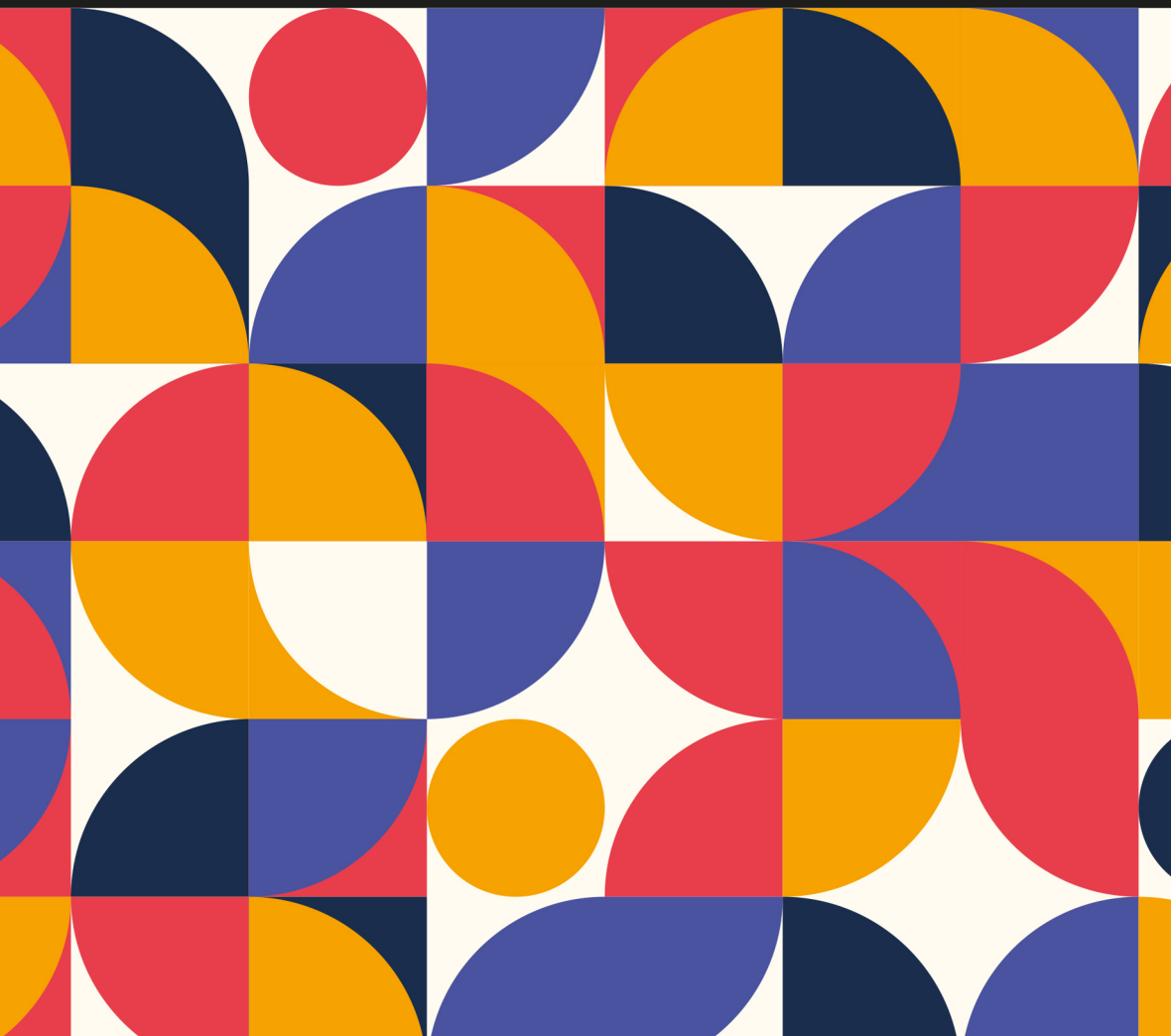


Integrated Advertising, Promotion, and Marketing

Communicating in a Digital World

Anubhav Mishra and Tata Sai Vijay



INTEGRATED ADVERTISING, PROMOTION, AND MARKETING

This book introduces the concepts, perspectives, and importance of integrated marketing communication (IMC). It presents the history of Indian advertising, the strategic importance of IMC, and a discussion on social and cultural factors that enhance the effectiveness of marketing communication.

Attuned to an evolving, Internet-driven, social media-connected world, the book covers all the important forms of communications used by business organizations, touching upon key areas, from marketing plans, branding, positioning, and creative briefs to copywriting, design. It takes the readers through the varied strands of IMC, including advertising, public relations, direct marketing, and sales promotion. The volume also presents considerations for each major media format with an aim of sending their messages to the end consumer.

This volume will be an invaluable resource for students, scholars, and marketing professionals as it covers a wide range of topics like communication strategies, advertising, marketing, brand management, media studies, and public relations.

Anubhav Mishra is Professor of Marketing at Jaipuria Institute of Management Lucknow. Previously, he worked at Indian Institute of Management Ranchi as Assistant Professor. He did the Fellow Program in Management from Indian Institute of Management Lucknow in Marketing. He completed his Executive Post Graduate Program from Indian Institute of Management Kozhikode. He holds a Bachelor of Technology Degree in Mechanical Engineering from Institute of Engineering and Technology, Lucknow. Prior to academics, he has 11 years of corporate experience working in the IT industry (SAP Labs India and Infosys Technologies Ltd.).

Prof. Mishra's research interests are online consumer behavior, electronic word of mouth, consumer socialization, adoption of emergent technologies (augmented reality, virtual reality, and voice assistants), and online fake reviews. Prof. Mishra has published in top-ranked journals such as *International Journal of Information Management*, *Journal of Business Research*, *Psychology & Marketing*, *Journal of Consumer Behavior*, *Journal of Consumer Marketing*, *Marketing Intelligence and Planning*, and *Journal of Services Marketing*.

Prof. Mishra has taught students of graduate program, doctoral program, and executive education. He has also conducted management development programs for higher management and offered consulting to Government and Commercial organizations.

Tata Sai Vijay is Assistant Professor in the Department of Marketing at Indian Institute of Management Ranchi. Previously, he worked at the Institute of Management Technology Nagpur and was also associated with the Shankaracharya Group at Bhilai and Raipur. He did the Fellow Program in Management from Indian Institute of Management Raipur in Marketing. He holds a master's degree in management and also in science (chemistry).

His research interest includes online consumer behavior, online consumer reviews, consumer buying behavior for new and innovative products, customer relationship marketing, and impulse buying behavior. He has published research papers in various journals like *Journal of Retailing and Consumer Services*, *Journal of Consumer Marketing*, *Journal of Strategic Marketing*, *Journal of Global Information Management*, *Journal of Consumer Behaviour*, *Journal of Internet Commerce*, *Pacific Asia Journal of the Association for Information Systems*, and *Journal of International Consumer Marketing*. He has also published case studies in Ivey Publishing and Case center.

He has taught students of postgraduate program, doctoral program, and executive education. He has also undertaken consulting research for state government organizations.

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*Dedicated to my parents
(Late) Smt. Subodhini Mishra (mother) and Shri Bhola
Nath Mishra (Father)
and
My family: Tripti Mishra (wife), Anwesha and Tanishka
(daughters)
– Anubhav Mishra*

*I dedicate this book at the Divine Lotus Feet of
my Beloved Lord Bhagawan Sri Sathya Sai Baba,
without whose Grace this project would not have been
accomplished.*

*To my parents, Mr. T. V. Ramana Rao and Smt. T. Aruna.
To my wife T. Girija and daughters Sai Saumya and Sai
Sharanya.*

–Tata Sai Vijay



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PREFACE

A good advertisement is one which sells the product without drawing attention to itself.

—David Ogilvy

Consumers from each nook and corner of the world are exposed to some form of marketing communications. The key term is communication, which is a basic need of humans who love to communicate with other humans, animals, and even departed souls. Since evolution, the desire to communicate with the known and unknown is reflected in the primitive drawings in caves and sign language. As mankind has evolved over the centuries, so does the means of communication. The industrial revolution led to the emergence of concepts of consumption, consumerism, and marketing, creating a strong need for the right marketing communications and strategies that could build or kill a brand or firm.

The communication tools evolved along with the technology revolution, from print to radio to TV, and now the ubiquitous Internet and digital media. The latest emerging technologies like augmented reality, virtual reality, metaverse, and voice assistants have been added to the long list of promotion mix. Most of the people (falsely) perceive that advertising is the only form of communication due to their exposure to ads mostly via print and TV. However, the current landscape includes multiple tools that companies use to reach their target consumers. Firms use a mix of broadcast media, direct marketing, interactive or online media, promotions, personal selling, and public relations to continuously engage with consumers. Moreover, firms want to understand and evaluate their spending (ROI) especially due to the rise of digital media that offers many metrics for measurement of campaign effectiveness. Thus, it is imperative that all the marketing and communication

efforts of firms should work in tandem instead of working in silos leading to lot of duplication and wastage of money. Thus, the concept of integrated marketing communications (IMC) came into existence. The basic premise of IMC is to bring all the communications efforts across various media channels under one umbrella to reduce redundancy and duplication and to enhance the overall effectiveness and efficiency of communications to target consumers.

A majority of the world's population is available and reachable on social media like Facebook, Twitter, YouTube, LinkedIn, Instagram, and WhatsApp. Companies can reach a consumer via voice assistants like Alexa or Google Home or “always on” smartphones. Technological advances have forced companies to revisit their traditional ways of communication with consumers. Other than the Internet, the mobile revolution is another critical event that has drastically changed consumer behavior, especially of young consumers who live and sleep by their smartphones. Many companies are using a mix of available IMC tools to reach consumers. As an example, it is common to see an ad in a print newspaper about a home delivery e-commerce firm or an EduTech company, which has a QR code embedded in the ad, so that consumers can scan the code and install the app on their smartphones.

Digital platforms have brought another significant change in the traditional way of advertising. Many big companies used to dominate the traditional media like print and TV due to their big advertising budgets. These companies hire advertising agencies and spend a huge amount of money and time on their campaigns. However, online advertising costs relatively less and can be precisely targeted. Hence, it offers a level playing field to all the firms irrespective of their money power. In fact, mostly smaller firms are performing better when it comes to online advertising. New age companies like Netflix, Zomato, and Swiggy extensively use moment marketing, fun, and humor in their social media channels to strongly drive consumer engagement. The mechanism of communication has shifted from “one-way” forced communication to interactive two-way communication. Consumers have become promoters of the marketing messages as companies try to create viral ads. Online media allows companies to generate free publicity to augment their efforts using owned and paid media. Since online platforms are available to millions of consumers globally, consumers have the power to show their dissent and disagreement with the content of any ad. Online firestorms are a regular phenomenon on social media where one can always find a segment of consumers supporting a boycott of some brand due to their disagreement with the brand ads. Furthermore, today's young consumers have a very short attention span, and getting their attention is very tricky. Hence, marketers are forced to adopt the philosophy of *मितं च सारं च वचो हि वाम्बिता* (words and meaning must be as concise as possible). On the negative side, online platforms have issues of data theft, data privacy, and security. Hence, marketers must respect the privacy concerns of consumers and adopt ethical practices in their communications. This textbook presents the philosophy and fundamental concepts of integrated marketing communications to the readers (students and faculty), including all the aforementioned points.

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When I accepted the offer to write this book, I never imagined that writing a book is a real example of a herculean task, which requires effort and constant support from many. Unfortunately, during the period of writing the book, humankind experienced the worst crisis in the form of coronavirus pandemic. Many of us lost our loved and dear ones during the unprecedented crisis and still healing the wounds. First of all, I would like to acknowledge all the individuals who worked tirelessly to save invaluable lives and reflected the beautiful face of humanity. Many positive stories of courage and selfless serving provided me with the much needed inspiration and motivation to continue with the job of writing the book during times of extreme anxiety, fear, and stress.

I would like to express my gratitude to my parents, (Late) Smt. Subodhini Mishra (mother) and Shri Bhola Nath Mishra (father), especially my mother, who was always a pillar of strength throughout my life before she left for her heavenly abode.

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Though Indian newspapers dominate the list of largest dailies by circulation all over the world, I feel that the quality of print ads still has a long way to go to do justice to the vast amount of readers. In that context, I would like to appreciate the Times of India group for their unique initiative of “Power of Print” campaign to bring creativity back in limelight and to build meaningful and impactful campaigns to bring out social changes.

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My sincere thanks to coauthor Tata Sai Vijay for being a part of this tough yet beautiful and rewarding journey.

Finally, I bow to the Goddess Saraswati, the goddess of wisdom, knowledge, and learning. Without her blessings, I wouldn’t have been able to do any of this.

—Anubhav Mishra

As academicians, writing is one of the most important tasks that we undertake. Usually, it is more inclined toward writing research papers; however, writing a book in itself is a herculean task. This book is an outcome of patience and endurance of many people, and certainly it would not have been possible without the help, support, and motivation of all those who had been part of this journey. First of all, I would like to acknowledge all the individuals who worked tirelessly to save invaluable lives and reflected the beautiful face of humanity.

I would like to express my gratitude to my parents, Smt. T. Aruna (mother) and Shri T. V. Ramana Rao (father). I would like to extend my heartfelt thanks to my wife T. Girija for all her support and help throughout this project. Also, my thanks and love to my beautiful daughters Sai Saumya and Sai Sharanya.

I am thankful to my dear friends and colleagues at IIM Ranchi for their support and guidance. I would like to extend my heartfelt thanks to all of my teachers and mentors. My sincere thanks to my beloved students who have always enriched my learning and understanding of the subject with open and engaging discussions. They not only made classroom discussions enjoyable but also offered deep insights into concepts and strategies, which helped me in creating content suited for the new age readers.

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My sincere thanks to coauthor Anubhav Mishra for being a part of this tough yet beautiful and rewarding journey.

– *Tata Sai Vijay*

1

AN INTRODUCTION TO IMC

Opening case

The *Times of India* (TOI) is the largest selling English-language newspaper in the world and third-largest in India by circulation. The Times Group launched a powerful initiative “The Power of Print” (PoP) that invited creative minds to build an impactful print campaign for the selected theme. The winner of the PoP gets a chance to appear in the pages of TOI supported by a multi-crore budget. TOI started PoP initiative to save the deteriorating newspaper industry due to poor ad creatives. The sponsoring client gave a real brief that was open to everyone to create the campaign. In the first year, the focus of the campaign was “Educate the girl child”, followed by an “Educate parents on the right nutrition for their kids” initiative the second year. Nestle was the client for the first two years. The data suggested that 20 million girls drop out of school every year! Nestle India partnered with Nanhi Kali, an NGO which worked toward getting more and more girls to school. The partnership with Times Group gave Nestle the leverage of the print medium. The first edition saw an entry by J. Walter Thompson that beat 822 other entries to emerge as winner. It also won a gold at the Abbys and witnessed overwhelming participation. In the third year, Croma partnered with TOI for the brief about e-waste management. In its fourth edition (2021), the brief (theme) was to design the campaign that would motivate people to accept the mask. While the world knew the critical role of mask in controlling the virus spread during the COVID-19 pandemic, its usage was limited and government had to enforce the mask-wearing behavior. The main reason to wear the mask was to safeguard “ME” from others. The campaign brief focused on the key message that a mask was not a medium to protect YOU as an individual from the world; it was in fact a device that protects the loved ones and the world

from YOU. If you observe all the briefs were about creating a change in behavior leading to a better society. While many think advertising as a tool for commercial objectives, it has brought desirable social changes and changed the lives of millions. We do not promote the perceptions of integrated marketing communications (IMC) as a tool to influence and persuade consumers to buy anything. Instead, we strongly believe that IMC has the power to change the human behavior for a greater good.

Introduction

The marketers need to connect with the audience to inform about the product and create a direct communication with them. In order to connect with the audience, the marketer uses several techniques such as advertising, publicity, promotions, and social media to connect with a global audience. This professional communication has become more challenging because “communication” differs among individuals. For those who are involved in communication, it might be challenging to obtain a clear understanding of consumers’ expectations and how they perceive the information sent by marketers by various mediums. In the early initial stages of marketing, direct marketing was the dominant tool used to reach consumers. Then, with the advent of mass media (newspapers, radio, and TV), the focus shifted to advertising and promotions. The rise of retail chains increased in-store marketing and promotions. Later, the Internet and social media gave the rise of digital marketing. Since most of the tools were working separately in silos, the firms faced complex challenges to understand the role of each medium in achieving the overall objectives and meeting the campaign goals. Moreover, each channel was suited for a distinct objective. Thus, the concept of IMC emerged. IMC was first introduced in the 1980s and has impacted the way marketers and communicators interact and conduct business. As per American Marketing Association (AMA), IMC is a strategy for making sure that all of a customer’s or prospect’s brand that encounters with a goods, service, or organization are current and consistent throughout time. In this chapter, we will briefly discuss the IMC tools and importance of IMC for a business. But before that, let us go back in the history to examine how it all started in India.

History of advertising in India

Since ancient times, hawkers have plied their trade in India’s markets and cities. The origins of advertising can be seen in classified ads appearing in *Hickey’s Bengal Gazette*, India’s oldest newspaper (weekly). Until about the late 18th century, newspapers and magazines advertised births, funerals, warship movements, and sales of domestic items. Some magazines, like the *Bengal Journal*, launched in 1785, would carry government ads for free.

Most of these magazines' front pages were filled with ads. As time went on, persuasive ad copy appeared such as "superior to anything previously imported" and "guaranteed top quality". Vouchers and special services were also introduced in the early 1800s. Later, newspaper and magazine ads helped expose new products to the market. Advertising's power rose dramatically with trade and commerce.

The number of British corporate commercials increased as the industrialization impacted our culture. Agents procuring magazines and newspapers content on a contract basis prospered during that period. *The Statesman* and *The Times of India*, for example, had their own ad departments. The advertiser no longer would have to spend time establishing an appropriate arrangement for the adverts, and the publisher could maintain a level of uniformity in the advertisements which featured in its column. From the concept point of view, readers would be surprised to see that focus on "value for money" was there even more than 100 years ago. In one of the early ads in 1907, the Taj Mahal Palace hotel at Mumbai (then Bombay) highlighted "moderate charges" for offering the best of the comfort, stressing its value proposition.

The early 20th century

The Swadeshi Movement of 1907–1911 and the *Statesman* of Calcutta's 1907 installation of the country's first rotary letterpress machine played major roles in driving the creation of Indian advertising firms. Many publications quickly adopted the new technology, making it possible to print a low-cost newspaper with wide distribution across the country. When the Indian Ad Firm was first established around this period, it was one of the first of its kind in India. These agencies were primarily responsible for securing and distributing ads in the media. Major British advertising agencies during this time period were Alliance Advertising Associates and Publicity Society of India. There were no government regulations on the type and content of ads. Tobacco and liquor product ads were not banned. Ads of those times give us a glimpse of societal values of that era. For example, ads of USHA sewing machine promoted the concept of training the daughter for the work of future housewife. Using such ad copy in today's times may attract the wrath of consumers against gender discrimination practices. Nonetheless, these legacy ads offer very interesting insights into the prevailing social and cultural values. One can have a mesmerizing experience of the history of India and advertising by just walking through these ads.

DIY: Fun trivia

Talk to your parents or grandparents and find out their favorite advertisements, which they still remember. Search them online and watch those ads. Compare these ads with your favorite ads. Analyze and think about how the message propagation has changed over period of time.

The World War years

Many Indian agencies were developing during the wars, including Madras Publicity, Calcutta Publicity, and Tiruchirapalli Oriental Advertising Agency. The Vasudeva Publicity Services was founded in Delhi to run outside advertising campaigns in Uttar Pradesh, Punjab, and Delhi. The National Ad Service was established in 1931. These include New India Publicity Co. (1930), Paradise Ad Agency of Calcutta (1928), and the Indian and Eastern Newspapers Society (IENS). The Indian, Burmese, and Ceylonese media owners created the IENS to coordinate. The IENS helped formalize ad agency operations and represented the interests of newspaper proprietors. In 1945, the Advertising Agencies Association of India (AAAI) and the Audit Bureau of Circulation (ABC) were formed. The AAAI was recognized as a professional organization with the authority to advocate its interests. The ABC lent legitimacy to newspaper circulation claims. These agencies and government bodies worked together toward the interests of advertisers and publishers.

Post-independence advertising

The British-owned agencies were sold to Indian businesses after Indian independence. Several agencies, on the other hand, kept their “affiliate” status with their London headquarters. The advertising industry started the journey of expansion and growth at the time of independence. Industry noticed introduction of new technologies like multicolor printing and advanced printing machines supported by a rise in consumerism. Companies started to invest in advertising that helped the advertising industry forward. Indian advertising benefited from the extraordinary rise of the media, particularly television and cable that enabled firms to reach a large audience. The business became more professional and organized as a result of market research and audience surveys. Readership surveys were first performed by individual publishing firms such as *The Hindu* and *The Times of India*. Advertisers could now base their media plans on statistical data from National Readership Surveys (NRS) and Indian Readership Surveys (IRS), as well as frequent Television Rating Points (TRP) measures. In the 1990s, there was a substantial increase in TV ownership. One reason was an external factor that India won the Cricket World Cup and nation became cricket crazy. Brand like Amul, Parle G, Fevicol, Nirma, Vicks, Bajaj gave some of the most memorable campaigns and tag line during the period. The new century saw the introduction of the Internet and start of online phase.

The present

There was an exponential rise in interest toward online medium in last ten years. Indians were the top users of social media like Facebook, YouTube, and WhatsApp.

Telecom sector also went through a revolution with Reliance Jio offering data services at rock bottom prices. It led to huge increase in the number of people having access to digital platforms. Digital advertising became a driving force for many firms to run their campaigns. Many online brands also appeared, which only used online channels to promote their products.

Advertising industry is one of the fastest growing industry in India. As per the IMARC group, Indian advertising market is forecasted to grow at the rate of 11% from 2021 to 2026 (see Figure 1.1). Thus, it is clear that the growth of advertising and promotion will lead to demand for better marketing communication. When it comes to promoting a product or an idea, promotion is the synchronization of all seller-initiated attempts to establish communication channels and persuade consumers in order to sell or promote an idea. Using marketing mix (product, place, price, and promotion), a lot of implicit communication happens, although the majority of a company's communication with consumers is the result of a planned and managed promotional program. The promotional mix refers to the methods that a company uses to achieve its communication goals. There are four traditional components to a successful marketing strategy – advertising, sales promotion, public relations/publicity, and personal selling. In addition, direct marketing, personal selling, and interactive media using Internet are included in modern-day marketing's promotional mix.

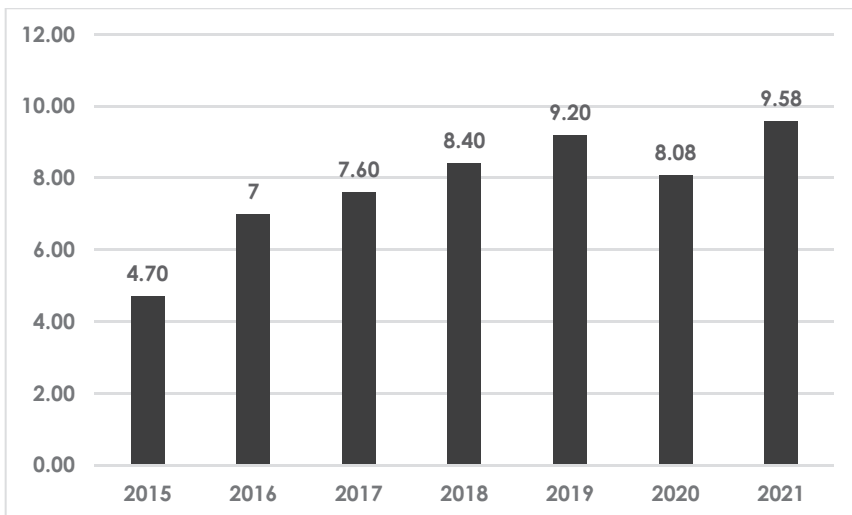


FIGURE 1.1 Yearly advertising expenditure in India from 2015 to 2021.

Source: Statista.com.

DIY: LEGENDARY ADS

Search for legendary old Indian ads online. Watch the ads of Vicks, Liril, Lifebuoy, Bajaj, Lijjat Papad, and many more brands online. Carefully analyze and evaluate each ad in terms of stickiness, music, tagline, and positioning of the product. Do you find these ads better than the current set of ads? Why or why not?

Integrated marketing communication

The American Marketing Association defines IMC as follows: Integrated marketing communication (IMC) is “a cohesive combination of marketing communications activities, techniques, and media designed to deliver a coordinated message to a target market with a powerful or synergistic effect, while achieving a common objective or set of objectives”. Thus, IMC encompasses different tools of communications used by marketers to propagate message to consumers. It includes tools such as advertising, sales promotion, publicity, events and sponsorships, personal selling, and direct marketing. As a part of an IMC campaign, every aspect of a promotional mix is considered as a tool for communicating with customers. In many ways, they are interchangeable. Each has its own perks, of course. Earlier, many brands used to run campaigns specific to a media like print or broadcast. However, the current landscape requires integration of all the media to streamline the marketing efforts. Moreover, there is an increased focus on measuring the efficiency of campaigns. Many firms utilize measurement metrics to evaluate the effectiveness of their campaigns across media channels. Firms have also integrated marketing functions within one department to ensure that all the efforts are aligned with the predefined objectives. Most of the companies apply a broader perspective of marketing communication and accept the need for a strategic integration of various promotional tools.

Reasons for growth of IMC

Globally, firms have adopted IMC approach to manage their marketing communications and to plan and execute their strategies. An integrated approach helps company to avoid duplication of efforts, bring the best of the talent on one platform, and derive the optimum ROI on their investments. Few prominent reasons for the growth of IMC are as follows:

- A shift in mindset from media advertising to multiple forms of communication.
- Firms moving away from mass media to specialized (niche) media to focus on specific target audiences.
- Change in markets from a manufacturer-dominated market to a retailer-dominated, consumer-controlled market.
- More stress on data-driven marketing.

- A significant increase in accountability of advertising agencies.
- Firms are moving to performance marketing from traditional marketing.
- Rise in the Internet and social media users.

Digitization

As the number of people using the Internet has grown, advertising companies now have the ability to reach a broader audience by marketing to people all over the world. Nothing exists without advertisements to back it up. Advertisers are the primary source of funding for both small and large websites, indicating the importance of the medium. Advertising has taken on an entirely new aesthetic because of the rise of digital media. Creativity and content are the driving forces in today's advertising landscape. You can use social media, email campaigns, blogs, videos, and more to spread the word about your items through digital marketing.

Top ad agencies

Few ad agencies have shown a successful track record of delivering memorable and effective ads. Many global ad agencies are also present in India.

The following are some of the top ad agencies:

- Ogilvy & Mather
- McCann Erickson India
- Lowe Lintas
- JWT (J. Walter Thompson)
- Leo Burnett
- Mudra Communications
- Grey Worldwide
- FCB Ulka
- Contract Advertising
- Rediffusion DYR
- RK Swamy BBDO
- Saatchi & Saatchi
- iB&W Communications
- SSC&B Lintas

DIY: WHO MOVED (BUILD) THAT AD?

Search online for the clients served by the top ad agencies listed earlier (and others). Find out the ad campaigns created by them and award won for any campaign. Identify ads created by brands using in-house advertising departments and compare with the ads created by professional ad agencies.

Importance of IMC

A key factor driving the growth of IMC is brand-building. IMC plays a very important role in brand-building by creating a positioning in the mind of the consumer. The different tools of IMC can be combined to design a specific outcome so as to fulfill the marketing communication objectives. Brand equity, brand image, and brand reputation are important for the success of brands. IMC helps firms in all of these. IMC makes brand recognizable and differentiates brands from the competitors. When you see the swoosh sign or a golden arch, you can instantly recognize (recall) Nike and McDonald's. IMC uses taglines, logos, colors, symbols to communicate to the consumers to cement the brand image. IMC is gaining importance due to the following reasons:

- IMC plays an integral role in communicating brand message to a larger audience.
- IMC helps in creating brand awareness among customers at a minimal cost.
- IMC performs better than the traditional ways of marketing as it focuses on not only winning new customers but also maintaining long-term profitable relationship with them.
- IMC significantly saves time which is often lost in figuring out the best marketing tool.
- IMC utilizes the best of the available talent toward achieving one common objective.
- IMC allows firms to measure the effectiveness of campaigns on multiple media that can be used to plan future campaigns.

For most businesses, IMC is a cost-effective way to reach large numbers of potential clients. By persuading readers to request additional information and identifying right locations where the product is sold, it can generate leads for salespeople and middlemen. Because it generates consumer interest, it has the potential to compel middlemen to keep inventory on hand. IMC is a means of generating interest in a product or service. In some cases, advertising may be all that is necessary for a product to gain consumer acceptance, preference, and demand. IMC utilizes advertising, personal selling, and point of purchase display to directly influence the purchase decisions. Commercial firms, not for profit organizations, and even governments use IMC to achieve their communication objectives. For example, advertisements emphasizing the positive aspects of serving one's country are the foundation of army recruitment's efforts. Family planning is promoted by the health department through television commercials. Advertising has also been utilized by labor unions to get their positions known to the general public. Advertising has genuine economic value. Efforts to attain societal goals such as giving up smoking, fertility control, physical conditioning, and the eradication of drug usage have become more dependent on using all the IMC tools to significantly enhance the message appeals and effectiveness.

IMC as a reflection of society

Advertisements are used as a reflective mirror to society aspirations and prevailing social norms. One can notice how society worked after post-independence era in India in cigarette ads, which were not banned in those times. For example, cigarette brand Wills Navy Cut used images of happy couples to promote their “made for each other” campaign. The ad focused on building acceptance of smoking in urban population and Wills became India’s leading cigarette brand. As authors, let us put a disclaimer that we do not promote smoking. However, cigarette and liquor brand ads across the world are true reflection of society as they focus on male patriarchy and acceptance of such habits within social norms. These two product categories are reflective of social values in itself. Another interesting example from yesteryears is related to Britannia. To promote glucose biscuits, Britannia used the extremely popular character of Gabbar from movie Sholay (1975) to promote glucose biscuits. The character of Gabbar was hugely popular with kids at that time who used his famous dialogues. The ad successfully built an instant connection with kids. Presently, many brands are using relevant social themes to promote their products. For example, Rin uses women in their ads to strongly portray women empowerment happening in society where more and more women are becoming professionals.

IMC as a means to change consumer attitude

Advertisements play a vital role in changing the attitude of the consumers. Readers may be surprised to know that the ubiquitous chai (tea) was considered as an imported drink or so to say “outsider” drink. At the start of 20th century, brands extensively used IMC to position tea as a representative of “Indianness” and swadeshi. Fast forward to present, now almost each household offers tea as the first choice to guests and visitors. Tea has become a part of Indian culture. In another example, Unilever has changed the branding of its Fair & Lovely face cream as the society has gradually stopped discriminating people based on skin color.

The promotional mix

IMC tools comprises all the methods of communication used by marketers to reach the specific target audience. Many people think advertising and promotions are the only methods used by companies to reach consumers. However, IMC involves many more tools that enable firms to reach the target audiences not only for promotions, but to build a strong brand, and to manage bad publicity and brand crises (see Figure 1.2). Some of the prominent tools are briefly discussed in the following sections.

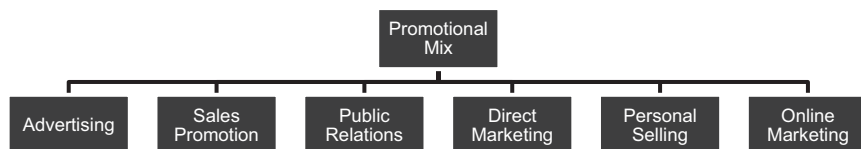


FIGURE 1.2 Elements of promotional mix.

Source: Authors.

Advertising

Advertising is the practice of promoting products, organizations, ideas, or causes to the general public in order to encourage people to take action. Marketers use various types of appeals in advertisement to create a connect with the consumer. Sometimes marketers may focus on informational appeals which focuses on giving rational reasons to consumers for buying a product. Sometimes marketers may use transformational appeals which focus more on the emotional aspect. As opposed to most advertisements, which focus on getting people to buy a product, there are plenty of others that encourage good deeds such as driving defensively, making philanthropic donations, and even casting a ballot. Media (such as newspapers, magazines, or television networks) rely heavily on advertising revenue in many nations. An important part of the non-communist world's economy is advertising. Advertising is perhaps the best-known and most widely used form of promotion. Advertising works on pervasiveness and is effective for firms that target mass media for their products and services.

Sales promotions

Sales promotion is a marketing strategy in which a business uses a temporary campaign or offer to increase interest or demand in its product or service. Every company needs moments where they need a sales boost. It might be toward the beginning to build a customer base, or somewhere down the line when sales are slow. Firms use sales promotion which include marketing activities that provide extra value or incentives to the sales force, the distributors, or the final consumer focusing on immediate increase in sales. Though there are many reasons why a business may choose to use a sales promotion, the primary reason is to boost sales. Sales boosts may be needed to reach a quota as a deadline approaches, or to raise awareness of a new product. With the help of short-term campaigns, companies can generate interest in and demand for their goods and services by using a sales promotion plan. Sales promotions include a wide range of goals and desired outcomes. To meet a predetermined metric or objective, sales promotions are most often utilized to nudge customers into making an immediate purchase. Sales promotion enhances the effectiveness of both personal selling and advertising. Sales promotion, like advertising, can be produced as part of a social media and e-commerce effort.

Sales promotion can be done in two ways: consumer-oriented and trade-oriented activities. Consumer sales promotion is a marketing technique that is used to entice customers to purchase a product. The promotions typically last for a set period of time and are used to achieve a specific purpose, such as increasing market share or unveiling a new product. A number of promotional techniques are commonly used by product manufacturers and sellers. Some examples are free samples, free trials, free gifts, premiums, rebates, and sweepstakes. Trade-oriented sales promotion focuses on marketing intermediaries such as wholesalers, distributors, and retailers. Firms use price deals, trade shows, allowances, credit terms, and cash bonuses as promotional tools to encourage intermediaries to stock and promote products to consumers.

Public relations

Public relations and publicity are two widely used promotional tools. Publicity is concerned with presence in the media. It creates public awareness for a brand. Publicity is a non-personal communication in the form of a news story, editorial, or announcement about an organization and/or its products and services. Publicity is generally perceived more credible as consumers do not trust commercial advertising. A positive communication from an unbiased source ranks higher in credibility. Firms cannot control all the publicity. You may be aware of the negative coverage of very popular brands like Nestle Maggi or Coca-Cola in Indian media about quality issues.

As per AMA, public relations (PR) refers to that form of communication management that seeks to make use of publicity and other nonpaid forms of promotion and information to influence the feelings, opinions, or beliefs about the company, its products or services, or about the value of the product or service or the activities of the organization to buyers, prospects, or other stakeholders. A majority of corporations have a public relations department that works tirelessly to keep tabs on client attitudes and opinions. It is utilized to disseminate and transmit all of the information required to establish a positive public image. For this goal, a strong public relations department uses positive programs and emphasizes the elimination of negative publicity that emerges from questionable actions in order to be effective. A close relationship exists between the PR team and every other area of the organization. The PR department serves as a link between the public and organization's various functional departments. Public relations use may tools such as special publications, participation in community activities, fund-raising, sponsorship of special events, and various public affairs activities to enhance an organization's image.

Direct marketing

As the name suggests, direct marketing is a strategy where firms directly communicate with target customers to generate a response or purchase. Catalogues are the

oldest form of direct marketing. Direct mail, telemarketing, and email marketing are all popular types of direct marketing. Direct marketing trades on the greatest of all sales advantages – the opportunity to communicate directly with your customer to build a personal relationship. It allows firms to reach target audience with direct messages, without using traditional costly advertising methods. The most effective direct marketing campaigns use lists of targeted prospects in order to send their messages only to the likeliest prospects.

Personal selling

Personal selling is the practice of making sales over the phone or in person. It is a form of person-to-person communication in which a seller attempts to persuade prospective buyers to purchase product or service. It involves a direct contact between buyer and seller, either face-to-face or through some form of telecommunications such as telephone sales. During tele calling, salespeople provide information about a company's products and services, and use their persuasive skills to persuade customers and remind them of important details like product specifications, service agreements, prices, and special offers. This form of marketing communication tool can be a valuable source of client feedback in addition to strengthening customer connections.

Personal selling isn't appropriate for all products and services (why?). In addition to all the other expenditures of running a firm, the sales representative's salary must be paid out of the sales earnings. Personal selling may or may not be a part of a company's marketing mix, depending on the business model. Personal selling is most commonly used when a company's goods or services are extremely technical, specialized, personal, or expensive like complicated software applications, business consulting services, loans, insurance, residences, and vehicles.

Online marketing

Online marketing is the practice of leveraging web-based channels to spread a message about a company's brand, products, or services to its potential customers. Online marketing involves many popular terms such as Internet marketing, social media marketing, and interactive marketing. We use the common term online marketing that includes all of these, including mobile marketing. The biggest strength of online marketing is the possibility of two-way communication between sellers and buyers. Online marketing may not focus only on selling. Firms extensively use social media to engage with consumers and solve their queries. New age firms like Netflix use social media for driving a continuous engagement with their consumers. Another popular form of online marketing is using mobile phones. Firms use SMS or mobile apps to reach the target audience. Digital marketing tools allow precise measures to analyze and evaluate marketing campaigns. Online marketing is very cost-effective and offers invaluable data and insights into consumer behavior that helps firms to effectively target consumers individually.

IMC planning

In order to effectively interact with target audiences, IMC uses various promotional-mix elements for planning, execution, evaluation, and control of these elements. Developing an efficient marketing communication program requires synchronizing the many aspects of the promotional mix. Firms need to carefully decide among many promotional tools and how to use them together. Firms also need to decide on budget allocation for each tool. In addition, firms need to identify how different aspects like product kind, target market, buyer process, product stage, and distribution channels affect the promotional mix. An integrated IMC plan helps in developing, implementing, and controlling multiple activities involved in the whole process. IMC plans allow firms to leverage the multiple components available to the marketing department to work efficiently and effectively. A typical IMC plan incorporates market research, strategic planning, audience segmentation, marketing channel selection, creative briefs and campaign messaging, budgeting, ROI analysis, and a system for campaign metrics and evaluation to achieve maximum impact of marketing objectives.

IMC planning process involves typically six steps. Each step is important in its own right and can be applied to practically any business or organization irrespective of the size or industry.

Step 1: Know the target audience

As a rule, there is no “general audience”. Firms should always communicate with a specific audience to make the most effective use of resources. The grand strategy of mass marketing and reaching masses is obsolete in the age of digital media, which offers unimaginable ways to reach individual consumer. Online channels provide hyper-personalization which is basically the concept of gathering real-time behavioral data of customers to tailor products, services, and experiences to target one customer at a time.

Step 2: Situation analysis

Firms should do an assessment of internal and external factors (Table 1.1). SWOT is a common strategy used for this purpose to examine strength, weakness, opportunity, and threats for the firm. SWOT analysis is a structured method of evaluating the internal strengths and weaknesses, and external opportunities and threats that can impact your brand. A situation analysis can provide much insight into both internal and external conditions that can lead to an effective marketing communications strategy. The external analysis analyzes factors external to firm such as characteristics of the target customers, market segments, positioning strategies, and competitors. The process includes an analysis of the marketing environment and current marketing and consumer trends that may influence the campaign and

TABLE 1.1 Situation Analysis Template

<i>Internal Factors</i>	<i>External Factors</i>
Capability to develop and execute promotional programs	Identification of target consumer who buys from the firm
Fixing the role and function of ad agency	Who makes the purchase decision and who influences the decision?
Examine previous promotional objectives	Examine the consumer decision journey for purchase, including need fulfillment, seasonality, brand perceptions, and consumer attitudes toward brand
Check previous promotional budgets and locations	Evaluate the role of social and cultural factors, consumers' lifestyles, and demographic factors that influence the purchase decision
Learn from past promotional-mix strategies and programs	Identify direct and indirect competitors, key benefits, and positioning of competitors
Review performance of previous promotional programs	Budget and advertising expenses of competitors
Assessment of brand image and its impact on promotion	Analyze current Industry trends that may affect the promotional program
SWOT analysis of product or service	
Deciding the key benefits and USP	
Evaluation of packaging and labeling	
Compare with competition	

Source: Adapted from Belch and Belch (2018).

promotions. Firms should evaluate consumer-specific parameters like demographics and external industry factors like economic and sociocultural factors to develop the IMC plan.

Step 3: Determine communication objectives

This step involves deciding what a firm wants to accomplish with IMC strategy. The objectives must be measurable so that firms can evaluate the campaign's effectiveness and take actions based on the performance. Firms use SMART objective which means that the objective is *specific, measurable, achievable, relevant, and time-bound*. Sometimes, firms may stop the campaign in between if it fails to meet the objectives. Especially campaigns that generate controversies (unintentionally) have been stopped in early stages. For example, Fabindia pulled down its “Jashn-e-Riwaaj” campaign about its new festival line of clothing due to huge backlash on social media.

Step 4: Determine budget

After finalizing the communication objectives, firms shift their focus to the budget. The budget is based on two fundamental questions: What will be the total cost of IMC program? What will be the allocation of budget across different media and geographies? Budget allocation may seem a complex activity. But in reality, mostly

straightforward techniques are used. For example, budget can be allocated based on a similar campaign executed in the past or based on a proportion of expected revenues. Sometimes budget is decided based on how much money is spent by competitors.

Step 5: Strategies and tactics

Taking into account the objectives created in step 3, firm will develop strategies and ideas to accomplish those objectives. By definition, tactics are specific actions on one plans to execute a strategy. Decisions must be taken at this level about the role and value of every IMC tool and their synchronization with one another in order to complete the promotional planning process. Each IMC tool does have its own set of goals, funding, message, and media strategy, all of which must be taken into consideration. Some of the decisions may include the following:

- Advertising message, media plan, and methods
- Direct marketing message, media platform, and strategies
- Strategy and tactics specific to interactive/Internet advertising
- Messages and methods for sales promotion
- Strategy and tactics for public relations
- Personal selling strategy and methods

The creation of a message and a media plan both are critical components of every advertising campaign. It's important to know what the marketer wants to convey to their target audience when developing a message strategy or creative approach. The media strategy determines which channels of communication will be used to reach the target audience. It is imperative that decisions be made about the media that will be used and the specific medium which will be utilized (e.g., newspapers, magazines, radio, TV, billboards). This assignment necessitates an in-depth analysis of the pros and cons, prices, and effectiveness in reaching the target market of various media options. Once a message and media strategy are in place, the next stage is to put them into action. Most large corporations use advertising firms or external agencies to create and distribute their advertisements. Since the advertiser (client) accepts and funds the imaginative work and media plan, most agencies work closely with clients to design the commercials and select media. A similar procedure is followed for the IMC's other components, which include establishing goals and developing an overall strategy as well as messaging and media strategies before putting those plans into action. Direct-marketing, interactive, and sales promotion agencies, and also public relations businesses, all can be employed to supplement the work of the marketer's advertising agencies in other aspects of IMC.

Step 6: Evaluation and measurement

The final step involves deciding how firm will evaluate the effectiveness of IMC strategy. This step includes monitoring, evaluation, and control of the advertising

campaign. Market research should be conducted at this point to determine whether or not the IMC program is succeeding in fulfilling its goals. It is important to note that the findings of the IMC program are used in further planning and strategy formulation for the IMC program in the future. It's critical to evaluate how often the promotional campaign is helping the company fulfill its overall marketing objective and how well it meets communication objectives. It also helps in understanding which components of IMC worked well and why. It is essential for a manager to understand the causes of the outcomes in order to bring about improvements. A critical goal of the final phase is to offer managers with constant feedback on how effective the promotional program is, which could then be used as insights into the planning stage of next campaign.

DIY: HOW TIMES CHANGE?

Brands like Bajaj and Cadbury have relaunched their old legendary ads in new avatar. Search online for the old and new ads on the same concept. Bajaj ad includes “Hamara Bajaj” song as background. Cadbury used the iconic ad based on cricket game but reversed the gender of actors in the revamped ad. Research to find more such cases and watch the ads. Do you think it is a good idea to use old ads as a base to launch new campaigns? Why or why not?

Do an online search for legendary old Indian ads. Watch the ads of Vicks, Liril, Lifebuoy, Bajaj, Lijjat Papad, and many more brands online. Carefully analyze and evaluate each ad in terms of stickiness, music, tagline, and positioning of the product. Do you find these ads better than the current set of ads? Why or why not?

Conclusion

The history of advertising and promotions tells us a compelling story of communication that changes consumer behavior and attitudes. Depending on the period, one or the other form of communication was invented and dominated the communications. Technology-enabled interventions brought out growth of print and later TV commercials. The rise of Internet and social media have changed the landscape. Earlier firms used to run campaigns in isolation but now they have understood the substantial benefits of integrating their all marketing efforts under one umbrella. Thus, the term integrated marketing communications was coined, which means using different tools of communications to propagate message to consumers. IMC tools include advertising, sales promotion, publicity, events and sponsorships, personal selling, direct marketing, and digital interactive technologies. IMC has seen an unprecedented growth in India and across the world. Most of the IMC budget is

shifting to digital platforms as they enable hyper-personalization, huge amount of extremely valuable data, and effective measurement of marketing efforts. IMC can be used for commercial and noncommercial purposes. Government and NGOs use IMC to bring out behavioral changes and to sensitize people against issues of social importance like discrimination, harmful effects of smoking and drinking, creating awareness about importance of educating girls, and even persuading people to get vaccinated against COVID-19 pandemic. For marketers, IMC strategies are for survival and to fight competitors. Marketers use IMC to build brand recall, brand awareness, and to engage with consumers on social media.

Discussion questions

1. What do you understand by integrated marketing communications? How does it help brands?
2. Explain the history of advertising in India. What were the reasons for the growth in advertising?
3. Does IMC mirror the social values and norms? Discuss with suitable examples.
4. What is the importance of IMC for marketers? How does it help firms to build long-lasting brands?
5. Discuss various elements of promotional mix.
6. Explain various steps involved in creating an IMC plan.

IMC in practice

Select a brand that has been on the market for more than ten years. Search online for the brand ads (print or video) during those years. Watch the ads and compare them on the following parameters:

Main characters of the brand (male or female).

Identify and compare the lifestyle, working status, age, and other demographic factors used in ads.

Compare the background settings like environment and audio used in the ad.

Brand positioning.

Compare the message and ad appeal (emotional or rational).

Use of colors and headlines.

Any social norms or cause mentioned in the ad.

Learning objectives

1. Develop an understanding of integrated marketing communications.
2. Understand the importance of IMC.
3. Understand the history of Indian advertising.
4. Analyze the methods of promotional mix.
5. Create an IMC plan.

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2

STRATEGIC IMPORTANCE OF IMC

Opening case

India's online grocery market contributed 0.3% to the \$603 billion food and beverages market in India. Indian consumers are spoilt for choices when it comes to apps built on delivery-based business model. Zomato and Swiggy are the leaders in food delivery business, whereas Amazon and Flipkart rule the e-commerce space. Amazon also offers grocery delivery services in some metro cities like Bengaluru and yet to reach the pan-India. Swiggy has also ventured into delivering groceries and introduced Genie program, where customers pay a small fee to get products delivered at home. The Indian e-commerce market has witnessed a fierce competition among a handful of players. However, the niche segment of online grocery store is dominated by players like BigBasket and Grofers. Grofers was started in 2013 and is backed by SoftBank. To differentiate from the competition, Grofers decided to follow the rising trend of q-commerce (quick commerce). It introduced a fast 10-minute delivery. In India, consumers have access to nearby small shops to get required groceries within few minutes. It's a unique shopping behavior and convenience to Indian consumers. Grofers decided to change its strategy and bring disruption in delivery time. Grofers CEO, Albinder Dhindsa, thought q-commerce as the future of commerce. He told in one interview that in today's fast-paced world, 10-minute delivery is not only achievable, but also vital to free up time for other critical tasks.

Grofers was relaunched as Blinkit, which stands for "rapid commerce" by delivering in a blink of eye. The new name was selected to position the brand as "quickest delivery service". Blinkit has a new mission: "moment commerce undefined by enchantment". This disruptive strategy has forced the other players to focus on q-commerce. Swiggy committed a \$700 million investment in its quick grocery delivery service Instamart. Similarly, BigBasket is also experimenting with

10-minute and 1-hour delivery services. The boring e-commerce market is alive now due to the new focus on speed and pace of delivery. Grofers has started the idea, but can it sustain the first mover's advantage?

Introduction

Integrated marketing communications (IMC) is a marketing communications planning concept that recognizes the benefits of a comprehensive strategy that considers the strategic roles of a variety of communication disciplines. In other words, general advertising, direct response, sales promotion, public relations, and personal selling messages and strategies are combined to achieve maximum communication clarity, consistency, and effect. As a result, IMC demands a “big picture” approach to campaign planning and coordination in marketing and promotion. It necessitates the development of a comprehensive marketing communications strategy that takes into account how a company's marketing operations, not only advertising, engage with its customers. Consumers' impressions of businesses and/or brands are a mash-up of messages from various sources. These include media ads, pricing, direct marketing, public relations, and sales promotions, as well as interactions with salespeople and other customer-facing employees. If one wishes to be accurate and relevant in today's global economy, with transnational marketplaces and instantaneous communications, no sector of marketing can be considered in a

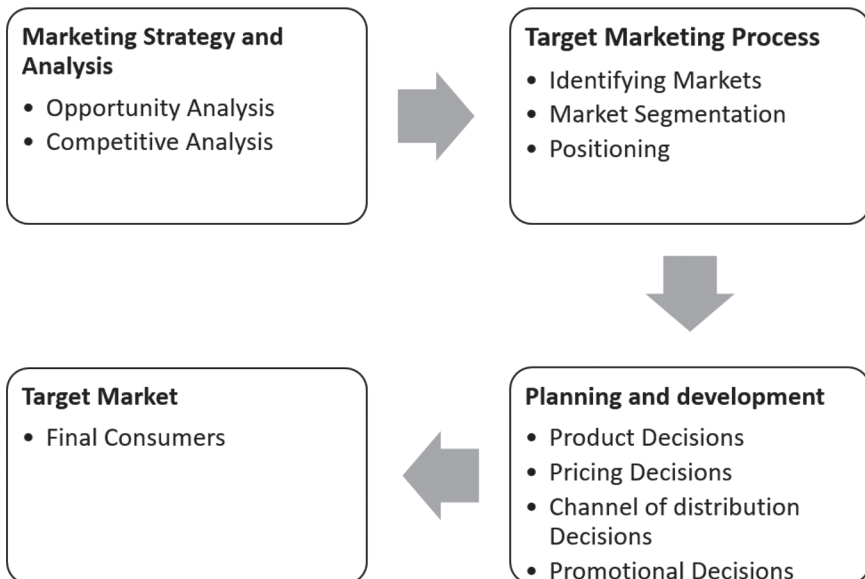


FIGURE 2.1 Marketing plan.

Source: Authors.

vacuum or in isolation. IMC is a method of brand communication in which diverse means of communication work together to give the customer a smooth experience. Customers are given the same tone and style, which reinforces the brand's main message. The ultimate goal is to have all components of marketing communication, including advertising, sales promotion, public relations, direct marketing, personal selling, Internet communications, and social media, function together as a single force rather than separately. The cost-effectiveness of diverse marketing elements is maximized, thanks to this synergy.

We analyze how promotion fits into an organization's marketing strategy and activities, using the model shown in Figure 2.1 as a framework. There are four important components to this model: The target marketing process, the marketing planning program creation (which includes the promotional mix), and the target market are all aspects of an organization's marketing strategy and analysis.

Market strategy

Any firm that wants to successfully exchange products or services available on the market must have a strategic marketing plan to implement resource allocation. A strategic marketing plan is usually based on a company's overall business strategy. It serves as a guide for specific marketing programmers and policies, and it helps the company stay on track to achieve its mission. We explain multiple steps that lead to a working marketing strategy and a marketing plan.

Opportunity analysis

An extensive marketplace analysis based on rigorous research can unearth many marketing opportunities for the new and existing products in either new or current markets. For example, Dettol and Lifebuoy identified the need for untouched soap and launched the liquid version of their popular soaps. Similarly, there is an increase in demand of organic foods due to health benefits and consumer awareness. Firms have launched new brands to fulfill the demand of healthy and organic food. Market opportunities are regions with advantageous demand trends, where the organization believes customer demands and prospects are unmet, and where it can effectively compete. Nike, Reebok, and other athletic-shoe firms see the footwear market as an opportunity to advance their client base, both locally and abroad. In India, mamaearth, a skin care brand, has seen exponential growth. The brand regularly communicated with mothers to get a deeper understanding of what they need for their babies and themselves. Accordingly, it builds products and even designs user-friendly packaging.

Competitive analysis

Management should thoroughly examine the competition in the marketplace when designing the firm's marketing strategy and roadmap for its offerings. There are two possible ways of competition. A direct competition includes direct competitors

and own brands. For example, for a car company, other car brands and its own product portfolio constitute direct competition. Second form of completion is indirect competition, which includes substitute products. For car brands, public transport, metro, auto-rickshaw, etc. are form of indirect competition. Even ride-sharing services like Ola and Uber have made an impact on car sales in India. Marketers should realize that they are competing for the share of consumer's wallet. Consumers have a limited set of income to spend, so they look for the best possible product that can fulfill their needs. Marketers must ask this question, why consumers should choose their brands over others. That leads to identification and development of a unique competitive advantage, which should enable firms to differentiate from others and to become consumers' preferred choice. One way to achieve competitive advantage is to build superior quality products over time that attract premium pricing. Companies can build unique advantage in terms of offering superior customer service, or offering best value for money products. Another alternative is to build a strong brand equity via using advertising to reinforce differentiation. Apple iPhones have successfully build a strong brand equity and strong perceptions of a quality product with robust security. Taj hotels are known for their excellent customer service. Domino's has built a robust delivery service to offer pizza in 30 minutes. These competitive advantages are hard to copy or imitate.

PESTEL analysis

PESTEL is an acronym that has six elements: political, economic, social, technological, environmental, and legal. It is used to analyze and evaluate the feasibility and attractiveness of business environment. Macro-environmental elements that impact a company or sector are monitored and analyzed using this approach by marketers. An analysis of strategic management, such as a SWOT or PESTEL, can be made from a PESTEL analysis.

PESTLE is a widely used method while creating a marketing plan as it emphasizes the need to consider the influence of international causes and influences on the future. PESTEL framework incorporates six elements. These elements are not mutually exclusive. Technological advancement, for example, can have an impact on the business and social life of a market. Marketers should always ask themselves important questions while conducting a PESTEL study.

What role does culture play in this market? What effect does culture have on business practices?

What are the most pressing and critical economic issues in this market?

Is the industry governed and influenced by rules and regulations? What are the chances that legislative changes will have an impact on business?

How do you feel about the market's environment? Do you have to follow any laws or regulations?

How do you feel about the country's political situation?

Political factors

Government intervention in the economy or in a particular sector is a political factor. Trade restrictions, political instability, and economic policy are all included in this category of government policy and economic policy. This includes education, infrastructure, and healthcare facilities, all of which are heavily influenced by the government. Marketers should keep these things in mind while evaluating a market or industry. The placement of a company's headquarters is often influenced by these political variables. Tax policy, in particular, is a major factor. Politics has a significant impact on the business world. Businesses can substantially benefit from keeping an eye on advances in this sector, as the balance between control systems and the free market is always shifting. A few instances of political factors are government subsidies, special rates, press freedom, level of corruption, tax policy, defense spending, trade control, lobbying activities, government subsidies, and special rates.

We will explain with an example how political environment can influence large firms. On June 29, 2020, the Indian government issued a ban on 59 Chinese apps in India, taking a big step toward pushing Chinese technology out of the country's digital world. The government made the decision because it believed that the apps were engaged in activities which were harmful to the sovereignty and integrity of India, defense of India, security of state, and public order. The ban applied to apps such as TikTok, a popular video-sharing app that came under fire in the United States for alleged censorship and security risks. Another app WeChat was accused for mining data from international users to fine-tune its censorship within China. The government claimed that "this action is a focused step to preserve the safety and sovereignty of Indian cyberspace".

Economic factors

Economic factors frequently involve indicators of a country's economic performance and health. Economic considerations include things like economic growth, currency exchange, inflation, and interest rates, among others. These variables have a significant impact on a company's performance. Inflation, for example, has an impact on how businesses price their goods and services. For these reasons, companies examine inflation, unemployment, and economic growth in various markets and countries before making a strategic decision. Typical examples of impact of economic factors like inflation are visible in the pricing of FMCG products, snacks, and biscuits. Though India has moved to a common tax GST regime, the Central Government and states have varying levels of taxes on petroleum, which impacts transportation costs. Import duties and subsidies offered to green vehicles are a critical factor for automobile companies. Recently, Tesla CEO openly criticized the government on the same when asked about when Tesla will enter India.

Social factors

Social factors influence the mentality and features of people and customers in a specific market. Demographic factors are another name for social factors. “Social factors” include the customs, norms, and values of the organization or market. Population trends, economic distribution, safety, health knowledge, way of life, cultural obstacles, and other such elements are all part of the demographic picture. Marketing to a specific market’s target audience is very critical in terms of these factors. Examples of social factors are population size, population growth, life expectancy, age distribution, death rates, birth rates, distribution of wealth, per capita income, purchasing habits, ethical considerations, educational attainment, crime rates, and government attitudes.

A classic example of social factors and culture is McDonald’s in India. McDonald’s featured a menu free of beef and pork, as well as customized products tailored to the Indian culture and palate such as Mc Aloo Tikki and Mc Paneer burger. Furthermore, all of the vegetarian items, including the mayonnaise in the veggie burgers, are egg-free and vegan.

Technological factor

Technology factors are related to technological advancements within a market. Technological considerations can have a beneficial or negative impact on the way a firm or sector operates. It considers factors such as innovation, automation, R & D skills, and more. These considerations are critical in determining whether or not to choose to enter a market. Within a market, technological aspects and indicators include access to new tech, Internet infrastructure, life cycle of technological innovations, technological awareness, R & D, and automation. India has seen an exponential rise in the Internet access and availability and significant improvements in the quality of infrastructure in terms of speed and coverage. India is second only to China in terms of absolute number of Internet users and mobile phone users. Other than the Internet revolution, India also witnessed huge advances in mobile infrastructure. India ranks among top when it comes to total number of social media users for Facebook, WhatsApp, YouTube, Twitter, and SnapChat. Moreover, there is a healthy growth in the subscription of OTT platforms like Amazon, Netflix, and Disney Hotstar. The quality of infrastructure determines the selection of media vehicles (e.g., digital versus broadcast) and advertising budget.

Environmental factors

The World Health Organization (WHO) suggests climate change the greatest threat to global health in the 21st century. Climate change and extreme weather fluctuations across the globe have forced countries to relook at their business policies. There are major changes at the international level toward the sustainable business

practices. Customers and the government both penalize businesses and individuals that have a harmful impact on the environment. Governments levy additional fees on businesses for their pollutants and slap massive fines on those that break environmental accords. At the same time, businesses that are environmentally conscious are rewarded. Buyers are willing to shift brands if “their own” brand fails to meet environmental standards. India has a dedicated Ministry of New and Renewable Energy (MNRE) that works on solar and other renewable energies. Solar power in India is a fast developing industry as government offers large subsidies to solar energy. National Green Tribunal in India actively monitors firms for any violations of its rules and imposes fine and stops the business altogether. It has directed power companies to stop building plants in specific regions due to potential harm to the environment and deforestation. Thus, a firm needs to be aware of existing laws about the environment in a country because it may affect its manufacturing and operations.

Legal factors

Political and legal factors frequently collide. This primarily pertains to highly particular laws such as discrimination, labor law, consumer protection, copyrights, health and security rules, and so on. Companies must, of course, be fully cognizant of what is allowed and what is not allowed in a given country. As a result, a multinational organization has always been faced with a challenging issue because each country has its own set of laws and regulations. Furthermore, they have to be aware of prospective legal changes in all nations because they may be relying on them to make key judgments. As a result, it should come as no surprise that international organizations employ a high number of legal consultants or lawyers. The following are some examples of legal issues that businesses think about when they look at a market, that is, copyright and intellectual property, labor laws, antitrust laws, data protection laws, consumer protection laws, education laws, etc. India lacks strict laws on IP rights and is infamous for counterfeits. Many big brands are blatantly copied with same sounding names and similar packaging. Some examples are Fair & Lonely (original – Fair & Lovely) and Lifebody soap (original – Lifebuoy). Market leaders generally avoid fighting as the cost involved weighs more than the benefits. Hence, legal factors can affect the potential revenues of the firm.

In the next section, we briefly discuss the concepts of segmentation, targeting, and positioning that are critical inputs to a strategic marketing plan.

Market segmentation

Each consumer has a different need and hence it is impossible to create marketing strategies specific to each consumer. What happens in practice is that marketers try to find out a set of buyers who have similar needs and probably have a similar response toward marketing communications. Market segmentation is the process

of dividing potential customers into groups based on similar interests or characteristics. On the one hand, marketers will try to divide the segment as smaller as possible to increase the effectiveness of their plan. However, smaller segment will have less number of consumers, which may not be feasible or sustainable for the business to make profits. So, marketers have to decide where to draw the line for segmentation and what size is sufficient that makes business sense. If you look at the soft drinks market, Coca-Cola offers Classic Coke, Diet Coke, and Coke Zero to cater to different market segments of cola drinkers.

DIY: PESTEL IN PRACTICE

Imagine you own an Indian automobile brand. Your firm is trying to expand to neighboring countries like China, Sri Lanka, and Nepal. Use the PESTEL framework to evaluate the attractiveness of each market. How does the labor law, taxation, import/export rules, and environment regulations differ in each country? What are the government policies to allow a foreign brand to build manufacturing plants in the country? What are the important rules about green manufacturing practices you should keep in mind? Find out laws on disposing the product after the fixed period.

Types of segmentation

There are many types of segmentation techniques, which will be discussed in detail in the next chapter. A summary is provided herein.

Demographic segmentation: Segmenting a market according to demographics is the most basic form of segmentation. It is based on user demographic attributes like age, sex, status, income, education, and nationality. You may notice that demographics information can be easily obtained at a very low cost. An example of gender-based segmentations is facewash products targeted to men and women separately. Similarly, automobile companies use income segmentation to offer their products across many price points.

Geographic segmentation: Geographic segmentation is another simple form of market segmentation. It is based on location, region and states, urban/nonurban, etc. You may be aware of regional brands especially in the dairy industry which only focus on specific region due to supply chain constraints. MTR foods is a very popular brand from South India which is trying to expand to other regions of India.

Behavioral segmentation: Marketers can create segments based on consumers' behaviors related to the product (see Figure 2.2). Behaviors can be related to consumers' attitude toward product, brand, or service; usage of product or service, overall knowledge of brand; purchase behavior such as buying on special occasions like birthdays or holidays only. There are four main types of behavioral segmentation that help form a complete customer profile throughout their buying journey.

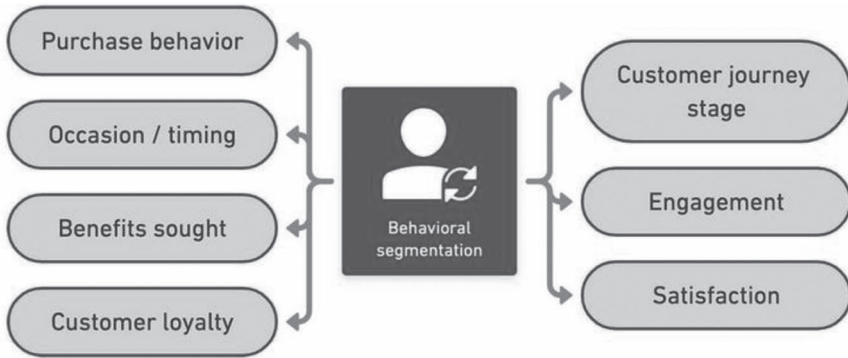


FIGURE 2.2 Behavioral segmentation.

Source: www.yieldify.com.

Psychographic segmentation: AMA defines, “psychographics refer to techniques that investigate how people live, what interests them, and what they like”. It is also known as lifestyle analysis or AIO because it relies on a number of statements about a person’s activities, interests, and opinions. Thus, psychographic segmentation is used to divide consumers into various segments using psychological characteristics, including personality, lifestyle, social status, activities, interests, opinions, and attitudes.

Benefit segmentation: Consumers buy products to satisfy specific needs and/or wants. They look for products that provide specific benefits to satisfy their needs. The grouping of consumers on the basis of specific benefits sought in a product is known as benefit segmentation. For example, green tea offers an alternative to traditional tea in terms of health benefits associated with drinking green tea regularly.

Selecting a target market

As per AMA, target market identification refers to the process of using income, demographic, and lifestyle characteristics to identify potential customers. A target market is a particular portion of the total population which is identified (i.e., targeted) by the marketer or retailer to be the most likely to purchase its products or services. Segmentation analysis will lead to identification of market opportunities available. The next step in the target marketing process involves two steps: (1) determine how many segments to enter, and (2) determine which segments have the most potential in terms of revenues. The organization may choose one or more target markets after examining the potential given by different market segments and conducting a full competition study. The firm’s marketing effort is focused on this target market, and aims and goals are established based on where the corporation needs to be and what it aims to achieve in this market. Marketers rarely try to capture the entire market with a single product, brand, or

service. Rather, they employ a variety of tactics, such as segmenting the market and focusing advertising and product efforts on one or more of these divisions. This means that, depending on the market approach employed, different targets may be set, various budgets may be used, and different promotional-mix methods may be used.

Market positioning

Positioning means occupying a distinct space in consumers' minds. It is the art and science of matching the product and service to one unique benefit that differentiates the product from the competition.

Positioning of Dove

Most of the soap brands follow a typical template, where they showcase celebrities using their brand. Brand try to associate “beautiful like celebrities” with their products (e.g., Lux, a Unilever brand in India). However, Dove presents its product in a drastically different way using real people as models. Their advertisements focus on women's inherent beauty. By focusing on the emotional component of the message, the company was able to help its audience identify with and relate to the message. The company's Real Beauty campaign is an example of how it successfully highlights women's beauty. The women were requested to provide a portraitist a description of themselves. The women were then described to the portraitist by someone they knew, and the latter turned out to be considerably attractive. Such a lovely message delivered in such a pleasant but powerful manner.

DIY: QUICK POSITIONING TEST: A MIND-READING TECHNIQUE

Try this exercise yourself and with your friends. Think of the first word (preferably adjective) that comes to your mind (write it somewhere) when you hear the name of these brands.

- Maruti
- Thums UP
- Tata
- Dettol
- BMW

Now, let us read your mind (like a magical trick of *David Copperfield*)

You will be surprised to see that many people associate brands with the following words (exact or similar in meaning).

- Maruti – value for money, affordability, mileage
- Thums UP – adventure, thrill
- Tata – trust
- Dettol – hygiene, safety
- BMW – luxury, premium

See, we know the words you wrote!

Marketing planning program

Marketing strategy development and target market selection direct the marketing department to which customers to target and what to do to fulfill their needs. To complete the marketing process, a cohesive and effective marketing strategy must be created by merging all of the various components of the marketing mix (4 Ps – product, place, price, and promotions). Each component of the marketing mix is multifaceted, which calls for multiple decision points. We explain the four elements of marketing mix and how each influences the IMC plan.

Product

Firms have some sort of product, service, or concept that they can sell to customers in exchange for money. Product can be in a physical form (such as soap, juice, detergent, apparel, or cars) or a service (such as banking, hotels, or airlines). Even a persona can be product (personal branding and political marketing). Product can be marketed and provide satisfaction to the users. Products and brands have a lot of significance for consumers because of what they mean to them and how they feel when they buy and use them.

A product is not just a physical object. Product is a set of benefits offered to consumers to satisfy their needs. Consumer needs can be functional, social, and psychological. Premium products offer more of social and psychological benefits rather than functional benefits. A luxury watch offers same time to users like any other ordinary watch, but the psychological benefits are far greater than an ordinary watch.

Marketers need to make decision for products in terms of quality and design, as well as service-related aspects such as guarantee/warranties, brand image, and packaging. A successful IMC program ensures that advertising, branding, and packaging are integrated to present product in such a way that whole is greater than the sum of its parts. The product positioning encompasses its physical attributes

and functions. For an example, when a person buys a Maruti car, she must not feel that she is buying a physical product made of steel that can take her from point A to B. She should feel proud of owning a car from a brand that elevates her psychological gratifications and enhances self-esteem.

Brand image: A strong brand image reduces consumers' perceived risks associated with the product. When a person buys a bottle of Kinley or Bisleri, she is assured of quality and purity of water. Hence, firms extensively engage in branding where they focus on building and maintain a favorable image in consumers' minds. Firms create a distinct brand identity using name, logo, slogan, color, symbol, design, etc. One can easily connect the swoosh sign to Nike and the distinct red color and font type to Coca-Cola, which is one of the most recognizable brands in the world. In India, individuals recognize the brands from their mascots like Amul Girl, Parle G boy, and Nirma girl. While individuals recognize the brand, they don't usually think of the functional attributes or benefits of the product. They buy the product based on their trust and favorable evaluation of the brand. Thus, building a strong brand image is a key product strategy in a marketing plan.

Packaging: Packaging is considered as fifth P of marketing. The main function of packaging is to protect the product, enable efficient storage, and avoid damage to product while in transit. However, the role of packaging has significantly changed in last few years. Most of the buying decisions are now made at the point of purchase in the store. A distinct packaging can lead to higher sales and score over other products. Packaging also enhances the overall purchase experience. One may buy an iPhone online or at retail store, but when consumer opens it, that adds to her hedonic gratifications. YouTube and similar video platforms are overfilled with a vast number of unboxing video, where individuals first talk about the packaging before opening it and demonstrating the product. Firms are redesigning packaging and using a variety of colors so that the product stands out among the similar products on a retail shelf. Other than the design, content on packaging should also inform consumers about how to use the product, and any legal requirements regarding disclosure. The concept of design thinking has gained acceptance and became popular. Design thinking works on design factors such as size, shape, color, and content that can enhance the visual appeal of package. Design thinking also works from a customers' point of view about what they want. The unique shape of Coca-Cola bottle (other than the red color) works as a distinctive brand image for Coca-Cola.

DIY: PACKAGING AS A VISUAL MAGNET IN RETAIL STORES

Visit a nearby stores, which sells perfumes. Look carefully at the beautiful and exquisite designs of bottles. Do you find yourself making a decision based on bottle design? Next, visit a typical grocery store and visit soap section. What do

you notice? How many colors are used on a packet? What kind of designs you see? All rectangular packs or any odd one out there? If you are a branding manager of a soap, what design changes you will recommend to management?

Place

When it comes to marketing, one of the most crucial decisions a company makes is how it sells its products and services. If a company has a high-quality product at a reasonable price, it won't be of much use unless it's available when, where, and how the client wants it. A company's ability to make a product or service available to customers is aided by the decisions it makes about the distribution channels it uses. Distributing a product or service must also take into account communication objectives and how they impact the IMC program. The new age consumers expect product availability at retail stores, supermarkets, and online e-commerce that deliver the products to customers' home. Firms are moving toward omnichannel strategies by integrating their distribution channels and intermediaries. Amazon in India offers a self-pick up option to buyers. The brick and mortar retail stores like Shoppers Stop and Lifestyle offer online shopping where consumers can search and purchase products online, but can decide to pick the products from nearby physical stores. Consumers are engaged in webrooming and showrooming, where they can search products either online or offline and buy from any option. From an IMC perspective, marketers need to decide where to sell their products. Should the product be made available online as well as physical store? How to handle the pricing difference and manage conflict among multiple channels. Samsung has faced strong resistance from its sellers of phones who protested against the predatory pricing on online platforms. Selection of distribution channel and stores impacts the image of the brand. Apple sells most of its product via its exclusive stores, which are designed and decorated to match the image of Apple products. Many laptop brands like HP and Acer have built their own stores to offer a pleasant shopping experience to customers and more importantly to handle their queries in person. Having own stores provides better control to firms to tailor the shopping experience.

Firms may adopt direct selling business model, where they can directly sell to consumers. Many brands are online-only brands, which means they are not available at any physical retail stores. For example, Myntra has many private brands like Roadster, HRX, Mast & Harbour that it sells on its online platform. Similarly, Amazon has its own private labels like Amazon Essentials, Solimo, Good Threads, Mama Bear, and Presto. The success of start-up SUGAR cosmetics proves the importance of direct selling and brand-building. Indian cosmetics brand SUGAR competes with established brands like L'oreal and Lakme, but the 8-year old start-up has managed to survive and thrive in the beauty industry. At a time when most retail and e-commerce companies were figuring ways to deal with the impact of the COVID-19 pandemic, SUGAR managed to grow by 60% from its pre-lockdown numbers.

DIY: MARUTI ARENA VERSUS NEXA

Visit the Arena and Nexa stores of Maruti. Spot the differences in the two stores. Carefully notice the design of the store, dressing and appearance of salespersons, lighting and décor, LED panels, tablets, and the personal attention paid to you. Feel free to have some free coffee while you appreciate the thought process and an excellent execution of a marketing strategy by Maruti to sell its premium offerings.

Price

What the consumer has to give up in order to purchase a product or service is called the price. While the monetary value of a product is commonly mentioned, the true cost to the consumer is measured in terms of time, mental energy, and behavioral effort. Think about a consumer planning to buy a car. High-involvement products like cars require more than just the price of the car. Consumers spend time and mental efforts to gather information about brands, visit stores many times to physically inspect the car, may take test drives, and engage with banks to discuss loans, etc. All these activities lead to high cognitive load on consumers. Hence, marketers much factor in all the activities required to purchase the product and try to simplify the purchase process. Firms should check competitor's price and potential reaction to its pricing changes from consumers. Marketers use many factors to determine the final price, which include cost of manufacturing, demand, transportation costs, and competition. Most of these are not under direct control of manager. Hence, to offset the negative impact of high price, marketers use IMC to increase the perceived value of the product to increase the intangible benefits of the product. Using an IMC perspective, a product's price must be in accordance with its perceived value and communication strategy. Higher price builds the perception that the product is of higher quality, whereas lower prices echo value or bargain perceptions. Hence, marketing communications should be consistent with the pricing and perceptions. For example, it is very difficult to convince customers that the product is superior in quality to competitors' offering yet it is available at a lower price. Research on pricing recommends to avoid deep discounts as it affects brand image/perceptions. Moreover, customers become habitual to discounts and may avoid buying product at the original price.

Promotions

Adverts, sales promotions, direct marketing, publicity/public relations, and personal selling are used by marketers to inform consumers about their items and prices, and locations where products can be purchased. Each variable in the

promotional mix helps marketers achieve their promotional objectives, and all factors must work together to achieve an integrated marketing communications program. Market analysis, target marketing, and positioning, as well as coordination of various marketing mix elements, all play a role in the formulation and implementation of an IMC program. Marketers may decide a mix of push and pull strategies depending on the objectives. For example, season-end sales is a common push strategy where marketers offer deep discounts to push products (selling winter wear at the end of winter) to consumers to refresh their assortments for next season (summers). For new products or premium products, marketers employ pull strategy using strategic advertising that focuses on value of the product. In pull strategy, firms try to pull consumers to buy their products. Think about exclusive flash sales of new models of smartphone on e-commerce platforms, where thousands of products are sold within few minutes. Firms can deploy few strategies at the broader level supported by IMC. In next section, we discuss the generic strategies proposed by Porter.

Porter's generic strategies

Porter's generic strategies describe how a company pursues competitive advantage across its chosen market (see Figure 2.3). Porter states that competitive advantage arises from a firm's ability to create value for its customers that is greater than the company's cost of creation. Superior value comes from giving cheaper pricing for

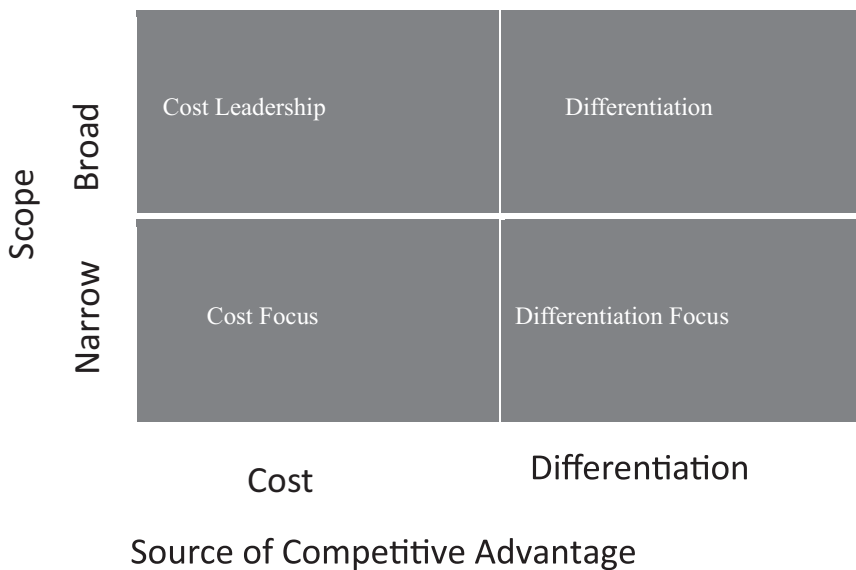


FIGURE 2.3 Porter's generic strategies.

Source: Authors.

equal advantages than competitors or offering unique advantages that over offset a premium cost. Competitive advantage can be divided into two categories – cost leadership and distinctiveness. The profitability of a company is determined by its relative position within its industry. Long-term profitability is built on the foundation of sustainable competitive advantage. A firm's competitive advantage might be either low cost or differentiation. The three generic strategies for achieving above-average performance in an industry are cost leadership, differentiation, and focus, which are based on the two basic categories of competitive advantage and the scope of activities for which a firm tries to accomplish them. Cost focus and differentiation focus are two variations of the focus method. Figure 2.3 depicts the various “generic strategy” options available to a company. The selection of competitive advantage (cost leadership versus differentiation) as well as competitive scope determine a firm's relative position within an industry. Enterprises targeting wide industrial segments and firms concentrating on a specific segment are differentiated by their competitive scope. Generic strategies are important because they define strategic points at the most basic and broad level possible. According to Porter, establishing competitive advantage necessitates a firm's decisions about the type and extent of its competitive advantage. Each generic method comes with its own set of hazards, but trying to be “all things to all men” is a sure-fire formula for mediocre – getting “stranded in the middle”.

