ADVERTISING AND BRAND MANAGEMENT

Module I: Introduction to Advertising

Introduction to Advertising

Question **-** “Advertising is a nonpersonal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." Explain.

Answer

Meaning of Advertising - Advertising is an activity of attracting public attention to a product, service, or business as by paid announcements in the print, broadcast, or electronic media.

Definition of Advertising - "Advertising is the non-personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." Now let's take this statement apart and see what it means.

Non-personal

Basically sales is done either personally or non-personally. Personal selling requires the seller and buyer to get together. Personal selling has its on advantages and disadvantages. Whereas advertising is non-personal selling. Personal selling has many advantages over advertising like direct communication, bargaining, enough time to discuss in detail about the product, seller can easily locate potential buyer. Advertising has none of the advantages of personal selling, very little time to present sales message, message is cannot be changed easily.

But, advertising has its own advantages which is not found in personal selling: advertising has comparatively speaking, all the time in the world. Unlike personal selling, the sales message and its presentation does not have to be created on the spot with the customer watching. It can be created in as many ways as the writer can conceive, be rewritten, tested, modified, injected with every trick and appeal known to affect consumers.

Advertising covers large groups of customer and to make it effective proper research about customer is done to identify potential customers, to find out what message element might influence them, and figure out how best to get that message to them.

Thus, it appears that advertising is a good idea as a sales tool. For small ticket items, such as chewing gum and guitar picks, advertising is cost effective to do the entire selling job. For large ticket items, such as cars and computers, advertising can do a large part of the selling job, and personal selling is used to complete and close the sale.

Advertising is non-personal, but effective.

Communication

Communication means passing information, ideas, or feelings by a person to another. Communication uses all the senses like smell, touch, taste, sound, sight. Only two senses - sound and sight are really useful in advertising. In advertising, what appears is everything the writer thinks the customer needs to know about the product in order to make a decision about the product. That information will generally be about how the product can benefit the customer.

Paid For

Advertiser has to pay for the creation of ad and for placing it in the media. Cost of ad creation and cost of time/space in the media must be paid for. Cost of advertising depends on TRP of media, reach of media, and frequency of ad to be displayed.

Persuasive

"Persuasive" stands to reason as part of the definition of advertising. The basic purpose of advertising is to identify and differentiate one product from another in order to persuade the consumer to buy that product in preference to another.

Identified Sponsors

Identified sponsors means whoever is putting out the ad tells the audience who they are. There are two reasons for this: first, it's a legal requirement, and second, it makes good sense. Legally, a sponsor must identify himself as the sponsor of ad. By doing so the sponsor not only fulfils the legal requirements, but it also makes a good sense, if the sponsor doesn't do so, the audience may believe that the ad is for any competitor's product, thus wasting all the time and money in making and placing the ad.

Definition and Objectives of Advertising

Question - What is advertising, define advertising, and state its objectives?

Answer

Meaning of Advertising - Advertising is an activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media.

Advertising is a paid form of a non-personal message communicated through the various media by industry, business firms, nonprofit organisations, or individuals. Advertising is persuasive and informational and is designed to influence the purchasing behaviour and/or thought patterns of the audience. Advertising is a marketing tool and may be used in combination with other marketing tools, such as sales promotions, personal selling tactics, or publicity.

Definition of Advertising - Advertising is defined differently by different people, some of the definitions are as follows:

According to **Richard Buskirk**, *"Advertising is a paid form of non-personal presentation of ideas, goods or services by an identified sponsor."*

According to **Wheeler**, *"Advertising is any form of paid non-personal presentation of ideas, goods or services for the purpose of inducting people to buy."*

According to **William J. Stanton**, *"Advertising consists of all the activities involves in presenting to a group, a non-personal, oral or visual, openly sponsored message regarding disseminated through one or more media and is paid for by an identified sponsor."*

Objectives of Advertising - The real objective of advertising is effective communication between producers and consumers with the purpose to sell a product, service, or idea. The main objectives of advertising are as follows:

Informative

Objective of advertising is to inform its targeted audience/customers about introduction of new product, update or changes in existing products or product related changes, information regarding new offers and schemes. Informative advertising seeks to develop initial demand for a product. The promotion of any new market entry tends to pursue this objective because marketing success at this stage often depends simply on announcing product availability. Thus, informative advertising is common in the introductory stage of the product life cycle.

