.

The challenge facing companies introducing new products is to create awareness and interest among consumers and then get them to evaluate the product favourably. The best way to evaluate a new product is through actual use so that performance can be judged.

Marketers often encourage trial by using demonstration or sampling programmes or allowing consumers to use a product with minimal commitment. After trial, consumer either adopt the product or reject it. The decision in favour of making an evaluation is likely to be influenced by information available from various sources including advertising.



Evaluation is a major step towards the adoption of the product/service.

#### 4. Information Processing Model:

Developed by William Mc Guire, the model assumes that the receiver in a persuasive communication situation like advertising is an information processor or problem solver.

He suggests the series of steps a receiver goes through in being persuaded constitutes a response hierarchy. The stages of this model are similar to the hierarchy of effects sequence, Mention and comprehension are similar to awareness and knowledge, and yielding is synonymous with liking.

This model includes a stage not found in the other models, retention, or the receiver's ability to retain that portion of the comprehended information that he accepts as valid or relevant. This stage is important since most promotional campaigns are designed not to motivate consumers to take immediate action but rather to provide information that will be used later when a purchase decision is made.

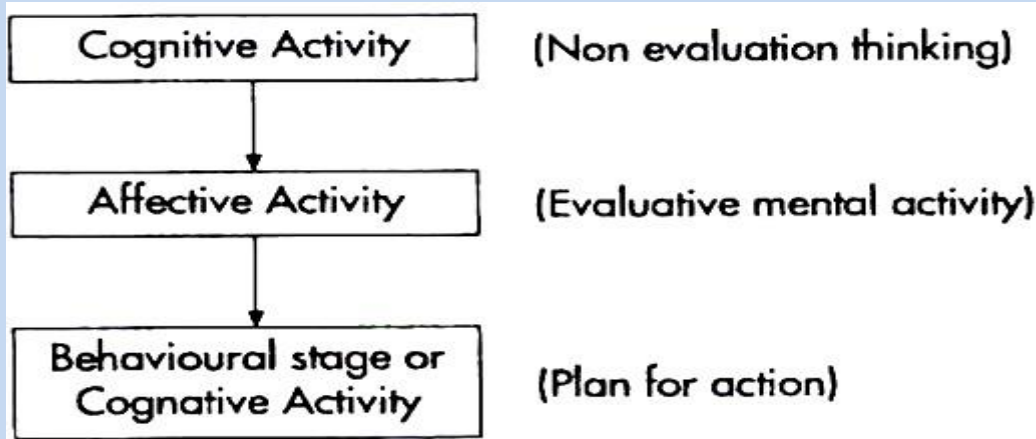
**Table 12.2 Comparative Study of Different Communication Model**

<i>Operational Model</i>	<i>AIDA Model</i>	<i>Hierarchy of effects model</i>	<i>Innovation adoption model</i>	<i>Information processing model</i>
Cognitive stage	Attention	Awareness ↓ Knowledge	Awareness	Presentation ▽ Attention ▽ Comprehension
Affective stage	Interest ↓ Desire	Liking ▽ Preference ▽ conviction	Interest ↓ Evaluation	Yielding ↓ Retention
Behaviour stage Cognitive Stage	Action	Purchase	Trial ↓ Behaviour	Behaviour

### 5. Operational Model:

Developed by O' Brien, the model integrate various stages of decision making by buyers. According to an study to know the purchasing behaviour of 634 housewives for a brand of convenience food for a five months period, it was indicated that building up the confidence in the brand was an important cognitive stage operating between awareness and attitude alteration or formation.

Any modification in the attitude towards the usage of the brand is likely to affect purchases in future. Favourableness of word of mouth communication contributes to building of confidence.



**Fig 12.8 Operational model**

Question No.	Questions	PO Attainment
<b>UNIT - 2: Ad Media</b>		
<b>PART-A (Two Marks Questions)</b>		
1	Define Ad Media	P01,P02,P04, P07
2	Note the different media used in business	P01,P02,P04, P07
3	List the Characteristics of print media	P01,P02,P04, P07
4	Write the Characteristics of electronic media	P01,P02,P04, P07
5	list the Characteristics of outdoor media	P01,P02,P04, P07
6	Distinguish print and electronic media	P01,P02,P04, P07
7	What is print media? give examples	P01,P02,P04, P07
8	What is social media? give examples	P01,P02,P04, P07
9	What is electronic media? give examples	P01,P02,P04, P07
10	Conclude the importance of media research	P01,P02,P04, P07
11	Define media planning	P01,P02,P04, P07
12	What is media selection?	P01,P02,P04, P07
13	Define media scheduling	P01,P02,P05, P07
14	What is the Role of creativity in advertising	P01,P02,P05, P07
15	What is ad appeal?	P01,P02,P05, P07
16	Who are the professionals involved in copy writing	P01,P02,P05, P07
17	What are steps involved in Media Scheduling	P01,P02,P05, P07
18	List the Different Types of Appeals	P01,P02,P05, P07
<b>PART-B (Ten Marks Questions)</b>		
1	Describe the characteristics of media used in advertising	P01,P02,P05, P07
2	Explain the scope and importance of media research	P01,P02,P05, P07
3	Write a short notes on media planning and selection	P01,P02,P05, P07
4	Explain the process of media scheduling	P01,P02,P05, P07
5	Describe the steps in creating ad copy in newspaper	P01,P02,P05, P07
6	Explain the steps in creating ad copy in TV or radio	P01,P02,P05, P07
7	Create an ad copy by assuming any product of your own	P01,P02,P05, P07
8	Describe different types of appeals	P01,P02,P05, P07
9	Write a note on visual layout	P01,P02,P05, P07
10	Explain the different contributors and contribution made in preparing TV ad	P01,P02,P05, P07

### UNIT HIGHLIGHTS

- **Advertising Media** refers to the medium through which advertising messages are delivered to target audiences.
- Mass media includes Television, Radio, Newspaper, Magazine, and Outdoor media.
- Television offers high impact but high production cost; Radio offers local coverage and low cost.
- Media Research includes Content Analysis, Surveys, and Meta-analysis.
- Research Process steps: Problem identification → Literature review → Hypothesis → Research design → Sampling → Data collection → Data analysis → Report writing.
- Media Planning objectives: Reach, Frequency, GRPs, Continuity.
- Media Scheduling strategies: Continuous, Flighting, Pulsing, Step-down, Steady.
- Advertising Models: AIDA, Hierarchy of Effects, Innovation Adoption, Information Processing, Operational Model.

### CASE STUDY

**Coca-Cola launches a new summer campaign for its soft drink targeting youth aged 15-30. The company uses a mix of television, social media, outdoor hoardings, and radio to maximize reach and frequency. During peak summer months, it adopts a pulsing media scheduling strategy, increasing advertising intensity in April-June and reducing it later. Television provides mass coverage and high impact (sound, sight, motion), while outdoor media ensures 24-hour visibility. Social media campaigns encourage user-generated content and engagement. Media research is conducted through surveys and content analysis to measure campaign effectiveness. The success of the campaign depends on proper media mix, scheduling, creativity, and appeal.**

1. What media mix strategy is used by Coca-Cola in this case?
2. Why is pulsing strategy suitable for seasonal products?
3. How does media research help in evaluating advertising effectiveness?
4. What are the advantages of combining television and outdoor media?

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- Belch, G. E., & Belch, M. A. (2021). *Advertising and promotion: An integrated marketing communications perspective* (12th ed.). McGraw-Hill Education.
- Kotler, P., & Keller, K. L. (2016). *Marketing management* (15th ed.). Pearson.

**UNIT - III**  
**Advertising Budget:**

## UNIT – III

### Advertisement Budgets

#### 1. Quote

**“Half the money I spend on advertising is wasted; the trouble is I don’t know which half.”** — John Wanamaker

#### 2. Unit Overview

This unit explains the concept of **advertising budgeting and its role in marketing planning**. It discusses various **methods used to determine advertising budgets**, such as the affordable method, percentage of sales method, competitive parity method, objective and task method, and return on investment method. The unit also explains the **process of preparing an advertising budget and the factors influencing advertising expenditure**. In addition, it highlights **advertising effectiveness, pre-testing and post-testing methods, and experimental designs used to evaluate advertising performance**.

#### 3. Objectives of the Unit

- Understand the concept of **advertising budgeting**.
- Identify different **methods used for determining advertising budgets**.
- Explain the **process of preparing advertising budgets**.
- Understand **advertising effectiveness and evaluation methods**.

#### 4. Learning Outcomes

Students will be able to:

- Classify different **advertising budgeting methods**.
- Analyze the **process of budget preparation**.
- Evaluate the **effectiveness of advertising campaigns**.

#### 5. Key Concepts

- Advertising Budget
- Budgeting Methods
- Objective and Task Method
- ROI Method
- Advertising Effectiveness
- Pre-Testing
- Post-Testing

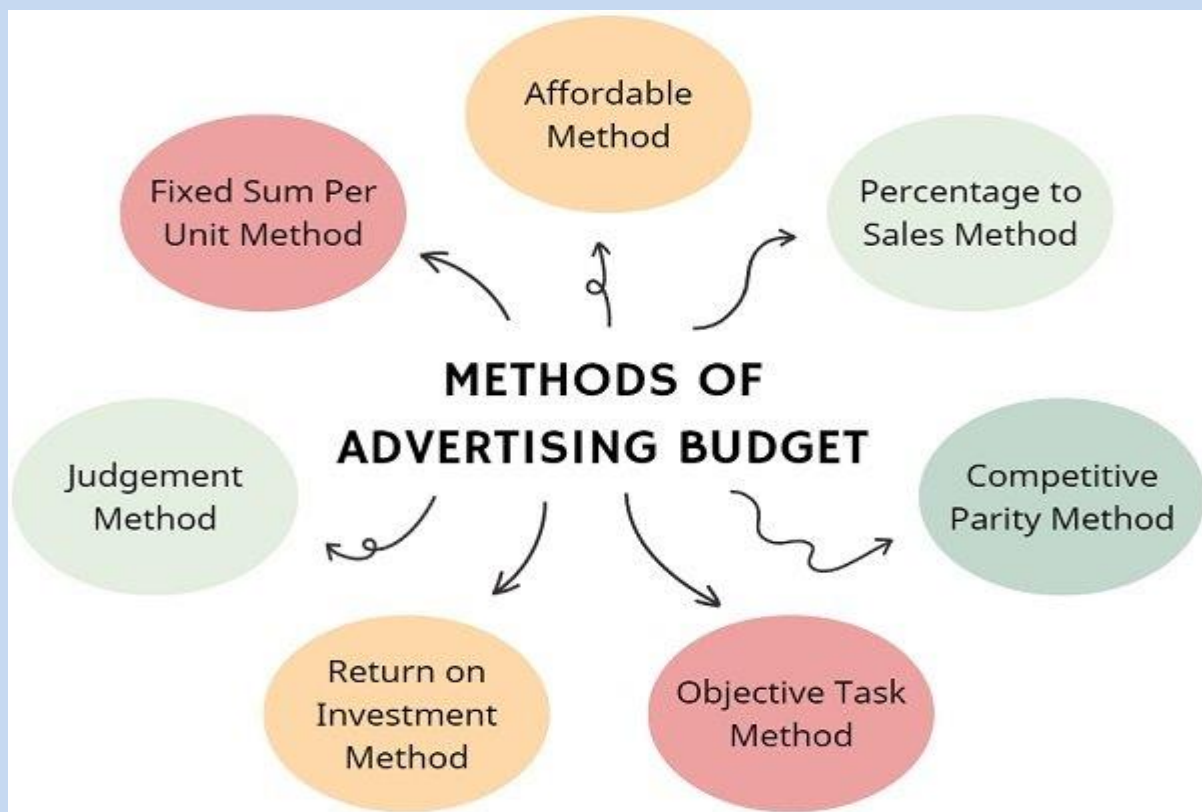
### 3.1 Advertising budget

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

Advertising aims at creating demand for the product. The advertising budgeting decision is divided into two components:

- How much is to be spent on advertising within a given period?
- How should the total advertising budget be set aside for various media, offerings and target markets?

#### Types/Methods of Advertising Budget



#### Affordable Method

As per this method, the budget depends upon what the advertisers can afford. After meeting all the unavoidable business expenditures, the remaining amount is allocated to advertising. Further, companies having limited resources use this method.

#### Percentage to Sales Method

Here, a certain percentage of the previous year's sales is earmarked for promotion. We will calculate the amount appropriated for advertising by multiplying the value of last year's sales or projected sales with a pre-determined percentage. The budget is decided on the basis of fund availability and not on the basis of market opportunities.

### **Competitive Parity Method**

The amount competitors spend on advertising is a basis for deciding the advertising budget. The budget depends upon the expenditure of the competitor. That means the advertisers decide the budget as per the competitor's percentage of sales allocation. Moreover, this method relies on the principle that the company maintains parity with the competitors regarding advertising expenditure. That is to say, the company is making the same efforts in advertising as the competitors.

### **Objective Task Method**

It is the most logical and realistic method. This is because it focuses on the advertising objective that is to be achieved. The management decides the advertising objectives after thorough market research for the next budget period. Further, the cost involved in reaching those objectives is determined in terms of the task to be performed.

### **Return on Investment Method**

Money spent on advertising is regarded as an investment rather than treating it as an expenditure. It is an investment as it looks forward to a certain return as profit. The budget preparation takes place after considering the increased profit generated out of increased sales and goodwill because of sales.

### **Judgement Method**

The advertising budget is set on the basis of the judgement of the experienced managers and executives of the firm. An alternative term for the judgement method is an arbitrary method. It is named so because the budget depends upon the arbitrary thinking of some experienced personnel.

### **Fixed Sum Per Unit Method**

Here, a certain amount per unit sold in the previous period or projected to be sold in the coming period is appropriated for an advertising budget.