DIY: INDIGO VERSUS VISTARA AIRLINES

Imagine you are planning to visit your favorite beach during vacation. Which airlines you prefer – a low cost, no-frills airline, or a relatively more expensive airline with fantastic service levels and maximum comfort? Do an online search and read about airlines brands like Air Deccan, King Fisher, Jet Airways, Indigo, Spice Jet, and Vistara. Air Deccan started as low cost airlines without any service on board failed to sustain the business. Similarly, King Fisher started as a full-fledged service airline but went bankrupt. Jet airways faced the same fate after ruling the Indian aviation for decades. The new age airlines like Indigo and Vistara offer distinct benefits and value proposition to its flyers. Can you identify which generic strategy is followed by these two players? Watch the print and video ads of the two airlines and evaluate how their IMC supports and complement their strategies.

And would you ever consider a small company with just a few routes?

Visit the Arena and Nexa stores of Maruti. Spot the differences in the two stores. Carefully notice the design of the store, dressing and appearance of salespersons, lighting and décor, LED panels, tablets, and the personal attention paid to you. Feel free to have some free coffee while you appreciate the thought process and an excellent execution of a marketing strategy by Maruti to sell its premium offerings.

Cost leadership

The focus of this strategy is on efficiency. The company intends to enjoy economies of scale as well as observe curve effects by creating large quantities of standardized products. The product is usually a simple, no-frills item that is mass-produced at a low cost and distributed to a huge number of people. Maintaining this strategy necessitates a constant quest for cost savings throughout the board. The linked distribution strategy aims to achieve the widest possible dissemination. Attempting to make a virtue out from low-cost product characteristics is a common promotional tactic. This strategy usually necessitates a significant market share edge or preferential availability of raw materials, components, labor, or some other essential input in order to be effective. Despite one or more of these benefits, competitors can readily copy the technique. The following factors contribute to successful implementation:

- Abilities in process engineering.
- Items that are designed to be simple to manufacture.
- Long-term access to low-cost finance.
- Close labor supervision.
- Strict cost management.
- Quantitative targets are used to create incentives.
- Ensure that costs are kept to a bare minimum at all times.
- Low-cost airlines like Jet Airways and stores like Big Bazaar and 99stores are some examples.

Differentiation

Differentiation is a wide market strategy that entails developing a goods or services that is viewed as unique in its industry. Thereafter, the corporation or business line may decide to charge a higher price for its goods. Appearance, brand recognition, technology, functionality, dealers, network, and customer service are all examples of this specialization. Because the consequent brand loyalty lessens customers' sensitivity to pricing, differentiation is a potential approach for obtaining above-average returns in a certain business. Cost increases are frequently carried on to the customers. Buyer loyalty can also act as an entry barrier; in order to compete successfully, new businesses must build their own particular competency to distinguish their products in some way. Hero Honda, Asian Paints, Unilever, Nike athletic shoes, Apple Computer, and Mercedes-Benz vehicles are examples of effective differentiation strategies. Because differentiation provides a greater entry barrier, research suggests that a differentiation approach is more likely to yield larger profits than a low-cost strategy. A low-cost strategy, on the other hand, is more likely to result in market share gains.

Focus

Companies that use focus strategies concentrate on few market segments (niche markets). They understand the dynamics of the selected market and the unique needs of customers within it. Firms can develop uniquely low-cost or well-specified products for the market. Because they serve customers in their market uniquely well, they tend to build strong brand loyalty among their customers. The focus strategy has two variants. In cost focus, a firm seeks a cost advantage in its target segment, whereas in differentiation focus, a firm seeks differentiation in its target segment. Cost focus utilizes differences in cost behavior in some segments, while differentiation focus looks after the special needs of buyers in certain segments. For example, Coca-Cola offers Diet Coke and Coke Zero variant that are targeted to health and calorie conscious niche segment. Similarly, McAlloo Tikki is a low-cost burger offered by McDonald’s that targets price conscious customers.

6M model

The 6M model offers a framework for the components of a comprehensive marketing communications strategy (see Table 2.1). The first two elements mission and market form the strategic intent of the IMC program. Message and media elements are about executing the strategy, which decide what message to be delivered and which media to use to reach consumers. Money and measurement take care of financial aspect, budgeting, and evaluation of IMC.

This strategic intent incorporates stretch targets, which force companies to compete in innovative ways. A company may decide an ambitious target to channel its energy toward the single target. For example, Canon set the target to “beat Xerox” to motivate its entire workforce toward one single objective. Marketers need to do two things to establish the strategic intent of any IMC plan: (1) set an objective for the communication (mission), and (2) define the audience for the communication (market). In the next step, marketers need to finalize the story/message that

TABLE 2.1 The 6M Model

<i>Strategic intent</i>	
Mission	Market
Objectives of communication	Target audience
Strategic execution	
Message	Media
Story to be communicated	IMC tool to be used for message delivery
Strategic impact	
Money	Measurement
Budget allotted for IMC program	Key indicators to assess campaign impact

Source: Adapted from Harvard Business School, “Note on Marketing Strategy”, HBS No. 598–061, by Robert J. Dolan.

should be communicated to the target audience. Managers must be careful to match the message to the idiosyncrasies of the specific media. The message flows from brand's positioning statement and its value proposition. The message is an art of storytelling to consumers that should answer this question of why should they buy your brand. Once the message is finalized, the delivery channel needs a careful selection. In today's world, there are too many options available, including traditional broadcast media, direct channels, and ubiquitous online media (Internet and social media). Ideally, managers would like to utilize all the available media possibilities, but the money element puts a restriction on wishful thinking. Money is the budgeting element of the whole IMC plan. The budget guides the selection of media channels with limits. Firms set the budgets based on their objectives, current market share, and how much money their competitors are spending. The final M, measurement, ensures that the expenditures on IMC plan gets the desired return on investment. The expenses should achieve a predefined sales (profit) target. Firms prepare multiple mechanisms and processes to evaluate the performance of the IMC plan, which acts as a critical input to future spending, choice of media and messages, and allocation of budget for IMC program. Some of the measurement metrics are awareness, aided and unaided recall, share of voice, share of mind, and incremental revenues. In the context of digital marketing, evaluation of an IMC plan can be done on impressions, click-through rates, lead generation, and final conversion rates.

DIY: 6M MODEL IN PRACTICE

Select one of your favorite brands and find out answers to the following questions to understand and critically evaluate the brand's strategy using 6M model. A sample of potential answers is given for Thums UP cola brand.

1. What is the objective of marketing communication?
 - To become the market leader of the cola beverage category
 - To achieve the growth of 10% over last year
2. Who is the target audience?

Young males, preferably in the age group of 16–30, adventurous and aspirational lifestyles, achievers (based on activities, interest, and opinion framework)
3. What storyline or specific points to be communicated?

Thums UP is positioning on the core aspect of thrills and adventure. Most of the campaigns revolve around the concept of an adventurous storyline involving daring actions. The tagline for Thums UP is "Taste the Thunder" that reflects the strong taste the brand and a strong masculine identity.

4. Which media types are used to communicate the message?

Campaigns mostly used TVC and print media.

5. How much money is spent on the campaign?

Find the amount if available in public domain.

6. How the impact of campaign can be measured?

Brand reach, awareness, aided and unaided recall.

Conclusion

IMC helps companies to achieve their marketing objectives. Companies develop an IMC plan by crafting messages and storylines about their brands that introduce and strengthen the positioning of the brands and enforces differentiation. Marketers first do an opportunity analysis to identify the new growth opportunities. They also evaluate competition and industry environment based on political, economic, social, technological, environmental, and legal factors to assess the potential and attractiveness of the market. If marketers are convinced about the market potential, they segment the market in many segments, and then target one or multiple segments. Marketers make key strategic decisions on the marketing mix of 4 Ps: product, place, price, and promotions. Brands may follow long-term generic strategies and tailor their communications aligning with those strategies. Finally, 6M model can be used as a strategic tool to implement an effective IMC plan.

Discussion questions

1. A company may compete in a number of market segments. Discuss an example of one such company and describe how it communicates with its customers in different market segments.
2. Select a product category and perform an opportunity analysis and competitive analysis to identify the potential opportunities. Provide a rough estimate of the market size. How will you differentiate from your competition?
3. What is the role of PESTEL factors in creating IMC strategies? Discuss with examples.
4. Briefly discuss the segmentation, targeting, and positioning concepts with an example.
5. How does marketing mix influence IMC decisions for each element? Briefly explain with examples.
6. Companies have two strategic choices when it comes to their brands. Few companies continue with the same brand elements (colors, logos, packaging) without making any significant changes, whereas some companies have changed the brand identity. Discuss the benefits and risks of both strategies using suitable examples.

7. How companies can use generic strategies? Give suitable examples of each strategy.
8. Use 6M model to prepare an IMC plan for a coffee brand.

IMC in practice

Imagine, you are given the task of launching a new “instant energy drink” product.

Answer the following and prepare an IMC plan to promote the new product:

How many competitors are available in the market? What is the approximate market size for the product?

Whom you would like to target the product?

How you are planning to position your product and why?

Create some storylines/themes to promote your product (preferably a print and video ad).

Decide the media channels for your marketing communications. What is the rationale behind selecting those media vehicles?

How you will tackle the marketing mix decisions?

Which generic strategy is applicable to such products? Is it sustainable?

How will you measure the effectiveness of your campaign in traditional and digital media?

Learning objectives

1. Discuss the role of IMC in overall marketing strategy.
2. Understand opportunity and competitive analysis.
3. Understand market segmentation and targeting.
4. Describe positioning strategies.
4. Explain 6M model of IMC.

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3

SEGMENTATION, TARGETING, AND POSITIONING

Opening case

The Indian two-wheeler market always focused and catered to the male customers. There were few mopeds catering to the female customers, but were not advertised in that manner or were not very well received by the consumers. Honda Activa was one of the first gearless two-wheeler moped launched in India to cater to the gap that existed in the market. However, Activa positioned itself as a unisex vehicle catering to both male and female customer groups. Hero's competitor Bajaj in 2001 had launched a campaign for their new bike "Pulsar" with the tag line "it's a boy", and "definitely male". Seeing a specific product-related gap – a moped for female consumers – Hero decided to launch a new moped for female consumers. The entire marketing communication was focused on spreading the message that this new vehicle is for women. The scooter was named "Pleasure" and the ad agency FCB Ulka came up with the advertising campaign "Why should boys have all the fun".

Market

Before understanding and defining the target market, it is essential that the firm defines its market. Market is defined usually as a group of people and/or entities with the ability, willingness, and competence to acquire goods in a product category. Many a times a person might have the need or want for a product, he/she might even have the inclination and ability to buy the product, but might not have the authority to do so.

Markets can be categorized broadly into two ways:

- *Consumer market*: It comprises buyers and members of their families who aim to use or gain from the things they have acquired, rather than buying for profit. This market is also referred to as B2C markets.

42 Segmentation, targeting, and positioning

- *Business market:* It comprises people or organizations who buy a particular product for one of three reasons:
 - Reselling
 - To use them for manufacturing other products being sold by them
 - Used in the organization for support in day-to-day operations

These markets are also referred to as B2B market or industrial markets.

Target market

Every firm must appeal to a diverse demographic of customers. Because not all products can be used by all consumers, and each product has a different type of consumer, every business creates a target measure based on factors such as age, gender, income level, ethnicity, religion, location, and lifestyle to identify the target market. To identify the target market, every business creates a profile of typical consumers who are likely to buy its products or services. For example:

- Dove has focused on females, aged between 18 and 35, who value natural, healthy beauty products.
- Lay's Maxx's core target audience is young males.

Target audience

The identification of the target audience is the first step in marketing communication. Individuals, groups, specialty markets, market sectors, or the general public and mass audiences may be the target audience. Marketers take a different strategy to these target demographics.

Individuals: These are people who have unique requirements. This necessitates one-to-one, where a salesperson may deliver a message to the firm's customers and even reply to particular queries from customers. Advertisements are utilized to reach a huge number of people. These are utilized by businesses in the insurance industry, as well as financial services such as loans and real estate agents.

Groups: Marketers connect with a group of individuals who will make the purchasing decision. When businesses or organizations promote their products to other businesses or organizations, they must identify the buyer in the purchasing organization. What motivates the member of a group to make a decision? Advertisers might target members of the group with the power to make decisions.

Niche market: Marketers seek buyers with comparable demands to the firm's requirements, which might be small groups of people. They can be contacted through personal selling or highly targeted direct mail marketing.

Market segments: There is a larger group of purchasers with comparable demands who may be reached through comparable communication methods. These

market segments can be reached through mass media such as magazines, newspapers, and television.

Mass audience: Marketers use advertising to try to acquire a bigger number of customers. The flow of information from a sender to a large number of recipients is known as mass communication.

Success through target market

Based on the defined target market, a business initiates various marketing and sales strategy. Building a client base becomes easier by determining the essential features of a specific market and then designing a market mix to match the market's needs and wants.

Target market strategy

A few businesses concentrate on a single market, while others strive to retain relationships with customers in a variety of target markets. Various target market strategies exist.

Undifferentiated strategy

This strategy implies seeing the market as a whole rather than a collection of segments. The same marketing mix is used for the entire market. It has a lower marketing cost and a lot of competition. Examples include staples like toothpaste, bread, and soft drinks.

Concentrated strategy

For specialized markets, a focused strategy is employed. This is a smaller market that have unique set of needs. Concentrated approach enables the market to better satisfy market needs, but it puts the company at danger if the company shrinks or changes.

E.g.: Bajaj Allianz Life

Bajaj Allianz Life's campaign inspires people to pursue their dream role post-retirement. Bajaj Allianz presents the tag line "The Final Interview". Business is targeting the old-age costumers.

Multi-segment strategy

This strategy prefers to serve two or more target markets. A business may offer different products for different target markets. Different types of target markets are targeted by department shops. A multi-segment strategy is being used at these retail stores.

How to select the target market

Here are some questions that aid in the selection of the target market:

- Are the target customers male or female?
- How old are the target market customers?
- Where do they live?
- How much money they earn and how much they are ready to spend?
- What are the other aspects of their lives that matter, for example, culture, ethnicity, beliefs, etc.?
- What are their preferences, product, or services?
- What price are they willing to pay for products or services and for what features?

The managers will know the market they are targeting after answering these questions.

Effective target market

In most cases, business owners treat all of their clients as a single market. This is ineffective since not every product is appropriate for every buyer. Such an efficient target market aids in the growth of the firm and the acquisition of new clients.

- People in the target market have common, essential demands that may be met by using business products or services.
- The goods and services are affordable to the target market.
- There is enough data about the target market to establish an effective marketing mix.
- The target market's demand for the product or service is sufficient to generate profit.

Market segmentation and target market

Target market selection

When it comes to target market identification, most marketing managers use a five-step procedure:

- Determining the most effective targeting method.
- Identifying the segmentation criteria to be employed.
- Creating consumer profiles based on the marketing segments.
- Assessing the most suitable segment.
- Finally, selecting the target market segments.

Determining the most effective targeting method

Target audience features, product traits, and the firm's goals and capabilities all influence the targeting approach.

Undifferentiated strategy (mass marketing)

This strategy implies seeing the market rather than a collection of segments. The same marketing mix is used for the entire market. The basic premise is that the target market's wants for various types of products are similar, and so the company can satisfy most clients with a unified marketing process. It has a lower marketing cost and a lot of competition. Examples include staples like toothpaste, bread, and soft drinks. This method is successful under two circumstances – there should be a homogeneous market, that is, a substantial majority of consumers have comparable product requirements, and the firm should create and sustain a single marketing mix that meets the demands of its consumers.

Although mass marketing is an undifferentiated marketing approach in which a company chooses to neglect specialty marketing and market segmentation in order to appeal to the whole market with a single plan or product, it does have certain advantages. The company will be able to reach a larger audience, receive more visibility, boost sales and volume, and reduce marketing costs. And because there are so many businesses fighting for the same clientele, mass marketing success becomes increasingly challenging.

Concentrated strategy

For specialized markets, a focused strategy is employed. This is a smaller market that have unique set of needs. Market segmentation is the act of classifying the whole market into smaller groups or segments with roughly comparable product demands in order to build a marketing mix that perfectly fits the requirements of individuals in a particular segment. Segmentation of the whole market is only appropriate and sensible when the individuals belonging to particular group show relatively similar traits, needs, and wants. The basic justification for segmentation is that a business can better design a compelling marketing mix for a small portion of a complete market than it can for the entire market.

There are few basic requirements for the market segment to be successful:

- There should be heterogeneous needs/wants in the market.
- The firm must be able to distinguish and separate the proposed segments.
- Market must be divided into comparable segments with regard to expected sales, costs involved, revenue to be generated, and overall profits.
- A minimum of one group must have sufficient profit potential to warrant the creation and implementation of a unique marketing mix for that segment.
- Finally, it is very important that the firm is able to reach out to the target market in an effective and efficient way.

Concentrated approach enables the market to better satisfy market needs, but it puts the company at danger if the company shrinks or changes. For such a strategy, the market should substantially have consumer groups that are heterogeneous and tend to have varied product/service needs.

Differentiated (multi-segment) strategy through segmentation

A business may offer different products for different target markets. The action or method of partitioning a big group of clients into subgroups based on definable and similar features and needs is known as market segmentation. Market research and marketing data are used by businesses to define market segments. A market sector is investigated, and a target market is chosen. In the differentiated target market strategy, the firm prefers to serve two or more target markets by creating separate marketing mix elements for each of the segments.

Because its marketing mixes are directed at diverse groups of people, a company may improve sales in a complete market by focusing on more than one group. The excess production capacity in the manufacturing unit can be utilized to serve the additional segments, although the overall costs involved also increases while serving multiple segments simultaneously.

Identifying the segmentation criteria (variables) to be employed

These segmentation variables are used for classifying individuals, groups, or companies with similar traits. It should be based on similar needs or requirements of customers, or how the product is being used or similar display of behavior toward the product. Also, the marketer should be able to measure the criteria used for segmentation. The type of variable and how many variables to choose for segmentation depend on firms' competencies, assets, and the available resources. Identifying variables is an important step as it can define the success or failure of the marketing mix.

- *For consumer market*
- *Types of segmentation:* Five common categories for segment market – geographic, demographic, psychographic, product usage, and benefit expectation.

Table 3.1 shows the most important variables being used by marketers for segmenting the market.

- *Geographic segmentation*
Geographic segmentation is a market segmentation approach that divides the market into several areas or geographies. Countries, states, cities, villages, countryside, climatic conditions, and population density are all examples of geographic segmentation. Rural and urban divide is a major geographic segmentation in South Asia. These markets differ on number of parameters like literacy levels, income, spending power, and availability of infrastructure (electricity, telephone network, roads, etc.)
- *Demographic segmentation*
Customers are segmented according to their age, gender, race, marital status, income, education level, and employment. Music, housing, restaurant menus, and vehicles are all designed to cater to the requirements and desires of certain

TABLE 3.1 Segmentation Variables

<i>Geographic variables</i>	
Region	South India, western region, north, east
City or metro size	Class-I cities, class-II cities, metro cities, cities with a population of 0.5–1 million, etc.
Rural and semiurban areas	Rural villages with a population of over 10,000; semiurban areas, small towns with population between 20,000 and 50,000
<i>Demographic variables</i>	
Age	Under 6, 6–11 years, 12–19 years, 20–34 years, 35–49 years, 50–64 years, 65+ years
Family size	Young, single; young, married, no children; young, married, one child; older, married, with children; older single, etc.
Gender	Male, female, others
Income	Low (up to INR40,000 p.a.), lower middle (INR40,001–80,000 p.a.), middle (INR80,001–120,000 p.a.), upper-middle (INR120,001–160,000), and high
Occupation	Unskilled workers, skilled workers, traders, shop owners, businessmen/industrialists, professionals, etc.
Education	Illiterate, school up to 9 years, SSC/HSC, graduate/postgraduate (general/professional)
<i>Psychographic variables</i>	
Socioeconomic classification (SEC)	Lower, lower-middle, middle, upper-middle, upper class
Lifestyle	Culture-oriented, sports-oriented, outdoor-oriented
Personality	Compulsive, gregarious, authoritarian, ambitious
<i>Behavioral variables</i>	
Occasions	Regular, special
Benefits	Quality, service, speed, economy
User status	Nonuser, ex-user, potential user, first-time user, regular user
Usage rate	Light, medium, heavy
Loyalty status	None, medium, strong, absolute
Readiness stage	Unaware, aware, informed, interested, desirous, intending to buy
Attitude toward product	Enthusiastic, positive, indifferent, negative, hostile

Source: Adapted from Kotler (2003).

demographics. Age and life cycle stage segmentation is the process of offering different products or using different marketing approaches for different age and life cycle groups. Consumers' wants and abilities change with age.

Persons in the same life cycle may differ in their life stage. Life stage defines a person's major concern such as getting educated, getting married, buy a home,

sending the child to school, taking care of older members of the family, planning for retirement, etc. These life stages present opportunities for marketers who can help people cope with their major concern.

Gender segmentation divides the market based on sex (male or female). Men and women have different attitudes and behave differently based on genetic makeup and socialization. Fair & Lovely (for women) and Emami (for men) are some of the examples in the Indian market.

Income segmentation divides the market into affluent or low-income consumers. It is a long-standing practice in a variety of products and services. It determines a consumer's ability to participate in the market exchange and hence this is a basic segmentation variable. However, income always does not predict the best consumers for a given product. Even if two consumers have similar incomes, they may use different products based on their lifestyle, attitudes, and values. Automobile companies have been following income-based segmentation.

- *Psychographic segmentation*

Consumers are classified into psychographic segments depending on their interests, attitudes, beliefs, and lifestyle. Psychographic research focuses on how people spend their time and the reasons behind their activities. Psychographics is the science of using psychology and demographics to better understand consumers. Buyers are divided into different groups on the basis of psychological/personality traits, lifestyle, or values.

- *Product usage segmentation*

Product consumption refers to the quantity of money spent on a product, and it may be used to estimate the market segment's worth. Consumers might be first-time, occasional, or habitual users. Marketers concentrate their efforts on heavy users, attempting to convert first-time and light users into heavy users. Because frequent users are often brand loyal, product promotion is encouraged.

- *Benefit segmentation*

Benefit segmentation divides customers into groups based on the unique benefits they expect from a product or service. Benefit segmentation, more than any other sort of segmentation, focuses on the consumer's needs and desires. Many product categories offer different products targeted at people who seek different sets of benefits.

- *Segmenting business market*

- *Demographic*

- *Industry*: Which industries should we serve?
 - *Company size*: What size companies should we serve?
 - *Location*: What geographic areas should we serve?

- *Business type*

Product characteristics, distribution networks, pricing schemes, and sales techniques may differ depending on the type of company.

- *Number of customers*
The total number of companies being served also determines the purchase process and quantity.
- *Operating variables*
 - *Technology*: What customer technologies should we focus on?
 - *User or nonuser status*: Should we serve heavy users, medium users, light users, or nonusers?
 - *Customer capabilities*: Should we serve customers needing many or few services?
- *Usage of the product*
- *Purchasing approaches*
 - *Purchasing-function organization*: Should we serve companies with highly centralized or decentralized purchasing organizations?
 - *Power structure*: Should we serve companies that are engineering dominated, financially dominated, and so on?
 - *Nature of existing relationship*: Should we serve companies with which we have strong relationships or go after the most desirable company?
 - *Purchasing criteria*: Should we serve companies that are seeking quality, service, or price?
- *Situational factors*
 - *Urgency*: Should we serve companies that need quick and sudden delivery or service?
 - *Size or order*: Should we focus on large or small orders?
- *Personal characteristics*
 - *Buyer-seller similarity*: Should we serve companies whose people and values are similar to ours?
 - *Attitude toward risk*: Should we serve risk-taking or risk-avoiding customers?
 - *Loyalty*: Should we serve companies that show high loyalty to their suppliers?

Creating consumer profiles

These profiling descriptions illustrate the contrasts between individuals and corporations in various market segments while also describing the commonalities among prospective buyers within a segment. It can provide a detailed picture of the consumer set in terms of demography, geographic factors, values and lifestyles, brand usage attitude, and preferences. These profiles can help the firm in understanding their target market consumers and can reach out to them effectively.

Assessing the most suitable segment

The firm needs to prepare an estimate of total potential sales expected out of the various segments that have been identified. Also, the market potential needs to be understood before estimating the sales potential. This will also help the business in planning for their own sales estimates, which can be done by using any of the two methods – breakdown approach or buildup approach. While estimating and forecasting the sales potential, it is important that firms consider the competitive scenario in the market. Are there any competitor already in the market eyeing the same segments? If not, what is the probability that there will be competition in the near future? Where does the competitor's strength lie and what are their weaknesses? What marketing mix can be used by the firm to counter the competitors in the market.

Finally, the firm has to estimate the overall cost of operations. If the cost of serving a particular segment is way more than the profits being generated, the segment might not be a viable one.

Selecting the target market segments

Based on the various assessments and measurements undertaken in the previous steps, the firm can decide whether there are variances in consumer demands to justify market segmentation. Managers should determine if the company has the financial means, organizational skills, staff knowledge, and facilities to enter and compete effectively in specific segments.

The action or method of partitioning a big group of clients into subgroups based on definable and similar features and needs is known as market segmentation. Market research and marketing data are used by businesses to define market segments. A market sector is investigated, and a target market is chosen.

Identifying market segment

Before a company can design an efficient marketing mix that will attract customers, it must first determine the marketing segment and target market.

Some steps for identifying market segment are as follows:

1. To begin with, choose a market or product category to research. There is a significant market of customers interested in a certain product category in which the company currently has experience, or a new one that the company wishes to investigate.
2. Select the foundation for market segmentation. Determine the consumers' needs in the market defined in the previous phase. Consider the elements that impact your purchasing choice. Think about why people buy your goods or service.
3. Collect and identify data. This stage will need substantial marketing research into client purchasing behavior or motivation.

4. Determine the market segments. Begin refining the market into market segments based on your findings. Based on location, demographics, psychographics, product usages, or benefit expectations, groups share similar features and needs.
5. Choose the market category that has the greatest potential. Select the target market after conducting more research and analysis on the market segments with the greatest potential.

Analysis of potential market

Businesses can target a variety of market segments. It is vital to determine the one sector that provides the greatest prospective clients for the company. Profitability determines market potential. There are some factors:

- Market segmentation is quantifiable. Analysis of geographic, demographic, psychographic data is possible.
- The company can produce the goods or services at a price that meets the needs and desires of the customers.
- The market sector must have a large number of potential clients as well as room for expansion.
- The company can better service the market sector than its rivals.

Market targeting

A target market is a group of consumers with similar requirements or characteristics who the firm chooses to serve. The market segment can be evaluated on the following basis:

- *Segment size and growth:* Analyze current segment sales, growth rates, and expected profitability.
- *Segment structural attractiveness:* Consider effects of competitors, existence of substitute products, and the power of buyers and suppliers.
- *Company objectives and resources:* Examine company skills and resources needed to succeed in that segment and offer superior value and gain advantages over competitors.

After evaluating different segments, the company can consider five patterns of target market selection:

- *Single-segment concentration:* One marketing mix is used to serve one sector of the market (not the entire market).
- *Selective specialization:* This is a differentiated approach, or a multi-segment strategy. Different marketing mix combinations are available for various categories. The goods physically may or may not differ; in many situations, the advertising message or distribution methods are the sole differences.

52 Segmentation, targeting, and positioning

- *Product specialization:* The company focuses on one product and tailors it to several market areas.
- *Market specialization:* The company focuses on a certain market segment and provides that sector with a variety of items.
- *Full market coverage:* The firm attempts to serve the entire market. This can be accomplished through a mass market strategy, in which a single homogeneous marketing mix is supplied to the whole market, or a differentiated approach, in which each segment receives its own marketing mix.

Choosing a target market depends on company resources, product variability, product life cycle stage, market variability, and competitor's marketing strategies.

Socially responsible target marketing

Smart targeting helps both companies and consumers. Target marketing sometimes generates controversy and concern. Vulnerable and disadvantaged can be targeted. Cereal, cigarette, beer, and fast-food marketers have received criticism. Internet has raised fresh concerns about potential targeting abuses.

Positioning

As stated by Al Ries and Jack Trout (1981):

Positioning starts with a product. A Piece of merchandise, a service, a company, an institution, or even a person . . . But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.

Positioning is establishing the product's position in comparison to other similar products or services on the market, as well as in the minds of customers.

Positioning is without a doubt one of the most basic and important techniques available to marketers. You would position a product within a market after segmenting it and then targeting a consumer. The positioning of a product or service creates an "image" in the minds of consumers. Consumers prefer to purchase "images" rather than genuine products. Advertisement is primarily used by promotional managers to promote brand or company "image". It's all about "perception" in brand positioning. As a result, positioning is concerned with a product's features and design, as well as how the product is presented and how these components are combined in the minds of buyers. It's not simply the product's physical characteristics that matter for positioning, and it's not just communication that leads to good positioning.

What affects a product's position?

- *Product*: Design, features, style, packaging, warranty
- *Price*: Price level, discounts
- *Promotion*: Message, media, sales promotion, publicity
- *Distribution*: Exclusivity of coverage, types of retailers

Importance of positioning

- Increase in sales value and volume
- Competitive distinctiveness
- Maximizing brand value
- Maximizing customer relevancy

There are various positioning options available to a marketer, as shown in Table 3.2.

Customer-benefit positioning

The product might be positioned as the market leader in a certain benefit. More than one advantage may be stressed at times. Marketers can then strive to aggregate

TABLE 3.2 Positioning Strategies

<i>Positioning Strategies</i>	<i>Definition</i>	<i>Advertising Claims</i>
Customer benefits	Associate a brand or product with customer benefits	Benefit(s)
Price and quality	A product is highlighted in terms of service features or performance. Manufacturer charges high price	Value for money
Application	Associating a product or service with a use or an application	Use or application of a product or services
Product user	Associating a product or service with a user or class of users	Cine stars or sports heroes using the product
Product class	Associating a product or service in a particular product class	World-class products
Cultural symbols	Associating cultural symbols with a product or service to differentiate from competitor's product	Royal
Competitors	Associating with competitor's product or service by comparison	Compares with competitors' brand

Source: Adapted from Kotler (2003).

these benefits into one main benefit to make them easier to recall. This is an important positioning strategy. It involves putting the brand above competitors, based on specific brand attributes and customer benefit. Often it is seen that firms attempt to position their brands along with two or more characteristics simultaneously; this is done to give an extra edge to the product from its rival.

Examples

- In automobiles sector, we can see many car manufacturers put emphasis on different technical aspects such as fuel efficiency, safety, engine performance, and power windows.
- Procter & Gamble's head & shoulders shampoo functions as anti-dandruff and anti-hair fall shampoo.
- Bourbon biscuit – the ad campaign highlights dark chocolate inside and sugary biscuit outside.
- Red Label Natural Care tea – flavors of ginger, ginseng, liquorice, cardamom, and basil. Families seeking wellness in their daily lives. Good for immunity.
- L'Oreal Total Repair 5 – five reasons to change your shampoo to L'Oreal. Problem of hair fall, dry hair, rough hair, dull hair, and split ends visibly reduced.
- Olay Total Effects 7 – antiaging cream that moisturizes and fights seven signs of aging.

Price or quality positioning

The product promises to provide the best value in terms of both price and quality. Marketers position themselves on the basis of price which may be reasonable and affordable price or high price for high ends.

Examples

- McDonald's with its campaign "*Purane Zamane Ke Daam*" emphasized on less price and now Happy Price Menu.
- Sonata is the "Value for Money" watch brand from Titan.
- Wheel – the low-cost detergent
- Rolex – luxury and expensive watches

Often associated along with price, marketers use quality characteristics to position their brands.

Examples

- *Accenture*: Emphasis on quality of product delivered.
- *HUL Pureit*: As safe as boiled water.

- *Skoda Automobile*: Emphasizes on the quality of the cars. As its tag line suggests, it is obsessed with quality and is positioned as very high-quality product.
- *Ernst & Young*: Looks themselves as people who build relationships based on doing the right things. They stress on quality of every work which they perform.

Use or application positioning

Marketers often position their product for the utility that a consumer will derive. A product can be linked to a particular usage or application:

- *Surf Excel*: Promoting the thought that dirt is good. Let people enjoy in rain, mud with colors. For cleaning, Surf Excel is there.
- *Vanish*: Positioned themselves specifically as stain removal fabric care, additive to normal detergent.

User positioning

The brand identifies and determines the target segment for which the product will be positioned. A product may claim to be designed for a certain user group.

Examples

- *Johnson & Johnson*: Strongly positioned themselves as kid product, product range especially for newborn babies.
- *Breitling*: It is a brand of Swiss watches that positioned themselves for aviation purposes. Its chronograph functions have become more of status symbols than practically applied tools.

Product class position

The product is positioned as the leader in a product class or category that is distinct from its usual category. Instead of competing against particular brands, the product positions itself in a different product category. This approach is used so that the brand is associated with a particular product category. This is generally used when a category is too crowded.

Example

- Unilever has positioned Dove soap as a cleansing cream product for women with dry skin and is positioned as a premium segment soap.
- Dettol launched an antibacterial soap to differentiate itself with other soaps.

Cultural symbol positioning

The positioning strategy is based on deeply entrenched cultural symbol. The use of cultural symbol can help to differentiate the brand from competitors' brands.

Example

- *Bajaj*: Bajaj sparked the joy of being Indian.
- *Hero*: Hero group positioned themselves as “*desh ki dadhkan*”.

Attribute positioning

The product may be classified based on features such as design automation, non-corrosive materials, years of expertise, and number of awards, among others.

Competitor positioning

The product compares itself to a known or suspected rival and promises to be superior in the same way. Many brands use competitor as a dominant plank in their campaign. These brands are positioned following its competitor. This is an offensive strategy.

Image or personality positioning

The brand attempts to establish a strong image or personality.

DIY: QUICK POSITIONING TEST – A MIND-READING TECHNIQUE

Try this exercise yourself and with your friends. Think of the first word (preferably adjective) that comes to your mind (write it somewhere) when you hear the name of these brands.

- Maggi
- Apple
- Surf Excel
- Domino's
- Android operating system

You will be surprised to see that many consumers' people associate brands with the following words (exact or similar in meaning).

Different positioning planks/bases

Different types of positioning planks/bases are used by the marketers:

- *Economy*: Product positioned toward a particular segment keeping in mind its economy.
- *Benefit*: Product positioned with some beneficial features.
- *Gender*: Product positioned for a particular segment.
- *Luxury and exclusiveness*: Product or services positioned toward luxury segment.
- *Fashion for elite class*: Product positioned for fashionable elite class or member of the society, who always want to stay ahead in terms of fashion and demands exclusive products only.
- *Technology and value-added features*: Positioning of a product according to its technological advancement and value-added features.

Developing a positioning platform

Figure 3.1 explains the steps that can be followed by marketers while developing specific positioning strategies.

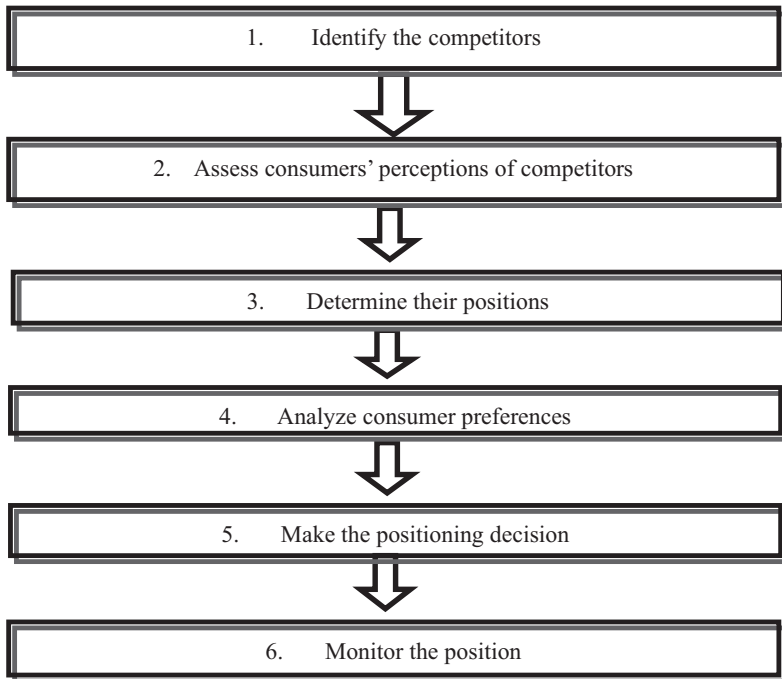


FIGURE 3.1 Steps for developing positioning strategy.

Source: Adapted from Kotler (2003).

Whenever a firm has decided on its positioning strategy, it must effectively express that position across all aspects of the marketing mix. Whether or not customers embrace a company's positioning in the way it intended is primarily determined by how successfully it conveys its positioning, among many other considerations. If the intended positioning is not working well, the brand may attempt to change its positioning. The firm can either "reposition" their brand or they can "deposition" their brand, to come up with a new positioning strategy. However, many a times, repositioning does not work in the intended way and the brand tends to lose its relevance. Many of the organizations launch new brands rather than changing the positioning of their existing brands.

Conclusion

This chapter focuses on the importance and usefulness of segmentation, targeting, and positioning for a company's marketing communications strategy. This chapter demonstrates how a company's marketing tactics are impacted by its rivals, and how STP analysis is one such strategic choice. The firm first examines the market it wants to offer its product, and then it segments the markets into various subsections. This can be undertaken with the help of various segmentation variables that have been elaborated in the text. After segmenting the market, the firm needs to identify the most suitable and profitable segment(s) to target. Positioning helps the firm (brand) to establish themselves in the minds of their customers. Based on the STP strategies, the firm can develop different promotional campaigns in order to effectively communicate to their target audiences.

Discussion questions

1. Determine a market in your neighborhood by identifying a group of individuals with unmet product demands. Is it possible for a firm to reach this market? Why do you think that is?
2. Explain the five main procedures involved in selecting a target market.
3. Determine and define the four basic types of factors that may be used to segment consumer markets. Give instances of product marketplaces that are divided into categories based on factors.
4. What criteria are utilized to classify market opportunities?
5. Does an educational institute need to position itself? Discuss the way your institute has positioned itself? If you were given the task of changing the positioning strategy and come up with for your institute, what would that be? Validate your choice.
6. How do the different social media networks position themselves? Compare their positioning strategies.

IMC in practice

- Analyze the STP strategies of Coca-Cola versus Pepsi and Samsung versus Apple in the Indian market, if any. Whether all the targeted segments are useful and profitable for the companies. How each of them has differentiated itself against its competitors? Do their positioning strategies differ a lot? What are the common factors/variables? Describe the primary message delivered by their promotional efforts, and how do their product, price, and distribution strategies support, and vice versa, the communication? Before the lesson, give a thorough analysis.
- Look at the following six types of products. Identify whether each product would require an undifferentiated, concentrated, or differentiation targeting strategy.
 - Tupperware water bottles
 - ASUS laptops
 - Samsung Galaxy phones
 - Lululemon yoga gear
 - Mahindra automobiles
 - Salt

Learning objectives

1. Discuss the importance of segmentation.
2. Understand how to identify consumer target markets or market segments.
3. Describe positioning strategies.
4. Understand the impact of positioning on IMC process.

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4

UNDERSTANDING CONSUMERS

Opening case

Jeff Bezos stated at an Amazon conference in India, “I predict that the 21st century is going to be the Indian century. The dynamism, the energy . . . everywhere I go here, I meet people who are working in self-improvement and growth”. In India, millennials are 34% (at 440 million) of the country’s total population. India is world’s largest millennial market attracting global brands of the world. Indian millennials significantly contribute to country’s GDP and are early adopters of digital banking and finance services. The new age consumers have a strong preference toward app-based online banking, e-wallets, digital payments (UPI), and regularly uses credit/debit cards. Indian credit card market is dominated by private players. Though marketers acknowledge the importance of millennials, none of the players offered any specific product to cater to this market segment. To address this gap, Slice, a fintech start-up, focused on India’s youngsters for its business. The firm aims to build a smart, simple, and transparent financial platform to redesign the financial experience for the millennials. Slice team includes millennials who understand the needs of their products are built for the young and they understand what millennials want. The card fulfills the three critical needs of this segment – no annual fees, no joining fees, and no hidden charges. It offers instant cashback rewards and weekly deals, which are very popular among millennials. Lastly, Slice does not require the Credit Score, a mechanism widely used by banks to offer loans and credit cards. Most of the millennials are too early in their career to reach an acceptable credit score to get a credit card. Clearly, Slice team has understood the needs of its target consumers of millennials. Probably the biggest challenge for Slice was how to persuade this segment which is always online and barely has any attention span toward traditional ads. Slice used print, TV, and streaming platforms

to reach a wider audience. It created indecipherable and intelligent print ad, which showcased how traditional credit cards have complex terms and conditions, unlike the Slice super card. In the ad, the firm included an interactive digital activation by making readers use Google Lens to decipher the text written in Greek. As a result, the print ad generated a lot of buzz, enthusiasm, and conversations on social media (LinkedIn and Twitter). Slice, a credit card challenger, stressed on “speed” to capture and address the ever-moving millennials’ need for speed. It launched a series of 20 seconds TV ads, which featured odd zoomorphic characters. The campaign reinforced the Slice card’s key USP of super speed – with the punchline – “slice the slow”. Slice was able to convey its point-of-differentiation of quick and easy card approvals to meet the aspirations of millennials. Shikha Gupta, Creative Head at Slice, said:

In today’s fast-moving world where time is the most precious commodity, we aim to save it so that our users live it the way they desire. We wanted to showcase the quintessence of the slice super card – its speed – and that we’re a brand for those who believe in moving fast.

Introduction

Consumer behavior is the study of how people make purchase decisions. The term “Consumer” is an individual who buys or has the capacity to purchase goods or is the decision-maker in the purchase process to satisfy personal or household needs, wants, and demands. The main steps involved around consumer behavior are searching, purchasing, using, evaluating, and disposing of products and services. It mainly focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption-related items. That includes many things like what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase, the impact of such evaluations on future purchases, and how they dispose it.

Consumers are generally perceived as rational decision-makers (sometimes, they are not!). So, they take a decision when they feel (recognize) a need to have something to meet their wants. The needs can be functional or psychological. Functional needs are directly related to the characters of a product and these functions are the features and benefits which differentiate one product from the other. Consumer decision is a complex process because a decision means a surrender, giving up of something, either money or personal opportunity as a result of choice of one course of action. It also involves cost, thus making the process even more complex. Finally, the consumers determine the sales volume and profits of a company by their buying decisions. So one must need to understand consumer needs and behavior to survive and remain successful in the market.

Consumer decision-making process

There are different stages consumer pass through to reach a purchase decision. Consumer decision-making process represents a problem-solving approach and follows five stages – need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. This process varies across individuals due to internal and external factors. Internal factors include motivation, perception, personality, and attitude. External factors comprise culture, social values and norms, and media influence. Let's discuss each step in detail.

Need recognition

The first step of the consumer decision-making process is recognizing the need or problem at hand. The buyer senses a difference between his actual need and some desired need. The need can be triggered by internal stimuli or by an external stimulus. Internal stimuli are normally a physiological or emotional needs, such as hunger, thirst, sickness, sleepiness, sadness, and jealousy. External stimuli are like an advertisement, the smell of yummy food, etc. The problem or need recognition is triggered by a variety of situations.

Out of stock

Consumers recognize that product is completely consumed (finished) and they must replenish the stock. In such cases, the purchase decision is fairly simple and resolved by buying habitual brands. For example, consumers buy groceries regularly and apparels before the next season changes.

New needs or wants

The trigger is due to changes in consumers' lives and circumstances. For example, when a student gets an offer for MBA program, they shop for formal apparels and shoes. Similarly, Indian consumers spend a substantial amount to buy apparels, jewelry, and other related products for wedding. We must outline an important point here that all the product purchases are not based on needs. Some products or services may not be essential but consumers desire them. A want is a desire for something one does not have. Many brands and products focus on satisfying consumers' wants rather than their basic needs. Luxury and premium products are some of the common examples.

Complementary or related products

Consumers recognize need for other products when they buy a product. For example, when consumers buy a digital camera, they may need a tripod and buy it. Most

of the accessories fall into this category. Consumers buy mobile case, protective tampered glass, and earphones when they buy a smartphone.

Dissatisfaction

When consumers are dissatisfied with the current product, they replace them with new products. A consumer may not be happy with current TV set as it may be old CRT or LCD-based screen. Consumer may want to upgrade to a new LED TV set with better picture and sound quality.

Marketers-induced problem

Marketers can be another source of problem recognition, where they encourage consumers not to be happy with their current state or situation. Popular examples are personal hygiene products such as mouthwash and deodorant. Marketers instill fear of bad smell in consumers and create the need for a pleasant smell. Humans precipitate since evolution and anyone working outdoors will sweat and many societies accept it. However, globally, marketers have created a picture that one should always smell good. Similarly, fashion brands create narratives of “out of style” designs and colors to persuade consumers to refresh their wardrobes.

DIY: WHY DID YOU BUY “THAT” JEANS?

Think about your recent purchases (it need not be jeans, could be anything). Why did you buy those products? Identify the source of need recognition for each purchase. How many of your purchases are induced by marketers?

Motivation

Motivation is the factor which involves to indicate customers’ activities. Motivation is the drive to act, to move, to obtain a goal or an objective. A human being is motivated by his or her own needs. When these needs are backed by purchasing power, it becomes a want. Buyer behavior, hence, is stimulated by motivation. Cognitive learning theory suggests that humans have inherent motivation to solve problems around them. For example, humans faced with the problem of hunger got motivated to come up with farming as an alternative solution. In fact, the unbelievable advances in the fields of science and technology can be attributed to the need of identifying problems and solving them. For example, a consumer may feel the need for a vehicle to travel daily and may decide to buy an affordable two-wheeler purely from a functional point of view. Another consumer may see

the problem more of a social status and decide to buy a high-end two-wheeler. Hence, it is imperative to understand consumer motives that drive their actions and behavior.

Maslow's hierarchy of needs

Abraham Maslow's hierarchy of needs is perhaps one of the most popular theories of motivation (see Figure 4.1). Maslow's theory states that human actions are motivated by certain physiological needs. It is represented as a pyramid of needs, with the most basic needs at the bottom and more complex needs at the top. There are a total of five needs in the pyramid – physiological, safety, social/love and belonging, esteem, and self-actualization.

- *Physiological needs:* Basic underlying needs humans can't live without, such as food, water, sleep, oxygen, sex, and clothing.
- *Safety needs:* Need for safety and security from any type of harm be it physical, financial, or mental.
- *Social needs:* Need for emotional fulfillment, social connections, bonding, love, affection, and acceptance.

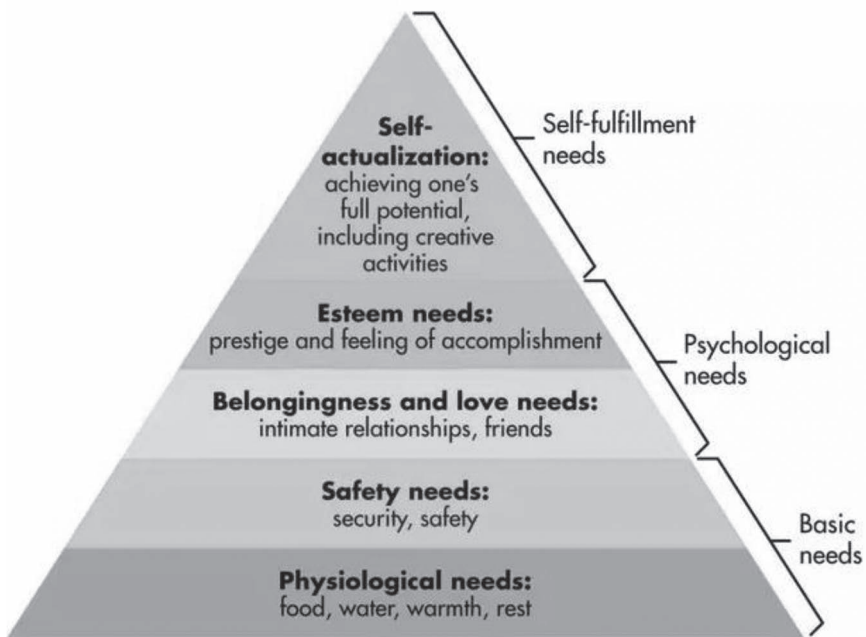


FIGURE 4.1 Maslow's hierarchy of needs.

Source: www.simplypsychology.org/author/saulmcleod.

- *Esteem needs*: Need to get respect from others, self-esteem, confidence, social status, achievement, and recognition.
- *Self-actualization*: Need for realizing one's full potential and self-fulfillment.

In order to persuade customers to take a purchasing decision, the need must be aroused to a high-enough level that it serves as a motive. At any given time, a person has a different kind of needs that are not of sufficient urgency to generate the motivation to act, while there are others for which he is highly motivated to act. So, the forces that can create a sense of urgency and motivation may be internal (people get hungry), environmental (you see an ad for a Big Mac), or psychological (thinking about food makes you hungry).

The need for food is recurring. Other needs, such as clothing, shelter, and safety, tend to be enduring. Still other needs arise at different points in time in one's life. For example, during the school, one's social needs probably are most important. You want to have best friends and part of a lively friend circle. Later on, one may seek a social status through a good job/career moving toward self-esteem needs. Finally, only a few realize the final need of self-actualization. You may find that you have become the person in life that you feel you were meant to be. Maslow suggested that people move to higher need only after they have sufficiently satisfied the previous need. Critics of theory suggest that rarely people move in a sequential manner when it comes to fulfill their needs. Individuals don't need to completely satisfy one need in order to go for the next need in the hierarchy to emerge. Maslow's theory despite its criticism offers a simple framework for firms to use it to build their communications and strategy. Marketers can target different market segments based on needs. For example, a mother may be looking for an entry-level smartphone to give to her kids to track and monitor their movement (safety), whereas another mother may want to buy a high-end phone to establish her status among her elite group and network.

There are few more prominent theories of motivations like Hertzberg's two-factor theory, McClelland's theory of needs, and Murray's theory of psychogenic needs. A detailed discussion of various theories is beyond the scope of this book. Interested readers can read textbooks on consumer behavior or refer online resources to get more information about these theories.

Information search

In this second stage, consumers engage in information search to identify alternatives and options that could satisfy their need. During this stage, when customer research their options, they rely on internal and external factors, as well as past interactions with a product or brand. Not all purchases require consumers to search for information externally. Like frequently purchased items such as shampoo or toothpaste, internal information is mostly sufficient for making a decision. In an internal information search, consumers use their past experiences with items from

the same brand or product class as sources of information. Internal search is relevant to mostly habitual and routine purchases like toothpaste, salt, grocery, and similar FMCG products. Information can be collected through the following:

- *Personal sources*: Friends, family, neighbors, etc.
- *Published sources*: Mass media, consumer rating organizations, etc.
- *Experiential sources*: Experience from handling, examining, using the product, etc.
- *Commercial sources*: Salespersons, dealers, displays, advertisements, etc.

A brand must give its potential consumers access to the information they want, which can influence consumers' purchase decision. The unbelievable growth of social media and Internet has given significant power to the "word-of-mouth" behavior. Consumers are more likely to search online and make decisions based on the online ratings, reviews, and recommendations from friends, strangers, and experts alike. A good example of how word of mouth can make a product successful is the success of OTT shows like Money heist and Squid game, which are from Spain and Korea. A positive word of mouth can positively influence revenues and a negative word of mouth can kill a product without giving a fair chance (e.g., Tata Nano in India failed due to negative reviews and publicity).

The Internet has changed the way how we decide what to buy. Before making a purchase, most of consumers go online to search for information, reviews, and ratings. Google termed the online decision-making moment as the Zero Moment of Truth, or ZMOT. The ZMOT refers to the moment in the buying process when the consumer researches a product prior to purchase. ZMOT itself significantly influences the further buying process.

Perception

Perception is another important factor that influences buyer's behavior. Perception is the process of selecting, organizing, and interpreting the information at hand. A customer collects information and facts about a product and then interprets the information to make a meaningful image about a particular product. Perception is something how one perceives the world around herself and makes sense of it using cognition. Sensory stimuli also affect different senses – sight, hearing, touch, smell, and taste. An individual combines these senses to make an informed decision. For example, many products fare better in blind taste, but fail in markets due to presence of strong perceptions of existing brands.

The perceptual process begins when our sensory receptors (eyes, ears, tongue, nose, and skin) are exposed to any sensory stimuli (sights, sounds, tastes, odors, and textiles). We are continuously exposed to an infinite amount of stimuli through our sensory senses. We pay attention to only few of them and ignore others. For example, when you drive on a busy road, do you notice the billboard ads around you, or what other drivers are wearing, or the enticing smell of brewing emanating

from the roadside tea shop? This is how our brains are wired, which only pay attention to what is relevant to save the brain from excessive cognitive load and processing. We evaluate and process the stimuli that get our attention to interpret and create a meaning out of them.

DIY: A MARKETING BLUNDER BY COCA-COLA

Search online sources to read about the case of Coca-Cola classic and regular Coke. How the blind taste results were in favor of the new Coke and when Coca-Cola launched it, what happened is history? Consumers not only rejected the new Coke (which they liked in blind taste) but became angry and protested to get their “old” Coke back. In fact, Coca-Cola Chairperson himself appeared in TV ads and apologized to its loyal customers for the fiasco. Coca-Cola was forced to bring back the old formula as “Coca-Cola classic”. A summary is available on wiki page https://en.wikipedia.org/wiki/New_Coke

Selective exposure

Consumers are bombarded with huge amount of marketing communications on all possible channels and places. Our brain processes only a very small amount of information and the process of selecting specific information is called selective exposure. How the brain detects an stimuli is based on threshold. Absolute threshold is the lowest level at which an individual can experience a sensation. A differential threshold (or just noticeable difference, known as “JND”) is the minimal difference that can be detected between two similar stimuli. For example, one may not notice the new perfume of her colleague from a distance. But, once the person comes within a close distance, the smell is easily detected. Firms use the concepts of threshold when they change pricing, logos, product improvements, and packaging. Firms would like to keep “an increase in price” below consumers’ JND so that consumers don’t ditch the product due to high price. One of the popular strategy used by firm is instead of increasing the price, firms reduce the weight of the product as consumers can barely differentiate a change of few grams. Thus, marketers need to determine the relevant JND for their products so that negative changes are not readily discernible to the public and product improvements are very apparent to consumers.

Do you know the weight of a typical INR10 potato chips packet, or biscuits? How much difference is detectable and sustainable? The German physiologist Ernst Weber did research on JND and proposed a law. Weber’s law states that the stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different. This is similar to the concept of marginal utility in economics. Weber’s law suggests that our tendency to perceive cost

differences between products depends on the money spent as well as money saved relative to the price of purchase.

Selective attention

We pay selective attention to certain incoming sensory information. Since it is humanly impossible to pay attention to each and every one of the messages/information we're exposed to, we only pay attention to information that matches our needs or interests. For example, when people think about weight loss, then only they start noticing ads of related products (e.g., green tea), which they never noticed it earlier. However, it is also possible that even if the information is relevant, individuals tend to ignore it as it does not match their beliefs. As an example, individuals see the warning on cigarettes and alcohol products, yet they ignore it and consume products. Similarly, people engage in drink and drive behavior, though they are quite aware of the fact that it may prove lethal. In such cases, they use perceptual defense to distort or ignore information that is either personally threatening or culturally unacceptable.

Interpretation

Interpretation is the third part of the perceptual process. While selection and organization of information happens almost instantly without much cognitive load, interpretation takes some time. In this process, we give meaning to information and messages that have gained our attention. Each individual interprets the information differently depending on internal psychological factors. While you may like an ad very much, your friend may dislike it. Interpretation also depends on the nature of stimulus. Some ads are objective, some are ambiguous, and some play on emotions. An individual may have different preferences to these ads.

Sensory adaptation

Sensory adaptation reflects a decreased sensitivity to a stimulus after prolonged and constant exposure. Our sensory system adapts to stimulus. Probably, when you enter a restaurant, you may smell the aroma of food, but after a while you settle in, you no longer notice the aroma. After a prolonged exposure to the same stimulus, our sensitivity toward it diminishes and we no longer perceive it. Another example is the feeling of fear and uneasiness when we enter into a dark room (or movie theater). After a while, our eyes adjust to the low light and can see in dark. Now, why sensory adaptation is critical because marketers need to decide how much exposure is enough to get consumers' attention. Also, how to limit exposure so that it does not reach a state of adaptation where consumers no longer respond? This is why you will notice continuous changes in advertising so that consumers don't adapt to same ad stimuli and start ignoring it.

Evaluation of alternatives

After acquiring relevant information, consumers move to evaluation stage. In this stage, consumers compare various alternatives, product, and brand choices to make the final decision. Consumers' evaluative criteria consist of attributes that they consider important about a certain product. During this phase, buyers are aware of brands and contemplate whether to buy from you or a competitor. Customers will make buying decisions based on which option best matches their needs and minimizes the risk related to purchase of investing poorly, they will make sure there are no better options available for them. Brands appear in different considerations sets during the evaluation phase.

Evoked set: An evoked set consists of brands which the consumer is aware of and considers for purchase.

Inept set: Inept set consists of brands for which consumers have a negative evaluation as they don't like the brands.

Inert set: Inert set consists of brands for which consumers make no evaluation as they are unaware of brands.

Consumer evaluation is further influenced by two major characteristics:

1. *Objective:* Price, benefits, functionality, features, ease of use.
2. *Subjective:* Feelings about a brand (based on previous experience or input from past customers)

For example, when you are planning to buy a car. You can evaluate certain characteristics of a car, such as the price, warranty, safety features, or fuel economy, while evaluating which one to buy. Car marketers put lot of efforts to convince you that the benefits of their car match the criteria that matter to you. You will also consider the brand image and reputation and your feelings toward the brand before making a final decision.

Attitude

Attitudes are learned predispositions to behave in a consistently favorable or unfavorable manner with respect to a given object. The object could be product, brand, service, price, package, advertisement, promotional medium, retailer, website, app, etc. Attitude is a buyer's favorable and unfavorable emotional condition or emotional feeling. We've all got certain kind of different attitudes or beliefs that consciously or subconsciously prompt our minds to make a purchasing decisions. For an instance, while your friend who believes caffeine is adverse for one's health may prefer tea, you may believe that caffeine energizes us and prefer coffee. So, our set of beliefs and attitudes influence our behavior toward a product and also play

a major role in shaping the product's brand image. So understanding a consumer's attitude and belief becomes useful for marketers to design their marketing campaigns. Companies want people to have positive feelings about their offers. Consumers learn attitudes via conditioning, past experiences, knowledge, and beliefs. Many sources can influence consumers' attitude formation such as personal experience, family, society, peers, direct marketing, mass media, Internet, and social media. There are many theoretical models to understand and measure attitude: Tri-component Attitude Model, Multi-attribute Attitude Model, the Trying-to-Consume Model, Attitude-Toward-the-Ad Model. The tri-component model of attitudes consists of three parts – a cognitive component, an affective component, and a conative component. The cognitive component captures a consumer's knowledge and perceptions (i.e., beliefs) about products and services. The affective component focuses on a consumer's emotions or feelings with respect to a particular product or service. The affective component determines an individual's overall assessment of the attitude object in terms of favorable rating. The conative component is concerned with the likelihood that a consumer will act in a specific fashion with respect to the attitude object. In marketing and consumer behavior, the conative component is frequently treated as an expression of the consumer's intention to buy.

Changing attitudes

Multi-attribute models provide information on how marketers can change consumers' attitudes. Some of the recommended strategies are as follows:

- Changing beliefs about products/brand image
- Changing the basic motivational function (functional approach)
- Associating the product with an admired group or event
- Resolving two conflicting attitudes
- Altering components of the multi-attribute model
- Changing beliefs about competitors' brands

Purchase decision

After evaluating the alternatives, a customer is ready to make the final purchase. Usually the marketer has little control over this part of the consumer decision-making process. Still, buyers have several decisions to make at this point. As an outcome of evaluation stage, customers develop purchase intentions. Purchase intentions may be different from actual purchase. One has to decide where to buy, when to buy, and how much money to expend. For instance, once you have decided the car you want, you have to decide from which showroom you need to buy it and probably select a bank for loan. For a high ticket purchase like automobiles or high-end smartphones and LED TVs, there may be considerable delays till the actual purchase happens. Interestingly, final purchase may differ from what consumer

has finalized earlier due to unviability of product at the store or emergence of a new alternative product. Think about how many times you changed the final brand while buying apparels? Another example is the online shopping cart, where consumers finalize the products after going through earlier phases of decision-making process, but finally abandon the cart. According to India Marketers, the average cart abandonment rate in India is about 51%. However, research also shows that the cart abandonment rate across some industries in India is a whopping 70–75%. Cart abandonment is a plaguing problem ecommerce businesses for years. Can you suggest some ideas to reduce the abandonment rate? Generally, marketers focus on building consumer loyalty to ensure they stick to the brand. From a location point of view, purchase decisions for nondurable and convenience items take place in the store simultaneously with the purchase. For example, consumers notice the soap in store and recalls that she needs to restock the soap (need recognition) and buys her favorite habitual brand (bypassing information search and evaluation stages). Hence, marketers must ensure a top-of-mind awareness of their brands in consumers' minds so that they can instantly recognize the brand and buy it without much thought. Some ways to influence consumers' store purchase is to use differentiated packaging, unique shelf displays, point-of-purchase materials, and promotional tools such as on-package coupons or premium offers.

Post-purchase evaluation

Consumer buying decision doesn't end with the actual purchase. There is one final last step after the purchase. This stage captures the buyers' experiences, satisfaction, or dissatisfaction after using the product. Satisfaction levels depend on the buyer's expectation and the product's perceived performance. The post-purchase evaluation process is important because it decides the likelihood of future purchases. Moreover, if consumer is satisfied, she will engage in word-of-mouth behavior and may recommend product to her network, thus increasing the sales. On the other hand, a negative recommendation will harm the future sales. In fact, post-purchase behavior leads to the creation of ZMOT which acts as input to other consumers during information search.

One more potential problem with a purchase is cognitive dissonance, a feeling of psychological conflict or post-purchase doubt that a consumer experiences after making a difficult purchase choice. Dissonance is more likely to occur in important decisions where the consumer must choose among close alternatives. For example, an individual may finalize two brands in the final stage and selects one to buy. Later, she may develop doubts whether the choice was right or not. The problem of dissonance is aggravated when the other alternative has unique feature (e.g., color of clothes) that the selected alternative lacks. Marketers continue post-purchase communications to remove cognitive dissonance, if any. For example, marketers send thank-you note and reassurance that consumers made the right choice of buying product from them.

DIY: UNDERSTANDING DECISION PROCESS

Take an interview with your family members and note what products they like to purchase. Further enquire about their rationale for making a certain purchase. Do you notice some behavioral differences? A hypothetical interview is given here.

Pinky is in a festive mood and planning to splurge during the festivals.

Interviewer: Hi! Pinky, what are you going to buy during festivals?

Pinky: I would like to buy a tablet (notepad) as carrying a laptop is a bit difficult while you are on official trip or travel some long-distance place. [need recognition]

Interviewer: So, have you decided which brand you would like to buy?

Pinky: Yes. I have done a lot of research online to read about products available. [information search]. I have finalized few brands and compared their features and prices. Finally, I have decided to buy Samsung Notepad because it is under my budget and is much better and advanced than what I am using now. Samsung notepad looks attractive, user-friendly, and has a good display screen. [evaluation of alternatives]

Interviewer: Ok great to know. Have you decided from where you will buy it?

Pinky: Yes, I found one online website is offering 10% discount on credit card brand, which I have. So, I will use my card to buy it online.

Finally, Pinky buys the product online [purchase]. She feels delighted when she receives the product in a nice packaging. She uses the product and finds it excellent. She immediately posts about it on social media and recommends others to buy it. [post-purchase]

The learning process

In the context of consumer behavior, learning means when consumers change their behavior after they gain certain amount of information or experience. Learning is defined as changes in behavior that result from previous experiences. Learning is an ongoing process, it is dynamic, adaptive, and subject to change. Due to learning, consumers don't buy a bad product twice. Learning doesn't just affect what you buy, but it affects how you shop. People with limited experience about a product or brand generally seek out more information than people who have used a product before. Learning can also take place without actually participating in the physical experience. Another characteristic of learning is that the changes may be immediate or anticipated. In other words, learning may be taking

place even if there is no evidence of it. We can store our learning until it's needed, and we do this often with purchasing decisions. For example, a person might read product reviews for the latest computers even though she doesn't expect to buy one soon. Eventually, she may be in the market, and at that point she can put her learning to use. Learning is a practice and an experience that actually brings certain changes in behavior. Learning is the research of products and services before the consumer takes the decision of buying a product. These days learning is done online and also in groups. So, in summary, consumer learning is the process by which individuals acquire the purchase and consumption knowledge and experience they apply to future-related behavior. Marketers must teach consumers – where to buy, how to use products, how to maintain products, and how to dispose of products. One can learn via two approaches – the behavioral approach and cognitive learning theory.

Behavioral learning theory

Behavioral learning is mainly learned through interaction with the environment. Many behaviorists believed that people can never have a clear idea of what is going on “in an individual's head” and that it is inappropriate to speculate at what cannot be empirically observed. They believed that we should watch for observable changes in their behavior to determine what people were learning. This theory states that behaviors are learned from the environment. Behavioral learning theory is attached with observable results. It does not take individual thoughts or feelings. Instead, it depends on stimuli, things that draws reactions, and responses, the reaction to stimuli. There are two main behavioral learning theories.

Classical conditioning

A behavioral learning theory according to which a stimulus is paired with another stimulus that elicits a known response that serves to produce the same response when used alone. This type of learning occurs when a mental association is formed between a neutral stimulus and a naturally occurring stimulus. For instance, in the famous experiment, Pavlov paired the natural stimulus of food with the sound of a bell. The dogs would naturally begin to salivate in response to food, but after multiple associations, the dogs would salivate to the sound of the bell alone. Needless to say, it's one of the fundamental roots we learn about the world around us. It's not only a theory of learning, but it is also arguably a theory of identity. For, once you understand classical conditioning, you will be able to recognize almost everything, from your favorite music, clothes, to even political candidate; all might be a result of the same process that makes a dog drool at the sound of the bell. As a marketing example, Coca-Cola uses festival symbols and rituals to ascertain the feeling of happiness consumers feel while celebrating or drinking coke.

Operant conditioning

It's a behavior modification method that uses both positive and negative reinforcements to modify a person's behavior. In contrast to classical conditioning where learner is passive participant, learner is an active participant in operant conditioning. Operant conditioning works through a system of punishments and reinforcements (also called rewards), which serve a different purpose. Rewards (also called reinforcements) are applied whenever you would like a behavior to start, be repeated, or continued. Punishments are applied whenever a behavior should be avoided or stopped. Reinforcement are applied through promotional strategies using schedules of reinforcement and shaping. Schedule means the frequency of reinforcement, how frequently rewards should be given to consumers. Reinforcement schedules can be used to influence consumer learning and behavior through shaping, which is the reinforcement of successive acts that lead to a desired behavior pattern or response. For example, coupons and samples introduce products to consumers who may continue to use it later in absence of free samples.

Cognitive learning theory

Behavior learning theories focus too much on observation, which draws heavy criticism among research scholars. These theories ignore mental processing and internal factors like motivation, perception, and thinking. In reality, consumer behavior involves choices and decision-making, the cognitive perspective has gained significant attention from researchers and marketers. Cognitive learning theory implies that the different processes concerning learning can be explained by analyzing the mental processes first. It describes how human mind works while people learn. The basic working of brain is to solve problems at hand. The following are foundational aspect of cognitive learning:

1. *Comprehension*: Understand the reason and problem and why one should solve it?
2. *Memory*: Invest in building knowledge and collect information that can be retrieved when required.
3. *Application*: Apply the acquired information in real-life situation.

Environmental influence

Consumers do not make purchase decisions in isolation by ignoring the external factors. There are many environmental factors that influence consumer decision-making and marketing communications.

Culture

We all have our values and ideologies that are shaped by the values and ideologies of the society we exist in and the community we belong to. Our behavior is consciously

or subconsciously driven by the culture. Culture is the set of shared attitudes, values, goals, and practices that characterizes a society. Among a cultural group, we have several subcultures. These groups share a common set of values and beliefs. They can consist of people from varied nationalities, religions, caste, and geographies. An entire customer segment is formed by this customer segment. Within a cultural group, there exists many subcultures. These subcultural groups share the same set of beliefs and values. Subcultures can consist of people from different religion, caste, geographies, and nationalities. These subcultures by itself form a customer segment. For example, in India we can find region- or religion-based cultures that are reflected in different food consumption behavior. Marketers learn about the culture before they enter into the market to tailor their products and services. For example, McDonald's has adjusted its menu to match the tastes and preferences of the local community in whose vicinity it resides. For instance, on account of cows being sacred and widely worshipped in India, chicken has been put in place of beef. It also offers McAloo Tikki as potato is widely consumed by Indian consumers. Culture also influences the nature of retail advertising. It determines what people eat or wear, and where and how they reside and travel. India is known for its cultural diversity specifically based on language, symbols, religion, rituals, and customs.

In India, religion is not the only basis for segmentation as is the case of the Arab world. Hindus and Muslims do not form a homogeneous consumer group in terms of product preferences (e.g., veg and nonveg food) to enable a consistent marketing mix. There are three significant influences on the local culture – Westernization, emergent national cultural styles, and popular culture. Consumers in semiurban India are not very attracted toward credit offered by banks or companies for acquiring consumer durables such as color televisions, microwave ovens, CD systems, and two wheelers. Many consumers prefer to obtain credit facility from a known person in their social circle such as a relative, friend, or a well-known retailer. Hence, some retailers in semiurban areas started the system of a pool party wherein a person is required to pay a monthly instalment for an acquired product at a monthly party organized by the retailer. This party comprises most people from the social group of the concerned members. Here retailers obtain the assured payment of their instalment because the social group creates sufficient pressure on the individual concerned and his family for such payments. A defaulter is not given due respect in Indian society. This system involves no paper work for retailers and consumers in comparison to bank loans.

In past decade, modernization has taken roots in India. However, there is still a lot of conformity to the traditional value system. This is particularly true in case of preferences pertaining to food habits. McDonald's and Pizza Hut revised their offerings as per the preferences of the Indian consumers. While pork is against the religious tenants of Muslims, many Hindus avoid nonvegetarian food. Hence, appropriate changes were made by multinational food chains in their cooking medium, processes, and cuisine. Similarly, in western India, most of the restaurants advertise the availability of Jain Thali (a unit of offering) to attract the Jain

community, which constitutes a major chunk of the population and is also a sizable consumer segment. Fast-food eating joints like Pizza World are offering “Jain Pizza”, which includes baby corn, capsicum, and cottage cheese. Eating joints in India while offering nonvegetarian dishes generally provide information on the manner in which the animals are slaughtered.

Values represent the core level of culture. Values are defined as mental images that affect attitudes of individuals, which in turn influences their respective behavior in a specific situation or environment. Values are considered as guidelines for behavior. In contrast, customs and rituals are considered the usual and acceptable ways of behaving. This has an impact on the effectiveness of many retail strategies. For instance, many middle-aged women irrespective of age and religion feel uncomfortable when asked for their names while placing the order or when intervened by a male salesperson while surfing in the retail store. Similarly, while practicing direct selling, Eureka Forbes salespersons take ample initiative to meet a male member of the family when they try to approach their prospective consumers, as some Indian women are uncomfortable interacting with strangers.

Reference groups

Reference groups are used for comparison to make a buying decision. Members of reference groups tend to influence the behavior, values, and attitude of others. For example, Indian Medical Association (IMA) is a reference group for doctors and AIMA (All India Management Association) is a reference group for managers. The degree of involvement and susceptibility to reference group affect our buying decisions. Customer behavior can be evaluated by the groups a person comes into contact with, through friendship, face-to-face interaction, and even indirect contact.

A reference group may be either a formal or an informal group. Examples include churches, clubs, schools, online social networks, play groups, professional groups, and even a group of friends and acquaintances. Individuals may be influenced by the groups of which they are members. They may also be influenced by aspirational groups, a reference group a person hopes to belong to one day, such as young boys hoping to grow up and emulate their idols. Reference groups are characterized by having individuals who are opinion leaders for the group. Opinion leaders are people who influence others. They are not necessarily higher-income or better educated, but others may view them as having greater expertise, broader experience, or deeper knowledge of a topic. For an example, a local high school teacher may be an opinion leader for parents in selecting colleges for their children. In a group of girlfriends, one or two may be the opinion leader's others look to for fashion guidance. These people set the trend and others conform to the expressed behavior. If a marketer can identify the opinion leaders for a group in the target market, then she can direct efforts toward attracting these people.

Reference groups and opinion leaders are essential concepts in digital marketing, where consumers tap into a variety of social networks and online communities. Marketers need to understand which reference groups influence their target

segments and who the opinion leaders within these groups are. Those leaders may be bloggers, individuals with many followers who post frequently on various social media, and even people who write lots of online reviews. Then marketing activity can focus on winning over the opinion leaders. If you manage to get the opinion leaders in your segment to “like” your product, “follow” your brand, tweet about your news, and publish favorable reviews or comments on their blogs, your work with online reference groups is going well.

Contextual determinants

The final external factor is the purchase and usage situation. The specific context in which consumers plan to use the product or brand directly affects their preference and purchase behaviors. There are three common types of situational determinants.

Usage: Usage situation is the context in which product will be used. For example, conspicuous consumption is the specific buying of products to display one’s wealth. Conspicuous consumption is a means to show one’s social status, especially when publicly displayed products are too expensive for other members of a person’s class. Luxury products like luxury watches and bags are examples of conspicuous consumption.

Purchase: Purchase determinants involve the environment at the time of the purchase. For example, time constraints and store environments may influence the purchase.

Communication: The communications situation is when an advertising exposure occurs like an ad on TV seen by consumers while having dinner or listening to an ad while driving a car. This is more important for developing communication strategies because the impact of communication on consumer varies depending on the context.

Emerging trends in consumer behavior

Other than the individual psychological and social factors, there are emerging fields of consumer research that offer highly useful insights into consumer behavior.

Neuromarketing

Neuromarketing refers to the measurement of physiological and neural signals to gain insights into consumers’ motivations, preferences, and decisions, which can help firms to create advertising, product development, pricing, and brand recall. Neuromarketing helps in creating effective ads and website design. For example, one research measured the effectiveness of advertising in the tourism sector through eye-tracking technology. The study compared the visibility and recall of advertising banners on three different sites – a hotel blog, Facebook, and TripAdvisor. The study monitored metrics of eye movement and promotional recall. The result was

that the Facebook banner generated the most attention and recall among the participants. Although the banner was in the same position on all three sites, the Facebook ad attracted participants' attention more frequently and for longer periods of time. This was attributed to the complexity of the website design and how it influences viewing patterns. Facebook had less content on the page than TripAdvisor or the blogs so it got the best results. This shows us that website design plays an important role in the effectiveness of an ad, not just the design of the ad itself. Similarly, eye tracking studies are used to identify how consumers watch an ad. Research has shown that when baby are placed in ad and face the reader, the audience looks at baby faces rather than the ad content. Hence, marketers have changed the baby face to look at the ad content. Many studies have measured how consumers respond to variety of colors and accordingly marketers have changed packaging to optimize the effect of packaging to attract consumers' attention.

Conclusion

Consumer's buying decision is a complex decision which depends on a multitude of internal and external factors. Generally, there are five stages in a decision process: need recognition, information search, evaluation of alternatives, purchase, and post-purchase evaluation. There are many internal psychological factors like attitude, motivation, and perception that influence consumers' decision-making.

Consumers learn about the environment and marketing stimuli. Behavioral learning theories such as classical conditioning and operant conditioning propose that observations and external stimuli influence consumers' learning. In contrast, cognitive learning theories focus more on mental processing and cognition. Culture and subcultures are external environmental factors that play an important role in decision-making. Reference groups and opinion leaders further influence what people buy.

Consumer research is moving to emerging field of neuroscience that analyzes the neural (brain) responses to multiple cues to identify how consumer brains react to external stimuli, how consumers watch an ad (eye tracking), and which colors consumers find appealing. Marketers need to carefully examine internal and external factors, society, culture, values, and norms to build effective communication strategies and product offerings.

Discussion questions

1. Describe Maslow's hierarchy of needs. Give example of each stage and recommend how marketers can utilize each stage. What are the criticisms to this theory?
2. Explain the five-stage consumer decision model. What is the role of zero-moment of truth in this model?
3. What is perception? What are the steps involved in forming a perception? How marketers can ensure that customers notice their communication and recall it when needed?

4. How consumers use online websites and social media while evaluating various alternatives?
5. What are the two broad stream of consumer learning and theories? Discuss the theories with suitable examples.
6. What is cognitive dissonance and why it is important to marketers?
7. Explain the role of reference groups and opinion leaders in deciding consumers' buying decisions. Give examples based on your recent purchases.
8. Explain with suitable examples the importance of culture and subculture for marketers.
9. What is neuromarketing? Is it better than traditional theories?

IMC in practice

Think about your recent purchase and answer the following:

- What made you aware that you need to buy the product?
- How did you collect the information about various brands available on the market?
- Whom did you contact or sought help from to get your queries answered?
- Which online platform did you use to gather information, ratings, and reviews?
- How did you learn about the product?
- What was the effect of your family, peers, or other external factors in purchase?
- Where and how did you buy the product?

Learning objectives

1. Understand the importance of consumer behavior before developing advertising and promotion plans.
2. Explain the five steps in consumer decision-making process.
3. Understand the psychology of consumer behavior such as motivation, learning, and perception.
4. Analyze the impact of external factors like culture and subculture.
5. Understand theories of behavioral learning and cognitive learning.
6. Analyze the role of technology on shaping consumer behavior.

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5

THE PROCESS OF COMMUNICATION

Opening case

In the domain of marketing, advertising communication has played an important role. Errors or blunders in communication process will reflect in product effectiveness. From earlier times to the present, we have witnessed numerous blunders in advertising communication. These blunders occur when one language advertisement is transformed to another language, or when these commercials are published and broadcasted on a global scale. In different countries and languages, the words have distinct meanings.

For example, when KFC opened its doors in Beijing, the restaurant accidentally translated its famous slogan “Finger-lickin’ good” to “Eat your fingers off”.

The company had some specific message for the intended audiences through their communication program; however, due to some errors in the communication process, the outcome of the message was totally unimaginable.

Another case by KFC for successfully communicating their message to the audience relates to their advertising message during the spread of COVID-19 cases across the globe. As the world was fighting and surviving the spread of coronavirus and various health agencies advised people to follow different rules like wearing masks, maintaining social distancing, washing hand, and not touching nose and mouth. In this situation, KFC’s slogan “Finger Licking Good” seemed to be highly inappropriate and hence the company decided to revamp their slogan during the prevailing COVID-19 situation. KFC came up with many different taglines for promoting safe eating, such as “it’s ~~finger-licking~~ finger lickin good” and “‘it’s mouth waterin’ good”.