Persuasive

Objective of advertising is to increase demand for existing product by persuading new customer for first time purchase and existing customers for repurchases. Persuasive advertising attempts to increase demand for an existing product. Persuasive advertising is a competitive type of promotion suited to the growth stage and the early part of the maturity stage of the product life cycle.

Reminder

The objective of advertising is to remind customers about existence of product, and ongoing promotional activities. Reminder advertising strives to reinforce previous promotional activity by keeping the name of a product before the public. It is common in the latter part of the maturity stage and throughout the decline stage of the product life cycle.

Mathews, Buzzell, Levitt and Frank have listed some specific objectives of advertising.

- To make an immediate sale.
- To build primary demand.
- To introduce a price deal.
- To build brand recognition or brand insistence.
- To help salesman by building an awareness of a product among retailers.
- To create a reputation for service, reliability or research strength.
- To increase market share.

Functions and Classifications of Advertising

Question - What is advertising? Explain in detail the functions and classifications of advertising.

Answer

Meaning of Advertising - Advertising is an activity of attracting public attention to a product or business, as by paid announcements in the print, broadcast, or electronic media.

Advertising is the promotion of a company’s products and services though different mediums to increase the sales of the product and services. It works by making the customer aware of the product and by focusing on customer’s need to buy the product. Globally, advertising has become an essential part of the corporate world. Therefore, companies allot a huge part of their revenues to the advertising budget. Advertising also serves to build a brand of the product which goes a long way to make effective sales.

Functions of Advertising - Following are the basic functions of advertising:

1. To distinguish product from competitors' products

There are so many products of same category in the market and they competes with each other, advertising performs the function of distinguishing advertiser's product from competitors.

2. To communicate product information

Product related information required to be communicated to the targeted customers, and advertisement performs this function.

3. To urge product use

Effective advertisement can create the urge within audience for a product.

4. To expand product distribution

When the market demand of a particular product increases, the number of retailer and distributor involved in sale of that product also increases, hence product distribution get expanded.

5. To increase brand preference

There are various products of different bands are available, the brand which is effectively and frequently advertised is preferred most.

6. To reduce overall sale cost

Advertising increases the primary demand in the market. When demand is there and the product is available, automatically the overall cost will decrease, simultaneously the cost of sales like distribution cost, promotional cost also get decreased.

Classification of Advertising - Advertising can be classified on the basis of **Function, Region, Target Market, Company demand, Desired response,** and **Media**.

A) Classification on the basis of function

- Advertisement informs the customers about a product
- Advertisement persuades the consumers to buy a products
- Advertisement reminds existing customers about the presence of the product in the market

Let us discuss some important types of advertising based on the functional aspect of advertising.

Informative advertising: This type of advertising informs the customers about the products, services, or ideas of the firm or organization.

Persuasive advertising: This type of advertising persuades or motivates the prospective buyers to take quick actions to buy the products or services of the firm. Example: “Buy one, get one free”.

Reminder advertising: This genre of advertising reminds the existing customers to become medium or heavy users of the products or services of the firm that have been purchased by them at least once. This type of advertising exercise helps in keeping the brand name and uses of the products in the minds of the existing customers.

B) Classification on the basis of region

Advertisements can also be classified on the basis of the region, say:

Global advertising: It is executed by a firm in its global market niches. Reputed global magazines like Time, Far Eastern Economic Review, Span, Fortune, Futurist, Popular Science. Cable TV channels are also used to advertise the products throughout world. Supermodels and cinema stars are used to promote high-end products Examples: Sony, Philips, Pepsi, Coca Cola, etc.

National advertising: It is executed by a firm at the national level. It is done to increase the demand of its products and services throughout the country. Examples: BPL (Believe in the best). Whirlpool Refrigerator (Fast Forward Ice Simple) etc.