## **3.2 Process of Advertising Budget**

The process of advertising budget covers four steps:



### **Step 1: Data Collection and Budget Preparation**

The advertising budget process starts with ascertaining the size of the advertising appropriation. In this regard, the management needs to collect the relevant information considering:

- Product
- Packaging
- Target market
- Advertising copy
- New product introduction
- Consumer type and
- Degree of competition.

After deciding these factors, the advertising manager determines the amount available for spending. Thereafter, apportionment of the fund takes place.

### **Step 2: Budget presentation and approval**

In this step, the concerned department presents the proposed budget before the company's top management or the budget committee for approval. The management or committee (as the case may be) will check the proposed expenditure to achieve the desired sales. In this context, the company's sales goals are taken into consideration. On reviewing the proposed budget and suggesting changes, the management or committee will approve it.

### **Step 3: Execution of the budget**

Now is the time to execute the budget. For this purpose, the advertising manager will keep a watch on the spending of the fund. It is necessary to ensure that the use of funds is as per the approval and also in an economical manner. If there are any changes in the marketing situation, necessary adjustments are to be made to the advertising budget. Hence, the budget should be flexible enough to make changes. Also, the provision for contingency has to be there.

### **Step 4: Controlling the budget**

The final step in the process of the advertising budget is to control the budget. The main task of the advertising manager is to check whether the actual expenditure matches the budgeted expenditure or not.

#### Factors Affecting Advertising Budget

The factors that affect the advertising budget for a product include:

Stage in the product lifecycle.

Purchase frequency

Market share

The growth rate in the number of consumers

Product quality and uniqueness

Customer concentration

#### 3.3 Determining Optimum Advertisement Expenditure:

The optimum advertising expenditure is determined based on

a. Sales Objectives

b. Communication objectives

**(i) Sales Objectives** – The objective is to increase the sale of products or to compliment the [selling efforts](#) of the sales department. The objective may be changed from time to time depending upon the volume of sales which may be influenced by –

- Price of products
- [Advertising](#) and [Promotion](#)
- Personal selling
- Competition
- Consumer tastes
- Product quality
- Economy
- Technology
- Direct action advertising

**(ii) Communication objective** – The objective is to create awareness, develop interest or to change an attitude. For this purpose a business may choose to –

- Increase the % of target customers who associate a special feature or benefit with company's brand
- Increase number of customers who prefer company's brand over competing brands
- Increase company's brand usage among existing members
- Encouraging a brand trial among targeted customers

#### Decision Making Models to determine Optimum Advertising Expenditure:

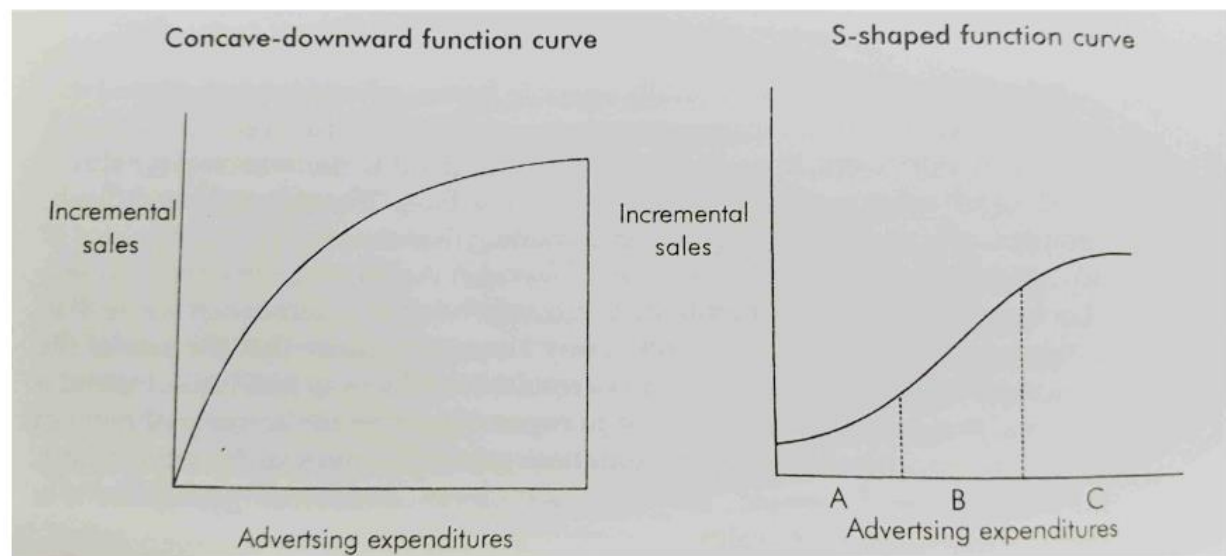
Many businesses consider advertising as an expense rather than an investment, hence it is important to use a theoretical basis and budget allocation methods to make an effective advertising budget.

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). However this basis takes into account the two assumptions which are:

- [Advertising](#) is solely responsible for sale
- Sales are a direct result of advertising and the deviation can be measured accurately

Due to these assumptions this model is rarely used as it is not practical to that assume advertising alone determine sales as there are many other environmental factors that affect sales.

Most advertiser support one of two models of advertising to sales response function namely the Concave downward function or the S-shaped function.



**Concave downward function curve** – As the amount of advertising increases its incremental value decreases following the law of diminishing marginal utility i.e. advertising effects start diminishing quickly. Hence less advertising money may be needed for optimum sales.

**S-shaped function curve** – Initial expenditure on advertising has a very little effect on sales. After a certain point an increment in advertising expenditure leads to increased sales but the gain in sales continues only up to a point and after that there is no effect on increased expenditure on sales. Hence it suggests that less budget has a minimal impact and a high budget may not necessarily have a high impact.

Advertisers must advertise and spend in the area of rising curves where maximum return on advertising expenditure can be accomplished.

### Approaches to Advertising Budget

#### 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

### 3.4 ADVERTISING EFFECTIVENESS

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

definition Advertising research is defined as the systematic gathering recording and analyzing of data relating to the effectiveness of advertising

#### TESTING OF AN ADVERTISEMENT

Ad testing deals with the measurement advertisement effectiveness. What constitutes effectiveness?

Which variables (s) should be tested, or, measured to know the degree of advertising effectiveness?

#### COMPONENTS OF MEASURING ADVERTISEMENT EFFECTIVENESS

in practice, the following four categories of variables are, generally, tested viz

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

1. Message Variables: In the case of an advertising message in an advertising message in a typical print advertisement the variable to be tested would be the headline, the illustration, the body text, the layout, and the typography, individually as well as severally. In the case of television commercials, the variables to be tested would be appeals, themes, propositions, rhetorical style, audio-visual devices, format illustration technique, staging casting music, sound effects, etc.

2. Media Variables : The media testing opportunities are considered at the following four levels, viz., (i) The advertiser must decide the type of media, such as, newspapers, magazines, television, radio or direct-mail, etc., he intends to use. (ii) The advertiser then, must decide the sub-class of media, he is to use. For example, what kind of newspapers: Daily Sunday, Evening or Morning Newspapers. Likewise, what kind of television and / or radio: sport, Network, or, Regional channels, in the same way, what kind of magazines: General, Women, Healthcare, Sports, etc. (iii) The advertiser, then must selected specific media vehicles, what newspapers in Mumbai, which television channels in Delhi, and what media mix is to be used? (iv) Finally, he must determine space units i.e. full page, or, half pages, or, quarter pages broadcast time units, such as 60 seconds, 20 seconds, and the position of the ad in print media as well as in television.

3. Scheduling Variables: Consumer behavior is generally influenced by the time factor, such as season of the year, occasions like Diwali, Christmas, Id day of month or week, etc. timing of television commercials frequency continuity are also important factors.

4. Budgeting Variables: Budget affects, and is affected by all other advertising variable. How much money should be spent on advertising? How should be the total amount of money be allocated to markets, to media to sales territories and to specific items in the product line? The advertiser must measure the relationship between budgeting variables and profit yields.

### 3.5 Need for measuring Advertising Effectiveness:

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

1. Achieve Awareness: Testing of advertisement will show whether there is an increased influence of the advertising message, product or service advertised. Testing enables the advertiser to be aware of all the reasons why an advertisement has been effective or otherwise.

2. Affects Attitudes: Testing enables the advertiser to know whether the attitude of the prospects towards the advertised product or service has been changed or not, it also enables him to understand whether any message of the advertisement is recollected by the customer.

3. Actuate Action: Advertisement testing enables the advertiser to analyze the response by the prospects to advertisements. It gives him an idea of when, how, why a customer's accepts a particular products or rejects it. This will help him to present the product in such manner that he (prospects) takes a favorable or positive action.

4. Judge Overall Effectiveness: Testing of advertisement-helps the advertiser in judging the total effectiveness of a particular advertisement in respect of their headlines, layout, copy, illustrations, layout or any other quality that is important within the advertisement.

### 3.6 PRETESTING AND POST TESTING

An advertisement can be tested at two stages namely:

- (a) prior to the commencement, and
- (b) after the commencement of the advertising campaign.

The former stage is called „pre-testing" and the latter „post-testing".

#### METHODS OF PRETESTING:

The following are the 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

1. Proposition Tests: Tests of creative strategies are called proposition tests. Strategy refers to the alternative course which can be tried to know most suitable course of action. For example, the advertising campaign of a watch manufacturing company might follow such strategies as: (i) It is stylish watch for fashion conscious man. (ii) It is a dependable watch. (iii) It is an inexpensive watch and looks like a watch that costs twice the price. Each proposition reflects a different advertising strategy for watches. In order to choose among Fashionable appearance, expensive appearance and reliable which is the best representative sample of prospective watch buyers would be shown all three on individual cards as if they were different watches. The sample respondents would then be asked to choose between the watches, and to give their choices. The most widely acceptable proposition would be established as an advertising strategy.

2. **Concept Testing:** Under this method, testing is carried out in the same way as Proposition Testing, except that roughly drawn advertisement concepts are used instead of placing alternative strategies on the cards. As the public is not used to look at rough advertisement concept, the respondents must be explained in advance that what they are about to be shown are rough layout of the artist. Headlines should be shown clearly and such irrelevant details must be excluded as: Cufflinks on a shirt because this may give a chance to worry the respondents about why they are there, whether they are fashionable and so on. Concept tests are used to measure the interest and credibility of different advertising approaches.

3. **Sales Area Testing:** The most reliable method of testing the effectiveness of any advertising is initially to run it in one or two selected areas. This testing is used to facilitate launching advertising campaign on a large scale, because effectiveness is first tested in a smaller area.

4. **Folio Tests:** Folio tests are used for press advertisements that are finished or near finished form. Test advertisement along with a couple of advertisements is placed into a folder. The „Folio“ composed in this way is then placed before the selected few consumers who are expected to give their reactions. The rest advertisement is singled out later in the interview and the consumer is asked to discuss its appeal and motivational power in creating interest, arousing desire and attracting attention. This method of pre-testing spots out the most responsive advertisement.

5. **Project Tests:** Television commercials are sometimes tested in consumers' home by means of portable movie projectors. Often the commercial is inserted in a short sequence from an entertainment film. After showing the film to the consumers, the interviewer asks their opinion about the commercial.

6. **Trailer Tests:** In trailer testing, a trailer or van is parked in a parking zone of a shopping centre and people are invited to come in for interviews. Everyone who enters the trailer is shown a television commercial on a rear screen projector and questioned about it. This method is very economical for it costs less to bring people into, the trailer for interview.

7. **Consumer Jury Tests:** Consumer jury tests are based on the rating given on advertisement by a typical group of consumers. Rating implies comparison of one advertisement with several others. A consumer jury test is made in a variety of ways. The usual procedure is to ask a relatively small group of consumers, who represent potential buyers of the product to rate alternative pieces of copy. Different data collection methods may be used in implementing a consumer jury test. For example, personal interviews may be used or a group may be assembled and the members may be asked to rate on the alternative copy.

8. **Rating Scales:** This method of copy testing requires the establishment of standards for effective copy and numerical weights for each standard. The weights or values indicate the relative worth of a standard in the overall success of copy. Advertisements are then rated according to scale value and a numerical score is obtained.

9. **Portfolio Tests:** These tests are named after the manner in which advertisements to be tested are packaged. A group of advertisements usually a mixture of advertisements to be tested is placed in portfolio. Sometimes, advertisements are actually placed in dummy copies of newspapers and magazines. Respondents are given the folio and asked to go through it, reading whatever interests them and taking as much time as they want. After completing this task, the respondents are asked to recall the advertisements what they can remember.

10. Simulated Tests: Simulated tests are tests in which consumers are exposed to alternative pieces of copies through point of purchase displays of direct mail. These tests are simple and less expensive to implement than actual sales tests. However, they are artificial.

Benefits of Pre-Testing:

- (i) To check clerical, grammatical, printing or technical errors.
- (ii) To make communication more effective from readers points of view.
- (iii) Minimize waste in advertising.
- (iv) To make it more meaningful and effective.
- (v) It is simple, less time consuming, and less costly.

Methods of Post-testing: Tests that are applied after the commencement of the advertising campaign are called posttests. Post-testing enables to study the impact of advertising on the effective sales promotion. The following are the methods of Post-testing:

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

1. Recognition Tests: Under this method the respondents are asked to point out the contents of those advertisements which they might have seen. The objective of this test is to know the degree of effective impact of advertisement.

2. Recall Tests: Under recall tests the entire advertising campaign is considered as against recognition tests. Where only specific advertisements are considered Recall tests are applied to measure the attention, interest and memory value of advertisements after they have been launched.