Communication

Communication has been defined as the exchange of information, ideas, or a process. Thus, for communication to take place, there must be transformation of information or ideas from one person or group to another. In advertising, communication refers to a mutual understanding between a marketer and a customer, or a group of people. The effectiveness of message communication can only be gauged by how effectively customers comprehended the messages. The profit or loss and the company's growth all are dependent on how well the marketing department and advertising communicate. When we are trying to reach out to worldwide markets, the communication process can be complicated.

The success of a communication process depends on several factors:

- Nature of the message.
- The audience's interpretation of message.
- The environment in which the message is received.

One of the barriers of effective communication is language. Marketers must factor the different meanings of words and symbols in different languages that influence the perception of consumers, especially while marketing their products or services in foreign markets. GUY is a frequent word in English, yet it signifies COW in Bengali. In English, we all know what FART means, however in Danish, fart means "to speed up". As a result, the most significant barrier in advertising is language. When dealing with the global market or in different languages within the same country, these types of complicated scenarios arise.

Communication process

Figure 5.1 represents the basic structure of communication. This is the common chart for the communication process in different areas, whatever field it may

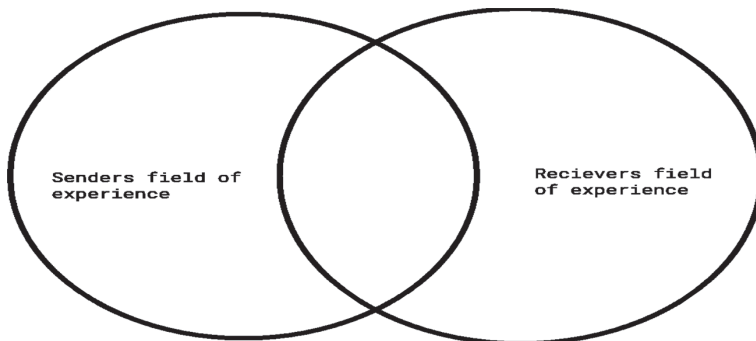


FIGURE 5.1 Basic structure of communication.

Source: Adapted from Belch and Belch (2018).

concern. The sender of the communication has his/her own field of experience, similarly the receiver has his/her own field of experience. There will be some overlap between the two fields and this results in the process of communication. However, as seen in the figure, lot of areas are nonoverlapping, these can result in miscommunication or noise in communication process. The ultimate result of this nonoverlapping area is that the communication process is not able to deliver the message as intended.

Figure 5.2 details the different entities involved in the process of communication along with the various activities that take place during the process.

Sender: This may be an individual or a company in the marketing or advertising department of a company. This sender is the one who first generates a company's commercial or promotional content. The sender is accountable for the message's success. Sender's experience, knowledge, consumer understanding, and cultural diversity affect the understanding or feeling of the recipient. The sender can be from an advertising agency or the specific department of a company. The sender, who can be a person or team, is entirely responsible for the message and how well customers take the message in its meaning or feelings.

Example: The sender is an individual; he can be a salesperson or spokesperson. Snickers Advertisement used famous cricket celebrity M. S. Dhoni as the spokesperson.

Encoding: It is a procedure like encoding in technology, where a message is written in several formats. But here is the conversion of ideas and thoughts into publicity. Thus, the idea is encoded with symbols, pictures, emotions, and gestures. The message is encrypted by the sender's consumer understanding.

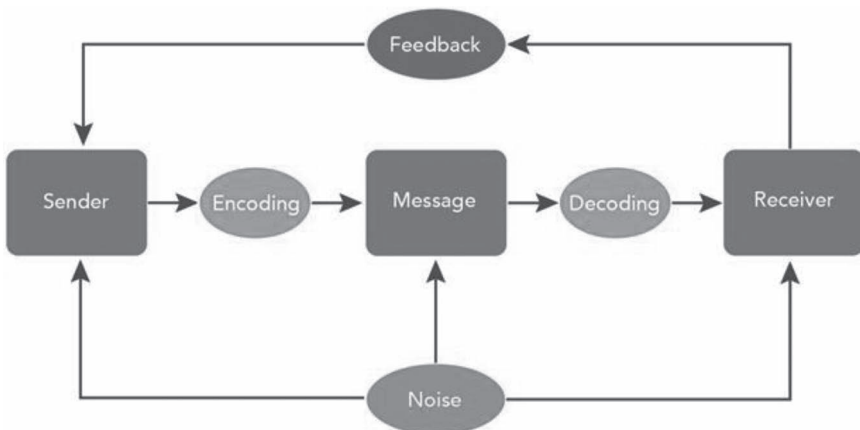


FIGURE 5.2 The communication process.

Source: Authors.

For example, one of the most memorable slogans was from the Gillette advertisement. “The Best Men Can Be”, complete with images, emotional feelings, and celebrities. The message is precisely encoded in the Gillette ad with simply the image, which can be comprehended by people all over the world. The advertisement attempts to demonstrate the difference between using their razor and a different one.

Advertisers have started to focus on semiotics, which is the study or analysis of how meaning is formed and communicated, in order to better comprehend the sensations and symbols and imagery that appear in ads. Its roots are in the academic study of how visual and linguistic signals and symbols produce meaning. It has been a significant factor to consider in communication because it is necessary to comprehend words, gestures, myths, symbols, signs, and theories.

Channel: It is the means or medium through which advertisers communicate with consumers. It sends out messages in the form of adverts across a variety of media. Television, radio, posters, magazines, salespeople, direct mail, the Internet, print newspapers, and billboards all are examples of advertising. The channel is divided into two sorts at the channel level – personal and nonpersonal channels.

Personal channel: It is direct one-on-one or group conversation. The communication about a product or service that we receive from our neighbors, friends, relatives, or coworkers is referred to as social channels. These social media channels are usually not very interactive, so they won’t go into great detail; it’ll just be word of mouth.

Nonpersonal channel: It is a mode of communication in which the sender and receiver have little or no human contact, such as television ads, radio broadcasts, and social media networking. There are two basic types – print and broadcast. Print refers to advertisements that are published in daily or weekly magazines, newspapers, or billboards, whereas broadcast refers to advertisements that are broadcast on television or radio.

Factors like the message’s urgency, the need for feedback in relation to time should be considered when picking a communication channel. For example, if immediate feedback is required, salesmen should always be used as a communication channel because they connect immediately with us and we can see what answer we get by watching their gestures and motions, as well as their product or service comments. If we want to reach a huge number of people with our message, we should certainly use television and the Internet. The greater the sender’s understanding of the recipients, the more effective the message will be received. As a result, choosing the communication channel is crucial because it influences the advertisement’s reach.

Decoding: A successful communication occurs when the customer comprehends the message appropriately. It is the comprehension of symbols, signs, and slogans in order to comprehend the message. They won’t be able to interpret the message if

it isn't correctly encoded. As a result, the message is crafted using the knowledge, experience, attitude, and perception of the senders. In contrast to the receiver's knowledge, the message may be interpreted differently by the receiver. The sender and recipient may share common ground in terms of age, knowledge, and experiences. Even though the common ground between sender and receiver appears to be simple at first, it becomes more complicated as marketers and advertisers who are college graduates or have little experience must understand consumers of various ages. Here, younger marketers who create advertisements for people of various ages, who have different perceptions and feelings, even though they have high-PR should understand the consumers of various ages. When a company wants to target clients in international markets, the marketers need to think about the language implications and how the message will be received.

Example: If a business intends to launch a new product, every present and prospective consumer should be aware of it. Every one of us has seen several advertisements in various locations and on television.

Receiver: The receiver is the person who should receive the message. They are the people who will buy our product or service. The receiver's capacity to grasp the communication is dependent on their knowledge of the topic or message and their interest in it. For example, if a consumer receives an advertisement and reads it, but he or she has no prior understanding of the issue, how would they know what the product or service is? As a result, the message should be simple to comprehend for everyone.

Example: The advertisement of Mercedes Benz on the effectiveness of their headlights.

Noise: Noise acts as a barrier when the message is delivered. This can happen at any point throughout the delivery of the message. The noise could come from either the transmitter or the receiver. Even a lack of common ground between sender and receiver can result in noise, such as the use of novel signs, symbols, and slogans that consumers can understand. When a salesperson is presenting or explaining a product to you, for example, if someone interrupts in the middle, it will cause you to be distracted from the product. Even when an advertisement is shown on a channel and a disturbance occurs, such as a phone call or a power outage, the noise category is applied.

There are three types of noises – external noise, internal noise, and semantic noise.

External noise: These include sounds, aromas, textures, and other ambient elements that can cause you to lose focus on the conversation.

Internal noise: This involves obstructing communication with one's own inner sentiments and ideas, tired sentiments, and daydreaming during the time. As an

example, when a salesperson approaches you and explains a product or service to you. However, because you are not in the mood to listen owing to certain internal thoughts, the salesperson will not be interested in explaining the product to you, and you will not be in the position to listen.

Semantic noise: When there is a misunderstanding in the message that is delivered to you, as different words signify different things to various people, poorly developed speech in explaining the product, such as blabbering and a poorly planned product explanation. When the goal of the corporation is to reach the worldwide market, high emotional content in advertising that will air on television, fraudulent statements or promises should not be made, and language must be suitable.

Feedback: Following the delivery of the message, we receive many forms of feedback from customers, including verbal feedback, product purchases, and store visits. Because we will be asked some questions, a salesman is more likely to acquire a valuable response from the customers. So, if the communication channel is a salesman, feedback would be captured right away, such as their gestures while explaining the product and their reaction to the product on what we're telling. Even a lack of reaction might be considered feedback. So, even if your company's online traffic has increased, this is feedback; obtaining calls from customers for trial and model adoption is also feedback. The marketer, on the other hand, cannot make any decisions without feedback. Even feedback tells us how well our commercial and message are received by the public. Many companies now use email and website surveys, as well as social networking, to get feedback on their products. As a result, if a miscommunication happens, the company has an opportunity to fix its error based on customer feedback.

DIY: EXTERNAL ENVIRONMENT AND MARKETING STRATEGY

1. Find out various advertisements across media (print, broadcast, and digital). Identify the sender/source, encoding process, channel used, possible decoding method, intended receiver, noise element (if any), and the probable.
2. Find and compare the advertisements where the source is a celebrity versus non-celebrity. Which of these advertisements you think had been more popular among the consumers?

Advertising's mission is to continuously reminding target audiences about the product or service, to inform people about the product, and to help the company achieve its objectives.

Let us try to understand the communication process with the help of another example of Tata Nano. An important part of the Tata Nano brand element is “Khushiyan Ki Chaabi”, meaning key to happiness.

Sender is the company or marketing firm that intends to communicate with consumers and any other stakeholder. In our example, Tata Motors Ltd. is the sender of messages. *Encoding* is the process of converting the message idea into deliverable form by giving it shape and structure. Tata has got the advertisement designed by blending video, sound, graphics, jingle, etc. to give the advertisement a deliverable form. Media is the specific medium through which the *message* travels to reach the target audience. In this case, Tata has used an electronic medium to disseminate the message by booking air time on selected TV channels. *Decoding* is about how consumers interpret and attach meaning to the message sent while going through the various elements of advertisement. In this example, it is the interpretation and meaning that consumers associate while going through the advertisement of Nano and its contents. The jingle “Khushiyan Ki Chaabi” may be interpreted by receivers as a harbinger of good time and prosperity. *Receiver* is the member of the target market for whom the message is sent. In this case, all people who are prospects of Tata Nano and watch the advertisement are receivers.

Response is the behavior that receivers of messages exhibit. Different receivers could behave differently; few may go to the Tata Motors showroom and enquire about the Nano; some others may check the Nano through the Internet while others may call for a test drive. It is quite possible some of them do not react at all. *Feedback* is the flow of information about the receiver’s reaction and response on messages sent to them back to the sender. What viewers of Nano advertisements feel and speak to dealers, to other consumers about the car, the media reports all go back to the company as valuable input and help the company to improve and connect in a better manner to the market? *Noise* in the entire communication process, in spite of being disliked because it distorts the message, is well integrated. Noise is disturbance that naturally occurs in the process resulting in the receiver getting a different message than that originally intended by the company. For example, showing a village backdrop in Nano advertisements could distract consumers making them feel the Nano as a low-quality car having no buyers in cities.

Communication process errors

Many firms make advertising communication blunders. Customers will be dissatisfied as a result of these blunders because if they can’t deliver a good advertisement of a product or service to customers, how can they deliver a good service or product to customers? This is the feeling that customers will have when this type of blunder occurs in advertising.

Few examples:

- **PARKER:** This company has always produced high-quality pens with unique designs, but have a look at their commercial errors. The company marketed a pen in Mexico, the ads were supposed to have read, “It won’t leak in your pocket and embarrass you”. Instead, they read. “It won’t leak in your pocket and make you pregnant”.
- In the early 1970s, when calling its midsize automobile, the Matador, American Motors made the error of not developing a well-developed product name. Although the name was intended to conjure up thoughts of bravery and strength, it may have been a touch too violent for Puerto Rican (Caribbean Island and unincorporated US territory) customers – “matador” means “killer” in Spanish. It is safe to assume that the name did not inspire much trust among drivers.

According to a survey, 57% of respondents claimed they had spotted problems in advertising translated from English to other languages. Even 56% stated that poor translation is a sign that the advertising is unconcerned about its important clients. So, based on the aforementioned ideas, one can see how communication is critical in advertising and marketing. As a result, advertisements should be well-crafted so that it appears as if it was written in a specific language.

One of the best examples of excellent marketing communication in India is that of Amul. Because of its advertising and marketing technique, everyone in India has heard of the product Amul. It was formed in 1946, and since then, Amul has never failed to include us in any of their advertising. They employ the tagline “The Taste of India”, which is one of the most well-known slogans ever conceived. The company’s image, the never-aging girl in an Amul advertisement with polka-dotted clothing, blue hair, and an orange face.

While corporations like Baskin-Robbins were attempting to market a few regional ice creams, London dairy was attempting to market a few regional ice creams. Amul was a standout in the dairy business, with a focus on middle-class and low-income consumers. Even their daily advertisement in Hindu publications was so cost-effective in comparison to other firms. The company now offers over 40 different product options to customers.

Response process

As the message travels from the sender to the receiver, the most important aspect for the marketer is the final response from the consumer (intended receiver of the marketing communication). This response from the receiver tells the marketer whether the communication process has been effective or not. A consumer may go through several stages, from being unfamiliar with a brand to learning more about it and eventually purchasing it. The response hierarchy models are depicted in Figure 5.3. These models were created for a variety of purposes and scenarios.

	Models			
Stages	AIDA model	Hierarchy of effects model	Innovation adoption model	Information processing model
Cognitive stage	Attention	Awareness	Awareness	Presentation
		Knowledge		Attention
				Comprehension
Affective stage	Interest	Liking	Interest	Yielding
	Desire	Preference	Evaluation	Retention
		Conviction		
Behavioral stage	Action	Purchase	Trial	Behavior
			Adoption	

FIGURE 5.3 Traditional response model.

Source: Adapted from Belch and Belch (2018).

These traditional response models include the AIDA model, hierarchy of effects model, innovation adoption model, and information processing model. All these models state that consumers tend to pass through three different stages before making any purchase decision. These three states include cognitive stage, affective stage, and behavioral stage.

Cognitive stage: Consumers are in the process of comprehending or obtaining knowledge at this point. They are building awareness, knowledge, and understanding about the product or service.

Affective stage: During the second stage, consumers build an opinion toward a brand or a certain product, they have preferences and likes. They create desire, liking, and preference for the product, service, or brand.

Behavioral stage: The final stage is all about conviction and the buying process, with an emphasis on action. The consumers undertake trial for a product/service and if they like it, the product is adopted or else it is rejected.

AIDA model

E. St. Elmo Lewis, an American businessman, created the AIDA concept in 1898. It represents the steps of the personal-selling process that a salesman must take a buyer through. The buyer is depicted as moving through the stages of attention, interest, desire, and action in this model. The salesman must first catch the customer's attention before piquing their interest in the company's products. A desire for the product must also be created, which will culminate in an action (final purchase). Example: These types of things happen when consumers go to some showroom to buy electronic products.

The AIDA model aids in the breakdown of the consumer journey into separate segments, allowing the brand to develop a marketing and advertising plan that is focused on each step, causing the customer to be motivated to connect with the brand and ultimately purchase its product. During a customer buying journey, the AIDA model focuses on every contact point by separating the journey into four basic segments. In the Netflix example in India, the AIDA model may be understood further. Netflix's primary job is to attract and convert Indian viewers who are looking for free entertainment. The stages are as follows.

Awareness

Consumers' cognitive stage is the first level of response. A consumer encounters the brand, becomes aware of the product, and begins to develop some knowledge of the product's benefits and attributes at this stage. Consumers' attention can be piqued by a brand's use of the following:

- Captivating ads
- Personal messaging
- Intelligent targeting

Print adverts, YouTube adverts, AdWords, and many partnerships are some of the common advertising channels used by Netflix. It promotes certain well-known shows or series that you can readily watch, as well as some Indian Netflix originals available only on Netflix, all to make us aware of what it has to offer.

Interest

Once a brand has gained attention, it must maintain it. If a customer believes a product has no meaning for him, he will never make a purchase. The focus of the marketing effort should be on the needs of the customers. Highlighting unique features, demonstrating how the product works, bringing in celebrities, and so on may all help to increase interest in a product. Once a customer visits Netflix's landing pages, the company provides a one-month free trial to explore all of the shows and services.

Desire

It isn't enough to stimulate people's attention. Although a strong fondness for how a business portrays itself may be highly valued, it does not always translate into revenue. It is possible to achieve both interest and desire at the same time. So, as soon as the audience's attention has been piqued, it's critical to explain why they require it. If a buyer does not *need* a product, the brand might try to instill a desire

for it. Typically, a consumer reaches the “want” stage while comparing the product to various rivals’ offerings. In that instance, the brand must emphasize its unique qualities that the buyer would not find in other items. As viewers get to some of the features, they develop a liking toward Netflix; at this point, additional features offered create the desire to purchase the subscription plans. For example,

- High-resolution videos
- Multiple profile under an account
- Multiscreening viewing

Action

Finally, if the customer has a favorable impression of the brand, he or she will be inclined to test it or purchase it. Schemes like early-bird discounts, free trials, one-on-one incentives, referral networks, and so on might give the consumer that final push to purchase it. Once a user has been addicted to the service, Netflix transforms them into paying customers by offering subscription options.

DIY: CONSUMER JOURNEY THROUGH STAGES

Use different advertisements across media to understand how consumers move from and between different stages of AIDA.

Hierarchy of effects model

The hierarchy of effects model (1961) by Robert Lavidge and Gary Steiner depicts the method by which advertising works; it posits that a customer goes through a number of phases in a sequence from initial awareness of a product or service to actual purchase. This model’s main concept is that advertising impacts occur over time. Advertising communication may not immediately elicit a behavioral reaction or purchase; rather, a succession of effects must occur, with each step completed before the consumer may advance to the next level in the hierarchy.

A model of how advertising impacts a consumer’s choice to buy or not buy a product or service is the hierarchy-of-effects hypothesis. As a result of advertising, the hierarchy illustrates the evolution of consumer learning and decision-making experiences. A hierarchy-of-effects model is used to create a systematic succession of advertising message objectives for a certain product, with each consecutive goal building on the previous one until a sale is made. A campaign’s aims are awareness, knowledge, like, preference, conviction, and purchase (in that order).

Innovation adoption model

This is the strategy used when a corporation wants to introduce a new product. During this stage, the challenge firms need to raise awareness and provide information about the product in order to pique interest. Awareness-> Interest-> Evaluation-> Trial-> Adoption are the steps in the adoption process. Marketers frequently advise or provide consumers with a trial period so that if they enjoy the product, they may purchase it. For example, when we are new to the field and testing out a course on various ed-tech platforms, we are offered a trial term.

Definition: The innovation adoption curve divides people into different groups based on their readiness to accept new technologies or ideas. It may be used to divide or categorize customers into five groups or subgroups, including innovators, early adopters, early majority, late majority, and laggards.

The innovation adoption curve follows a bell-shaped curve, which can be divided into five different categories:

- The *innovators* are usually the first to accept a new concept or technology. They make up a minor part of the population (almost 2.5%). They are the young people that are prepared to take chances with new technologies.
- The *early adopters* are the next group. Almost 13.5% of people are early adopters. One feature that sets this group apart from the other is that they have a high level of leadership or influencing power. They are also young people who are eager to take on further risks.
- The *early majority* is the third group of people that embrace a new technology (34%). The main difference is that acceptance takes a little longer here, but the number of innovators and early adopters is larger. They have a higher social position than the typical person and are more adaptable to change.
- *Late majority* is the fourth group (34%). This group of people takes a long time to adapt to new technology. Because they are skeptical of innovation, they are the ones who will do study. Because of peer pressure, they accept the new technology.
- The fifth group of people who accept innovation is the *laggards*. They are averse to change. It's possible that by the time laggards embrace new technology, it'll be obsolete. For their everyday use, they are obsessed on old ways or technologies.

Information processing model

- This model was developed by William McGuire. According to William McGuire, in a persuasive communication context such as advertising, the recipient is assumed to be an information processor or problem-solver. A response hierarchy, according to McGuire, is the set of actions a receiver takes to be convinced.
- The stages of this model are similar to the one in which attention and understanding are equated to awareness, and knowledge-yielding is equated to liking.

The customer should not make a decision right away, but should instead analyze the situation and make a decision later. The marketing in this case is not intended to urge customers to buy the product, but rather to encourage them to utilize it later when they need it.

Consumers can fall into one of three levels of interest at any time:

- *Inert stage:* At this point, the individuals are outside of the marketer's perspective or sphere of influence, and they are not interested in advertising. Their attitude toward the goods or service is also passive; they are uninterested in it. One option is that the consumer will remember the product as they progress through the phases. For example, consumers who aren't interested in the product or don't require it. However, they may be able to obtain it in the future. When customers are renting or in financial distress, a vacuum cleaner is not an important product; nevertheless, when they are no longer in financial distress and move into their own home, it may become an important product for them.
- *Acquirement stage:* At this stage, people who are interested in a product or brand want to learn more about it, including its features and brand information. They are more likely to advance to the next stage if they stimulate interest in a product or brand.
- *Decision stage:* Once the customers have decided on the product and brand of their preference, they are more concerned with the pricing and other information, which may be straightened out during the sales period: this stage is only for purchasing things offline in markets and stores.

Implications of traditional hierarchy model

When it comes to marketing their goods, marketers might benefit from using hierarchy models. Because the consumers will be in different hierarchy models, determining the stages will be challenging. Marketers must understand where the customer falls in the hierarchy model, where one segment of the customer may have never heard of the product, and where marketing should be repeated at this level. Another group of people may have a sufficient understanding of the goods but have a poor liking and preference, which could be due to pricing or brand reasons.

DIY: RESPONSE MODELS

1. Find out various advertisements across media (print, broadcast, and digital). Identify the sender/source, encoding process, channel used, possible decoding method, intended receiver, noise element (if any), and the probable.
2. Find and compare the advertisements where the source is a celebrity versus non-celebrity. Which of these advertisements you think had been more popular among the consumers?

Alternative response hierarchies

The alternative response hierarchies were developed by changing the order of the three stages (cognitive, affective and behavioral) based on perceived product differentiation and product involvement.

The standard learning hierarchy

The learn–feel–do sequence is used in the standard learning hierarchy model. A product purchase decision is approached by the consumer as a problem-solving process:

- A consumer's perceptions about a product develop as he or she gains knowledge about relevant features.
- The consumer examines these beliefs and develops an opinion about the product.
- The consumer participates in a relevant activity, such as purchasing a product that has the features that he or she values.

This approach is more prevalent when the consumer is acquiring consumer durables such as electronic devices, autos, and so on.

The low-involvement hierarchy

This model presumes that the consumer does not have a strong preference for one brand over another in the outset. He/she, on the other hand, acts on the basis of limited information, forms, and evaluation only after purchasing the product. This model is based on learn–do–feel sequence. Consumers will initially be aware of the specific brand or product under this model. Following that, individuals may buy the goods due to identification of that product as a result of repeated exposure to commercials, and then acquire a feeling or attitude about it after consumption.

Because of the constant promotional exposure, consumers may discover that McDonald's has a new burger. When people are hungry and deciding what to eat, a McDonald's commercial may play in their head, and they may decide to try the new burger. There is no study on the specifics of the burger, and they make their choices solely based on their sentiments about McDonald's. They will have an opinion on whether it is delicious or not after sampling it.

The dissonance/attribution hierarchy

This model is based on do–feel–learn sequence. When faced with a difficult decision, customers are more likely to adopt a positive attitude in order to avoid confusion or internal conflict. When customers act first and then adopt attitudes about that behavior, or even assume sentiments that reinforce that decision, the dissonance hierarchy is used. Individuals then learn to choose or seek out information

that supports their judgment while selectively ignoring information that contradicts it. Consumer engagement remains strong in this hierarchy model, but the differences between options are unclear, and information is typically less available and important when it comes to product selections.

Conclusion

Because all components of the IMC campaign are designed to connect with the consumers, advertising marketers must be familiar with the process of communication. Successful communications are dependent on a number of elements, including the substance of the message, how the audience interprets it, and the context in which it is received. The sender must encode a message in such a way that it is decoded by the recipient in the desired way in order to achieve effective communication. The receiver's feedback assists the sender in determining whether appropriate decoding took place or whether noise interfered with the communication process.

It is important that advertising managers focus on all the elements involved in the communication process to ensure effective communication with the end-consumer. Any misalignment in any of the element can lead to miscommunication. Those in charge of developing the IMC program should learn as much as they can about their intended audience and how they might react to advertising and other forms of advertising messages.

Class exercise

Choose different advertisements:

- (a) Print ad from the local newspaper or a magazine
- (b) TV ad
- (c) Radio ad
- (d) Digital ad

Assess the different parts in the communication model for these advertisements. The following aspects should be included in your analysis:

- An analysis of the advertisement's source and why he or she is or is not acceptable for the communication.
- The method of encoding the message, including the utilization of visual, language, and nonverbal aspects.
- A deliberation about the channel or media through which the advertisement was placed, such as the specific newspaper or magazine, TV, radio, Internet, and why the marketer picked this medium.
- The process through which the communication is received or decoded by the target market. Use one of the response hierarchy models described in the chapter

and analyze how the source and message may impact various phases of the model.

- What kind of feedback may the marketer get in order to assess the message's effectiveness? What is your overall impression of this commercial in terms of marketing communications? What improvements, if any, would you suggest to increase the efficacy of its communication?

Discussion questions

1. When generating advertising communications in several languages, deliberate on the ways advertisers might deal with communication issues such as mistranslations?
2. What exactly does encoding imply? Explain the differences in encoding between commercials in print media, broadcast media, and digital media.
3. Most of the brands use celebrities for endorsement. However, it is often stated that effectiveness of celebrity endorsement depends on receiver's involvement level. Do you agree or disagree with the statement?
4. The ads by Pidilite for their Fevicol brand are considered to be innovative in nature. These advertisements are liked by people across age groups. Can you suggest few reasons for these ads to be successful? Think of various concepts discussed in this chapter and try to analyze the same from the response hierarchy perspective.
5. When creating promotional messaging in several dialects and for diverse cultures, marketers may face challenges. Discuss some of the ways that marketers might cope with this issue and avoid miscommunications and other issues.
6. Discuss the various elements of the communication process. Think of different ads that showcase the different elements of the communication process.
7. The element of noise is considered as important attribute for marketers during the communication process. The modern technological advancements and advent of social media have led to an increase in noise level during the communication process. Elucidate this argument.

Learning objectives

1. Discuss the basic elements of the communications process.
2. Understand the role of communications in marketing.
3. To examine how recipients of marketing communications respond.

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6

CREATIVITY AND ADVERTISING CLASSIFICATION

Opening case

A TVC for a soap brand proudly declares – “*Film stars ki nahi, Science ki suno*” (Do not listen to what movie celebrities say, listen to science). The ad is for sebamed (a German soap brand) and features ex-Miss Universe Sushmita Sen. sebamed started in 2007 in India, mainly in baby care products. However, it has a very limited brand awareness and recall among consumers. sebamed decided to move to adult skin care products. Unilever is the market leader in a fiercely fought personal care and grooming product categories. sebamed launched a full-page newspaper advertisement directly attacking the market leader Unilever. The advertisement compared Unilever brands like Lux, Dove, and Pears (bathing bars, perceived as soft and gentle) with detergent soap RIN (bar for washing clothes, perceived as harsh). The campaign was executed on multiple platforms, including print, TV, OOH, and online media. First, videos were launched on social media, followed by print and outdoor media. The simple POD (point of differentiation) for the product was the pH balance, a scientific measure of acidic nature. The advertisement conveyed that pH value of these soaps is 10 (extremely harsh, just like washing bar), which is not good for skin, whereas pH value of sebamed soap is 5.5, which is perfect for sensitive skin. Popular media covered the bold advertising, wherein mostly praised the execution of the ad to shake consumers’ perceptions about soaps. Unilever immediately took legal action and replied with a confusing ad baffling about quality and trust. The Court temporarily banned sebamed ads till the trail was going on. However, sebamed published another full-page print ad. In the ad, instead of taking names, it cleverly encouraged users to check pH of their soaps by offering a free pH test kit to drive its point. Later on court dismissed the petition filed by Unilever. Shashi Ranjan, India head for sebamed, told to press, “At Sebamed we stand

for truth and transparency. Our wide portfolio of Skin & Hair care products with unique pH 5.5 benefit offers the new Gold standard to the consumers”. The campaign received accolades for its creativity and execution against the market leaders.

Introduction

“If it doesn’t sell, it isn’t creative”.

– David Ogilvy

David Ogilvy, one of the most adored and well-known advertising person, believed in the power of advertising. He supported the notion that if an ad does not result in selling of a product, it is not creative enough. Creative advertisements attract instant attention from consumers because divergence creates a contrast with less creative ads. Creative and novel slogans are more likely to be recalled and recognized in an incidental learning context. Creative advertisements impact consumers’ emotions, attitudes, and purchase decisions.

Creative ads are more effective in inspiring people to buy products and services than ads that simply catalogue product attributes or benefits. Stephan Vogel, Ogilvy & Mather Germany’s chief creative officer, offers the mantra to success in advertising, “Nothing is more efficient than creative advertising. Creative advertising is more memorable, longer lasting, works with less media spending, and builds a fan community . . . faster”. The most crucial part of any integrated marketing communications is the advertising message. Whether consumers are able to understand, remember, and recall the message – that decides the success of any campaign. A consumer uses a media like TV, print, or online for some purpose like entertainment, social bonding, building awareness, and knowledge. An ad during consumer engagement is an obstruction which derails the consumer’s thoughts and feelings. Hence, marketers are putting efforts in creating ads that offer similar levels of emotional gratifications as the media to reduce the dissonance and build a favorable attitude toward the ad. In this context, creative strategy defines the advertising message and creative tactics decides how the message strategy will be executed.

Creativity in advertising

Advertising aims to generate consumer awareness, interactions, and brand loyalty. The competition among brands have pushed the companies to create interesting advertisements. Only the creativity in advertisements let the brand stand out through the clutter. Perhaps, creativity is the most interesting part of advertising for academicians, practitioners, and students of marketing. We can watch in awe some of the excellent award-winning ads known for their creative execution and ponder over the thought process and creative efforts gone behind creating such unique ads.

DIY: AD MAD SHOW

Pick an advertisement you love the most. Find out the reason for your engagement with that ad. Do you notice any role of creativity in message or delivery technique? What is the message and how it is delivered?

Creativity in advertising refers to the new ideas, concepts, and themes used by the advertiser to generate an emotional feeling among the consumers. Advertising companies separately name a department as creative department which is responsible for generation of innovative ideas and is the brain behind the creativity in an advertisement. Some advertising companies choose to work on a narrow domain referred to as Creative ad-agencies. Their prime agenda is delivering high-quality creative advertisements to their clients.

It is a challenge for marketers to develop creative advertisements that create an instant connect with millennials. To encourage greater attention of consumer, marketers use popular music (launch of iPhone 13 used popular Bollywood song by Usha Uthup) and humor (Flipkart used kids in adult role-play). With the attention span reducing to just 5 seconds, it becomes even more difficult for marketer to catch consumer's attention in first 5 seconds of the advertisement. Consumers are also driven by opinions of social media influencers. Since the aim of advertising ranges from generating consumer awareness, interaction, to brand loyalty, the competition among brands have pushed the companies to create interesting and engaging advertisements. Thus, creativity in advertisements leads the brand stand out through the clutter.

Creativity in advertisements reflects in two ways: Either at the conceptualization stage or at implementation stage. During conceptualization stage, the ad makers brainstorm the message to be conveyed. The process of determining what to say (message) in advertisement is known as creative strategy. During implementation stage, the creators evaluate various methods of conveying the message. The process of determining how the message will be conveyed is known as creative tactics. You may consider, strategy is an overall approach that decides the direction and holistic view of advertisement, whereas the tactics are the measurable steps that are needed for implementation. A powerful advertising comprises a creative advertising message developed on a powerful idea and uses excellent design and execution to communicate information that interests the target audience.

One of the approaches to lead creativity is divergent thinking. Divergent means to think in unusual manner or in different directions. Divergent thinking is a method where mind is led to generate ideas which are uncommon and beyond typical expectations. This is also referred to as “out of the box” thinking. The creative team brainstorms to generate creative ideas which are targeted toward creating a buzz in the market. It typically occurs in a spontaneous, free-flowing, “nonlinear” manner,

such that many ideas are generated in an emergent cognitive fashion. Divergence is an essential determinant of creativity. The relevance of the idea reflects the extent to which ad elements are meaningful, useful, or valuable to the consumer. The advertisements can be positioned as relevant in two ways:

1. *Ad-to-consumer relevance*: In such situations, ad contains execution elements that are meaningful to consumers and consumers can relate to the advertisement. Popular celebrities, music, and visuals are used to capture interest and attention of consumers. For example, brands that offer health benefits or performance products generally use sports persons in their ads such as Ojasvita and Boost in India.
2. *Brand-to-consumer relevance*: In such situations, the advertised brand (or product category) is relevant to potential buyers. Brands of product categories like jewelry, cosmetics, and fashionable clothing try to build a direct connect with consumers. Brands may use beautiful visuals and imagery to focus on emotional and prestigious bonding with consumers. Apple iPhone is a good example where consumer put more emphasis on brand relevance instead of ad relevance.

Advertising creativity is the ability to generate novel, unique, and fresh ideas that can be used to communicate solutions to the consumers' problem. To be appropriate and effective, a creative idea must be relevant to the target audience. For example, medimix promises that using the product will remove pimples.

DIY: AND THE WINNER IS . . .

Visit the websites of Clio Awards and Cannes Lions (or any other award website of your region). Check the ads that were nominated or won the awards. Notice the role of creativity and execution in those ads. Most of them will have a unique message and execution. What about your favorite brand? Was it listed in any award category?

Creative department

Large advertising agencies and MNC's have a separate department known as creative department. The main purpose of creative department is to conceptualize, develop, and produce advertisements. It comprises artists, copywriters, musicians, and producers. *Creative department* is responsible for developing the direct-response message, whereas the *media department* takes care of launching and placement.

Members of the creative department work together to develop ads that will communicate the key points determined to be the basis of the creative strategy for the client's product or service. Writers and artists generally work under the direction of the agency's creative director, who oversees all the advertising produced by the organization.

Most agencies do not actually produce finished ads; they hire printers, engravers, photographers, typographers, and other suppliers to complete the finished product. The production department may supervise the casting of people to appear in the ad and the setting for the scenes as well as choose an independent production studio.

The department may hire an outside director to turn the creative concept into a commercial. For example, Renault-Duster have used famous musician A. R. Rehman for producing music for their advertisement. The ad was an instant hit with the young generation, with lyrics “*re-re re raftaar*”. Even Airtel used A. R. Rehman to create the tune which became an instant hit and it was so popular that people could recall brand Airtel by just listening to that tune. Millions of consumers made that tune as their ringtone creating a network effect.

Copywriters, art directors, account managers, people from research and planning, and representatives from the client side may all participate in production decisions, particularly when large sums of money are involved.

It is a difficult process for creative heads to generate new and fresh ideas. However, using a structured thinking approach, it can be well achieved. The creative heads can focus on the following directions for developing new ideas:

1. The marketers can create a unique selling proposition through the advertisement. In such ads, marketers propose the presence of a certain feature in their product which is not possessed by the other brands. For example, Sebamed proposed that their soap is milder in comparison to other brands.
2. Marketers can create brand image using creativity. For example, Amul makes commentary-led advertisements to have a positive brand image.
3. Some advertisers use drama for attaining consumer attention. For example, CRED used inherent drama by positioning celebrities just opposite to their public image.
4. Positioning the brand is another technique where marketers can use creativity. For example, Fogg deodorant has positioned itself as a durable and long-lasting deodorant.

Creative process

Is creativity a process? Can one generate creative output following a step-by-step approach? It is a highly debated topic. Organizations run on a deadline where outputs must be created within a stipulated time. Many industry experts agree to the steps involved in the creation of ad.

James Web Young, the former Vice President of J. Walter Thompson, created one of the most popular approaches to creativity in advertising. He suggested five steps:

- *Immersion*: Collect as much information as possible about the product and brand and immerse yourself in the problem.
- *Digestion*: Read and analyze the information multiple times, work on it, and keep rewinding in the mind.

- *Incubation:* Take a break. Move the information to the back of your mind and let the subconscious do the work.
- *Illumination:* Wait for the eureka moment to get the new idea.
- *Reality or verification:* Evaluate the idea for feasibility and whether it solves the problem.

As you can see, the model outlines the steps but does not provide how to do each step in a concrete manner. For example, individuals deal with information differently. So, two people can come up with completely different ideas based on the information. Nevertheless, the model offers insights into the creative process and idea generation. Marketers invest lot of money in research to identify consumer insights as well. Firms can do qualitative, quantitative, or ethnographic research to understand how consumers use the product or their issues with current product. These insights can be used to develop creative ads.

Developing creative strategy

Advertising campaign

An advertising or marketing campaign is a set of coordinated, specific activities that are based on a common theme and are designed to promote a product, service, or business through different advertising media. A firm may run a campaign for a specified period of time, including multiple ads on different platforms. The campaign theme is the central message of the campaign and hence it must be a strong idea. The theme is communicated through a slogan (tagline) or hashtags in social media. For example, Ariel runs a global campaign with the underlying theme of “Share the load”. It started in India in 2015 and Ariel continues to build ads on the same theme. Ariel’s first entry in the #ShareTheLoad saga started with an important question: Is laundry only a woman’s job? The second season of the #ShareTheLoad campaign became viral on the Internet in 2016. It focused on the father’s perspective. In India, 2 out of 3 children believe that household chores are mother’s job, reflecting the gender dynamics of household tasks. Such stereotyping of household chores becomes part of children’s’ lives and the laundry room becomes mother’s domain. Since children learn by observation, the inequality they see in the home gets repeated in their adult life and passed down to their children as well. The second season created ads focusing on fathers where a father apologizes to his daughter as he didn’t set a good example for his children and ready to make a difference with one little change. Later on, in third and fourth season, Ariel communicated the message that sons and husbands should share the load. The key has been to consistently drive the message of #ShareTheLoad, year after year. Before Ariel began this journey, in 2014, 79% Indian men thought household chores are a woman’s/daughter’s job and that “outdoors” work is man’s/son’s job. In 2016, this number dropped to 63% men. By 2018, this had further dropped to 52%.

Creative brief

A creative brief is a document that specifies the basic elements and outlines the creative strategy. A creative brief contains project details including the project's purpose, goals, requirements, messaging, demographics, and other key information. A creative brief helps a creative team to better understand a project from the start, and may be presented to key stakeholders and clients. A creative brief may include the following elements:

- Project context and background about basic problem or issue the advertising must address.
- Advertising and communications objectives.
- Target audience.
- Unique selling idea or benefits to communicate.
- Campaign details (campaign theme, appeal, and execution technique).
- Business objectives and measurement.
- Schedule.

Main theme

A critical part of creative strategy is to identify the central theme that will become the core selling idea of the ad campaign. A campaign can be effective if it has a grand idea that attracts consumers' attention, gets a response, drives engagement, and clearly differentiates the product or service apart from the competition. For example, Coca-Cola uses the main idea of "happiness", whereas Pepsi uses "young generation". Amul drives the core idea of "taste of India" highlighting the fact that majority of Indian consumers like it.

Raymond, an Indian textile brand, is available in 55 countries, including the United States, Canada, Japan, UK, and Australia. The brand history goes to 1950, where it focused on young aspirational upper-class segment. In 1992, the brand decided to portray a different man from what they have showcased so far. The new generation men were soft, caring, and sensible, while the ads portrayed men of angry young man era. Thus, the idea of protagonist "The Complete Man" was born and it still continues to feature as a central theme in Raymond's ads. The ad succeeded in connecting with consumers across all economic social strata because the feelings and emotions of caring, family man, and relation are same for all people. The notable feature of the ads across the years is the use of jingles that are consistent since the 1990s. Raymond is one of the few brands that command a strong consumer loyalty and brand recall for formal and power dressing.

Advertisements leave a long-lasting impression on the mind of consumers. Sometime they bring back nostalgic memories. Following is the list of some

popular themes/ideas used by Indian brands. The core idea uses Hindi language to drive the point. We have translated it to English for non-Hindi readers.

- *Thums UP*: Taste the thunder.
- *Surf*: Daag acche hain (stains are good).
- *Asian Paints*: Har ghar kuchch kahta hai (every house has its own story to tell).
- *Bajaj Auto*: Hamara Bajaj (our Bajaj).

Now the question is how one can find that major idea? There are many approaches that can guide creative team to search and finalize the big core idea. Some of the best-known methods are the following:

- Using a unique selling proposition. For example, Dettol kills 99.9% germs.
- Creating a brand image using image advertising. For example, Gillette builds a strong image of masculine brand.
- Finding the inherent drama using background settings of family, friends, romance, friendship, etc.
- Positioning – to create a distinct image in consumers' minds.

Once the creative strategy in place, the next step is to finalize the advertising appeal and execution strategy.

Advertising appeals

Advertising appeal is defined as strategies to grab the attention of people to persuade them to purchase a product or service. It's an approach used to influence consumers' feelings toward the product, service, or cause. An advertising appeal is "something that moves people, speaks to their wants or needs, and excites their interest".

An advertising appeal refers to as something that motivates people for identifying their needs, motivate them to fulfill their wants or needs, and accelerate their interest in product. Message appeal forms the underlying content of the advertisement, and the execution decides the way in which that content is presented. Both advertising appeals and executions are usually independent of each other; hence, a particular appeal can be executed in numerous ways and a particular means of execution can be applied to the variety of advertising appeals. To attract customers in this competitive world of ad war, advertisers use various types of appeals in their advertisement. The message is used to attract and influence the consumer.

Marketers use many types of appeals in the advertising. These appeals are classified in two broad categories: informational/rational appeals and emotional appeals.

Informational/rational appeal

Informational/rational appeals outline the qualities of a product or service, as well as the benefits or justifications for owning or using a particular brand. Rational appeal highlights consumer's practical, functional, or utilitarian need for the product or service. The emphasis in these communications is on facts, learning, and persuading logic. Advertisers using rational appeal attempt to motivate the consumer that their product or service has a specific attribute(s) or provides a specific advantage that meets their needs. Their goal is to persuade the target audience to purchase the brand because it is the best available option that meets customers' wants better.

The rational customer satisfies their practical, functional, or utilitarian demand for a product or service by selecting one that emphasizes benefits or reasons for owning or using a certain brand. Rational-based appeals are usually informational, with the main goal of persuading the target audience.

Many reasonable factors may be exploited in advertising appeals, including customer comfort, convenience, economy, and health as well as sensory benefits like smell, taste, and touch. Quality, dependability, durability, efficiency, efficacy, and performance are some of the other rational motives or purchasing criteria typically employed in advertising. Consumers value different characteristics, benefits, or evaluative criteria, which serve as the foundation of an informational/rational appeal. The effectiveness of appeal further depends on the product or service category and market area. There are many types of advertising appeals that fall under the category of rational approaches – feature, competitive advantage, favorable price, news, and product/service popularity appeal.

Feature appeal

Such advertisements emphasize on the features/traits of products and services. They are information packed and explain the attributes or features to motivate consumers to make a rational purchase. Technical and high-involvement products such as laptops and automobiles often use this type of advertising appeal.

Competitive advantage

Advertisers use competitors' products for comparative appeal either directly or indirectly (e.g., seabamed case). Brands compare with competition on benefits where they are superior and the message sends signals to consumers of its superiority.

Price appeal

In this advertising, firms try to attract consumers by showcasing a favorable pricing and thus making price a unique selling proposition. Marketers use such appeals during sale, offers, festival season, or stock clearance. Some brands regularly

highlight everyday low pricing or always lowest prices to create a favorable image based on pricing. Pizza Hut regularly communicates about its value meal offer, in which it offers two pizzas as a combo deal. Similarly, online grocery chain Big-Basket highlights “har din sasta” (lowest price everyday) in their communications.

News appeals

In such advertisements, the main objective of the campaign is to share the news or announcement about the product, service, or company. This type of appeal is generally used while launching a new product or when any change is made in the products. Generally, news appeals are used by airlines to announce about new routes or hotels to inform users about opening of a hotel in a new location.

Product/service popularity

The popularity appeal stresses the popularity of a product or service by highlighting its existing customer base like how many consumers bought the product in last year. Market leaders generally use this appeal. Sometimes, a new entrant also uses this appeal to showcase growth to influence potential customers.

Emotional appeal

When marketers try to persuade consumers using emotions for purchasing a product or service, it is known as emotional appeal. Emotion appeal fulfills consumers’ psychological and social needs. Many consumers’ purchasing decisions are influenced by their emotions, and their feelings about a brand, even more than its characteristics or attributes. When it comes to selling brands, it’s more vital to appeal to customers’ emotions than to compete with other brands on the market. As a result, numerous emotions can be used as the basis for advertising appeals aimed at persuading customers to buy a particular brand.

Emotional appeals are also used to change the consumers’ expectation of benefits from the product. It can be achieved through transformational advertising. A transformational ad is defined as “one which associates the experience of using (consuming) the advertised brand with a unique set of psychological characteristics which would not typically be associated with the brand experience to the same degree without exposure to the advertisement”. Transformational commercials elicit emotions, pictures, meanings, and beliefs about a product or service that are activated when customers use it, changing their perception of the experience. Transformation ads can be identified by the following characteristics:

1. It must make the product experience interesting, warmer, richer, and/or more delightful than what can be received merely from an objective description of the marketed brand.

2. It must create such a strong link between the advertisement's experience and the experience of using the brand that consumers are unable to recollect the brand without recalling the advertisement's experience. By making the consumption experience more joyful, transformational advertising can help a product or service stand out.

Some of the common emotional appeals used by the marketers are described in the following.

Love

Surf Excel uses “Daag Ache Hain (Stains are good)” tag line in varying contexts to showcase that sometime getting stains is also good if it leads to happiness. Surf Excel uses children in routine situations. In one ad, a child gets its clothes dirty while picking up a currency note fallen from his grandmother's purse. In another ad, a kid fights the mud to make his sister happy. The underlying theme is to let children have fun and do not worry about stains, because stains are good if they are due to a positive behavior.

Fear appeal

Fear appeal is used by marketers to sell product by showcasing some kind of harm or fear factor. For example, Philips uses messages like “Help your child fight against asthma” or “Say no to Bactera Visrun PM 2.5”. It creates fear in consumers' mind about harmful effects of breathing polluted air.

Patriotic appeal

Patriotic appeal is a very strong emotion for one's nation that is utilized in advertising to increase its persuasiveness. Companies use it in their advertising campaigns on specific days like Republic or Independence Day or during some events of national importance. For example, when Indian government banned the apps from China, Amul used that incident in their ads to drive patriotism and highlight that it was a made in India brand. Similarly, Kajaria tiles also uses make in India to drive nationalism.

Pride appeal

Marketers appeal to consumers' pride by creating ads in a way that customers feel a sense of pride by using their product. For example, Beardo positions itself as “Be like a boss”. Consumers may perceive the feeling of being a leader by using the brand.

Safety

Appealing to the customers' safety concerns is another way to get their attention. Automobiles, kitchen equipment, toys, and cleaning goods are few examples of product categories that use a safety appeal in advertising. Indian car brands have started focusing on safety features in recent years as a means of differentiation. For example, Maruti Dzire informs consumers about advanced safety features of the car. Similarly, Asian Paints convinces its consumers that they are a safe option to do home painting during the coronavirus pandemic.

Respect

Like pride appeal, brands can also attach the sense of respect emanating from using the brand. For example, Asian Paints used the respect feature in its ad, where neighbors visit the house of the protagonist and praise him for beautiful house paint.

Happiness

Happiness is another popular emotion used in advertising. Cadbury is a prominent example which plays on celebrating happiness (other than Coca-Cola) together. Brands use festivals and other celebrations to connect happiness with product. For example, Revital (a multivitamin product) uses religious celebrations to spread happiness through gifting.

Humor

Humor appeal persuades consumers by creating funny ads and making people laugh and feel good. Humor in marketing is a tried-and-tested method for brands to guarantee that their campaigns are remembered and remain impactful. However, humor is a two-edge sword. Sometimes, use of humor in ads has created online storm and made consumers unhappy, especially if the humor is about religion or popular sentiments. Hence, marketers need to carefully understand the cultural and social fabric to avoid such backlash from consumers. Fevicol, an adhesive brand, consistently uses humor in its print and video ads. Fevicol ads have won numerous awards for their cheeky sense of humor and depicting routine life situations in an extremely funny way. Fevicol also uses popular trends like it used Thor's hammer to reinforce its positioning and keep its brand image relevant to young consumers.

Nostalgia

Nostalgia is a very strong emotion of feeling of the bygone era. It reflects a remembrance of fondness for days gone by. Nostalgia is frequently employed in persuasive advertising to conjure recollections of childhood or simpler times. Brands use

nostalgia as emotion in their ads. Sometime, brands have recreated their old ads which were very popular at their own time, to bring back the nostalgic feelings to consumers. For example, Cadbury Dairy Milk re-created one of its iconic ad by twisting the gender roles and making consumers feel nostalgic about the past beautiful memories with the brand.

Personal appeal

Through visuals, powerful language, and even powerful music, personal appeals are meant to elicit feelings and emotions. It has the ability to persuade a spectator by eliciting emotions such as grief, envy, happiness, and fury by relating the consumer to the source. In such ads, the protagonist uses its personal influence to persuade customers. Mostly, these ads use popular celebrities, role models, or social influences. For example, Salman Khan, a hugely popular movie celebrity, puts his signature in the ad for Revital to give a personal testimony for the effectiveness of brand.

Social responsibility appeal

In social responsibility appeal, marketers create advertisement to generate the feeling of social responsibility among the consumers. For example, LIC uses animated advertisements to motivate consumers to be socially responsible by segregating the waste and to avoid using plastic. Similarly, Maggi promoted planting of trees in used cups to promote a sense of environmental consciousness.

Rational and emotional?

There are many alternatives available to marketers to decide on ad appeal. In reality, marketers use mix of appeals. Even for emotional ads, they use more than one emotions to drive their core messages. Brands use combination of rational and emotional appeals to increase their chances of persuading consumers. In such situation, the creative designer incorporates the elements of rationality as well as the elements of emotions. For example, SOS Mata Atlântica Foundation, which works in the area of saving forests, uses both appeals. The ad calls attention to the losses that deforestation brings, whose victim is not the forest alone as it also destructs the forests' rich biodiversity and thousands of animal and plant species.

Additional appeals

Other than the rational and emotional appeals, there are some specific appeals used by marketers to achieve their campaign objectives.

Reminder advertising

Reminder advertisement aims to develop a strong brand image in the mind of consumer by using advertisement as a reminder and thus leading to brand awareness and brand remembrance. Established companies such as Pepsi and Coke use reminder advertisement for staying in the mind of the consumer. As the popular phrase goes, “out of sight, out of mind”, consumers tend to forget the brand which they don’t see often. Therefore, reminder advertisements serve their purpose by creating a regular connect with consumers to remember the use of the product and importance of using that product in real life. Coca-Cola integrated a variety of breakfast dishes in its ads with Coke to remind consumers that Coke can be taken with any food item at any time of the day.

Teaser advertising

Teaser advertising is a popular method when a new product is launched. Such advertisements are designed to build excitement, interest, and curiosity about the product and the brand. Using mystery in campaigns generates a sense of excitement and newness in the mind of the consumers and leads to social media chatter.

Let’s understand teaser advertisement through an example. Before any movie is launched, usually the movie makers launch a teaser which is a small part of the movie. By watching the teaser, consumers can understand the theme of the movie and develop curiosity about the plot. In a similar way, teaser advertisements are used by marketers to create a sense of curiosity in consumers. Consumers may start discussion in social media about the upcoming product and may inquire about it on company website. Maruti used teaser ads (print and video ads) to inform consumers about the upcoming new model of Baleno that generated a huge interest and online discussions about the product and its features.

Advertising execution

After finalizing the core message and appeal for the campaign, the next step is to execute the creative strategy. The creative expert or team begins campaign execution for the specific advertising appeal. The manner an advertising appeal is delivered is referred to as creative execution. While having a significant appeal or message to express to the audience is undoubtedly vital, the manner in which the ad is executed is equally crucial to the consumer. Marketers use many interesting and innovative ways to reach out to customers.

David Ogilvy’s lays more emphasis on the creativity side of advertising by quoting that “what you say in advertising is more essential than how you say it”. Whereas in his classic book *Madison Avenue*, Bernbach’s quotes, “Execution can become content; it can be equally as essential as what you say”. For example, in an

advertisement of food supplement, a fit and healthy person conveying the message will make it more credible and trustworthy. There are many ways to present the message to target audience. We will discuss some of the most widely used execution strategies to deliver the marketing message to consumers.

Comment and humor

Sometimes marketers go one step ahead and use other unrelated products to give commentary and generate humor. The purpose of such ads is to utilize the viral message of other brand and use it for its own popularity. For example, Zomato used a quirky picture ad related to the launch of new iPhone 13. In the new phone, Apple made minor changes to the position of camera, which received a huge coverage in press and became a viral trend. Zomato used the concept to present burgers in slightly changed position similar to the phone.

Demonstration

Demonstration advertising is used to demonstrate the product's primary benefits by showing it in action or in a staged situation. Demonstration executions can be very powerful in persuading customers toward the usability or quality of a product, as well as the advantages of owning or using the brand. Such method of execution is more powerful when delivered using a video content through TV or social media. Because the benefits or advantages of the product may be exhibited right on the screen, it's very well-suited for demonstrations. LG used the side of the magazine to claim the slimmest OLED TV. LG cleverly published the size (4 mm) on magazine's side and its message. The print ad also got covered in popular media and many users posted the creative execution online giving it a huge amount of free publicity.

Straight sell or factual message

The straight sell or factual message is one of the most basic creative executions. This advertisement relies on a plain presentation of product or service information. This technique is frequently utilized in informational/rational appeals, in which the brand's focus is on the product or service and its specific features and/or benefits.

Comparison

A marketing technique in which a company's product or service is presented as superior to that of a competitor is known as comparative advertising. A comparative advertising campaign can include printing a side-by-side comparison of a company's product attributes against those of a competitor. For example, Pepsodent used Colgate in its comparative ads to show the superiority of product that kills more germs than Colgate.

Testimonial

A testimonial is a statement made by a consumer regarding how a product or service has benefited. It frequently involves the customer promoting the product or service. L'Oréal launched an ad during pandemic to show how the brand ambassador Eva Longoria used the product herself, thus giving testimonial.

Scientific/technical evidence

Scientific or technical proof is offered in the ad. It is an extension of the straight sell. Advertisers frequently reference technical data, the findings of scientific or laboratory investigations, or scientific groups' or agencies' endorsements to back up their claims. For example, Dettol shows that using it kills 99.9% bacteria. Similarly, Horlicks growth used scientific evidence to promote its products.

Slice-of-life

Slice-of-life advertising is a marketing strategy in which a real-life problem is depicted in a theatrical presentation, with the promoted product serving as the solution. It is based on problem-solving approach. Many marketers position products as a solution to routine problems like dandruff, hair fall, pimples, obesity, bad breath, body odor, or sensitive teeth. You can observe that a majority of the personal care products use this approach. Sensodyne toothpaste offers itself as a solution to the problem of teeth sensitivity.

Responsibility

Marketers may communicate the importance of the product as a responsibility of the consumer. Insurance and healthcare products use this execution appeal. LIC India promotes that purchase of life insurance is the most important investment for a person and should be purchased first as advised by successful people.

Social issue

This is also known as cause-related marketing. Marketers may select a social cause and promote their products around it. Dove promotes sensible product buying by addressing a prominent social issue. The brand promotes that "Stop the Beauty Test" and look at the quality of a female before judging her. Brand takes a stand against the existing social norms about the beauty and instead of using celebrities, it uses common people in its ads to drive that beauty is for everyone.

Animation

The brand's spirit can be captured through animation, which can represent exactly what the marketers want target audience to know about the product or service.

Sometimes ads use animated characters to create excitement as well. Short videos that communicate clearly and swiftly, and convey information in a unique way are easily memorable. Vodafone introduced Zoo Zoo animated characters, which were played by humans. These adorable characters became an instant hit with Indian consumers and many people fondly remember them. Vodafone used Zoo Zoo characters in humorous settings and it still continues to use them in ads.

Personality symbol

Another style of advertising execution entail creating a primary character or a personality symbol that can deliver the advertising message while also identifying the goods or service. The character acts as a central character of the campaign. Duracell uses bunny character to deliver its message, which has become a brand mascot for Duracell. Similarly, KFC uses the picture of Colonel Harland David Sanders as a logo on its packaging.

Fantasy

Fantasy is a typical implementation approach for emotive forms of appeals like image advertising. Fantasy executions are especially well-suited for television because the commercial can serve as a 30-second escape for the spectator into another world. Fantasy appeals are frequently used in cosmetics advertisements to create images and symbols that people identify with the brand. Emami uses popular celebrity Shah Rukh Khan in its ad and communicates a fantasy to the users to become smart like the actor after using the product.

Dramatization

Dramatization is another popular execution strategy mostly suited to video ads. A dramatic situation is created as a short story to highlight the product benefits. Using a dramatic story gets the attention of the viewer. Flipkart used kids in many of its ads where it presents them as adults and created dramatic situation to sell the products.

Creative elements in advertising

The creativity in advertising can be displayed through the following elements.

Video

The marketers can create short videos (15-second videos) on social media and YouTube. Such videos are short and can be created using only digital elements and thus are cost-effective. Advertiser can also create 30-second video which are usually promoted on television advertising.

Music

Jingles and music in the advertisement remain in the minds of consumer for long. Some of the advertisements that have been extremely successful in creating customer connect using music are Nirma, Airtel, and Titan with their distinct background music.

Visual elements

For print ads, headlines, copy (content) of the ad, and subheadings are vital to get readers' attention. Elements such as color, design, and text to picture ratio also play important role in ads. Parker uses a clever ad copy to promote its pens. Observe the use of strong bold headlines to draw readers' attention, logo at the top right corner, and the ad copy (in small font) about the award-winning journalists. Indian government regularly executes campaigns on the theme of "Incredible India" to promote international and national tourism. It uses stunning visuals of destinations and historical monuments. Readers can visit online channels to search and enjoy wonderful magnificent images used in the campaign. The government noticed a serious issue where travelers used to damage the monuments by carving their names on buildings and walls and splitting around them. The government used strong visuals of splitting in their campaign and used ad copy to induce guilt in people to stop such behavior.

Conclusion

Creativity in advertising helps brands to cut through the clutter. Creative development and execution are the critical part of any marketing campaign. Generally, marketers approach external agencies who have expertise in developing creative ads. The creative team is responsible for developing the creative strategy and message for their clients. A conflict of creativity versus hard sell always exists and both parties need to respect others' views and requirements. Creative process involves collection and amalgamation of information, digesting the information, and finally reaching the eureka moment. Firms also do extensive consumer research to generate insights into consumer behavior to get ideas for their products and marketing campaigns. Research and pretests are used throughout the process to validate the ideas before finalizing the ad. Once the key message is finalized, team works on advertising appeals and execution process. The appeal is the central message of the ad that should stimulate some sort of consumer response or persuade their perceptions, attitudes, or behavior toward the brand. Broadly, ad appeal can be either rational or emotional. Rational appeal highlights the functional or utilitarian benefits of the product and aims to persuade the logical thought process of consumers. Under rational appeal, brands can use feature appeal, comparative advertising, price appeal, news appeal, or popularity appeal. Emotional appeal attempts to

appeal to consumers' social or psychological needs. Marketers use popular emotion like love, happiness, fear, pride, security, and nostalgia to influence consumers' affective responses. The final step of creative execution determines how the message will be presented to consumers. We have discussed many popular execution styles in this chapter such as humor, demonstration, testimonial, scientific evidence, slice-of-life, and dramatization. We also briefly discussed various creative elements used in advertising like headline, ad copy, and visual in print ad. Finally, a creative ad should be able to help brands in increasing the sales and building a positive perception in consumers' minds.

Discussion questions

1. What is the role of creativity in advertising? Explain with certain examples.
2. What is meant by divergent thinking? Explain the structured way of generating new ideas.
3. What are different types of appeals in advertising? Explain difference between rational and emotional appeal in advertising.
4. Humor is a tricky aspect in advertising. One person's humor can be an insult to another. Discuss some controversial ads using humor which didn't go well with the audience.
5. Do you think use of fear appeals is justified by the marketers in influencing consumers for making a purchase? Why or why not?
6. What are various elements of marketing message through which creativity can be reflected?
7. Explain various mechanisms of advertising execution with suitable examples.
8. Account executives spending money often accuse that creative people are only concerned with creating ads that win awards, instead that sell their products. Creative people refute the claim as the purpose of ads is to create emotional connect with consumers and not to sell products. What are your views on this debate?
9. Discuss the creative elements in print and TV advertising.

IMC in practice

Select a current advertising campaign of your choice, preferably that is running on print, broadcast, and online media. Critically evaluate the ads and answer the following:

- Is it creative? Why or why not?
- What is the core idea or theme of the campaign?
- Which advertising appeal and execution strategy are used?

- Whether ad has used any celebrity or not? Is it effective?
- Identify various creative elements used in the ad.
- Suggest some ideas to improve the campaign.

Learning objectives

1. Understand the meaning of creativity in advertisement.
2. Analyze different types of advertising appeals.
3. Explain various styles of creative advertising execution.
4. Understand and differentiate the process of advertising execution on multiple mediums.
5. Discuss mechanisms to evaluate creative ads.

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7

MEDIA STRATEGY AND PLANNING

Opening case

The Indian entertainment and media business is a booming industry that is making tremendous progress. It is on the threshold of a robust phase of expansion, underpinned by increased consumer demand and improving advertising income, demonstrating its resilience against the rest of the globe. As per the new EY-FICCI research, the Indian media and entertainment (M&E) industry expanded by 16.4% to INR1.61 trillion (\$21.5 billion) in 2021. The M&E sector is projected to expand 17% in 2022 to \$25.2 billion, and recover to the pre-pandemic levels by 2024, growing at an 11% CAGR to \$30.9 billion.

Even though conventional media accounted for 68% of sales volume, digital media increased significantly to become the second-largest category. The development of digital infrastructure in the country is likewise accelerating. According to the research, India has 795 million Internet connections, 500 million smartphones, and 10 million smart televisions, in addition to 170 million daily active TV connections users. In 2021, 390 million played Internet games, consumed 150 billion hours of music streaming, 40 million Indian households paid for 80 million online video subscriptions, and 400 million subscribers accessed packaged material. By 2024/2025, the number of displays is predicted to reach 1 billion.

It is one of the largest global content creators and is quickly converting to a global content back office. In 2021, the content creators in India had generated 150,000 hours of TV programming content, 2,500 hours of premium OTT material, and 2,000 hours of movie content, with the help of more than 950 animation and VFX firms, 185,000 electronic artists, and 139 colleges. “India has always been a different kind of media and entertainment market, up top with the rest on technology and ahead of the pack when it comes to digital adoption”, says Mr. Ashish Pherwani.

The plethora of options available for brands to communicate to their target market makes the task of identifying, understanding, examining, and planning the media strategy an extremely important task. The introductory scenario provides an overview of the subtleties of media strategy for a business. It offers an understanding of the sort of effort needed for media planning and the types of media decisions that must be made. Without strong media planning, any communication strategy, no matter how innovative, is likely to succeed.

Introduction

Media planning

A brilliant promotional message to the target audience will seem to have little impact on them if not conveyed at the appropriate time and through appropriate channels. However, on the other side, a strong idea supported by highly successful media will increase a brand's likelihood of success. The procedure of media planning is not simple, as the advertiser is having plenty of options to choose from traditional media like TV, print media – newspaper and magazines, radio (and the options accessible in all of these categories), as well as out-of-home media that includes outdoor advertisements, transport advertisements, and electronic billboards. Direct marketing, interactive media, promotional product advertising, and in-store point-of-purchase choices all are important support media to consider. The online and digital media add to the process's complexity.

A marketer must address numerous important issues while organizing the media for a campaign:

- Whom should we advertise or communicate to?
- Where should our advertisements be shown/run?
- What is the best or ideal time for our advertisements?
- Which is the best media that we should use to advertise?
- How frequently should we communicate the message to our customers?
- What should be the budget requirements and limitations?

In order to answer these questions, the marketing team creates an optimal media plan that allows them to meet the objectives. As crucial as developing the message itself is directing the promotional message to the correct audience through the proper channel and with the right intensity. *Media planning* can be defined as a task that aids in finding the optimum method to spend a firm's money across different media in order to get the most financial return and brand value.

It is important to understand few keywords and ideas that will help in examining the media planning and strategy process:

- *Media planning*: The number of decisions that go into getting the information to the targeted users.
- *Media plan*: The actual document detailing these decisions.

- *Media objectives:* The objectives sought by the media plan.
- *Media strategies:* The plans of action designed to attain the media objectives.
- *Medium:* The general category of media channels such as broadcast and print.
- *Media vehicle:* The specific carrier in a media category (television, magazines, etc.).
- *Reach:* The number of potential audience members exposed once to a media vehicle in a given period of time.
- *Coverage:* The potential audience that might receive a message through a vehicle.
- *Frequency:* The number of times the receiver is exposed to the media vehicle in a given time period.

Media planning is often the responsibility of a media company, and it comprises determining the best media outlets for a company's product. However, some marketers usually perform in-house media planning, using media analysts. Whether it is through in-house route or through outside agency, most advertisers now recognize the critical relevance of media planning, given the size of the media budgets. A media planner's profession entails combining numerous areas of knowledge to find the appropriate media mix to fulfill the company's promotional goals. The media planner may work on assessing potential customers, catching up with media advancements, acquiring media expenses, identifying industry dynamics, and comprehending consumer motives. As a result, planning for media strategy necessitates both quantitative and qualitative research approach.

The function of a media buyer starts when the work of a planner concludes. He is mainly responsible for acquiring broadcast deals at the best price possible and position. This entails a great deal of bargaining for pricing, as well as advertisement time and space. They must consider aspects such as media formats, tariffs, and availability while deciding what to buy. In the current business scenario, media plans are based on power and influence, which is measured by the ability to buy time or space. The basic guideline is that the more the volume the company has, the better the rate they may receive. As a result of greater purchasing power, larger ad agencies and media firms appear to have an advantage. In the Indian context, a new idea known as "Agency of Record" has evolved within the media sector (AOR). Historically, most advertising firms that provided customers with strategy and artistic work also controlled the media company. Not to any greater extent. Ideally, one agency should handle the inventive business, while another handles the media business. The agency in charge of the media business is known as the AOR agency, and it is in charge of media design and purchasing for the consumer. Typically, the creative agency earns 12.5% commission, while the AOR agency receives 2.5%.

The changing media landscape and challenges in media planning

It has been observed in the last few years that media budgets have been increasing constantly for promotional activities across different mediums. With the evolution and growth of Internet-based communication and digital landscape, traditional

media has taken a back seat, but it will still have a different role, however, with a reduced budget. Also, it is pertinent to understand the change in consumers' media consumption patterns. Although traditional media are supposed to be dying, forecasts of their impending doom may be greatly exaggerated. In a country like India, television is still the most effective medium for reaching out to large number of people across the breadth and depth of the nation. Also, print media is still preferred as the first source of information for many people and newspapers are being read by more people than previously thought. Other media like direct marketing that had limited scope in the Indian market has increased its effectiveness in reaching out to people. Nevertheless, experts agree that shifts in audience media viewing habits, technological advancements, and other factors will cause turmoil for media managers. Using a "portfolio model", which analyzes media synergy, might be the most appropriate approach to reach out to target consumers.

There are varied reasons for the changes in individual's media consumption habits: They are busy and time crunched, multitasking has become more prevalent, many media options are available because of media proliferation, customers changing lifestyles, technology developments/changes, media fragmentation, and consumer attitudes toward media. As technological innovation is augmenting information about customers and big data analytics is helping firms to target their consumers more effectively, there is a greater capacity for insight and precision, with the majority of marketers favoring behavioral targeting. The key is converting insight into knowledge. The increasing specialization of responsibilities performed by promotional managers adds to the difficulties of media planning. Many big agencies had a separate media division for brainstorming and generating creative ideas. However, as most advertising companies have separated media planning and buying, many creatives are unable to comprehend media execution or develop media-driven strategies. Also, many of the employees involved in creative aspects are unable to comprehend the qualitative components of message delivery. Furthermore, the shift to digital media needs a higher degree of coordination across all ecosystem stakeholders. It will be difficult to repackaging strategic, creative, and media talents.

Sadly, deciding on a media campaign is not yet a homogeneous procedure. A lot of variables make developing the strategy more complex and limit its efficacy. We can highlight the major problems and challenges associated with media planning as follows:

- *Insufficient information:* Although there is a wealth of knowledge regarding consumers and their media consumption habits, promotional managers frequently demand more. Some of the required information cannot be simply measured, either because they are impossible to monitor or because doing so would be extremely costly.
- *Inconsistent terminology:* Inconsistent terms used by people across the industry (broadcast, print, digital, social media, etc.) often differ, and the assessment criteria used to estimate these expenses are not always uniform. Print media

evaluates in terms of cost per thousand people reached (CPM), whereas television media uses the cost per ratings point (CPRP), and outdoor media uses the frequency of showings. Different ways have been explored to obtain audience information that is utilized as a basis for these charges.

- *Time pressures*: Most of the times, the decision regarding media selection is not finalized till the very last moment and that creates unnecessary pressure on the media managers. They tend to make media decisions without sufficient planning and analysis of the markets and/or media.
- *Problems in measuring effectiveness*: Since measuring the success of advertising and promotions in general had always been difficult and challenging, it creates problems for the media managers to account for the success or failure of a particular media. Also, in the current scenario with plethora of varied options available, determining the relative effectiveness of different media or media vehicles is equally difficult. Even though a lot of effort is being put in standardizing the measurement across the media, the media planner may only have an estimate or a decent guess as to the impact of these options.

The appropriate development of the media plan requires an awareness of these issues.

Lots of activities are involved while developing a media plan. The plan determines the best way to get the advertiser's message to the market. The basic goal is to find that combination of media that enables the marketer to communicate the message in the most effective manner, to the largest number of potential customers at the lowest cost. These activities are shown in Figure 7.1.

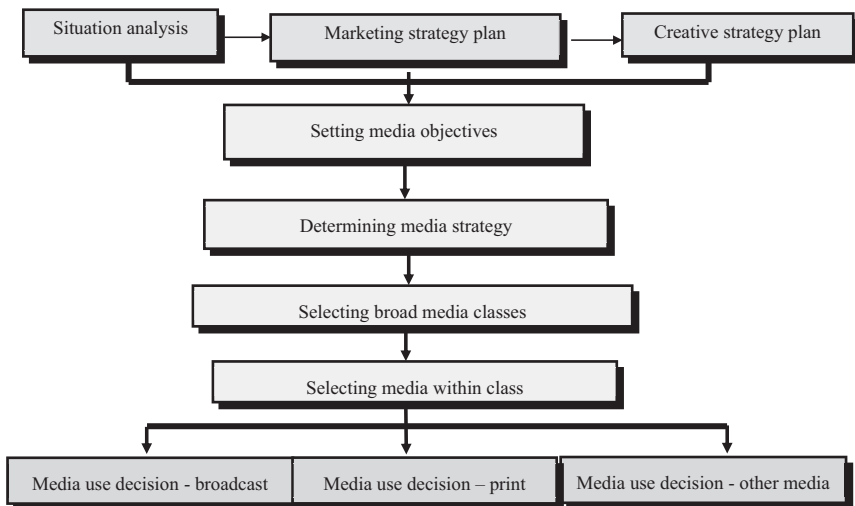


FIGURE 7.1 Activities involved in developing the media plan.

Source: Adapted from Belch and Belch (2008).

Creating a strategic media plan

A media strategy is a roadmap that outlines the best methods for delivering a brand promotion messages to the target market at the correct time, location, intensity, and cost. It is founded on a marketing communication strategy that is developed from a marketing plan, which is taken from a business plan. The media planning process can be categorized into five different steps: (1) analyze the market/situation, (2) establish media objectives, (3) develop media strategy, (4) implement the strategy, and (5) evaluate performance.

Market/situational analysis

To whom will we advertise (who is the target market)? The media planner needs to work with client, account representative, marketing department, and creative directors in order to assess the specific requirement of each interested party. Both primary and secondary research have to be undertaken. A great deal of analysis is done through percentage figures and index numbers. Media planners, for a variety of reasons, are often more concerned with percentages and index numbers than with raw numbers when trying to determine market potential.

What internal and external factors may be operating? As in the overall situation analysis, both internal and external factors will directly influence the media decisions. Internal factors include size of the media budget, managerial and administrative capabilities, and the organization of the agency. External factors include economy (the rising costs of media), changes in technology (the availability of new media and new buying methods), and competitive factors.

The index number, determined by using the formula on this slide, is a good indicator of market potential: Percentage of users in a demographic segment by percentage of population in the same segment. An index number over 100 means use of the product is proportionately greater in that segment than in one that is average (100) or less than 100.

Where to promote? The decision as to where to promote at this point involves geographic considerations. Once again, the discussion turns to the use of secondary information and indices as aids in making this decision.

Another famous index being used by managers is the brand development index (BDI), which helps marketers factor the rate of product usage by geographic area into the decision of where to allocate their media budget. The index uses the ratio of the following variables: Percentage of the brand to total sales in a given market by percentage of total population in the given market. By performing the mathematical calculations, the advertiser can determine the sales potential for the brand in a particular market area. The higher the BDI number, the greater the potential that exists.

Category Development Index (CDI) is another index that can help marketers determine where to allocate the media budget. It is computed in a manner similar

to the BDI index, except that it uses information regarding the overall product category, rather than for specific brands. This index uses the ratio of the following variables: Percentage of the total product category sales in a given market by percentage of total population in the given market. By performing the mathematical calculation, the advertiser can determine the potential for development of the total product category in a given area.

When this information is combined with the BDI, a much more insightful promotional strategy may be developed. Beginning with the CDI, the marketer can first look at how well the product category does in a specific market area. Then a brand analysis would follow to see how well the brand is doing relative to its competitors. Together, this information provides a clearer picture of where to allocate the media budget.

Brand and category analysis

BDI and CDI indices relates to market potential and market share. As shown in Table 7.1, a higher BDI and CDI indicate a larger market share and potential. The lower the value of these two indexes, the lesser the market potential. Knowing this information assists marketers in determining where their advertising money should be spent to obtain the intended result.

Some inferences from Table 7.1 regarding the market potential for the brand and the category are as follows:

- *High BDI/high CDI*: Good sales potential for brand and product category.
- *Low BDI/high CDI*: Category has high potential, but brand isn't doing well; determine why.

TABLE 7.1 Activities Involved in Developing the Media Plan

	<i>High BDI</i>	<i>Low BDI</i>
High CDI	High market share Good market potential Market – good sales potential for both the product and the brand	Low market share Good market potential Product category shows high potential but the brand isn't doing well; the reason should be determined
Low CDI	High market share Monitor for sales decline The category isn't selling well but the brand is; may be a good market in which to advertise but should be monitored for sales decline	Low market share Poor market potential Both the product category and the brand are doing poorly; not likely to be a good place to advertise

Source: Adapted from Belch and Belch (2008).

- *High BDI/low CDI*: Category is not doing well, but brand is; may be a good market in which to advertise.
- *Low BDI/low CDI*: Both category and brand are not doing well, not a good market in which to advertise.

Establishing media objectives

The objectives are the targets to be achieved through media program and, and so should be confined to those that can be done by media tactics. These goals are frequently described in terms of coverage, reach, regularity, scheduling, and so on. Media objectives should help the media planner to attain the communications and marketing objectives of the firm.

Goals for media program would be limited to those through media strategies. For example, a company can have the goal of creating awareness in the target market through the following: Using broadcast media to achieve a coverage of 80% of the target market in a three-month period. To reach 60% of the target audience at least three times in same three-month period. Further, to create a positive brand image through mood and creativity.

Although the core customer base was previously established during the preparation of a comprehensive communications strategy, it now has to be converted into a manner suitable for developing an appropriate media plan. Although creative directors are preoccupied with knowing the audiences for whom they will develop messages, media strategists are concerned with discovering outlets and making media decisions that are appropriate for the target audiences. Media planners can choose media that will result in the least amount of waste (eliminate sources that reach a large number of individuals who aren't in the firms target market).

DIY: INDIAN CONSUMER CLASSIFICATION

1. Find out in detail about the new SEC classification system defined by Media Research Users' Council and the Market Research Society in India in 2011. What were the two major variables used for classification of consumer demographics. Identify the number of groups in which the households were divided. Does this classification still hold true or there are new groups to be added or existing groups to be eliminated? How has the buying pattern varied in the last decade?
2. Find and compare the product user profile developed by ACNielsen ORG-MARG? How does it differ from other classifications available on the market?
3. Analyze the sample information available to media planners through TGI (target group index) in India launched by IMRB international.
4. VALS psychographic classification by SRI developed in the 1980s for the US consumers, is it available for Indian demography. Can we develop any classification similar to VALS that can be used for local consumer demography?

A lot of classifications by Indian and multinational consultants for the Indian consumer demographic are available that can be used by the media planner. However, many times they may decide upon different classification system than the existing ones.

Developing and implementing media strategy

A media planner starts drafting a thorough strategy to specify how these objectives will be met once the media objectives have been established. During this juncture, the planners need to work on three critical decisions: targeted audience (geography), media category (media mix), and media scheduling considerations (timing). These judgments are based on financial restrictions. However, certain media alternatives are more cost-efficient than others, regardless of budget. The media planner's goal is to create the most effective media strategy by distributing funding across media categories, regions, and time.

The media planner needs to consider various possibilities while developing the plan:

- The media mix
- Target market coverage
- Geographic coverage
- Scheduling, reach, and frequency
- Recency
- Creative aspects and mood
- Flexibility
- Financial constraints

While planning the media mix there are various selection considerations like, what are the promotional objectives of the firm, what is the product or service being offered and what are their characteristics, what is the budget being approved by the management, what type of individual preference exist in the market. How well a media planner selects one media and one media vehicle from the several possible options. Although it is conceivable to use only one medium and/or vehicle, it is far more probable that a combination will be the best option. Considering a marketing circumstance in which a firm's offering requires a visual presentation in order to be financially successful, broadcasting through television might be the most excellent method in this scenario. Print media may be required if the advertising plan asks for coupons to encourage product trials. An Internet website may be the finest source of detailed information. Marketers may expand coverage, reach, and frequency while increasing the possibility of meeting overall communications and marketing goals by combining media.

Further, the media planner may execute different media strategies based on different market coverage possibilities. Developing media strategies involves matching the coverage of the media vehicles to the target market. The goal of the media

planner is to extend media coverage to as many members of the target audience as possible, while minimizing the amount of excess or wasted coverage. Depending on the product or service being sold and the purpose of the advertising campaign, weighing certain geographic areas more heavily than others may make sense. In certain sections of the nation, snow skiing is more popular than in others. Skis should not be promoted in low-interest locations unless the purpose is to boost interest. While it may be feasible to enhance interest in skiing in Shimla, given the market's distance from snow, a significant rise in sales seems unlikely.

A media planner must decide to use either a "media concentration" method or a media dispersion approach before adopting particular media. The media concentration strategy employs less outlets and provides more money to each outlet. This allows the media planner to reach out to the same target group more frequently. When advertisers desire a large share of voice in at least one channel, this method is effective. The proportion of money spent by one company in a particular media compared to the total amount spent by all firms promoting in that platform is known as share of voice. In the chosen channel, a large proportion of voice confers dominance. As a result, firms with little or modest media expenditure but want to have a big effect frequently pick the media concentration method. Furthermore, the concentration method can save additional expenditures such as providing creative content for various media, coordinating advertising timelines across many media, and so on. While this plan offers less campaign management headaches, it is also a riskier option that places all the beans in one basket. If an advertisement is badly received or the selected media reaches only a small percentage of the desired target demographic, this will underperform.

Several others, on the other hand, consider that one of the most essential goals of the media communication plan is to reach as many customers as possible. To prevent overlapping the communication to the targeted customers, the content is spread over as many distinct mediums as feasible. Reach takes precedence over frequency in this method. People who do not use the Internet, for example, will not be reached in a focused strategy that simply employs online advertising. A distributed method that employs newspapers and the Internet, on the other hand, is more likely to reach a larger audience. The dispersion strategy is especially popular among media strategists because of the reinforcement it provides: Customers who see many advertising for a given brand across different media are more inclined to buy.

Scheduling: Advertisers, understandably, want to have their advertisements in front of customers at any time as a continual reinforcement of their offerings. This is not achievable in practice for a multitude of reasons. The basic goal of scheduling is to align commercial campaigns with the best possible purchase hours. These moments are difficult to spot for some items, while they are evident for others. The media planner can use one of the three scheduling methods:

- *Continuity:* When the advertiser uses constant form of advertising, which can be every day, every week, or even every month. The objective is to establish a

constant (consistent) routine with no gaps or non-advertising times. Grocery items like food, household products, and other goods consumed on a regular basis without the impact of season might benefit from such techniques.

Advantages: Constant reminder to customers, covers the entire buying cycle, allows for media priorities (quantity discounts, preferred locations, etc.).

Disadvantages: Higher costs, potential for overexposure, limited media allocation possible.

- *Flighting:* Alternating periods of advertising and no advertising. There may be more advertising spending during some times of the year, while there may be none at all at other time periods. Seasonal or other items that are consumed mostly during specific time periods are well-suited.

Advantages: Cost-efficiency – during purchase cycles– may allow inclusion of more than one medium or vehicle with limited budgets, weighting may offer more exposure and advantage over competitors.

Disadvantages: Increased likelihood of wear out, lack of awareness, interest, retention of message during non-scheduled times, vulnerability to competitive efforts during non-scheduled periods.

- *Pulsing:* Combination of continuity and flighting; continuity is maintained but at certain periods advertising is increased. Utilized for items with little seasonal change in sales but may see a spike at particular periods of year, such as cold drinks during the summer.

Reach and frequency: Promotional managers have a varied set of goals/objectives to be fulfilled and most often than not they tend to face lot of budget constraints. Thus, they always have to do a trade-off between reach and frequency. The marketer needs to decide – whether the message will be seen or heard by more people (reach) or by fewer people more often (frequency). It is important that the more the individuals are informed, the greater the likelihood they are to go to the next step. Reach – that is, exposing potential consumers to the message – is required to achieve awareness. Because the goal is to make all prospective consumers aware of the new launch, new brands or items require a very high level of reach. Later in the hierarchy, a high reach is also desired. The issue occurs as there is no means of knowing how much coverage is necessary to accomplish different levels of awareness, change in attitude, or purchasing intentions, and there is no way of knowing whether an ad placed in a vehicle will truly reach the desired audience.

The frequency of advertisement to be relayed depends on the number of marketing factors:

- *Brand loyalty:* The higher the loyalty, the less the frequency required.
- *Brand share:* The higher the share, the less the frequency required.
- *Usage cycle:* Products needing to be replaced frequently require higher frequency to maintain top-of-mind awareness.

- *Brand history*: New brands require higher frequency.
- *Share of voice*: When strong competition exists, higher frequency is required.
- *Purchase cycles*: Shorter purchasing cycles require higher frequency to maintain top-of-mind awareness.
- *Target group*: The ability to learn and retain messages has an impact on frequency

Similarly, message factors also impact the frequency levels:

- *Message complexity*: The simpler the message, the less the frequency required.
- *Message uniqueness*: The more unique the message, the less the frequency required.
- *New versus continuing campaign*: New campaigns require a higher frequency.
- *Image versus product sell*: Creating an image requires a higher frequency.
- *Message variation*: A single message requires less frequency.
- *Wear out*: Higher frequency leads to faster wear out.
- *Advertising units*: Larger units require less frequency.

The various media factors that affect the advertisers' decisions regarding frequency levels needed to communicate effectively:

- *Clutter*: More clutter requires higher frequency.
- *Repeat exposures*: Media that allow for more repeat exposures require less frequency.
- *Editorial environment*: The more consistent the ad with the editorial environment, the less the frequency required.
- *Number of media used*: The fewer the media, the lower the frequency required.
- *Attentiveness*: The higher the level of attention achieved by the media, the less the frequency required.
- *Scheduling*: Continuous scheduling requires less frequency.

Creative aspects and mood: Different media channels might be needed for creative parts of the commercial. Television, for example, may be compelled to run particular sorts of creative advertising as it consists of audio and visuals. Similarly, the tone created by a media may be carried over into the commercial. Certain publications, for example, may elicit varied moods as they are read. A specific creative strategy may require a certain media. The medium in which an ad is placed may affect viewers' perceptions of the ad. Media can drive mood. Media and vehicle image can carry over to the message placed within them.

Flexibility in media planning: The media strategy must be adaptable to react to market problems and challenges, as well as to changes in media availability and/

or quality. Because of the rapidly changing market environment, strategies may need to be modified at any time.

- *Market opportunities:* Sometimes a market opportunity arises that the advertiser wishes to take advantage of.
- *Market threats:* Internal or external factors may pose a threat to the firm, and a change in media strategy is dictated.
- *Availability of media:* Sometimes a desired medium (or vehicle) is not available to the marketer.
- *Changes in media or in media vehicles:* A change in the medium or in a particular vehicle may require a change in the media strategy.

DIY: COST COMPUTATION FOR INDIAN MEDIA VEHICLES

Find out in detail about the various media and media vehicles available to the firms in the Indian market. Try to find out the method they use to calculate the overall cost for that media. Can we do a direct comparison of the different media? If not, what can advertisers do to compare the cost across media.

Cost considerations: A very pertinent decision to be made while undertaking media planning pertains to budgeting and cost involved in buying the media slots. It is an important decision to develop cost estimates of media strategy. The overall value of this strategy comes from the fact that it aims to deliver message at lowest cost and with least waste. Various factors like reach, frequency, and availability tend to affect the budgeting decisions. The optimal delivery is to balance the cost. Advertising and promotional costs can be categorized as follows:

- *Absolute cost:* Medium/vehicle is the actual total cost required to place the message.
- *Relative cost:* Relationship between the price paid for advertising time or space and the size of the audience delivered; it is used to compare media vehicles.

Simple computations may be used to analyze the relative expenses of various media and media vehicles. A comparison of media vehicles is usually necessary, using criteria such as cost per thousand (CPM), daily inch rate, cost per point (CPP), cost per ratings point (CPRP), TCPM, and readers per copy.

The next step involves implementing of the plan after it is completed. This entails creating distribution instructions for each medium, such as the press, television, radio, outdoor, and so on. This strategy tends to specify the advertising campaign to be issued in that particular media, including prices, the quantity of

insertions/spots, the campaign's duration, the days upon which advertisements must be distributed, and so on. These release orders are accompanied with the campaign-specific material, such as a print-ready ad or a commercial video.

Evaluating performance

To measure its success, all plans, programs, and strategies must be evaluated. The same stand true for media program in order to test its effectiveness. Primarily, for evaluating the performance of any program, two issues need to be addressed: (1) how effectively did these strategies meet the defined media goals; and (2) how well did this media strategy contribute to the broader marketing and communications objectives?

If the tactics worked, they should be implemented in the future. Otherwise, their shortcomings should be investigated. Considering that expenditure on media often accounts for more than four-fifth of the promotional budget, the efficacy of the media plan is crucial. The extent to which media, communication, and marketing objectives were met is assessed. The existing evaluation aids in determining if the techniques used were effective and whether they'll be used again in the upcoming year.

DIY: TECHNOLOGY BEING USED BY INDIAN MEDIA MANAGERS

Find out in detail about the various tools and software available in the Indian market that are being used extensively by the media managers and media agencies. Analyze in detail whether these technological features help the managers or are more of gimmick. Is there any tool available for the process of evaluation of the performance of media strategies? If not, should a tool be developed or managers should rely more on their intuition and other factors to judge the IMC performance.

Use of technology for media planning

Technology has helped promotional managers a great deal in the last few decades, it has also been used by media managers to improve the media buying process and simplify the different steps associated with it. Many managers have been using tools or software like linear programing, simulations, or iterative process for media decisions. Technology, on the other hand, have been employed to streamline processes in the planning and strategy formulation process. Although the discipline of media planning has not been automated, statistical breakthroughs have greatly improved managerial judgment and decision capacities while saving time and resources. There are many computer-based programs available on the market

that are being used by promotional managers to improve their media decisions so that the wastage that tends to occur can be minimized (e.g., ADplus, Adware, DSI, and IMS).

Media characteristics

The adaptation of communication media to the targeted consumer is among the most fundamental aspects of such an approach. Every media has unique qualities to make them superior or inferior for achieving various goals. Table 7.2 shows an overall assessment of various media sources as well as some of the criteria used to evaluate them. This is a broad assessment, and each scenario necessitates a thorough examination of the many media possibilities.

TABLE 7.2 Media Characteristics

<i>Medium/Source</i>	<i>Benefits</i>	<i>Drawbacks</i>
Television	Widespread presence Wide reach Impact of audio, video, and motion Tall stature Lower exposure costs Draws attention Satisfactory image	Selectivity is low Communication message life is limited Absolute cost is high High cost for producing television advertisements Clutter
Radio	Localization Low cost Frequency is high Flexible Lower production costs Audience segmentation	Only audio Cluttered Audio with a fleeting message
Magazines	Quality of advertisement is very high High potential for specific segmentation Longevity and high information content Several readers	Ad placement takes a long time Only visual A lack of adaptability
Newspapers	Broad coverage Low cost Ad placement with a short lead time Advertisements can be displayed in interest areas Timely (current ads) The exposure is controlled by the reader Coupons are accepted	Clutter Short lifespan Does not draw attention Reproduction quality is poor. Reader exposure is very short
Outdoor	Geographically specific Highly repetitive Simple to notice	Brief exposure times need short advertisements. Poor public perception Local limitations

(Continued)

TABLE 7.2 (Continued)

<i>Medium/Source</i>	<i>Benefits</i>	<i>Drawbacks</i>
Direct mail	Selectivity is high. The exposure is controlled by the reader. Repeat exposures are possible due to the high information richness	High contact cost Poor public perception (junk mail) Clutter
Internet and interactive media	The user chooses product details User engagement and attentiveness Relationship with interaction Potential for direct sales Platform for flexible messaging	Creative powers are limited Web tangle (crowded access) Limitations of technology There are few reliable measuring methods Reach is limited

Source: Authors.

Conclusion

The identification of media goals, formulation of the advertising campaign, and formalization of objectives and strategy in the form of a media plan all were covered in this chapter. It also discussed about media planning, sources of media knowledge, characteristics of media, and execution and evaluation of media strategies. Media planning is both a science and an art that aids in determining the optimum way for an advertiser to invest across media in order to get the greatest results for a company. While developing the plan and eventually executing the strategy, the media manager has to answer various questions before finalizing the strategy. Whom to communicate? Where to advertise and communicate with the targeted audience? When is the appropriate time to reach out to the targeted audience with the communication message?

With the growth of new means to engage with customers, media dispersion, media convergence, and the lack of standard pricing strategy, media planning is becoming an increasingly difficult endeavor. The media planner begins the process by undertaking situational analysis, which attempts to understand the marketing problem and then analyzes the marketing strategy plan along with the creative strategy plan. The next step is to set the media objectives and then to determine the overall media strategy. The media manager then selects the broad media classes that would be used for communicating with the customers; further, the media within the classes are shortlisted. The development and implementation of media strategy is the next step, and the process is evaluated to test for the success of the strategy and the changes that are needed to be made.

Discussion questions

1. Explain the three main kinds of advertising scheduling. State few examples of products and/or services that could use each of these techniques.?

2. Describe the least desired position in the marketplace for firms using the BDI and CDI indexes. Please give an example. Then repeat the process for the most ideal condition.
3. Reach and frequency must be balanced while preparing a media plan and developing the media strategy. Discuss what this implies and offer examples of when reach should take precedence over frequency and when frequency should take precedence over reach.
4. Purchasing media, according to an agency executive, is both an art and a science, with a preference for the former. Give examples and explain what this implies.
5. The chapter examines some of the various changes that are occurring in the media landscape. Explain why advertisers could be diverting their promotional budget to nonconventional media. Does this imply that television advertising may be phased out in the future?
6. Discuss some of the factors that are important in determining frequency levels. Give examples of each factor.
7. Describe the four stages of developing the media plan. Briefly describe what occurs at each stage.

IMC in practice

Prepare a media plan for the product for which you have prepared a creative communication plan over the previous chapters. Present the plan before your class.

Learning objectives

1. Learn what media planning is and why it is important.
2. Know about steps involved in creating, executing, and assessing a media plan.
3. To understand how a media plan is created.
4. To know the process of developing and implementing media strategies.

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8

TRADITIONAL MEDIA

Opening case

How do tech companies reach out to their users?

In the first week of January 2021, with more than 2 billion users, world's most popular instant messaging platform WhatsApp (owned by Facebook) came out with a new privacy policy. The company has made plethora of changes to their privacy policies that allow sharing of user data with Facebook. This created a furor among the users across the globe and people started looking for safer and secure messaging platforms. India is one of the biggest markets of WhatsApp and the company saw exodus of its users. Being a technological giant, the company had to come out with full-page ads on all major Indian newspapers. The situation is ironical, WhatsApp, whose parent company is the largest social media, had to reach out to its users with the help of print media.

A similar strategy was followed by Truecaller, a smartphone app that blocks unwanted, unsolicited spam calls and messages. To increase awareness about the growing incidences of phone harassment (unsuitable and sexual calls and messages) received especially by women. The company came out with full-page ads on major newspapers (*The Times of India*, *Economic Times*, *Hindustan Times*) in India.

Introduction

The traditional media for advertising is also known as mass media of communication. The traditional medium of communication comes under the category of non-personal media. It consists of television, radio, magazines, and newspapers. It mainly comprises television, print, and radio. For the last few decades, these modes

TABLE 8.1 Indian advertisement expenditure (INR crores).

	Indian ad spend (INR crs)			
Medium	2019	2020	2021	2022f
Digital	25,220	26,481	36,544	48,603
TV	35,458	30,436	36,929	42,388
Print	18,164	10,350	12,067	12,667
OOH	3,394	930	1,100	2,036
Radio	2,824	1,436	1,581	1,657
Cinema	1,008	175	112	635
All media	86,067	69,809	88,334	107,987

Source: Authors.

of communication have been an integral part of people’s life. They rely on this for information, news, and entertainment.

Before the dawn of the digital marketing (Internet-based advertisement), traditional media was the go-to medium for advertisers. Even though digital marketing has been on rise, television and print media have been the preferred medium for advertisers (Table 8.1).

As shown in Table 8.1, television and print are the first choice of advertisers, though digital media is slowly catching up. The next few sections discuss these traditional media along with their advantages and disadvantages.

Television

The reach and dispersion of television has made it a popular and dominant form of mass media. Over the last few decades, advertisers have considered television as an ideal mode of communication with the consumers. The most prominent reason being the facility of combining visual images, audio, video, movement, and color. Though TV as a medium has many benefits, it also has few drawbacks as an advertising medium.

Advantages of television as an advertising medium

- *Mass coverage:* The presence and reach of television makes it a formidable medium for reaching out to customers in far-flung areas (both urban and rural).
- *Creativity and influence:* The use of visuals, audio, and motions provides great flexibility to the advertisers. It also helps in creating dramatic and realistic illustrations of products and services.

- *Prestige*: For majority of Indians, having a television at home is a matter of prestige. People in semiurban and rural areas tend to invite all those living nearby to show them programs on the new television.
- *Low cost per exposure*: As the coverage of television media is very high, the marketing communications would reach to broad target audience, thereby reducing the overall exposure cost.
- *Attention seeking*: The advertisements on TV tend to be intrusive in nature. Unless and until viewers specifically decide to avoid the ads, they are more likely to see the ads and pay attention to the marketing communications.
- *Selectivity*: Though this medium is thought of as providing less selectivity to advertisers in terms of reaching out to specific customer segment, television does offer some selectivity in terms of the type of program being broadcasted, the timing of the broadcast, and the region where it is being broadcasted.

Disadvantages of television as an advertising medium

- *Absolute cost*: Even though the cost per exposure tends to be lower for television, the absolute overall cost can be very high. Especially, during the prime time shows and for major networks, the rate of advertisements to be broadcasted is high.
- *Production cost*: Besides the media cost, advertisers for TV commercials have to spend on production also. These can lead to increase in total cost of television commercials.
- *Lack of selectivity*: Television does not offer great deal of selectivity to those firms who are looking for a particular niche target audience.
- *Brief messages*: With media networks trying to push as many ads as possible in a short span of time, the commercials being produced nowadays are of 15–30 seconds duration. People who are interested do not get much information out of such brief messages.
- *Clutter*: The dependence on TV by every firm has resulted in consumers being bombarded with hundreds of commercials each day. This has resulted in advertising clutter and none of the brands are able to build a lasting impression on the viewers.
- *Viewer attention*: The clutter of television commercials has caused in viewers zipping or zapping during the commercial break. This has resulted in less attention toward the marketing communications. The increase in presence of OTT (online streaming) services, which do not show intrusive ads, has also resulted in declining attention.

Advertising in television

Advertisers can explore the various alternatives available to them for buying time for televised advertisements. It is important to note that assessing all the available

options and purchasing television advertising time is a very focused part in the advertising industry. This is specifically important for national and international brands (big multinational corporates) spend large amount of money for advertising their products both nationally and regionally. The various considerations involved in the purchase of television time are examined.

A. Network versus spot

1. *Network advertising*: The usual method through which advertisers broadcast their communication messages is by buying the airtime of a *television network*. The television network has a number of allied channels that broadcast various programs. The major benefit of advertising through networks is the simplification of buying process. The advertiser need not negotiate with every individual station for advertising time, they can negotiate with the corporate office regarding the various stations in which they would like their advertisement to be broadcasted.
2. *Spot and local advertising*: The advertisements that are broadcasted on the local television stations are known as *spot advertising*. In such situations, the companies tend to negotiate with each station individually and independently. Cases where the national advertiser advertises through non-network medium is denoted as *national spot*, whereas the broadcasting time being used by local companies is known as *local advertising*.
3. *Syndication*: Advertisers may also reach television viewers by advertising on *syndicated programs* which are sold or distributed to local stations.

Purchasing television airtime

Besides selecting the stations/channels on which they want to advertise, advertisers must also decide on how are they going to advertise on the television program. The possibilities include the following:

1. Sponsorships
2. Participations
3. Spot announcements

Choosing time periods and programs

One of the very important decisions to be made by the advertisers revolves around the timing of the advertisement (when or what time in a day the ad should be broadcasted and which particular channel/station the advertiser should select). These two decisions usually depend on the product and the target segment. In a typical household, different time periods are allocated to different members, watching different channels. All these considerations must be accounted for before selecting the time period and program.

Measuring television viewers

Television has been a popular medium for communicating messages to the target audiences used by advertisers. One of the most basic advantages of advertising on television is the scale and the number of people it can reach at one go. Thus, it is pertinent that advertisers know the number of people watching particular programs on which they want to advertise. Measurement of television audience, though difficult, is an essential task for the advertisers. Programming decisions are made on the basis of audience size.

There are some important terms that the advertisers must be aware of:

- (a) *Television households*: The number of households in a market that owns a television. The census of India data can give this estimate.
- (b) *Program rating*: The percentage of TV households in an area that are tuned to a specific program during a specific time period.
- (c) *Ratings point*: A figure that represents 1% of the TV households in a particular market tuned to a specific program.
- (d) *Households using television (HUT)*: The percentage of homes in a given area where TV is being watched during a specific time period.
- (e) *Share of audience*: The percentage of households watching TV in a specified time period that are tuned to a specific program. Share figures are important because they reveal how well a program does with the available viewing audience.
- (f) *Total audience*: The total number of homes viewing any 5-minute part of a program.

Television advertising in India

Because of television's accessibility and reach, it remains one of the most popular and preferable media alternatives in India. Despite the advent of OTT platforms such as Netflix, Amazon Prime, Hotstar, Zee5, SonyLiv, and VOOT, television sets have developed over the period of time, and gadgets such as Google Chromecast and Amazon Firestick have assured that consumers/viewers do not move from television to computers and mobiles. Further, for a better viewing experience, most entertainment networks have released HD versions. The Broadcast Audience Research Council of India (BARC) provides marketers with ideas on how to reach their target audiences through television advertising.

- *Indian youth's contribution to TV viewership*

The youth (15–30 years old) account for 33% of overall TV watching. TV commercials are an excellent way of reaching out to the Indian millennials and Gen Z consumers.

- *Television viewership: Weekday versus weekend*

The number of people watching television on weekdays and weekends is the same. It is a common misconception that youngsters watch more television on weekends. That isn't the situation, and television advertising budgets should be modified appropriately.

- *Urban–rural differences*

Late-night television viewing is common practice in megacities. This can be a useful way to reach out to young people in metros because it is less expensive than other time slots.

- *Content preference while watching TV*

Serials dominate the peak time band, whereas film-based programming dominate the non-prime time band. Advertisements in film-based programs are a useful concept for non-prime time bands.

- *Late-night watchlist: Rural versus urban*

Young audiences in rural part of India like to watch TV series late at night, while urban youth prefer to watch reality shows. Specific targeting can be done based on the type of program being watched and the type of target audience that the company is planning to cater to.

Radio

Over the years, radio has survived the invasion of television and Internet. In India, it was one of the most prominent media for getting news and information. People used to carry devices of different sizes (big to small) to listen to different radio stations. With the onset of mobile telephony, the present smartphones have given listeners a choice of listening to their music channels on the go. The entry of private players in the radio industry has revived people's interest in listening to these channels. Listeners tend to build a special connection with the anchor of the programs also known as RJ (Radio Jockey). Advertising on radio actually opens up listeners imagination, as the ads are only audio, but the way they are presented would help listeners imagine and simulate the scenario in their minds. Radio has grown mainly as a regional advertising medium that is categorized by dedicated programs appealing to a very narrow segment of the population.

Advantages of radio as an advertising medium

- *Local coverage:* The most prominent advantage of using a radio is its ability to reach out to specific geographic locations. The local merchants and retailers can take advantage of this local coverage. However, national advertisers are still a dominating force in radio advertisements.
- *Low cost:* The fees charged by radio channels to broadcast the ad is much lower than the rates charged by television networks, thereby reducing the exposure cost.

- *Selectivity*: Radio as an advertising medium allows the advertisers to focus on a specialized particular set of people (like focusing on demographic and lifestyle factors).
- *Flexibility*: It is the most flexible of all the advertising media as it has a very short closing period. That is, marketers can tweak their advertisements almost to the time it goes on the air.
- *Potential for mental imagery (image transfer)*: As the medium is devoid of any visual or motion representation, listeners have to use their imagination to think and understand the communication message. This gives them better chance to remember and recollect the message at a later point in time.

Drawbacks of radio as an advertising medium

- *Creative limitations*: Radio is a medium without a visual or motion representation. This is a limitation to the marketers as they cannot demonstrate the usage and benefits of the product being advertised.
- *Audience fragmentation*: The number of people listening to a particular radio channel at any given time is small.
- *Chaotic buying procedures*: The buying process for airtime is not as streamlined as in the case of television. It can create confusion among the advertisers and can be time-consuming.
- *Limited research data*: The audience measurement data is not as accurate as that of television, the availability of research data is also very scarce in case of radio.
- *Limited listener attention*: Most of the times people tune into radio channels while they are already preoccupied with some work. So, the listener might not pay his full attention to the ads being broadcasted through radio. Also, many people change the channels as soon as the ad in a particular channel begins. Lack of visual appeal is one of the reasons for this type of behavior.

DIY: ADVERTISING IN PRACTICE

Imagine you own an Indian apparel brand. How would your firm advertise with the help of media like television and radio? What type of product(s) or product category would be suitable for advertising on television or radio? Watch different TV channels (both national and local), identify the different brands that are being advertised on these channels. Select a television time other than prime time, such as early morning, afternoon, or late fringe, and make a list of the items and services promoted during these times. Examine the kind of customers that these ads are attempting to reach, as well as the items and services that are being promoted currently. Why do you believe these businesses/brands picked this time of day to advertise?

Print media

Role of magazines and newspapers

Of all the traditional media of communications, print media has been in existence for more than two centuries, much before the advent of radio and television networks. Marketers have been using magazines and newspapers as one of the predominant mediums for sending their messages across to their target segments. The print media is considered a passive medium, as against the television medium that is considered an active medium of advertising communication. Being a passive medium, magazines and newspapers do not intrude in individuals work. They can go through the advertising messages at their own pace and come back to it again if they want to revisit the ad. The control to see the advertisement or not lies in the hands of the consumer, whereas in case of television and radio, the audience has no control over the broadcasted ads, the control lies in the hands of the network broadcaster. People can only switch channels to skip the advertisements.

Even though there has been considerable growth of other nontraditional modes of communication, magazines and newspapers have continued to be significant to both their consumers and marketers. Of the two, magazines have turned decidedly into a specialized medium, which caters to specific target segments catering to both business and consumer markets. Newspapers continue to be a powerful medium for sending the message across the consumer groups and is almost equivalent to television in terms of generating ad revenue. Also, the number of advertisers in newspapers are very high, as it is an important promotion medium for local businesses. Despite the growth of digital media, the readership for print media in India is still very high.

The print media is different from the television medium in the sense that the former falls under the high-involvement category. Also, they allow marketers to present detailed and complete description of the product/services, which consumers can go through at their own pace. Nevertheless, both the mediums have their own benefits and drawbacks, and their role in the media mix are quite different.

Magazines

Magazines have always been a medium targeting specific segments and has been a first choice for advertisers who were interested only in reaching out to a particular segment of consumers. Magazines fulfills the educational needs, informational needs, and entertainment needs of different people corresponding to consumer and business markets.

Magazines classification

Magazines are specialized medium used by advertisers for specific customer segments, and so they are primarily classified into three major ways based on the

segment they are catering. This would help the marketers to reach out to a particular magazine depending on the product/service they want to advertise:

- *Consumer magazines*: These magazines cater to the informational and entertainment needs of people and are purchased by the general public. The consumer magazine can have various subclassifications: sports, travel, educational, general awareness, glamour, men's and women's magazine, etc. Majority of advertising revenue comes from this category.
- *Agricultural magazines*: These magazines are specifically focused toward the agricultural sector and the farmers being the target segment. These magazines cater to every type of farming or agricultural activity.
- *Business magazines/publications*: These magazines are targeted toward business houses, specific industries, or traders. These magazines can be subclassified according to the group they are targeting.
- *Specific professional groups*: Such as India Legal for lawyers and Architectural Forum for architects.
- *Industrial magazine*: Focusing on manufacturing and production industries (e.g., *Iron & Steel Review*, *Chemical Industry*, and *Industrial Engineering*.)
- *Trade magazines*: Catering to the requirements of wholesalers, dealers, distributors, and retailers (e.g., *Retailer*, *Hospitality*, *Hotelier*).
- *General business magazines*: Targeted to the white-collar executives of an organization in all areas of business (e.g., *Forbes*, *Fortune*, *Business Today*, and *Business Week*).
- *Healthcare publications*: Aimed at medical fraternity (dental, medical, nursing, biotechnical sciences, and hospital administration).

Advantages of magazines as an advertising medium

- (a) *Selectivity*: Magazines have the ability to reach a specific target audience and are one of the most selective media available for marketing communication. They cater to specific interests of specific segments. City magazines are able to offer high geographic selectivity that helps the advertisers to effectively target consumers in particular areas.
- (b) *Quality*: These are usually published on superior paper and printing processes, which provides high-quality reproduction of the material both in color and in black and white.
- (c) *Creative flexibility*: Magazine publishers provide varied options like type, size, and placement of advertising material to marketers, which augments the appeal of the marketing advertisements. Examples include gatefolds, bleed pages, inserts, pop-ups, cover positions, and creative space buys such as half or quarter page ads. For example, *Forbes India* offers flexibility for advertisers as provided in Table 8.2.

TABLE 8.2 Magazine flexibility.

Full page - Bleed 209 mm(W) x 273 mm(H)	Full page - Non Bleed 180 mm(W) x 245 mm(H)
Double spread - Bleed 418 mm(W) x 273 mm(H)	Double spread - Non Bleed 385 mm(W) x 245 mm(H)

Source: Adapted from *Forbes India*.

- (d) *Permanence*: Another advantage offered by magazines is permanency. Most of the people read magazines for several days, this allows them to look at the marketing communication many times at their own pace. It allows consumers to look at the advertisements in detail and read the description provided with it, which is not possible with television and radio promotions.
- (e) *Prestige*: The image and reputation of a magazine influences the advertisers. Many of the premium brands tend to advertise in magazines that are considered highly prestigious and that can be transferred to the advertised brand.
- (f) *Consumer engagement*: Readers have high level of engagement with magazines as they are normally bought for the information in them.
- (g) *Services*: Magazines also offer specific services to marketers like retailer alerts, consumer research studies, split runs, and personalized messages to tightly targeted audiences.

Disadvantages of magazines as an advertising medium

- (a) *Costs*: One of the major drawbacks of magazines as an advertising medium is the cost of getting an ad published. The cost varies based on the size and position of the readers being targeted. For example, *Forbes India* pricing as provided in Table 8.3.
- (b) *Restricted reach and frequency*: Magazines are usually published either fortnightly or monthly and thus they are not very useful in terms of their frequency to reach out to the target market. Also, as they focus on specialized segment, their reach is not as high as other communication mediums. Consequently, the advertisers wanting to reach out to mass markets have to publish ads in a number of magazines.
- (c) *Lead time*: The majority of big magazine publications tend to have lead time between a month and two. Also, changes in the communication content are not allowed after a specific date. Though technological advancements have reduced the lead time required, many still follow the old pattern.

TABLE 8.3 Magazine cost.

Sizes	Price (₹)	Price (\$)
Full page	880000	15000
Double Spread	1710000	28500
Outside back cover	1700000	28500
Inside back cover	1100000	18500
Inside front cover	1210000	20200

Rates for premium position		
First 15 pages		
Full page	1045000	18000
Double Spread	1925000	32100
Page facing Editor's note	1100000	18400

Cover Story		
Full page	935000	15600
Double Spread	1716000	28600

Source: Adapted by authors from *Forbes India*.

- (d) *Clutter and competition*: Usually magazines do not become cluttered; however, as soon as a magazine becomes popular, it tends to attract more advertisers. This can create the problem of clutter for magazines.

Magazine circulation

An important consideration for marketers advertising in magazines relates to the circulation, reach, and readership of magazines. This is particularly important for marketers who would like to communicate to their target audience. Marketers assess the magazines based on their capacity to carry the advertiser's communication message to as many people as possible in the target audience. For this, they must consider the circulation of the publication as well as its total readership. The circulation and readership of a magazine can be understood through the following terms:

- *Primary circulation*: Total number of people receiving the magazine publication through subscription or purchasing from shops.
- *Guaranteed circulation*: This is the total number of magazines the publisher expects to sell.
- *Circulation verification*: To check whether the number of magazines being circulated matches the figures stated by the publisher. This is audited by a verification service.
- *Pass-along readership*: When the reader or buyer of the magazine passes it to other people.

- *Controlled circulation*: Copies being given to readers who can influence other's purchases.
- *Total audience*: The summation of primary circulation and pass along readership.

Cost elements of advertising space in magazines

There are various elements that play an important role in deciding the cost that marketers need to pay for advertising in magazines. The cost for publishing is directly related to the circulation figures – the greater the circulation, the higher the cost of ads. The cost of publishing ads in print media changes with the size of the ad. The larger the ad, the higher the cost. The place the advertiser wants to put his advertisement can also determine the cost of the ad. Front and back cover positions cost more than ads that use other pages. Advertisements that need specific production requirements tend to cost more (e.g., bleed pages and inserts). The use of color for advertisement increases the cost.

Magazine advertisement position

As per TAM Research, full-page magazine advertisements are the most prevalent ad location in magazines (48% ad share). Figure 8.1 shows the ad share of several prominent magazine ad spots.

Newspapers

Newspapers are the second form of print media available to marketers. In India, for many years, newspapers were competing with television for the volume of ad business. However, the technological innovations and adoption of newer sources combined with the pandemic (COVID-19) have resulted in a decline of market

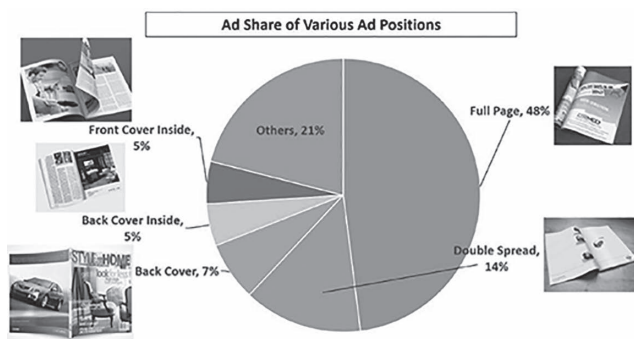


FIGURE 8.1 Ad share of various ad positions in a magazine.

Source: Authors, adapted from TAM.

share of newspapers as advertising medium. Nonetheless, newspapers are still very popular in India and are the preferred medium for local merchants, wholesalers, and retailers, but many national and international firms do advertise frequently through newspapers.

Newspaper classification

Newspapers can be classified in different ways:

- *Daily newspapers*: These are the national, regional, and local newspapers that are published on daily basis. The timing varies for every publisher – morning, afternoon, or evening, although majority of them prefer publishing them in the mornings.
- *Weekly newspapers*: These papers are more focused on regional or local population, catering to the local information of the readers.
- *National newspapers*: These are the set of papers that are available throughout the country. For example, *Dainik Jagran*, *The Times of India*, and *Dainik Bhaskar*. These papers majorly attract big national and regional firms/marketers who tend to use specific geographic editions.
- *Special-audience newspapers*: Similar to magazines a number of newspapers are published for specific set of individuals and offer specialized editorial content. Employment news is a weekly newspaper published by Ministry of Information and Broadcasting, Government of India, catering to the employment-related information needs of people. Student newspapers also fall in the category of special-audience newspapers.
- *Newspaper supplements*: These are not separate category of newspaper published, rather they are magazine-type supplements that appear along with the newspapers. For example, brand equity with the economic times, and the times property.

Types of newspaper advertising

There are various types of newspaper advertising that marketers can use to reach out to their target audience:

- *Display ads*: These types of advertisements are spread out across all the pages of the newspaper and these ads can belong to local or national firms. These advertisements include headlines, pictures/images, copy text, and detailed description about the service or the product.
These advertisements form the major source of revenue for the publisher.
- *Classified ads*: These advertisements are organized based on the product, service, or offering that is being advertised. For example, recruitment ads, matrimonial ads, property ads, business ads, vehicle ads, and education services.

- *Special ads:* These types of advertisements focus on public reports, tender notices, court notices – by people or by organizations, financial reports, information about any change in business, and personal relationships.
- *Printed inserts:* These types of advertising communications are preprinted by the marketers and are given to the newspaper for inserting them before delivery. These can include pamphlets, circulars, catalogs, brochures, and free-standing inserts (FSIs) for distributing coupons.

Advantages of newspapers as an advertising medium

- (a) *Extensive penetration:* The low price of newspapers in India makes it a suitable medium to obtain relevant information. People who are able to read for sure go through newspapers. Regional language papers reach out to nook and corners of rural India and has extensive penetration in India.
- (b) *Flexibility:* As against magazines, newspapers are highly adaptable and flexible with regard to time for providing the ads. They have very short lead time and provide many creative options to the advertisers.
- (c) *Geographic selectivity:* Newspapers offer high geographic selectivity to the advertisers, both nationally and regionally. The number of different newspapers has given a plethora of choices to the advertisers. All newspaper publishers provide numerous geographic or local editions for the advertisers in their market.
- (d) *Reader involvement and acceptance:* Another significant aspect related to newspapers is readers' acceptance of advertisements in the paper and their involvement. Readers are usually aware of the different segments covered in the paper and are well-informed about the types of ads they contain.
- (e) *Services:* Some of the major newspapers provide specific programs and services to marketers.

Disadvantages of newspapers as an advertising medium

- (a) *Poor reproduction quality:* As against the high quality of paper and printing processes used by magazines, newspapers usually have coarse paper. This reduces the overall quality of the ads to be printed.
- (b) *Short life span:* Even though newspapers are a passive medium of communications, they have a life of just one day. After that the reader does not even look at the paper, this reduces the impact the advertisers would have wanted to create as the likelihood of repeat exposure is very less.
- (c) *Lack of selectivity:* Even though newspapers tend to provide geographic selectivity to advertisers, they do not offer selectivity in terms of demographics and lifestyle characteristics. Advertisers cannot focus on a particular segment when advertising through newspapers. This drawback in fact is true for all the traditional medium of communication.
- (d) *Clutter and competition:* With more than 100,000 registered newspaper publication, this industry has stiff competition and the market is highly cluttered.

Ways to break through the clutter

Advertisers along with the newspaper's publications have been trying out different, creative, and innovative ways to present the advertisements that would enable them to reduce the impact of clutter in the market. They have been focusing on innovative, shape-based ads that use unconventional sizes and formats. For example:

- (a) Stairsteps
- (b) Bookend
- (c) Seamless jacket
- (d) Figured outline
- (e) French window
- (f) Bookmark
- (g) Print format innovation

Purchasing newspaper space

The newspapers publishers usually follow two types of pricing strategies:

General rates: For the advertisers who are outside the newspaper's designated market area. These include national advertisers and the rates of placing advertisements are up to 75% higher than local rates.

Retail or local rates: Advertisers conduct business within the designated market.

Examples of newspaper ads

- Full-page ads
- Jacket full page
- Half page – horizontal
- Solus

Print advertising and sales promotion

Marketers use different IMC tools to reach out to their target audience. Each tool has a specific purpose that the marketer wants to achieve. Sales promotion is one of the most common and widely used promotional tool. Whether it is to launch a new product on the market or new variant of the existing product or the firm wants to boost sluggish sales or to achieve any other short-term goal of the company, sales promotion had been the go-to IMC tool. Though it has its own benefits and limitations, sales promotion still is being used by majority of the marketing executives. Traditional media plays an important role in the successful implementation of sales promotional schemes launched by the firms. This section will describe how companies use print medium for launching their schemes for the consumer.

On the basis of sales promotion objective and purpose, all the print advertisements may be grouped into the following categories:

- *Promotion of a brand*
Brand promotion commercials are those that have the only objective of raising brand recognition and do not include any type of deal, rebate, or competition.
- *Add-on promotion*
A free item is bundled with the main purchase in an add-on deal.
- *Contest promotion*
This type of promotional offers involves a contest wherein the customer can win a large reward by participating in a lucky draw or through a scratch card.
- *Discount promotion*
These promotional offers may provide a lower price for the same product or a higher number of items for the same price. Buy one get one (BOGO) is one of the most popular discount promotions being used by companies to entice consumers.
- *Exchange promotion*
Customers can acquire a new product in exchange for an old one at a lower price using exchange promotion offers. Exchanging offers for old mobile phones while purchasing a new one being offered by e-commerce platforms is a very common example of exchange promotion.

The future of newspapers

With the rapid penetration of smartphones and the people relying more and more on digital media to fulfill their information needs, the print industry has indeed seen decline in circulation, readership, and revenue. On top of that the 2020 pandemic has played a huge role in the growth of digital consumption, which has led to a decline in offline reading habits of people. However, the importance and pertinence of newspapers as a local advertising medium will not change in the immediate future. Newspaper publishers are worried about competition from other media and the increasing potential to lose advertising revenue to other forms of marketing communication channels. Some specific issues regarding the future of newspapers that should be discussed are as follows:

- Competition from other media such as direct mail, local radio and television, and the Internet
- Declining circulation
- Cross-media buys with other newspapers as well as magazines
- Attracting and retaining readers, particularly younger people
- Online delivery

Conclusion

As the traditional medium for advertisement has many pros and cons, it becomes difficult for marketers to decide about their adoption. The broad reach of various

tools of traditional media provides a fantastic chance for branding; however, many a times determining the best plan and measuring campaign effectiveness is a huge challenge. Although these media offer unrivalled credibility and uplift, the overall cost involved can become a hindrance. The following are a few important questions that need to be addressed while finalizing the traditional media:

- Will my brand benefit from any of the traditional media advertising?
- Does the budgeting provision allow my company to advertise on traditional media?
- Which outlets should the firm use to reach out to the target market/demographic?
- How can we evaluate the effectiveness of traditional media campaigns?

Discussion questions

1. Experts state that broadcast media, especially television, is mass communication channel and provides very limited selectivity to advertisers. What is your opinion about this statement? Do you agree or disagree? How advertisers can achieve some sort of selectivity through television?
2. Explain how advertisers tend to use the notion of image transfer in radio advertising? Search for a radio advertisement and examine it using this concept.
3. Most of the brands use celebrities for endorsement. However, it is often stated that effectiveness of celebrity endorsement depends on receiver's involvement level. Do you agree or disagree with the statement?
4. Print media are being compelled to alter their business models. Is this really the case? What are they doing to make themselves more appealing to advertisers so that they may continue to be included in the media mix?
5. When it comes to combining television advertising with social media, what situations do you think it works best? Can you think of some brands that use and combine these two types of media?
6. Over the course of few days, create a media journal for yourself. Request a member of your family or an acquaintance from a different age group do the same. Make a comparison and contrast between the two media diaries. Discuss how this content would be used by a media planner.

IMC in practice

Select different types of newspapers and magazines and look for advertisements by automobile and cosmetic companies. Analyze and evaluate the advertisements through the following points:

- Target market and segment in terms of both demographics and lifestyle of the readers it attracts.
- The percentage of the newspaper's/magazine's pages devoted to advertising versus editorial content. Is there a clutter problem in the newspaper or magazine?

- A breakdown of the different types of products and services advertised in the magazine. Why do you believe these advertisers are drawn to these publications?
- How the newspaper/magazine positions itself as a media vehicle to potential advertisers.

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9

INTERNET AND MOBILE MARKETING

Opening case

The Indian dairy sector is worth INR11,360 billion (in 2020) and 80% of the sector remains unorganized. In the organized sector, Amul is the undisputed market leader and enjoys a very strong brand image and trust with consumers. The nature of industry restricts many regional players to operate within a region to manage the supply chain and logistics for perishable products. In north India, Gyan Dairy started in 2005 and is now a major player in the state of Uttar Pradesh. In 2020, the Indian government imposed the most strict and longest lockdown to tackle COVID-19 pandemic that raised severe challenges to businesses, especially industry like dairy industry that rely heavily on movement of people and vehicles to ensure delivery of products to shops and end-consumers. Gyan Dairy was forced to adopt innovation across all the business functions to ensure smooth running of their business. How a firm can reach consumers locked inside their homes to sell products ensuring all the safety and precautions to alleviate consumers' fear and anxiety? Moreover, how consumers can reach to company for placing orders? Which medium is most flexible and convenient for both consumers and company? Well, the simple answer is the combination of the Internet and a smartphone. A majority of Indian consumers own a smartphone and at a family unit, almost each family has one smartphone with access to the Internet. India has seen an exponential growth in availability and accessibility to the most affordable Internet access as well as very low-cost smartphones. Gyan Dairy launched the flagship app "Gyan Fresh" to harness the power of a phone to tackle the challenges of an uncertain and unprecedented business environment. For the first time in the history of Indian dairy industry, an app was available to order the commodity product milk. Though India has seen rise of many e-commerce players dealing with specific product categories like apparels,

medicines, cosmetics, and herbal products, but no one thought of using technology to deliver milk or bread that are a regular diet of an Indian family. Within seven months, the app has been downloaded more than 100,000+ times. By February 2021, the app had around 24,000 active registered users, and around 9,000 orders were carried out daily. To compare in numbers, pre-COVID-19 daily orders were around 1,200 per day only! The mobile with Internet access has changed completely the Indian consumers, who are spending a considerable amount of time online in shopping, playing games, entertainment, watching and listening to streaming videos, and chatting on WhatsApp.

Introduction

The invention of the Internet has significantly changed the consumer behavior. Online digital platforms allow many innovative ways to connect and engage with consumers. Firms and brands can directly talk to their consumers, and vice versa. The Internet offers zero moment of truth. Procter & Gamble has introduced the concept of first moment of truth. When a consumer sees a brand while walking in a retail store, he or she should be able to immediately recognize or recall the brand. This philosophy of the first interaction with the brand is called the first moment of interaction. To ensure that consumers can connect the brand to its value, firms have traditionally invested in mass media marketing. The idea was to ensure that consumer watches the ads enough times so that they can recognize the brand easily. Interestingly, the technology (not a marketing) firm Google came up with the concept of zero moment of truth. While analyzing the search data of millions of searches, Google found that many people are searching for products directly on the Google search engine. Based on the search results, reviews, and recommendations available on online platforms, consumers made their buying decisions. So in a nutshell, the whole consumer journey started online and finished online with a purchase on an e-commerce store. So, what we notice here is that the Internet has revolutionized the way consumers make a purchase. In this chapter, we will discuss how marketers can use IMC activities on the Internet and mobile to reach millions of consumers and influence their behavior.

Evolution of Internet

You would be surprised to know that the Internet has arrived in India way back in 1995. Since then, we have seen a revolution in terms of access to technology, speed, and the required infrastructure. We are now in 4G era and moving to 5G. The journey of the Internet in India has many interesting facts and considerably differs from other countries (see Figure 9.1).

At the start of 21st century, Internet access in India was available mostly at Internet cafes or kiosks. The cost of accessing Internet could go up to Rs.100 per hour. Then broadband came into the picture, but the access and speed of the broadband

Rank	Country	Internet users	Percentage	Population (2021)
1	China	1,051,140,000	73.7%	1,425,893,465
2	India	836,860,000	59.5%	1,407,563,842
3	United States	307,200,000	91.2%	336,997,624
4	Indonesia	196,000,000	71.6%	273,753,191
5	Brazil	165,300,000	77.1%	214,326,223
6	Nigeria	136,203,231	63.8%	213,401,323
7	Pakistan	130,000,000	60.8%	213,756,286
8	Russia	129,800,000	89.5%	145,102,755
9	Bangladesh	126,210,000	75.9%	166,303,498
10	Japan	117,400,000	94.2%	124,612,530

FIGURE 9.1 Internet statistics about India and the world.

Source: <https://en.wikipedia.org/>

was poor. In those times, Rediff and Indiatimes were the major players that provided content and acted as the major e-commerce players. In the last five years, the entry of Jio has revolutionized the telecom industry and the Internet landscape. Reliance Jio offered people cheap data plans and made voice calls completely free. In addition, Indian consumers had access to cheaper smartphones to access Internet. In most of the other countries, consumers' exposure and access to Internet started with desktop or laptop. Then they made a transition to mobile devices. However, in India, a majority of consumers bypassed the computer-phase and directly moved to mobile Internet. Millions of Indians access Internet on their mobile phones. Moreover, India has perhaps the cheapest cost in the world to access data. Most of the young Indian consumers are actively using various social media platforms like Facebook, Twitter, and WhatsApp. Hence, marketers are using various forms of digital marketing to reach a large number of audience online.

Till now we have discussed the various forms of traditional media like TV and print. The Internet differs from these media in many ways. The biggest and most important difference is in the terms of efficiency and effectiveness of an online campaign. Firms

can use hyper- targeting to reach the target consumer. Also, the measurement of any online campaign is much more concrete than the traditional media.

DIY: EXTERNAL ENVIRONMENT AND MARKETING STRATEGY

1. Find out the prominent websites and e-commerce players in India during 2001–2004 period. What is the current state of these players? Analyze and suggest what they could have done differently.
2. Find and compare the average data speed for the years 2000, 2005, 2010, 2015, and 2020. Do you think there is any relationship between data access and data speed with proliferation of online media?

Consumer journey and the Internet

The traditional consumer purchase decision model has five steps. The Internet plays a crucial role in each of the steps, which is described subsequently (see Table 9.1).

Need recognition

The first stage of decision process is identification of a consumer need. When a consumer browses the Internet, various types of online ads are shown. These ads include rich media like images and animation to get the attention of the user. These ads are displayed based on the past browsing history of the user or her search behavior. For example, if a user searches for a flight, then the promotional display

TABLE 9.1 Consumer Decision Stages in an Online Context

<i>Stage</i>	<i>Examples of eWOM Touch Points</i>
Problem/need recognition	External stimuli – ads on websites, personalization, and recommendations
Information search	Search engines, social media, product websites, e-retailers
Evaluation of alternatives	Websites with compare options, social media for feedback, online reviews, and rating websites
Purchase decision	Channels (e-commerce websites), discussion and feedback on social media
Post-purchase behavior	Review sites, social media, online ratings and reviews, feedback on social media or product sites

Source: Adapted from Mishra and Satish (2016).

ads are shown to user in subsequent browsing sessions. Hence, marketers make use of attractive offers and interactive animation to either create or influence the need for a product.

Information search

In the next step, consumer searches for information online. This is the stage where online platforms are much efficient and helpful than traditional media. As we discussed the concept of zero moment of truth, a consumer search can start with a simple query on the main page of Google. The search engine even takes care of user's spelling (or typing) mistakes. Users can search for any questions they have for the product, including quality, performance, price, or after-sales service centers. The search results are ranked in the order of relevancy and usefulness. Research shows that mostly consumers do not go beyond the top ten search results. This means that most of the consumers find the required information at a glance directly on the search result page without much scrolling. Users can also go to the related video, reviews, or a piece of news about the product.

Evaluation of alternatives

In this stage, consumers compare various alternatives in their consideration set. Online platforms allow a very easy and intuitive interface to compare or filter products based on the criteria selected by a user. In fact, there are many websites which are specifically designed and promoted to compare products such as PriceDekho and CompareIndia. These websites also offer recommendations, experts' and users' reviews, and an overall score. A large number of consumers read online reviews and consider the product ratings on e-commerce websites before making a purchase.

Purchase decision

When a consumer finalizes the product, she can buy it online. There are many options available to choose from with usual discounts and cashback offers. Some of the popular options are payment via credit or debit card, net banking, or UPI-based transactions. Consumers can also make payments using digital wallet like Paytm, Google Pay, or Amazon Pay. In addition, consumers can also choose "cash on delivery" option in which they make a payment when the product is delivered to them. Many consumers, especially the young generation, prefer to pay online using options that offer some sort of discounts or cashbacks. In recent years, firms have ensured that the online payments are secure, which has definitely helped in the popularity leading to exponential increases in the number of digital transactions.

Post-purchase behavior

After making a purchase, consumers tend to share their experience with others. If consumers have a positive experience, they are more likely to recommend the product to their friends, relatives, or colleagues. This recommendation behavior is popularly known as word-of-mouth behavior. The similar behavior of sharing product experiences with others in an online environment is called electronic word of mouth. All the e-commerce websites provide an option to consumers, where they can rate or review the products (see Figure 9.2). The consumer reviews are accessible to all the potential consumers. Hence, a positive rating can definitely help a firm to increase its sales. Whereas a negative review may discourage potential consumers from buying the product. Therefore, the Internet has significantly changed the five decision processes in a typical consumer purchase decision.

Similar to the five-stage purchase model, a popular model of influencing consumer purchase via communication is AIDA (attention, interest, desire, and action). Using online ads and digital marketing pumpkin influences consumers’ intentions to purchase.

Inbound marketing

A big drawback of traditional advertising is the intrusive nature of communication. Many consumers do not like to see advertisements during their favorite TV show or web series or receive promotional calls. Online platforms provide a new concept of

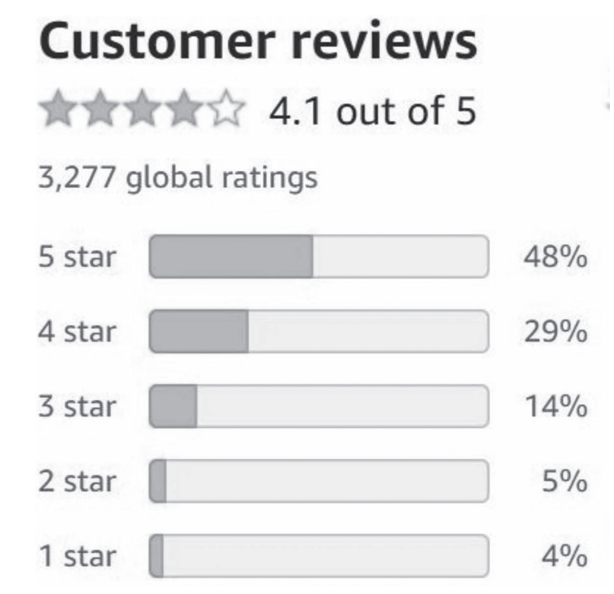


FIGURE 9.2 Online ratings.

Source: Authors.

inbound marketing that is based on the philosophy of permission-based marketing. Hubspot, a start-up by two MIT graduates, extensively promote inbound marketing. Hubspot defines inbound marketing as, “inbound marketing focuses on creating educational content that pulls people toward your website where they can learn more about what you sell on their own accord”. There are three steps to be followed to convert strangers into promoters for your products.

Attract

In this stage, marketing communication is created with relevant ads and innovative online campaigns on online platform (e.g., website and social media) to attract consumers who are looking for the products. It also includes SEO (search engine optimization) so that the website ranks among the top search results.

Engage

When consumers arrive at the website, the communication focuses on creating relevant and absorbing content to engage consumers and persuade them to buy products. The communication can be in the form of infographics, data or facts, or ratings or reviews by other consumers.

Delight

This stage focuses on communicating to consumers to make them happy. This includes drafting “thank you” mails or verifying if consumer needs any further support from the firm. Firms can use chatbots and surveys (at appropriate time) to support consumers and get feedback from them to delight them.

Types of online ads

There are many types of online ads. These ads serve different purposes to enhance the effectiveness of marketing communications. Whenever you visit any website, you would have come across online ads. Some of the popular types are explained in the following.

Search ads

When you search for any information using a search engine like Google, you may notice that on the search result page, there are few promotional ads at the top (see Figure 9.3). Any search engine presents the search results with organic websites and promotional ads. These sponsored ads are called search ads. The search engine clearly marks these results as “ad” so that users know that it is a promotional ad. Research shows that many people only use first few top results to visit websites to check information they

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FIGURE 9.3 Example of search ads.

Source: Authors (search on Google.com).

are looking for. Hence, firms who do not appear in the top search results make use of search ads. Various search engines have different mechanisms to select and show the ads. Mostly the decision is based on the bidding amount and relevancy of the ad. Sometimes, even if a firm appears in the top results, they still buy relevant keywords to appear in search ads. These strategies are followed to avoid competition brands appearing first before the organic results. So, search ads serve a strategic objective to appear among the first few results which consumers see on their screen.

Elements of an effective search ad

- Simple and concise text
- Message that clearly address user needs
- Clear CTA (call-to-action)
- Relevancy to the keywords
- Use of appropriate extensions such as call, sitelink, callout, reviews, and location
- Avoid generic sales language

DIY: LET'S PLAY GUESS THE GOOGLE GAME!

If you search for these keywords, guess what will be the top results shown by Google?

Dandruff shampoo, life insurance, LED TV, healthy biscuits, 80 CC (income tax section), best web series.

Now do a real search and check how many you got correct.

Display ads

Display ads are the ads which are shown on websites or social media platforms. These ads include text, images, video, or any combination of rich media. These ads may appear as banner ads for interstitial ads. Display ads are popularly used in YouTube as well. Since display ads allow use of rich media, these ads can be very effective with the right mix of effective message and colorful graphics. These ads can be shown to users based on their browsing history or interests. For example, ads related to financial products can be shown on websites like moneycontrol.com or the business news websites. Similarly, ads related to mobile games can be shown in mobile games itself or in the social media feed of a user who plays mobile games. So, display ads differ from search ads in the sense that they are not limited to a set of specific keywords. Many firms use display ads during a new product launch or festive sales to catch the attention of users. These ads are generally used to create brand awareness and to enforce brand recall in consumers. They are also used as a remarketing tool to follow the user and show relevant ads based on his recent search and browsing behavior. For example, if a user searches for a particular brand of smartphone, ads related to that brands are shown to users during her browsing of different websites.

Rich media ads

Rich media ads are also known as multimedia ads. These ads include a variety of animation and visual elements of design and graphics to capture the attention of online audience. For example, DreamWorks studio used rich media ads to promote their animation movie Trolls. When users visited websites like IMDB, the full web page was covered by colorful Trolls who appeared at the various corners of the webpage. DreamWorks got a lot of appreciation and attention of online users, which resulted in the huge success of the movie. Many studios regularly use rich media in their communication strategy to promote movies like Jurassic World and Incredibles 2. Excellent uses of graphics and creative animation increases the likelihood of being noticed and clicked by online uses. Hence, rich media ads are very useful to create online buzz while introducing new products.

Setting objectives of online ads

We have seen that there are many types of online ads and these ads serve distinct strategic purposes. So the first step before running any online marketing campaign is to identify the overall objectives of the campaign. The online platform provides concrete measures to measure the performance of marketing campaign. Therefore, it is advisable to set up measurable objectives using SMART (specific, measurable, achievable, relevant, and time-bound) framework.

Specific

Make sure you define concise and clear objectives for your online marketing campaign. The objectives of an online campaigns are defined differently from the traditional media campaign. The traditional measurements are based on reach and frequency. Similar concepts are converted to online terminology. For example, a firm can define its objective in terms of number of visitors to its website or consumer action (call-to-action) on its display ads. A firm can also set a goal to be in top five search results, when a consumer searches for the relevant keywords online.

Measurable

Online platforms allow meticulous measurement of marketing campaigns via well-established tools, software, and matrices. Hence, a firm can define exact parameters to measure the performance and effectiveness of the campaign. The reach of marketing campaign can be measured using CPM or CPC models. One can measure how many times the ad was shown to online users. Similarly, user engagement can be measured based on the number of clicks received by the ad. Another parameters to measure consumer engagement or interest is the time spent by visitors on the website.

Achievable

Do not overestimate or set ambitious goals for marketing campaign. Many external factors such as brand-awareness, brand-image, and brand-reputation and profile of target consumers have a significant impact on what a marketing campaign can achieve. For example, a market leader brand can expect much better brand recall than a weak brand. Similarly, if the target consumers do not use online platform, then online campaign may not give expected results. Thus, appropriate targeting of online users will influence the performance of marketing campaign. Creating a campaign that becomes a “viral” campaign is a Holy Grail for marketers. However, each marketing campaign cannot become viral, so one should avoid having a goal of “viral campaign”. Instead, more realistic goals can be set such as the firm can decide to reach 5,000 views on YouTube or to have acceptable click through rate as per industry benchmark.

Relevant

One has to carefully determine the relevant goals for the marketing campaign. Since online environment is fairly new and keeps changing, one has to be knowledgeable about the nitty-gritties of online platform to match the objectives of campaign. For example, if your marketing campaign is more about getting leads or conversion, then one should not measure it using the CPM or CPC model. If an insurance firm is running an online campaign to get leads, it should focus on increasing the

number of clicks and visitors to the websites instead of making a viral ad. If many users like the ad on YouTube but no one buys insurance, the relevance of marketing campaign becomes questionable.

Time-bound

The objectives of any online marketing campaign must be time-bound. Any performance parameter should include for what time period it is measured. Suppose, the objective of a campaign is that the firm wants to get 5,000 views on YouTube. Then, the time period must be decided in advance. Online environment is an ever-lasting platforms, where users may watch your ad five years later after the launch. So the total number of views for that campaign cannot be measured for an infinite period of time. Each marketing campaign runs for a specific period and hence all the objectives should be evaluated within that time frame.

If you create an ad using Google Ads, you will find that Google suggests various campaign types based on the advertising goals. Suppose an automobile company is launching a new product and the objective of the marketing campaign is to create awareness and to get visitors to the website. In this case, the company can use a combination of search and display ads. When a consumer is interested about the product, she will search information online. The search ad should appear at the top and consumer will click on the search ad to reach company website. For display ads, company should analyze and decide where to show display ads based on the target consumer profile to increase the likelihood of clicks. Once the potential buyer reaches the website, company should ensure that the website has relevant content and information such as features and price of the product, contact details, and an online assistant to answer the consumers' queries (Table 9.2).

Online advertising models

A company can select from different advertising models to measure the effectiveness of the campaign and for budgeting. Some of the popular advertising models are described in the following.

TABLE 9.2 Advertising Goals and Recommended Campaigns by Google Ads

<i>Advertising Goals</i>	<i>Campaign Type</i>
Sales	Search, display, shopping, video, smart, discovery
Leads	Search, display, shopping, video, smart, discovery
Website traffic	Search, display, shopping, video, discovery
Product and brand consideration	Video
Brand awareness and reach	Video
App promotion	App
Local store visits and promotions	Local

CPM

CPM stands for cost per thousand impressions. This is the amount a company pays to show the display ads for thousand times on a webpage. This model is generally used for creating brand awareness and to get as many eyeballs as possible.

CPC

CPC stands for cost per click. In this model, company only pays when a visitor clicks on the ad. This model is useful when a company is more interested in getting visitor to their webpage or a specific landing page. The search ads on Google are paid using this model. Another term used in CPC model is click through rate (CTR) that shows the number of clicks per 100 impressions.

CPA

CPA stands for cost per acquisition. In this model company pays when a potential visitor is converted into a consumer. Company can use this model when acquisition is more important. For example, insurance firms may use CPA model to get leads (and their contact information) to sell their policies.

A firm decides to use a mix of the aforementioned models to meet their objectives. In addition to these models, firms also use direct buying or sponsoring the events. For example, during the IPL in India, firms sponsor the whole web pages on cricket-related websites because millions of users visit such websites to check cricket scores regularly. CPA is similar to another model CPL (cost per lead), where the firm pays for acquiring each lead.

To understand these models, let us work out a hypothetical example.

Let's say you have decided to pay INR1,000 for running your marketing campaign and the ad receives 40,000 impressions. You also get 500 clicks for your ad. The number of final conversion is 50. Calculate the CTR, CPM, CPC, and CPA for the campaign.

Solution:

$$\begin{aligned}\text{Click through rate (CTR)} &= \text{Clicks} * 100 / \text{total impressions} \\ &= 500 * 100 / 40,000 \\ &= 1.25\%\end{aligned}$$

$$\begin{aligned}\text{CPM} &= \text{Cost per thousand impressions} \\ &= 1,000 * 1,000 / 40,000 \\ &= \text{INR}25\end{aligned}$$

$$\begin{aligned}\text{CPC} &= \text{Total cost/clicks} \\ &= 1,000 / 500 \\ &= \text{INR}2\end{aligned}$$

$$\begin{aligned}\text{CPA} &= \text{Total cost/acquisition} \\ &= 1,000 / 50 \\ &= \text{INR}20\end{aligned}$$

Buying online media

We have discussed many types of advertising models, but how one can buy online space for advertisements. There are multiple ways to do the same. One can directly buy the space on publisher's website (called property) like newspapers websites to display their ads. Another option is called real-time bidding (RTB) which is unique to online ads. A firm has to bid for keywords and offer a bidding amount to show their search ads. Online search engines like Google use proprietary algorithm and methods to give a rating known as "Ad Rank" to each ad. Ad rank is calculated based on the bid amount, ad quality, and expected click through rate, relevance, and landing page experience. In addition, user's location, time of search, and device influence which ad is shown to user. A typical example of location-based results is "nearby me" search. The online bidding process is completely automated with no human interventions. You may read online for more details about real-time bidding and the various actors involved in the process.

DIY: ONLINE VERSUS OFFLINE ADS

Find out the cost of placing an ad in a national newspaper and compare it with the cost if the ad is placed online on the website of that newspaper. Analyze and discuss the reasons behind the difference in pricing. Which option you would chose and why?

Targeting consumers

The Internet provides extremely efficient targeting of users. Traditional advertising is more like "shooting in the dark" where an ad is shown on mass media with the assumption that it will reach the interested or targeted users. In contrast, the online ads specifically target a user. There are multiple ways to target a user which are described in the following.

Contextual

Contextual targeting targets users based on the content or context of the website. It assumes that users are interested in the content of the web page and hence they would also be interested in the related products or services. One can find ads of financial or investment products/services on the business pages of online news website or websites dedicated to investment, share-trading, and mutual funds.

Contextual targeting relies more on the context of the page. Suppose an online article is about natural products, then herbal or organic beauty products can display their ads on that webpage. However, there is a possibility that the online user (visitor) is looking for specific information only and may not be interested in buying any related product. Many users regularly check share prices on websites, but they

may not be interested in investing or buying mutual funds or insurance policies. Similarly, millions of users check cricket score on websites without any intention of buying a cricket-related product. So, the trick is to match the ad to the content (place) to reach more audience.

Advantages of contextual targeting

Effectiveness

Since contextual ads are relevant to the content, users find them more helpful and relevant. Some research suggest that contextual ads lead to better brand perception and higher purchase intentions.

Less intrusive

When user see an ad that is similar to the webpage content, they feel it is less intrusive. Generally, if the display ads are very different from the website theme, people get annoyed and build a negative perception about the brand. For example, imagine that you see a washing machine ad on a sports or stock market website. What would be your reaction toward the brand?

Legal regulations

One notable advantage of contextual ads is that they do not rely on users' personal data. In last few years, online users have realized how firms are using their personal data for business gains. There have been serious issues with hacking and personal data theft of users. Hence, most of the countries have formulated strict regulatory policies to safeguard users' privacy. In fact, companies like Facebook are Google are fighting many legal battles in various countries related to privacy, access, and protection of users' personal information. Contextual ads are relatively safer as they rely on the webpage content and avoid using personal browsing data of users.

Behavioral

Behavior targeting is based on the online behavioral information of users to improve targeting of the ad campaign. This method works by collective online data about user from various sources such as search, browsing, or shopping behavior. The primary purpose of this technique is to deliver advertising messages to the users whom behavior matches the campaign objectives. Like in offline mode, the online behavior reflects what consumers like or dislike, what are their interests, which products they avoid, etc. The online information is collected to create a user profile that is shared with potential advertisers who select the potential users who may be interested in their offerings. When users visit a webpage, the information is stored

on user's system in the form of cookies. Data management platforms collect, store, and organize the behavioral information about users, which they sell to advertisers. The online behavioral information can be collected on the following parameters:

- Page views
- Website visits (number of visits, duration, frequency, and recency)
- Content of pages read or website visited
- Search behavior, including previous search terms
- Time spent on a website
- Behavior toward online ads and marketing content (clicks or reading the native ads)
- Location and IP address
- Device used to access the Internet
- Demographics

Let's see an example of how behavioral targeting works. Suppose, a person regularly reads about places that are famous for nature tourism. She has joined online communities or groups on the same interest and shares her experiences about past travels. She also shares pictures of beautiful natural scenes and proudly talks about her camera and the techniques used to take those images in difficult situations like low-light or moving objects. She shares details about photography skills such as how to take excellent photos of natural scenes. These two online behavior can be combined to create a user profile. The profile shows that the person has an interest in traveling, specifically those places that offer natural scenic beauty and also demographics information. So, advertisers can target her to sell online tickets (and packages) to nature-tourists places. Digital camera advertisers can also target her with customized messages about how the camera can take excellent photos of sunset in low light.

Advantages of behavioral targeting

Higher clicks and conversion

These ads are more personal as they are customized to the browsing behavior of the user. Behavioral ads have generally higher click-through rates leading to higher conversion rates.

User engagement

One of the important factors in behavior targeting is the recency effect that tracks the recent visits, which makes these ads highly relevant and useful to the user. Since consumers are generally looking for the information, these ads lead to better engagement due to recency.

Effectiveness

These ads are highly effective as they serve the purpose of reminder ads and alerts. The advertisers know what users are actively looking for and past behavior about ads. For example, if a user has clicked on ads about laptops, she is more likely to see relevant ads about upcoming laptops and hence can be targeted accordingly.

Remarketing or retargeting

Remarketing or retargeting are two advertising terms that are regularly used interchangeably. There is a very minor difference between the two terms, but both work on the same marketing principle and concept. When a user visits a website, she may not buy the product in her first visit. This is a common online behavior, where users add products to their shopping carts, but do not make a final purchase. They abandon the e-cart due to any reason. In such cases, retargeting helps, where advertisers target users who had an interaction with the website. The ads of those or related products can be shown to users using Google display network or social media like Facebook. Remarketing also does the same thing but using emails. For example, you may have noticed that you receive emails from online retailers about the products you left in the shopping cart. Since email marketing is considered as part of broader digital marketing spectrum, both the terms explain the mechanism when a user is targeted based on the prior interaction with the website.

Geo-targeting

Geo-targeting refers to targeting consumers and delivering content to them based on their location. When you do a search on Google, you may have observed that Google presents results based on your location. For example, if you search for restaurant, the search results will include restaurants near to your location (see Figure 9.4). Hence, geo-targeting offers invaluable help to marketers who are catering to local consumers. Even global brands like Pizza Hut and McDonald's make extensive use of geo-targeting to reach consumers. One more advantage of geo-targeting is the display of currency in the local currency format. For example, the average cost of meal for two persons or time taken to reach a destination, or price of a movie ticket.

Native advertising

Native advertising is a specific form of online advertising. The promotional content is created in the forms of infographics, statistics, or informational articles which look exactly the same as the content of website. For example, on a technology-related website, firms publish sponsored content which matches the theme of website. Firms can publish articles on how AI will change the future of marketing and promote their products related to AI. Native advertising is considered controversial

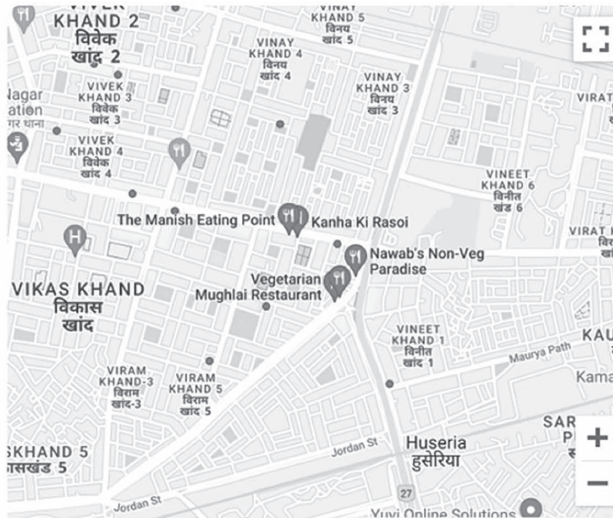


FIGURE 9.4 Search results for “veg restaurants” from Lucknow reflect geo-targeting.

Source: Authors (Search on www.google.in).

because sometimes consumers may not be able to differentiate it from the original unpaid or unsponsored content.

DIY: ONLINE ADS

Visit any travel portal and search for some flights and hotels. Complete all the steps except buying. Then, visit some of the most popular websites and find retargeting ads and also the native/sponsored ads.

Mobile marketing

Mobile Marketing Association defines mobile marketing as “Mobile marketing includes advertising, apps, messaging, mCommerce and CRM on all mobile devices including smart phones and tablets”. In our discussion of evolution of the Internet, we have mentioned that most of the Indian consumers have skipped the desktop generation and directly went to mobiles to be online. In the last decade, India has come a long way from unreliable data connections, poor speed but costlier broadbands, and paid Wi-Fi services. The current India boasts of having one of the cheapest data packs in the world, which has led to huge data consumption. On an average, Indians use about 12 GB of data per month, which is the highest data consumption globally. As per Ericsson mobility report 2020, the data consumption is going to double in another five years by 2025. Some reasons for an exponential

growth about humongous data consumptions are the cheap mobile data plans, increasing preference toward video content (creation and consumption), smartphones at affordable price points, and a very fast adoption of 4G. India is expected to rollout 5G soon, which will definitely add more fuel to the fire of data consumption. India ranks 2nd after China in terms of number of mobile phone users, but a distant 18th for smartphone penetration. This creates challenges and opportunities for marketers as they can target a huge population on one single device but the characteristics of the device significantly differ. In next sections, we discuss why people use phones and what are the unique characteristics of mobile phones? As marketers, we should be aware of both to build an effective communication strategy targeted toward mobile users. For example, Gyan Milk in India, developed a mobile app during COVID-19 pandemic to enable home order and delivery, which gave it a sustainable competitive advantage against competition and unorganized sectors.

Usage of mobile

Why consumers use mobile phones? What do you think: Is it really used for communication – the primary purpose of inventing the phone? In fact, phones are used for many purposes, and irony is that the use of a phone for “calling people” is steadily on the decline. Indian consumers use phones for the following:

- *Entertainment:* Listening to streaming music or videos.
- *Social media apps:* For example, Facebook and the ubiquitous WhatsApp.
- *Gaming* Many users spend hours on mobile gaming.
- *Shopping:* The rise of e-commerce in India has been mainly due to the significant rise in usage of mobile phones.
- *Financial payments:* India is slowly moving to digital economy where young consumers are increasingly using UPI, digital wallets, and net banking. During 2019–2020, there was a huge increase in volume and value of transactions on multiple digital methods like RuPay, NACH, and UPI.

What is so unique about mobile phones?

Mobile phones have significant differences from traditional media as well as typical online social media:

- Mobile is a very personal device. Hence, marketers should send only contextual and relevant messages.
- People use mobile while traveling, which means very limited attention toward any external communication. This leads to cognitive constraints while processing information on the go.
- People really hate distractions on mobile phones.
- Most of the Indian mobile users are male.
- Phones are used by people of all ages.

- Illiteracy or lack of English knowledge is not a hindrance in using a phone.
- Mobile is more popular and accessible among rural consumers.
- People tend to respond or take immediate action on a mobile communication. Marketers often tap into this characteristic need of the user to act once a message is received.
- Marketers must include a call for action: keep it simple such as a missed call or participation through one click.
- Communication at the right time is critical as people use phones for different purposes at different times. They may use phone for official purposes during working hours, and for gaming or shopping at late evening in leisure.
- Processing information and making decisions from a small screen imposes more cognitive load on the user (compared to a laptop/desktop).
- Recent technologies like augmented reality and virtual reality have opened unending possibilities to take consumer experience and engagement to a different level.
- In India, only mobile phones are available as a target device in many media dark regions (region that have limited or no accessibility to TV or Internet due to geographic constraints or lack of power supply).

Mobile advertising

There are many options to use mobile phone for advertising and marketing communications.

SMS and push notifications

Firms extensively use SMS and in-app notifications to communicate with consumers. Firms send SMS about promotions, delivery notifications, upcoming sales, promotional codes, and general information. Generally, an external URL is embedded in the message to generate call-to-action.

Display ads

Firms can utilize the following ads for mobile devices when a user is browsing websites or using an app:

- Banner and animation ads
- WAP banner ad
- In-app banner ad
- Rich media on phone
- Native ads

In-app advertising

Many firms extensively use in-app advertising especially in popular gaming apps. Users find these ads annoying, and may upgrade to premium versions of the app to

avoid ads. However, brands do a tie-up and use innovative approaches like game-related rewards for watching the ad.

Miscellaneous

QR codes (quick response code) are widely used in integration with print and other media to promote website or for app installation. Many print ads carry a QR code, which users can scan as a call-to-action to reach the predefined landing page of the firm. Mobile phones with GPS features tell the location of users. This feature is widely used in very specific targeting of people based on the location. For example, fast-food restaurants target office goers during the evening when they return from their offices.

MOBILE MARKETING: COLGATE IN KUMBH MELA

Background: Kumbh mela is the largest conglomeration on the planet Earth, where more than 100 million people across the world gather to take a dip in the holy Ganges River. The event lasts for almost a month and happens every 12 years. In one such event, Colgate wanted to reach a huge number of pilgrims who were from the rural background and had low literacy rate.

Challenge: The challenge was that pilgrims came from different parts of the country and hence targeting based on networks or regions were not possible. Also, due to low literacy, text-based communication or apps were ruled out.

Solution:

Colgate decided to use voice-based communication via location-based targeting. Colgate used Amin Sayani, popular radio jockey of yesteryears with a highly recognizable voice, to make the voice call.

Colgate toothpaste pack worth Rs. 10 were given free to visitors.

Result: Colgate stall attract more than 700,000 visitors. Visitors to Colgate outlets were over 300% of the pre-promotion period.