3. Inquiry and Coupon Response: Under inquiry testing, the advertiser sends a free sample to the reader, on request. The reader is expected to mail the coupon to take advantage of the offer. It is quite likely that such advertisements are given simultaneously in different publications of the newspaper or magazine. The advertisements are keyed in order to know which of the several advertisements resulted into more response. It is assumed that the advertisement which brings largest number of inquiries is superior to others.

4. Split-Run Test: It is a modification of inquiry test. An advertiser takes two advertisements in magazine offering split-run facilities. The two advertisements differ in one respect only e.g., one advertisement presents the cold drink in a transparent bottle and the other advertisement presents the cold drink in a nontransparent bottle. The advertisement is keyed. Now, in two different markets i.e., cold drink marketed in transparent bottle is more, it is taken for granted that this advertisement has been more successful compared to the second one.

5. Psychological Tests: A variety of psychological tests are used which include storytelling, word association, sentence completion, depth interviewing etc. This test attempts to find out what the respondent has been in different advertisements and what they mean to him. These tests can be conducted only by trained interviewers.

6. Focus Interviews: In this method some selected consumers are called and are asked to deliberate discussion on the advertisements presented to them. The attention of the members of the panel is focused on certain aspect of the advertisement. The opinion expressed by the participants becomes the basis to study the effectiveness of advertising.

7. Readership Test: This method attempts to study the impact of advertising in increasing the product awareness by the consumers. Readership test facilitates the relative importance and effectiveness of advertisement published in national press. The readers are asked to tell where they have read the advertisement and how it has increased their awareness about the product. The various methods used to study the effectiveness of an advertisement provide information about the impact of an advertisement on the product awareness and bringing about a change in the attitude of the consumers.

Benefits of Post-Testing:

- (i) To find out the extent to which the ad has been noticed, seen or read.
- (ii) To find the extent to which the message is understood by the readers.
- (iii) To measure the memory value of advertising.
- (iv) To find the impact of advertising on consumer buying behaviour.
- (v) To see whether ad is accomplishing its objectives.
- (vi) To evaluate the comparative effectiveness of different ads in terms of appeals, layout illustration etc.
- (vii) To improve future advertising effort

### 3.7 EXPERIMENTAL RESEARCH DESIGN

Experimental research is a form of comparative analysis in which you study two or more variables and observe a group under a certain condition or groups experiencing different conditions. By assessing the results of this type of study, you can determine correlations between the variables applied and their effects on each group. Experimental research uses [the scientific method](#) to find preferable ways of accomplishing a task for providing a service.

There are three different types of experimental research design, divided by key elements related to how you conduct each experiment. Within these types, there are also subdivisions that the behaviors within the experiment can affect. The three main types of experimental research design are:

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

The methods under the three research design are

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:

### 1. Pre-experimental research

A pre-experimental research study is an observational approach to performing an experiment. It's the most basic style of experimental research. Free experimental research can occur in one of these design structures:

- One-shot case study research design: In this form of experimental research, experimenters subject a single group to a stimulus and test them at the end of the application. This allows researchers to gather results for performance by individuals or entities subject to the stimuli being tested.
- One-group pretest-posttest design: In this type of research, researchers apply a test both before and after the application of the stimuli. This provides a comparison of performance with and without application for researchers to make judgments about the effects of the stimuli on the subjects.
- Static group comparison design: In a static group comparison, researchers assess two different groups, with only one group receiving the stimuli the researchers are assessing. Testing occurs at the end of the process, allowing the researchers to compare the results from the subjects who received the stimuli against those who didn't.

### 2. Quasi-experimental research

Quasi-experimental research is similar to true experimental research, and experimenters can apply it in similar ways. The primary distinction between the two is a lack of randomization when assigning participants to groups in a quasi-experimental study. This usually occurs because of rules or regulations that prevent researchers from applying random allocations in some settings, such as a research study at a university.

### 3. True experimental research

True experimental research is the main method of applying untested research to a subject. Under true experimental conditions, participants receive randomized assignments to different groups in the study. This removes any potential for bias in creating study groups to provide more reliable results. There are a few design structures a researcher may use when performing experimental research, which differ based on the number and style of groups used:

- Posttest-only control group design

In this design structure, a researcher divides participants into two groups at random. One group acts as a control and doesn't receive the stimuli being tested, while the second group does receive the stimuli researchers are assessing. Researchers perform tests at the end of the experiment to determine the practical results of being exposed to the stimuli.

- Pretest-posttest control group design

Under this structure, researchers provide tests to the participants both before and after the non-control group receives exposure to the stimuli. Researchers test groups twice, so this structure provides multiple methods of assessing the results.

Experimenters can examine changes in performance for the non-control group, and they may also determine if any changes occur due to participants undergoing the same test

twice. They may do this by checking if the control group has also changed, which researchers can then use to make adjustments as needed when analyzing the data.

- Solomon four-group design

This is the most comprehensive design structure for an experimental research project. Under the Solomon four-group design, participants receive an assignment to one of four randomly allocated groups. These groups provide all four possible permutations for both control and non-control groups and post-test or pre- and post-test control groups. Having a comprehensive set of data with multiple ways of differentiating between groups can enhance researchers' abilities to reach conclusions based on the resulting data.

Question No.	Questions	PO Attainment
<b>UNIT - 3: Advertisement Budgets</b>		
<b>PART-A (Two Marks Questions)</b>		
1	Define Advertisement Budgets	P01,P02,P05, P07
2	List the Types of Advertisement Budgets	P01,P02,P05, P07
3	What is Optimal Expenditure	P01,P02,P05, P07
4	Define Advertisement Effectiveness	P01,P02,P05, P07
5	Why should a company need to test Advertisement Effectiveness	P01,P02,P05, P07
6	List different Decision Models in advertisement	P01,P02,P05, P07
7	What is Pre Testing	P01,P02,P05, P07
8	List the methods in Pre Testing	P01,P02,P05, P07
9	Define Post Testing	P01,P02,P05, P07
10	List the methods used in Post Testing	P01,P02,P05, P07
11	Experimental Designs	P01,P02,P05, P07
12	What are experimental group?	P01,P02,P05, P07
13	Explain what is Focus Group?	P01,P02,P05, P07
14	List the devices used for measuring ad effectiveness	P01,P02,P05, P07
15	Differentiate Pre Testing and Post Testing	P01,P02,P05, P07
<b>PART-B (Ten Marks Questions)</b>		
1	What is the role of Advertisement Budgets in promoting products	P01,P02,P05, P07
2	Is budget for advertisement required or not? justify	P01,P02,P05, P07
3	Explain how to Determine Optimal Expenditure	P01,P02,P05, P07
4	Describe different Decision Models in detail	P01,P02,P05, P07
5	Is it required to analyze Advertisement Effectiveness? describe	P01,P02,P05, P07
6	Explain in detail the methods of Pre Testing advertisement	P01,P02,P05, P07
7	Explain in detail the methods of Post Testing advertisement	P01,P02,P05, P07
8	Describe Experimental Designs in detail	P01,P02,P05, P07

### UNIT HIGHLIGHTS

- **Advertising Budget** is the estimated amount allocated for advertising activities during a specific period.
- **Methods of Advertising Budgeting** include Affordable Method, Percentage of Sales, Competitive Parity, Objective & Task, ROI Method, Judgment Method, and Fixed Sum per Unit Method.
- **Process of Advertising Budget** involves four steps: Data collection & preparation, Approval, Execution, and Control.
- **Factors Affecting Advertising Budget** include product life cycle stage, market share, purchase frequency, competition, and product uniqueness.
- **Advertising Effectiveness** is measured through Pre-testing (before campaign) and Post-testing (after campaign).
- **Pre-testing Methods** include proposition test, concept test, consumer jury, portfolio test, simulated test, etc.
- **Experimental Research Designs** used in advertising research include pre-

### CASE STUDY

A leading FMCG company launched a new herbal shampoo in a highly competitive market. The management adopted the **Objective and Task Method** to set the advertising budget by defining clear communication and sales objectives. The campaign included television commercials, social media promotions, and print advertisements. Before launching nationwide, the company conducted **pre-testing** using concept tests and consumer jury methods. After six months, **post-testing** was done through recall tests, recognition tests, and coupon response analysis to measure effectiveness. The results showed high brand awareness but moderate sales growth. The company then revised its media mix and increased digital advertising allocation to improve return on investment.

1. Why is the Objective and Task Method considered more logical than other budgeting methods?
2. Differentiate between pre-testing and post-testing of advertisements.
3. What factors affect advertising budget decisions?
4. How can advertising effectiveness be measured?
5. Explain the importance of experimental research design in advertising research.

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**UNIT IV**

**BRAND MANAGEMENT**

## **UNIT – IV** **Brand Management**

### **1. Quote**

**“A brand is a promise to the customer.”** — Philip Kotler

### **2. Unit Overview**

This unit introduces the concept of **brand management and brand building strategies**. It explains important brand-related concepts such as **brand hierarchy, brand personality, brand image, brand identity, and brand equity**. The unit also discusses **brand positioning strategies and brand building processes** that help organizations create strong and sustainable brands in competitive markets.

### **3. Objectives of the Unit**

- Understand the concept and importance of **brand management**.
- Explain the components of **brand identity and brand image**.
- Understand **brand equity and brand positioning strategies**.

### **4. Learning Outcomes**

Students will be able to:

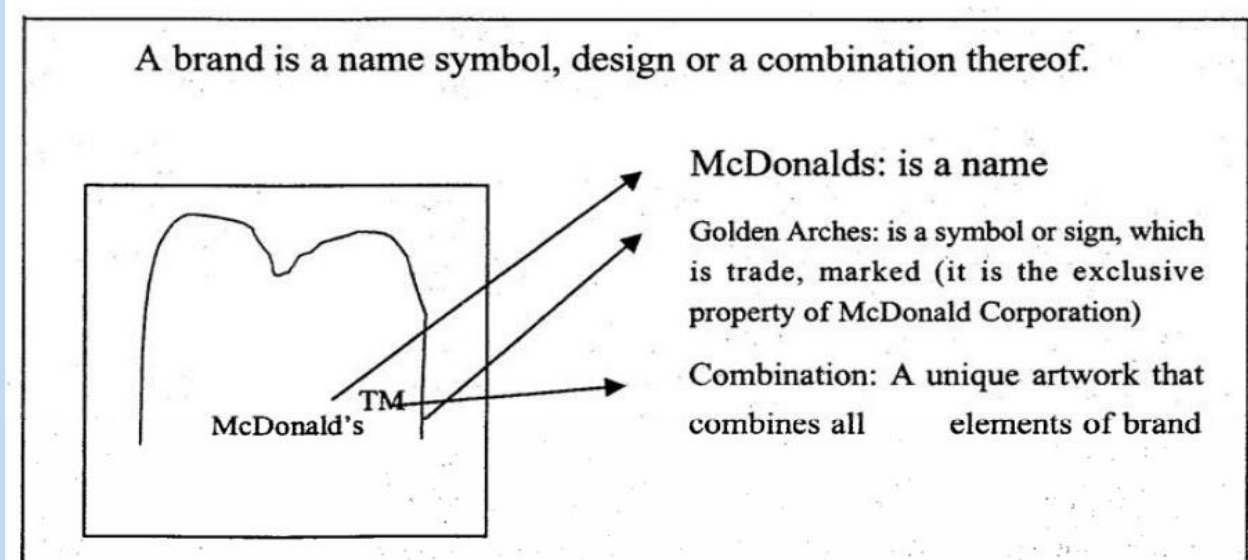
- Analyze the **process of building strong brands**.
- Evaluate **brand positioning and branding strategies**.

### **5. Key Concepts**

- Brand Hierarchy
- Brand Personality
- Brand Image
- Brand Identity
- Brand Equity
- Brand Positioning

#### 4.1 BRAND

The AMA defines it as: "A brand is a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."



#### 4.2 Brand Hierarchy

**Brand** hierarchy is the [organizational structure](#) of a [company's brand portfolio](#). It outlines the relationships between a brand's different elements, and how they are positioned in the [market](#).

The purpose of brand hierarchy is to create clarity and understanding within an organization about how its brands relate to each other, and ultimately, to the company itself.

##### TYPES OF BRAND HIERARCHIES



##### 1. Umbrella or Branded House

An umbrella brand, also known as a branded house or family brand, is a type of [branding](#) strategy. Under this strategy, a single name is used for all products in a [product](#) line.

The main benefit of using an umbrella brand is that it can create economies of scale, as well as increase [brand awareness](#) and [product recall](#).

[Umbrella branding](#) can also help to build [customer loyalty](#), as customers who are satisfied with one product are likely to try other products in the same range.

## 2. Product or House of Brands

A product brand, also known as a house of brands, is a type of [branding strategy](#). Under this strategy, each product in a product line is given its name.

The main benefit of using a product brand is that it can create a more premium image for the products, as each one is seen as a separate entity.

Product branding not only aids in building customer loyalty, but customers who are satisfied with one product from a certain range are also likely to try other products under the same brand.

## 3. Endorsed Strategy

An endorsed brand is a type of branding strategy. Under this strategy, a company's name is used in conjunction with the product or service.

The main benefit of using an endorsed brand is that it can create a more premium image for the products, as they are seen as being endorsed by the company.

This brand hierarchy is ideal for sub-brands that aren't large enough to survive on their own. Under this system, the sub-brands are still connected to the parent company and can therefore continue receiving support from it.

## 4. Hybrid Brands (House Off Brands)

A hybrid brand is a type of branding strategy. Under this strategy, a company's name is used in conjunction with the product or service.

The main benefit of using a hybrid brand is that it can create a more premium image for the products, as they are seen as being endorsed by the company.

## 4.3 Brand Hierarchy Levels

- Corporate Brand
- Family Brand
- Individual Brand
- Product Modifier and Brand descriptor

### 1. Corporate Brand

The corporate brand is the highest level in the brand hierarchy. It represents the overall identity of the company.