A video case study can be accessed at <https://www.youtube.com/watch?v=kqyDSciLyWA>

Mobile analytics

Brands can measure the performance of their mobile campaigns based on the following data available:

- Clicks to call
- Clicks to a map or store locator

- Clicks to offer
- Clicks to a landing page or microsite
- Clicks to an app download
- Clicks to a screen within an app
- Time spent within the ad experience
- Actions completed within the ad experience

Challenges

There is an exponential growth in the number of Indian consumers adopting the Internet and using mobile phones (including smartphones). This growth is here to continue for few more years as the Internet and smartphone penetration is approximately 40%. The online medium has its own set of challenges, as you can understand from the opening case. Consumers are skeptical about data privacy, frauds, identity theft, and a disturbing trend of online harassments. So, marketers must be very careful in their communication to alleviate such fears from consumers' minds. Some of the challenges are as follows:

- *Privacy*: Presently, data privacy is a serious issue. Firms should not collect data without users' consent. Moreover, they should not create long-worded lengthy policy which users agree without reading. Firms should clearly tell why they need the data and which data they are collecting. Consumers are concerned about giving access to the data on their phone to apps (e.g., contacts or access to camera).
- *Gender gap*: Most of the phone users and online users are male, which creates an imbalance in targeting online users. Firms should also be gender-sensitive. The online users are very fast in identifying any discriminatory ad and create online trends.
- *Online digital frauds*: Online financial frauds are menace in India and a web series has been specifically made on this topic. Indian consumers are not very sensitive to digital data and easily share it. Many fraudsters call consumers in disguise and collect sensitive information like account details and OTP and transfer the money. The RBI and almost all the big Indian banks regularly run campaigns to create awareness about not sharing any data on any platform (digital or on phone call). But, going by the volume on online frauds, there is still a long way to go to end this. Also, a lack of stringent laws and tracking mechanisms allow free hands to such fraudsters.
- *Online harassment* Social media, especially Twitter, has been widely used to target people for insult and harassment. Indian government has yet to create strict laws to punish repeat offenders. In fact, Twitter is facing wrath of online users for its inability to control fake news and person-specific image targeting.
- *Business environment* Recently, the Indian government has banned many apps and it continues to do the same. It creates challenges for firms in deciding their media mix. Firms may have set a budget for particular app and when the app is banned, firm has to do the budget allocation exercise time and again.

Conclusion

Indian has a large number of people who are online, spend considerable amount of time online, extensively use social media and mobile phones, and play online games. Most of the young consumers are digital savvy and fairly acquainted with new technologies. Marketers can use digital channels to reach their consumers. Moreover, online channels provide much improved measurement of campaign performance. Marketers can use mobile marketing to reach media dark regions or consumers with no literacy. Thus, the online revolution in India offers myriad opportunities with some challenges. Most of the firms have increased their spending on digital advertising and promotions and we expect this trend to continue in future.

Discussion questions

1. Discuss the evolution of the Internet in India. What is the role of government and private players in developing the infrastructure?
2. Explain the consumer decision journey in an online context. Provide examples for each stage where the Internet plays an important role.
3. What is inbound marketing? How it is different from traditional push strategies?
4. Discuss various types of online ads. Also, what is the specific purpose of using online ads?
5. Discuss the online advertising models. Which one is better? How firms can buy online ads?
6. How brands can target consumers online? Give example of each targeting method.
7. Discuss how firms can use mobile marketing strategies to reach consumers? What kind of challenges companies face in India to use mobile marketing?
8. Discuss the challenges of online marketing. Suggest few recommendations about how firms can overcome these challenges?

IMC in practice

Open few popular and prominent websites on your computer (or laptop), smartphone, and app (if available). For example, moenycontrol.com and its app. Analyze and answer the following points:

- Which option is more responsive (takes less time to load)?
- What are the significant differences in the home page (the first image you see)?
- How website is designed in terms of content and headlines? Compare the major menu options with app.
- List various ads you see on each option and compare them? Which of the three options shows maximum ads and why?
- Prepare a list of ads appearing on these options and suggest which type of targeting is used?

- Do you notice any specific ad based on your recent browsing? Should firms be allowed to monitor the browsing behavior of users to show relevant ads? Why or why not?
- Open the websites using private (or incognito in chrome) mode of browsing. Do you see any change in ads?

Learning objectives

1. Understand the role of the Internet and mobile marketing in IMC.
2. Discuss the impact of digital environment on the traditional consumer journey.
3. Explain the importance of inbound marketing and targeting of consumers.
4. Discuss and compare various types of online ads and advertising models.
5. Discuss various aspects of mobile marketing and types of ads.

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10

SOCIAL MEDIA MARKETING

Opening case

What does it take to surge a stock by 1,000%?

Elon Musk, CEO of Tesla, tweeted about WhatsApp and Signal app. WhatsApp is owned by Facebook and used by millions across the world. In India, it is very difficult to imagine life without WhatsApp. Like Google, WhatsApp also has become a verb. Indians use WhatsApp to share good morning wishes, festival wishes, jokes, and selfies with their friends, relatives, and colleagues. WhatsApp has introduced some changes in their privacy policies that allow sharing of user data with Facebook. Tesla and Twitter's owner Elon Musk posted about this issue and mentioned a competitive app Signal. That led to increase of more than 1,000% in the stock price of Signal. However, the catch was that it was not the messaging Signal app but a totally unrelated company Signal advance.

We all know how employees of an organization work so hard relentlessly to improve the business and revenues of a firm. Stock price is an important indicator of the health and value of the organization. Many CEOs have been fired or made a fortune on one simple fact that how much value they created for their shareholders. In this case of mistaken identity, stock prices of Signal advance went up due to a single tweet by a person, who is not related to the firm. That is the power of the Internet and social media. Elon Musk is a powerful social influencer as millions of people follow him on social media. So, a small piece of advice on which instant messaging app to use instead of WhatsApp created fortunes for another firm. Later, WhatsApp has put the policy changes on a hold due to mass outrage on social media and a huge increase in the number of downloads of competitive apps. A similar story played out, when Snapchat stock lost 6% (US\$1.3 billion) in

a single day, as very famous reality TV star Kylie Jenner tweeted that she was not using the app because she was not happy with the new redesign.

Introduction

More than half of the world now uses social media. The usage of social media is continuously increasing across the world. Specifically, in India, social media has become one of the most popular online activities. With increase in Internet penetration, India has seen an exponential growth in the number of social media users. The number of social network users in India were 216.5 million in 2016, which has increased to approximately 360 million by 2020. Then, coronavirus pandemic led to strict lockdown measures across India. Most of the physical businesses were forced to adopt digital or online platforms. During the whole one year of pandemic, schools were closed in India, which forced schools and colleges to use online platforms for teaching. Similar trends were observed in various industries where employees were working from home. All of this resulted in a huge increase of people of all ages, including school kids at primary levels who got access to the Internet and exposure to tools like WhatsApp and Zoom. Many young students accessed classroom content on WhatsApp, which had become a prominent medium to share class videos and reading materials. A majority of the Indian online users do not own a desktop or laptop and access social media on their mobile phones. Another important thing we must keep in mind is that users always carry phones with them and hence they can access social media while traveling. Thus, the access to network and speed also become hindrance for a good experience. That is why most of the popular social media firms have introduced mobile-optimized websites to offer a seamless experience to users even with limited bandwidth or poor network speed. Nevertheless, users can also download apps on their phones for an enhanced and dedicated access to specific social media on a good speed network.

As the name suggests, people use social media for social needs, which is very different from using the Internet for information or shopping. Generally, users do not like to see ads, and more so while they are on a social media platform. Users post a lot of personal information on social media and hence social media sites know a lot more about users in terms of their demographics, location, and interests (political, sports, movies, etc.). In the information age, data is considered a new oil and firms don't let go any opportunity to make money. Users are also getting skeptical about sharing personal data and concerned about their privacy. However, in reality, humans are yet to win their desire for self-image, praise, ego, and social image. People get depressed when they don't get expected likes or comments about their selfies. So, the trend of sharing posts will continue and advertisers can utilize the golden mine of user data to tailor their hyper-targeting. In the next section, we will discuss some of the most popular social media, how they differ from each other, and how marketers use them to run their campaigns. A notable factor is that each social media serves a distinct purpose, hence one should avoid "one size fits

all” approach. What it means is that one should carefully identify the campaign’s objectives and then match with specific social media. Firms update and tailor the content to suit the platforms. For example, Twitter has restriction on number of characters that can be posted, whereas Facebook does not have such restrictions. So, marketers are forced to create a concise content on Twitter but they can post larger text on Facebook.

Facebook

Facebook is an online place for social networking and have the highest number of daily active users in India. Most of the brands are present on Facebook. Brands can create a business page on Facebook and use Business Manager to get data insights about user engagement and reach. Brands also create Facebook ads using inbuilt tools, which are very easy and intuitive to use. Like any ad, one must be knowledgeable about the target market to select and configure various online options about location, gender, interests, etc. Brands can post text, images, URLs, and videos on Facebook page. The promotional posts should have a clear call-to-action embedded in themselves. Consumers use brands’ pages to interact and communicate. You may check Facebook pages of some famous brands and do a small analysis of the posts to categorize them under various headings such as engagement, promotion, complaint, feedback, and appreciation to get a better understanding of consumers’ psyche and behavior toward Facebook advertising.

Marketers can make use of the following features for creating a Facebook ad:

- Demographic targeting via user data on age, location, education, and interests.
- Location-based advertising.
- Promotion (or boosting)-specific posts.
- Set daily budgets.
- Use of A/B testing, which refers to testing multiple versions of an ad in parallel to compare the performance in real time.
- Using Facebook insights and Business Manager tool as a single dashboard to monitor the ads.
- Sponsor stories to increase visibility and engagement.

A company can connect to Facebook users in two ways. The first option is to have a dedicated Facebook business page to connect, engage, and communicate with consumers to improve consumer engagement. Many brands use their official Facebook page to post promotional offers, run time-bound deals, and special offers applicable to Facebook users. Many consumers use these pages to share their feedback or raise complaints, which brands try to resolve. Thus, the role of a Facebook page is not limited to communication, but it has become a part of customer service process. The second option to target consumers is the use of Facebook native advertising. Brands can use Facebook advertising tools to create rich media display ads to target

users based on predefined criteria. Facebook offers an ad wizard to create the effective ads based on marketing objectives. There are three broad objectives – awareness, consideration, and conversion.

Awareness

Under awareness, there are two options – brand awareness and reach. Brand awareness is used when a company wants to increase overall awareness for the brand by showing ads to people who are more likely to pay attention to them. Reach is used to show ads to the maximum number of online audience while staying within a limited budget. Brand can choose settings to reach only people who are near the business location.

Consideration

For consideration objective, there are many sub-objectives that a company can choose. App installation option is useful as it linking directly to the App Store and Google Play Store. Traffic setting is useful to grow the number of people who are visiting brands' website, app, or Messenger conversation and increase the likelihood that they'll take a valuable action when they get there.

Lead Generation option makes it easy for interested users to learn more about business. This option also used to encourage users to sign up for more info or spend time with app or website. Messages option focuses on Facebook messenger and prompts people to open more Messenger interactions. Company can use messenger to have personal conversations with users to answer questions, collect leads, and boost sales.

Engagement option fulfills the objective of getting more people to follow the business page or engage with posts through comments, shares, and likes. Company can also choose to optimize for more event responses or offer claims. Video Views option is useful when a company wishes to show videos to people who are most likely to be interested in them and watch them to completion.

Conversion

Conversion option has three sub-options. Conversions, as the name suggests, is about increasing actions on the website or app. It's useful when the firm's objective is to encourage user to buy, register, or provide information for further sales.

Store Visits fills the gap between people's online and offline shopping journeys by driving store visits, sales, and other valuable actions at physical shop/retail stores.

Catalogue Sales is the digital version of print catalogues. If a firm wants to move certain items fast to clear inventory, they can use this option. Firm can upload the details (catalogue) and Facebook will show the right products to the right buyers.

Swiggy: a success story of Facebook advertising

Swiggy is one of India's largest online food-ordering and delivery platforms. Founded in 2014, it is based in Bangalore and operates across 406 Indian cities. In 2019, Swiggy expanded its services to include general products and grocery deliveries under the label Swiggy Stores. It also launched Swiggy Genie, a service that collects and delivers laundry, documents, parcels, or other items on request.

Objective: attracting more orders

The delivery app wanted to persuade households that occasionally ordered food online to do so more often. Swiggy wanted to engage people in a creative and engaging way to plant the idea that ordering food from restaurants could make home-cooked meals more exciting.

Execution

By working with Spark AR, Swiggy engaged people with an Augmented Reality ad that provided a fun experience and suggested relevant dishes that pair well with the food they prepared at home. People played the game that matched the best restaurant food to supplement their home-cooked meals. The results were astounding. In all, the campaign reached 16.8 million people and a 3.3-point increase in ad recall.

DIY: ONLINE LAB RATS AND FACEBOOK – ETHICAL DILEMMA

Search and read about the famous online experiment by Facebook, which created a huge controversy. Facebook manipulated information (user's newsfeed) on thousands of users' home pages and found that it could make people feel more positive or negative (happy or sad) through a process of "emotional contagion". What do you think about such experiments? Are they allowed to improve user experience?

WhatsApp

WhatsApp has surpassed Facebook in terms of usage and active users in India. However, there is no tool or structure approach to WhatsApp advertising. The main reason is that WhatsApp has developed as an instant private messenger. Facebook acquired WhatsApp and is gradually trying to monetize it. For example, Facebook introduced WhatsApp business accounts. Brands can create business accounts using WhatsApp Business app and create ads and push them as message in WhatsApp. Some brands like Voltas are using WhatsApp as a service booking

tool similar to IVR services or Chabot services, which is cost-efficient, faster, and more convenient than making a booking using call center process. More than that, how brands can use WhatsApp in terms of pure advertising? WhatsApp is known for forward/sharing of content that creates a unique and invaluable opportunity of viral marketing. An ad that resonates with people can become viral in a matter of few hours and reach millions! Especially in India, most of the fake news travel on WhatsApp and it is the first app to be banned during mob riots or violence to curb the menace of hate and fear-mongering news. However, marketers are yet to crack the code of WhatsApp marketing to use it for their benefits. Recently, WhatsApp pay feature made available to enable money transfer via UPI interface. Marketers can use this feature to enable payment processing or for social shopping, which is an emerging concept.

In India, many brands in banking and services are using WhatsApp to connect and service their consumers. Banks like ICICI and HDFC offer WhatsApp banking. Even house rental firms like NoBroker also offer WhatsApp business page where consumers can contact the business and converse with their queries. Presently, WhatsApp is limited to text-based communication only, but we expect that it will allow full-fledged marketing capabilities soon in near future. WhatsApp marketing can be used to turn leads into customers, handle customer support and services, sell products and services directly to consumers, etc. Firms can also integrate Facebook and Instagram account with WhatsApp using “Click-to-WhatsApp ads”. Firms can add a Send Message button to Facebook or Instagram ads that will open a conversation thread in the WhatsApp Business app. This allows customers to connect with business on WhatsApp after clicking the button on the ad. This is widely used in promotion and lead generation where a click-to-action is more useful if it ends in users’ WhatsApp. For example, food delivery firms can use Facebook or Instagram to promote offers because most of the target users are on these two platforms. Once users click on the offer, it opens in their WhatsApp where they can directly order the food.

Instagram

Instagram (commonly referred to as Insta) is one of the fastest growing social media platform giving a tough competition to Facebook. Most of the young consumers and teenagers prefer Instagram over Facebook. Interestingly, Facebook owns both WhatsApp and Instagram. Instagram has launched a lite version to cater to Indian consumers with limited access to Internet and bandwidth. Instagram platform is optimized for images and hence it has to be used differently than text-based social platforms.

Marketers can use Instagram for the following:

- Creating awareness about the brand
- Showcasing product or services

- Building a loyal community
- Increase brand loyalty
- Consumer engagement
- Crowdsourcing
- Teasers

Brands can focus on products or user experiences. For example, food brands like Pizza hut or Oreo post enticing images of the products with minimal text. On the other hand, Nikon uses Instagram for crowd sourcing where they ask users to share photographs taken using Nikon camera. Nikon selects the best pictures and awards them. Instagram is most suited to in-moment marketing, which means content has to be relevant to the audience and preferably based on latest events. One can setup an Insta business account to get started. Marketers can post images, behind the scenes posts, influencers post, and informational posts. Instagram supports many formats like images, video, carousel, and stories. Many brands are using social influencers on Instagram to reach target consumers.

Nike: lining up consumers on Instagram

The concept of lining up or standing in a queue to buy something is mostly associated with iPhone sales where people camped 24 hours before the store to get their phone. For Nike shoes, one can imagine a group of people standing outside the store and doing window shopping, looking through the glasses to check their favorite pair of sneakers. It seems very strange why people will wait outside stores in their tents to buy shoes, but for “Sneaker Heads”, this act of waiting has become a defining ritual for their culture and lifestyle.

Objective

The target consumer of Nike is fashion-savvy and highly active on social media Instagram. The young segment uses hashtags to show off their style, and to connect with each other. Nike decided to utilize this behavior for their Air Max campaign to take the physical ritual of standing in a queue to the digital space. So, the objective of Nike Korea’s 2018 Air Max campaign was – “Can we extend their line-forming energy into the digital realm, and make it fun?”

Execution

Consumers visited Nike website, created a personalized avatar using a character and items inspired by Korean street culture. Each avatar had a random draw number which was used for lucky draw. Consumers then posted the avatar on Instagram with #AIRMAXLINE and stood the chance to buy a special pair of Air Max Limited Edition.

When consumers clicked on #AIRMAXLINE (or searched it on Instagram), it revealed an interesting and fun visual of connected avatars, all waiting in line on Instagram. Air Max Line included the individual design theme of the Air Max Special Editions on each feed image to provide highly relevant experience.

The campaign was a great success and resulted in high engagement and reach. During the two-week campaign period, over 80,000 Sneaker Heads got in line. The campaign was expanded to other social platforms like Facebook and blogs. Over 80,000 core targets flooded the social media with Air Max posting, resulting at least 15,000,000 exposures and over 800,000 reaches. Nike got these huge numbers as earned media (free media) without using paid media. The concept of paid and earned media is discussed later in the chapter.

Twitter

Twitter is mostly text-based platform and differ from other social media in one critical aspect and that is “anyone can follow anyone”. It has instant reach and limited to 280-character post. One can easily create Twitter ads using Twitter tools itself. There are many prebuilt options to create ad based on the defined objectives such as awareness, consideration, and conversion. For example, brands can create different ads to increase website clicks, followers, or app installations. Some Indian brands like Zomato and Swiggy are extensively using Twitter for promotion and user engagement. Netflix and Amazon prime are also highly active on Twitter as compared to Facebook. Such trends clearly establish the benefits of Twitter in terms of user engagement. However, these brands invest huge time and efforts in creating engaging content and post regularly many times a day. Brands should include clear CTA and compelling offers in ads to generate clicks.

How LEGO group used Twitter to #RebuildTheWorld

Objective

LEGO, the iconic, faced a modern-day challenge of how to inspire people of all ages to unleash their creativity and retain those skills through the infinite possibilities of LEGO play?

Execution

LEGO launched a global campaign on Twitter with a new message inspiring creativity and imagination for people of all ages. The brand used hashtag #RebuildTheWorld for its campaign. Twitter allows people to drive a trend, participate in it, and connect with others, share their ideas or views on the trend, all of this is not possible on other platforms like Facebook. ILego creative team used Twitter’s

“Tease, Reveal, and Reinforce” framework and strategically used a number of ad products to take over the Twitter timeline.

The #RebuildTheWorld hashtag was repeated nearly 100,000 times during the first four days after launch, generating hundreds of thousands of campaign impressions. Positive sentiment for LEGO-branded keywords increased by 35%, and the #RebuildTheWorld campaign generated positive coverage in major industry and mainstream media outlets.

LinkedIn

LinkedIn is a professional social media where connections are based on professional network rather than social bonding. Firms use LinkedIn for the following:

- Connect to prospects or networks.
- Receive endorsements and recommendations for skills and abilities.
- To create an online business card or resume where potential clients, joint venture partners, and employers can learn about and get connected.
- To be active in groups that align with similar interests.

The first step is to create a strong company page with captivating image. The main page should have a clear and captivating pitch in description. LinkedIn is widely used for B2B marketing instead of B2C. Firms can use LinkedIn sales navigator for the following:

- Advanced Search with Lead Builder
- Lead Recommendations
- Team Link
- Extended Network Access

LinkedIn offers advanced targeting based on industry, company, job title, seniority, and job function. Firms can run a self-service ad campaign on LinkedIn using Sponsored Content, Message Ads, Dynamic Ads, and Text Ads. LinkedIn provides all-in-one advertising platform “Campaign Manager” to create ad and monitor performance of ad campaigns. LinkedIn also offers three predefined broad objectives – awareness, consideration, and conversion – for creating the ad. LinkedIn offers advertisers several ad placement options.

Sponsored content

Sponsored content (native ads) shows in audiences’ LinkedIn feed. LinkedIn labels these ads as “promoted” to distinguish them from regular content. When advertising with Sponsored Content, company can use LinkedIn carousel ads, single image ads, or video ads.

Sponsored Messaging

Sponsored Messaging allows firms to directly advertise to LinkedIn members in their inbox. LinkedIn has put a cap on how many members will receive a Sponsored Message ad per month. This is to avoid spamming users' inbox and balance the advertising with regular benefits of using LinkedIn.

Text ads

Text ads show up along the top and right-hand side of LinkedIn's desktop feed. Text Ads are a good option to build strong leads within a limited budget.

Dynamic ads

Dynamic ads run in the right rail of LinkedIn and is highly personalized. When a dynamic ad pops up in a member's feed, their personal details, such as their photo, employer's name, and job title, are reflected back to them. However, members can change their settings to hide these details. There are two types of dynamic ads – follower ads and spotlight ads. Follower ads are designed to generate followers for your LinkedIn page. Spotlight ads are used to showcase product, service, event, and more to increase traffic to company's website or landing page.

YouTube

YouTube is another very popular social media among Indian consumers with roughly 270 million users. Most of the users use YouTube to listen (stream) songs and videos and especially Indian users use YouTube for learning something. YouTube has a strong social impact due to viral videos. Marketers predict that "video" format is the future of advertising and driving consumer engagement. COVID-19 has forced every adults and kids alike to embrace online platforms. For almost a year, Indian consumers extensively used YouTube for entertainment and learning. Teachers shared existing videos or created new ones with kids for teaching. Perhaps the biggest advantage of video format is that even illiterate people can use it with simple clicks. Another significant difference is that users do not only consume the content on YouTube, but create a lot of content themselves. Recently, YouTube shorts is launched in India that focuses on short videos of 15 seconds. Since YouTube is owned by Google, any related search also shows the videos in Google search results that is critical for advertisers. Online users come to platform to watch something instead of talking or discussing about something. So unlike other social media, YouTube is relatively more serious, where users take a break from typical scrolling behavior and spend some time with the content. So, that boils down to user experience of the content.

In recent years, people are using different devices to access YouTube. While most of the users use smartphones, tablets, and PCs to access YouTube, an interesting trend is the increasing use of TV screens among consumers. The steady increase in TV viewing suggests that people are watching YouTube videos with their families and children. Introduction of smart TVs and digital set-top boxes are the main drivers behind this trend, as people can access OTT platform content on their set-top boxes and watch favorite shows on a much larger screen. Moreover, OTT platforms like Netflix, Amazon, Disney, and local players are gaining popularity and the young population has a strong preference for OTT content. All these factors along with very low cost for data shall lead to the growth in video content consumption. YouTube being the leader in video content will be a critical medium for marketers to reach and influence a huge number of consumers.

Marketers can create their own YouTube channel where they can post their promotional videos. That is one type of advertising where users may access videos directly on business channels and share comments. The second aspect is search ads, where brands create short videos and put them in other videos. Some important ad types available are discussed in the following.

Skippable in-stream ads

These ads play before, after, or during a video and are also known as “pre-roll”, “end-roll”, or “mid-roll”. Viewers can skip these ads after the first 5 seconds. Marketers pay based on cost per view (CPV) method when a viewer watches 30 seconds of the video (or the full duration of the video if it’s shorter than 30 seconds) or interacts (via clicks) with the video, whichever comes first. This ad format is suitable for generating sales, leads, website traffic, brand awareness and reach, and product and brand consideration.

Non-skippable in-stream ads

Non-skippable in-stream ads are of 15 seconds (or shorter) and play before, during, or after other videos. In this format, viewers can’t skip the ad. Marketers pay using CPM methods based on impressions. This ad format is suitable for creating brand awareness and reach and mostly for new product launches.

Video discovery ads

Video discovery ads consist of a thumbnail image from the main video with some text. These ads always ask people to click to watch the video, which plays on the YouTube watch page or channel homepage. This format is similar to native advertising where related video appear. Marketers pay only when viewers choose to watch the ad by clicking the thumbnail. This format is suitable for product and brand consideration.

Bumper ads

Bumper ads are of 6 seconds (or shorter) and play before, during, or after another video. Similar to non-skippable format, viewers don't have the option to skip the ad. Bumper ads are useful when brands want to reach viewers with a short and memorable message. Brands pay based on CPM method for impressions. This format meets the purpose of brand awareness and reach.

There is one more specific ad format of Masthead that is only available on a reservation basis through a Google sales representative. As per Google, this format should be used when brands want to drive awareness for new products or services or reach a large number of audience in a short period of time (e.g., a sales event like festive season sales period on e-commerce platforms).

DIY: FUN TRIVIA

1. Find out the people in India (and the world) who have the highest number of followers on Twitter and Instagram. Compare and analyze the difference in ranking and the potential reasons for the same.
2. Can you guess the most liked (favored) photo on Instagram? Find the picture and once you overcome the shocking truth, think about the possible reasons why so many people like that image? What is special about the image and the person who posted it?
3. Find out the YouTube channel with highest number of subscribers.
4. Find out the most watched videos on YouTube. Can you identify what is common in these videos and why people watch such videos repeatedly?

Poem framework

Till now we have discussed popular social media platforms that marketers can use for advertising and reaching target consumers. Interestingly, digital platform significantly differ from traditional media in one critical aspect of cost of campaign. Firms can earn a lot of free impressions at zero or negligible cost and reach millions of consumers in a very short time with right content. POEM framework is a specific model for digital marketing activities. POEM stands for Paid, Owned, and Earned Media (see Figure 10.1).

Paid media

Paid media is similar to traditional advertising, where brands have to pay for their promotional and advertising efforts. For example, firms pay for their ads on search engines and social media as sponsored ads. Paid media focuses on delivering ads to

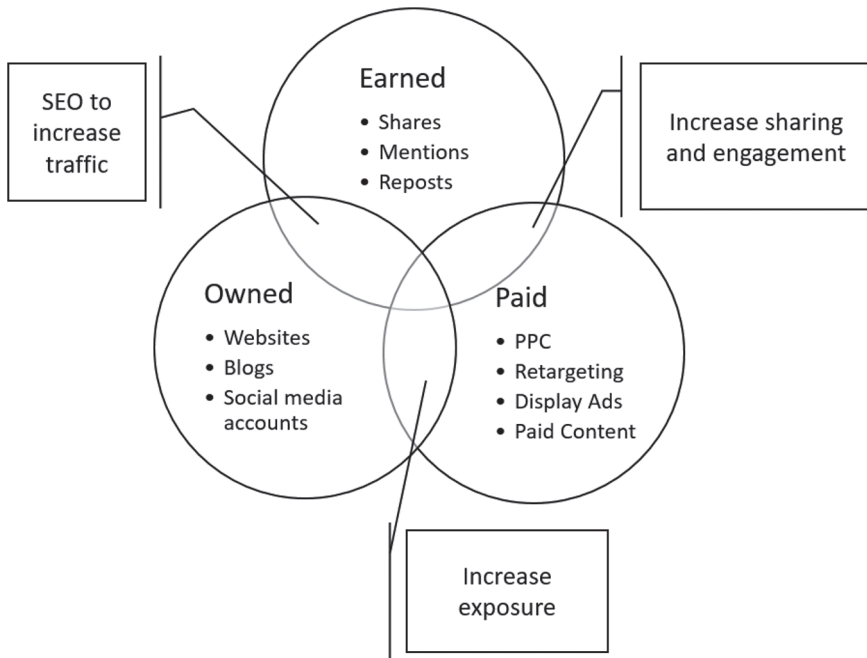


FIGURE 10.1 POEM framework.

Source: Authors.

the appropriate target audiences. A company pays for display ads, search ads, and social media ads to promote its products.

Owned media

As the name suggests, owned media refers to brand's own assets and digital properties. For example, company's own website or social media page is owned media. Brands can control the content on the owned media. Brands can use rich media like images, animations, and videos to establish reputation, improve SEO, and enhance conversion. Brands can also host articles, pdf files, and podcasts to drive user traffic. Owned media is highly cost-effective compared to paid media. Some examples of owned media are website, blogs, social media page, online forums, articles, and audio/video content.

Earned media

Earned media is free publicity or exposure gained from others. Earned media helps people to reach owned media. In essence, earned media is online word of mouth, and also known as buzz or viral marketing. The ad or promotional content becomes

popular with users who share in their groups to make it viral. Users can post favorable reviews about the product, which is free earned media. Earned media also helps in boosting SEO rankings.

A company uses the combination of POEM strategy on all the fronts to maximize the effects of its ad campaigns. Can you think of some examples of earned media that firms have received due to their creative and clever advertising strategies? Think about new age companies like Netflix and Swiggy and find out the proportion of POEM in their campaigns.

Moment marketing

Moment marketing is another marketing technique getting a lot of attention specific to online advertising space. Moment marketing utilizes the ongoing trends and creates communications based on them. For example, Amul is doing a daily ad based on the event, which is known as news-jacking. In contrast, moment marketing rides the ongoing social media trends which may be trivial. One should appreciate and acknowledge the speed of execution in any moment marketing campaign. Sometimes, the communication is created within few hours, which is unimaginable for any traditional marketing campaign that takes months of planning and execution. The core purpose of such efforts is to maintain a continuous dialogue with audience and get their responses to enhance consumer engagement.

DIY: MOMENT MARKETING

Find out examples of recent moment marketing communications. Search for some famous campaigns based on moment marketing: Starbucks Cup and Not Today from Game of Thrones episodes, #RahulBoseMovement, #10yearchallenge, “Rasode me kaun tha”, and “Pawwri ho rahi hai”.

Ethics and moment marketing

India gave its best performance during the Olympics 2021 held in Tokyo. Mirabai Chanu got the silver medal in weight lifting event. After winning the medal and creating the history, she told the press reporters that she would have a pizza to celebrate her success. As we know, the diet plan of sports athletes is very strict and focuses on health and energy. So, she wanted to have some fun after winning. Domino's India immediately grabbed this opportunity and offered her “free pizza for life”. Domino's also arranged for pizza party for her family at her native place Manipur. This act of hijacking someone's grand success attracted negative criticism. The ground reality of Indian sports is tough. Most of the sports struggle and only cricketers get a major share of sponsorship. Athletes like Chanu from other sports like wrestling

and boxing come from small towns and remote places where they lack adequate training facilities. Corporates generally don't sponsor other sports or athletes. So, when a person does country and billions proud, is it ok to hijack the limelight? Moreover, what is the connection and contribution of Domino's to the success of people or in general health? The similar thing happened when P.V. Sindhu won the bronze and few brands tried to use her success for their promotion. Luckily, Sindhu had a legal firm to manage her sponsorships, which immediately objected to the other brands. The posts from Twitter were deleted. What is your opinion on these incidents? How far moment marketing should go in such cases?

Online reputation management

Millions of consumers discuss about products and share their experiences and recommendations online which impact the online reputation of a brand/firm. Hence, firms actively engage in online reputation management (ORM) activities. The concept of recommendations is known as word of mouth (WOM) and marketers invest a lot of efforts to get favorable WOM. In online environment, the concept of WOM is known as electronic word of mouth (eWOM), which is defined as "content shared by people about products, services, or their experience using online media or tools". eWOM can be either positive or negative. Research shows that a majority of consumers make decision based on eWOM, that is, recommendations made by others, including family, friends, colleagues, or experts. A positive eWOM increases the likelihood of sales, revenues, and brand image and attitude toward brand, whereas a negative eWOM reduces sales and brand reputation. Hence, a new field of marketing has emerged which explicitly deals with managing a brand reputation in online environment. You may be aware of hashtags and trends that run on social media. Consumers share their stories (positive or negative) about brands and tag them. Others can comment, like, or share such posts and add their views. Sometimes, a competition or people with malicious intent also share negative or fake news about brands. So, brands need to be vigilant to handle online content. Brands regularly do "sentiment analysis" to understand the consumers' sentiments and act accordingly. There are many tools and software available that crawl through the vast amount of content on social media like Twitter, Facebook, YouTube, Instagram, blogs, and popular medial websites and analyze it using natural language processing methods. These tools look for specific words (positive and negative) and prepare a sentiment report. If the sentiments are negative, brands have to take necessary action. Marketers should do sentiment analysis whenever they run a campaign to understand the sentiments of online audience about their ads or promotions. A simple example of sentiment analysis is as follows:

- I really like the new product and its packaging → Positive
- The product is as expected with simple design → Neutral
- Product is really bad, and design worse → Negative

The online reputation determines how others perceive a brand or a company, when they search and access online information. ORM proactively influences what kind of information people will find. It also helps firms to deal with real-time trends. So, you can guess now that ORM is not only limited to social media but also includes usage of SEO and content marketing. One can equate ORM to public relations discussed in previous chapters that help firms to measure and improve public perceptions about the brand or company.

DIY: SENTIMENT ANALYSIS

Search for free tools about sentiment analysis and use them for popular brands to understand how it works. You can also check Twitter trends and notice if any brand is trending for positive or negative reason. Find out the cause behind the trend.

Read about the very famous case of “United Airlines breaks guitar”. One traveler noticed the airlines mishandling his guitar and it was broken. He could not get the refund in time and customer service was pathetic. So, he created a video song about his experience, which went viral as many passengers faced serious service issue. A timely sentiment analysis can help in such cases to stop the “firestorm” – a viral trend due to negative news.

Challenges

In recent years, as the Internet penetration increased in India, coupled with cheapest data prices and low-cost smartphones, millions of Indian consumers have started using social media. India ranks second in number of active users across all popular platforms like Facebook, WhatsApp, and Twitter. Many young consumers are gradually shifting to Instagram as well. As we have discussed issues with the Internet, marketers face a similar set of challenges for social media. In the opening case, we can clearly see how users have become very cautious about their privacy and data protection. Today’s consumers are much more aware and well-versed with the issues of data privacy and identity theft due to online frauds. Hence, users are extremely careful about what kind of data marketers collect and use for marketing. Many users dislike the online following by firms, which show display ads based on users’ browsing behavior. Similarly, users do not like to see targeted ads on their social media feed. Social media is a place to connect with people and no one likes to see ads popping up as distractions in their private communications. Some of the critical challenges in a social media marketing strategies are as follows:

- Breaking through clutter
- Selection of platform to target consumers
- Privacy issues and data protection

- Harassment
- Online reputation management
- Differentiating genuine users versus fake accounts.
- Fake news and content
- Ad blocking software
- Trust in social media ad

Globally, consumers don't trust social media ads (see Figure 10.2). In India, less than 50% of people trust the ads on social media. This number is continuously decreasing due to proliferation on online frauds and fake news. This might be one of the biggest challenges for marketers using digital media for IMC.

Conclusion

Consumers spend a considerable amount of time on social media. They use social media to connect with people, for entertainment, and to share and discuss views with others. Social media is considered a private space by users. Marketers can use social media for consumer engagement, customer service, advertising, and

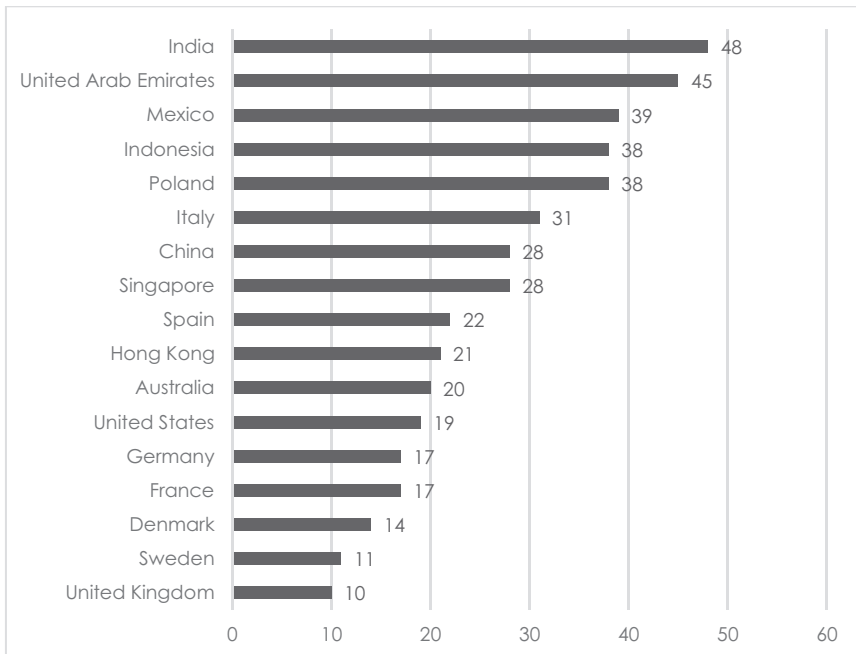


FIGURE 10.2 Trust in social media advertising.

Source: Statista.com.

promotions. Firms must prepare a separate online media-specific marketing strategies specific to each platform as each platform offers distinct features and benefits. Firms can use social media for B2C and B2B marketing. Digital media can be explained using POEM framework— paid, earned, and free media. Marketers can use innovative strategies and creative content to earn free media where users share the content for free as they like it. Sometime, negative content can harm the brand image. So, firms deploy special tools and techniques to manage online reputation. Social media offers many benefits and challenges to marketers. Marketers must focus to alleviate users' concerns about privacy, data protection, harassment, and frauds to enhance their social media marketing.

Discussion questions

1. Why people use social media? How firms can utilize social media platforms for their marketing?
2. Discuss the unique features, advantages, and disadvantages of each platform given below:
 - Facebook
 - WhatsApp
 - Instagram
 - Twitter
 - LinkedIn
3. Explain POEM framework. How firms can earn free media? Give recent examples to support your answer.
4. What skills marketers require for moment marketing? How does it differ from traditional marketing?
5. What are the risks with moment marketing? Give recent examples.
6. What do you understand by online reputation management? How does it differ from public relations? Use a recent example where a brand faced backlash from users. How brands can handle such situations?
7. Which social media platform should be used for the following promotions? Support your answer with appropriate arguments.
 - (a) A trailer of upcoming movie
 - (b) Launch of a new automobile brand
 - (c) Announcement of heavy discounts for a specific period by a famous e-retailer
 - (d) A research agency finds issues with a food product and the data is published in leading newspapers
 - (e) A negative viral trend against company's recent ad
 - (f) Announcement about recruitment
 - (g) Company wants to get consumers' feedback for their new logo
 - (h) Crowdsourcing

IMC in practice

Based on your observations and ads seen on social media while browsing, select any two brands preferably from different industries. Analyze and evaluate the ads on the following points:

- How the ads differ on various platforms like Facebook, YouTube, Twitter, Instagram, and LinkedIn?
- Which format is used on different platforms?
- Access the social media using the website and app and check if there is any difference in the ad format?
- Which platform uses more of rich media?
- Identify elements of POEM on multiple platforms. Which ads are more shared or liked by users and why?

Learning objectives

1. Describe the role of social media in IMC plan.
2. Understand the specific characteristics of popular social media platforms and compare them according to the media objectives.
3. Explain the POEM framework.
4. Discuss new age marketing concepts like moment marketing.
5. Understand how to manage online reputation.
6. Explain the opportunities and challenges of social media marketing.

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11

SALES AND TRADE PROMOTION

Opening case

Festival sales: the extravaganza of Indian consumers

Big Bazaar, one of the largest and oldest retail chain in India, came with a concept of sale during Republic Day. They launched “Sabse Saste Din” (days with the cheapest prices) for five days with jaw-dropping prices and announcement. In 2010, when it was launched, a huge crowd gathered in front of stores across India and soon the situation went out of hands of store employees. In many places, police were called to control the crowd and consumers were forcefully returned from stores. The similar story played when Flipkart, the largest e-commerce retailer, launched “Big Billion Days” sale in India. Many users could not make payment or complete purchase. The systems and servers could not handle huge load and crashed. The two incidents, one online and one offline retail of the leading brands established one fact that Indian consumers love shopping beyond their prediction. Both the brands could not imagine such a huge response to their offers. They learnt their lessons well and now regularly run sales and promotional activities throughout the year successfully. In Diwali sales (2020), the top two e-commerce players of India, Amazon and Flipkart, did the business of INR26,000 crores (US\$3.5 billion) in just four days. In fact, online and offline stores do a complete planning and preparation well in advance during the festival season as they do almost 80% business during few days of festive sales. Indian consumers have shown unprecedented craze for specific sale events like Big Billion Day and Amazon Great Indian Festival. The environment is electric and all the media cover the vents and upcoming sales well in advance. Popular media puts many articles in advance on category-specific deals to fuel the craze. The retail brands spent a lot of money to build the anticipation

using innovative advertising and well-known celebrities. The Western world is well aware of long queue in front of Apple stores to buy the latest iPhone, but in India similar behavior is observed during such festive sales. During those days, frenzied crowd literally runs into stores to claim their products, very akin to what happens on Black Friday sales in the United States. The catch in such sales is that the deal is on a very limited stock, hence early bird catches the worm. Recent research and success of regular deals shows that Indian consumers are very much value and price conscious and very few says no to mouthwatering offers and promotions.

Sales promotion

Sales promotion consists of a collection of incentive tools or offers (mostly short term) that are designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade. Sales promotion are not only limited to consumers but in reality majority of the promotional budget is spent for trade distributors. According to American Marketing Association, “sales promotion refers to those activities other than personal selling, advertising and publicity that stimulate consumer purchasing and dealer effectiveness, such as display shows and exhibitions, demonstrations, and various other nonrecurring selling efforts not in ordinary routine”.

There are many types of sales promotion other than the regular offers or coupons which we see in media. Sales promotion includes tools for consumer promotion (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of-purchase displays, and demonstrations), trade promotion (prices off, advertising and display allowances, and free goods), and business and sales force promotion (trade shows and conventions, contests for sales reps, and specialty advertising).

Difference between sales promotion and advertising

One must not confuse between the two activities of IMC – advertising and sales promotion. In fact, sales promotion use lot of advertising activities to create awareness among consumers. The critical difference between the two activities is that advertising give reasons to consumers to make a purchase, whereas sales promotion are more of incentives to buy products. For example, a soap brand like Dove does extensive advertising to position itself as a moisturizing soap so that people buy it for taking care of their skin. Whereas if Dove offers one soap bar free on purchase of three bars, it would be termed as sales promotion.

Permanent versus temporary strategy

Advertising is a permanent strategy that involves marketing and sales, whereas sales promotions have a limited time frame. Advertising focuses on short- and

long-term goals and builds intangible factors like brand image, reputation, and strength. Sales focus on very short-term goals to build revenues.

Indirect versus direct appeal

Advertising can involve a number of indirect methods to create the desired effect in a target audience, whereas sales promotions are not subtle or meant to be hidden in any way. Advertising appeals to the wants and needs of a target audience, and seeks to persuade prospective customers that your company is worthy of their attention. The end goal with advertising isn't always to make a sale; in some instances, it's to set the stage for a sale in the future by introducing prospects to your company's products and services. In contrast, sales promotions are strictly about moving products and services, and are designed solely to appeal to the financial consideration of a prospect.

Approach

Though advertising may use emotional appeal but mostly advertising is impersonal. On the other side, sales promotion involve personal and impersonal both approaches. From personal, what we mean here is that company deploy salesperson who contact consumers and try to sell product. They may intercept consumer in retail stores or shopping malls and offer free samples or coupons to increase sales. Salesperson try to convince consumers and also answer consumers' queries.

Why do sales promotion?

When companies spent a huge amount of money in building their brands, then what is the need for sales promotions? Well, there are many valid reasons for doing sales promotion in the following instances:

- A free sample stimulates consumer trial. New product launches like snacks or shampoo can offer a few sample to consumers who can test the product.
- Sellers use incentive-based promotions to attract new triers, to reward loyal customers, and to increase the repurchase rates of occasional users.
- Sales promotions often attract brand switchers, who are primarily looking for low price, good value, or premiums. Thus, promotion can yield long-term increases in market share.
- Sales promotions in a market with similar strong brands can produce a high sales response in the short run but little permanent gain in brand preference over the longer term.
- In markets that have mostly weak or dissimilar brands, they may be able to alter market shares permanently.
- In addition to brand switching, consumers may engage in stockpiling – purchasing earlier than usual (purchase acceleration) or purchasing extra quantities. But sales may then hit a post-promotion dip.

- Retailer’s power is steadily growing and they demand extra incentives to keep company’s products on shelves. Brands that offer incentives or bargains get the prominent shelf space.
- Consumers’ loyalty toward brands, especially typical FMCG and staple goods, is on a continuous decline. Many consumers are indifferent toward brands in many product categories like soaps, shampoo, or toilet cleaners. Even in apparel category, retailers have a strong market share for their own private brands based on discounts.
- E-commerce players generally offer a large discount. Consumers are getting used to sales and offers as they visit retail stores where they always find some discounts. Hence they have developed a favorable attitude toward promotions and either delay their purchase or buy a similar product that gives some sort of discount.
- Another key aspect is brand proliferation. There are a huge number of brands available to choose from with negligible difference. Thus, the cheapest product gets picked up.
- Marketers also share some blame in changing consumer expectations and making deals a norm rather than a one-time event. Almost all the marketers are offering deals. So, if a marketer does not give deals, it will impact the revenues in short term.
- Account managers and sales managers have been given a lot of responsibility and are held accountable for generating revenues. Since sales result in short-term gains, it has become a popular quick-fix strategy with sales managers to increase revenues.

Consumer types and sales promotion

Sales promotion depends on the type of consumer and what a firm wants to achieve from promotion campaign. Most widely used tactics are given in Table 11.1.

TABLE 11.1 Sales Promotion Tactics

<i>Type of Buyer</i>	<i>Desired Results</i>	<i>Sales Promotion Examples</i>
Loyal customer	Reinforce behavior Increase consumption Change purchase frequency/schedule	Loyalty marketing Bonus packs
Competitor’s customers	Break loyalty Persuade to switch	Sampling Sweepstakes, contests Premiums
Brand switchers	Persuade to buy your brand more often	Price lowering promotion Trade deals
Price buyers	Appeal with low price Supply added value	Coupons, price off packages Trade deals

Sales promotion plan

Sales promotion is not an ad hoc strategy but requires a detailed planning and collaboration within all business functions. A sales promotion is bound to fail if supply chain has issues and product is not available at shops. Thus, the promotional plan are set up in advance with a proper understanding among all critical business functions. While manufacturing and operations ensure that adequate quantities of products are available, advertising makes sure that consumers are aware of ongoing deals and discounts. If the firm is using online channel (see the opening case), the IT department must upgrade the IT infrastructure and make it ready to handle the large amount of transactions during the sales period. A typical sales promotion plan consists of the following steps:

1. Establish objectives.
2. Select the tools (consumer and trade promotion tools).
3. Develop the program.
4. Pretest the program.
5. Implement, control, and evaluate the results.

Establish objectives

Sales promotion objectives are derived from broader marketing communication objectives, which depend on core marketing objectives for the product. The objectives are different for consumer or trade promotions.

Objectives of consumer sales promotion

- Increase trial of new products. Free samples or product as a bundle is given to induce trial so that customer may test the product and repurchase later.
- Increase consumption of existing products by offering larger sized units or more number of units in bundle.
- Attract users of competitors' brands by offering discounts.
- Defend market share against competition that are offering discounts.

Mostly, consumer promotions lead to short-term gains in revenue but may have a negative impact in a long term in brand value.

Objectives of trade-oriented sales promotion

- To get distributors for new products. Trade promotions are often used to encourage retailers to give shelf space to new products. There is only a limited amount of shelf space available in stores and hence all the products fight for it.
- To support existing brands. Trade promotions are often designed to maintain distribution and trade support for established brands. Brands that are in the mature phase of their product life cycle are more likely to lose retail distribution,

if they are not differentiated or face stiff competition from new products. Similarly, trade-oriented promotions encourage retailers to display and promote an established brand. Since most of the purchase decisions are made inside the store, hence prominent display and position in shelves can boost up sales.

- To shift inventories to retailers. Company use promotions to shift inventories from their plants to retailers. They offer incentives to retailers to stock products at reduced prices and later on retailer can make profits by selling products to consumers at regular prices. When retailers have large amount of products with them, they would push the products to consumers to reduce inventory costs. Large discounts are given for seasonal products as they can be sold within a time period only. Thus, manufacturers shift the risk to retailers of selling such products.

DIY: OBJECTIVES OF PROMOTIONS

Visit a nearby retail store and enquire trade promotions they get from established brands. You may specifically asked about seasonal products like winter clothes, AC, coolers, and heaters. What happens to left out stock once the season gets over? Also notice the end-of-season sales. Why huge discounts are offered during such sales? You may also interview some consumers about why they buy products in those sales, when they are not going to use such products till next season.

Select the promotional tools

There is a long list of tools available for doing promotions. A firm can select tools from a long list to reach consumers and traders (Figure 11.1).

For Consumer	For trade / distributor
• Samples • Coupons • Refunds or rebates • Bonus packs • Price-off deals • Premiums • Contests or sweepstakes • Frequency programs	• Contests and dealer incentives • Trade allowances • Point-of-purchase displays • Free Training programs • Trade shows • Cooperative advertising

FIGURE 11.1 Consumer and trader tools for promotion.

Source: Authors.

The details of various tools and when to use them are discussed in the later sections.

Develop the program

- In this phase, company must decide on the detail of promotion plan.
- The first step is to decide what kind of incentives to use and the size of total discounts offered to consumers and retailers. Whether it should be 10% off or 25% off, all such decisions are critical to the success of plan.
- Second, company should think about ways to get consumers participate in the campaign. For example, whether consumer will get a coupon code on SMS or direct offers on labels, or they may get cashback instantly or later. As there are multiple ways to offer a sales promotion, marketers must decide in advance how they are going to offer deals to customers. Marketers should analyze the data of similar campaigns in the past and which option fared well. They may also look at industry reports to get an idea about the recent consumer behavior and trends.
- Third, once the marketers have decided the type of sales promotion, they need to decide the duration of the promotion. This should include the start date and for how long the coupon or offers will remain applicable. If consumers get cashback, the validity period of cashback to use for next purchase should also be clearly communicated to consumers.
- Fourth, marketers must anticipate the total budget and cost of the promotion. That will include the advertising, logistics, and expenditure on displays and events. Also, we recommend that measurement of the promotion activities should be included as well to analyze the performance of the promotion later.

Pretest the program

As we notice in the opening case, even the well-known brands may completely fail to anticipate the needs of consumers. So, before running the promotion, company must do a dry run as a pilot study. Company may select a region or few stores and run the promotion with variety like 10% or 20% off and see which option performs better. They may also check the increase in consumer demand and their responses toward the promotion. Suppose, if consumers for any reason do not show much enthusiasm, then it is good to stop the plan and go back to drawing board to change the tactics. There is no point in doing a nationwide promotion which fails to elicit sufficient response from consumers. Hence, pretest is a very critical phase to make a decision of going ahead with full planning.

Implement, control, and evaluate the results

If the results of pretest phase are as expected, then company can proceed with full-fledged sales promotion plan. However, the execution must be carefully monitored in real time to tweak the plan and make necessary changes. Marketers

must take care of lead time required to make sure products are available at stores during the campaign. In addition, the supporting functions like technical infrastructure and logistics should be in place. Then, the next phase involves advertising and selling where consumers get to know the deals via multiple media (e.g., print, broadcast, or digital media). One important thing is when to stop advertising. Generally, when 90% of sales target are met, firm may decide to stop the promotion communications. One can assume that certain percent of consumers are passive buyers or there may be delay from the time when a consumer knows about the deal and makes a final purchase. How many times you have instantly bought any product the moment you see an offer? Thus, company needs to decide the cutoff (it can be 90% or 95%) after which the promotional activities will stop.

DIY: WHEN TO STOP THE CLOCK?

To explain in detail, think about a retail store running an offer on apparels for 1 hour. The store manager keeps announcing to the shoppers in store about the offer. When should the manager stop the announcement? Since the offer is valid for 1 hour only, one aspect is the quantity and the second is duration. If 90% of the desired sales target is met in say 30 minutes, what should be the plan? If the target is met in 45 minutes, when should the announcement stop? Think about situation where shoppers have selected the apparel after 30 minutes of trial and testing, and standing in a queue, which may take another 10 minutes before the billing. Will you allow billing after 1 hour?

Marketers should collect as much data as possible during the sales plan. They should also continuously monitor and analyze the data. They can collect data using POP sales data or using consumer surveys. Sales (scanner) data gives indication of how many consumers participated in the promotion. Company can also do a survey to track changes in consumers' attitude toward brand before and after the promotion. If consumer preferences have changed, especially from competitor's brand to company brand, that means promotion was successful in switching consumers to your brand. A survey after promotion is over can also tell how many consumers went back to other brands as well. Company may also collect data on aided and unaided brand recall and the impact of promotion on consumers' future purchase intentions. For coupon-based promotion, all the coupons are not redeemed by consumers. Company can check redemption rate and also ask consumers why they redeemed (or not) coupons. That should help in improving the success in future plans. In fact, data should be collected as feedback can be input to future promotion plans.

Consumer promotion tools

Samples

Some free amount of a product or service is delivered to consumers via doortodoor marketing, on mail or email, or attached with another product. Sampling is possible when a small quantity of products can be given for trial like shampoo, but it will not work for products like cooking oil which need more quantity for trial. Sampling may not be feasible for products that can't be broken in small deliverable quantity (can you think of some examples?). While using sampling one should also think about the cost of delivery, which may be higher for door-to-door delivery as compared to in-store sampling.

Coupons

Coupons are information as a code that results in some savings to buyers. This is one of the oldest method and became hugely popular due to proliferation of print media. Nowadays, print coupons are rarely used. Most of the coupons are delivered on digital media like email or SMS on phone. The delivery cost of digital coupons is almost zero. In fact, the online coupons are so popular that there are dedicated websites which compile and publish information about ongoing deals and offer from major e-commerce players. Though coupons are very popular, they have their own advantages and risks.

Advantages

Very popular among price-sensitive consumers.

Consumers share codes with friends, thereby increasing the reach.

Very effective in short term to fight competition.

Reliable offensive marketing strategy to attack new product launches of competitors.

Issues

Redemption rate is very low.

Company will not know when consumers are going to redeem coupons.

Too much clutter.

Consumers who will anyway buy the product without discount (loyal consumers) get the same product at a discount leading to lower profits.

Online platforms are misused widely for frauds where consumers are persuaded to click on dubious links to avail offers.

Cash refund (rebates)

A consumer gets some refund or cashback after making a purchase. The cashback can be provided instantly that may be applicable for next purchase. Many

apps-based retailers use this strategy where they offer some amount as cashback once a consumer buys products more than the defined limit. The cashback can be in the form of cash currency or digital wallet points/coins. This means that consumers cannot trade these virtual coins to buy from any other retailer.

Bonus packs

Consumer gets bonus in terms of extra quantity or extra unit on the regular price. The typical examples are 1+1 free offers or buy 3 get 1 free offers or 30% extra of product on the same MRP. Bonus pack serves a special purpose of keeping your competitor away. For example, if consumers have bought extra units, their purchase of competitive products is delayed until the extra unit is consumed. In this way, a firm can gain market share for the period till the next purchase.

Price-off deals

In this offer, instead of more quantity, consumers get a price-off on the regular price of the product. You might have noticed labels of 10% off on regular price in products like toothpaste or snacks.

Premiums

Products are offered free of cost or at a very low price. The offered product is bundled with the main product to increase the sales. For example, companies may offer 1 kg of sugar free with 5-liter cooking oil. In some cases, companies offer the product at a low price, for example, with 5 liter of cooking oil, consumer can get 1 kg of sugar at a price of INR15 (against the typical price of INR50). Premiums are widely used in products targeted toward kids, for example, Kinder Joy and McDonald's Happy Meal, which offer free toys that are quite popular with kids. Many products like chips and wafers also try similar strategies. However, the question is that whether it is ethical to lure kids in the name of free toys for unhealthy or junk food?

Contests or sweepstakes

Contest are based on the popular game or lottery concept where consumers have a chance to win grand prizes after making a purchase. Companies can run contests in which consumers are required to submit entries or photos related to the products. The entries are judged on same parameters and winners are announced. For example, Maggi (from Nestle) ran a national contest asking consumers to share their recipe. The selected recipe of winners got surprise prizes and their photos were published on Maggi packets.

Frequency programs

These programs provide rewards based on consumer's frequency and intensity in purchasing the company's products or services. For example, food delivery apps

offer promotion where there is some discount after five orders in a month to reward loyal and high-value customers.

Trade promotions

Trade promotions focus on trade partners or channel partners like retailers, wholesalers, and dealers instead of consumers. Trade promotions are crucial because they motivate channel partners to buy more from manufacturer and sell more to consumers. Majority of promotions have a larger investment in trade promotions compared to consumers. This is true for FMCG industry and other industries where dealers or shopkeepers are main decision-makers. Can you think of some product categories? When a consumer wants to buy a medicine for headache or stomach pain from the shop, the shopkeeper makes the choice. Even if consumer asks for a particular brand, the shopkeeper may suggest another brand and promote it. There are many such categories like pharma products, paint, cement, spectacles, and lighting where consumers follow the advice of the salesperson. In local kirana stores, in case of small purchases like 1 unit of soap, consumers are more likely to buy whichever brand is available due to negligible differentiation. In such cases, the price point is of the utmost importance rather than brand equity. Indian government has a specific and dedicated India Trade Promotion Organisation (ITPO) under Ministry of Commerce and Industry to provide a broad spectrum of services to trade and industry and acts as a catalyst for growth of India's trade (see Figure 11.2). For



FIGURE 11.2 ITPO organizes various trade promotions.

Source: <https://commerce.gov.in/about-us/public-sector-undertakings/india-trade-promotion-organisation/>

example, it regularly organizes trade promotions related to regional foods, farm products, organic products, hand-made khadi and handlooms, etc. Some popular trade promotion tools are discussed in the following.

Contests and dealer incentives

Similar to consumer promotions, contests and incentives are offered to traders for selling products. Companies regularly reward the distributors which generate highest revenues in a region or during a promotional campaign. Contests or incentive programs are given to sales manager, wholesaler or distributor, store manager, or sales personnel whoever is involved in the product sale. Companies provide typical gifts like wristwatch, wall clock, or t-shirts to kirana shop owners who meet the sales targets. Companies can decide to reward using cash, extra product unit, or even organizing a tour. Sometimes, company offers incentives as a variable reward based on the number of units sold as a fixed percentage. Salesperson are ready to push specific product as they get a percentage from each sale. It is common to see that in a retail store, salesperson try to push a particular brand to consumers. A similar behavior is observed in selling financial instruments like securities, life insurance, and mutual funds where problem of information asymmetry exists between buyers and sellers.

Trade allowances

Companies offer products at some discount to traders so that they are encouraged to stock more products. This is the most common and most widely used trade promotion tactic. Trade allowances can be buying allowance or slotting allowance. In buying allowance, a company can offer 1,000 units of soaps at reduced price to distributor. Distributor may buy product at reduced cost and make money by selling them to consumers. However, dealer needs to sell all the units to make profit. The onus to sell lies on traders. Such promotions are offered for a fixed period. Company may give price-off if dealer purchases more than fixed quantity or offer extra product units. In both the cases, dealers will make profit only if they can sell all the units.

Manufacturers often give retailers allowances or discount for performing certain promotional or merchandising activities in support of their brands. These merchandising allowances can be given for providing special display away from the product's regular shelf position, running in-store promotional programs, or including the product in an ad. Company also uses specialty advertising where low-cost items bearing the company's name and address and sometimes an advertising message are given to prospects and customers. Common items are ballpoint pens, calendars, key chains, flashlights, laptop bags, and toys.

Slotting allowances are incentives given to retailers for stocking the products and displaying on shelves. The proliferation of brands and lack of differentiation have increased the retailer's powers. In a shopping store, consumers are forced to select an alternative brand if the brand which they are looking for is unavailable. No one wants to make repeat visits to a store just to buy their favorite brand of toothpaste! That is where slotting allowance is given as slotting fee to retailers. Since retailers invest a huge amount of money in physical space and incur running costs, they ask for slotting fee because the shelf space is limited and all the brands cannot be placed.

Trade allowances have certain disadvantages. Dealers may do forward buying during promotional period and then stop purchase for next few months. For example, if a store sells 1,000 units each month, it may buy 4,000 units in advance at reduced prices during the promotional period. For the next three months, it will just clear the stock and will not buy anything new. Regular trade allowances makes consumer price sensitive and diminishes brand loyalty. Retail stores invariably run promotion everyday of different brands. Big Bazaar in India started with Wednesday, a single day offers but gradually turned to EDLP (everyday low pricing). In the long run, only brands lose the battle.

DIY: ONLINE TRADE ALLOWANCES

Online retail in India is on the rise. Young consumers are more likely to shop online over offline stores. Do you think trade allowance work in online stores as well? Think and give reasons about your viewpoint. *Hint:* Search for a product category say toothpaste on various e-commerce portals, and see what results you get. Who decides the order of search results? Do you see any promotional ad?

Point-of-purchase displays

Companies provide free pop displays to retailers to persuade and influence consumers to buy products. Soft drink firms like Coca-Cola and Pepsi provide refrigerators to shopkeepers to keep their products at a prominent display location. In retail stores, you may notice such pop displays at the checkout counters. Have you noticed which kind of products are kept in such displays? Do these products fall under impulsive or planned purchase? Industry reports suggest that majority of consumers buy items in retail stores as an unplanned purchase after seeing display or noticing an offer. While traditional marketing focuses on pull strategy, POP displays are push strategy. Thus, it is very important for marketers to capture the attention of buyers in store using POP displays.

Free training programs

Companies also offer free training programs to sales personnel as incentives. They may arrange a workshop or training programs at famous tourist places and bear all the costs. Such incentives are widely used in automobile and insurance kind of sales-dependent industries to motivate and reward the best performers. Many products sold at the retail level require knowledgeable salespeople who should be able to provide consumers with information about the features, benefits, and advantages of various brands and models. Salespeople should be able to answer consumers' queries about the technical features and benefits of products. Product categories like automobiles, cosmetics, consumer electronics and appliances, and exercise and sporting products are some of the examples, where consumers have many questions. In such cases, the role of salespeople is critical in closing the deal. For example, in cosmetics, consumers may inquire about the ingredients of products based on their skin type and allergies, which a salespeople should know about and offer the right product. Companies provide technical as well as soft skills training to salespeople about products and how to handle consumer queries efficiently. Trainings are provided at offices, in real environment, or via online classes by trained professionals. Training process is an ongoing activity where latest information about products is shared regularly with salespeople. Think about computers, laptops, or ubiquitous smartphones. Every six months, a new technology or model is introduced and consumers read about them in online forums and seek questions to their answers with salespeople. Companies also share product manuals, guides, brochures, and information about competitive products so that salespeople can explain consumers about the differences with existing competition and why a particular brand is better. Company also provide video tutorials of product demonstrations and basic handling to store staff.

Trade shows

Companies can organize or participate in trade shows and sponsor dealers. For example, the annual auto-expo show where companies showcase their latest upcoming models are very much in vogue with traders to get a ticket to attend such shows. Trade shows are forums where manufacturers display their products to current as well as potential buyers. Trade shows are used to create buzz about upcoming new products or models. In such shows, prospective leads are identified and data is collected about interested buyer as well as competitive information about other brands. Consumers may book products in advance or request companies to call them when the product is available. Trade shows are very useful for introducing new products, because dealers are often looking for new merchandise to stock. Trade shows help in generating new sales leads that are used as follow-up calls or direct marketing.

Cooperative advertising

Company can tie up with retailers and do a combined advertising that promotes the products and retailer brand both. For example, smartphone brands which offer exclusive sales on e-commerce stores engage in cooperative advertising. In cooperative advertising, the cost of advertising is shared among the participating entities. There are three types of cooperative advertising.

Horizontal cooperative advertising

Horizontal cooperative advertising is advertising when a group of retailers or other organizations advertise together to provide products or services to the consumers. For example, a retail stores chain of a brand can advertise together and share the budget. Typical kitchen appliances or automobile dealers may use horizontal cooperative advertising. During festival season, it is very common where the deals and offers are advertised in print media and locations of dealers or stores are mentioned in the ad so that consumers can visit nearest store to avail the offer. In horizontal advertising, both the parties share the same product. Franchise also extensively use this advertising for promotions.

Vertical cooperative advertising

In vertical cooperative advertising, two parties with differing businesses or products but similar objectives share the cost of an advertisement. In case of physical retail stores, company can share part of advertising budget with retailers to promote its products and enhance display inside the stores. For example, a retail store may advertise about a brand for which it is running a promotion and the cost of that advertisement is shared with the brand. In online commerce, e-commerce players use this advertising to promote products like smartphones which are available as an exclusive product on that platform. Sometimes during seasonal sale, like in case of AC before summer season, e-commerce player can tie up with a brand and promote exclusively that AC brand. Company can pay a display allowance as a special allowance to the retailer for arranging desired display and merchandising effort. This helps the retailer or dealer to boost the store traffic. A professional display influences consumers' mind. Many trade partners organize relevant display as per the season in the market. For example, special displays in Ganapati festival, Diwali, Christmas, Eid, etc.

Ingredient-sponsored cooperative advertising

Ingredient-sponsored cooperative advertising is supported by raw material manufacturers or specific component manufacturers. The main purpose is to establish the authenticity of the products. Intel inside campaign is an excellent example

of ingredient advertising. Intel is one of the largest manufacturers of computer processors. Almost all the PC manufactures put Intel logo with “intel inside” message to inform consumers about the processor used in the system. Food items like cake or coffee also use ingredient advertising to include ingredients that are well-known for their quality among consumers like Darjeeling tea leaves. Cosmetic industry also uses herbal and scientific chemicals to promote their products. Another popular example is Du Pont, which promotes the use of its materials such as Teflon, Thinsulate, and Kevlar in a variety of consumer and industrial products.

Sponsoring

Sponsorship is when a company pays an organization to promote its name during an event. Cricket is extremely popular in India and hence many brands invest a huge sum of money to sponsor cricket series, World Cup, or IPL (Indian Premier League) to reach millions of audiences. For example, Tata sponsored IPL 2022 edition after Vivo backed out. Tata Group sponsored IPL to create brand awareness for its new automobile product launches. Many brands also pump huge money to sponsor the various teams (franchisee) that play in IPL. Companies also sponsor non-profit events or small-scale events like city-based events or university competitions. Sponsorship serves the following objectives:

- Become part of the overall consumer experience in the event.
- Reach target consumers, especially local event-based sponsorships are very selective like young student population.
- Increase brand recall.
- Create brand awareness.
- Strengthen brand image, for example, gaming-specific gear sponsor online gaming events.
- To reinforce brand image.
- To change brand perceptions by offering trails in events.
- Build emotional connections.
- Offer gifts like T-shirts or caps based on some competition.

Miscellaneous

Other than the aforementioned tools, there are many other promotional tools that are used to reward loyal customers (loyalty points), free trials to selective customers, free warranties, or tie-in promotions. The digital platform and technologies allow many innovative strategies such as discounts on first 500 orders or discounts during specific time like 11 p.m. to 11.11 p.m. in night.

DIY: PROMOTIONS

In India, Zomato and Swiggy are the top two food delivery apps that compete fiercely on price. Find out various types of online offers and promotions offered by the two apps. Which offer works well – cashback or instant discount or free delivery above certain value of order? Suggest some innovative tools that apps can use to increase consumer loyalty instead of fighting on price at the cost of profitability.

Limitations of sales promotion

Use of sales promotion has increased in recent past. Especially, the rise of online commerce and ease of ordering using mobile apps have resulted in promotion trend. Online retailers have started price war by offering huge discounts to get consumers at the cost of making profits. In India, many online sellers failed to survive in long run and they either closed the business or were bought by other company. For example, Flipkart Myntra and Jabong and later on Walmart bought a controlling stake in Flipkart. The e-commerce players that started after the dot com bubble after 2001 couldn't survive for long. Interested readers should check the list of such brands/platforms online. Physical retailers were forced to offer discounts to fight the online players and that lead to bloodbath. Both physical and online retail industry are under consolidation phase where merger and acquisition deals are regularly happening. Indian government has drafted a new e-commerce policy to check the practice of “deep discounting” and maintain a level playing field for all types of retailers, including small kirana stores and global giants. Thus, the idea of consistently offering huge discounts is not sustainable. Sales promotion have serious short-term and long-term impacts on brand and business:

- The nature of sales promotion is temporary. They are short-lived and have a short-term impact on sales.
- Sales promotion cannot account for the lack of product quality or performance.
- Some consumers do not go via prices alone to make a purchase. In fact, sometimes a huge discount may signal an inferior quality.
- For some product categories, like consumer electronics and appliances, brand reputation is more important than a discount. So, companies need to decide where to invest the money – in brand-building or in offers. Sony (TV brand) is a good example in India, which is known for its high-quality products and rarely offers deep discounts.
- Sales promotion should be used judiciously as a support to other marketing activities.
- Sometimes, consumers think that company is pushing excess stock or effective units in the name of sales promotion leading to serious dent to brand image.

- Regular sales promotion can change consumer behavior where consumers always look for deals.
- Sales promotion have a significant negative impact on consumer loyalty.

Sales promotion dilemma

You may be aware of famous game theory problem of prisoner dilemma. The problem is stated as follows.

Two members of a criminal gang are arrested and imprisoned. The two prisoners are confined in separate cell and cannot communicate with each other using any means. The prosecutors do not have enough evidence to convict them for their main crime (three years in jail), but they can only send them to jail for one year on lesser charges. The prosecutors offer each prisoner a bargain. Each prisoner is given the opportunity either to betray the other by testifying that the other committed the crime or to cooperate with the other by remaining silent. The possible outcomes are as follows:

- If A and B each betrays the other, each of them serves two years in prison.
- If A betrays B but B remains silent, A will be set free and B will serve three years in prison
- If A remains silent but B betrays A, A will serve three years in prison and B will be set free.
- If A and B both remain silent, then both will serve only one year in prison (on the lesser charge).

Now what is the relation of prisoner dilemma with sales promotion? If you carefully notice, companies engage in sales promotion against each other and both lose together. This is clearly visible in cut-throat competition among online players leading to hefty losses. The four alternatives for prisoners can be translated to two firms engaging in discount wars (see Figure 11.2):

- If both firms do sales promotions, market share may remain same but profitability will reduce significantly for both.
- If one of the firm does sales promotion, and the other does not, then firm doing sales promotion gets the market share and the other firm loses revenues.
- If both firms decide not to do sales promotion, then both will get the highest profits.

Think about the various options and decide what you will do? What are the potential alternatives for a firm which does not want to engage in price war? Can firms create a pull mechanism that ensures consumers buy from firms without too much price consideration? In the next section, we will discuss the two popular marketing strategies, pull and push marketing, that are used to attract consumers instead of solely relying on sales promotion (Figure 11.3).

Our Firm

Other Firms	Cut back on promotions	Continue promotions
Cut back on promotions	Higher profits for all firms	Our firms gains market share
Continue promotions	Other firms gain market share	Losses for all firms

FIGURE 11.3 Sales promotion dilemma.*Source:* Authors.**Pull marketing**

A pull marketing strategy motivates customers to seek out the brand in an active process. The concept focuses on “Persuade customers to come to you to buy your brand”. Here “come to you” does not literally mean a physical visit but what it means consumers actively look for your brand to purchase. In online world, inbound marketing is used as a pull strategy that will be discussed in chapter on Internet marketing. Some of the popular pull marketing strategies are as follows:

- Advertising to influence consumer behavior and build a strong brand image in consumers’ minds so that the brand becomes consumers’ first choice.
- Generating a strong positive word of mouth from other consumers or experts. Word of mouth can be offline or on online. Many companies are careful about what people are talking about brands online. Companies try to create viral videos or ads that are shared or watched by large number of consumers.
- Database marketing, especially for consumers who search for products online, is used to offer deals to induce purchase. If you search for a product on a popular website (travel tickets or a beard trimmer), you will notice related ads with offers displayed in browser and you may also get an email for similar products.
- As discussed, sales promotion are the most popular and widely used tool in pull marketing where lucrative deals and discounts are offered to attract consumers to purchase products.

How pull strategy works?

Pull strategy works in a way that customers actively seek out specific product/brand and retailers also place orders to meet consumer demand (see Figure 11.4). The first step is to create the awareness about brand and promotion using mass media advertising, including digital marketing as per target consumers. Consumers start information search about deals and products either online or offline where they inquire with retailers or shopkeepers. The first step leads to anticipation and retailers may start ordering products and stock it to meet the increased demand. This is how creation of demand and supply works during pull strategy. In online environment, pull marketing is known as inbound marketing that means all about making your product or service visible to prospective consumers at the right time. Prospective consumers should be able to find the product when they look for it and should be able to buy it easily. Inbound marketing involves many activities like having a responsive website, search engine optimization (SEO), search engine marketing (SEM), email marketing, and social media and blogs. Inbound marketing is discussed in detail in relevant chapter on Internet marketing.

Use of pull marketing

Pull marketing is often the primary business strategy for companies aiming at the following:

- Build a loyal customer base.
- Increase repeat purchases.

Push Strategies



Pull Strategies



FIGURE 11.4 Push and pull marketing.

Source: Hubspot.

- Get long-term business growth (rather than short-term growth).
- Strengthen brand equity.
- Maintain a strong position in the market.
- Dominate the online presence.
- Increase website traffic using organic or referrals.
- Increase revenues and profitability.
- Engage with consumers before they know what they want, at the top of their shopping funnel.

Push marketing

Push promotional strategy involves taking the product directly to the customer via whatever means, ensuring the customer is aware of your brand at the point of purchase. The concept works on “Taking the product to the customer”. Push marketing focuses on increasing sales in short term. There is a misconception that push marketing is bad and pull marketing is good. The perception is created by online marketers and strategist. We would defer a little bit with this conception. There are some product categories where push marketing is more efficient and may be only feasible means. Can you think of some products which you do not seek actively but are needed? Unsought goods are mostly sold via push marketing. Some products which need a demonstration may also use push marketing. Some examples where push marketing works better are life or health insurance, fire extinguisher, exercise equipment, automobile scratch removers, and pest control products.

How push strategy works?

Push strategy works to push products to consumers and persuade them to buy. For example, a life insurance agent may directly call or visit a prospective customer to explain the product. The salespersons generally use creative tactics to create a hypothetical situation to stress the need of life insurance. (In India, many people don't have an insurance and we think that having an insurance is a must.) The salesperson may ask prospect about who will take care of their family needs, children's education, and schooling if something happens to the sole breadwinner. Thus, the strategy is to stimulate the environment where the product would be of great help. Since people do not generally think about such unpleasant circumstances, they fail to evaluate the need of the product. Similarly, Indian houses rarely have fire extinguishers to manage the fire if it breaks out, which is very common. But people perceive that it won't happen to you. In many cases, especially in semiurban areas lacking access to safe drinking water do not invest in good water purifiers. In such cases, a live demonstration of the poor quality of water and how it can affect the health of family and subsequent expenses on treating waterborne disease can be used to sell water purifiers.

In a retail setting, company may push products to intermediaries like wholesalers via discounts and deals, and retailers will push the sales by using salesperson in the store. Push marketing is a direct marketing strategy involving one-to-one selling. Manufacturers need to fine-tune their supply chain and coordinate with retailers for a successful push strategy. This strategy works best for FMCG products of lower value like toothpaste, toothbrush, shampoo, snacks, candy, and small packaged items. You may have noticed that such low-value items are placed at checkout counters to induce impulsive buying. Push marketing is widely used for promoting new products to increase exposure and trails by consumers.

Examples of push marketing

- Direct selling to consumers in stores or showrooms
- Push product inventory to retailers
- POS (point of sales) displays
- Cold-calling/selling on telephone, promotional emails
- Billboards, direct mails, pamphlet distribution
- Door-to-door sales

Use of push marketing

Some examples where push marketing can work better are as follows:

- New product launch
- Event-specific marketing, for example, during festivals or holidays
- To generate short-term revenues
- To clear stock, especially for seasonal products
- As an offensive strategy against new launch from a competitor
- To gain market share against a dominant competitor
- To ensure profits for trade partners

Push versus pull marketing

In a push strategy, suppliers “push” their goods toward consumers, and in a pull strategy consumers “pull” information or products that are suitable for their needs. Mostly people get confused about sales promotion, whether they are pull or push strategy? If the sales promotions are directed to consumers, so that consumer actively seek the product, it is pull strategy. If sales promotions are directed toward traders or retailers such that they stock the product and employ salespeople to push the products to consumers, it is called push marketing.

What are the prerequisites for the two strategies and when to use which strategy depends on many factors. A push strategy requires integration of sales force, trade promotion money, or other means to induce intermediaries to carry, promote, and

sell the product to end users. A push strategy works better in case of low-brand loyalty, and where purchase decisions are made instantly in a store and impulsive purchases. In contrast, pull strategy requires investment in advertising, promotion, and other forms of communications to persuade consumers to demand the product from retailers who order it from the manufacturer. Thus, pull strategy is more suited to products that have high-brand loyalty, high-involvement products, and where brands are clearly differentiated. So, a push strategy for firms with no sales-force or rapport with retailers will not work. Generally, firms use both strategies to meet their short- and long-term goals and revenue targets. A successful marketing strategy will have elements of both the push and pull promotional methods. In case of new brands or products which are mostly sold via retailers, a push strategy may be used. Once the brand is well-established and have a loyal consumer base, marketers can rely more on pull strategies. A push strategy is more effective when accompanied by a well-designed and well-executed pull strategy that activates consumer demand. If consumers do not show adequate demand, it can be very difficult to gain much channel acceptance and support, and vice versa for that matter. Even the global brands and market leaders like Coca-Cola, Samsung, and Unilever all employ a mix of push and pull strategy.

DIY: PUSH AND PULL STRATEGY

In India, an unknown Chinese smartphone brand entered in 2010. Most of the consumers could not pronounce its name properly. In just ten years, the brand has become the India's largest selling smartphone brand. You can search online and track the history of Xiaomi and notice how it used a combination of push and pull strategies to become the number one brand in a span of eight to ten years against the likes of Samsung, LG, Sony, and many other local and global players.