A [corporate brand](#) can be made up of several different elements, including the company name, logo, and tagline.

The corporate brand is usually the first thing that comes to mind when people think of the company.

### 2. Family Brand

A family brand is a sub-brand of the corporate brand. It represents a specific product line or range that the company offers.

Family brands are usually given their name, logo, and identity. They are often seen as separate entities from the corporate brand.

### 3. Individual Brand

An individual brand is a sub-brand of the family brand. It represents a specific product within the product line.

Individual [brands are usually given their name](#), logo, and identity. They are often seen as separate entities from both the corporate brand and the family brand.

### 4. Product Modifier And Descriptor

A product modifier is a sub-brand of the individual brand. It represents a specific variation of the product.

Product modifiers are usually given their name, logo, and identity. They are often seen as separate entities from both the corporate brand, the family brand, and the individual brand.

A product descriptor is a type of product modifier. It is a [sub-brand of the individual brand that represents](#) a specific feature or characteristic of the product.

Product descriptors are usually given their name, logo, and identity. They are often seen as separate entities from both the corporate brand, the family brand, and the individual brand.

#### 4.4 BRAND PERSONALITY

Brand personality is a set of human characteristics that are attributed to a brand name. A brand personality is something to which the consumer can relate;

Brand personality is a recognizable set of characteristics and traits that a brand conveys to its customers. Brand personality is, quite obviously, the personality of a brand — it's what makes a brand relatable and memorable to its customer base.

Just like people have personalities, brands can have personalities, which help customers connect and understand brands on a deeper level

Brand personalities often have a combination of human traits. Here are some examples:

Trustworthy — reliable, dependable, honest

Dynamic — energetic, outgoing, ambitious

Fun-loving — playful, lighthearted, quirky

Innovative — forward-thinking, creative, revolutionary

Traits of Brand Personality/**BRAND PERSONALITY FRAMEWORK**

Jennifer Aaker, a behavioral scientist and marketing professor, created a [Brand Personality Framework](#) that includes five dimensions that help characterize and define a brand's personality:

- Sincerity
- Excitement
- Competence:
- Sophistication
- Ruggedness

1. Sincerity: This dimension reflects a brand's perceived authenticity, honesty, and genuine concern for customers. Sincere brands are typically perceived as wholesome, down-to-earth, and caring — think Dove or Tom's of Maine. Build trust by sharing meaningful stories, testimonials, and behind-the-scenes glimpses of the brand, demonstrating the commitment to transparency.

2. Excitement: Brands that fall under this dimension are characterized by their energy, enthusiasm, and sense of adventure — think Red Bull or GoPro.

3. Competence: A competent brand is seen as efficient, reliable, and capable — think Apple or IBM. They aim to convey a sense of expertise and trust and are often associated with high-quality products or services. Demonstrate the brand's knowledge and capabilities through informative and educational content

4. Sophistication: This dimension exudes elegance, refinement, and a sense of charm — think Chanel and Rolls-Royce. Sophistication brands often target customers who appreciate luxury and style in their purchases. Utilize polished visuals, crisp language, and exclusive content to attract an audience that appreciates the finer things in life.

5. Ruggedness: Rugged brands are outdoorsy, tough, and associated with resilience and durability — think The North Face and Jeep. They tend to appeal to customers who value strength, longevity, and durability in products or services. Showcase bold imagery, powerful statements, and content that align with a daring and adventurous lifestyle to appeal to an audience seeking thrilling experiences.

#### 4.5 Elements of brand personality

Elements contributing to the brand's personality can include:

- Tag lines
- Visual assets
- Tone of voice
- Brand values

1. Taglines. A memorable tagline can help define the brand's personality and increase brand recognition. For example, Nike's "Just Do It" is an iconic tagline because of its simplicity, universality, and Nike's consistent use of it across marketing surfaces for decades which has made it memorable and easily associated with the brand.

2. Visual assets. Visual assets like [logos](#), fonts, and [brand colors](#) help reinforce the brand's personality. Logos can also aid in brand recognition, especially when you consider the fact that [94% of the world's population](#) recognizes the red-and-white Coca-Cola logo.

3. Tone of voice. The tone of voice used in brand communications can help convey the brand's personality and values. Using a consistent tone of voice across brand communications helps reinforce a brand's identity; when consumers consistently encounter the same tone, they become more familiar with the brand's personality and values.

4. Brand values. Brands that align with their customers' values are more likely to build trust and brand loyalty. Sophisticated brands like [Rolex](#) and [Chanel](#) have associated themselves with wealthy consumers, those who pride themselves on lifestyles defined by prestige and luxury. This is an example of what's referred to as high brand equity — a marketing term that describes a brand's value.

Apple is known for its sleek, trendy, and minimalist designs. Over time, Apple has remained synonymous with innovation and creativity, with a brand personality that is deeply rooted in the idea of pushing technological boundaries while creating products that are both simple and elegant. Apple's user-friendly interfaces foster a sense of trust and reliability among their customers.

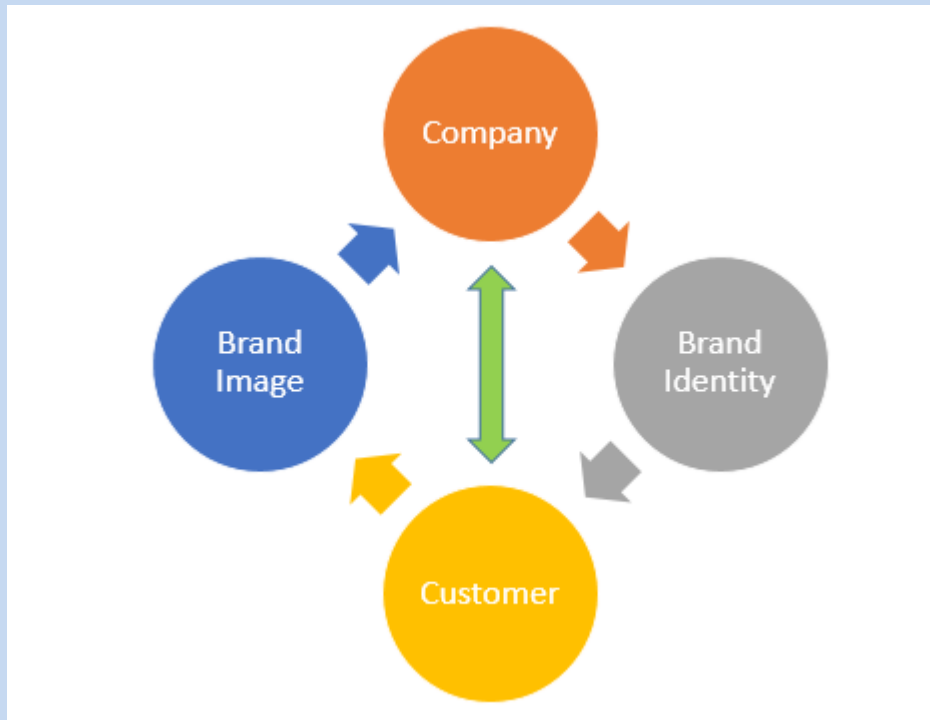
#### 4.6 BRAND IMAGE

Brand image is an impression, view or a perspective the customers form about a particular brand in their mind which is developed over a certain time period through product experience and the brand identity created by companies

Brand image can be defined as how existing or potential customers view the brand and associate with it. It is something that eventually forms in the mind of the customer and may be same as brand identity or may be totally opposite.

Brand image depends upon how customer forms it in his or her mind. It may depend on internal as well as external factors. It may or may not be necessary to actually buy that particular product or directly visit the brand store to form the brand image. It can be influenced by other people and their experiences as well. Brand image is dependent on time also but can be altered based on a single experience which may be very good or the opposite. Mostly brand image is formed over a period of time through multiple experiences, views, opinions and facts.

The ideal scenario is that the brand image should be positive and what the company or the manufacturer wants it to be. Every company wants to position its brand in a certain way which it deems is the best way for it to be seen by the customers, that is known as brand identity.



#### 4.7 Factors Contributing to Brand Image

There are a lot of factors which can lead to a positive or a negative brand image formation.

Following are the main factors:

- Quality of the Product/Service
- Usability of the Product/Service
- Perceived value
- Association
- Durability

##### 1. Quality of the Product/Service

The quality of the product is paramount in defining the brand image. If the quality is good and customer had a good experience while interacting with the brand will make the brand identity clear to the customer. This will lead to formation of a positive brand image and lead to repeat business and word of mouth. In case of the opposite scenario, a negative image will lead to undesired results.

##### 2. Usability of the Product/Service

Quality is one aspect but functional value and usability is another. If the product or service is too complicated or is not useful as per the customer's requirement then the brand image will get affected. Hence usability along with quality should be core of the offering.

##### 3. Perceived value

As brand image is based on how customer sees the brand, the perceived value becomes very important factor in defining brand image. Quality and durability can be great but if the perceived value is not what customer expects, then it will have impact.

##### 4. Association

Strong associations with brand e.g. celebrity, team, cause etc. can lead to formation of a strong brand image. It can also backfire sometimes as association between the both is now formed and can keep impacting both parties leading to rise and fall in brand image.

##### 5. Durability

Durability is equivalent to quality and usability when it comes to brand image. Durability also indirectly shows quality of a product. If a thing is expected to run for a considerable amount of time, stops working earlier will lead to a poor brand image.

BMW as a car is associated with luxury, power and status symbol. The brand image of BMW is positive in minds of target audience and the image is of a brand which will raise their status in society and would be seen as absolute parameter of one's success.

Starbucks is considered to be associated with warmth, comfort and good coffee. The brand image for Starbucks is that of a comforting brand. People associate memories with such brands.

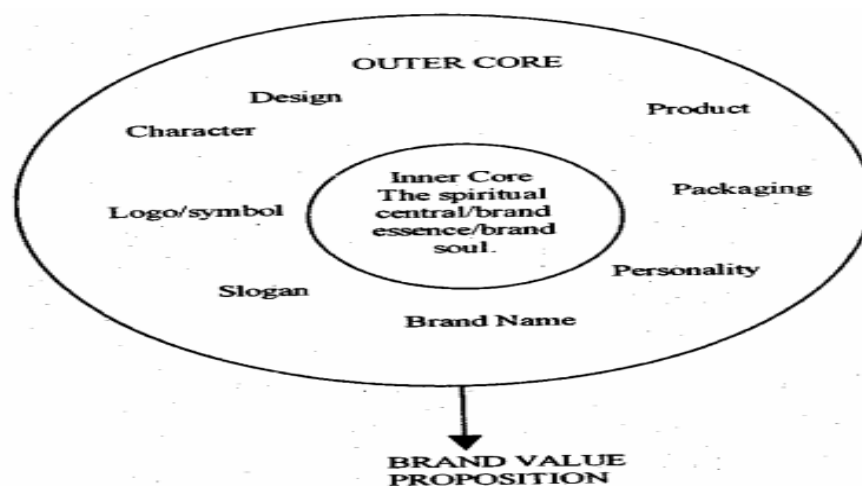
#### 4.8 BRAND IDENTITY

Brand Identity is how a business wants a brand's name, communication style, logo and other visual elements to be perceived by consumers.

Aaker defines brand identity, as a structure having two distinctive levels: the core level and the extended one.

The core brand identity is the very essence of the brand, its fundamental that should remain constant no matter what strategies should involve the brand (e.g. entering new markets, launching new products under the same brand).

The extended brand identity consists of elements that provide texture and completeness, adding details in order to help portray better what the brand stands for.



#### **Brand Identity: Liril**

**Inner core:** Freshness, fun and spirit.

#### **Outer core:**

Product scope : Soaps, perfumes, talcum powders.

Personality : Youthful, spirited, mysterious, charming, energetic, indulgent.

Extensions : Liril Rain fresh, Liril Talc.

User : Young girls, urban.

Association : Waterfalls, excitement, lime.

Slogan : Liril freshness (la, la, la, ra, la ...)

#### **Value proposition:**

Feeling of freshness, youthfulness and energy.

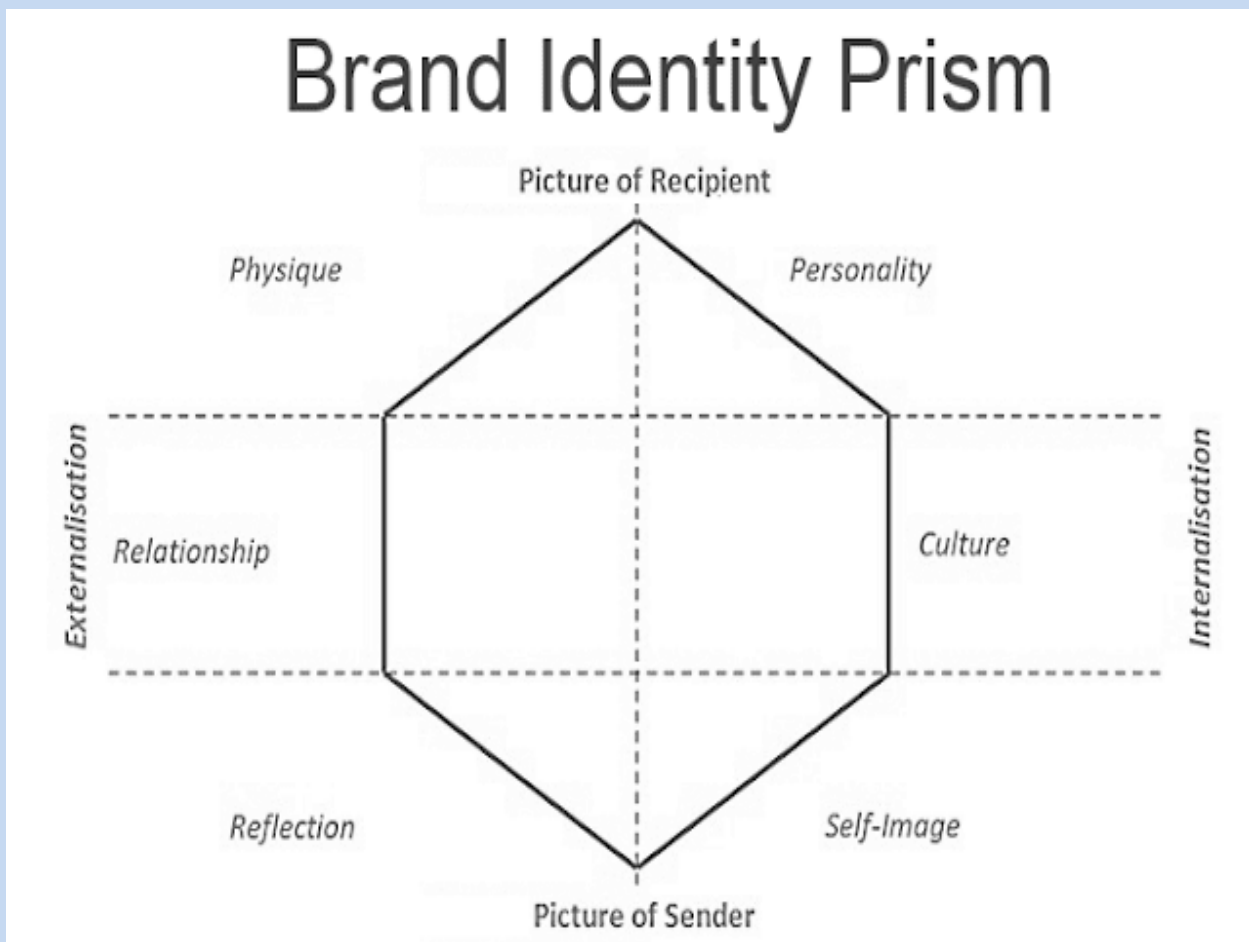
#### 4.9 KEPFERER BRAND IDENTITY PRIZM

Kapferer has grounded his brand identity prism starting from the communication theory according to which, in each communication there is one who communicates, one that builds representations of who speaks, of who receives the message and the relationship that establishes between them.

And the brand fits in this theory as the brand itself is a source of communication. Thus, the physique and personality facets have the role of defining the sender (the brand), while the reflection and self-image facets that of defining the recipient (the consumer).

Relationship and culture fill in the gap between the sender and the recipient. Nonetheless, the brand identity prism presents a vertical division, as well.

Hence, the leftside facets (physique, relationship, reflection) represent the social expression of the brand, meaning brand's visible components, while the right side (personality, culture, self-image) regards brand's inner world, its spirit, being an echo of the other side .



It consists of 2 dimensions:

- Constructed Source vs. Constructed Receiver: How the brand is seen as a person (Physique and Personality) vs. How the brand is seen as its stereotypical user (Reflection and self-image)

- Externalization vs. Internalization: Externalization defines what the brand is to the outside world it interacts with. Externalization parameters (Physique, Relation, Reflection) define how the brand socializes. Internalization parameters (Personality, Culture, Self-image) define the brand internally.

### 1) Physique –

Physique is the basis or the physical appearance of the brand. It may include product features, symbols and attributes like packaging, color.

This element answers the question: What do business do?

Many brands have problems with their physical facet because their functional added value is weak.

Example: Foster Farms Frozen Cooked Chicken. Capabilities: Chicken – Highest quality, Cooking – Making perfectly cooked chicken, Resource – Helping you make successful dinners.

Even an image-based brand must deliver material benefits. We focus on capabilities, which are about the brand's value-added.

Example - Coca-Cola's bottle is easily recognized even eyes closed. One legend design with a typical colour: RED.

### 2) Personality –

Personality defines what personality will the brand assume if it were a person. Personality includes character and attitude.

Brand's personality is actually a result of the brand's communication and consists of those traits of human personality that could be attributed to the brand.

Example - Pepsi is always doing things with humour and derision. The part of fun is big.

### 3) Culture –

Culture takes a holistic view of the organization, its origins and the values it stands for.

Links the brand to its origin.

Cultural values in the brand represents where the brand comes from. In many cases cultural values in the brand are related to its country of origin:

Examples - Mercedes-Benz: German auto engineering excellence, Coca Cola: Kindness, gratefulness, happiness, Tantra T-shirts: Indian

### 4) Relationship –

The strength of the relationship between the brand and the customer. It may represent beliefs and associations in the human world.

How a brand treats its consumers.

Example - Harley Davidson: Red carpet treatment HOG (Harley Owners Group)

Dixons retail: Every single customer, every single time is the most important person in the world

### 5) Reflection –

What does the brand represent in the customer's mind or rather the customer mindset as reflected on the brand

### 6) Self image –

How does the customer see himself when compared to the brand.

Who does the consumer of the brand see them as?

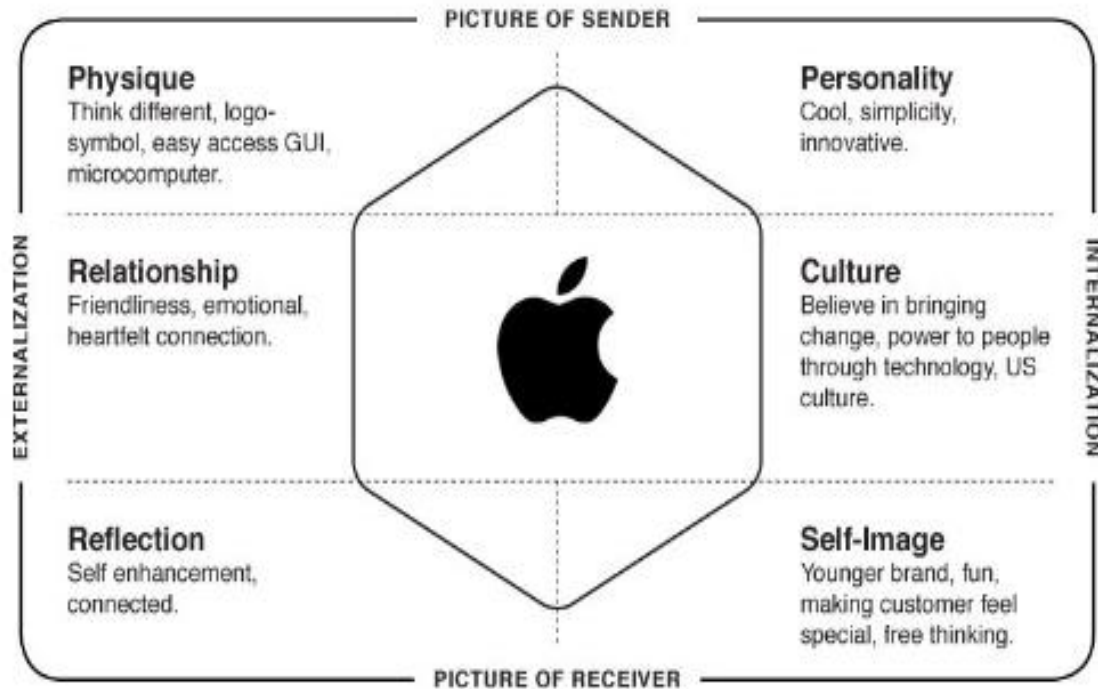
o Fastrack watches: the 'in-the -face' rebel.

o Volkswagen Beetle: The affluent fun-lover.

o Big Bazar: The value conscious bargain hunter.

Example – A customer might see himself capable or incapable of buying a BMW car or any other luxury brand.

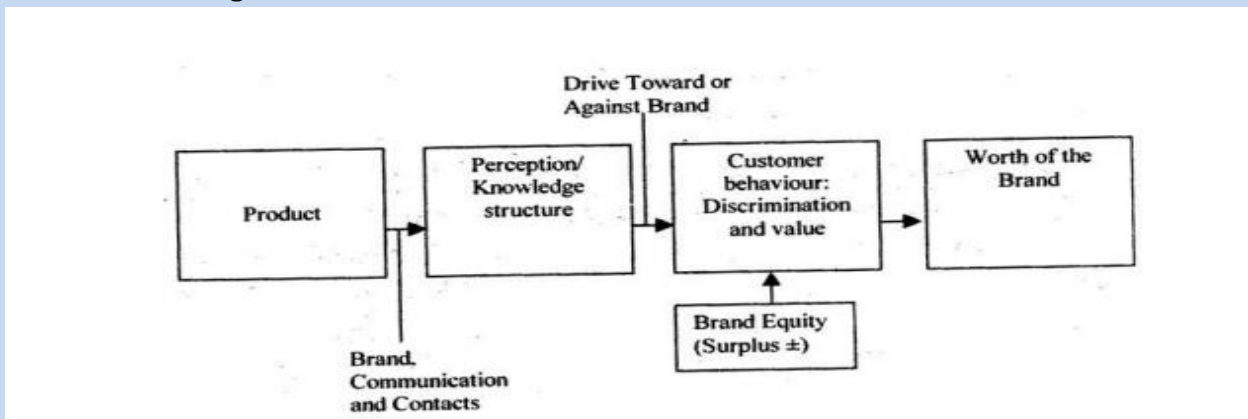
## BRAND IDENTITY PRISM



### 4.10 BRAND EQUITY

Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers.

The best way to achieve this is by conceptualizing the brand equity in terms of the input-throughput-output model which is given below



- The product and its attributes both tangible and intangible- are the inputs to the equity model. It is the brand, which is the basis of equity or value. In the absence of a brand, achieving equity is impossible. It is the fundamental core/block.
- The value that a brand generates is not itself generated. A brand generates more value as a result of discriminating responses that customers exhibit in favour of a brand or the willingness to pay more for a brand. All these are outcomes. It is monetization of these that is called financial worth

or value that is added by the brand. But the most crucial link between the input and output is the consumer- the consumer's mental framework to be more precise.

- It is the consumers' knowledge structure or image or perceptions that a customer has about the brand that drive the outcomes. Operationally, it is the brand and its constellation of knowledge structure in a customer's mind that a brand manager needs to manage to achieve desired equity
- A brand's ability to draw customers, again and again and command premium is directly related to what it stands for in a customer's mind. The brand perception or image is the key driver of brand pull and push away.
- A brand's strength lies in this intervening variable. A powerful brand symbolizes a loyal customer base. It is this, which leads to financial benefits and reduced costs. At the heart of brand equity is the customer equity and an unwavering customer franchise, which stands by the brand. A brand adds value in two ways: for the customers and the marketers. Brand equity assets can enhance or decrease value for customers. A brand's equity is valuable to customers because:
- It helps customers in information processing. A brand is useful in aiding customers in interpreting, processing, and storing information about the products and the brands. It simplifies this process. Brands are considered by customers as chunks of information, which can be easily decoded (drawn meaning thereof) and stored in a proper order. It considerably reduces chaos possibilities that may occur in the absence of branding. Brands allow customers to store great quantities of information about brands without getting any confusion. A Brand's assets enhance customer confidence in the purchase decision. One feels more confident in purchasing a brand (imagine buying an unbranded product e.g., like tooth paste). It happens because of familiarity with a brand. Familiarity creates confidence. Brand stands for consistency and assurance. It provides guarantee of promised delivery.
- The final value to customer comes in the form of usage satisfaction. For instance, satisfaction from drinking Nescafe is different from drinking an unbranded coffee. Brands transform customer experience. The brand associations and quality move the product beyond its 'thingness' boundary enveloping it with images that customer's value

#### 4.11 BRAND BUILDING APPROACHES

Building a strong brand name is key factor for business success. In the competitive business environment of today, consumer sophistication has altered business practices. Organizations are forced to anticipate customers' needs and convey clear messages to consumers by establishing strong brand names and focusing on brand building. A brand's practical attributes and symbolic values are inherent elements that help the brand appeal on consumers' minds and emotion. When consumers relate brands with symbols, it becomes easier for an organization to raise consumer interest. For instance, Lexus is known for luxury, or Apple is known for innovation. Therefore, in consumers' minds, a brand is more than just a recognizable name: it is a promise that needs to be met on a regular basis.

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

1. Constant innovation:
2. Domination of brand:
3. Prompt availability:

#### 4. Integration of new and old media:

- **Constant innovation:** Consumers need continuous innovation and new products. It is not always a new product even an improvement on the existing product is acceptable to the consumers. Through intensive advertising such brands are built which is time consuming.
- **Domination of brand:** brand building largely depends on the domination it creates on the competitors. Domination can take place either in national market or in niche market.
- **Prompt availability:** Prompt delivery of the product is one of the factors that ensure brand building. This is possible if there is proper coordination between the finance, production, and marketing department. Integration of new and old media: Consumers have ever changing demand. Due to availability of various media options the seller can push the product in the market by blending multiple media options. Thus advertising messages are flashed to consumers through media mix.

#### 4.12 BRAND POSITIONING

Brand positioning refers to “target consumer’s” reason to buy the brand in preference to others.

Position is used to understand what consumers think about us and our brand. More specifically, positioning is a way of positioning our product or brand in comparison to the competition. In other words, it's what people think about our product or our brand compared to the other options on the market.

#### Positioning Strategies

- Quality Positioning
- Value or Price Positioning
- Benefit Positioning
- Problem and Solution Positioning
- Competitor-Based Positioning
- Celebrity-Driven Positioning
- Repositioning

#### **Quality Positioning**

- The quality of a given product is one of the most important components of a company brand, and can be combined with other positioning strategies rather easily.
- Since every business is trying to emphasize its commitment to quality, a good way to distinguish the brand from competitors is to narrow the focus to one area of expertise, thereby branding the company as a high-quality and trusted specialist.