Conclusion

Most of the companies used advertising and direct marketing to sell their products for many years. However, brands are facing a tough competition due to brand proliferation and rise of online commerce and organized retail. Especially, online e-commerce has changed the game of promotions via deep discounting. Hence, many firms are putting more money into sales promotion rather than typical advertising. The consistently eroding brand loyalty, ever-increasing power of retailers, and consumers' expectations to get regular deals and narrow focus on short-term gains are the main driving factors behind increasing sales promotion. Sales promotion are targeted toward consumer or trade-intermediaries. Some of the consumer-oriented sales promotion techniques are samples, coupons, bonus, price-off, and

contests. Trade promotions include training, contests, trade allowance, POP sales, and trade shows. Sales promotion has its own set of advantages and disadvantages. Brands can use promotions to fight competition and gain short-term revenues. But consistent sales promotions have a negative impact on brand equity and lead to habit formation of consumers where they become highly price-sensitive. If brands rely too much on sales promotion, it impacts the brand reputation as consumers may perceive inferior quality of product. Extensive sales promotion by firms may lead to price war where everyone loses profitability. Thus, sales promotion should be selectively used as a tactical tool to increase short-term sales, clear inventories, and thwart competition.

Discussion questions

1. Why retailers use discounts and promotions? What are the advantages and disadvantages of sales promotion?
2. What is the role of online e-commerce players in increasing the trend of sales promotion? Is it good for industry? Is it good for consumers?
3. Discuss various sales promotion tools for consumers and traders with examples. Discuss their advantages and situation where they can be used.
4. Can sales promotion always increase sales? Why or why not?
5. Sales promotion depend on product categories. Which product categories are more susceptible to promotions? Which products need minimum or no promotions?
6. When firms engage in sales promotion, it leads to problem of prisoner dilemma. How firms can signal each other about stop promotions? What are the alternatives available for a firm if it does not want to do promotions?
7. Can a brand maintain market share without giving any offers? Find out some real stories from the field where brands have successfully won market share with minimum promotions?
8. Which promotional tools are most effective in Indian markets? Give examples. Why do you think they are more effective?
9. Define push and pull marketing strategies. How they differ from each other? Discuss with examples when to use the two strategies.

IMC in practice

Go through some newspapers (especially regional newspapers) and magazines and find out promotional ads with offers. If there is any festival or big event coming up, look at the event-specific offers. Analyze the ads on the following points:

- Which type of products offer more discounts?
- Are discounts based on brand or category or bundled purchases?

- What about online aggregators, e-commerce players? Do they use print media to give offers to consumers?
- Prepare a list of various offers and identify the type of promotion.

Learning objectives

1. Discuss the role of sales promotions in IMC.
2. Understand and compare consumer and trade sales promotions.
3. Evaluate sales promotion strategy based on short- and long-term objectives.
4. Explain various promotional tools and their benefits and shortcomings.
5. Understand push and pull marketing.
6. Discuss the challenges in sales promotion.

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12

DIRECT MARKETING AND PERSONAL SELLING

Introduction

Introduction to direct marketing

Over two-decades-old direct selling industry in India has come around from nothing to clock a turnover of Rs.18,067 crores in 2020–2021, selling various products ranging from plastics to nutrients, as per the report by the Indian Direct Selling Association (IDSA). The growth in this industry is largely driven by selling wellness and personal care segments targeting the upper-middle-class metro populations. Indian direct selling industry is largely dominated by brands like Amway India, Herbalife, Modicare, and Tupperware which have entered Indian households rapidly. The rapid growth in this industry has been driven by huge demand for health, nutrition, and lifestyle products. Direct marketing of services is expected to be the next big growth area.

According to the Direct Marketing Association of the United States, Direct marketing “is an interactive system of marketing which uses one or more advertising media to effect a measurable response and/or transaction at any location”. In other words, it is a one-to-one approach, which uses different media to directly communicate with the individual customer rather than involving a third party. This enables immediate response.

According to Kotler and Armstrong, direct marketing is “Direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships”. Direct marketing entails communicating directly with carefully selected individual customers to elicit an immediate response. Customers are communicated directly by direct marketers, frequently on a one-to-one, interactive basis. The direct marketers closely match their market offerings and communication with the needs of individual buyers. Direct mail,

telemarketing, personal selling, direct response television or radio, mail order catalogues, etc. are different vehicles of direct marketing.

The goal of mass marketing is to raise brand awareness and produce sales in the future, whereas the goal of direct marketing is to sell the product now. This is one of the fundamental differences between the two. As a result, direct marketing emphasizes on offers rather than products alone, and deadlines are used to promote quick responses. Thus, direct marketing has both communicative and behavioral purposes, that is, to advertise a product while also encouraging people to buy it. Some of the characteristics of direct marketing are as follows:

1. *Interactive*: Direct marketing is one-to-one marketing, in which each potential customer is individually interacted with, allowing for additional opportunity for brand-building and relationship-building with the customers.
2. *Response mechanism*: Direct marketing allows the customers to always respond to the offer made by the brand. Telephone numbers, business-reply envelopes, coupons, etc. are different mechanisms that allow the prospect customers to complete the two-way communication.
3. *Direct channel*: The network of buying and selling between a consumer and the marketer is free from any third party. In other words, it is direct, without any involvement of any intermediary. Usually orders are placed in person, over the Internet, via mail, or through telephone call and the product delivery is direct to the customer doorstep.
4. *Database*: Direct marketers target the prospect customers with the help of a database, which is a storehouse of customer information. A database is the heart of the direct marketing. It contains information about prospects/customers such as name, address, and other contact information, geographic and demographic information, and even behavioral and psychological information. These details are gathered from both internal and external sources, as well as from the customer directly or indirectly. Based on a database, a marketer can well understand the customer's needs and successfully target viable prospects. It can also be used to record, save, and measure the results of advertising or purchase campaigns. Based on the captured data, various analyses can be performed. As a result, databases are as strong as the information they hold and the flexibility they provide.

Strength and weaknesses of direct marketing

Strength of direct marketing are as follows:

- *Quicker sales*: Direct marketing involves no intermediary in-between the market and the consumer; thus, sales can be faster than the traditional channels.
- *Better targeting*: It allows proper segmentation and targeting of the customers based on the database. A well-designed database will reduce the efforts of the marketers by enabling them to target the right set of customers using several demographic, psychographic, lifestyle, and behavioral variables. This results in better utilization of the resources.

- *Tailored messages:* Direct marketers can easily personalize certain message elements with the help of the database to enhance effectiveness.
- *Measurable response:* One of the biggest benefits of direct marketing is the opportunity to measure response. A direct marketer can communicate with a specific number of prospects as per the information available in their database and calculate the number of sales conversions based on the orders placed. This helps the marketer to calculate the costs of producing a response and the income incurred from it. However, in mass advertising campaign, marketers never get to know how many prospects consumed their advertisement.
- *Relationship building:* The marketers can easily build relations with the prospects/customers as they are in direct contact with the individual customer. This enables the opportunity to build relationships.
- *Distributor's profits:* All of the earnings that would otherwise be lost in the channel go to the marketer. However, in order to make use of this advantage, they must consider how distribution affects their product. Customers can see, feel, compare, and return products through a distribution channel. They can also switch to alternatives or return the product.
- *Predictable investment and return:* Direct marketing products are usually made to order; hence the investment and return are more predictable, and less risk is involved. For example, Maruti Udyog Ltd. keeps just-in-time inventory and assemble cars only after orders are confirmed.
- *Less competition:* In comparison to mass advertisements, the number of competitions is substantially less. Other communications in the mailbox, phone calls, and other sales agents or organizations employing direct marketing compete with direct marketing.
- *Aide in market research:* For market research, direct marketing vehicles can be used. Questionnaires can be distributed via direct mail or delivered in person, and responders can be compensated for their responses. Marketers can learn a lot about their customers by interacting with them even if they do not conduct a formal market research study.
- *Costly medium:* Direct marketing's biggest disadvantage is that it is a costly medium that is not ideal for reaching huge audiences.

Case in point 1

In 1970, when the company launched 30-gram, collapsible tube as a consumer pack, they applied a strategy to make Fevicol a consumer brand. Instead of selling the product to stores, they sold it directly to carpenters (primary consumers). For their Fevicol design idea, they have catalogues for customers to choose among different interior designs, customized by certified furniture contractor by Fevicol.

Choosing the right product category

Every product is not suitable for direct marketing. How many of us will want to buy potato chips through a mail order catalogue or the Internet? The products must possess the following characteristics to be sold through direct marketing:

- Products which are not readily available in stores, or the products have unique features.
- Complex products not possessing usual features and require more explanation, for example, life insurance policies.
- Products with a high sale value, for example, banking products.
- Products having a wider appeal and well-defined user base.
- Service-based products that require personal interaction with the consumers and personalization or customization, and customer relationship management.
- Products that have high level of customer involvement.
- Products with the potential for cross-selling and upselling.
- Products that have a huge need for information or products that can be used for market research.
- Products which customers buy without letting others know about it.

Case in point 2

Coca-Cola partners with restaurants, movie theaters, and multinational organizations and forces out other competition.

Share a Coke campaign

For the first time in the brand's history, 150 names of the country's most popular millennials were printed on the labels of Coke bottles to target the young audience. Consequently, the reach exceeded expectations, with 7% increase in young adult consumption. Consumers were prompted to convey a personal experience on social media. They posted 500,000 photos.

Your name on a Coke bottle? That's personalization! "Share a Coke" is pure call-to-action advertising.

Direct marketing: a difficult nut to crack

Even if direct marketing has the potential to convert a prospect to a customer, it comes with its own challenges. The prime objective of direct marketing is to generate a behavioral response. Direct marketing goes beyond generating brand awareness, interest, and preference and sometimes it goes beyond purchase decision as

well. It is an action which enables the marketer to ask for a donation, a purchase, or a subscription. The creation of this action is very difficult for the marketer because it calls for certain reassurance, it entails mechanical issues, and it necessitates a response mechanism.

The quintessential elements of direct marketing

There are three factors at the heart of direct marketing that must be present for it to be successful. The factors are as follows:

- *The list*

A list is a collection of prospects who will be targeted in the marketing campaign. The list is prepared on the basis of the database. It is the most important element of direct marketing as it helps in choosing the right prospect. As marketer of a car insurance policy, one may have right offer, but if they target someone who does not own a car, then the offer and the message are not going to yield any positive results. Again, on the other hand, if the marketer is targeting the right prospect, even if the offer is incompetent, he can get away with it if the prospect is in a dire need for the same.

With the emergence of technology and computer devices, the development of extensive database has become much easier. Marketers target the prospects on the basis of some common characteristics that indicate that the prospect can be converted to a customer. The list can be merged and repeat entries can be omitted from the list and it can be compiled to get an ideal list of prospects whom the marketer intends to target. The advertisers continuously seek for information in order to add it to their database and make the list as accurate as possible. Hence, when someone joins a gym, he/she may start getting mails on the health drink/protein shakes available on the market. Again, if someone is looking for flight booking, he/she may start receiving emails from hotels and travel services.

List can be of three types:

1. *House list*: This list comprises existing customers of the marketer. It is considered to be the most valuable list which has information regarding the customers who already made a purchase in the past from the particular organization. For example, when you visit a restaurant, you need to give your details at the reception which includes name and contact details. This is the house list for that restaurant.
2. *Response list*: This is the list of people who have responded to the direct marketer's offer and message that have been communicated through a mail, or a magazine ad, or even through a personal phone call.
3. *Compiled list*: This list is procured from a direct marketing list broker. Magazines rent their subscribers' list, email sites rent their user lists, etc. This list is not that reliable because of the data quality. It can be old and poorly defined.

- *The offer*

An offer is the value for money that the direct campaign offers. What the customer is getting in an exchange for the money which he/she is paying? In most cases, offer is something more than only the product. Every variable that satisfies the needs of the customers is regarded as a part of the offer. This could include discounted price of the product, after-sales service, delivery of the product, the features of the product, credit acceptance, and free gifts, guarantee, or warranty attached to the product. It conveys message to the customers that they are valued by the organization. An offer generally has a limited time span in order to generate more traffic, for example, coupons with a limited time, lucky draw, and contests. The response mechanism should also be mentioned in the offer.

- *The message*

The message is the piece of information through which a marketer tries to gain attention of the prospects. The message's goal is to entice the prospect to read or learn more about the offer. The message delivery should be done in a very eye-catching manner.

Role of direct marketing in IMC

As is the case with other promotional elements, here also direct marketing program complements all other promotional mix activities:

- *Direct marketing and advertising:* Direct marketing is a type of advertising in itself. The straightforward offer, whether delivered by post, email, print, or television, is an advertisement. In many of the cases, the advertisement aids the direct sales attempt.
- *Direct marketing and public relations:* Firms often employ telemarketing techniques to ascertain public sentiments about their brand and firm's activities. They seek public response with regard to various sponsorship activities. Often government agencies make use of direct marketing to reach out to a large group of people to either create awareness or seek response toward various programs.
- *Direct marketing and personal selling:* Non-government organizations and other charitable institutions make use of direct marketing tools combined with personal selling to seek instantaneous response from the target group (raising funds, donations, charities, etc.)
- *Direct marketing and sales promotion:* Used especially by local retailers and wholesalers, wherein they make use of pamphlets and other direct marketing tools to make consumers aware of the different sales promotion schemes and discounts being offered by them.

Direct marketing media

Direct marketing uses both mass marketing media and other unconventional media vehicle to deliver the message to the prospects. One or more than one medium can be employed to deliver the direct marketing message to the prospects. The most popular direct marketing media are as follows:

- *Direct mail*

Direct mail is one of the most common forms of direct marketing. The message which the marketer wants to deliver to the prospects is sent through mail or posted, couriered, or hand-delivered personally. A direct mail can be a letter or a brochure, a business-reply envelope, product samples, etc. Marketers can tell a story or describe something in detail through direct marketing. In direct mail, there is less competition. It has a better chance of attracting readers' attention. A variety of consumer characteristics, such as name, last purchase, amount spent, and so on, can be used to design direct mail. To acquire clients' ideas and opinions, a feedback form can be linked to the direct mail. It's a useful tool for market research.

On the contrary to these advantages, there are certain disadvantages to direct mail. Due to high cost of post, direct mail is an expensive medium to convey the marketers offer and message. Thus, cost per thousand is much higher than mass media. Also, as direct mail constitutes one-to-one delivery of message, the reach is also very limited. The creation and maintenance of the database is also expensive. Moreover, due to increase in direct marketing activities, many mails are left unopened by the prospects and are considered to be junk. Furthermore, people also view direct mail as an invasion to their privacy. However, the larger and tighter the list and better the offer and message, the more is the chance of the response rate. For example, coupons and contests entry forms are more effective than a phone number or an address.

The proper designing of a direct mail is very critical in understanding the power to grab attention of the readers. If the text and the visuals are in perfect sync, then it conveys more meaningful message and attracts the attention of the prospects. The content and the graphic can be of any sort. However, the conventional format serves as a checklist. The package contains an envelope, a personal letter, a brochure containing information, leaflets, and business reply card. The envelope is a summary of the offer on the outside which increases the curiosity of the reader as this will decide whether the reader will read the mail or not. It is also advisable to not leave the back of the envelope entirely empty. Marketers should at least include a logo, or a tagline of the company, contact details, or summary of the message inside the envelope.

For example, Nike is boosting its direct-to-customer business with tech acquisitions. Videos replaced photos to let you see the product in action almost everywhere through email marketing. A big logo at the top, followed by a bold title. Finally, one simple line of copy that fits perfectly with Nike's brand voice.

- *Catalogues*

A catalogue is a direct mail publication that displays the products for sale. It usually contains all the information necessary to place an order. A catalogue marketer must ensure that the ordering procedure is simple and convenient. The key difference between direct mail and catalogue is that the former attempts to sell one or two products while the latter intends to sell multiple products at a time. In other words, catalogue is used when the marketer wants to display each and every offering he has to make. There are online catalogues available as well. The advantages of online catalogues are that there are no space restrictions. The marketer can display as many product pages as the server space allows. Any changes can be made anytime, and it is cost-effective.

Catalogues must present products in a precise order, from least to most costly, by product category, and based on other criteria. The catalogue should provide as many characteristics of the product as possible. The product information must be displayed alongside a picture of the product in catalogues. The image must be eye-catching to pique the readers' interest and encourage them to read the material. The text accompanied with the pictures contains information about the product's size, color, price, and other relevant features. Some catalogues, such as those of merchants like Reliance Trends and Lifestyle or any other fashion designer, are image-building, with bright colors, unusual sizes, and illustrative styles.

- *The Internet*

The Internet is one of the most convenient direct marketing media. It is most advantageous of all other media. In India, online ordering is very common. Websites serve as a virtual storefront and provide direct marketing. Online catalogues can cut down mail order catalogues that are pricey to produce and distribute. Direct marketing emails are very similar to direct mails, it is just a virtual counterpart. Internet makes it much easier and convenient to gather customer information and build a database. This makes it easier for customers to communicate and provide immediate feedback, allowing for easier customization, personalization, and problem-solving.

On a personalized page, customers can be greeted by their name, examine their account details, contact with the marketer, and so on. Customers can also create their own networks on the Internet, which allows marketers to cross-promote across those connections. Direct advertising over the Internet is very similar to that of mass marketing over the Internet, the difference between the two is that consumers can buy online in case of direct marketing which is not possible in the case of mass advertising.

- *Telemarketing*

Even though not very much well-known in India, well-targeted telemarketing yields good outcomes. Ads delivered through phone calls combine personalized experience with mass marketing, resulting in the development of relationships. The important thing to remember is that the telephone is a highly personal medium, and most consumers despise receiving unsolicited phone calls from advertisers. Moreover, it can also generate negative perception toward the product which is tele marketed. Now the regulations which govern the telemarketing industry has also been stricter and a “Do Not Call” list has been published. Hence, telemarketing must be used more cautiously.

Telemarketing can be both inbound as well as outbound. Inbound calls are originated from the customer’s end, where they would like to gain product information, or place an order or solve a problem. It is very common after the advertiser has advertised a product recently. Inbound calls are usually more effective as the inquiry comes from the customer’s end. Unless it is a very well-known company which receives regular calls from the customers, it is not a wise decision to bug customers with the help of Interactive Voice Recording (IVR). Customers prefer communicating with human agents. On the contrary, outbound calls are made by the company’s end where company hires sales representative to make such calls to the customers. They are likely to generate more resistance.

The most significant advantage of telemarketing is that it allows for direct interaction with customers. This is the reason why live calls are more preferred than prerecorded sales pitches. There is a greater opportunity to answer specific queries on a live call. Marketers should ensure that their sales agents are polite over the call with the customers and are well-trained to answer the queries of the customers. The message that is delivered in telemarketing must be simple so that it is convenient to deliver over the call. Complex messages involve lots of calculations, demonstrations which becomes difficult to deliver through phone calls. The messages delivered through telemarketing must be strong enough to meet the product requirement of the customers and provide solution to the problems. It is not necessary to always make a sale over the phone, the marketers can also send invites to the prospects through phone calls, for example, for a test drive of a car, or trying out new jewelry collection that has come in the new stock. The message should be brief, to the point, and should not be more than 2–3 minutes.

Ethics in direct marketing

In order to become the most personalized marketing media, direct marketing invade the consumer privacy. Not only the personal information of the consumers is recorded with the direct marketer, but they also try every way possible to acquire behavioral, psychographic, and lifestyle information about the consumers.

Much information is even obtained without the customer knowledge and permission. While searching something on the Internet, the marketers drop cookies and try to track the customer's Internet usage. This can also cause threat of exposing to frauds and sensitive information like credit card details can also be analyzed. With the growth of organized retail sector, the checkout scanner can also be one of the tools to capture customer data and learn about their personal information like name, product purchased, frequency, and quantity of purchase. Every direct marketer must decide how much information to collect and must draw a line where it is necessary.

Building a data warehouse

For a successful database, marketing a proper data warehouse is required to hold the customer data. The IT department and the marketing department distinguish between operational database and marketing database while building a data warehouse. Operational database records the individual's transaction with the firm and follows the accounting principle, whereas the marketing database consists of information regarding the current customer, former customer, and the prospects. For example, customer name and address, email address, history of the purchase, complaints, enquiries, results of any customer surveys, database coding such as lifetime value and customer segment clusters.

Gathering such information turns the data warehouse into a powerful marketing and communication tool.

- *Email, Mobile, and Internet Data*

Email addresses are one of the most essential elements of any quality database. Internet and email provide cost-effective way of communication that helps in building relationship with the customers. Most of the database programs use digital tracking to register and store website visits, browsing pattern irrespective of the type of device used (computer, tablet, or mobile phone). This helps to personalize the company's website for individual customers. For example, when someone logs in to the website, he/she is greeted by his/her name. This tracking technology helps to recognize that the concerned person has logged in to his/her account or someone else must have logged in to their account through his/her device. The content of the page is also customized as per the user's past purchase or browsing history.

- *Purchase and communication histories*

Effective database programs help to maintain detailed customer purchase histories. Each and every interaction between the company and the customer are recorded by the database operators. Even if a customer sends an email, that is also

recorded in the database. If a customer returns a product or calls up the customer care service for some assistance, that is also recorded in the database. The system also identifies the products that are added to the shopping cart, but the order is not placed yet. This helps in determining the future interaction with customers and helps the marketing team to understand the customer lifetime value and other customer value metrics.

- *Personal preference profiles*

The marketer cannot get the clear picture about the customer only through the purchase and communication histories, quality database marketing program includes profile with specific information about every customer's specific preference. These profiles are created through customer surveys, information provided while filling the application of loyalty card, etc. Every time the company comes in contact with the customer, the information is recoded in the database along with the customer response. This information helps to understand what is right to do and what is not. It further helps in customization of the communication with every customer which eventually increase the chances to succeed.

- *Customer information companies*

A company obtains demographic and psychographic information about the customers by working with a marketing research firm which specializes in collecting the customer data. IMRB International and Impetus Research are some of the companies that collect the customer data in India.

Companies also merge the data obtained from websites with the offline information provided by the marketing research firms. Once merged, the companies store this information in the cookies and help in future customization and personalization of the website to have effective communication with the customers. For example, based on the past purchase history, the website can be personalized.

- *Geocoding*

The process of assigning geographic codes to each customer's record in order to plot customer address on a map is referred to as geocoding. This helps in deciding the placement of the retail outlets and direct marketing materials to specific region. Geocoding also combines demographic information with lifestyle data. This helps the marketer to identify the best-suited media for advertisement.

- *Database coding and analysis*

The information gained from database coding and analysis is used to build personalized communications. They help in creating marketing promotional

campaigns. Common forms of database coding include lifetime value analysis, customer clusters, and location data tracking.

1. *Lifetime value analysis*

A lifetime value of a customer or a market segment refers to the present value of the future profits that individual customer or segment of customer will generate over a lifetime relationship with the organization. Market segment lifetime value provides more accurate information than individual lifetime value as it sums costs across multiple customers, whereas individual lifetime value only considers the costs for a single customer.

We need to calculate revenues, costs, and retention rates in order to ascertain the lifetime value of a customer or a set of customers. Revenue and costs are easily available as the companies record the same for accounting purposes, but in order to calculate the retention ratio, accurate marketing database system is a must. An important metric to be used in lifetime analysis is the cost of acquiring new customer. It is calculated by dividing the total marketing and advertising expenditures in rupees by the total number of new customers acquired. For example, if a company spends Rs.2,00,000 and acquires 100 new customers, then the acquisition cost per customer becomes Rs.2,000. (Rs.2,00,000 divided by 100). Another important metric is the cost of maintaining the relationship with the customer. It measures all the costs which are related to marketing, communicating, and maintenance of the records in the database. However, obtaining such records becomes difficult as such costs are usually incurred for campaigns, so identifying the cost for single customer becomes difficult. With the help of technology and computer systems, the entire cost of the campaign can be allocated to single customer either by considering the average or by allocating a portion of these costs to individual customers or to a lifetime value segment. A lifetime value figure for a customer segment of Rs.50,000 represents the amount of revenue on an average each customer will generate over his/her lifetime. With the help of proper communication and marketing, the company may be able to increase the lifetime value.

2. *Customer clusters*

Marketers employ a variety of coding schemes to divide customers into clusters based on several criteria. A bank can group their customers into various clusters on the basis of a number of accounts, type of accounts, and relationship the customer has with the bank. Again, a retail store can group their customers according to the type of product purchased, amount of product purchased, etc. and then develop a marketing plan for such different groups. Streaming services such as Netflix, Amazon Prime, and Disney+Hotstar often cluster their customers as high-usage and low-usage customer segment so that they know how they should spend on the advertising. Again, grocery retail cluster their customer segment as per household income, household size, head of the household occupation, and urban and suburban households. The marketing team designs the advertising

and allocate different advertising to different clusters. This results in reducing the advertising design costs and lead to more effective ads.

3. *Location data tracking*

A new form of data analytics is based on the information gathered from the customer location through GPS technology. Companies use customer location data and combine it with profile information. It is very commonly done by the mobile apps. The smartphone users are generally unaware about the privacy implications of certain permission they grant while using the apps and services in particular when it comes to location tracking. With the help of machine learning technology, these data provide sensitive information about the place where the consumer lives, their habits, interests, places they visit, demographic details, and information about their personalities. The marketers use these data to understand the customer behavioral and psychographic information which they can use in order to design the marketing plan according to the customers. This enables the marketer to target the specific segment of customers.

• *Data Mining*

Data mining is a process of using the computer data analysis software to study the data and find meaningful information from it and helps in building relationships. Data mining involves two primary activities:

- a. Making profiles of customer segments
- b. Building models that predicts future purchase behavior based on past purchases

Data mining helps the marketing team in creating profiles of the firm's best customers. these help in identifying the prospect customers. Marketers take advantage of it to understand the "good" customers and make sales calls to convert the good customer to customer of higher values. The companies which deal with various ranges of products and services generally develop multiple such profiles. These profiles help in targeting sales calls and identify cross-selling possibilities.

Curl Analytics, an Indian data analytics company, works with several significant companies in India. As a large brokerage firm in India, the company is leveraging data to construct algorithms and developing models to forecast financial markets. In addition, Heritage Foods benefits from the company's assistance in increasing sales. The marketer of Heritage Foods gathers customer data from Curl Analytics to expand company's sales by studying the customer group.

Medium-sized enterprises, such as Karza Technologies in Mumbai, use data mining to do background checks and assess creditworthiness of entities based on not only their previous performance, but also on their future potential and intent. The firm specializes in profiling small- and medium-sized firms, particularly in terms of the validity of their statutory registrations and negatives. Multiple negative

profiles of defaulters, fraudulent businesses, shell companies, and criminal offenders are identified and linked together by the company to help banks and non-banking financial companies better profile their customers and filter out the bad ones.

The second data mining technique is to develop model that helps in predicting future sales based on past purchases. Marketers prepare a model to understand the buying habit of the customers based on frequency of buying. Customized emails can be sent to those frequent buyers. The marketer first analyzes the information available in the data and accordingly plan the marketing activities. Profiles and model together lead to effective marketing campaigns. The data provide clues to the marketer about the best method to approach each segment of customers.

Data coding and data mining serve three purposes:

1. Assist in developing marketing communications. The marketers utilize this information to choose the type of promotion, advertising media, and message to be delivered to each customer group.
2. They help in developing marketing programs.
3. The company salesforce can utilize this information to identify prospects and make in-person sales calls to individuals.

Database-driven marketing communications

Creating a database, coding the information, and performing data mining make it easier to utilize the output with the goal of establishing one-to-one communication with the customers. Through personalized communication, the marketers can build relationship and lead to repeat purchase and increase the loyalty. This helps in building brand equity. A database marketing campaign comprises several methods for personalizing messages and keeping track of which sorts of communication are effective and which are not.

1. Identification codes

A database-driven marketing program assigns individual customers IDs and passwords to each customer which allows them to access website components that are not available to those customers who visit the site without logging in. IT professionals attach IDs and password to cookies on each customer's computer in order to customize pages and individual offers. The customer need not log in each time, instead the cookie automatically does it for the customer. When a customer places an order, they receive a confirmation email from the company's end. After the order is packed and shipped, the customer receives another email containing the tracking ID which the customer can access to locate the order. The email also contains the estimated delivery date. However, the customers should not be bombarded with too many emails.

2. *Personalized communications*

An effective database-driven communication system depends on the profiles of the customer and other information regarding their preferences to help personalize the messages. Online fashion websites send personalized emails to the customers regarding the arrival of new collection. They personalize such emails through the knowledge about the past purchases, search histories, their interest toward such merchandise. This makes the customers believe that they are treated specially and get all updates about new collection prior to anyone else. Customers can be sent personalized birthday messages based on their profile data. Clearly, personalized communication provides an effective means of increasing brand loyalty.

3. *Customized content*

In addition to the personalized communication, marketers also analyze data in order to deliver customized content. Streaming services like Netflix, Amazon Prime, and Disney+Hotstar track what viewers are watching, what they search for, and which content they rate the highest. Information about the time of the day when viewers are watching, which device they are using to watch content (smartphone, tablet, or PC), etc. is also recorded. This data helps in recommending movies to the viewers at the best time. For example, if the browsing history suggests a viewer prefer watching romantic comedies on Saturday nights, then such recommendations would be sent to the viewer's device.

4. *Trawling*

Trawling is a term used to describe the process of scanning a database for a specific piece of information for marketing purposes. A retailer can trawl for those who haven't bought anything over the last three months. Trawling offers several options for communicating with people who fulfill specific criteria.

Database-driven marketing programs

There are several forms of database-driven marketing programs. The most common programs include permission marketing, frequency program, and customer relationship management (CRM) efforts.

1. *Permission marketing*

Consumers generally doesn't encourage spam and junk emails in their mailbox. As a result, many marketers have turned to permission marketing. It is a program in which companies send promotional messages only to those customers who gives permission to do so. Firms offer permission marketing programs online over the

Internet, by telephone, or through direct mail. This results in higher response rate and saves marketing costs by not sending promotional messages to the uninterested individuals. When permission marketing uses database technology to segment the customers, the results are more effective. However, not every customer who signs up for permission marketing becomes a customer of high value.

The steps in building permission marketing are as follows:

- Ask for permission from customers.
- Provide a valuable ongoing curriculum to the customer.
- Reiterate the importance of maintaining the relationship.
- Raise the level of permission.
- Leverage the power of the permission to benefit both parties.

Marketers can obtain permission from the customers by providing incentives for signing up for permission marketing, such as discount coupon and gifts.

Reinforcing the relationship require additional incentives beyond the original one. Marketers can strengthen the relationship when they gain in-depth customer information such as their hobbies, interests, attitude, and opinion. With these, information marketers can now provide more tailored offerings to the customers.

A permission marketing program succeeds when the marketing team ensures that the customers are signing up for this. Customers' needs should be met in permission marketing materials. Customers are frequently confronted with circumstances in which they are flooded with unsolicited messages. This does not foster loyalty and is contrary to the program's goals.

To overcome these challenges, the marketers should monitor responses and customize the permission program to match the specific demands of each customer. Database technology enables customization by tracking the customer response and browsing behavior. When a consumer visits a website via a link provided in an email sent by the marketer in order to read the latest fashion news, this activity triggers email offers and incentives on fashion-related news stories and links the customer followed. An individual who does not access the website and is not interested in fashion news, they receive different type of email offer.

Permission marketing holds strong potential to build strong relationship with the customers. To optimize permission marketing, the companies feature empowerment and reciprocity. Empowerment refers to the belief of the customers that they have power throughout the relationship and not just at the beginning of joining the program. To maintain a positive attitude among the customers, they should be given rewards on a regular interval and not just at the beginning of the program. This creates the feeling of reciprocity, that is, a sense of obligation toward the company. Empowerment and reciprocity lead the customer to believe the company value the relationship. This raises the likelihood of the customers to continue the active participation.

2. Frequency programs

Also known as loyalty program, in the frequency program the company offers free or discounted products and services to the customers who are frequent buyers of the company. These activities entice the customers to go for repeat purchase. Clothing retail stores provide loyalty points to the customer's account each time they make a purchase, and the points get stored. And after a point of time, the customer can redeem those points and get discount on their purchase or even sometime receives free merchandise if the price of the merchandise equals the points collected by the customer.

Goals: Initially loyalty programs were created to differentiate brands from its competitors. However, now it is offered by almost every company in an industry. As a result, marketers instead use them to match competitors' offers and gain a larger share of the market.

Principles: Successful loyalty program is based on two principles: added value and reciprocity. The customers must feel that they are gaining some value out of the program. When the customer in turn rewards the perceived value by making additional purchase, this creates reciprocity. As a result, both the company and the customer get benefitted and thus creates a long-term relationship.

Data-driven customization: Collecting proper data assists the marketer to build effective loyalty programs to meet the customer requirements. Customized loyalty programs are encouraged by the customers and thus they feel rewarded.

Maximum motivation: Customers who participate in effective loyalty programs are more likely to make repeat purchases. Moderate users are frequently targeted by frequency programs. Light users rarely buy anything, and it costs more to keep them in the program than they spend. High users make regular purchases and are not likely to increase their purchase levels. Thus, moderate users are the most valuable target for loyalty programs.

According to previous studies, a variable ratio reward schedule is more effective at driving more purchases than a standard reward schedule. When a consumer receives intermittent reinforcements, it is referred to as a variable ratio. They have no idea when the awards will be given and what will be the size of the reward.

3. Customer relationship management

Customer relationship management (CRM) is a program that lets marketers use databases to personalize products and conversations with customers to increase sales and profitability. Through a personal touch aided by technology, successful CRM establishes long-term relationships with customers. A successful CRM program goes beyond the creation of a database and the use of standard selling

techniques. There are two primary CRM metrics, the lifetime value of the customer and the share of customer. The lifetime value of customer has already been discussed previously in this chapter. The second metric, share of customer, is based on the concept that the customers are more valuable than others and overtime the amount of money the customer spends with a firm increase. Share of customer refers to the percentage of expenditures a customer makes with one particular firm compared to the total expenditure in that product category. The share of customer measures the customer's potential value.

In general, the CRM marketing programs should increase customer's loyalty. In addition to permission marketing, frequency programs, and CRM, other marketing programs like Internet programs, trade promotions, and consumer promotions can also be facilitated by using database.

Personal selling

Personal selling is defined as delivering an oral presentation to one or more prospects in order to make a sale. Personal selling is a face-to-face method of establishing a relationship with a consumer in order to make sales. Both consumer and business-to-business transactions are involved. Personal selling results in the acquisition of new customers and an increase in the sales. The purpose of personal selling is to develop long-term relationships with customers in addition to making sales. Salespeople offer a variety of services and seek to preserve customer relationships. Personal selling will play a greater or lesser role based on the company's attributes and the industry environment in which it competes.

Even though the responsibility and task of handling personal selling is with the sales department, it is important that these efforts are being coordinated with the marketing communications department. This will ensure that the two departments are in sync with the marketing objectives of the firm and are working to make the marketing communications program as successful as possible.

Example: Nike

For its personal selling activity, Nike employs salespeople in shops. Nike's success is largely due to personal selling. Nike exclusively hires salespeople who are driven and have outstanding personalities. Store employees are educated to help consumers in learning more about the company's items and encourage them to purchase them. This skilled support and persuasion from sales professionals improves the customer experience. In certain circumstances, salespeople promote the firm by providing customized service to consumers, such as assisting them in finding the correct Nike product. Personal selling is used in Nike's marketing communications mix to improve customer experience and relationships while also promoting the company's products.

Nature of personal selling

Personal selling, as per Tom Wotruba, is continuously changing. He categorized personal selling into five stages:

- *Provider stage*: In the first stage, the salesperson's task is restricted to receiving orders from customers.
- *Persuader stage*: In the second stage, the market is encouraged or influence to purchase firm's products.
- *Prospector stage*: The third stage pursues customers who have a need and the capability to fulfill the need by purchasing the offering.
- *Problem-solver stage*: In the fourth stage, the salesperson assists the buyer in recognizing problems, converting them into needs, and solving them.
- *Procreator stage*: Finally, the fifth stage outlines the customers' concerns and the possible solutions via active buyer–seller partnership.

Relationship selling seeks to build customer for lifetime, not only for a single transaction. The steps involved in personal selling are discussed in the following.

1. Generating leads

The companies which heavily rely upon personal selling in order to generate sales uses referral marketing. Referral marketing is a strategic approach designed to generate leads from various sources. There are various types of referrals to generate leads. They are discussed in the following.

Experience referrals results from company's work and typically comes from current and former customers. The employees of the company collect leads generated by the satisfied customers. experience referrals are also sometimes provided by the vendors and suppliers.

Providing the name of the person who referred the customer helps the salesperson get past the gatekeeper during the sales call. Also, if a referral has been offered, the potential lead will be more responsive to the sales call and will have a more positive attitude toward the salesperson.

These increases the chance of the lead to become a customer.

An *expertise referral* occurs when customers learn about the expertise of the company, the quality of their work, or specialty through a third person. Expertise referrals are also shared through word-of-mouth communication. However, this does not carry the weight of an experience referral as it is not based on past experiences. A person can increase perception of his/her expertise through several ways. Suppose an interior designer expert designing luxury apartments develops a blog in his company's website mentioning about the luxury apartment furniture designs and its after care. He might get an offer for an interview from a local radio station.

Companies generate expertise referral not only by utilizing the digital and social media but also the traditional media. The main objective here is to provide information that conveys a message of being an expert which results in new leads.

Reputation referrals are formed by the reputation which the company holds in a community or in an industry. The factors such as fast delivery, empathetic employees, and honesty help in building the reputation of a company. Suppose a restaurant chain like Speciality Restaurants Ltd. are well-known for their dining services and hospitality. Social media is an excellent venue for them to convey the company's reputation. Company can use buzz marketing techniques like influencer marketing and content marketing to convey its reputation to the wider audience. This helps them to build strong brand image and apply it for building reputation. The objective is to build reputation for being a desirable company which helps in generating leads and inquiries.

The final method of generating leads is a *network referral*. These referrals are not that attractive as compared to the aforementioned referrals because the prospect does not have enough knowledge about the company. These referrals are generated when a company's employee make connection/network during a social gathering, with a business organization or through social media such as LinkedIn. This approach generates some leads; however, it requires much marketing efforts.

2. *Qualifying prospects*

Every lead which is generated may not be viable and does not hold equal value. Thus, it is necessary to understand the qualifying prospects, which can be identified by evaluating the leads into two dimensions: the potential earnings the lead can generate, and the chances of acquiring the leads as a customer.

On the basis of the outcome of the aforementioned evaluation, the marketers determine the best method to contact such leads. The cost of making personal sales calls is too high, thus the marketer must carefully examine the leads who can be turned into customers and then the sales calls are made. Some prospects receive telephone call, others may receive emails. The leads are analyzed using two categories: sales potential and probability of acquisition. The leads are scored on the basis of these two dimensions. Once they are analyzed, they are grouped into three categories: The first group has the best leads, or "A" leads are the ones who receive phone calls from the member of the salesforce. The second group, or "B", leads are contacted by telemarketer or emails. And the "C" leads receive marketing materials and are expected to make inquiries. Leads which score the least in both the dimensions are left in the database and are monitored for future actions.

3. *Knowledge acquisition*

During this phase, the company's salesforce gathers information about the prospect. The more the information the salesperson can collect before making the sales calls, the higher the chances of making a sale or getting permission for demonstration.

4. The sales presentation

This is the most crucial part of personal selling when the salesman will encounter the prospect. This call will be entirely based on the information gathered prior to the call. The presentation highly affects the buying decision of the prospect as well. The types of sales presentation typically fall into the following categories:

A *stimulus response* sales approach, also known as canned sales pitch, involves specific stimuli designed to evoke specific response from customers. The salesman memorizes the pitch. Telemarketer, retail salesman, and new field sales representatives often use this method.

A *need satisfaction* sales approach seeks to understand customer's needs during the initial stage of sales presentation and then provide appropriate solutions. The salesperson must be skillful enough to ask the right question. The salesperson must be well-informed about the needs of the customer, so that he/she can provide the appropriate product to the customer.

The *problem solution* sales approach requires the salesperson to understand the buyer's business. It usually consists of team of engineers, salesperson, and the experts. The team analyzes the potential customer's problem and then come up with feasible solutions.

The mission sharing approach is where two organizations develop a common objective and share each other's resources to fulfill that objective. This kind of partnership resembles joint venture as much as selling relationship.

5. Handling objectives

Once the sales presentation is done, the prospects might have questions and queries or concerns regarding the product or service. The salesforce must anticipate those objections and concerns and carefully answer them. The most common methods of handling objections are as follows:

Head-on approach is when the salesperson directly answers the objections. Doing so, indicate that the customer is wrong. The salesperson should take care not to offend the customer.

In order to avoid conformation, salesperson also sometimes employ an *indirect approach*, which involves the salesperson never telling the customer that he is wrong. Instead, the salesperson sympathizes the views of the customer *and* then provide correct information.

Compensation method is a method used when customer's objection is partly true. With this method, the salesperson reply "yes, but . . ." and then explains the product's benefit or features to answer the questions of the customer.

There are customers who are worried about the consequences of switching to a new vendor. For this situation, a sales rep can apply *felt, felt, found method*. The salesperson allows the customers to talk about their fears or worries. In response, the salesperson talks about the customer's personal experiences who had the same fears and worries and how the product resulted in positive experience.

6. Closing the sale

The most important element of the sales call is closing the sale. It is the most difficult part. Salesperson often face rejections or failure when the customers say “no”. There are methods of closing sales.

Direct close is when the salesperson asks for the order outright. This approach is used when objections have been answered and the salesperson believes the prospect is ready to buy.

When the salesperson is not sure whether the prospect is ready or not, then he/she employs *trial close*. In this approach, salesperson gives feedback that provides information regarding the customer’s reaction, without asking directly for sale. The salesperson asks for the order after receiving a positive response. If not, he or she will return to the sales pitch. The salesperson also summarizes the benefits of the product and how it caters to the need of the customer.

In some cases, the salesperson asks series of questions about the product benefit and the customer responds “yes” to the questions. Eventually, when the salesperson asks about placing the order, the customer tends to say “yes” to that question as well.

7. Follow-up

The last and the final step of personal selling is the follow-up stage. This is the step which is undertaken when the sale has taken place. Happy customers can lead to repeat business. So, it is necessary to keep a track on the behavior of the customer after making the sale. The salesperson should follow-up whether the customer is satisfied with the product or not. The feedback of the customers is necessary to build strong long-term relationship with the customer. But unfortunately, it is seen many a times this step is overlooked by many companies. It is advisable to the companies to keep a designated employee for this step and ensure whether the customers are satisfied with the purchases.

Advantages and disadvantages of personal selling

The following are the advantages of personal selling:

- Opportunity for engaging in two-way communication with the customer.
- The communication message can be personalized as per the situation.
- Minimal distractions that tend to reduce customer attention.
- The salesperson can get involved and help the consumer in the decision-making process.

The following are the disadvantages of personal selling:

- The message being communicated depends on the salesperson and hence can be inconsistent at times.
- There might be conflict of interest between the salespeople and the management.

- As compared to other promotional mix, it can be a costly method (cost per consumer)
- It has very limited reach.

Role of personal selling in IMC

To be successful, personal selling should be included and used along with other promotional mix. The other elements should be assisted and supported by personal selling activities:

- *Personal selling and advertising:* Advertising should be utilized by firms that would help in leads and conversion for personal selling efforts. Similarly, personal selling efforts should be consistent with the message that was communicated through advertisements. The two promotional mix elements must have a complementary relationship.
- *Personal selling and public relations:* Sales employees frequently engage in PR initiatives. They arrange for various activities such as public attendances, public speaking, and talks at various institutional bodies that tend to be useful to the company and can be performed by the sales team. On the other hand, engaging in such public activities enhances the sales employee's image.
- *Personal selling and direct marketing:* Combining personal selling employees' effort with direct marketing is a very robust technique used by promotional managers to lower the expenses involved in personal selling. Correspondence through mail, email, or even telephonic conversation may be used to seek leads, evaluate potential customers, close deals, or follow up on the efforts of salespeople. Consequently, the program is more efficient and cost-effective. The utilization of the tele-calling and sales combo has grown tremendously in recent years.
- *Personal selling and sales promotions:* Sales incentives and schemes aimed toward wholesalers and retailers are also beneficial to the salespeople. Similarly, the organization frequently comes up with promotional schemes like contests, abroad trips, motivational programs, and so on that are for the salespeople only.
- *Personal selling and the Internet:* Several of the personal selling functions are now being performed on the online platform. For several businesses, digitalization has nearly eliminated the need for physical salespersons. Many other firms are performing many of the offline activities on the online medium.

IMC in practice

Ask the students to select an existing product or service and ask them to make a sales pitch to the rest of the class. They are free to use different promotional materials and it should be included in the presentation to help with the presentation. Encourage the student to talk about how different tools can help with the sales attempt. Allow other students to provide feedback on the presentation.

The same exercise can be repeated with a totally new imaginary product. The students should be asked to analyze the difference in selling existing versus new products.

Discussion questions

1. One of the most cited advantages of direct marketing is its evaluation, monitoring, and measurement. Explain how promotional managers can measure the success or failure of their direct marketing campaigns?
2. With TRAI (telecom regulatory authority of India) giving subscribers the choice to register for DND (do not disturb) services, will telemarketing be still a valuable direct marketing tool? What can the firms do to tackle such situations? What other alternatives to tele calling exist?
3. Do you think direct marketing as a promotional mix concept has been successful in India? Why or why not? What else the marketer needs to do to increase its success rate?
4. Why many of the consumers are apprehensive about direct marketing techniques? What are the negative aspects associated with direct marketing? What can marketing managers do to alleviate these fears?
5. Describe how businesses employ database marketing. Name a few firms that may have your contact information on their servers. Explain how the firm obtain this information and how it will be utilized to contact you.
6. Describe “the new role of personal selling”. What distinguishes this new function from previous personal selling roles?
7. Employing salespersons can be a costly affair. Explain situations and reasons where such huge cost is justified.
8. Examine how businesses have effectively incorporated the online medium into their personal marketing strategies. Cite some examples.
9. Why and how combining personal selling with other promotional mix elements would provide better results as against using personal selling alone. Justify with suitable cases and examples.

Learning objectives

1. Learn what direct marketing is, how to distinguish it from mass marketing, and how to select the best products for direct marketing.
2. Identify the various components of direct marketing.
3. Discover the different kinds of direct marketing methods.
4. Recognize the ethical norms that govern direct marketing.
5. To comprehend the importance of personal selling in an IMC strategy.
6. To understand the benefits and drawbacks of using personal selling as a promotional tool and to comprehend how in an IMC program, personal selling is blended with communications.

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13

OUTDOOR AND SUPPORT MEDIA

Opening case

Big Bazaar public holiday and festival sale

Big Bazaar is India's one of the largest retail chain of grocery stores, hypermarkets, and discount departmental stores. Mostly, it uses broadcast media like TV and print to inform consumers about products and promotional offers. Big Bazaar makes a significant amount of sales during the festival period and on specific day sales (e.g., Republic Day). Big Bazaar has to ensure that the people staying in the vicinity are aware of the promotions. Hence, it uses outdoor and support media extensively to push promotions, create a buzz, and persuade consumers to visit the store. Big Bazaar uses nonrational media like small vehicles and hoardings on busy roads and prime locations to reach as many people as possible. It distributes pamphlets with promotional offers to public to create awareness and encourage footfalls to stores. These activities are highly concentrated during the specific period and act like pulsing effect. Generally, Indian cities are densely populated and commuters regularly experience slow-moving traffic and traffic jams at popular roads and junctions. Hence, using hoardings at such places provides Big Bazaar an excellent opportunity to remind consumers across city about the upcoming sale period. Moreover, it uses small vehicles with boards and multicolor lights that attract the attention of passersby. The cost of outdoor media is very less compared to broadcast media. It is highly cost-effective in reaching the target market (consumers in the city). Consumers get the exposure multiple times leading to strong recall of the promotions and persuasion to visit the stores. Reliance group recently bought Big Bazaar, but it continues to use outdoor media for promotions for Big Bazaar and Reliance stores.

Support media

Companies widely use broadcast and digital media for their campaigns and target consumers. To support their marketing efforts, company make use of support media. As the name suggests, the objective of support media is to reach the target market which other media may not reach effectively and reinforce the communication. There are many terms used for support media like alternative media, below-the-line (BTL) media, nonmeasured media, and nontraditional media. The support media is also popularly known as outdoor media or out-of-home (OOH) advertising. OOH advertising refers to any advertising media outside home and generally does not include advertising inside a store known as in-store advertising. Common locations for support media include high-traffic areas, road junctions, highways, busy streets, airports, train stations, stadiums, and cinemas. Over the last few years, use of outdoor media has seen a significant increase. Companies have also experimented with multiple locations and innovative use of support media like toilets in shopping malls, use of bullock or camel carts to get attention, and dynamic decorative displays. In this digital age, the creative use of social media may lead to free media where consumers take selfies or pictures and post on social media. You may have noticed some of the ways and forms of outdoor advertising. In this chapter, we will cover a wide variety of outdoor media used for advertising.

DIY: ADS (AND NOT GODS) ARE EVERYWHERE

Can you think of some unconventional ways in which advertisers reach you? Think about all the places, where you notice an ad. Ads are not confined to TV, print, or online. They are everywhere!

The need for support media

When a company has the option to advertise in mass media or digital media, what is the need or role of support media? With the changing lifestyle and work priorities, most people spend a lot of time outside the home. For example, people spend time in daily commute, in shopping malls, waiting in theaters and multiplexes, stuck in traffic jams, and waiting at bus stations and airports. On an average, people spend more than 4 hours in traveling in metro cities. More than one-third of your day is spent outside the home. Now, if we look at these numbers, we can easily deduce and understand the critical importance of outdoor advertising to support regular marketing campaigns. Next time, when you leave the home, you may notice that advertisements are displayed on vehicles, at metro stations, on electric poles, and on hoardings to catch consumers' attention. The market size of Indian OOH industry is approximately INR30 billion (see Figure 13.1). The industry managed to survive the impact of COVID-19 and is expected to read the pre-COVID-19 levels soon.

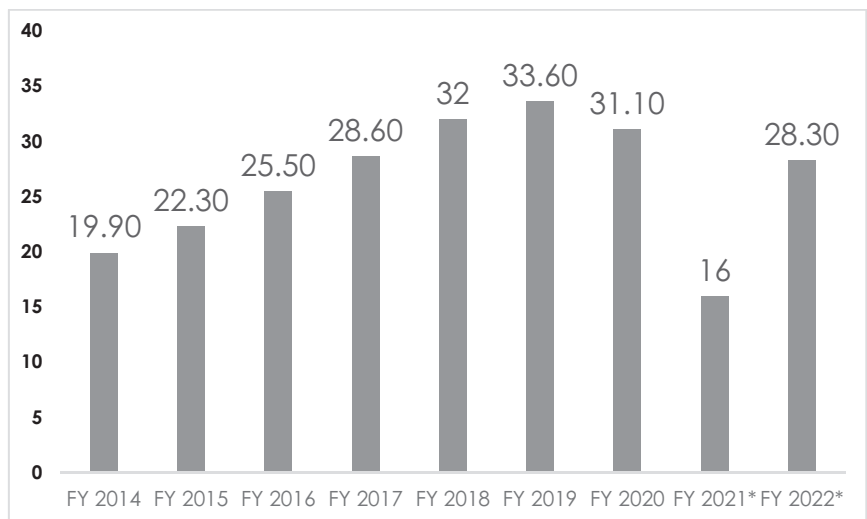


FIGURE 13.1 Market size of OOH advertising industry in India.

Source: Statista.com.

Support media reinforces the brand recall via multiple and repetitive exposures. Support media includes many types of media such as OOH advertising, location-based OOH media, and in-store advertising. Real estate and construction industry dominates the OOH advertising as they are extremely focused on consumers staying within the city or nearby locations. The local builders don't need national level or state level advertising as they can effectively target the consumers based on geographic segmentation using outdoor media. FMCG follows real estate in terms of expenditure on OOH media. FMCG firms include well-established brands which use outdoor media to augment their marketing campaigns and maintain a consistent exposure of advertising message to consumers (see Figure 13.2).

Out-of-home media

Out-of-home media, commonly known as outdoor media, is a popular medium of advertisement in India as its cost is less than other forms of media. Brands can use outdoor media for branding in long term or promoting a product/event in short term. Hence, it can act as support to the advertising goals.

Out-of-home advertising can be defined as the advertising done outside home, which encompasses outdoor (billboards and signs), transit (both inside and outside the vehicle), skywriting, and a variety of other media. The benefit of outdoor media is it can be highly innovative and at a lower price. Outdoor media can target a specific population at a very lower cost. Outer media is popular for local advertising as well as mass advertising.

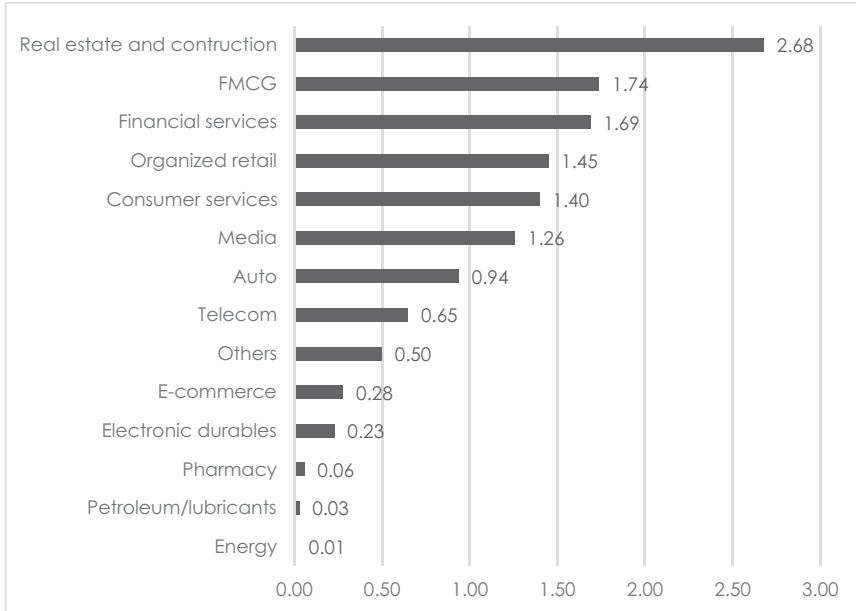


FIGURE 13.2 OOH contribution across categories in INR billion rupees.

Source: Statista.com.

Advantages of outdoor advertising

- Outdoor advertisements can cover the larger space of the local market.
- Outdoor ads include elements of creativity and rich media. Usage of large print ads, colors, lights, and animation guarantees attraction from viewers.
- Multiple ads can be run as per geographic segmentation.
- Outdoor advertising often leads to sales.
- The cost of outdoor advertising is less, hence can be replaced or updated with new advertisements easily.
- It is one of the most affordable forms of advertising in the industry. They cost very less compared to TV and print media.
- Higher repetition and frequency of exposure.
- Highly effective in influencing consumers for impulsive buying.

Limitations of outdoor advertising

- Outdoor advertising is location-specific but may lead to waste coverage. Not everyone driving by a busy traffic junction is interested in buying the advertised product. Also, consumers across all age groups and socioeconomic class travel. Hence, a mass approach for products may not be suitable for outdoor ads. For example, adult products may not be a good idea to place near schools.

- Another limitation is the exposure time and retention capabilities of viewers. When people travel at a fast speed, do they notice all the ads lining on the road? How many ads do they remember? Hence, outdoor ads are restricted in message length. They get a fraction of second to capture the attention and pass the message.
- People may be bored or start ignoring the brand due to repetitive exposure. They may not pay attention to the ad after seeing it multiple times. Lack of something new and repetition lead to wear-out effect for such ads.
- The ads are confined to geographic limitations and demographics residing in particular area.
- Longevity depends on weather and external conditions.
- Most of the OOH media have image issue. Generally, low-quality products and brands use OOH media to save costs. Lesser known local brands don't invest in print or TV and utilize cheaper options of OOH media to advertise. When national and reputed brands also advertise next to the weaker brand, the strong brands may be considered equal to weak brands.
- Quality of some OOH media like wall painting and display boards are poor and hence brands should be very careful in selection of media to advertise.

Types of outdoor media

There are various types of outdoor media. The outdoor media can be classified as transit advertising, fixed advertising, location-based advertising, and element-based advertising (see Figure 13.3).

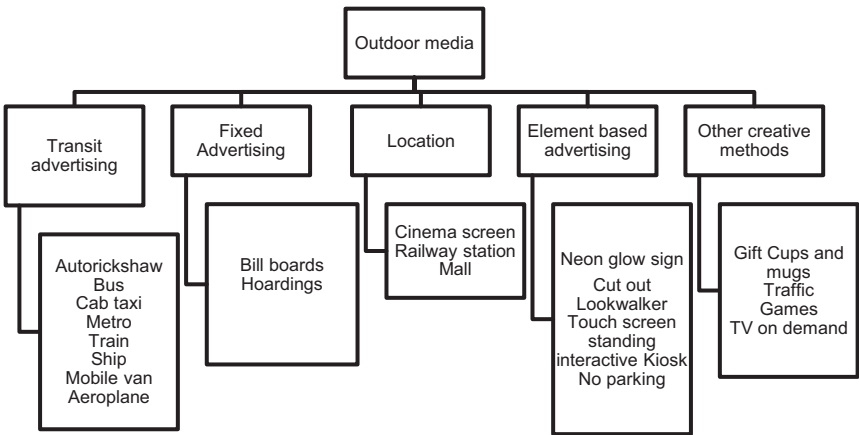


FIGURE 13.3 Type of outdoor media.

Source: Authors.

Transit advertising

Transit advertising is a method of advertising in which the vehicles of transportation are used for advertising. Transit advertising is an excellent alternative of outdoor advertisement, which can target tourists, commuters, and people in the city. When people are often using various modes of transport, they can see a transit ad multiple times. The vehicles can cover both urban and rural areas. In India, rural villages organize weekly markets and celebrate region-specific events. Transit ad helps in reaching a large number of potential consumers from remote locations during such large gatherings. In North India, automobile companies (two-wheelers) regularly use small loader vehicles to carry the bikes and display to consumers in rural areas. The salespersons accompanying the vehicle answer queries and doubts of consumers and inform them about financial loans and process to buy the bikes. Transit advertising includes signs and images on the interior and exterior walls of buses, railway cars, taxis, subway cars, and transit shelters.

Advantages of transit advertising

- *Exposure:* Long length of exposure to an ad is the major advantage of transit advertisement. This advertisement provides a substantial number of repetitions to potential consumers.
- *Frequency:* People who ride subways, buses, and the likes are exposed to the ads deliberately. Generally, people travel on the same route to go to their workplace and return to home. In these trips, they have multiple chances to see the ad maximum times. The locations of station and shelter signs also offer a high frequency of exposure.
- *Geographic selectivity:* For local advertisers, in particular, transit advertising provides an opportunity to reach a much selected segment of the population. A purchase of a location will lead to exposure to people of specific ethnic backgrounds, demographic characteristics, etc. For example, a company can place the ad next to a university to target young consumers of specific age group.
- *Cost:* Transit advertising is one of the least expensive media in terms of both absolute and relative costs.

Transit advertising can use many types of vehicles (see Figure 13.4). Some of the most commonly used vehicles are explained in the following.

Auto-rickshaw

Auto-rickshaw advertising is the way of showcasing brands on the back panel, sides, and hood of the auto. The banner of the ad will be pasted on the auto-rickshaw. There is no fixed time for auto branding. You can keep the banner as long as you like to promote your product, till the ads get damaged.



FIGURE 13.4 Transit advertising using a camel cart.

Source: Authors.

Auto-rickshaws are used for traveling small distances and can lead to increased exposure for the same audience. Auto ads are done for much lesser rates than hoardings, billboards, bus, and metro ad media. Auto ads is a stand-alone medium and is a part of a large media campaign. Auto-rickshaws branding gives direct access to areas where advertising is impossible, restricted, or just too costly.

Advantages of auto-rickshaw advertisement

- The auto-rickshaw advertisement provides roaming visibility to your brand.
- Cost is less than any other media.
- Auto-rickshaw advertising is most commonly used for targeting local markets.
- Auto-rickshaw branding also ensures promotional activities at the locality and community levels.
- Branding on auto-rickshaw offers excellent visibility.
- By doing auto advertisements, you are taking your ad to the consumers' doorstep.

Bus

Bus branding is one of the mediums to build brand relations and recall in the minds of people. It is one such advertising which helps the brand to connect with the masses as bus transportation is one of the busiest and most popular modes of transportation in India. The outside of the bus may be painted or covered with plastic thin sheets for advertising. The bus covers longer routes and can cater to a larger audience.

Advantages of a bus advertisement

1. Buses are always available for multiple roads, thus helps in targeting various geographies.
2. Being a large vehicle, it's impossible to ignore advertisements displayed on the bus.
3. It delivers a good conversion ratio.
4. Buses are visually unavoidable.
5. Buses communicate to everyone.
6. Buses give you blanket coverage of your primary area.
7. Interior bus advertisements are also very impactful and have a longer display time.

Cab/taxi

The cab or taxi can act as an advertising carrier at times. It can be used to target particular city traffic for an advertising campaign or can be launched in multiple cities for national-level branding. Taxi advertising is to create an image and impact in a very populated town. A small business owner or a person having a small shop may not have a big budget to afford traditional advertisements. So, they may use taxi advertising for promoting products in local region. Taxi advertising brings more businesses for the particular company. When you are planning to place your ads on taxis, the vehicles will be visible around the town and they can be easily seen by all commuters. As a result, the more the people see your ads, the higher the chance that you will be leveraging a great volume of sales. With the rise of Uber and Ola in India, firms can tie up at corporate levels to promote their products using cab-sharing services.

Advantages of taxi/cab advertising

- It's an affordable strategy that you can hire a taxi for some time and promote your product.
- It's the easiest way to get maximum customers.
- With taxi branding, you don't have to set the target market because everyone can see your ads.
- It's now a modern-day technique to grow the brand.

Metro

Metro has a large number of footfall, especially during office hours. Advertising can be done inside the metro or outside the metro. Metro rail branding solutions is one of the best innovative media solutions. In metro advertising, you can advertise your product by putting a wrap on its boogies. Metro has digital television fittings which can also run video advertisements. Small posters and banners can be pasted inside the metro or even use advertisements on metro glasses, creating one-way vision. High visibility reinforces the message and increases brand awareness.

Advantages of metro advertising

- Multiple locations are available for doing the branding which fetches high benefits to advertisers.
- Metro advertisement pulls attention and engages minds with the brand.
- Metro rail advertising reinforces the message and creates brand awareness.
- Metro bridge panel advertisements are spotted from a very long distance because of their large size and their positioning.

Train

Trains cover the largest route among different modes of transportation. It can target consumers of different states at a very low cost. Train advertisement means long exposure. The travelers spend the time viewing the advertisements that are around. Passengers often wait for a distraction when waiting for a train. An eye-catching, well-placed advertising campaign can generate consumer attention. In India, the railway is under government and in recent years, the government has allowed placements of ads on trains to generate more revenues. India also has one of the largest rail networks in the world and hence offer ample opportunities to the potential advertisers to cover population across states and regions. In addition, station waiting rooms are prone to be a hotspot for advertising, or in proximity to an on-platform coffee shop, as passengers enjoy a beverage while waiting for a train to arrive.

Advantages of train advertising

- Long exposure is one of the best advantages of a train advertisement.
- During the journey, people spend their traveling time by viewing the advertisements that are around.
- Low cost.
- Multiple geographies across the national railway lines can be targeted.

Ship

Ships can be used for the promotion of international brands, as the route coverage is usually international. Marketers use ship/boat advertising for targeting people in coastal areas. By using print banners or neon glow signs, ships can attract people on cruise trips, marine sailors, or people boarding commercial transport vehicles.

Advantages of ship advertising

- Since the ships travel across borders and nations, the advertisements get exposure in the international market.
- Can target consumers far away from mainland.
- Creates an international brand image.
- Mostly preferred by manufacturing industries.

Mobile van

Mobile van advertising unlike many other advertising mediums has the capability of displaying an advertisement at different places at different times. A mobile van is a vehicle that has a proper installment for putting up hoardings and banners. The advertisement is placed on the designated area over a mobile van and the van moves across places advertising for the product. Indian government has used mobile van marketing extensively to promote its achievements and also to spread awareness about its schemes and vaccination programs.

Advantages of mobile van advertising

- Through mobile van advertisement, you can reach your brand to the local markets, suburbs, and rural areas.
- Delivers a long-lasting, visual impression of your brand.
- Cost-effective in comparison to other OOH media.
- Covers large area efficiently.
- Target the local areas and markets as per your wish.
- It creates brand awareness among the targeted audience.
- Van advertising convinces your audience to follow and purchase in accordance.

Aeroplane advertising

Advertisement in an aeroplane can be done for a set of niche targeted consumers. It can be placed on luggage cabins, magazines, or single printed pamphlets of high quality. It can reach a wide range of passengers and helps a brand to get a high frequency of exposures. Aeroplane advertising attracts millions of people around the world daily and it can enable your advertisement a massive reach. This is one kind of an advertisement where the product flies with consumer in the plane right up to their destination. In India, most of the airline passengers belong to affluent income group and rising middle class. Hence, aeroplane advertising is a good alternative to reach this segment. Moreover, air travel in India carries a sense of pride and accomplishment, hence aspirational products and brands can use aeroplane advertising.

The full service airlines have digital displays that can be used for advertising purpose similar to TV ads.

Advantages of aeroplane advertising

1. Global Reach: In-flight advertising is one of the most innovative ways to advertise your product to people because flight passengers are most captive, they can't just get up and walk away. So in-flight advertising is always seen by them and unavoidable.
2. Airplane advertising earns a company higher frequency of exposure.
3. Grabs attention and develops long-term relationship with passengers.

4. Airplane branding not only targets customers but also hit the geographic market or region.
5. Suitable for targeting national and international market.

Fixed advertising

Fixed advertisements are a mode of promotion used to display the advertisement by fixing the banner or hoarding at a prime location. Fixed advertising can be done using billboards, hoardings, lamp posts, and neon glow signs.

Billboards

Billboards are one of the most popular and oldest methods of outdoor advertising. Interestingly, one of the most famous ad war between BMW and Audi happened using the billboards. Billboards are often used to display achievements, generate curiosity, or advertise local establishments. Billboards are similar to hoardings. Billboards are usually found on highways and high-traffic areas, while hoarding are fenced around construction site to avoid accidents. Although the message is short than it would be in other ad forms, it can hold in people's minds more because no matter what time of day they pass it will always be there. Because billboards are everywhere, you have your choice of where you want to put your message.

Advantages of billboards advertising

1. Billboards are mainly placed along busy roads and intersections, which means people will always be looking at your large and eye-catching display.
2. Audience have a choice to click on an Internet ad or change the channel away from a commercial, but they can't avoid looking at your billboard as they go throughout the day.
3. Customers might be exposed to a brand or service just once or twice through other forms of advertising, but billboards lead to repeat exposure as people continually pass by.
4. Use your billboard location to certain customers or to get people's attention, either at a location by your business or near a busy intersection or freeway exit. Because billboards are so big and central, you can easily catch lots of people if you choose the right location.
5. Billboards aren't very productive at getting a response, like having customers visit your website or call your store, but they are incredibly powerful at building brand awareness. Because most people see the same billboard multiple times, they remember it and can often later associate it with the brand and company.
6. Billboard designs can be catchy and memorable and provide a great way to potential customers to learn about your business and tuck it away in their minds until they might need to use your service.

7. Billboards permit companies to reach a huge variety of customers with a single advertising tactic. Instead of spending extra time and money, a billboard allows you to reach a large part of the diverse general population.

Hoardings

Hoarding advertising is a strong promotional tool similar to billboards. Hoarding advertise is mainly placed around walls and highways, so it increases the possibilities of being seen by a great number of people all throughout the day. Hoarding and billboard are considered similar with minor difference in terms of using banner, clothes, and digitalization of the panel.

Advantages of hoarding advertising

1. Hoarding advertising increasing the possibility of visibility to reach a great number of people.
2. A large hoarding ad can be placed in areas where it can reach their target market.
3. Hoarding ads are noticeable due to their large size. Hence, people would see the ad. But whether they remember the ad or not depends on the content and design of the ad along with the other things like visibility and lighting in night.

Pillars and lamp posts

Lamp posts and pillars can be used to place ads. One can use these options for public awareness, promotion, or place restriction that must be followed in the society. It is suitable for seasonal decorations such as holidays, festivals, celebrations, or any event.

Advantages of lamp post advertising

1. No media charges. Only cost of production and installation charges are involved.
2. Lamp posts and pillars are abundant in India in every nook and corner. Hence they give last mile delivery till the home of the consumers.

Painting on wall

Wall painting is a conventional form of promoting products. It involves painting information about products, nearby dealers with contact information on the wall. In India, wall painting is a very popular method of advertising for local businesses. It is among the least expensive method of advertising, which requires minimal charges of painting and a person to paint the content.

Advantages of wall painting

1. Wall painting advertisements are cost-effective.
2. Wall painting branding increases brand awareness and information sharing.
3. Creative designs and color can attract consumers.
4. High brand exposure and repetition.
5. High longevity and suitable to extreme weather conditions in India.

Neon glow signs

Neon glow signs are used to provide a glowing and illuminated ad, which looks very attractive. The combination of lights and colors make such ads highly effective.

Advantages of neon glow ads

1. High visibility and attractive
2. Also work during the night compared to typical hoardings
3. Can be easily installed and used as sign boards
4. Longevity and durability
5. Cost-effective

Location

Another classification for support media is based on the location where advertising is done. For example, advertisements can be displayed in cinema halls, railway stations, shopping malls, etc. We outline some of the common places used for advertising in the following.

Cinema screens

Indian consumers are very fond of movies. Indian cinema industry includes movies from multiple languages but mostly dominated by Hindi movies (Bollywood). Regional movies in other languages are also released after dubbing in Hindi. In past few years, the dubbed regional movies have received a very positive response and became superhits, such as RRR, Bahubali (both versions), Makkhi, Magadheera, and Robot. Indian superstars command a huge fan following and followers on social media. Indian consumers strongly prefer to watch movies with family and going to a movie theater is a regular and habitual family outing activity for many consumers. Cinema media reaches a huge audience every week, especially on Friday when the new movies are launched. The advertising recalls are higher than the ads placed on television.

Advantages of cinema screen advertising

1. *Impactful:* Cinema screen advertising are displayed on a very large screen with high-definition quality that creates a visual and stunning experience for audience.
2. *Selective attention:* People have high levels of concentration as they eagerly anticipate and wait for the movie to start. Hence, they watch ads with more intensity without distraction.
3. *Mass publicity:* A cinema hall has a capacity of 200–500 audience. So, the brand can reach a large number of people with each show with few repetitions of audience.

Railway station

Millions of Indian consumers travel across thousands of kilometers on Indian railways (see Figure 13.5). Railway station advertising offers flexibility depending on the location. Company can use railway stations to promote local and national campaigns.

Advantages of railway station branding

1. *Train wrapping* – Ads are kind of wrapped around the coach, which is almost impossible to ignore. Such ads immediately get the attention of viewers. Company can create colorful ads and the large size of the coach adds to brand value and strengthen the ad recall.



FIGURE 13.5 Ads in railway station.

Source: Authors.

2. Ads inside train – Company can use the huge space available inside the train (seats and handles too!) to put an ad. These ads stay with passengers for the whole journey time leading to large amount of exposure and repetition.
3. Railways platforms – Railway platforms can be used to promote products by installing LED board, banners, etc.
4. Very cost-effective medium.

GOLI VADA PAV AND RAILWAY STATION

A very interesting fact about Goli Vada Pav is how the promoters did advertising with razor thin budget. Mumbai city is famous for local trains carrying millions of passengers daily. Goli Vada Pav cleverly used the in-station announcement to inform passengers about their Vada Pav shop outside the station to increase footfalls.

Mall

Shopping mall advertising gives great scope to connect with your target audience in plenty of ways. Indian consumers love shopping in malls and regularly visit malls. Recent years have seen a rise in huge shopping malls built that offer more than just shopping. These big malls have big retail stores, hyper-markets, multiplexes, dedicated space for food and restaurants, including popular fast-food chains, and children's play area and gaming zones. Indian consumers consider going to a shopping mall a family outing that involves watching movie, shopping, and having good food in one single trip. This "Mall culture" creates a branding opportunity. One can notice that a majority of advertisement and branding is done at food courts and entrance of the mall. Most of the malls have food court on top floors. The place has a comfortable seating arrangement. So, branding a product in the food court ensures people watch the ad at leisure and for a fairly long period of time. Hence, the location offers a guaranteed audience to communicate the message. Another option is open-space branding at malls. Malls are very spacious, neat, and clean compared to typical local markets. An eye-catching brand message obviously grabs visitor's attention. During weekend, customers footfalls are very high, so open-space area branding gets higher visibility.

Malls also serve the purpose of growing trend of "showrooming". Showrooming is the practice of going into a physical retail store to see, touch, hear, or smell a product in person before going online to purchase the same product. Many consumers visit malls for checking or verifying the products, before ordering online at reduced prices.

Advantages of mall advertising

1. Malls have the unique space to advertise products.
2. Display boards are likely to draw the customers to the store for impulse buying.
3. Mall advertisements create brand awareness and enforces the brand recall factor.
4. Advertising in mall is meant to reach and attract the audience and later converted them into customers.
5. Malls are perceived as status enhancing, hence mall advertising enhances the brand image.

Aisle display

It's a display for a product placed at the end of shelf rows (aisle) or between two rows in a retail store, mall, or shop. It is used to create recency effect and impulse buying when a consumer is looking at multiple brands while shopping. It helps in brand recognition for the entire lineup of products. Aisle display can be used for displaying in store promotions and pushing the sales by showing attractive offers.

Point of sale display

You must have observed many products stacked on short racks at the billing counters in retail stores, where people wait in a queue for billing. Placing products and ads at such places is called the point of sale (POS) or point of purchase (POP) advertising, because these are situated at the time and place where a retail transaction is completed. They are also integral parts of outdoor advertising where some impulsive buyers opt for those products just by seeing them in front of their eyes while waiting for their turn to come at the billing counter. Point of sale display can be a most conventional way of promoting and marketing products and therefore increasing sales. Some popular product categories that use POS advertising are candies, chocolates, earbuds, shaving products, and eatables in a small packaging.

Bus stops

Bus is another popular road transport used by many, especially in India. Buses operate inter-city and intra-city. Many long-distance buses ply on busy routes connecting capitals of various states. Many affluent IT professionals daily travel in buses in IT cities of India like Bengaluru, Chennai, Hyderabad, and Pune. Hence, depending on the route and city, brands can target people from various income groups who wait for buses at bus stations. Traditional static panels, print displays, and latest video display panels are used in bus stop advertising. Some brands have innovatively used the technology and videos to attract people waiting at bus stops. Bus stops (shelters) provide highly localized and targeted advertising.

DIY: ZOMBIE APOCALYPSE

Walking dead is a highly popular horror TV series with Zombie theme. To promote the new season, it used bus shelters and augmented reality (AR) to scare the traveler. It used “Scary Shelters” AR and actual street view to give an impression that zombies are walking toward the people who are waiting for the bus. Needless to say, the “scene” horrified the people sitting comfortably and created a huge attraction. The horror stuck faces of people became viral on social media. You may search for Sky scary shelter and watch the video of how the whole thing worked out!

Metro station

Metro station get a heavy traffic movement throughout the day. Most of the commuters are office goers or university students. Most of the traffic happens in morning and evening time (office hours). Metro advertising helps in repetitive exposure and adds to better brand perceptions. It can be used to promote local promotions and building regional awareness.

Petrol pumps

Petrol pump advertising is a new branding idea in the OOH media industry. Millions of people visit petrol pumps to fuel vehicles and spend few minutes. Petrol pumps get a high and consistent footfall. Advertisements can be placed at eye-level on top of the pump, a place which is unavoidable. The message must be creative so that people pay attention to it while refueling. One advantage of petrol pumps is the availability of light, so electric panels and LED displays can also be used. Petrol pump advertising has the following advantages:

- Cost-effective medium
- Uncluttered atmosphere and media spaces
- Elongated exposure to media spaces due to waiting lines
- Filtered audience of SEC A–B individuals
- Fuel station can be rebranded completely in lieu with client requirements
- Highly targeted audience (two- and four-wheeler owners)

Sports ground

Sports grounds offer a mass marketing alternative to marketers. Sports enjoy varying levels of popularity and large fan bases. For example, rugby is popular in the United States, football in European countries, and cricket in India. A huge number

of global audience follow their favorite players and teams. The hugely popular super bowl games have the costliest ad spots. Hence, the sport ground provides a critical location to brands to augment their campaigns. Brands can use the 3D logos painted on the field, or use the panels across the boundary lines. The traditional static and one-sided panels are replaced by technology-enabled dynamic panels that can display moving and animated content.

Parking lots

Marketers can use parking lots for advertising. Parking lots are available at shopping malls and at busy locations in the city. Mostly parking lots are underground with dim lighting, hence they don't have a strong positive impact on consumers. Brands may use helping messages or promotions at the store for advertising in parking lots. Graffiti and art work are other ways to utilize parking lots for placing ads.

Electronic outdoor media

Electronic and digital media can be used outdoors. A crucial advantage of electronic media is that no printing cost is involved and reusability of the panel. The electronic panels can display a high-quality image in a large screen without much concern of print quality. Animation and dynamic display of messages are also possible on electronic media. Electronic media use solar energy batteries, so these can be placed in remote locations without regular access to power.

Advantages of electronic media

1. Digital billboard: A company can reach out to the audience through digital billboards that are automatically illuminated.
2. Instant attraction and difficult to ignore.
3. Cost-effective and variety of content: Videos can also be displayed on electronic screens to advertising products.
4. Selectivity: Different ads and messages can be displayed at different times of the day. For example, a food brand can show messages about breakfast, lunch, or dinner depending on the time of the day. Hence, electronic media offers right ad at the right place at the right time.
5. Automated illumination: Digital billboards use light sensors and are automatically lighted/illuminated when the surrounding lights are low.

ATM

Automated teller machine (ATM) is a device that dispenses cash to consumers. India being a cash economy relies heavily on ATM machines. Mostly, ATM machines are situated close to busy roads or shopping locations to offer convenience to users.

Generally, the bank that owns the ATM displays its own advertising messages. There is a huge opportunity for potential tie-ups with commercial brands and banks to utilize the ATM kiosks for branding. Since ATM operations cost money, banks may think about leasing space to others for advertising and generate some revenues from collaboration.