#### **2. Value or Price Positioning**

- There are two ways to approach value or price positioning, both of which are crucially dependent on quality.

- One approach is to use a high-end tack, which exploits the psychological belief that the more expensive something is, the more intrinsically valuable it must be.
- Positioning the brand as the provider of high-quality, value-priced products or services.
- Example - Southwest Airlines. In a tough economy, its policy of offering affordable flights as well as promising free checked luggage has allowed it to flourish while other airlines struggle.

### **3. Benefit Positioning**

- Communicating the unique benefits of a product or service has long been a popular brand position.
- With this strategy, the goal is to highlight your company's most powerful attributes — attributes no competitor can claim and that are valuable to the consumer.
- Colgate toothpaste uses a benefit strategy with an effective message: Brush with Colgate and prevent cavities and gingivitis, a benefit promise that appeals to consumers.

### **4. Problem and Solution Positioning**

- Positioning a brand as the solution to a consumer's problem is also a powerful strategy.
- The idea is to demonstrate that the company has the power to relieve customers of whatever problem they may be facing, both quickly and efficiently.
- Example- Pre-packaged chopped vegetables solve the consumer's problem of time-consuming food preparation in a snap.

### **5. Competitor-Based Positioning**

- Business is nothing if not competitive. Therefore, with this positioning strategy, a company takes aim at one or several competitors to demonstrate its superiority among others offering the same type of product or service.
- Car insurance companies often employ this strategy to establish a powerful brand by comparing their rates or service to those of other companies. The message is that consumers should cancel their old policies and purchase their coverage from a different and better insurer.

### **6. Celebrity-Driven Positioning**

- Hiring celebrities as spokespeople or to endorse a company's product or service is a popular way to position a brand.
- The goal is to garner brand awareness and recognition by associating your company with a glamorous individual.
- While this is an expensive route to take, the consumer tends to trust celebrities implicitly because she's familiar with their faces.
- This familiarity inspires buyers to follow the celebrity's lead or to emulate him, making this strategy ideal for selling luxury goods or athletic apparel.

### **7. Repositioning**

Repositioning refers to the major change in positioning for the brand/product. To successfully reposition a product, the firm has to change the target market's understanding of the product. This is sometimes a challenge, particularly for well-established or strongly branded products.

Firms may consider repositioning a product due to declining performance or due to major shifts in the environment. Many firms choose to launch a new product (or brand) instead of repositioning because of the effort and cost required to successfully implement the change.

When a company sees a decrease in sales over time and/or major changes coming down the line, they know it is time to implement changes within the company.

Brand repositioning is when a company changes a brand's status in the marketplace. This typically includes changes to the marketing mix (product, place, price and promotion). Repositioning is done to keep up with consumer wants and needs.

Question No.	Questions	PO Attainment
<b>UNIT - 4: Brand Management</b>		
<b>PART-A (Two Marks Questions)</b>		
1	What is Brand Management?	P01,P05, P07
2	Define Brand Hierarchy	P01,P05, P07
3	Define Brand Personality	P01,P05, P07
4	What is Brand Image	P01,P05, P07
5	Define Brand Identity	P01,P05, P07
6	Explain Brand Equity	P01,P05, P07
7	What is Brand Building?	P01,P05, P07
8	Define Brand Positioning	P01,P05, P07
9	What is the importance of Brand Personality	P01,P05, P07
10	Define brand	P01,P05, P07
<b>PART-B (Ten Marks Questions)</b>		
1	Explain Brand Management in detail	P01,P05, P07
2	Write a short note on Brand Hierarchy	P01,P05, P07
3	Is personality required for a brand ?Describe	P01,P05, P07
4	How to improve Brand Image of a product	P01,P05, P07
5	Write a short note on Brand Identity	P01,P05, P07
6	How to create Brand Equity for a brand	P01,P05, P07
7	Write a short note on Brand Building	P01,P05, P07
8	Describe in detail Brand Positioning	P01,P05, P07
9	Differentiate a branded and an unbranded products	P01,P05, P07
10	What are the merits and demerits of a brand	P01,P05, P07

### UNIT HIGHLIGHTS

- **Brand** is a name, term, sign, symbol, or design that identifies and differentiates a seller's product from competitors.
- **Brand Hierarchy** defines the structure of a company's brand portfolio and includes Corporate Brand, Family Brand, Individual Brand, and Product Modifiers/Descriptors.
- **Types of Brand Hierarchy** include Umbrella (Branded House), House of Brands, Endorsed Brand, and Hybrid Brand strategies.
- **Brand Personality** refers to human characteristics associated with a brand; Aaker's five dimensions are Sincerity, Excitement, Competence, Sophistication, and Ruggedness.
- **Brand Image vs Brand Identity:** Brand image is how consumers perceive a brand, while brand identity is how a company wants the brand to be perceived.
- **Brand Equity** is the value added to a product by the brand name and is driven by customer perceptions, loyalty, and willingness to pay a premium.
- **Brand Positioning** refers to creating a distinct place for a brand in the consumer's mind using strategies like quality positioning, value positioning, benefit positioning, competitor-based positioning, and repositioning.

### CASE STUDY

Apple Inc. follows a **branded house (umbrella brand) strategy**, where the corporate brand "Apple" supports products like iPhone, iPad, and MacBook. The company has built a strong **brand personality** based on innovation, simplicity, and sophistication. Apple's brand identity focuses on minimalist design, premium pricing, and user-friendly technology. Over time, customers have developed a positive **brand image**, associating Apple with status, creativity, and reliability. This strong perception has resulted in high **brand equity**, allowing Apple to charge premium prices and maintain loyal customers. When facing intense competition, Apple occasionally repositions products by adding new features and enhancing ecosystem integration.

1. What type of brand hierarchy strategy does Apple follow?
2. Identify the brand personality dimensions reflected in Apple's strategy.
3. How does Apple maintain strong brand equity?
4. Differentiate between brand identity and brand image in this case.

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**UNIT -V**  
**BRAND PERFORMANCE**

## UNIT – V

### Brand Performance

#### 1. Quote

**“Products are made in factories, but brands are created in the mind.”** — Walter Landor

#### 2. Unit Overview

This unit focuses on **brand performance and strategies for measuring brand success**. It explains the role of branding in different sectors such as **industrial, retail, and service sectors**. The unit also discusses **brand creation, brand extension, and brand portfolio management**. It highlights techniques used to **measure brand performance and evaluate brand success in competitive markets**.

#### 3. Objectives of the Unit

- Understand the concept of **brand performance**.
- Analyze branding strategies used in **industrial, retail, and service sectors**.
- Explain **brand creation and brand extension strategies**.
- Understand **brand portfolio management**.

#### 4. Learning Outcomes

Students will be able to:











- Measure **brand performance and brand value**.
- Apply **brand creation and extension strategies** in different sectors.

#### 5. Key Concepts

- Brand Performance
- Brand Creation
- Brand Extension
- Brand Portfolio
- Industrial Branding
- Retail Branding
- Service Branding

## 5.1 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.

01  +9% 234,241 \$m	02  +8% 167,713 \$m	03  +24% 125,263 \$m	04  Microsoft +17% 108,847 \$m	05  -4% 63,365 \$m
06  +2% 61,098 \$m	07  +5% 56,246 \$m	08  +5% 50,832 \$m	09  +4% 45,362 \$m	10  +11% 44,352 \$m

### Key Metrics for Evaluating Brand Performance

#### Brand Performance Metric 1: Awareness

The first metric you should look at to decipher the brand's performance is awareness. With this metric, you see if the audience remembers the brand and will, therefore, keep coming back for more. Think about Google, for instance. It has such a large brand awareness that everyone understands what you mean by "Let me 'Google' that."

#### Brand Performance Metric 2: Familiarity

The second metric looks at how well the customers know the brand and what you stand for. You might [know the name of some brands](#) but don't know what it is they do or make. This is one of the first steps in creating brand advocates and is a great way to measure the performance of the brand.

#### Brand Performance Metric 3: Consideration

The next metric to look at is consideration and how much of the audience actually wants to buy the product and brand.

#### Brand Performance Metric 4: Advocacy

This is an incredibly important metric and looks at the holy grail of marketing: referrals. What is great about [brand advocates](#) is that they sell the brand and product to everyone for free, and they are also a trusted source of information to the people they are selling to.

## 5.2 BRAND AND ITS PERFORMANCE IN VARIOUS SECTORS

### INDUSTRIAL SECTOR

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

Automotive and ancillaries

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

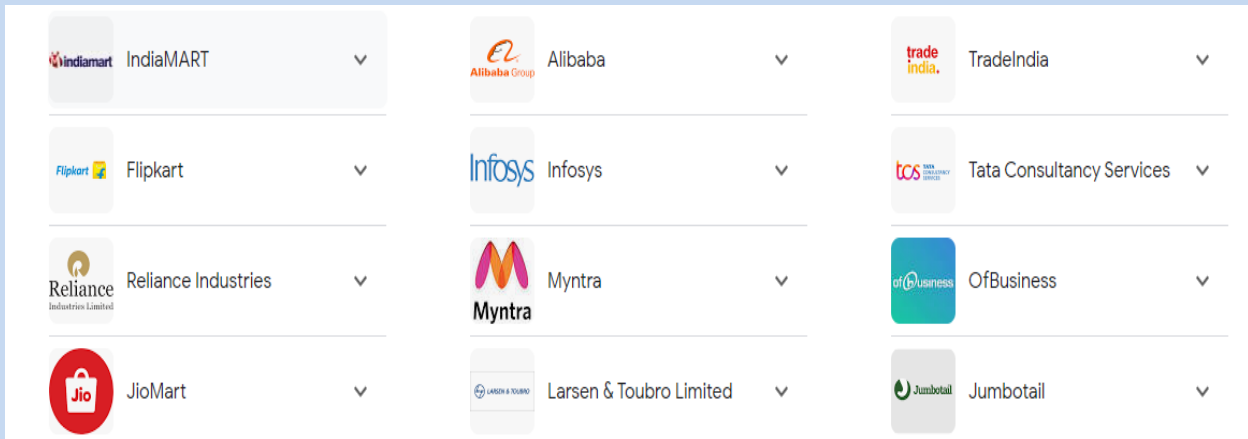
Industrial trading and distribution

#### Features of Industrial Branding

1. Industrial brands are highly specialized.
2. Visibility drives performance
3. Visibility declines for most brands over time.

- Industrial brands are highly specialized. Approximately 80 percent of industrial companies participate in just one or two microverticals, and only about 5 percent participate in more than six. The overall average is 2.5 microverticals per brand.
- Visibility drives performance—but only for a few players. The top three brands in each segment average a total 60 percent of visibility, and the top brand typically has four times more visibility than the third-place competitor. Overall, 5 percent of companies capture 95 percent of total visibility. And top-quartile companies enjoy about 30 percent higher ROI than those in the bottom quartile.
- Visibility declines for most brands over time. About 60 percent of industrial brands have become less visible over the past five years, but 10 percent of brands improved their visibility by more than 50 percent, and the brands of larger companies improved visibility about 20 percentage points faster than those of smaller companies.

Those that improve are rewarded. The top quartile of companies that improved visibility the most increased five-year ROIC by about three percentage points more than the bottom quartile—those whose visibility declined the most.



## RETAIL SECTOR

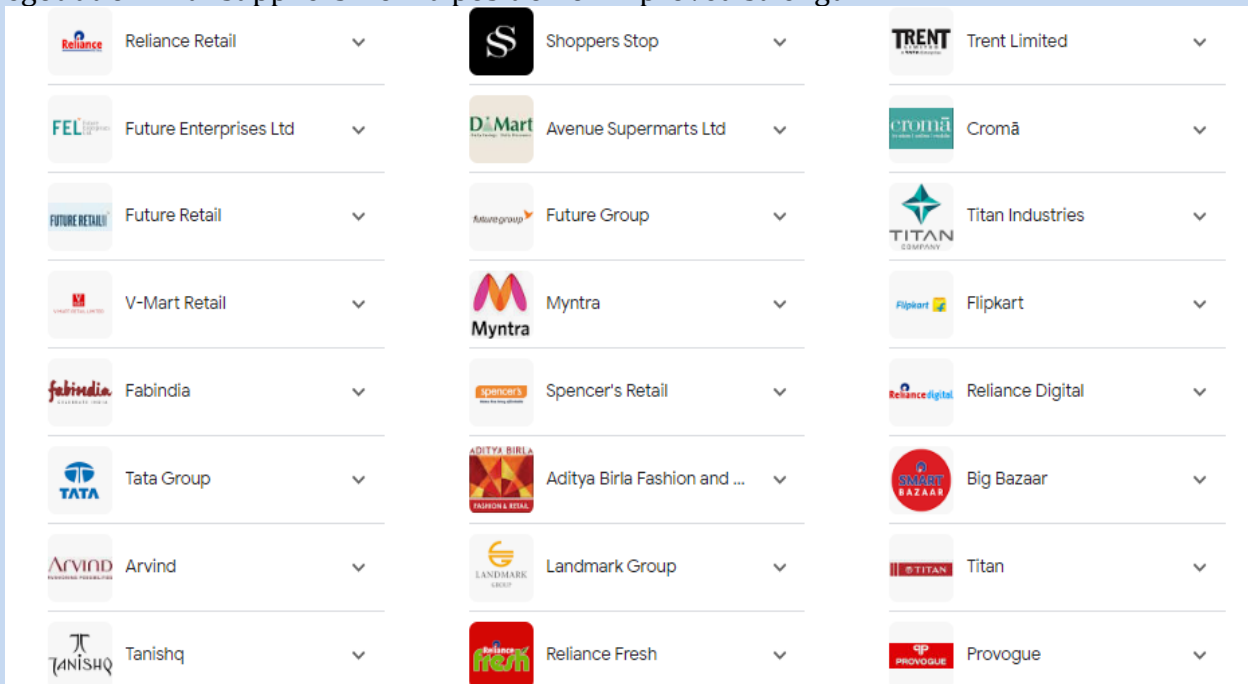
Retail branding is a strategy in which stores, , are uniquely marketed to optimize reach and sales. A retail brand is a group of retailers' stores with a unique name and logo

Retail branding is an essential part of any retail business. It aims to make sure that retail brands leave a memorable impression on customers, keeping them coming back again and again. It's important because not only does it leave a memorable impression on customers but it allows the customers and clients to know what to expect from the retail brand.

The retail industry is a very competitive and customer-based sector and where the most successful real companies ensure that they have a sustainable retail branding

Successful Retail Branding ensures

1. Stable long term demands
2. Better margins
3. 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
8. Negotiation with suppliers from a position of improved strength



## SERVICE SECTOR :

service branding consists of all the activities of brand building in different service sectors, service industries, and service enterprises

### Types of Service Brands

- **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 brand.

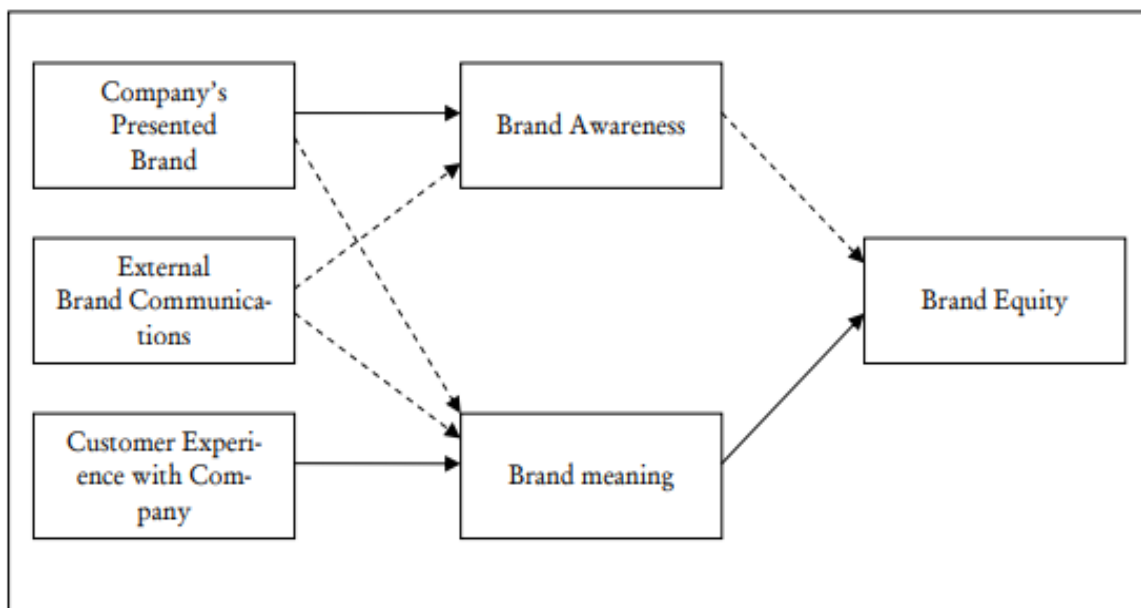
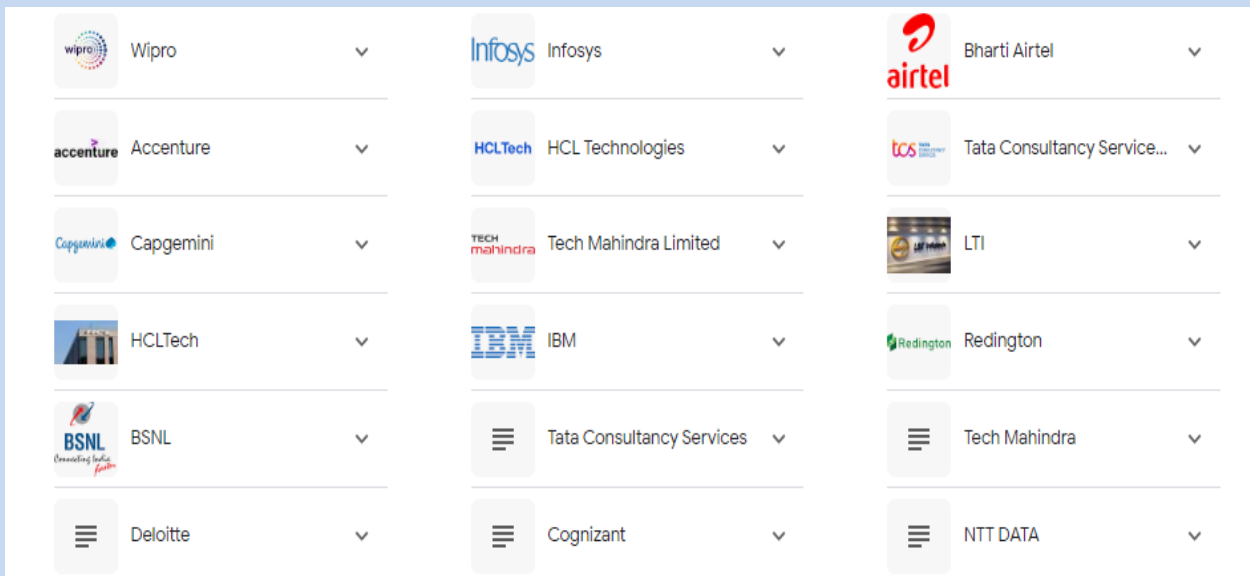


Figure 2-2 The Service-Branding Model (Berry, 2000, p. 130)



### 5.3 METHODS OF MEASURING BRAND PERFORMANCE

Brand performance is the aggregation of measures taken to increase brand recognition, brand recall, and positive brand perception among target audiences, all of which will eventually lead to higher sales.

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

#### 1. Brand awareness

Marketers may assess brand awareness using customer surveys, extrapolating engagement data from social media, and measuring overall campaign impressions. It relates to how simple it is for a consumer to identify you.

Brand awareness is a core indicator for measuring and expanding the brand value, and it should be on every marketer's list of key brand metrics.

The key performance indicators (KPIs) you will be looking for with awareness are:

- Top-of-mind brand awareness: This determines how the customers perceive the position and role in the market. You may be a leader or an innovator.
- Spontaneous brand awareness: This might be an article, blog, or video that mentions you without prompting.
- Prompted brand awareness: This might be the audience mentioning or endorsing the product or service, which has prompted brand recognition.

#### 2. Customer satisfaction

Customer satisfaction is essential to any successful brand strategy. It is preferable to perform a brand health survey that seeks client feedback to gauge customer satisfaction. Customers who are dissatisfied with their purchase are unlikely to return to you and may actively criticize the company.

### 3. Net promoter score

A popular question used to calculate the net promoter score (NPS) is "How likely are you to suggest this product to a friend?" This statistic, which is frequently established through brand health surveys or by analyzing purchase behavior in a certain market, assists you in determining if a client would suggest a brand to others.

### 4. Brand consideration

If a consumer knows who you are, brand consideration impacts how likely they are to buy from you. This may be measured through surveys or by closely monitoring the market share after branding efforts. Brand consideration is an excellent indicator of brand health since it compares the popularity to that of a generic or rival brand.

### 5. Brand perception

What clients feel about the brand is described as brand perception. Are the items consistently excellent buys? Do you provide unrivaled quality? Does buying from you help a worthy cause? The total brand perception is normally quantified using survey data and may be supplemented by measures such as customer satisfaction or net promoter score.

### 6. Brand associations

This indicator identifies which brands the consumers associate with you and how strongly they feel that way. Mapping these links can help you find rivals and prospective partners by giving you a sense of who the "brand neighbors" are.

### 7. Brand loyalty

Brand loyalty refers to consumers' proclivity to purchase items or services from the same brand repeatedly over time, rather than moving to competitors. This can be influenced by variables such as brand trust, contentment with the quality of its products, or a strong emotional attachment to the brand. Brands may assess customer loyalty using tools like brand health surveys and repurchase statistics.

### 8. Brand equity

Brand equity is the value that a brand brings to a product or service that is in addition to its practical advantages. It includes the consumer's sense of and emotional attachment to the brand, as well as the brand's reputation, awareness, and loyalty.

Consumer-based measurements, like surveys or focus groups, are one approach for measuring brand equity. Financial measures include the brand's market share, growth rate, and profitability in comparison to competitors, marketing mix modeling, which uses statistical analysis to assess the impact of marketing activities on sales and brand equity, and brand valuation — which involves assigning a monetary value to a brand based on its financial performance, market share, and consumer perceptions. There is no single approach for assessing brand equity that is regarded as the best, and a combination of methodologies may offer a more thorough knowledge of the brand's worth.

### 9. Brand sentiment

Marketers may use brand sentiment to better understand their company's reputation among specific segments. This may be used to assess how campaigns shape overall views of the brand and can also be directly linked to ROI. After all, if a consumer loves and trusts you, they are more likely to make repeat purchases from you.

### 10. Brand salience

Brand salience may help you identify whether customers remember you. For example, if a fast-food business wants to gauge its salience, it might ask members of their target demographic to list 10 fast-food establishments. If their name is shown on that list regularly, they would most likely be satisfied with their brand salience

## 5.4 BRAND CREATION:

Step 1 – Create it from the heart :

Step 2 – Describe how it looks and feels

Step 3 – Connect with the customers

Step 4 – Tell the brand story

Step 5 – Keep brand on the plan

Step 6 – Own the brand

### **step 1 – Create it from the heart...**

Great brands aren't about clever marketing and big budgets. They're about personality and emotion. Every successful brand comes from the heart.

Designing a quirky logo is not the be-all and end-all of your business identity – it's not even the start.

The first thing you should do is understand what you believe in, what drives you, and how you want your customers to feel when they connect with you. We call this your brand personality or your business DNA.

### **Step 2 – Describe how it looks and feels...**

So a great brand is created by people who know what their business stands for from day one. It has a clear identity and it lives and breathes. It has a tangible personality that resonates through everything you do. Every phone call, email, brochure and social media post.

Strong brands interact with their customers in a way that makes everyone feel good. This is what people scientists call the "emotional connection". So, think of your brand as a person. What's its persona? What does it look like? And, what does it feel like? This stage is vital to your brand success.

### **Step 3 – Connect with your customers...**

As business people, we all talk about promoting our services but this is where we go wrong. Today, more than ever because we're living in the digital age, it's more about connecting.

### **Step 4 – Tell your brand story...**

Brand creation isn't just about creating a mood board of logos, images, fonts and colours. It's about telling your story. Words are key to the whole identity process – from your business name and strapline to your customer testimonials and case studies.

Every great brand has a great story to tell but the key is to capture the essence – not bore everyone rigid with heritage and company landmarks. These things are part of the big picture but your brand vocabulary needs to be crystal clear and easily communicated.

### **Step 5 – Keep brand on your plan...**

Your brand should always be under review because of your business changes. You launch new services and products – you start to compete in different markets. So, keep it on your business agenda.

### **Step 6 – Own your brand...**

Brand gurus claim that no one owns their brand – their customers do and this is essentially true. But that doesn't mean you aren't its custodian or guardian. Take care of it and it will take care of you.

It's important to own responsibility for your brand – to nurture and protect it – and to recognise how important it is to your business.

## 5.5 BRAND EXTENSION

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

Brand extension is a marketing strategy in which a company uses an established brand name on a new product in a related or unrelated category. Releasing an item under a well-known company brand might allow the launch to receive support from existing loyal customers. This strategy, also known as brand stretching, matches the values of the existing company, or parent brand, to appeal to a similar customer base, while also generating new leads by entering a new market.

### Advantages of brand extension

Here are some of the benefits of brand extension:

- Grows audience: Brand extension often allows companies to reach new customers and demographics.
- More earnings: It can also lead to increased sales due to the increased opportunities and potential for new markets, leading to overall boosted profit margins and equity.
- Inexpensive marketing: Because brand extension relies in part on existing fans, organizations can save on money usually spent on promoting and marketing their company.
- Trust from customers: It usually takes some time for new products to earn customers' trust, but consumers may be more open to trying a new product from a brand with established credibility.
- Promotes the existing products: Releasing a new product may help garner attention to the brand, which serves as marketing for the existing products.

### Disadvantages of brand extension

Here are some of the disadvantages of brand extension, along with tips for mitigating risk:

- Potential changes to the parent brand's image: It could change the brand's reputation if the new product is less successful than the original offerings, but it can help to ensure the new product matches the vision and promises.
- Possibility of over-saturation: Participating in too many industries could cause brand dilution as consumers tire of seeing the brand, so consider competing in a market that's related to the current market.
- Smaller marketing budgets: Some organizations may rely too much on brand recognition to attract customers while saving money on marketing, so diversify the marketing tactics to generate interest in the product.