Ads can educate consumers about financial products such as insurance and loans when consumers are transacting on ATM. ATM advertisements can be used to create brand awareness and to reinforce messages. ATM room walls can be used to advertise and catch the customers' attention as typically a consumer spends 5–8 minutes in the room.

Airport advertising

Airport offers a multitude of options for advertisers. Air travel was perceived as a travel mode for affluent and rich people. However, the situation has changed in the last decade. Air travel has become affordable for middle class as well, which prefers convenience over cost. The Indian aviation sector has seen entry of private brands that provide no-frills travel with exceptional value-for-money pricing. Airport ads are perceived as credible and brands as a status symbol. Airport branding increases the brand value of the displayed product. Ads in airport can be done on places like luggage trolley, kiosks, at the arrival and departure points, and lounge area.

Sky balloon

Sky balloons are used to display brand logo and symbols. Balloons floating high in the sky immediately catches the attentions of visitors and especially kids (see Figure 13.6). These balloons can be seen from miles away. It's an affordable advertisement option that can reach maximum customers. These ads are mostly used



FIGURE 13.6 Aerial ads.

Source: Authors.

during specific local events or as a location point for the brand. Balloons can be easily transferred to other places and have a longer shelf life compared to boards and posters. Blimps can also be used in place of balloons for aerial advertising.

Sky writing

Sky writing is another form of advertising in sky. In sky writing, the advertising text is written in the sky using smoke made by aeroplane. These ads are more of a gimmick rather than serious advertising. They may be used during exclusive launches of the product. Sky writing ads provide an instant boost in the brand perceptions and are remembered for a long period of time.

Product placement

Product placement advertising refers to placing (displaying) the brand (products) in the entertaining media like movies, TV series, or OTT series. Cars in James Bond movies are one the most visible and popular examples of product placement. Nowadays, movies have so many product placements that it may create distraction to users. Many users have complained on online forums about usage of too many brands, but movie producers are happy as product placement creates guaranteed revenue for them. Brands that are central to the theme of the content are more effective and have higher brand recall. Since movies are very popular in India, many brands use product placements. Firms invest money to show their brands in movies that have their brand ambassador in the central role to reinforce the message. For example, use of Bournvita in *Krrish* and *Koi . . . Mil Gaya*, Coke in *Taal*, and McDonald's in *Chak De India*.

DIY: BRANDS IN MOVIE(S)

Pick up top five movies from the list of your favorite movies of all time in any language. Can you recall all the brands that appeared in the movies? Watch the movies one more time, and this time focus exclusively on the brands and products that appear. Look what the actors are eating/drinking, driving, wearing, and the background. Note down all the brands. We are sure that now you will be surprised to see how many brands appeared in the movie, which audience failed to remember.

Other methods

We have discussed the popular and common ways used by marketers to advertise products. However, to cover all the possible options is beyond the scope. In fact, as

we mentioned earlier, advertising is everywhere at every place. We list down few more alternatives used in marketing:

- Tea or coffee cups (beverage holders)
- Traffic barricades
- Petrol pump nozzle
- Use of gift items as advertising messengers
- Ads on body parts like face
- Ads on sports equipment, hairbands, cricket bats, etc.

IDEA: SELL YOUR FACE TO PAY OFF DEBTS

You may have read and heard about people selling kidney to buy an iPhone. But two students from UK thought of an innovative way to pay off their debts. They launched BuyMyFace.com to sell their faces as an advertising space. They paint their face with the brand logo or message and roam around busy streets. This innovative idea helped them to pay off the debts and make a good amount of money. Such stories tell the future of ads – you will never know which “place” is next to sell. Tattoos or nice big abs or arms could be another craze in future!

Brand-wise outdoor media used

Outdoor media can be used depending on the reach and status of the brand. A guideline for matching the outdoor media with the brand is given in Table 13.1.

Measuring outdoor media

There are multiple ways to measure the outdoor media. Some measurements are based on speculations and require fair assumptions. There are two main

TABLE 13.1 Outdoor Media

<i>Brand Category</i>	<i>Target Audience</i>	<i>Outdoor Media</i>	<i>Location</i>
Local brand	Limited geographic area	Transit ads such as auto-rickshaw, point of sale, glow sign boards, print and metal panel ads	Near shop, high-traffic areas
National brand	Large geographic area	Billboards, sky balloons, digital bill boards	Highways, popular traffic routes, metro, airports
International brand	Global geographic area	Ship, aeroplane on international routes	International airports, docks

parameters with billboard and poster advertising. First, what is the size of the potential audience for outdoor displays? Second, how many of those people actually saw the ad? These two parameters lead to measurement metrics that measure the effectiveness of OOH media. Let's understand some common terms related to measurement:

- *Daily effective circulation (DEC)*: Number of vehicles and pedestrians that pass by a billboard per day.
- *Opportunity to contact (OTC)*: How many people will potentially walk past the display and see the outdoor ad.
- *Visibility-adjusted contact (VAC)*: How many people actually saw the advertisement during the campaign.

To get these numbers, we need the following data.

Mobility

Mobility measures any movement or journey on foot or by vehicle taken between various different points in the outdoor environment. It can be measured using GPS tracking devices carried by survey participants and recall surveys about the movements of participants over the previous days.

Traffic data

To measure the potential impact of outdoor ad, we need to know how many people pass by it daily. For example, a billboard on a busy highway is more valuable (and costs more) than one on a peaceful traffic less road. Traffic statistics also include pedestrians passing by the billboard in the street or seeing it as they wait for a train or bus. Traffic statistics include information on all the possible modes of traffic and comes from a variety of sources, including official government traffic counts, GPS, real-time sensors on panels, video counting techniques, and even satellite spectrum imaging. Traffic data gives an estimate of potential audience and may not tell how many people really saw the ad.

Before and after data

This is one of the simplest and most common way of measuring the effectiveness (ROI) of any campaign on broadcast media or using outdoor media. Data on sales before and after running the ad is collected and if there is considerable change, then we can assume that campaign worked. One need to make sure that no other campaigns are running in the same period.

Code-specific campaigns

Another way to measure the ROI of campaign is using the campaign-specific discount vouchers, coupon, or QR codes. These codes should only be applied to the limited period of the campaign. One can measure the ROI by tracking the number of visitors who have used the codes. If a visitor in a shopping store used the code during checkout, then we can assign that to the outdoor ad.

Social media hashtags

Hashtags are very popular on social media, especially Twitter. Twitter shows the ongoing trends based on hashtags on the first page. One can search for hashtags and see all the posts that use the tag. A campaign can attach a specific hashtag to the campaign and then it can measure the reach based on mention of hashtag on social media. One can easily check the mention of hashtag on multiple platforms.

Survey data

Market research survey can be used with simple questions like where consumers saw the ad or came to know about the brand. A frequency count of different media used for the campaign will reveal which media is having the highest impact and visibility among consumers.

Case: sebamed and guerilla marketing

AMA defines guerilla marketing as “an unconventional and creative marketing strategy intended to get maximum results from minimal resources”. Outdoor media has been extensively used for guerrilla marketing and to generate the buzz and push for any marketing campaign. The Indian soap industry is highly competitive with many types of soap products and global brands fighting for market share. Lux and Dove, two beauty soaps by Unilever, have been a consistent market leader in the beauty soap and premium segment. Both the brands are also the most advertised soap brands by Unilever in India. To enter into a product category that has a list of very strong brands built on millions of advertising dollars over the years, it is very tough for any new brand to enter and make a mark. sebamed, a German brand, used outdoor media to fight the war with Goliath brands. sebamed was well-known for medicated soap for babies. It built on its USP of balanced pH that does not harm skin and keep it soft and attacked both the brands (and some competitive brands as well) based on pH value of the soap. It placed Rin (a market leader detergent soap) against these brands and informed consumers that the soap used for washing dirty clothes and used for bath to make skin smooth have same pH levels. sebamed used print ads and outdoor media, where it put the large billboards across highways at metros to educate consumers and get their attention. sebamed created

a strong impact through its comparative advertising and its campaign was covered in popular media generating lots of free media. Social media was also abuzz with its cheeky ads. It forced Unilever to retaliate with their own campaign on TV and create a website to fight the claims about pH.

Conclusion

Support media, as the name suggests, is used as a support mechanism in the overall scheme of marketing campaigns. Brands may decide to use support media to complement the national campaigns and reinforce them in specific regions. For example, festival sales and promotions are limited to geographies, where national campaign will lead to wastage. Support media is an excellent advertising vehicle to launch a new product as it is affordable and highly cost-effective. There are many options available for outdoor advertising. Almost all the space available (including sky) can be used in outdoor ads. The advertising history is replete with legendary example of comparative advertising. Outdoor media is an important strategic tool to execute guerrilla marketing campaigns. In past few years, emerging technologies like augmented reality and virtual reality have been incorporated into display panels and billboards to create highly innovative campaigns. Brands have created a huge amount of online word of mouth in the form of free press coverage by using creativity and innovative methods in outdoor ads. Similar to online advertising, OOH advertising offers level playing field to all the players at affordable cost.

Discussion questions

1. Explain outdoor and out-of-home advertising.
2. Why firms use support media when they can use broadcast or digital media to reach a much larger audience?
3. Discuss various types of outdoor media advertising. Also, explain the classification with examples.
4. What are the various types of advertising based on location?
5. Explain the importance of transit advertising. How transit advertising is different from fixed advertising?
6. Discuss some of the advantages and disadvantages of outdoor media advertising.
7. What is the future of billboard media? What is the impact of rising digital media on outdoor media?
8. Discuss few recent examples of product placements and/or integrations. Explain the context in which they were used, and how they could influence their target markets.
9. What is guerrilla marketing and its use is increasing? Should an established brand engage in guerilla marketing? Why or why not?

IMC in practice

Next time you step out of your house, look around you. Check your surroundings like busy roads, skyline, and poles and notice the presence of outdoor media. When you visit a shopping mall or go for a movie in a multiplex, carefully observe all the places where you see the ads. It may be in your food plate, or in the washrooms!

Analyze your findings on the following points:

- Which type of products are mostly advertised?
- What kind of messages are displayed (e.g., sales, discounts, or information)?
- Can you relate the brand value with location and media used for advertising?
- What happens when you see competing brand next to each other?
- Are the ads creative and visually appealing?
- Use of creativity, innovation, and technology in ads.

Learning objectives

1. Understand and evaluate the importance of outdoor and support media.
2. Identify various types of support media.
3. Evaluate the advantages and disadvantages of support media.
4. Discuss the emerging formats of support media.

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PUBLICITY AND PUBLIC RELATIONS

Opening case

Nestle S.A., located in Vevey, Switzerland, was the one of the world's biggest food and beverage multinational corporation in terms of revenues. Baby food, milk, cereals, chilled dairy, confectionery and chocolates, nutritious and flavored drinks, culinary/food, healthcare nutrition, and pet care were among the various product categories launched by Nestle. Nestle moved their attention from developed markets like North America and Switzerland to emerging markets like India and China in the 1990s to tackle the issue of sluggish growth in developed countries. Nestle started selling its product in the Indian market from the year 1912. Maggi was established in India in 1982. Maggi had a significant impact on Indian consumers' eating choices for more than three decades. The company started adopting Indian culture and adapted its products as per the tastes and preferences of the Indian consumers. The firm has released a variety of items over the years, including Maggi 2-minute Noodles, Maggi Vegetable Multigrainz noodles, Maggi Xtra-delicious Chicken Noodles, Maggi Vegetable Atta Noodles, Maggi Cuppa Mania, Maggi Magic Cubes, Maggi Bhuna Masala, Maggi Masala-e-Magic, Maggi Coconut Milk Powder, Maggi Sauces, Maggi Pichkoo, Maggi Hungrooo, and Maggi Pazztas. Maggi noodles, one of India's most famous snack products, was formerly referred to be the "third staple" after rice and wheat.

In March 2014, during their normal investigation process, the Food and Drug Administration (FDA) of Uttar Pradesh stated that Maggi noodles were found to contain higher amounts of lead and mono sodium glutamate (MSG) than recommended for human consumption. Soon after, the administrations of a few other Indian states initiated investigations which yielded essentially identical conclusions. Immediately after these reports, the state governments started ban on Maggi

noodles and other related products. Nestle responded to these claims by claiming that it has conducted normal testing over the years and had never identified Maggi with lead levels greater than 0.03 ppm (parts per million). Furthermore, the problem was dismissed by claiming that the batch examined was an outdated one from February 2014. Food Safety and Standards Authority of India (FSSAI) derided Nestlé's claim that the tests were carried out on old stocks and rebuked "the product wouldn't generate lead with time". Sales were badly affected. The name, reputation, and public image that had been meticulously created by investing extensively in advertising over the previous 32 years was severely harmed. Customers were sharing their displeasure on social media. On June 5, 2015, the most trending hashtag on the microblogging site Twitter was #NestleIndia. For customers, the company's unrepentant answer was the most significant concern. Maggi used Facebook messages and tweets to try to calm people down, but it was in vain. Soon after, Maggi began removing its goods off the shelves as the situation worsened.

It took weeks for a proper statement from the management of Nestle. Its CEO at that time, Paul Bulcke, rushed to India for a press conference. Nestle first ignored the problem, failing to face up to its error, resulting in consumer and policymaker outrage. The Maggi scandal was one of the greatest crises that Nestle India has ever encountered in the previous three decades. The company had to recall stocks of Maggi noodles from the retail stores across the country worth US\$328 million.

The opening case illustrates the importance of PR activities, which many firms take for granted and do not focus much. Nestle did launch Maggi back in the Indian market after rectifying their production process, implementing better quality control, and fulfilling the norms set by FSSAI. But the impact was severe on such a trusted brand. If only the top management was proactive and had come out to the public and accepted the fault, things would not have gone so bad. It becomes the responsibility of the PR department to ensure that the company and the different brands under it do not face such situations. They should be proactive and upbeat in the market rather than taking firefighting measures.

Introduction to public relations

When an organization grows in terms of size and scope, their communication with the public also grows. They start to realize that they need to communicate to the "public" besides consumers, as different groups of people influence the business directly or indirectly. These publics can be the media, suppliers, shareholders, employees, community, government body, etc. And this is when the concept of public relations (PR) came into existence, which implies maintaining relations with various publics. Thus, PR has the widest scope and role among all marketing communication tools. The public relation (PR) department manages publicity and other communications with all the groups which are in contact with the company.

Public relations are managerial activities that is concerned with understanding the public opinion and analyzing public attitude and defining policies and a plan

of action to earn public acceptance and appreciation. In other words, public relations are organized effort in order to positively influence public opinion through responsible behavior and thus build goodwill for an organization and its offerings. Thus, it is clear:

- PR aims to have a positive influence on the public opinion regarding an organization and build goodwill for the company and its products.
- Planned activity that analyzes public opinion.
- An organization must conduct itself responsibly to cast a positive influence.

In an organization, there are multiple low-control messages that are not formally planned yet make a powerful impression on varied audiences because they are more honest. For example, while the communications manager may not have direct control over a company's crisis management, shareholder involvement, staff behavior and gossip, consumer word of mouth, and so on, they all have a long-term impact on the company's corporate image and reputation. Now most companies are no longer ready to take a chance with their brand image. As a result, public relations is an organized effort to analyze these low-control messages and implement measures to build goodwill, alter attitudes, and manage spontaneous messages. For doing so, the same media is used which is used by other communication tools, such as corporate websites, advertisements, events, sponsorships, and direct mailers.

Thus, PR has much broader scope than any other communication tools of marketing communication. This is because it is not necessarily focused on promoting products or affecting behavior, but rather on promoting the company as a whole. However, this does not imply that PR is not supporting the marketing activities. The type of public relation activities that helps to build positive brand image or publicity for the products are called marketing public relations (MPR). This is one such area where marketing communication managers have to deal with the most. MPR affects the consumer attitude toward a product, assists in the building of trust, defending of a product during a crisis, generates news and publicity for a product, and so on. As a result, it's well-integrated into the overall marketing communication mix, and it's managed by the marketing or communication manager. For example, public relations is utilized in conjunction with advertising to create an effective communication strategy. This is because advertising alone does not always suffice in conveying the intended message.

PR not only helps in communicating advertising message but also helps in generating positive responses. Public relations can be both internal and external, depending on who will handle the PR activities. When public relations are managed by the internal PR department of the company, it is known as internal public relation. Whereas when it is managed by an external or third-party agencies, they are referred to as external public relations.

Importance of PR

The world is becoming a lot more transparent. Mobile phone usage is fast expanding all over the world. And, as a result of technological advancements, Internet usage has risen dramatically in recent years. Their trust in newspapers, television news, and business publications is rapidly eroding. Consumers are more empowered than ever before, and they will not tolerate any nonsense. Because of the sheer number of clients and customer touch points in industries like aviation, telecom, and hotel, the crisis is more likely to happen than in any other industry. As a result, these businesses must carefully manage client complaints before they become a crisis.

Further, every customer is a broadcaster and publisher. Maintaining positive relationships with journalists will not defend a company's reputation on its own. Media cannot always suppress a story. Thus, PR is undergoing metamorphosis where it needs to prepare the organizations for a more assertive and connected consumer base. Thus, PR is not only for crisis management and influencing consumers. The more the goodwill a corporation has built through time, the more they can afford to lose in the case of negative publicity.

Functions of public relations

Public relation activities are not like the standard marketing functions. The PR department focuses on the internal and external stakeholders, including employees, shareholders, public interest groups, the government, and the society. The five key functions of PR are as follows:

1. *Identification of internal and external stakeholders:* Stakeholder is a person or group who has interest toward the organization's activities. The interest can be for profit of the shareholders, loan repayments of the financial institutions, wages of the employees, community well-being, and so on. Internal communication is very necessary for the organization's well-being. Employees provide powerful channel of communication to people outside the organization. They can either uphold or damage the firm's reputation. the employees should be informed about what the company seeks to achieve with the IMC program. To communicate well with the employees, the PR department works with HR department. The communication should be consistent, clear, and on a regular basis so that the employees stay up to date regarding the company's activities. External stakeholders consist of media, local community, the financial community, the government, etc., the company have no control over these groups.
2. *Accessing the corporate reputation:* A company's reputation is fragile and valuable. Well-received corporate and brand name helps in business growth during good times and protect the business during a crisis. A reputation of a company highly influences the consumer decision regarding which brand to choose over

others. Investors also consider the reputation of the company before investing their money. Corporate scandals, accounting frauds, and economic and financial downturns can badly impact the company reputation and reduce consumer confidence. So, assessing and managing company's reputation become very vital for its products.

3. *Corporate social responsibility*: It refers to an organization's obligation to be ethical, accountable, and reactive to the needs of the society. It means companies toward the greater good of the society by taking positive actions. It is highly argued that companies which are socially responsible are more likely to survive in the long term. Companies which engage in socially responsible activities often generate quality publicity and customer loyalty. A new trend in corporate social responsibility is purpose marketing or pro-social marketing which involves advertising that focuses on the values, behaviors, and beliefs of the company.
4. *Creating positive image-building activities*: A cause-related marketing program ties marketing activities with a charity to generate goodwill. Cause-related marketing assists nonprofit organizations. Companies tie up nonprofit organizations or the NGOs and send across positive message toward the society. For example, P&G tie up with Child Right and You (CRY). Again, green marketing and pro-environmental activities are also taken up by the companies to create positive image. Green marketing involves the development and promotion of products that are environmentally safe. Most consumers favor green marketing. For example, ITC hotels are green hotels, and they extensively follow green practices in their hospitality business. Greenwashing is another concept wherein most business leaders believe that their company should be involved in protecting the environment and create green products. They try to portray that their products are environment-friendly but in practice the products are not green. They are faking green or greenwashing. This damages the company's reputation when such information comes into the knowledge of the consumers.
5. *Preventing or reducing image damage*: Another function of public relations is damage control which involves reacting to negative events caused by a company error, consumer grievances, as well as unjustified negative press. Negative publicity damages the image of the company. It takes a lot of time to build company reputation, so it is very important to preserve it. Proactive prevention strategy means that rather than waiting for the harmful publicity to take place and then reacting, the firm charge certain employees with minimizing the effects of any future bad press in advance. Proactive approach helps to prevent negative publicity from emerging. There are two techniques of proactive approach: *Entitlings* and *Enhancements*.
 - *Entitlings* are attempts to claim responsibility for positive outcomes of events.
 - *Enhancements* are attempts to increase the impact of the desirable outcome of an event in the eyes of the public.

Reactive damage control strategies that can be used to reduce negative publicity include Internet interventions, crisis management, apology strategies, and impression management techniques.

- *Internet intervention*: Firms seek to combat online word of mouth through Internet intervention. Consumers share negative word of mouth through social media and blogs and talk about their bad experiences. Through Internet, people vent out their negative emotions and bad experiences.
- *Crisis management*: During the crisis, the company either accept the blame and offer an apology or refute the charges in forceful manner.
- *Apology strategy*: It is another reactive damage control strategy. An apology takes place when an investigation reveals that the firm is at fault. The firm should quickly offer sincere apology. The firm apologizes when there is minor violations at times in which the firm cannot deny responsibility. When the customers feel that the firm's apology is sincere and heartfelt, then they normally forgive the company and at times feels positively about the company.
- *Impression management*: When the firm tries to protect certain types of impression, impression management is a conscious or unconscious attempt to protect the images projected in real or imagined social interactions. In order to protect the image, firms attempt to influence the identities they display to others.

PR in India

Multinational corporations created public relations in India (Figure 14.1). After independence, it became clear that public relations were required to bridge the gap

Case in point: PR by Fevicol

Community Initiatives

Fevicol Champions' Club- for contractors
Loyalty Program -under FCC
CSR- Shramdaan Diwas, CPAA-Cancer
Patients Aid Association

Interviews

Print Media, Corporate
Channels, Magazines, etc Like-
CNBC-TV18 Bazaar,
Times of India, ET Now

Press Conferences

Fevicol Annual Sales Conference
 which was conceptualized, managed &
 executed by Onstage

Press Convention

AweGust Partners with Pidilite
 to Present the Fevicol Elite
 Club's - Titanium Dealers Meet

FIGURE 14.1 PR by Fevicol.

between corporations and government. It's also utilized to help in media relations. When the government opened the economy and global corporations began to enter India in the early 1990s, the concept of public relations began to flourish in India. Initially, public relations were thought to be limited to media relations. As a result, it was extremely usual for entrepreneurs who launched PR firms to come from a journalism background. Their main priority was tracking down journalists and deciding where to hold conferences. For many people, public relations were about creating positive tales about their clients and preventing negative publicity.

With the passing years, many new agencies were born with a new approach to PR. There have been PR verticals such as i9 Communications, which only serves the healthcare business, and Text100, which only serves IT enterprises, as well as boutique agencies that provided very specialized services. Often, PR verticals and specialist agencies emerge as a result of a crisis in the sector. The distinction between public relations, advertising, and digital communication is likewise becoming hazier. As the need for and appreciation for public relations has expanded in the sector, professional public relations firms have evolved to provide strategic guidance and integrated communication solutions. International agencies are bringing in a theoretical, empirical, and data-driven approach to managing PR. As per ASSOCHAM reports, Indian PR industry reached 10.6 billion dollars by the end of 2022. The demand for PR professionals is rising which contributes to the growth of this industry. Multinational companies are also entering into Indian market and the global PR agencies keep on extracting their share of growth from the Indian market. The future of Indian PR industry is bright.

DIY: PR IN INDIA

Look out for various ways in Indian firms carry out their PR activities. Which type of industry uses more of PR as against other promotional elements. How frequently are the PR activities carried out? Prepare a time line for few of the big and small firms that indulge in public relations.

Do central and state governments undertake PR activities. Search few examples for the same and present it in the class.

The Public Relations Society of India (PRSI), headquartered in Mumbai, was founded in 1958 to promote the recognition of public relations as a profession and to establish it as a strategic management function. It is India's national association of public relations practitioners from multinational, government, public, and private sectors. The International Public Relations Association (IPRA) recognizes the society as the national PR organization. To promote PR as a discipline, the society conducts conferences, seminars, lectures, and discussions on many aspects

of public relations on a regular basis, offers professional programs in partnership with several schools and universities, and celebrates April 21 as National Public Relations Day. It also gives out national awards in many areas, including house journals, corporate brochures, environmental campaigns, crisis communication, event management, social media for public relations and branding, corporate social responsibility, and so forth.

The Public Relations Council of India (PRCI), a non-political and non-profit organization of professionals in the field of public relations and many other connected services, is another similar organization. It promotes the practice of public relations on local, national, and international levels, as well as providing professional accreditation.

Benefits and drawbacks of public relations

One of the biggest strengths of PR is the credibility which it enjoys with its audiences because of its relatively impartial nature. Audiences are more likely to believe news articles, television reporting, company awards, and so on than a company advertisement or direct mailer. This is due to the fact that the former are normally developed by a third party, but the latter are provided by an organization in its own favor, and hence are viewed with greater skepticism. For example, we do not buy a book based on its back cover endorsements by leading media. As consumers are becoming savvier, they are realizing that often third-party coverage is paid for directly or indirectly by the company. Several studies have indicated that the *credibility* of news media is on the decline. Effective PR helps in building positive image of an organization and earns goodwill from the publics. This acts as a shelter to the company during the time of crisis or problem.

PR also can reach several audiences at a time, which is difficult to reach through other communication. For example, a businessman might not get time to watch ads on the television, but they are likely to read newspapers, attend seminars or read the corporate brochure. PR also helps in reaching the specific groups of products or information that appeal to very small market segments, which is not feasible for advertising or any other communication. For example, in order to reach to the investors, corporate brochure or annual reports are the best medium, not through advertisements. PR also helps in *avoiding the clutter* that advertising or sales promotions create. The target audiences frequently pay close attention to news headlines, corporate mail, lectures and seminars, stakeholder meetings, and so on. Well-executed public relations is one of the most *cost-effective* marketing communication methods, applicable even for small enterprises and in times of economic depression.

The absolute costs of PR are low. It allows you to reach a wide range of people without having to spend a lot of money like that of advertising, and it does it in a clutter-free atmosphere that ensures more attention of the audiences. Free publicity and word of mouth are two more advantages of PR initiatives. Many times,

the only costs involved in a public relations campaign are time and administrative costs. As the laws governing PR are less stringent than those governing advertising or sales promotion, communication managers have more *flexibility* in terms of the information that can be given.

On the other hand, PR activities also have certain weaknesses. The organizations have very *limited control over what get publicized*. Because the press, among other reasons, has access to alternative sources of information, news reports released to the press may not be published in the intended manner. Editors and broadcasters also assess the newsworthiness of an event based on what is likely to appeal to their target audiences. Thus, sometimes the story of the organization may not be entirely covered at all as other important events may take up news space at times. The *results are difficult to measure*. The organization can monitor the media coverage but sometimes the impact is only on the consumer attitude, public opinion, or relationship with the communities which cannot be quantified. PR *doesn't have a direct impact on sales*, which is one of the major concerns to the marketing managers. Therefore, it often takes a lower priority compared to other communication tools.

Types of public relations

There are several types of public relations which will be discussed in the following sections:

Media relations

It involves establishing an ongoing relationship with the media and making them aware about the company's objectives, policies, events, etc. on a regular basis. The objective of media relations is to maximize the positive publicity and minimize the negative ones. Not all areas of the company would be of interest to the media house; thus, the media relation experts must be aware about the interest areas of the reporters and then pitch them the story so that they can make it newsworthy. The media relations experts must be well aware about the kind of news that those media houses cover, and accordingly develop story ideas, pitch stories to editors, prepare press release, media kits, or other publicity materials, track interview opportunities, give interviews, handle media question, etc. Sometimes the media relations experts also need to train the other company executives to give interview. They need to have a cordial relationship with the journalists and reporters and understand the news channel's motive and values. As the organizations have very limited control over media, media experts need to continuously keep the communication channel open. Their work demands trustworthiness, presence of mind, respect for the journalists' deadlines and pressures, and accuracy in reporting and professionalism.

Blue Star, one of the largest central air-conditioning companies of India, caters to the need of large number of corporate, commercial, and residential customers. However, it focused mainly on commercial market and had very little presence in

the consumer segment. With its sleek design and contemporary room air conditioners, the company was keen to enter largely into residential market. Hence, the company decided to create awareness through public relations among the residential consumers. Through PR, the company tried to deliver message of the brand's quality, competitiveness, reliability, and outstanding after-sales service. The company prepared well-planned media program involving press meets, facility visits, and one-to-one interviews with prominent media channels. As a result, Blue Star is a household name in the country.

Corporate public relations

Corporate PR plays the role of managing the corporate profile and reputation of the company. Company's senior management comprises the team of corporate PR, determines the concerns and expectations of the public, and is responsible for shaping the image of the organization. Issue management which refers to determining how the company will respond to important issues is one of the tasks of corporate PR. Corporate PR teams look at the most popular news stories at the time and figure out how to capitalize on them by providing professional insight on the topic. Press release, news article, social media pages, blogs, etc. are the useful tools to voice opinion. The corporate PR team is also responsible for managing *corporate advertising*, which is a tool to build positive attitude and goodwill toward the company as a whole. It is not entrusted to the advertising department of the company because it doesn't intend to sell a product rather focuses on developing the overall image of the company. Examples are Tata Steel and Coca-Cola.

In the government sector as well, PR advertises play a great role in reaching out to the masses inculcating and promoting attitudinal changes and educating and encouraging them to participate. Apart from generating company's image, corporate advertising also focuses on promoting recruitment and attracting qualified employees. Corporate advertising can also be done to promote a company's affiliation with or sponsorship for a cause or event. For example, advertising supporting female education and sponsoring cricket teams.

The linking of social cause to an advertisement is called *cause-related marketing*, which is gaining popularity in Western countries due to narrow product differentiation. The company donates part of its revenue toward charitable cause and brand neutral consumers end up choosing such brands who donate for a cause. For example, Ariel, Tide, Vicks, Whisper, Pantene, Gillette Mach 3, Head & Shoulders, Duracell, Oral B, or Pampers, P&G donates part of its revenue to its NGO partner Child Rights & You (CRY), who then deploy these funds through various projects.

Advocacy advertising is a kind of advertising where viewpoints on a given issue can be expressed, or take a stand on a social, political, or other debatable issue, is also handled by corporate PR. Advocacy advertising positions an organization as a leader in its industry or area of expertise. Anti-smoking, AIDS prevention, gender equality, seat belt usage, helmets, etc. are the issues often discussed.

Crisis management

It entails preparing for and responding to big events or disasters that have the potential to harm an organization's reputation, well-being, or survival, as well as its stakeholders' interests. During a crisis, there is extremely little time to react and respond. Pesticide use, pollution of surrounding farms and industrial waste, pests in food products, fire in a plant, management blunders, and so on can all trigger a crisis. It is nearly guaranteed that some occurrences will be seen adversely by the public at some time in the organization's life. The organization's crisis management team, whether internally or externally hired, oversees handling communication during such an event.

The team appoints spokespeople to appropriately characterize the damage, give media and government interviews, and respond to questions from the public and investors, among other things. One such crisis occurred with Nestle Maggi in the Indian market (as discussed in the opening case). It all started in May 2015, when food safety regulators in Barabanki, Uttar Pradesh, India, discovered that samples of "Maggi Two Minute Noodles" contained unusually high amounts of monosodium glutamate, as well as lead levels up to 17 times the permitted limit. In the following month, Nestle Maggi was banned from several parts of India. The company faced huge backlash. These are the crisis which occurs without any warning sign. Due to some negligence from the company's end, such crisis occurs. Following the ban, Nestle India conducted over 3,500 tests involving over 200 million packs in both national and international authorized laboratories. In addition, the United States, the United Kingdom, Singapore, Australia, and other nations have determined Maggi Noodles shipped from India to be safe to eat. All samples of the newly manufactured batches got clearance from three National Accreditation Board for Testing Calibration Laboratories (NABL)

Crisis handlers work diligently to bring the crisis to an end as quick as possible in order to limit the negative publicity to the organization. The six competencies that help handling crisis are building an environment of trust, reforming an organization's mindset, identifying the obvious and obscure vulnerabilities with an open mind, making wise and rapid decisions, taking courageous actions, and learning from crisis and implement change.

As opposed to this, the companies which does not own up to its blunders could face severe consequences and lose its reputation and market share. Thus, the way the company handles the crisis determines whether or not it will emerge with its reputation intact. While most companies focus PR and communications as a reactive strategy, some organizations can anticipate the kind of crisis they may face and prepare a contingency plan accordingly, designates a crisis management team and conducts some drills to handle a mock crisis situation.

Example: Cadbury crisis. Worms were found in some of the dairy milk bars in Maharashtra in 2003. Sales declined by 30%. Cadbury's PR team signed Amitabh

Bachchan as the new brand ambassador as he stands for trust, authenticity, and love in India. Sales climbed back to precrisis level in two months.

Marketing and public relations

Public relations attempt to understand what consumers think about the company, its brand, and offerings. The public relations team assesses public perceptions and collaborates with marketing teams to improve advertising and increase public interest in the organization, as well as to preserve the firm's brand quality in the eyes of the general public. Public relations can consist of a variety of activities that last anywhere from a month to a year. For example, a company may issue a press release to announce its financial progress or to debut a new product, as well as to announce special events such as a lucky draw and others.

Since many firms have shifted their focus from marketing to public relations in order to promote events, products, and services, many marketing firms have become much more receptive to public relations. So public relations have a broader viewpoint; in the classic sense, it demonstrates that public relations are a nonmarketing function whose goal is to preserve a positive connection between customers and businesses. With the new perspective and lens, public relations managers must be proficient in both marketing and public relations. They can't be more successful if they work alone; when they work together, they can form their image and the overall image of the business and product effectively. While primarily working with the marketing department, public relations also work with other departments. Both departments should work at an equally balanced stage because if one stops working, the PR team will stop working as well, so they should be equally operated to reach out to the public. Even though PR is more important, consistent efforts should be made to perform integrated marketing communications.

Public relations efforts are established to help marketing operations such as generating awareness, informing and educating consumers about a product, and providing trust and reasons to acquire a product. Marketing public relations adds value to marketing programs in a variety of ways:

- *Building marketplace excitement before media advertising:* When the public relations and marketing teams collaborate, they will build a buzz about a product and make customers excitedly await its arrival. So, these sorts of feelings and expectations may be achieved by marketing the product by sponsoring a program or a discussion show about the product, and for some items, people are willing to wait a long time before purchasing the product. It might be about a reality program or about smartphones.
- *Improving return of investment:* PR helps by reducing the marketing costs and at the same time providing meaningful marketing outcomes.

- *Introducing a product with little or no advertising:* Many companies, such as Tesla and Apple, have successfully applied this strategy; these corporations employ public relations to do so.
- *Defending products at risk and giving consumers a reason to buy:* It is taking positive steps to protect or promote a company's goods in this case. It's similar to providing a legitimate reason to buy a product. For example, iPhone is an expensive product, but most people buy it because of the features and security system it provides to customers.

Marketing public relations (MPR)

PR can also be used to support a marketing campaign. Marketing public relations is a branch of marketing that seeks positive publicity for products while also supporting marketing objectives. It is typically utilized for the launch of a new product since it is necessary to establish credibility in the eyes of the target audience as well as provide a detailed description of the product, which is difficult to do through advertising. News articles, endorsements by opinion leaders to develop trustworthiness, advertisements that generate awareness and hype among target audiences, large events for product launches, and so on all can help to raise awareness. MPR is a well-thought-out discipline that may overcome consumer resistance to traditional promotional messages, break through the clutter, establish trust, support advertising efforts, and so on, all while remaining cost-effective. Like the most PR, the control over MPR is less as compared to other promotional activities.

Employee relations

Employees are one of the most important resources for the organization. They are the human capital of any organization. Though looking after the personnel wealth is generally a task of human resource department, but PR department too has an important role to play. HR is concerned with the activities like recruitment, selection, training, payroll management, and developing HR policies and practices, PR is responsible to maintain communication with the employees during special as well as routine situations. Employee relations is that branch of PR that focuses on building strong relationship and communication with the internal public of an organization. The type of conversation with the employees of the organization can lead to positive or negative signal to the public. Employees who openly complain about the company, untrained customer service personnel whose behavior betrays the company's advertised values, uninformed staff members who are perplexed as consumers in the face of a crisis, and so on can send a negative signal about the company that can have a greater impact than any large-budget advertising campaign.

Employee relations are not important only during the crisis. Attracting, motivating, developing, rewarding, and mobilizing employees are the top priority for an

organization, not only from the HR perspective but also from the lens of PR. The job of the PR is to build an employee brand, that is, the image of the organization as a great place to work in the minds of the current and prospective employees and stakeholders in the external market. For example, Tata Group carries such an image in the minds of the public. The term “employee branding” was first used in the 1990s to denote the organization’s reputation as an employer. Since then, it has become a buzz among the global managers.

Employee relations encompasses all aspects of the job experience, including people management practices that impact employee attitudes, and goes beyond communication. PR must ensure the ongoing communication channel with its employees. Employee communication tools include internal magazines, bulletins, bulletin boards, email messages, video programs, employee gatherings and get-togethers, award celebrations, and so on. Successful employee relations give a sense of security, recognition, participation, respect, and opportunity that help in improving employee morale, motivation, and productivity.

Financial relations

Financial relations are strategic management responsibility in which PR plays a key role in facilitating successful two-way communication between the business and the financial community, as well as other stakeholders like the government. Financial relations experts communicate with investors, stockbrokers, regulators, and the financial press about various financial topics such as mergers and acquisitions, initial public offerings (IPOs), financial regulations, annual reports, and so on. They set the tone for a company’s image in the eyes of its financial community. Annual reports, for example, are a way of informing investors about why a company did not perform well.

Financial relations managers investigate financial crises that the company faces, such as changes in management or internal structure, corporate downsizing, stock market declines, industrial disasters, and so on. Financial relations experts try to be visible and create relationships in difficult economic times through being cautious while making commitments, emphasizing on the long-term rather than the immediate future, responding to investor concerns, refuting rumors, media relations, and so on. One of the main jobs of department is to produce financial relations advertising, which is a type of corporate advertising that increases the firm’s image or communicates its viewpoint on financial issues. The prime objective is to market the organization as a product and create positive influence in the prices of stocks.

Community relations

One of the roles of PR is to foster relationships with the organization’s community members, or those who live or work in the area where the organization is located. The basic concept is that by accepting one’s civic responsibilities as a corporate

citizen, one earns the community's loyalty, trust, and support. Accepting corporate social responsibility (CSR), that is, building community relationships, improves the firm's public image as well as employees' and investors' pride and confidence. Good community relation is also helpful during the time of crisis, like fire or plant closing. Community relations generally take the form of activities that enhance the well-being of the local community, such as reducing air pollution, responsibly disposing wastewater, plantation, beautification of the towns, building hospitals, and schools. Community events like sponsorship call for local participation of children's activities, arts performances, charity walks, religious gatherings, etc. Indian organizations like Tata, ITC, Birla Groups are working over years for the community benefit.

Government relations

Public relations experts often try to influence the policy decision made by the government authorities at local, regional, and national levels, in an effort which is known as lobbying. Lobbying is often spoken of with contempt, when the implication is that organizations with inordinate socioeconomic power are twisting the laws to suit their own interest. Lobbying serves many fair causes such as protecting the interest of the minority against the majority or presenting the problems of the industry to the government. Whether lobbying is "fair" or "unfair" depends on the lobbyists can defend their cause.

Tools of public relations

Public relations employees use various tools, including company newsletter, internal messages, publications, and annual reports. PR also uses the tools from all areas of business, be it corporate publications, television advertisements, direct mailers, websites, or online videos, capturing hits, or mention of a company name in news stories. Hits can be positive or negative or sometimes even neutral in terms of its impact. The popular tools used by the PR practitioners are as follows:

1. *Publications*: Ranges from brochures and poster to internal magazines, newsletters, and annual reports. The organization publishes these at a regular interval for various target groups – both internal and external in order to maintain strong communication channel with them. The entertainment clubs publish magazines for their members informing about the past activities and upcoming events, changes in fee structure, awards, and recognitions, etc. The publications are also done online due to its lower costs of distribution.
2. *Videos and films*: There can be various types of videos and films. *Corporate films* are produced by a company for specific target audience and for specific purpose. They may be for staff training, product presentation, demonstrations for safety measures, investor information, recording corporate events, webcasting,

etc. Corporate promotional videos are often broadcasted in cinema halls, company website, corporate-owned retail stores, or sites like YouTube, etc., a typical corporate film tell a story about the company, its values, vision and mission, production process, clients, target market, awards, recognitions, etc.

It is the audiovisual version of company's corporate brochure. It is generally produced by a film production house. These are expensive means of communication, but they have an immense influential power. Videos are the new way of online brand-building. Videos are advantageous because they do not have limited shelf life and consumers share them to others for free. Videos are more interactive, entertaining, and nonintrusive than advertising. Videos are very useful for categories which seek for more information like financial services, home décor, and automobile. Videos help in delivering the message more effectively.

Product placement is another sort of video-based PR that can be done. It's a combination of advertising and public relations in which branded products are incorporated into the content of films, music videos, television series, reality shows, and even news program. For example, shows like *Bigg Boss* and *Indian Idol* have had their share of product placement. Again, in many popular Bollywood movies, the product placement is done very cleverly by the marketers. For example, Domino's Pizza in *Phir Hera Pheri*, Mountain Dew in *Zindagi Na Milegi Dobara*, McDonald's in *Chak De! India*, Audi Q7 in *Bodyguard*, and so on.

3. *News releases and press conferences*: Organizations provide their stories at various news channel to generate publicity which the public believes more than other communication. However, to release a story in print or broadcast media, it must have a news value. For example, Kalyan Jewellers, one of the well-known jewelry houses in South India launching its store in Ahmedabad, issued ads in the newspaper and outdoor media announcing that Amitabh Bachchan will inaugurate the store. Thousands of fans gathered outside the store on the day of opening. This created a hype, and popularity of the event was so high that the event was covered by the local leading media house. Thus, the news value or the newsworthiness determines the extent of prominence a news story is given by media. News releases deliver organization's story to the news media – scheduled events, personnel promotions, awards, new products, etc. – in a format that is acceptable to the print or broadcast media. News release must ensure that they have newsworthy content. If a release is only sent to single media house, it is known as exclusive. It should reach to large target audience to be offered as exclusive.

Only when a news release has a well-thought-out distribution strategy does it become newsworthy. The target audience, the message, and the method through which the news is distributed all must be determined correctly. Websites and blogs increase the likelihood of a story going viral. The press release can also be emailed to niche bloggers that cover the topic, or it can be placed on YouTube or on an online news distribution site. A media advisory can be used in the same way that a news release is. It's a bulleted form that's sent out before

an event, and it allows invited media members to attend. A press conference, a product launch, or a trade exhibition, for example, all are examples of events. A media advice, unlike a news release, is not intended for public consumption. A news conference or press conference is an event where the organizations invite the media representatives to listen to their announcement. The journalists are allowed to ask questions or interview important people. A media event where no statements are made, or no questions can be asked is known as photo opportunity. For example, news conferences held by companies, politicians, celebrities, etc. The supporting materials such as photographs, press releases, copies of speeches, and timetable are given to the reporters to make their task of news coverage easier. This is known as press kit.

4. *Special event and social activities*: Companies organize special events to foster relationships with various publics. Universities are known for holding open-house meetings, during which a presentation about the programs they offer is provided, as well as questions from parents and students are answered, or a campus tour is offered. Similarly, many organizations hold training sessions, factory visits for new hires, lunch meetings, dealer briefing sessions, and so on. Even social events like talent shows, picnics, employee parties, holiday vacations for dealers and retailers, and so on are PR tools that help to create a pleasant environment and send the image that management cares about these audiences. For example, special events being organized by Fevicol India.

- *User engagement program*

It's an initiative that support and empower woodworking community. The Fevicol Champions Club (FCC) is an exclusive platform for enhancement of social status and development of professional skills of carpenters. The group also conducts many social and cultural endeavors to bond together with the society. Other special events to bring together the consumers and carpenters are organized at the state or district level. For example, Kala Ghoda Art Festival, Fevi Create, and Fevicol Tree.

- *Giving back to the society*

Pidilite as a firm has always been involved in CSR events. Their initiative of helping those most in need talks about carpenters and contractors willingly volunteer a day's work to help repair furniture and fixtures in municipal schools, government schools, schools for the blind and disabled, orphanages, and hospitals.

5. *Company sponsorships/events*: Sponsorship is defined as a financial or other form of support given to an event, cause, or organization in exchange for advertising time or space or some other commercial benefit. For example, Byju's supports the Indian Cricket Team, while Tata sponsors the Indian Premier League. Because of the goodwill and media coverage that sponsorship

of sports, arts, education, and social initiatives can produce, it has a lot of PR value. Sponsorship also serves as a link between an organization and an event. Sometimes company may organize and sponsor its own events to generate publicity. For example, a sales promotional event such as a mega contest or a charity walk.

6. *Social appearances*: Politicians, celebrities, and other public figures frequently appear at social events in order to promote their personal or organizational views, create relationships, reach out to hard-to-reach populations, or gain media attention. Many corporate leaders attend university convocations, or annual days, or give speeches at student conferences with the goal of attracting possible job applicants. Bollywood celebrities make appearances in cultural programs, opening ceremony, etc.
7. *Online media tools*: The online media is a wonderful tool to distribute PR-related information or even conducting the PR activities. A website of a company is used as a versatile tool that can be used to reach varied audiences. Most of the company websites contains information which will be required for their investors and their financiers, from sharing annual reports to financial news to investor presentations, etc. Companies also put up press releases, pictures, or notification regarding any event and other information that may be of interest to journalists and reporters. For their employees, several organizations have an intranet version of their websites where they can post news, publications, meetings, and social event notifications, among other things. Information regarding the company's community development initiatives, product-related information, and FAQs for the customers are also posted online.

Apart from websites, social media platforms like Facebook and Twitter can also be used to keep the customers and other stakeholders updated. Social media also allows customer interaction with the company through the posts. Twitter feeds for short announcements, YouTube is used to broadcast videos related to the company and product, LinkedIn page help to post professional news, etc. Corporate blogs are also used by senior management personnel to share articles, information, links, photos, news, views, and opinions. For example, Anand Mahindra, MD, Mahindra & Mahindra, shares issues ranging from consumer complaints to employees' messages in his Twitter handle. Implementation of social engagement strategy is one of the PR campaigns. Social media helps the companies to directly connect with the consumers, build relationship with the influencers, etc. Print and broadcast media requires time and space, but the Internet doesn't have such limitations. Internet provides unlimited information which can be accessed at any point of time at just a click.

Example: Bata PR activity on social media

Aim: To create content and secure free space on other websites

Campaigns to capture audience interest

#JaaUngliDikha campaign: Encourage the citizens to vote. Special offer at the Bata store, simply by showing the inked finger.
Bata celebrated spirit of Eid with *#LetsWalkTogether campaign*.
PR activity when new collection released.

Example: Godrej Aer PR activity on social media

Objective: Interactive social media campaign that aimed to promote its cause-related marketing objectives to the general public. The brand was able to build goodwill with potential customers through such responsible marketing strategies.

In addition to tools mentioned earlier, there are other tools as well like fund-raising, meetings, and social activities.

Example: PR activity by Pepsi India

First product to respond to consumer preference with lightweight, recyclable, plastic bottles. Different approaches of promotional campaigns such as press releases have been imposed. Involved in various fund-raising, sponsorship events, and community activities.

PR message 1 (#ChangeTheAir)

- Pollution under control reminder service
- Launched on National Pollution Day
- Each character reprimands humans for polluting air with toxic car fumes

PR message 2 (#Don'tSmokeBecause)

- Crowdsourced message strategy
- For the launch of Godrej Aer Musk

Planning the public relation program

Like any other marketing communication plan, a PR plan also starts with situational analysis or research, followed by determining the target audience, objective and setting the budget, implementation of the plan, and finally measurement of the success of the PR campaign.

1. *Conduct PR research*

Before an organization starts its journey to change, it must understand its current position that it holds among the audiences. To understand that, the organization has to undergo research that will help to recognize the attitude and perceptions

people have about the company. Research can also help to understand the problem areas that have a potential to develop as a crisis, identify the opinion leaders among different groups, identify the media consumed by these people, etc. PR research deals with questions like what consumers think about the company, identify gaps between company policy and actual practice, learn about the local community, etc. Company should be judged through the internal point of view as well as external point of view. The research conducted can be both primary and secondary. Primary research can be done through asking “perception-related” questions to the stakeholders. Secondary research can be done through monitoring the consumer blogs and social media, broadcast media, and online newspapers.

2. *Set the objectives*

One of the most important tasks of PR campaign is to set the PR objectives. Objectives must be set in order to compare the actual outcome with the desired outcome. PR objective is to understand the target audiences to be reached. Every target audience cannot be reached only through one PR campaign as different target groups have different needs to be fulfilled. A PR campaign should ideally set independent objectives to meet the needs of different target groups. The prime objective of PR is to affect or change public attitudes. It is a long-term process to measure the public attitude. Yet the PR professionals set meaningful objectives that can be attained and is measurable. There can be objectives which are behavioral in nature as well. For example, if the company intends to get consumers believe that the company is a good corporate citizen, then the question to be asked are as follows:

- Are the consumers aware about the CSR activities?
- What are the activities they are aware about?
- Do they perceive CSR work favorably? and so on.

Based on the parameters the PR objectives can be set. The objective that can be set based on the aforementioned questions:

“Within a year’s time, generate awareness about the CSR projects among 50% of the consumers such that at least 30% of the consumers have favorable attitude toward it and intend to make purchase of company’s products”.

3. *Determine the budget*

Estimating the cost of the PR campaign is essential, but it is not an easy task as there are many activities which cannot be measured in terms of money as it does not come with a price tag. For example, posting new stories in the media does not require any fees. However, creating those news stories do comes with a price tag. In order to determine the PR campaign budget, the company can review its funds to determine how much to allocate for the PR activities, estimate how much the competitors or the industry is spending for the same. They can use it

as benchmark and then set objectives and thereby determine how much to allocate to achieve each of those objectives. The most popular method of budgeting is the “affordable method” where budgets are determined as per the spending capacity of the company. However, the most logical method is “objective and task” method where the company lists down its objectives, estimates their cost, and then allocates the budget for the same.

4. *Implement the plan*

Once the PR planner knows the target audience, and set the objective as well as allocate the budget, they must implement the activities required to achieve the objectives. A good PR strategy should be used to maximize the organization’s budget through the use of right tools and techniques. For example, in order to launch a new product of skincare, a company can host event and invite the beauty influencers and media personnel and post the benefits of using such skincare products in online platforms as well as offline publications. Different customer segments are targeted through different tools and the budget will be different for each of them. Implementation of PR also requires selection of appropriate PR tools and activities, the message strategy, and time of message delivery.

5. *Evaluate the results*

Measuring the result of the PR campaign is a difficult task as it does not directly impact on sales like other promotional tools, and the results are visible in the long term. PR can measure the shift in awareness, behavior related to purchases, corporate reputation, employee engagement, public policy, and investment decisions.

Quantitative measures like benchmark and tracking surveys are used along with qualitative measures. Research can identify the change in purchasing, preference of purchase, or shift in attitude because of PR initiatives. The effectiveness of PR is generally measured through three key parameters.

- *Measurements of exposures:* The number of exposures is the simplest parameter to measure. Popular measures of exposure include total column inches of press coverage received, the number of publications in which coverage was received, the estimated cost of buying space or time that was given away for free, the number of public relations events held, the size of the audience at these events, and so on. However, while measuring exposures like media coverage, it’s important to consider whether the exposures were good or harmful.
- *Measurement of communication impact:* The quality of media coverage, that is, the tone, credibility, and relevancy of the medium, message delivery, and so on, can be used to assess the campaign’s impact. Product awareness, interest, message comprehension, recall, attitude change, and other communication-related effects of PR can be measured. Organizations can

utilize survey-based procedures like interviews or focused group discussions to see how many people remember the message idea, how many people feel positively about the product after consuming the message, how they spread the message to its peers, and so on. In addition, content analysis of media coverage can disclose what is being covered, who is being covered, when it is being covered, where it is being covered, and how many people are being covered, among other things. To track public opinion over time, opinion polls can be undertaken.

- *Measurement of impact on behavior:* Consumer conversion is a public relations behavioral measure that can be quantified through benchmarking, such as how many employees a company can keep during a crisis, sales correlation, and so on. PR, on the other hand, rarely has a direct impact on behavior, at least not in the short term. However, as the pressure on communication planners to quantify results grows, sophisticated analytics systems that can separate and tag the influence of PR initiatives on metrics like sales are being developed.

Publicity

Publicity refers to the generation of news about the organization, its products, a person, etc. by third party organizations. Publicity is often a result of PR activities such as supplying a press release to media, organizing a product launch, hosting a lunch meeting for investors, achieving lobbying success, with the government, announcing the results of an opinion poll, etc. Such activities generate publicity of the subject by the third parties like media, consumers, investors, etc.

Publicity is a subset of public relations. However, there are differences between the two. PR is an organized and controlled activity undertaken by an organization, whereas publicity is the result of PR activities. Publicity cannot be organized and controlled. A firm may supply press release to the media as a PR activity, but the media does not publish them denoting firm's inability to organize publicity. Firm may describe only the positive aspects of a product, but the media may also add the negative effects of the product (negative publicity that cannot be controlled). PR is a long-term and ongoing effort, whereas publicity is typically short term. Publicity is low cost as compared to other communication tools since an organization doesn't have to directly pay for it. Publicity is a very powerful communication tool which can either make or break a product.

Example: Publicity by Red Bull: The Stratos Jump

- Sent Felix Baumgartner 39 km into the stratosphere over New Mexico, USA.
- Entire ascent and descent were shot on GoPro.
- Was shown on 80 TV stations across 50 countries.
- Live webcast was distributed through 280 digital partners; resulted in 52 million views.

- Believed to be the most watched YouTube live stream in history.
- Pitched for emotional impact.
- 3 hours long broadcast; Red Bull logo was in every shot.
- Propelled Red Bull into record books and into the mind of potential customers.
- Sales increased by 7% in the next 6 months; 5.2 billion cans sold in that year.
- Thirteen percent increase in sales from previous year.
- Red Bull cemented its strapline “Gives you wings” once and for all.

Example: Negative and positive publicity for fastrack

- *Negative publicity:* Received negative publicity for coming up with a controversial ad featuring a female model wrapped in a ribbon titled “Sale”. Titan had to issue an apology when protests grew on both online and offline space for objectifying women.
- *Positive publicity:* Fastrack partnered with music channel VH1 and became the title sponsor for the music mega events held in Bangalore and Pune.

Corporate advertising

Advertising and promotion by a company isn’t necessarily intended to promote a certain product or service. Corporate advertising aims to promote the company as a whole, whether by improving its image, taking a stand on a social problem or cause, or enlisting direct market participation. This type of advertising is frequently viewed as contentious and/or of questionable value to the company.

There are a few main reasons for which organizations indulge in corporate advertising:

- Establishing a favorable image for the company
- Expressing organization’s stance on societal, commercial, and ecological
- Strengthening staff morale and engagement
- Giving shareholders with information and decreasing uncertainties
- Assisting diverse businesses in establishing a reputation

There are various types of corporates advertising being used by organizations. Some of the more popular ones are as follows:

- *Image advertising:* This is formulated to enhance the overall image and positioning of the firms in the market. Image advertising might include general image or positioning ads, sponsorships, recruitment related ads, and to generate financial support.
- *Advocacy advertising:* This type of advertising is aimed to enhance an enterprise by taking a stand on an issue rather than by explicitly promoting the company.

- *Issue advertising*: This type of advertising is to bring attention toward a very specific issue or cause.
- *Cause-related marketing*: As a participating contributor, a firm team up with a charity or non-profit organization.

Discussion questions

1. How different is PR from other promotional mix elements? Can a company exist and reach out to their target audiences just through PR and publicity? How important are these two in the overall IMC plan of a company?
2. In this digital era, how can firm make use of publicity for their benefit?
3. State few benefits and drawbacks of PR as a promotional mix.
4. Even though PR and publicity are part of the promotional mix elements, there is lack of coordination of these two with other elements in the overall IMC strategy. What can firms do to ensure greater coordination between the elements?
5. Do you think that publicity is a good way of reaching to your target audience? Does it create more of negativity toward the brand or there is some way through which the publicity can be converted to create positive image.
6. Product recalls, product failures, and other public relations issues have harmed a number of businesses. Describe some of the strategies that businesses may take to reduce the adverse publicity's impact.
7. How can firms measure the impact of PR and publicity? Is it easier or difficult to compare their effectiveness as against other promotional mix elements?

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MEASURING THE EFFECTIVENESS OF MARKETING CAMPAIGN

Opening case

The present and future is the integration and fusion of multiple media channels for a successful campaign. A major department store wanted to combine traditional TV with new age mobile marketing. The marketing head wanted to use the best of both worlds to reach its target consumers. So, the team decided to run commercials on TV and also use mobile advertising. But the problem was to determine which medium was responsible for consumer visit to the store. So, the team started with the objective to determine if mobile ads delivered to an audience that was also exposed to a TV campaign drives greater store visits when compared to mobile or TV advertising alone? In real world, you will face such complex decision points. In fact, attributing the outcome of campaign to right media channel is one of the most complex decisions as it requires a good understanding of data analytics and sophisticated algorithms. The retail store also wanted to identify the most effective approach to drive customers to desired retailer location. Finally, the team was eager to know how they fared against competition. It should be evident that each campaign has to be measured on multiple parameters that are decided based on the campaign objective to determine its effectiveness. In this case, the marketing team used a professional software to track and measure the effectiveness of their campaign. From analysis, the team found out that consumers that watched TV networks featuring a retailer's ads were more likely to visit the store. By combining TV viewing behavior with shopper targeting, one could increase store visits by over 300% with mobile advertising. The results confirmed that TV and mobile advertising worked better together. Hence, firms use multiple metrics to evaluate the effectiveness of marketing campaigns. The results further work as inputs to next campaign.

Introduction

Measuring the effectiveness of the promotional program is a critical element in the promotional planning process. The CXOs are increasingly holding people accountable for their expenditure. Clients and firms both work together to critically evaluate the campaigns to find out whether it is working or not. Account managers are made responsible to generate ROI on campaigns and promotional expenses. From planning to implementing to analyzing, documenting the detail process of a promotion is vital for its success. But the only way to determine whether promotions are truly effective is by accurately measuring the four important metrics: sales volume, profits, customer satisfaction, and achievement of goals. In this chapter, we discuss the most widely used methods and mechanisms to measure the effectiveness of promotional activities.

Should we measure effectiveness?

The first question is whether one should measure the effectiveness of the marketing campaign or not. Some of the most common reasons for not measuring the impact of advertising are as follows:

- *Cost:* Cost is the most commonly cited reason for not testing the campaign effectiveness (particularly among smaller firms). Firms spend a good amount of money on promotions and may avoid more expenses as measuring the effectiveness consumes efforts and money.
- *Isolating effects:* Another reason for not measuring the effectiveness is the argument that it is difficult to isolate the effects of promotional elements. Each variable in the marketing mix determines the success of a product or service. So, one can't be sure that an increase in sale is due to advertising.
- *Objections from creative team:* The creative department may not want its work to be tested and many agencies are hesitant to submit their work for testing. Their argument is that creative work can't be measured or evaluated in terms of revenues. The campaign may lead to long-term favorable attitude toward brand and hence measuring the impact in a short period is not right. However, the account managers are responsible for effective utilization of the budget. Hence, they stress the need to measure everything in terms of ROI.
- *Time:* A significant amount of time is already invested in planning, creating, and executing the campaign. Once the project is over, the team would like to move to another project. Notably, in corporate world, everyone has shortage of time. Since many fail to appreciate the importance of evaluating the campaign, they consider it waste of time.

Why should we measure effectiveness?

Marketers aim to evaluate the campaign effectiveness because of the following benefits:

- *Identify what works:* Measuring ad effectiveness helps in finding out ineffective advertisement and advertising campaigns. In case of any discrepancy, timely adjustments can be made before reaching to consumer or after it has reached. If an advertising program fails to achieving its objectives, the marketing manager needs to know how to stop spending (wasting) money on it. Advertisements which fail to communicate the actual message can lead to opportunity cost. Opportunity cost means that company could have made a good sale or developed better brand loyalty, but was restricted because of the inefficiency to check the mistake at right time. So, measuring the effects of advertising does not only save money, but also helps the firm maximize its investment.
- *Compare and evaluate multiple strategies:* Advertisers are not so sure about results of advertising from a particular advertising campaign. Evaluating advertising effectiveness helps in calculating the results in order to avoid complete loss figure. Mainly an organization has a number of strategies to implement. For an example, there may be some question as to which medium should be used or whether one message is more effective than another. For example, should research be spent on advertising or sponsorships? One retailer found that advertising on the radio was effective in rural areas but not in urban locales. Research is possibly made to help the manager determine which strategy is most likely to be effective. Companies often test different versions of their advertising in different cities to know which ad communicates most effectively.
- *Improve advertising efficiency:* Sometime advertisers forget what they actually want by rolling an advertisement campaign. They know what to use and what their target audience wants. On the other hand, the creative department may become too creative or too sophisticated and lose the meaning that needs to be communicated. How many times have you seen an advertisement that you really like and asked yourself what it was trying to say, but you can't remember exactly the brand name? Such situations can be avoided if campaigns are measured regularly. It also helps in deciding whether the campaign objectives are met or not. For example, let's say a brand is running a campaign on social media to ensure that consumers develop a positive attitude toward it. Due to some reasons, the campaign runs into controversy. In social media, the campaign gets a lot of views on its YouTube channel and angry comments from viewers. Now, from measurement metrics, people may report high numbers of views and possibly consumer engagement (measured in terms of comments). But the main objective of campaign was not met. In fact, it had an opposite impact toward reaching the objectives. Hence, measuring the campaign with right metrics is equally important.

How to measure advertising effectiveness?

Marketers need to know how the advertisement affects the communications process and overall campaign objectives. Before applying any measurement mechanism, marketers have to first decide the parameters to be tested.

What to test

In the first step, marketers need to finalize what to be tested for the campaign.

- *Source:* It's important to evaluate how the targeted customer respond to the brand ambassador. For example, Sachin Tendulkar has proved to be a successful spokesperson for BOOST. The source used in the advertisements have high influence on the viewers and may influence initial consideration, entice a positive feeling toward the brand or even an actual purchase. However, the influence of spokesperson may vanish over time. For example, Katrina Kaif has been an effective spokesperson for Tropicana brand Slice, particularly with the teen market. But the question is, how long that affect will last as she gets older? Recently, she got married and that may have some impact too. So, the persuading power of celebrity will wean over a period of time and hence it must be measured in each campaign.
- *Message:* The message acts as a catalyst for the consumer to evaluate or try the new product. Marketers aim to deliver a strong memorable message to improve brand recall. However, sometimes, message may not be strong enough to pull readers or viewers into the ad by attracting their attention. Use of sensual imagery gets the attention of men but distract women. Moreover, men tend to forget the brand that uses such tactics as their focus shifts to the imagery instead of brand.
- *Use of media:* Media decisions need to be evaluated. Research may be designed to determine which media class (for example, broadcast versus print), subclass (newspaper versus magazines), or specific vehicles (which newspapers or magazines) can give the most effective results. For print media ad, ad on front and back pages and size of ad also create a huge impact.
- *Budget:* A number of studies have analyzed the effects of budget size on advertising effectiveness and the effects of various ad expenditures on sales. Many companies have also attempted to decide whether increasing their ad budget directly increases sale volumes. This relationship is often hard to fix, perhaps because using sales as an indicator of effectiveness ignores the impact of other marketing mix elements.

When to test

The next step is to decide when to test the impact of advertising program. It can be tested in two phases – pretesting and posttesting. Pretesting is done before

the campaign is implemented, whereas posttesting is done after launch of the advertisement.

- *Pretest:* It may occur at multiple times, from idea generation to execution before the campaign gets implemented. The advantage of pretesting at this stage is that feedback is relatively inexpensive. Any problems with the message delivery or concept are picked up before spending a large amount of money. Sometimes more than one ad version is evaluated to determine which version is most likely to be effective.
- *Posttesting:* It is a common method for both advertisers and ad agencies. Posttesting is designed to (1) determine if the campaign has accomplished the objectives and (2) serves as input to the situation analysis for next campaign.

Where to test

The third decision is about “where” to test – laboratory test environment or real field settings.

- *Laboratory test:* In this test, users are brought to a particular location where they are shown ads. In this stage only two possibilities may arise – either user can ask questions about the ads and the marketers can measure participants’ responses by observation techniques such as eye movement, pupil dilation, or other nonverbal cues. The major advantage of lab testing is the control it offers to researcher. Changes in illustration, copy, colors, formats, and the like can be manipulated inexpensively and the differential impact of each can be easily assessed. Laboratory test makes it much easier for the researcher to separate the contribution of each factor. The major disadvantage is the lack of realism. Possibly the ultimate effect of this lack of realism is a testing bias. People are brought into a lab which has been designed to look like a living room. They may focus on the ads much more closely than they would do at home. A second problem with this lack of realism is that it cannot duplicate the natural viewing situation, complete with the distractions or comforts of home. Watching ads in a lab setting may not be the same as seeing the ads at home with family, kids, or pets.
- *Field tests:* Field tests happen in natural viewing conditions, with noise and distractions, and within the comforts of home. This test considers the effects of program content, repetition, and presence of competitive messages. The major disadvantages of this test are the lack of control. Other competitors may try to sabotage the research. Field tests take more time and money to conduct, so the results are not available to be acted on quickly. So, researchers have to determine which trade-offs to make either money or results.

How to test

Once the what, when, and where of testing are finalized, we put our attention to how to test. There are many methods available to test multiple media channels. For example, A/B testing is widely used for digital campaign. In next section, we explain the testing process throughout the various stages of any marketing communication plan.

The testing process

Testing happens at various points throughout the development of an advertisement or a campaign: (1) concept generation, (2) prefinished art, rough, copy, and/or commercial testing, (3) market testing of ads (posttesting), and (4) commercial pretesting/finished art.

Concept generation and testing

Concept testing generally happens at the time of deciding the core theme of the campaign. This is done to explore the targeted consumer's response to a potential ad/campaign or to seek inputs from consumers about multiple advertising alternatives. In concept testing, marketers test many things like ad copy, headlines, positioning statements, imagery, colors, font, package designs, and point-of-purchase materials. Concept testing can be done individually or within a focus group. For most organizations, the focus group is the first choice in the research and testing process as it is relatively cheaper and gives instant results. Marketers can use other methods like mall-intercept and projective qualitative techniques.

Commercial testing

Production of the ad required lot of money. So, before the final production, companies do pilot test with the ads. Think about the cost of putting an ad in a magazine or national newspaper, or creating billboard ads that are put at multiple locations. So, companies generally do basic tests to understand how the finished commercial would perform. Companies create rough sketches, animated version of the final ad, or computer-generated imagery to create a similar looking copy of the final ad. Most of the test methods conducted at rough stage include laboratory test, reaction and comprehension test, and consumer juries. A key concern for the advertiser is whether the ad conveys the meaningful message or not. Another concern is the reaction the ad generates. Advertisers don't want to convey negative message. In such cases, comprehension and reaction tests are done through personal interview or group interviews. Consumer juries are used to evaluate the probable success of an advertisement, where they can be asked to rate the ad copy.

Pretesting of finished ads

Pretesting finished ads is one of the common studies among marketing researchers and agencies. The finished ad is in its final form and ready to be delivered to target audience. Pretesting the final ads offers one last minute check as making changes is still possible. Several test methods are available for print and broadcast media. A finished advertisement can be changed if the test results suggest so. Print ads can be tested using portfolio test, dummy advertising vehicle, and readability tests. Video ads for broadcast media are tested using on-air test and theater test.

Portfolio tests

Portfolio tests are done in a laboratory setting. Respondents are shown the final and control ad and they evaluate the ads on various parameters. The ad with highest ratings on ad recall, likeness, and positive attitude is considered more effective. This method allows comparison of ads on many variables. However, one should keep in mind the limitations of this approach. Selection of respondents is not true reflection of the population. The other limitations of laboratory tests also apply. Furthermore, since respondents are exposed to a very limited set of ads, their ratings may not reflect the real situation where they are exposed to thousands of ads.

Readability tests

A print ad can be tested without reader interviews. The readability test involves determining the average number of syllables per 100 words of copy, the average length of sentence, and the percentage of personal words and sentences. By accounting for the educational level of the target audience and by comparing results with established norms, the tests suggest that comprehension is best when sentences are short, words are concrete and familiar, and personal references are used frequently. Such norms are especially used when it comes to designing ads for hoardings. There are established norms as to the minimum font size a text should have to avoid being missed. Ads also try to have shorter sentences, fewer than eight words, and avoid using words like “because”, “and so”, etc. This method eradicates many of the interviewee biases associated with other tests and nullifies gross errors in understanding. The norms give an attractive standard measurement for comparison. To be effective, readability test should be used only in conjunction with other pretesting methods.

Dummy advertising vehicle

Many of the pretesting methods occur in an artificial environment such as the theater, laboratory or meeting room. To overcome this challenge, one approach is to emulate the reader’s natural environment. For example, a dummy or look-alike magazine that consumers read is created. Dummy magazines contain regular

editorial matter with test advertisements inserted next to control advertisements. These pretend magazines are distributed to a random sample of households, who are asked to read the magazine as they normally do. Readers are encouraged to observe the editorial and at a later date they are asked questions about both the editorial and the advertisements. The main advantage of using dummy vehicles is that the setting is natural, but, as with the focus group, the main disadvantage is that respondents are aware that they are part of a test and may respond unnaturally.

Respondents are shown a number of ads, and then asked which they remembered, what they liked about the ad, and so on. Readership, recall, and interest-generating capabilities of the advertisement are evaluated. The advantage is that it gives a more natural setting than the portfolio test. Readership occurs at the participant's own place. The dummy magazine also shares the other disadvantages associated with portfolio tests. The testing effect is not removed, and product interest may still favor the outcomes. So, while this test gives some advantages over the portfolio method, it is not a guaranteed solid measure of the advertising's impact.

Pretesting finished broadcast ads

There is an array of methods for pretesting broadcast ads available. The most common are on-air tests, theater tests, and physiological measures.

Theater test

As the name suggests, pretesting of finished ads is done in a theater. Target consumers are invited to a theater (laboratory or hall) to preview television program. Before the program commences, details regarding the respondents' demographic and attitudinal details are recorded and they are asked to nominate their product preferences from a list. Consumers evaluate the program and they also rate their product preferences a second time so that changes in product preference can be recorded. The form may seek other information like interest in and reaction to the commercial.

This method is used with some variations as well. For example, marketers can telephone the respondents few days after the viewing to measure recall. The main outcome of this process is measure of a degree to which product preferences change as a result of exposure to the controlled viewing. This change is referred to as the persuasion shift. This approach provides for a quantitative dimension to be added to the testing process, as the scores recorded by respondents can be used to measure the effectiveness of advertisements and provide benchmarks for future testing. The criticism to this testing method is that this form of testing is too artificial and that the measure of persuasion shift is too simple and unrealistic. Furthermore, some believe that many respondents know what is happening and make changes because it is expected of them as the role of respondent.

The theater tests offer some distinct advantages. First, one can measure the ad against control and competition to gauge audience reactions. The test tells how commercial will rate against others in the same product class that were already tested. Industry experts also advocate that the brand preference results are in line with actual sales data. Regardless of the limitations of theater testing, most consumer-product companies regularly use it to evaluate their commercials.

On-air tests

On-air tests measure ad recall among viewers of a commercial or program during a real broadcast of the tested communication. Research agencies insert the commercials into actual TV programs in certain test markets. The ad is not broadcasted to the full market but to a limited market. Then measures are taken from respondents from the test markets. On-air testing techniques provide all the advantages and disadvantages of field methodologies. Also, there are some negative aspects to the particular measures taken through the on-air systems. One concern is linked with day-after recall scores and the primary measure applied in these tests. The tests are relatively costlier than the lab tests but offer higher degree of reliability of the results as they reach the real target market.

Physiological measures

In this testing, physiological measures are captured while showing the ad. The method is not as popular as other methods due to limited availability of technology and time taken to run the experiments. These measures show the receiver's involuntary feedback to the ad, theoretically eliminating biases linked with the voluntary participation and responses, where respondents are more likely to favorably evaluate the ads. Involuntary reply is one over which the individual has no control, such as reflexes and heartbeat. Physiological measures can be used to analyze both print and broadcast ads. Some popular methods are as follows:

- *Pupil dilation:* Research in pupillometrics measures dilation and constriction of the pupils of the eyes in reply to stimuli. Dilation is linked with action; constriction includes the body's conservation of energy. Advertisers have applied pupillometrics to assess product and package design as well as to test ads. Pupil dilation advocates a stronger interest in (or preference for) an advertisement or implies arousal or attention-getting capabilities. One significant issue with this method is the high costs. So, it can be applied in evaluating very specific aspects of advertising message.
- *Skin response:* Skin response is also known as electrodermal response. Galvanic skin response (GSR) measures the skin's resistance or conductance to a tiny amount of current passed between two electrodes. Feedback to a stimulus triggers sweat glands, which expand the conductance of the electrical current. So,

GSR activity might reflect a reaction to advertising. GSR is a strong measure and is useful for measuring affect, or liking, for ads. While a number of companies have preferred skin response measures, this research methodology is not generally used now.

- *Eye tracking:* A methodology that is more commonly used is eye tracking, in which viewers are asked to see an ad while a sensor points a beam of infrared light at the eye. The beam tracks the eye movement of respondents and shows the exact point on which the viewer is focusing. The continuous reading of responses displays which elements of the ad are striking attention, how long the viewer is observing them, and the sequence in which they are being seen. Eye tracking can single out strengths and weaknesses in an ad. For instance, attractive models or background action may divert the viewer's attention away from the product or brand being advertised. The advertiser can change this distraction before fielding the ad. In other instances, colors or illustrations may strike attention and create viewer's interest in the advertisement. Let us illustrate eye tracking with an example. Consider the eye tracking heat map example for an ad that included a baby and a compelling headline for taking care of the baby's skin. From eye tracking data, it is evident that the baby's face is drawing a lot of attention. Unfortunately, from a marketing standpoint, this is a problem because the people are not paying attention to ad copy (headline and the message). So, the marketing team changed the direction of baby face and kept everything else same. Now look at the browsing patterns when an image of the baby facing the text was used. As you can see, in the updated ad, users focused on the baby's face again (from the side) and directly followed the baby's line of sight to the headline and opening copy. Even the area of text that the baby's chin was pointing to was read more.
- *Brain waves:* Electroencephalographic (EEG) measures can be extracted from the skull to decide electrical frequencies in the brain. These electrical impulses are employed in two areas of research, one is alpha waves and another one is hemispheric lateralization. Alpha activity measures the degree of brain activation. People are in an alpha state when they are not active, resting, or sleeping. By analyzing a subject's alpha level while seeing a commercial, researchers can check the degree to which attention and processing are likely to occur. Hemispheric lateralization differentiates between alpha activity in the left and right sides of the brain. It has been hypothesized that the right side of the brain channelize visual stimuli and the left processes verbal stimuli. The right hemisphere is prone to respond more to emotional stimuli, while the left side of the brain responds to logic. The right decides recognition, while the left is accountable for recall. If these hypotheses are right, then advertisers could model ads to expand learning horizon and memory by creating stimuli to appeal to each hemisphere.

Testing ads after delivery

After pretesting phase, the ads are delivered to target market. The managerial accountability in the area of advertising does not come to an end with the execution of an advertising program. Marketers evaluate the performance of the final ad in the field on various parameters. Some of the methods are discussed in the following.

Posttest of print ads

Print ads can be tested using recognition tests, inquiry tests, and recall tests.

Inquiry test

Inquiry test is used in both consumer and business-to-business market testing. These tests measure advertising effectiveness on the basis of inquiries that come from ads appearing in various print media. It is similar to a controlled experiment conducted in the field. In inquiry test, the number of consumer inquiries produced by an advertising copy or the medium is considered as to the measure of its communication effectiveness. The inquiry may take the form of the number of coupons returned, phone calls generated, or direct inquiries through reader cards. Therefore, the number of inquiries is the test of effectiveness which can be produced only when the ad copy or the medium succeeds in attracting and retaining reader or viewer attention. To encourage inquiries, the advertiser offers to send something complimentary to the reader or the viewer, if she responds.

For an instance, if you are called to an advertisement in a local medium, probably you were asked how you perceive about the company or a product or where you saw the ad. This is a very simple way to measure the ad's or medium's effectiveness.

More complex methods of measuring effectiveness through inquiries may contain running the different variation of advertisement in successive issues of the same medium, or placing ads in different copies of the same newspaper or magazine. While inquiry tests collect useful information, there is a weaknesses of effectiveness in this methodology. For example, a reader may be interested in getting the free sample and reply positively to the ad. But in real life, she is not motivated to buy the brand. However, a large number of inquiries reflect that the advertisement was effective in creating impression and getting attention of readers. It also suggests positive impact on attitude, awareness, and ad recall.

Split-run test

A split-run test is a technique that involves testing of two or more ads in the same position, publication, issued with a guarantee of each ad reaching a comparable

group of readers. It is an improvement over the inquiry test in that the ad copy is split into elements like appeal layout headline and so on. Here also, the readers are encouraged to reply the inquiries to the keyed or the given address.

Recognition test

Recognition method is the most common posttest of print ads. Recognition is a matter of identifying something as having seen or heard before. It is based on the memory of the respondent. It attempts to measure the ad effectiveness by determining the number of respondents who have read or seen the ads before. To arrive at the results, readership or listenership surveys are conducted. One limitation of recognition tests is incorrect claims by respondents. Respondents may lie about seeing the ad or they may confuse the ad with other similar ads in same product category.

Recall test

Recall tests focus on recalling the ad instead of recognizing an ad. Recalling is more demanding than recognizing as a test of memory. It involves respondents to answer as to what they have read, seen, or heard without allowing them to look at or listen to the ad while they are answering. These tests can be affected by respondents' bias and interviewer's role in asking questions. In addition, reader's level of involvement with the product, distinctiveness of the message appeals, and quality visuals may result in higher-than-accurate recall scores. Sometimes, the method may reach to lower levels of recall than actually exist. On the positive side, recall tests assess the ad's impact on memory. The important point is not the results themselves but how to interpret the results specific to the context. An unusual brand name like FCUK may get high ratings in recall test but the overall impact on sales may not be substantial.

In practice, respondents are shown a few memorable, de-branded images from the TV or print ad, and the following questions can be asked to measure various parameters:

- Do you recognize this ad? (Recognition measure)
- Please type in the sponsor of this ad. (Unaided awareness measure)
- Please choose from the following list, the sponsor of this ad. (Aided awareness measure)

Posttest of TV ads

TV ads can be tested with the following methods.

Day-after recall tests

Day-after recall (DAR) test is a method of measuring an ad's effectiveness in terms of consumer's recall of an ad, a day after the exposure to the ad. It is conducted to

make sure that the intended message of the ad is getting passed on to the consumers. It measures the percentage of people who remember seeing the ad 24 hours after it was aired on television. In DAR tests, data is collected via interview surveys or self-completion questionnaires that respondents are asked to recall. For example, Unilever aired an ad for AXE signature on television, in which a subtle hint of romance was used along with its main message content, that is, long-lasting fragrance. The consumer after watching the ad was interviewed after 24 hours. If the consumer only recalls the romance part, then the ad is not considered to have done well on its recall test.

Sales effect tests

These tests assess the total sales effect from the ad and hence is also called sales effect test. In other words, the various stages through which a customer passes and finally purchases are because of the advertisement analyzed. Though the increase of sales due to advertisement is slightly difficult to be measured, yet some of the methods can give a fair idea about the impact of ad on sales. For example, readers or viewers of the advertisement are asked about their intention to buy after seeing the ad. In another method, a sample of population is taken including those who saw the ad and who didn't see the ad. The buying behavior is tracked for both the groups to arrive at the conclusion whether people who saw the ad bought products or not. In a variation of the similar method, past sales before and after the ad are recorded and the difference is accounted for as an impact of advertisement.

Attitude tests

The change in attitude of the customers after the advertisement campaign is measured and marketers observe whether there has been any change in the customers' attitude toward the brand under investigation. Further, they assume that a positive attitude toward their brand may lead to further purchases. Generally, the attitude is measured by rating it on a scales like Likert scale, Thurston scale, Differential scale, Guttman scale, etc.

Measuring the effectiveness of promotions

Promotions are most powerful tools of sales at the retail level. Discounts, rebates, displays, and coupons are tools that almost every business uses. The important thing is to follow up and find the most effective promotional strategies that have yielded the best returns. The use of technology to track trade promotion effectiveness can simplify the whole process. Many trade promotion effectiveness analytics platforms are available that have in-built features to handle large collections of data generated during promotions. The data management and predictive capabilities of these advanced platforms and tools can assist businesses get the best out of

their promotional campaigns. Measuring promotional effectiveness is a stepwise process and includes the following:

- *Studying past promotions:* Before starting any promotional activities, it is critical to study past promotions. Analyzing previous campaigns helps to understand the factors leading to success or failures. Past data about profits and sales serve as a benchmark against which firms can compare the results.
- *Defining KPIs:* The next step is to fix the primary metrics for measuring trade promotion effectiveness. Metrics like sales volume, sales lift, pull-forward, profits, cannibalization, and ROI need follow-up. No single metric can give a clear idea about the performance of a promotion. Hence, marketers use a combination of KPIs to evaluate the effectiveness. Most often the problem in analysis is that data related to trade promotions are distributed to different points of sales. By knowing which metrics to follow, businesses can make arrangements to collect data and information from distributors and retailers. Promotion managers can also check other parameters, like engagement of old customers, customer satisfaction, and lifetime value of customers.
- *Organizing promotional data:* Data collected from different sources have to be synchronized, integrated, and cleansed to make valid, reliable, and comparable. It can be difficult to track record if distributors are using varied formats to record promotional data.
- *Analyzing results:* Marketers evaluate the data collected from different channels during the promotion. Firms study each metric like the cost of promotions, volume, profits, and return on investment in depth. Earlier, firms used spreadsheets to analyze and record promotional data. With a significant rise in data points, firms are shifting to professional management platforms for in-depth analysis. These platforms use machine learning and AI to deliver insights about the importance and effectiveness of sales promotion.
- *Reporting:* Next step is to put the results in order and report them. Reporting is not only about comprehending the reasons for the success or failure of a promotional campaign but also to optimize the efforts in the future. Analyzing the factors that are driving the effective promotional strategies is useful so that firms can reproduce them in the future. A promotion effectiveness dashboard in a promotion management platform is ideal for researching, recording, and reporting relevant data.

Measuring the effectiveness of outdoor media

Getting data about traditional media like print and TV is relatively easier. Over the years, as technology has advanced, the effectiveness of advertising has only increased as results are easier to measure. We are able to collect and get data on the number of viewers, impressions, clicks, etc. But what about outdoor advertising like billboards and signage? How one can measure the effectiveness of OOH

media? Out-of-home advertising continues to evolve and imbibes technology as well. While OOH advertising is more challenging to measure, one can get a good estimate of audience by employing several different measurement systems. OOH advertising is predominantly measured in four different ways:

- *Impressions*: Impressions measure the exposure or reach of the ad in terms of the average number of times an individual consumer views an advertisement. Impressions include information about traffic data, which helps estimate the number of vehicles that have passed an advertisement. Impressions may also include travel surveys, data modeling, and census data.
- *Demographics*: Census information and surveys are used to provide demographic and psychographic information that measures OOH advertising. The data is modeled into millions of trip paths, which helps advertisers understand who is being reached by their content.
- *Digital trails*: Digital trails are a simple way to track OOH advertising. They include things like promo codes, social media accounts, links, and other online information that is incorporated into an advertisement. Each of these items can be tracked based on the number of people using a promo code, for example, or following a social media account.
- *Visibility research*: Visibility research is calculated using contact zones that determine the distance from which an advertisement can first be seen and how fast traffic moves past the advertisement each hour. Another calculation is the time in which people temporarily stay in an area while sitting in traffic, waiting for a train, or waiting for a bus. Visibility research helps to determine a person's likelihood of actually noticing an ad based on their opportunity to see it.

Marketers and research agencies use the following methods to measure OOH effectiveness

- *Traffic-data*: Out-of-home advertising is often located in high-traffic areas leading to a high number of views for any advertisement. Firms collect traffic data in those locations. For example, data on average time spend in the location by travelers and how many vehicles on average pass by the billboard location can be collected. In addition, a sample data on how many travelers look at the billboards can be collected which can be extrapolated to arrive an approximate number of people who might have seen the billboard. Measures like recall and recognition can be used with traffic data for verification.
- *Technology integration*: Companies can put a toll-free number or QR code on OOH media. Then based on the calls received or the number of websites visits can give a fair approximation about the leads generated due to OOH media. Firms can use one unique phone number and QR code to find out exactly how many people have found them because of that exact OOH ad.

- *Location:* The specific location of an out-of-home advertisement can also help in determining how well an ad is working. Placing an advertisement in a specific area and checking for an increase in revenue coming from that area is a reliable way to calculate the ROI of outdoor advertisements.
- *Slogan analytics:* Firms can use a unique slogan or phrase on an OOH advertisement and utilize slogan analytics to get an idea of the ad's effectiveness. Analytics tools can measure how many times the keywords or tagline from the slogan have been entered into search engines. While people may not be able to remember a promo code or a website, if the slogan stuck with them, they may try to find the product our brand by searching for the words they remember.
- *Pre- and posttest:* If a firm is running one OOH advertising campaign at a time, the pre- and posttest (before and after) is an easy way to measure the effectiveness of campaign. One can record sales immediately prior to starting a campaign, and then look at sales after the campaign begins. If there is a noticeable and significant increase in sales, it's likely due to the OOH advertising campaign.

Nielsen and OOH TV advertising

Nielsen is a well-known global research firm. It reports reliable data on TV and print viewership to clients who want to measure the effectiveness of their ads aired on TV and other media. The TV ratings generally do not include OOH TV viewing. To address the issue, Nielsen decided to measure OOH TV advertising in 2019 to report it along with traditional in-home TV viewing. Nielsen introduced the Portable People Meter (PPM), a pager-like device worn by individuals that can pick up encoded audio signals such as programs and ads. The PPM device was developed by Arbitron and was used to measure radio listening, which primarily occurs outside the home (work and automobiles). Nielsen added a beacon to the PPM, which could determine whether the viewing took place in the respondent home or outside the home. The beacon however, was unable to exactly locate where outside home the respondent was when they were watching TV (e.g., bar, restaurant, hotel, hospital, airport, and gym). This became an issue when watching television in another home, which accounts for a substantial amount of OOH TV ratings, as reported by Nielsen. Since Nielsen allows for guest viewing in its national TV sample, they were concerned that respondents would be double-counted as a guest viewer and with the PPM, thus inflating the ratings. Nielsen made the decision to exclude guest viewing from the sample. As a result, with some programs, the addition of OOH viewing actually resulted in lower ratings, which made no sense. Nielsen's solution was to use the higher of the two ratings. So, you can understand the complexity involved in collecting a reliable data is a tough task at hand.

DIY: CHALLENGES IN MEASUREMENT

People watch TV, use smartphones, and use Internet simultaneously. If there is an ad aired on the TV, and at the same time, the person sees a digital ad on app. The same person receives an SMS about promotions as well. That individual does an online search to know more about the product. Which ad should get the credit for this? Why? Is there a way that can determine which ad prompted user action?

Conclusion

The task of marketing managers doesn't end after meticulously planning and executing the campaign. Measuring the effectiveness of the promotional program is a critical way to justify the process of promotional planning process. Research allows the branding manager to evaluate the performance of specific program elements and provides inputs to the next campaign. It is a necessary element to a continuing planning process, yet it is not often carried out.

We discussed multiple aspects like what, when, where, and how to test. The testing process is integrated in the planning and creation of the communication message. The ad concept, ad copy, headlines, and other visual and audio elements are tested before proceeding to the next step. Marketers employ various pre- and posttest methods to evaluate the effectiveness of campaign. In this chapter, we have explained various methods, their benefits as well as limitations. Mostly marketers measure the impact of print and broadcast media in addition to sales promotions. However, one can also measure the influence of nontraditional media including OOH advertising. There are many tools and software available to aid marketers in planning the measurement. Nonetheless, the process of measuring is very complex with certain assumptions. Perhaps, digital media is one avenue, which offers accurate measures of each digital campaign, which is not yet possible for traditional media

Discussion questions

1. Should firms measure the effectiveness of their ad campaign? Why or why not?
2. Discuss the differences between pretesting and posttesting? What are the advantages and limitations of each method?
3. Why it is so difficult to measure the overall IMC program effectiveness?
4. What's the difference between a lab test and a field test?
5. What is A/B test? How it can be used at various stages of IMC development process?
6. Explain why some companies decide not to measure the effectiveness of their promotional programs?

7. Marketers use physiological measures to determine the effectiveness of their advertising. Discuss some of the methods and the advantages and disadvantages of each method.
8. Discuss few methods to test the effectiveness of promotions?
9. Explain the testing methods that can be used to evaluate OOH media?

IMC in practice

Use online search engines to identify recent marketing campaigns that were executed on multiple media like print, TV, digital, and OOH. Search and find out the details about the campaign and answer the following:

- Suggest some pre- and posttest methods to evaluate the ad.
- What aspects of the ad can be improved based on testing?
- Select variables to be measured in a test. Create sample questions for the same.
- Have you noticed the ad, if yes, on which media channel?
- Collect information on digital metrics like number of views, likes, comments, etc. and debate whether the campaign was effective or not.
- Perform a posttest method with your classmates to measure intentions to buy and attitude change, if any.

Learning objectives

1. Understand reasons for measuring effectiveness of marketing campaign.
2. Explore the various measures used in assessing promotional effectiveness.
3. Discuss and compare various measurement methods.
4. Explain the limitations of measurement methods.

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16

ETHICAL, SOCIAL, AND REGULATORY PERSPECTIVES

Opening case

Money over everything?

Why does a firm exist? The reason for the existence of a firm is to make profits and create value for various stakeholders. But profit at what cost? Can companies be allowed to play with the life and health of children and consumers for generating revenues and profits?

A few decades ago, there was no restriction on advertising of cigarettes or alcohol products. Later, when the harmful and life-threatening effects of these habits were confirmed, many governments banned the advertising and promotion of such product. But that did not deter firms from advertising the brands. Many brands are using the concept of surrogate advertising. In this kind of advertising, companies advertise products like soda, mineral water, music CDs, apparels with the brand name of cigarette or alcohol brand. Recently, the Indian Government has called for banning all types of surrogate advertising. Moreover, before the blanket ban, firms invested heavily in celebrity endorsements for such products as young consumers were prone to celebrity influence. Majority of young consumers started smoking or drinking after watching their favorite star doing the same on the screen. Now, a warning is displayed in the screen whenever a character uses tobacco or alcohol. But the firms are still trying to sell harmful products using the loopholes in the regulatory systems.

In another example, the US Food and Drug Administration (FDA), acknowledged that chronic diseases such as heart disease and cancer are the leading cause of death and disability in the United States. The FDA has issued guidelines for companies to display nutrition information on labels so that consumers know what

they are eating. The FDA regularly updates the guidelines to include user-friendly information, for example, percentage of daily requirements, total calories, total fat, saturated fat, trans-fat, cholesterol, sodium, total carbohydrates, sugars, fiber, and protein. While the global fast-food brands in the United States display these labels prominently, there is not much information displayed to Indian consumers due to missing regulations. Like the United States, India is also facing a huge number of patients with heart ailments, obesity, high blood pressure, and diabetes. The brands adhere to FDA guidelines and working to reduce salt and sodium in their products, but the same brands in India do not display such critical information to users due to the lack of strict regulations and a mechanism to ensure adherence.

Ethics and advertising

Ethics are a set of moral principles and values that govern the behavior of individuals and people in a society or community. Worldwide, the societies in general have debated the concept of ethics. Things that are considered normal in one culture may create controversies in another culture. A complex issue with ethics is that there is a lot of gray area. For example, if there is a red traffic light, should you cross it if no one is watching? Similarly, whether an ambulance should be allowed to cross the red light in emergency? These simple choices in life cannot be governed by any strict rule. This is where the concept of ethics becomes critical. No law or regulation can control or direct this kind of choice decision.

Advertising is very important for companies to make consumer aware about the product. However, there is boundary defined for restricting the companies from hurting consumer sentiments. The company must understand the needs of customers and deliver solutions for the consumer needs. Using various mediums of communication, companies try to ensure that they value consumer's needs and deliver goods (value) according to the price paid. Some issues to be considered while advertising are as follows:

- Impact on health (e.g., obesity)
- Gender discrimination
- Racial or ethnicity themes
- Targeting children
- Evidence-based claims
- Stereotyping

Many people question the role of advertising since its beginning. Why advertising is required? As we discussed in earlier chapters, the role of advertising is to persuade and influence consumers. In defense of advertising, the main role of advertising is to facilitate the exchange of information with consumers to increase the consumer's knowledge about the product. However, who is responsible for ensuring the credibility and truthfulness of information? Consumers may buy a product

based on the misleading information or hiding of the crucial information. Recently, reports in media suggest that about 30% products of Swiss food and beverages giant Nestle do not meet health norms. As discussed in the opening case, especially in India, it is almost impossible to get complete information about the nutritional value offered by food products. Fast-food brands have attracted a lot of criticism for hiding critical information and extensive advertising and offers leading to significant increase in obesity and unhealthy food habits. Further, some ads have created huge controversies due to misrepresentation of females as sex-objects, or promoting violence and drugs usage. In India, few ads have been subjected to wide criticism and blamed for hurting social and religious sentiments. In this chapter, we will discuss many examples with different perspectives and leave the final decision of “being ethical” to the readers.

Criticism against advertising

Historically, advertising has built a perception among consumers that why a particular company is selling the product. What is so special that it has to be told to potential users and why users can't decide for themselves? All ads are not lies, but majority of ads use clever word play and display unreal and impossible situations that make consumers skeptical. One of the leading deodorant brands, Axe from Unilever, has shown angels falling from sky after using its product in a controversial ad. There are many products that offer frivolous claims about solving the problems of baldness or offer magical weight-loss. In the name of creativity, such types of exaggerations are not uncommon. We will discuss some of the key criticism against advertising.

Deceptive advertising

As per American Marketing Association, deceptive advertising is the unethical sales practice of advertising with the intention of misleading consumers by making false claims, failing to make full disclosure (withholding information), or providing inaccurate information. Mostly consumers have many reasons to distrust brands (see Figure 16.1). From the media perspective, most people trust print media (see Figure 16.2). A major criticism of ads is that people don't trust ads. A global study by Kantar's Dimension in 2020 surveyed 8,000 people in eight markets, including the United States, the United Kingdom, and China, which have a combined total ad spend of \$400 billion. The report found advertising to be the least likely source people would use to garner information about a business, with just 14% saying they trust advertisers in this respect. There is a worrying trend of consumers' increasing distrust of brands and advertising. Unfortunately, the social media which gets the highest ad spend is one of the key drivers behind this growing distrust due to proliferation of fake news and frauds.

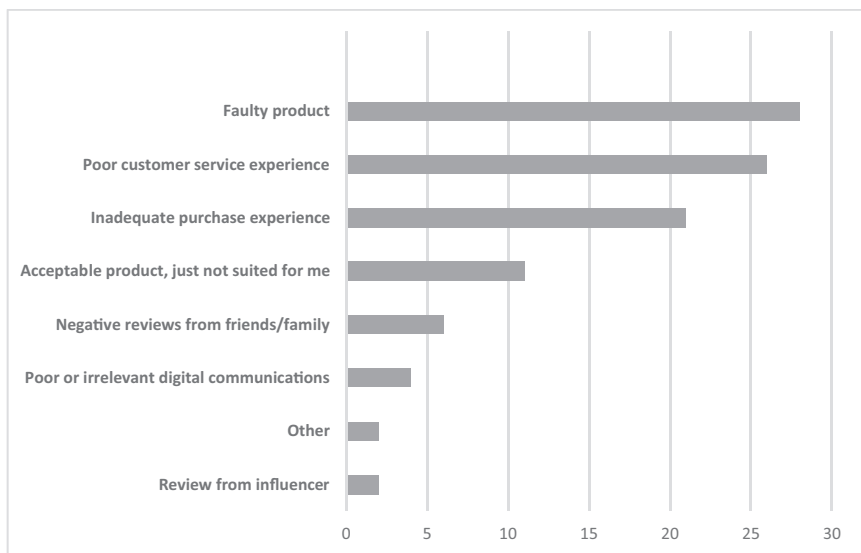


FIGURE 16.1 Reasons behind consumer's distrust in brands.

Source: Statista.com.

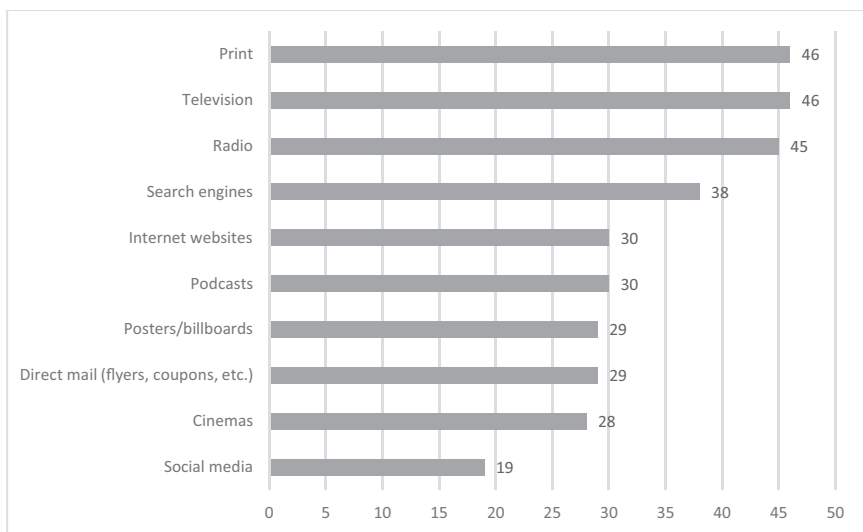


FIGURE 16.2 Trust in advertising by medium (USA, as of January 2021).

Source: Statista.com.

The deception could be intentional or unintentional. Deception claims could be established for quantity or price of product, quality of product, warranties, or incorrect information about availability of a product at certain date, time, and location.

Indian consumers relatively show more trust in advertising compared to US consumers. However, similar to US consumers, Indian consumers' trust depends on the media platform. A study conducted by Nielsen, Advertising Standards Council of India (ASCI), and the Indian Society of Advertisers (ISA) in 2020 shows a high level of trust in advertising. The "Trust in Advertising" study collected data from people across age groups in multiple centers in India, including metros, towns, and rural areas. The analysis reflected that eight out of ten people trusted advertising messages across media. Television (94%) was the most common medium for consumption of advertising, followed by digital (82%), print (77%), and radio (29%). Moreover, product categories that are considered noncommercial like educational institutes and endorsements from known celebrity enhanced consumers' trust. Newspapers are the most trusted media and social media is the least trusted. *The Times of India*, world's largest selling English daily newspaper, executed a campaign to fight the challenges of digital media and to improve its print circulation by focusing on the trust factor.

DIY: CONSUMER'S TRUST IN PRINT AND SOCIAL MEDIA

The young consumers heavily depend on digital media for shopping, entertainment, and information. Check with your friends what do they trust more – an app-based news or news on TV/print media. Now, ask the same question to your parents and others from same generation. Do you find any difference in the trust between generation and media platform? Which are the most trusted media houses? Also, search and read about the #PrintIsProof campaign by *The Times of India*.

Puffery advertising

When the advertisements exaggerate the claims for a product or service based on subjective opinion rather than an objective measurement, it's called as puffery advertising. These claims may not be counted as a promise or guarantee to the consumer. Puffery advertising is legal, whereas deceptive advertising is illegal. Some popular examples are Gillette razor claims "The best a man can get" and BMW uses the tagline "The Ultimate Driving Machine". The both claims exaggerate the benefits of products and can't be measured. For example, what does ultimate mean to various drivers? How will someone measure it?

Advertising industry vehemently supports puffery with the argument of using creativity to establish a unique proposition of the product. Puffery is considered a

“metaphor of idea” that helps brands to differentiate themselves. Puffery is more of a subjective “opinion” and not a “factual information”. For example, carbonated drinks show people getting an unbelievable shot of energy or doing extreme adventures and winning the events. Some detergent brands stress whitest claims in just one wash. The popular paint brands in India use creativity and humor to show how their products save homes from rough weather conditions. The advertising professionals claim that they use puffery in ads to entertain consumers, and consumers are intelligent enough to separate truth from fiction. Consumers can easily understand that claims are exaggerated. An ad of a shoe can claim that it gives the feelings of “walking on air” to highlight the softness and light weight. But the consumers know that they should not wear the shoe and walk “in air”. Puffery is legal and in most of the cases it is not used to sell false claims like in deceptive ads. But using puffery for a prolonged period with unbelievable claims may lead to loss of costumers’ trust and brand image.

DIY: PUFFERY ADS IN INDIA

Watch few ads and try to categorize them as puffery ads or false ads. Do you think advertisers should use puffery to make ads more creative and entertaining? Do consumers can see through the “puffery” and ignore it while making a purchase? You may watch ads of energy drinks, energy bars, carbonated drinks, washing detergents, and weight-loss products.

Check some print ads of Fevicol, a legendary Indian brand (an adhesive product) that shows far-fetched cases to stress the power of its adhesiveness. For example, in one of the print ad, it used Thor’s hammer with its product and suggested that even Thor can’t pick the hammer if it is glues with Fevicol. What do you think about using puffery with creativity?

Case: KALYAN JEWELLERS – Exaggeration

Kalyan Jewellers is a chain of **jewelry** showrooms. In May 2016, it launched an advertisement claiming themselves as “biggest jewellery showroom in the world” with top celebrities in the picture. The matter was brought to the notice of ASCI. As per the directives of ASCI, the advertisements were withdrawn as the claims were found to be misleading and unsubstantiated with comparative data. ASCI concluded that the ad was “misleading by exaggeration”.

Children and advertising

Advertising for children and teenagers is a multi-billion dollar industry. Ads for children’s products or involving children have created a lot of controversies. While

adult people have a matured view and understanding of the information and content, children are highly susceptible to what they see. Children can be easily persuaded by advertising messages. Children develop memory recall and recognition abilities at the age of 2 years. Research shows that from 2 years onward, children can recognize the famous characters of Disney like Mickey Mouse. Similarly, children can recognize the logo and animated characters seen in the ads and demand the same when they find it in a retail store. A vast amount of academic research has confirmed the importance of children's "pestering power" and teenager's influence in family purchases decisions. Thus, marketers put extra efforts to influence children, who wield a significant influence on unrelated product purchases such as electronic goods, automobiles, and smartphones.

Parents, public policy makers, advertisers, consumer advocates, and firms have different points of views about advertising to children with commercial intent as children lack the capabilities to decipher, comprehend, and evaluate the advertising communications. There are some fundamental questions about the intent of marketers. There are evidences of malpractices and questionable ethics that go as early as in 1977, when regulatory bodies and NGOs questioned Nestlé's breast milk substitute products. A boycott of Nestle products was launched in the United States and Europe due to concerns about Nestlé's "aggressive marketing" of breast milk substitutes, particularly in underdeveloped countries. This infamous controversy forced World Health Assembly to introduce the code of "International Code of Marketing of Breast-milk Substitutes". The Code covers all types of breast milk substitute products, infant formula, foods and beverages, which are marketed as a suitable replacement of breast milk for infants. Brands of such products are forced to show the line that mother's milk is the best for kids but still promote their own product as a substitute product.

In India, kids watch TV for on average of 2–3 hours per day in metro cities. In recent years, especially COVID-19 has significantly increased children's time spent in front of the screen. Children are spending a considerable amount of time on the Internet browsing social media websites, watching videos, playing games, or reading information. Marketers are using online media to connect and target children on the web. Children may lack expertise to differentiate between genuine and paid content. As in the case of TV, they may feel the commercial part of the TV serial, they display similar tendencies toward online content. Children (preschoolers) are extremely vulnerable to the content and may consider the fantasy world depicted in ads as reality. When children see comic characters doing stunts or jumping, they imitate them and get hurt. The research proposes the process of consumer socialization to understand how children develop knowledge and skills to become a consumer and to understand the marketplace. The advertisers argue that children learn about products by watching ads. When teenagers watch many ads, they develop ability to compare products and skepticism toward ads.

Since children are more likely to learn and imitate what they see on screen, advertisers should exercise caution about the content. But, in reality, we see many ads targeted toward children that violate ethical and moral guidelines. For example, an ad from Alpenliebe Just Jelly (a candy) uses Kajol, a famous Bollywood actress as a mother. The ad shows that mother is requesting kid to come closer and offer a hug or kiss but kid refuses to do so. Then ad suggests that the reason behind the kid's unusual behavior is the greed of mother. Actually, mother is trying to snatch the jelly candy from her own son. Some viewers may find it funny, but the final decision of whether the ad is funny or crossing the line by accusing a mother is left to readers.

In summary, advertising to children will remain a controversial topic. There is no clarity on who is responsible and accountable for this? Whether government should make strict guidelines for marketers, or it is the responsibility of parents to check and verify product claims as they are the buyers of such products, or the marketers should apply self-regulation and ethical benchmarking. Firms will continue to use advertising to communicate to parents and children. They should be more sensitive toward the target consumers keeping the cognitive and affective development of children.

DIY: SUGAR, SUGAR, AND SUGAR!

India is the largest consumer market for malt-based drinks in the world. The malt-based products are marketed as “health drinks” and are specifically targeted at children. Some of the top brands in this supplement product categories are Bournvita, Horlicks, Complan, Boost, and Powervita. In India, children start their day with a glass of milk, and most parents ensure that kids drink two glasses of milk – morning and evening. The ads of these products sell the “dislike” of kids toward milk and offer tasty chocolate and other flavors that can “increase the power” of milk.

Search for ads of such products along with infant milk substitutes and supplements, health drinks (generally mixed with milk), breakfast products, and fast food. Critically analyze and discuss with your friends about the ethical and moral concerns. You should also check the label for nutrition information, especially sugar content. Most of the health/supplement drinks have a very high sugar content, which is never told to consumers. There are consumer advocates who have unearthed such hidden information and finer details about such products. They argue that these supplement drinks mostly offer sugar in the name of vitamins, which kids can easily get by eating fruits and a healthy diet at the fraction of the cost. You may search online and read for more details. What do you think

about such advertising practices? Though the information is available on the packaging, but how many parents read it? The advertising blitzkrieg ensures that consumers buy what is told in the ad using scientific jargon like DHA, vitamins, and proteins but a crucial part of too much sugar is conveniently hidden.

Case: WhiteHat Jr. – How much a 13-year-old earns?

WhiteHat Jr. was founded in 2018. The company aims at providing online coding classes to school-going students of age group 6–14 years. The company was taken over by Byju's in August 2020, which is a leading online tutoring firm. The company has been promoting heavily through its advertisements on the amount of money made by coding or the kind of success attached to it. They encourage children to learn coding through the programming classes offered by them for securing their future. Some ads portrayed that learning coding can help children to become next generation of technology start-ups. Some claims were highly unrealistic and too demanding for children such as an Instagram ad claimed "INR20 Cr salary at age 13". ASCI received written complaints about it and the advertisements were heavily criticized on social media. As a result, ASCI ordered the parent company Byju's to withdraw the advertisements since the claims were found to be dubious and unsubstantiated.

Racism and colorism

India is a diverse country with many native languages and local traditions. India host people from various religions and faiths with different rituals and traditions. Moreover, within a religion, people may belong to a different caste or follow region-specific traditions. Such diversity creates a very complex environment for marketers to communicate their messages without hurting or insulting any segment of the consumer.

Case: Nike and Colin Kaepernick

Colin Kaepernick, an American football player and civil right activists sat on his knee when the US national anthem was playing instead of standing. He did as a symbolic protest against racial injustice and police brutality toward black people. Nike made Colin the face of their global advertising campaign. The campaign stated: "Believe in something even if it means sacrificing everything". The campaign attracted criticism as Colin refused to stand during the national anthem marking disrespect to the anthem. Since the launch of advertisement, the share price of Nike fell and received a raging response from people who burned the trainers and removed Nike logos from their socks. The opponents used social media to trigger their anger using hashtags #JustBurnIt and #BoycottNike. However, Colin and the campaign received support from many other celebrities on the core idea of racial discrimination. Nike's stock price reached the same price within three months and Nike earned millions of free impressions on digital platform. Later, the incident was widely referred during Black Lives Matter movement.

The racism in India slightly differs from the racism in the United States. The difference is based on color and caste and other factors. Therefore, firms must deeply understand the social fabric of the society and the culture of the country. A firm should also try to balance and respect the sentiments of consumers.

Case: Kalyan Jewellers – An oversight?

Kalyan Jewellers advertised a highly controversial advertisement featuring, Aishwarya Rai (Miss World and Bollywood actress) and a dark skin child (projected in the form of slave boy) holding umbrella behind her. The advertisement was perceived as promoting “racism”. An open letter was written against the advertisement on the basis of promoting racial discrimination. In defense, Kalyan Jewellers mentioned that “the ad was intended to showcase loyalty”, whereas publicists of Aishwarya Rai shared actual photograph from photoshoot and accused the company for changing the background. Later, the company issued an apology and withdrew the controversial advertisement.

India is country where people are obsessed with “fairness”. Traditionally, the grooms and families want a “fair (*gori*) bride”. Being fair is the most desired trait in a potential bride. The society in general always preferred people with fair skin. Almost all the actresses in movies and TV serials were fair in color. Many firms found a commercial opportunity in this color-based discrimination. Brand offer skin-lightening creams and soaps to implicitly support and encourage the prevailing discrimination. Unilever (then Hindustan Level in India), which is known for its highly acclaimed ads for Dove soap that focuses on the theme of real beauty, offered a skin cream “Fair & Lovely” with the promise of fairness and remained a market leader for decades. Recently, due to online consumer movement, it has dropped the “fair” and rebranded the product as Glow & Lovely. But will renaming the product cleanse its past?

Case: Unilever – Who is the fairest of them all?

Fair & Lovely was launched in 1970 and currently it is India’s largest selling skin-lightening cream, with 24 billion rupees (\$317 million; £256 million) in annual revenue. Unilever used top celebrity actors and actresses to endorse Fair & Lovely. In the year 2020, there was a consumer movement against the deprived notion of colorism, which was partially inspired by “Black Lives Matter” and other similar consumer movements. These online movements and mass coverage in media forced Unilever to change its positioning. It dropped the word “fair” from its name and offered the new name – Glow & Lovely. Though consumers have welcomed the move, critics say that the earlier brand had a very strong brand association and recall with Indian consumers. So just changing the “Fair” with “Glow” will not be very useful and consumers will still buy it thinking of a fairness cream. Hence, there will be no impact on demand or revenues for the products. The consumer advocates suggest that Unilever should completely change the brand name and run campaigns similar to Dove to remove the stigma attached with dark color skin.

Religion

Religion is a highly sensitive topic in India, which binds millions of people in a single thread. People from all religions stay in India and have freedom to worship. However, the Indian political and social systems are intertwined. Hence, sometimes even the minor issues can be blown out of proportions. Moreover, brands should also try to understand the deeper emotional connect of consumers with religious artifacts. Many a time, brands have used religious symbols or gods to advertise their products. Indian government has created rules about hurting religious sentiments or spreading hate in the name of religions. Though the law may be somewhat controversial, it has been invoked against culprit brands.

DIY: USE OF RELIGION IN ADS

Search online for ads from Surf Excel, Red Label tea, and Tanishq that use religion in the background theme. Some of these ads were termed controversial and withdrawn. How far advertisers can go and use the liberty of freedom of expression to use and depict religion? Another famous case is of using the pictures of gods or symbols on products like incense sticks or wall papers.

Sexism and LGBT

Using females as a sex object and in a bad taste is another highly controversial and debated topic. While Western culture are relatively more open toward the gender equality, even many brands were accused of using females in ads in a bad taste. Some brands are infamous for using nudity and shock appeal in their ads like Calvin Klein. Advertising professionals have used females as slaves in cigarette ads in the past. An ad from Ford Figo showed females tied up in the boot to highlight a larger boot space. Other than the sexual portrayals, advertisers have been criticized for stereotyping women as a weaker sex. Most ads show females as a housewife doing household chores, a mother preparing food for kids, a teenager obsessed with beauty, acne, and body-image. The academic research also confirms this trend using content analysis of ads across the years. Women are shown emotionally weak, inferior, or lacking common intelligence.

In India, way back in 1995, a nude ad appeared for Tuff shoes. Since then sexual wellness brands like Kamasutra and Mankind have used sensuous and suggestive themes in their ads. However, even unrelated product categories like Deodorants, perfumes, cement, and undergarments have used nudity and depicted females as sex objects. Some ads suggest the use of violence and drug abuse.

However, a few exceptions exist, which have recognized the changing role of women in society. For example, Ariel has tried to break the gender stereotypes,

where despite the success and status women still have to struggle with the responsibility of laundry and other household chores. Ariel put the question of “Is Laundry only a woman’s job?” in its widely acclaimed campaign with hashtags like #ShareTheLoad and #WashBucketChallenge. Many men took the challenge on social media and posted their pictures while doing the laundry.

In last few years, the LGBT community has received approval across the world and many laws have been updated or removed to address the concerns of the community. People have become flexible in adopting and accepting the orientation of others. India also saw scrapping of conflicting laws and the beginning of a gradual shift in the social mindset. LGBT community rarely received any mention or respectfully treated by advertisers in their marketing communications. However, with the new laws and regulation and a progressive mindset, things are changing. Brands like Airtel, Myntra, and Vicks have experimented with their messages and ads based on LGBT community.

Alcohol and smoking advertisement

In India, promotion of alcohol and smoking products like cigarettes is banned. Some brands are using surrogate advertising to promote their products. For example, Imperial blue, a brand of Whisky, launched a CD collection and regular advertises using the tagline of “Men will be men”. The other similar brands are using glass and soda products to advertise their brands. Such practices are considered unethical because they still create a reminder (memory) of the original product (which is harmful) in consumers’ mind.

Regulatory body in India

The advertising in India is regulated by the Advertising Standards Council of India (ASCI) which is a nonstatutory body. ASCI was established in 1985 as a self-regulatory voluntary organization for ensuring advertising as per ethical code and protecting consumer’s interest. Due to lack of uniformly integrated legislation, advertisements must follow compliances of national and local advertisement laws. ASCI’s goals include monitoring, administering, and promoting standards of advertising practices in India.

ASCI codes

ASCI adopts “ASCI Code” for analyzing the creation, placement, and publishing of advertisement. It’s a code for self-regulation. The code rules are applicable on all form of media including print media, OTT platforms, podcast, radio, and the broadcasting media (TV). The ASCI Code is applicable to all forms of advertising whether within the national boundary or even overseas if they advertisement are exposed to consumers in India. ASCI is a nonstatutory body but the ASCI code is

accepted by advertising bodies in industry and is recognized under the domain of law. Therefore, ASCI helps in ensuring the legal obligations related to consumers. The Advertising Standards Council of India (ASCI), a body that brings together advertisers, ad agencies, and the media, has drawn up a detailed and elaborate code on the Code of the Advertising Standards Council of India, which is listed in the following four sections. A brief summary is given here for quick reference. Readers are advised to check the official website of ASCI for the complete and updated version of codes.

1. Truthful and honest presentation

- To ensure the truthfulness and honesty of representations and claims made by advertisements and to safeguard against misleading advertisements

The promotions must be honest. All portrayal, cases and examinations identified with issues of unbiasedly ascertainable certainty ought to be fit for substantiation and they are required to deliver such substantiation as and when required to create by ASCI, commercials must not twist actualities or misdirect the consumers by methods for suggestions or oversights, promotions will not be allowed to contain any case so overstated as to prompt grave dissatisfaction in the psyches of consumers.

2. Nonoffensive to public

- To ensure that advertisements are not offensive to generally accepted standards of public decency

Advertisements should contain nothing indecent, vulgar, especially in the depiction of women, or nothing repulsive which is likely, in the light of generally prevailing standards of decency and propriety, to cause grave and widespread offence.

3. Against harmful products and situation

To safeguard against the indiscriminate use of advertising in situations or of the promotion of products which are regarded as hazardous or harmful to society or to individuals, particularly children, to a degree or of a type which is unacceptable to society at large.

No commercials will be allowed which will, in general, impel individuals to wrongdoing, issue, viciousness or prejudice and partitions any race, position, shading, ideology, or nationality and antagonistically influences well-disposed relations with a remote state, promotions routed to kids will not contain anything in outline or something else, which may result in their physical, mental or moral mischief or which abuses their powerlessness, Advertisements ought to contain nothing in contravention of law.

4. *Fair in competition*

- To ensure that advertisements observe fairness in competition such that the consumer's need to be informed on choice in the marketplace and the canons of generally accepted competitive behavior in business are both served.

Advertisements shall not make unjustifiable use of the name or initials of any other firm, company or institution, nor take unfair advantage of the goodwill attached to the trademark or symbol of another firm or its product or the goodwill acquired by its advertising campaign. Advertisements shall not be similar to any other advertiser's earlier run advertisements in general layout, copy, slogans, visual presentations, music or sound effects, so as to suggest plagiarism.

DIY: ASCI REPORT

Go to official website of ASCI (<https://ascionline.in/>). ASCI complies and publishes a regular report on complaints received and action take. Read the report and you may be surprised to see top brands listed in the report. Consumers can raise a complaint against an ad and ASCI verifies the claims and takes necessary actions. Understand why certain ads were withdrawn and which rule was violated.

Products and services banned from advertising

According to the ASCI code, the following products are not allowed to be advertised freely on the advertising mediums. Some of the products which are banned from advertising in India are as follows:

1. *Tobacco*: Any form of product that has tobacco is not allowed for advertising such as cigarettes, beedi, non-smoking tobacco.
2. *Alcohol*: The consumable products which contain alcohol such as beer, wine other spirits.
3. *Ammunitions*: The products engaged in arms, ammunitions and weapons cannot be advertised.
4. *Human organs*: The sales and purchase of human organs cannot be advertised
5. *Others*: Products such as over the counter medicines, occult practice, lawyers, and chartered accounts don't have a free hand to advertise their services and products.

Self-regulation

Self-regulation is the process of evaluating the content of the advertisements at the time of the designing and drafting stage. When the developers and the creative media team sit together to brainstorm the ideas, they must discuss about the

consequences of the content. Similarly, when the add goes on a public platform, the hosting media also scrutinizes the ad before accepting to host them on TV or radio. Thus media also follows norms of self-regulation.

The ASCI code works on self-regulation. At the start of this chapter, we discussed how ethics cannot be defined and forcefully implemented using the rules. A model wearing a bikini during beauty shows is acceptable to many but using the same logic to promote a cement brand will raise eyebrows. Hence, marketers must exercise self-regulation.

Case: Taming the timing of junk food ads

The UK government spent a huge sum of money to build awareness against junk food items with high calories. UK like the United States is facing serious issues of obesity in kids. The marketers didn't use self-regulation and continued their advertising. Finally, government imposed a ban on TV advertisements before 9 p.m. for the products promoting food that are high in fat, sugar, and salt. The idea is to reduce the exposure to kids to promote healthy food habits. The products selected were – ice creams, burgers, chocolates, soft drinks, biscuits, sweetened juices pizza and crisps. From the end of next year (2022), TV ads for junk food including breakfast cereals, yoghurts, ready meals, chicken nuggets and battered fish will be allowed only between 9 p.m. and 5.30 a.m. The ban will be applicable to TV and online media as well. Interestingly, a majority of consumers are in favor of the ban, which shows that even consumers are not able to self-regulate their food cravings and prefer blanket ban.

OTT self-regulation

OTT (over-the-top) platforms have seen exponential growth in India. It is a means of providing video content comprising of movies and television serials on the Internet using platforms such as Netflix, Disney Hotstar, and Amazon Prime. Digital media and content over the OTT platforms are largely un-regulated. Therefore, the advertisers use this platform for marketing of the goods that are not allowed under traditional mediums. Indian broadcast ministry has issued guidelines after complaints of misusing OTT platforms to promote soft-porn and creating content that may be harmful to society or hurt religious sentiments. ASCI has launched a code of conduct for the OTT platforms for launched entity under the “Guidelines for Intermediaries and Digital Media Ethics Code- Rules 2021”. However, the regulation is still largely in the hands of self-regulatory bodies under the operational power of the OTT platform.

Case: Who moved my ads?

Google got a call from British Government after ads of British Government were placed with extremist content on YouTube. As you know, anyone can create content and post on social media. Though companies like Google, Facebook, and Twitter try to remove the objectionable content, getting rid of each video is impossible. So, if a marketer buys a space on social media for its ad, but the content appears with objectionable or opposite content, it will harm the brand. Think, if you see an ad of carbonated drinks or a pizza within an exercise video.

Issues with moment marketing

We discussed moment marketing in the context of social media marketing strategies. Moment marketing refers to creating advertising and communication based on recent big events to ride on media coverage and public sentiments. The challenge is to understand the public sentiments in the right context. As we have seen in the case of Nike, people have different and divided opinions that may lead to formation of two groups with opposite views. Another challenge is when brands try to highlight the event with their own communication. In Olympics 2021, when Indian athletes won medals, few brands used the historical moments to promote their own products. The hijacking of glorious moments didn't go down well with people. Many advertising professionals and media shared views about the unethical behavior. These brands never supported sports or sponsored athletes who come from remote locations and struggle to meet the financial demands of training and skills. But when sports person win due to their extreme hard work, dedication, and talent, brands tried to overshadow achievements in disguise of congratulatory messages. In India, only few sports like cricket offer huge money to players who have their own set of legal team to take care of such infringements. Players of other games do not have support or awareness of legal issues and hence fail to protect their copyright. One exception was P.V. Sindhu, a badminton player, who had a sponsor and the sponsor filed a court case. Brands who posted congratulatory messages for P.V. Sindhu immediately deleted their social media posts. India does not have a robust set of processes and professionals who know about copyright and infringement and can fight big brands, hence many brands still continue to do moment marketing that may infringe the rights of others.

Fake advertising

Perhaps, the biggest challenge for marketers is the rise of fake news. Fake news refers to the misleading information or false information that is created by users or firms to malign other brands. Fake news became popular due to its wide use in politics and elections in the United States, the United Kingdom, and India. In marketing, fake news can be seen in the form of fake reviews for products and misleading claims against products. In India, Kurkure, a snack brand of PepsiCo, has been targeted and claims are made that it contains plastic. PepsiCo has filed cases in court seeking permission to remove such misleading videos. Many brands are accused with misleading claims about ingredients and harmful effects. Unfortunately, fighting fake news is a costly affair and can't be controlled. Advertisers face their biggest challenge to save the brand image against fake online posts or messages shared on instant messengers like WhatsApp.

Conclusion

Advertising is here to stay. Companies make products for everyone across all age groups. Advertisers are tasked to sell the products so that firms can make profits and survive. Advertisers sometimes cross the line in zeal to sell products. Though

regulatory bodies exist, but they can make rules and policies at a very high level and for very specific set of products. Advertisers have the freedom of creativity and innovative thinking. However, they must use self-regulation and think from a consumer's point of view. They can introspect about what they show or promise to consumers is achievable or not. Whether a consumer can differentiate between facts, claims, and exaggeration. Consumers' trust in advertising is steadily declining. With the rise of Internet and online platforms, consumers are already annoyed with too many ads and pop-ups, tracking, data privacy, etc. When we add the menace of fake news, the advertisers are left with very few options. So, instead of short-term gains, advertisers much focus on building brand image and brand equity with a long-term vision. Brand many avoid controversial topics and should refrain from using nudity and females in bad taste. Advertising professionals should learn more about the culture, social mindset, and differences in the people of particular region so that inadvertently they don't hurt the sentiments of people.

Discussion questions

1. What a firm should look for – revenues or goodwill?
2. What do you understand by ethics? How ethics in advertising may differ from ethics in general behavior.
3. Why advertisers are criticized? What are the most common criticisms against advertisers? Explain with examples.
4. Should religion be used in advertising? Why or why not?
5. Discuss the challenges for advertisers focusing on LGBT community.
6. Who should decide banning ads – government, consumers, or advertisers?
7. Based on your awareness about ads which you see on TV, online media, or print, do you think advertisers are practicing self-regulation? Support your views with examples.
8. Discuss the role of ASCI in advertising regulation in India. Visit the web-site and read about the latest bans and advisories. Do you agree with ASCI decisions?
9. Discuss the challenges and opportunities for marketers on OTT platforms.
10. How can advertisers fight the challenges of fake news?

IMC in practice

Carefully watch video ads on TV, and check print and digital ads. Analyze the ads base on the following points:

- Is the ad ethical?
- Does ad communicate the moral values accepted by a major part of the society?
- Does the ad oppose existing practices common to society?
- Do you agree with the use of kids or women in the ad?

- Does the ad offer facts and evidence based on science?
- Check the use of puffery in the ad. Can the ad justify and prove all the claims?
- Does the ad crosses and limit in the name of comedy or humor?
- Does it hurt religious feelings or support violent and hatred?
- Does it depict any religious or historical figure inappropriately?

Learning objectives

1. Understand and evaluate advertising and promotions using ethical and social perspectives.
2. Explain the malpractices used by advertisers to promote harmful products.
3. Discuss the moral responsibilities of firms toward individuals and society.
4. Understand why people do not trust advertising.
5. Discuss the role of regulatory and governing bodies to control advertising and promotions.
6. Discuss the issue of profits over social responsibility for firms.

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GLOBAL AND CULTURAL CHALLENGES

Opening case

1. How Barbie entered the global market?

Barbie doll was introduced in American toy fair back in 1959 by the company Mattel. Since then, billions of Barbies are sold all over the world. Barbie was the first toy to have a marketing strategy extensively on television advertising. Barbie was originally promoted as a fashionable teenager who loved clothes and accessories. Initially, Barbie was available as a blond or brunette; later in the year 1961, red haired Barbie was also introduced. The product line soon grew, and Barbie became the girl who had everything – fashionable clothes, the perfect boyfriend, a Corvette, a dream house, and 125 different exciting careers. Soon Barbie's popularity grew, and Mattel expanded its product to other countries. Barbie eventually entered the international markets and now sold in over 150 countries. However, the transition was not smooth. Barbie's bright red hair, big blue eyes, white toothy smile, and statuesque pose was not well received in many cultures. So, Mattel adopted Barbie based on the fashion and culture of global market. For instance, for the Japanese market, the Barbie had a closed mouth as the Japanese women rarely expose their teeth while laughing. The Indian version of Barbie is dressed in sari and had a bindi on forehead.

Mattel has launched major marketing campaigns in the Asian market. In order to increase awareness, Barbie was taken for "Pink Bus Tour" across China. Barbie also has its own website where customers can choose to view the site in various languages, which helped in opening to the global market. Mattel tried to increase the sales of Barbie through various Barbie movies which was again translated to many languages. Mattel continues to expand the Barbie product line and move into

new markets using innovative marketing strategies. Today Barbie is truly considered as a multicultural icon.

2. Eyeglasses for Thailand

In Thailand, a firm promoted spectacles by using a range of beautiful animals wearing eyeglasses. The commercial was a terrible decision because animals are seen as a type of low life in Thailand, and no self-respecting Thai would wear anything associated with animals. Is it possible that the corporation was aware of this before to the product's launch in Thailand?

Why did the company fail despite having a contemporary and trendy product? The company's failure in Thailand was because they did not identify themselves, or advertise in this case, with Thai culture and completely underestimated Thai social conventions. If the company's information had been more accurate, they may have been more knowledgeable about it.

Introduction: a global vision

The need for global advertising or international advertising arises because of the movement of corporations from home country to other different countries across the globe. These corporations move out of home country to other countries for various reasons – slow growth or saturated market in home country, profit opportunities in other countries, to diversify their risk, consumer mobility is on the rise, availability of resources, and so on. As the organizations spread their wings across the continents and grow in size, their sales also grow. And since this growth lead to the increase in international business, there was a need for international advertising. It can be said that corporations are now investing more in advertisements, as the number of new customers across the nations is not increasing significantly; so, a company to increase its market share has to grab consumers' attention and advertising is one powerful tool to do so.

Global marketing

Globalization is the integration of different societies, culture, and economics from around the world. Globalization expands economic choices of the consumers, generates intense competition, and increases productivity and standard of living for countries that participate in the international trade. As globalization continues to grow, international trade or the sale of goods and services to people of other countries grows as well. The businesses that want to expand to international markets must develop an effective marketing plan to reach across the international borders. While creating the marketing plan, the marketers must consider several factors like country's culture, demographics, economic condition, and the political environment (Figure 17.1).

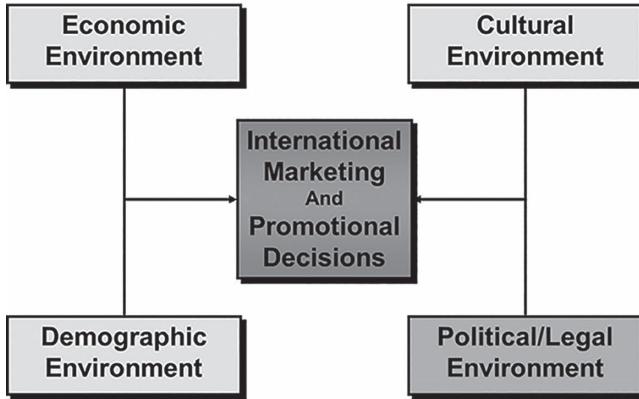


FIGURE 17.1 The international environment.

Source: Adapted from Belch and Belch (2004).

Let us discuss the factors one by one.

Culture

In order to run a business successfully in another country, one must understand and respect that country's culture. Culture is the shared values, beliefs, attitude, and behavior of a specific group of people. The elements which make up group's culture includes its history, beliefs, values, customs, and language. The marketers must understand the culture to avoid circumstances that can create misunderstanding and mistrust. Geert Hofstede, a Dutch researcher, determined that the cultural differences could be studied by researching the following factors:

1. *Power distance*: It refers to the extent of separation between social classes. In cultures which place great importance to this category, an individual's standing in the society is measured by his or her power and social status. Countries which have high power distance scores are China, India, and the Arabian countries. On the contrary, the countries which place less importance to this category are with low power distance score, they expect equity among the individuals in the society. Countries with low power distance includes the United States, the United Kingdom, the Netherlands, and Germany.
2. *Individualism versus collectivism*: Cultures can be studied from an "I" which implies individualism versus "we" which implies collectivism standpoints. In individualistic culture, individuals are more self-centered and emphasize on individual goals. Individualistic culture is prominent in the United States, the United Kingdom, and France. On the other hand, the collectivist cultures consider themselves as a member of a strong cohesive group and consider the needs

of the group more important than the individual need. Countries such as West Africa, China, and South America follow the collectivist culture.

3. *Uncertainty avoidance*: A culture's tolerance level for new experiences will determine how open its members are to new ideas and change. Cultures that have high uncertainty avoidance prefer not to deviate from customs and traditions, while cultures with low uncertainty avoidance are willing to take more risks. Countries like Japan have high uncertainty avoidance score and countries like the United States, the United Kingdom, and China have low uncertainty avoidance score.
4. *Masculinity*: Men and women have different values in many cultures. Men place a premium on assertiveness, competitiveness, and material wealth, whereas women place a premium on nurturing and caring for others. Men's values are reflected in masculine cultures. Japan is one of the more masculine countries, while the Netherlands is among the least masculine.

Once the marketer categorizes the countries based on these factors, they can determine the marketing strategy to be used to reach the target audience. For instance, China has high-power distance, high collectivism, low uncertainty avoidance, and medium masculinity scores. So, in China, advertisements may want to emphasize prestige, family relationships, or cutting-edge technology.

Demographics

Before promoting a product in another country, marketers need to understand the demographic makeup of the country. Demographics include consumer characteristics such as their gender, age, social status, income level, educational level, occupation, and household size. Marketers must answer several questions about prospective customers. Where are they located in the country – urban or rural areas? What is their average income level? Does the country have an older population or younger population? What is the level of education of the citizens? These factors greatly affect the types of products and services sold and promotional campaign used in the country.

Economic condition

Another major factor in the global marketing is the level of economic development of a country. The knowledge about the economic development gives the marketer a basic understanding about the average consumer's wants, needs, and financial resources. In general, countries are divided into three development categories:

1. *Highly industrialized countries* which are known as developed countries. These countries have strong business activity, highly educated population, high standard of living, high wealth level, and good infrastructure. Infrastructure here refers to the

country's transportation, communication, and utility systems. The citizens of these nations have higher purchasing power and high demand for goods and services.

2. *Newly industrialized countries* are evolving from less developed to industrialized. The characteristics of such nations are improved education system, increasing technology, and expanding industries. The income level of the citizens of such countries are growing and the marketers see these countries as an opportunity to enter new markets.
3. *Developing countries* are the ones which have little economic wealth and lack resources necessary for development. They have low level of industrialization and focus on agriculture and mining. Products sold in these countries are generally agricultural equipment, heavy construction equipment, or products used for building infrastructure.

The economic development of a country is a long-term picture of its economy. The state of a country's economy in the short term is equally crucial. Unemployment will be lower in a country with a strong and rising economy, meaning citizens will have more money to spend. Businesses will thrive, and the government will have more money to spend on roads, schools, and other public services.

Political environment

Political systems around the world range from democratic, in which citizens have a say in government decisions and enjoy a wide range of personal liberties, to autocratic, in which power is concentrated in the hands of a single official or a small group of officials and citizens have few personal liberties. In countries with a lot of government regulation, doing business is more challenging. Some countries are politically unstable. These countries' citizens are demanding economic and social reforms and may attempt to overthrow the government. It's risky to do business in these countries, therefore marketers avoid them.

Global marketing challenges

Marketers must overcome additional challenges to succeed in a foreign market, even after they have properly researched and developed an understanding of their target market in another country. They must create a marketing mix that caters to the specific requirements of the international market. They must also research the availability of media and advertising regulations in the other country.

Global marketing mix

A global marketing mix contains product, place, price, and promotion. However, each element needs to be adjusted because of different market conditions in other countries.

Product: When marketing a product or service in another country, the marketer must first determine whether the product can be sold as it is or whether it needs to be modified. Because consumers in different countries consume items differently, the product must be modified to fit the local market. Sizes, colors, flavors, and even electrical voltages may need to be adjusted. Only the product's name may need to be changed in some circumstances to avoid any possible confusion when translated into a new language.

For example, a beverage with an appealing packaging featuring six-pointed stars was launched in Arab countries. The Arabs mistook this for pro-Israel propaganda and decided to not buy it. Another label was produced in 11 languages, one of which was Hebrew, but the Arabs rejected it once more.

Place: Distributing the products to customers around the world can be challenging. Air transportation is required for perishable items in a timely manner. Ships are typically used to convey large quantities and large cargo. Many emerging countries lack suitable distribution channels. A country may have only one or two poorly maintained two-lane roadways. In developing countries, mobile stores are utilized to reach rural areas. In India, cosmetics, toothpastes, and detergents are sold through door-to-door sales.

For example, a famous beverage manufacturer attempted to enter the Spanish market with a 2-liter beverage bottle, but found it difficult to do so. They quickly learned that this was due to the fact that few Spaniards had refrigerator doors large enough to accept the huge size bottle.

Price: Global markets may have different standard of living. In some markets, the price of the product must be lowered. In other markets, there might be opportunity to charge high prices. Citizens of developing countries lack purchasing power; thus, the prices of the products might be lowered in such countries. On the contrary, high-priced luxury items can be sold in oil rich countries like Saudi Arabia. A controversial pricing practice used by some companies is known as international dumping. Dumping is a practice when a company sells a product at a much lower price as compared to the price charged for similar product in the home country. This practice is done in order to increase international market share or to offset the lack of demand in the home country.

For example, a Japanese buyer was attempting to negotiate a fair price for an American company's product. The Americans gave a thorough presentation and offered what they considered to be a fair price. The Americans anticipated the Japanese would reject the offer after a few moments of silence, so they decreased the price. The Japanese remained deafeningly silent. The Americans then said that they would reduce their pricing one more time, and that this was the lowest they could go. After a little pause, the Japanese accepted the offer. The Japanese later said that the first price was reasonable, but that they would review the idea carefully before deciding. By jumping the gun and expecting that the Japanese would retaliate in the same way as the Americans, the Americans lost a lot of money.

Promotion: A country's custom, language, culture, etc. plays a major role in framing the promotional element of the marketing mix. Consumers in different country may use the same product for different purposes. For example, a bicycle is used as a leisure in United States, while in many other countries, it is used as a mode of transportation. Thus, framing a promotional message becomes very important in the international market. Promotional mistakes also occur when words used in advertising are not properly translated. In order to avoid such confusion, picturing or the use of pictures can be employed to communicate a message. Pictures can speak to different cultures at once, so fewer words and more visuals must be used in ads.

For example, Pepsico had no clue when they advertised Pepsi in Taiwan with the slogan "Come Alive with Pepsi", that it would be mistranslated as "Pepsi brings your ancestors back from the dead".

Media options

The media availability varies from one country to another. Even if the Internet has made the global marketing much easier, Internet is still limited in many countries. Some countries may have fewer media options, whereas others may have a variety of media options. A country may have various subcultures and language dialect within its border. Each subculture may have their own newspaper and radio stations. Even in markets which have a wide variety of media options, the government may impose restrictions on that type of advertising.

Advertising regulations

There are several restrictions on international advertising, and they vary from one country to another. The restriction often reflects the cultural values. Many countries have ban or restrictions on advertising for certain goods and services, such as certain medications, tobacco, alcohol, gambling, and religion. Most countries have some form of legislations that place various restrictions on advertising to children. The marketer must be well informed about the regulations in the international market they are targeting. The advertisers should have knowledge about the types of products that can be advertised, types of message appeal that can be used, restriction on use of national symbols such as flags, and government seals in ads, kind of data that can be collected from consumers through promotional campaigns and so on.

Diversity and advertising

Cultural diversity

Marketers should avoid ethnocentrism. Ethnocentrism refers to the tendency to view and value things based on one's own cultural beliefs. It creates an obstacle

to cross-cultural advertising. It prevents marketers from viewing the important cultural differences among the markets. The marketers must be aware about the cultural diversity, which is coexistence of different ethnic, gender, racial, and socioeconomic groups. Diversity encompasses acceptance and respect of cultural differences.

The changing nature of the United States

Although diversity is there throughout the world, diversity can also be found within a country. The Hispanic and Asian population in the United States have grown significantly in the past few decades. But more than any other group, the Asian population grew the fastest in the United States. In addition, the purchasing power of Hispanic and Asian also grew at a faster rate than any other races and ethnicities.

The massive growth of an ethnic population creates immense marketing potential. However, marketing in the United States is more complicated due to the numerous subcultures, necessitating cultural understanding. Marketers must be able to target subcultures with cross-cultural or culture-specific advertising campaigns that are effective. A thorough awareness of cross-cultural variances in values, attitudes, and behaviors provides the foundation for successful advertising efforts. Multicultural advertising is similar to global marketing initiatives in terms of planning. Advertisers must decide how to alter advertising campaigns in local markets to account for cultural differences, just as they would do in global markets.

Handling diversity in advertising

Advertising diversity is tackled in a variety of ways. Some advertisers employ visual diversity to allow Americans of various races and ethnicities to connect while consuming advertised products in schools, homes, workplaces, and other settings. As a result, advertisers can reach a wider audience. Ethnic consumers, on the other hand, are more receptive to culturally targeted advertisements. People in the same ethnic groups share language, customs, values, and social views. These shared values influence beliefs, affect emotions, and affect buying behavior and consumption pattern of individuals. If the cultural values and beliefs are implanted in advertising in such a way that the consumers see themselves and identify with the characters in the advertisements, ethnic groups are more likely to bond with the advertised brands.

Understanding ethnic markets

Diversity means that one size doesn't fit into all. Different cultures and ethnicities have different priorities. Their consumption preference is also culturally driven. Family, religion, language, culture, and beliefs play a significant role in buying decisions made by consumers at different cultures. Embracing a culturally diverse

society can open many opportunities for US businesses. However, they must be willing to understand the different cultures and their buying behavior. Specifically, US companies are reaching out to three growing ethnic market – African Americans, Asian Americans, and Hispanic Americans.

African American market

African American represent a significant share in the US population. The purchasing power of African American has increased significantly over the years. The potential of the African American market has advertisers spending large sums to reach them. Some of the top US companies are the top advertisers in the African American market including Procter & Gamble, General Motors, L'Oréal, Dell Inc., Time Warner, and PepsiCo. Marketing research has revealed the following about African American consumers:

1. They spend more time watching television as compared to other ethnic groups.
2. They use more voice minutes on their mobile phones than other groups.
3. They shop more frequently compared to other ethnicities, but they spend less on each trip.
4. They shop less frequently at grocery store and superstores but more frequently at smaller retailers like drug store, dollar store, and convenience store.
5. They spend more on food consumed at home.
6. They less frequently take advantage of coupons, deals or promotions while shopping.
7. Their spending on personal and beauty care products is much higher than US average spending in this category.

Asian American market

Asian American consumer's purchasing power is increasing at a rapid pace over the past decade. Asian represents various subcultures like Chinese, Japanese, Filipinos, Vietnamese, Koreans, and Asian Indians. Asian American households have the highest average family income of all groups in the country. As a result, marketers are trying hard to understand the buying behavior and patterns of Asian Americans. Characteristics of the Asian American market include the following:

1. They are much better educated than average Americans and hold top level jobs in management, professional, and scientific fields.
2. They place a string emphasis on family and education.
3. They are active users of computer and Internet and are likely to adapt new technologies.
4. They watch less television as compared to other groups, buy they stream the most online videos.

5. They take more advantage of special deals, and promotions while shopping.
6. They buy fresh produce like nuts, dried fruits, pasta, yogurt, soup, juice, and other drinks than the average US consumer.
7. They frequently shop at department stores.

Hispanic American market

Hispanic Americans represents over 16% of the US population and are projected to account for more than 30% of the population by 2050. The term Hispanics represents people of many different backgrounds which includes Mexicans, Puerto Ricans, Central Americans, Dominicans, South Americans, and Cubans. The purchasing power of Hispanics have increased to a huge extent.

There is a belief among many that once Hispanics learn to speak English, they become acculturated. Acculturated is a process through which members of one cultural group adopts the beliefs and behavior of other cultural groups. According to previous studies, Hispanics may adapt some American customs, they still hold onto their values, cultures, traditions, and heritage.

The marketing research reveals that the Hispanic consumers are as follows:

1. They use their smartphones for a wide range of activities, for example, texting, mobile banking, and Internet access.
2. They shop less frequently than other ethnicities, but they spend more on each trip.
3. They tend to spend more on baby-related products than average US consumers.
4. They spend more time in supercenters, mass merchandisers, and warehouse clubs.
5. They spend more time to cook from scratch compared to average US consumers.
6. The top TV shows viewed by them are in Spanish language.

Cross-cultural communication

Bilingual advertising

In the US market, due to multicultural environment, advertisers are not focusing on developing bilingual ads. Bilingual ads target majorly the Hispanic population. Spanish is spoken officially in 21 countries. For most parts Spanish can be used to reach many Hispanic consumers. However, to reach the Asian market, bilingual ads are not won't work. The Asian subculture consists of Japanese, Chinese, Cantonese, Korean, Vietnamese, Thai, and Cambodian. Each group has its own language. That is the reason the marketer must make campaigns typically for Asian American consumers.

Communicating globally

Communication plays a major role in the global marketing. When the marketer tries to sell the product in another country, they must convey their advertising message in a way that consumers will understand. To have a successful marketing message, the marketer must understand the communication styles used in the countries where they are doing their business. Both the verbal and nonverbal communication style must be known to the marketer.

Verbal communication

The marketer should understand the proper etiquette while involving in verbal communication in another country. In order to avoid misunderstanding, the marketers must learn to answer the following questions:

How are conversations opened and closed? Different cultures have different customs with respect to who addresses whom, when and how. Certain ways of starting and concluding a conversation may be regarded as disrespectful in certain ethnicities. Marketers must gain knowledge about the acceptable types of greetings to use; the importance of age, gender, or social position while speaking to others; and appropriate way to end conversation.

What is the conversational style? In some cultures, talks are held in an interactive format, in which one person speaks and the other responds right away. It is more appropriate in other cultures to listen to the speaker without answering or interrupting until the speaker has finished speaking. Interruptions are considered offensive in some cultures because they are perceived as a challenge to the speaker's statements.

Is the use of silence, ok? In many cultures, long silence during conversation makes people uncomfortable. Whereas in other cultures silence is a sign of thoughtfulness toward the speaker and is expected before a response is given.

Is it ok to use humor? Although humor is used to initially bond with others in the United States, but other cultures doesn't view it in that way. Some consider it as a sign of disrespect. Humor can also lead to misunderstandings when the speaker doesn't fully understand the culture.

Is explicit or implicit communication preferred? Explicit communication is a way to convey information in a concise, direct, and structured manner. The decisions are based on logics and facts. This style of communication is very much prevalent in the United States. On the contrary, implicit communication is when the information conveyed is vague and has implied meaning to it. They decisions are based on intuitions and feelings rather than on logic and facts. Japan, China, and Mexico prefer implicit style of communication.

Nonverbal communication

Nonverbal communication is a way of communicating without using words. It could be gestures, postures, body language, facial expressions. Understanding nonverbal communication is very important to an international marketer as it helps them to interpret feelings and intentions. It also indicated when the message is unclear. Some nonverbal signs are similar across several cultures. If the marketer is not aware about the local body language, then it can send a wrong message toward the target audience. So, before conducting any business, the marketer should understand the body languages.

Personal greetings: Most countries consider handshake as a standard form of personal greetings. A handshake in some cultures is considered as respect, while in other cultures it represents lack of confidence. Some Asians believe shaking hands hampers their personal space. Bowing is the preferred form of greeting, and the depth of the bow indicates the level of respect.

Eye contact: In the United States and other Western culture, eye contact is important while communicating. Looking away or not making eye contact can be considered as devious. In Japan and Asian cultures, eye contact is considered as disrespectful while speaking to authority figures. It can be viewed as rude and arrogant.

Facial expressions: A smile spreads a positive message and act as icebreaker in many cultures. Chinese tend to smile when they face difficulty or embarrassment. In Thailand, smile is often used while apologizing.

Personal space: Different cultures have different personal space requirements. People of Latin America or the Middle East feels comfortable standing close to each other, whereas in North America and Europe they prefer greater interpersonal space. If the person is going backward while speaking, it reflects that the person is giving space.

Gestures: There are many kinds of gestures that have different meanings in different cultures. A gesture may be considered as friendly in one culture, whereas it can be disrespectful in another. Americans use pointer fingers to direct someone's attention, whereas most Asians consider that rude. Instead, they point with their entire hand. In many cultures using thumbs-up is considered vulgar. Again, standing with the hands on the hip signifies anger in some countries. In some cultures, it is considered to sit with cross-knee as rude and offensive.

Personal appearances: The first impression is considered to be very important in many cultures. Appearances speak a lot about an individual. In many parts of the United States, the business attire has become very casual, but other cultures do not respect this idea. They consider that the professional business attire shows respect and seriousness. The likelihood of getting distracted is less when an individual is in business attire. The best conservative business colors are black, grey, and navy blue in the United States, whereas they are not necessarily acceptable in other cultures.

Colors, numbers, and symbols: in many cultures, colors have different significance. The marketers must understand what they are trying to convey through colors. For example, red is associated with good luck in China, but in South Africa red is a color of mourning. Many cultures consider numbers as lucky and unlucky. In the United States, many hotels do not have 13th floor. Again, Asians consider 4 and 9 to be unlucky number. Symbols and images are also influenced by the culture. Dog symbolizes devotion and faithfulness in China, but in Islamic culture dogs symbolizes impurity. Thus, colors, numbers, and symbols with negative connotations must be avoided by the marketer while delivering marketing communication.

International advertising: standardization or adaptation (localization)

Among all the 4 Ps of marketing, viz., product, price, place, and promotion, the promotion “P” is one of the most versatile tools available to a marketing manager. Basically, it deals with all types of communication tools used by an organization to enlighten, clarify, remind, persuade, and influence a consumer and his buying behavior, which in turn will influence his decision-making process. The goal of marketing communication is to make the consumers aware of the advantages and values which are being offered by the product and service. Advertising forms one of the most important tools of marketing communication. A very important question being thought of in every organization regarding advertisement of their products and services is whether to standardize or adapt the advertising message. Although the debate for standardization or adaptation of advertisements has been going on for nearly half a century, till date no definite conclusions have been drawn. Standardization of international advertising talks about employing a universal approach (i.e., common advertisement) to promote the same product across different countries.

The proponents of standardization say that consumers’ needs and wants are becoming very similar across the globe and hence the same advertising message will work everywhere. Four reasons due to which standardization of advertisement is so attractive are listed out:

- It helps the MNC’s to have a reliable image and identity across all the nations.
- Less confusion for people who travel frequently to different places as they are able to observe the same product everywhere.
- The organizations have to invest only in a single advertising campaign which will be used in different countries.
- Standardization helps the firm to reduce media costs, advertising or making cost, and it also provides economies of scale.

Those who oppose the concept of standardization propose that there are huge differences in local markets which cannot be resolved by making standardized advertising. According to them, different messages should reach different consumers in

different nations because there exist innumerable differences. For example, cultural difference, economic, legal, political, media, and product differences between not only countries but also between different regions in the same country. Mueller (1991) says that standardization and adaptation (localization) are two extremes on a continuum. And the organization should decide based on the situation they are in, the extent to which the message can be standardized or localized. This study presents a review of literature on the topic of international advertising standardization.

Benefits of global marketing and advertising

Using global promotional strategies has many benefits for the firms:

- Manufacturing and distribution economies of scale.
- Because of the savings in planning and management, marketing and advertising costs are lower.
- Lower production costs for advertising.
- Capabilities to leverage and introduce interesting ideas on a global scale.
- Release goods into a number of different international markets swiftly.
- A multinational brand and/or company image that is consistent.
- Marketing and promotional campaign coordination and control are made easier.

Disadvantages of advertising standardization

While global promotion and advertising strategies have gotten a lot of attention lately, not everybody agrees with this strategy. Some of the issues with international marketing and advertising are as follows:

- Cultural difference, factors such as market growth, customer wants, media availability, and legal boundaries make developing an effective worldwide marketing and advertising strategy exceedingly challenging.
- Because of cultural variances in situations, dialect, morals, opinions, and lifestyle, advertising in particular is difficult to standardize.
- Consumption trends, attitudes, and opinion about goods/services may differ from one nation to another, necessitating advertising and promotional program modifications rather than relying on a worldwide campaign.

Although many marketers see globalization as a tough assignment, substantial progress has been made in determining which goods and services are most suited for international reach. The following are examples of offerings that can benefit from worldwide branding and promotional opportunities:

- Brands that can be transformed for aesthetic appeal without having to translate slogans and messages into multiple languages.

- Brands that are marketed using visual campaigns that are themed to appeal to a broad audience.
- New technological innovations that are being introduced to the globe for the first time and are not rooted in any nation's cultural legacy.
- Products with a local taste, such as Swiss chocolates, French wine, or German automobile, if the country has a reputation in the industry.
- Items that target a segment of the market with broadly shared likes, interests, requirements, and values. The affluent, who can purchase expensive clothing, jewels, vehicles, resorts, and other items and services, are examples of worldwide market segments. Millennials are another example of a worldwide market sector that many businesses are pursuing.

Although the advantages and disadvantages of truly global advertisements are still being deliberated, many businesses are opting for a middle ground approach, standardizing their offerings and basic marketing plan while localizing their promotional content to appeal to the local context and requirements of each market. This strategy has been given different labels such as “*Think global, act local*”, or “*Global vision with a local touch*”. While some marketing managers employ global commercials with little or no change, the majority of businesses adjust their messaging to account for variances in language, market circumstances, and other considerations. Many of the promotional managers employ a pattern advertising strategy, in which their commercials follow the same fundamental concept, but topics, language, and occasionally even graphic components are tailored to local market peculiarities. Other approach advertisers adjust strategies to local markets is to create a selection of commercials with a similar topic and structure and then let managers in other nations or regions to choose which messages they think would perform best throughout their markets.

Decision areas in international advertising

Corporations designing advertising and promotional campaigns for international markets must make specific organizational and functional considerations, just as they do for local markets.

1. *Plan for global promotion:* When a firm decides to sell its offering to other nations, among the first considerations it must make is how to establish the global advertising and promotion function. This function can be organized in one of the following three ways:
 - *Centralized:* The firm's home country makes all the plannings and the decisions are passed to other units across the globe. Usually, centralization materializes when the conditions in other countries are similar to home country or it wants to project a consistent image globally and thus relies on a single ad agency.

- *Decentralized*: In such situations, promotional managers have the freedom to decide and select the ad agencies, developing their own budgets, undertaking market research, approving ads, and finalizing the media.
 - *Combination*: Very rarely do firms plan for the extreme strategies of centralization or decentralization. Most of the multinational firms resort to the mid-way or combination strategy. The home office will handle the strategy related to policies and guidelines, whereas the creative campaign and the budgeting part is taken care of by the local managers.
2. *Selection of ad agency*: The choice of an advertising company is among the most essential decisions a company involved in global marketing must make. When it comes to choosing an agency, there are three options available:
 - Many of the brands pick a large ad firm that is present nationally and internationally to build a uniform global image.
 - Selecting a local ad company, which is associated with international bodies or is part of a group of international agencies.
 - Employing a local agency for each national market where the corporation offers its goods and services. This can boost local managers' morale and engagement by allowing them to participate in the agency selection process.
 3. *Advertising research*: Global promotional campaigns are developed after due-diligence and proper market research to assist managers in making more comprehensive and sophisticated judgments. Insights from international market research may assist companies in making informed marketing decisions in the following areas:
 - Demographic details of the market segments
 - Cultural differences
 - How consumers use the products, their attitude toward the brands
 - Type of media being preferred
 - Audience size with each of the media available in the market
 - Most preferred or detested advertising appeals and executions
 - Usefulness and success of promotional campaigns
 4. *Creative decisions*: Global promotional campaigns follow a similar methodology and procedures as domestic advertising in that communication objectives must be determined based on each market's marketing strategy and market conditions, significant selling concepts must be produced, and specialized appeals and execution styles must be chosen. The question of global versus localized advertising is a significant aspect impacting the formulation of creative strategy for foreign markets.
 5. *Selection of media*: Media strategy and deployment is among the most challenging decision areas for global advertising. There exists plethora of differences

in media usage habits among consumers across different countries. Hence, it becomes extremely important for the advertiser to select the most important and appropriate media in a country that reaches to the target market of the firm.

Conclusion

Because of highly competitive environments and severe rivalry from both local and international competitors, many firms are realizing the benefits as well as the need of promoting their brands globally. Advertising and promotion campaigns are critical components of many firms' foreign marketing strategies. Many Indian firms are selling their products in the international markets, similarly almost all the international brands are present in the Indian market.

Thus, it is pertinent for the marketing managers to gauge the international market (nation) that they plan to enter, understand its similarity with the local nation, and examine the differences. The firm should also analyze the marketing environment of the market through socioeconomic factors, demographic factors, cultural factors, political–legal factors, situational factors, etc. These elements are critical not just in determining the market prospects of each nation, but also in developing and conducting advertising and promotional campaigns.

IMC in practice

1. Select a European country and the US market where an Indian company sells its products or services. Do research from the standpoint of international marketing and advertising. State the similarities and differences that exist between India and the other two markets. How the Indian firm has adapted its message for the international audiences. What media strategies are being used by the firm? Do they use the same ad agency or they have different ad agency for different markets?
2. Imagine, you are given the task of launching a new “instant energy drink” product in the African market. Do the following and prepare an IMC plan to promote the new product.
 - How many competitors are available in the market? What is the approximate market size for the product?
 - Whom you would like to target the product?
 - How you are planning to position your product and why?
 - Create some storylines/themes to promote your product (preferably a print and video ad).
 - Decide the media channels for your marketing communications. What is the rationale behind selecting those media vehicles?
 - How you will tackle the marketing mix decisions?
 - Which generic strategy is applicable to such products? Is it sustainable?

Discussion questions

1. A company may want to enter a number of new markets in other parts of the world. What are the challenges it might face and how can it overcome these challenges? Discuss an example of one such company and examine how it communicates with its customers in different countries.
2. What is the role of PESTEL factors in creating IMC strategies in developed versus developing markets? Discuss with examples.
3. Discuss the significance of a nation's economic situation in determining its commercial viability. What influence does the economy and other variables have on the sort of integrated marketing communications program a firm may deploy in a part of the world?
4. Discuss how cultural factors influence marketers' choice of promotional campaigns. State few examples of the cultural difference between the Indian market and other global markets.
5. What does "think global, act local" mean in terms of global promotional campaign? Examine several of the ways in which advertisers might tailor their advertisements to certain markets.
6. Several large global firms are integrating their global promotional efforts with a single large agency. Discuss the advantages and disadvantages of this strategy.
7. How companies can use generic strategies? Give suitable examples of each strategy.

Learning objectives

1. Understand global marketing and its challenges.
2. Diversity and advertising in the global market.
3. Gain knowledge on cross-cultural communication.

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