## 5.6 TYPES OF BRAND EXTENSION

Here's a list of some of the top types of brand extensions:

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

### Product extension

Product extension occurs when a business releases new products separate from what they're currently offering. Often, the secondary item is one that complements the first one, referred to as a companion product. **For example, a coffee bean roaster may decide to launch creamer in addition to their coffee beans.**

### Line extension

Businesses may offer a line, or product form, extension by providing more options for their current product. They may create a slight variation by offering something for a specific demographic or providing different size options. For instance, a toothpaste company may offer toothpaste for regular brushing and one for those with sensitive teeth. **A soda company may offer a 12-ounce bottle option in addition to their normal two-liter option.**

### Customer franchise extension

An extension in customer franchise may occur when a business has a loyal customer base and is able to launch products beyond its current product category, targeting the same group of buyers. This gives the company a broader range of products while relying on the trust they've built with this market demographic. **For example, a store selling soccer cleats might begin selling other sports gear to target athletes and active individuals, with whom they already have a reputation.**

### Company expertise extension

Company expertise extension is when a company creates related product categories based on a certain skill they possess. They can then use their expertise and reputation in another product category to reach more audiences. **For example, a company may start out selling kitchen appliances and be popular for its innovative and visually appealing designs. They then may expand into offering home furniture with the same distinct style.**

### Brand distinction extension

Brand distinction extension occurs when a business has a unique brand known for its benefits. Using this distinctiveness, the company may begin serving new niches and industries with the same competitive advantages that brought it recognition originally. **A way a business could do this is by offering products for distinct populations, such as an organic hand soap company providing special soaps for those with dry hands.**

### Transfer of component extension

If the public knows a brand for a distinct feature of their products, like their eco-friendly ingredients, bright color or soft fabric, the brand may offer a different product that also has this feature. These companies use their notable taste, ingredient or another element in other products to attract those who already like this feature on the existing product. **For example, a perfume company with a wild vanilla scent may begin selling laundry detergent and candles with a wild vanilla smell.**

### Extension by leveraging a lifestyle

Extension by leveraging a lifestyle revolves around creating a culture and set of values for consumers. This gives customers something to relate to visually, such as an adventurous spirit or hardworking mentality. Once a company creates a recognizable lifestyle, it can expand to offer items related to it that may help customers embody that lifestyle. **For instance, a stationary business may focus on offering elegant cards. This could lead them to expand and offer other elegant items, such as fountain pens, watches and dishes.**

## 5.7 BRAND PORTFOLIO

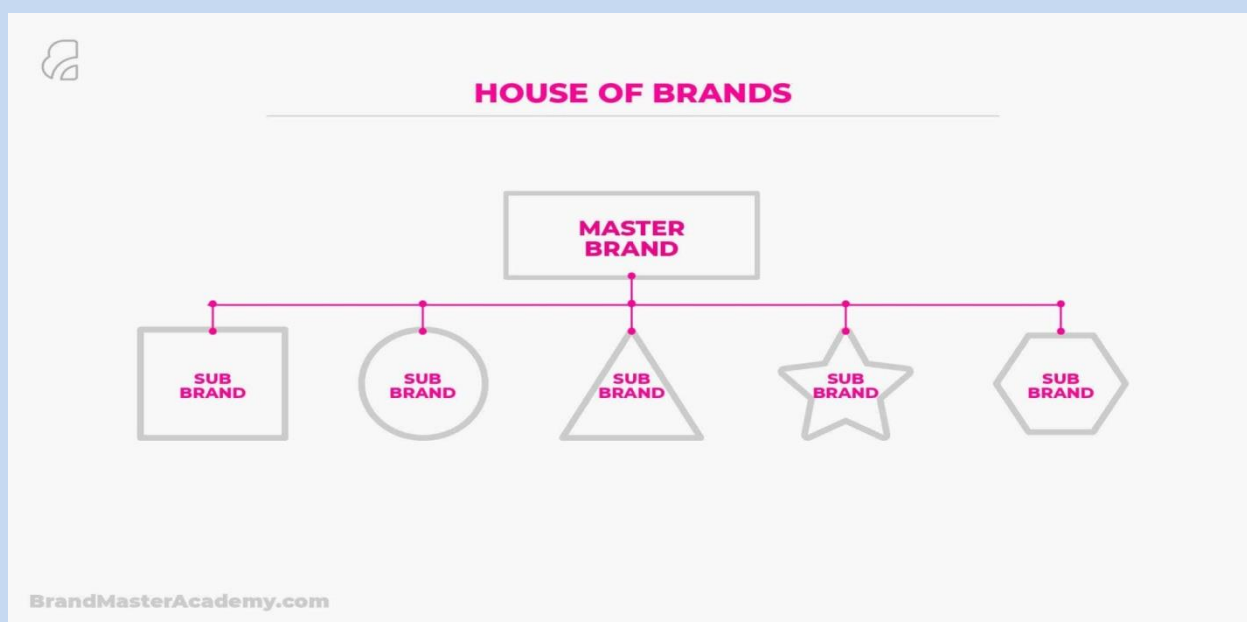
Brand Portfolio is a collection of brands falls under the overarching umbrella of a larger firm or company.

A large parent company uses various brand names to introduce products and services to fulfill the requirements of different market segments.

This relationship between brands is called a brand portfolio, with the parent brand holding a portfolio of sub-brands.

Picture a family tree with the primary brand at the head of the family. In that case, all the branches and offshoots are different brands, often [targeting different audiences](#) and market segments.

These brands can be sub-brands or individual brands in their own right.



- A house of brands can be a powerful way to leverage the strengths and opportunities of different markets, segments, and niches. By creating and acquiring multiple brands, a company can offer a diverse portfolio of products or services that cater to different customer needs, preferences, and values. A house of brands can also reduce the risk of cannibalization, dilution, or confusion that may arise from extending a single brand too far. Additionally, a house of brands can foster innovation, creativity, and experimentation, as each brand can have its own identity, positioning, and voice.
- Creating sub-brands within a house of brands requires a clear and strategic vision of the purpose, value proposition, and target audience of each brand. A sub-brand should have a distinct name, logo, design, and personality that reflects its core attributes and differentiates it from the parent brand and other sub-brands. A sub-brand should also have a strong and consistent brand identity, story, and message that resonates with its customers and builds trust and loyalty. A sub-brand should be aligned with the overall corporate vision and values, but also have enough autonomy and flexibility to adapt to changing market conditions and customer expectations.
- Managing sub-brands within a house of brands requires a careful balance between coordination and independence. A company should establish clear and coherent guidelines and policies for brand governance, communication, and collaboration across the sub-brands. A company should also monitor and measure the performance, reputation, and equity of each sub-brand and provide feedback and support as needed. A company should also foster a culture of learning and

sharing among the sub-brands, encouraging cross-brand innovation, best practices, and synergies. A company should also respect and celebrate the diversity and uniqueness of each sub-brand and avoid imposing unnecessary or conflicting constraints or expectations.

Examples of brand portfolios

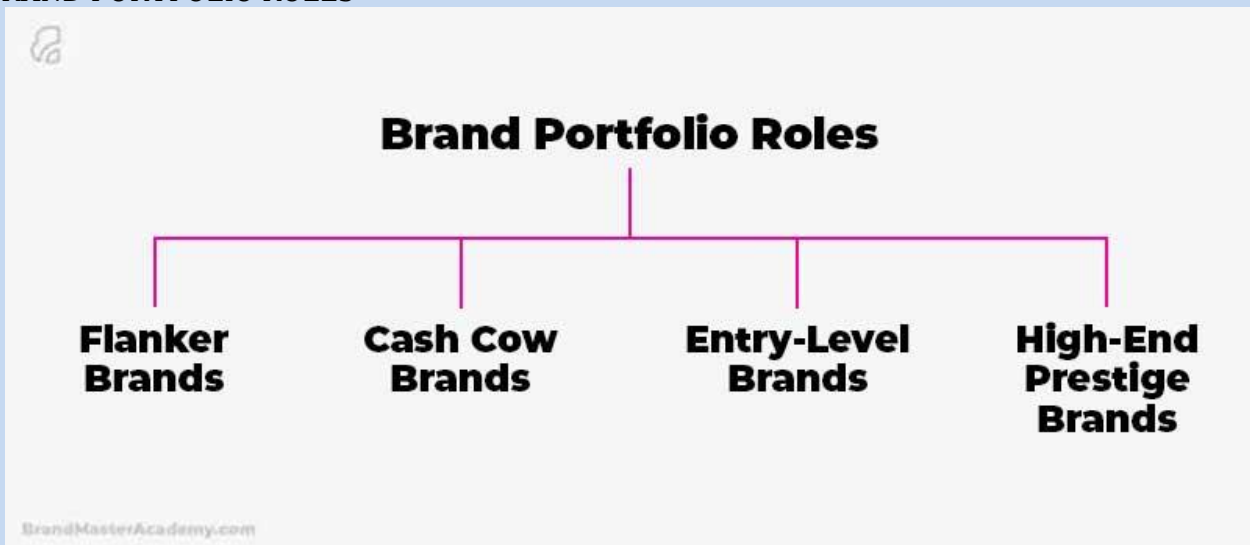
Here are some examples of well-known brand portfolios to help you better understand the concept:

**The Coca-Cola Company**

The Coca-Cola Company is one of the most well-known brand portfolios, comprising over 200 brands worldwide. Its portfolio primarily includes food and beverage brands with different prices, qualities, and purposes. The Coca-Cola Company uses the house of brands model as each brand within the portfolio operates independently. Here are some of the brands under the Coca-Cola Company portfolio:

- Ades
- Aquarius
- Barq's
- Coca-Cola
- Costa Coffee
- Dasani
- Fanta
- Fresca
- Fuzetea
- Powerade
- Sprite
- Vitamin Water

## 5.8 BRAND PORTFOLIO ROLES



Assign a role to each brand within the portfolio, so all the companies know how they're contributing. Here are the four common types of roles in a brand portfolio:

Flankers

A flanker or fighter brand is a new brand that a parent company with similar products introduces to the market. The goal is that the new company targets a different audience than the parent company to gain new customers and increase sales without impacting the parent company's success.

For example, a woman's clothing company may introduce a children's clothing company to the market. The flanker brand typically aims to attract new customers by offering higher quality products than the

parent company, or lower quality products at a better price.

#### Cash cows

A cash cow brand is an established company that earns a steady flow of income. Cash cows are typically in a slow-growth industry, meaning the company may have little to no progress or change, but it still earns enough to operate and generate profit. A cash cow typically requires minimal upkeep, such as investments or new products.

#### Low-end entry level

A low-end, entry-level brand is a company within a brand portfolio that offers affordable products or services, especially compared with the other brands in the portfolio. Having one brand that offers cheaper products and services can attract new customers, and if they have a good experience, they may be more likely to purchase from the other brands. Once the brand has an established customer base, the company may choose to increase its prices.

#### High-end prestige

Some brand portfolios may include high-end brands that sell luxury items. This can help create a sense of prestige, encouraging customers to purchase these high-end products to improve their image. This may encourage customers to buy other items from the brand portfolio as they may be perceived as being of higher quality.

Question No.	Questions	PO Attainment
<b>UNIT - 5: Brand Performance</b>		
<b>PART-A (Two Marks Questions)</b>		
1	What Is Brand Performance	P01,P05 , P07
2	What is the scope for Industrial Sector	P01,P05 , P07
3	Explain the purpose of Retail Sector	P01,P05 , P07
4	Name five Indian brands in Service Sector	P01,P05 , P07
5	List five branded Indian retail outlets	P01,P05 , P07
6	Name five branded industries in India	P01,P05 , P07
7	List some online brand retailers selling second hand items	P01,P05 , P07
8	What is the need for Measuring Brand Performance	P01,P05 , P07
9	Define brand creation	P01,P05 , P07
10	Define brand extension	P01,P05 , P07
11	What is brand portfolio	P01,P05 , P07
1	Describe how to improve brand performance	P01,P05 , P07
2	Describe the Role of branding in Industrial Sector	P01,P05 , P07
3	Is branding required in Retail Sector? justify	P01,P05 , P07
4	What are the steps used in branding in Service Sector	P01,P05 , P07
5	Explain how to Measure Brand Performance	P01,P05 , P07
6	Describe importance of Brand Creation	P01,P05 , P07
7	What is Brand Extension? How to extend brand	P01,P05 , P07
8	Justify the need for Brand Portfolio	P01,P05 , P07
9	Distinguish between branding in retail sector and industrial sector	P01,P05 , P07
10	Compare the branding in service sector and industrial sector	P01,P05 , P07

### CHAPTER HIGHLIGHTS

1. **Brand Performance** measures how effectively a brand connects with customers and drives business results through awareness, familiarity, consideration, and advocacy.
2. **Key Brand Performance Metrics** include brand awareness, customer satisfaction, Net Promoter Score (NPS), brand loyalty, brand equity, brand sentiment, and brand salience.
3. **Industrial, Retail, and Service Branding** differ in visibility, specialization, customer trust, differentiation, and long-term demand generation.
4. **Brand Creation Process** involves defining brand personality, emotional connection, storytelling, customer engagement, continuous review, and brand ownership.
5. **Brand Extension** is the strategy of using an established brand name to introduce new products; it offers benefits like trust and cost savings but may risk brand dilution.
6. **Types of Brand Extension** include product extension, line extension, customer franchise extension, company expertise extension, lifestyle extension, and component transfer extension.
7. **Brand Portfolio** is a collection of brands under a parent company, with roles such as flankers, cash cows, low-end entry-level, and high-end prestige brands to target different market

### CASE STUDY

The Coca-Cola Company manages one of the world's largest **brand portfolios**, comprising more than 200 beverage brands such as Coca-Cola, Sprite, Fanta, Dasani, and Costa Coffee. The company follows a **house of brands strategy**, where each brand operates with a distinct identity and targets different customer segments. For example, Coca-Cola represents classic refreshment, while Sprite targets youth with a bold personality, and Dasani focuses on health-conscious consumers. Some brands act as **cash cows**, generating steady revenue, while others serve as **flankers** to compete in niche markets. By diversifying across categories like carbonated drinks, water, juices, and coffee, Coca-Cola reduces risk and maximizes market coverage. Effective brand performance measurement through awareness, loyalty, and brand equity helps the company sustain long-term profitability.

1. What type of brand portfolio strategy does Coca-Cola follow?
2. Identify examples of flanker and cash cow brands in the case.
3. How does a diversified brand portfolio reduce business risk?
4. Which brand performance metrics are important for Coca-Cola?

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**“Your brand is what people say about you when you’re not in the room.” — Jeff Bezos**