Regional advertising: If the manufacturer confines his advertising to a single region of the country, its promotional exercise is called Regional Advertising. This can be done by the manufacturer, wholesaler, or retailer of the firm. Examples: Advertisements of regional newspapers covering those states or districts where these newspapers are circulated. Eg. The Assam Tribune (only for the NE region) etc.

Local advertising: When advertising is done only for one area or city, it is called Local Advertising. Some professionals also call it Retail Advertising. It is sometime done by the retailer to persuade the customer to come to his store regularly and not for any particular brand. Examples: Advertisements of Ooo la la, Gupshup (Local FM channels) etc.

C) Classification on the basis of target market

Depending upon the types of people who would receive the messages of advertisements, we can classify advertising into four subcategories:

Consumer product advertising: This is done to impress the ultimate consumer. An ultimate consumer is a person who buys the product or service for his personal use. This type of advertising is done by the manufacturer or dealer of the product or service. Examples: Advertisements of Intel, Kuttons (shirt), Lakme (cosmetics) etc.

Industrial product advertising: This is also called Business-to-Business Advertising. This is done by the industrial manufacturer or his distributor and is so designed that it increases the demand of industrial product or services manufactured by the manufacturer. It is directed towards the industrial customer.

Trade advertising: This is done by the manufacturer to persuade wholesalers and retailers to sell his goods. Different media are chosen by each manufacturer according to his product type, nature of distribution channel, and resources at his command. Hence, it is designed for those wholesalers and retailers who can promote and sell the product.

Professional advertising: This is executed by manufacturers and distributors to influence the professionals of a particular trade or business stream. These professionals recommend or prescribe the products of these manufacturers to the ultimate buyer. Manufacturers of these products try to reach these professionals under well-prepared programmes. Doctors, engineers, teachers, purchase professionals, civil contractors architects are the prime targets of such manufacturers.

Financial advertising: Banks, financial institutions, and corporate firms issue advertisements to collect funds from markets. They publish prospectuses and application forms and place them at those points where the prospective investors can easily spot them.

D) Classification on the basis of desired responses

An ad can either elicit an immediate response from the target customer, or create a favourable image in the mind of that customer. The objectives, in both cases, are different. Thus, we have two types of advertising under this classification.

Direct action advertising: This is done to get immediate responses from customers. Examples: Season's sale, purchase coupons in a magazine.

Indirect action advertising: This type of advertising exercise is carried out to make a positive effect on the mind of the reader or viewer. After getting the advertisement he does not rush to buy the product but he develops a favourable image of the brand in his mind.

Surrogate advertising: This is a new category of advertising. In this type of promotional effort, the marketer promotes a different product. For example: the promotion of Bagpiper soda. The firm is promoting Bagpiper Whisky, but intentionally shows soda. They know that the audience is quite well aware about the product and they know this fact when the actor states, "Khoob Jamega Rang Jab Mil Baithenge Teen Yaar ... Aap ... Main, Aur Bagpiper").

E) Classification on the basis of the media used in advertisement

The broad classification based on media is as follows:

Audio advertising: It is done through radio, P A systems, auto-rickshaw promotions, and four-wheeler promotions etc.

Visual advertising: It is done through PoP displays, without text catalogues, leaflets, cloth banners, brochures, electronic hoardings, simple hoardings, running hoardings etc.

Audio-visual: It is done through cinema slides, movies, video clips, TV advertisements, cable TV advertisements etc.

Written advertising: It is done through letters, fax messages, leaflets with text, brochures, articles and documents, space marketing features in newspapers etc.

Internet advertising: The world wide web is used extensively to promote products and services of all genres. For example Bharat Matrimony, www.teleshop.com, www.asianskyshop.com etc.

Verbal advertising: Verbal tools are used to advertise thoughts, products, and services during conferences, seminars, and group discussion sessions. Kinesics also plays an important role in this context.

Advertising Agency and its Functions

Question - What is Advertising Agency? Describe functions of advertising agency.

Answer

Definition of Advertising Agency

According to **American marketing Association**, "An Advertising agency is an independent business organisation composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods and services."

Advertising Agency is an independent business organisation specialised in advertising related work which undertakes the work of planning, preparing, and executing advertising campaign for its clients. Advertising Agency is a body of experts specialised in advertising. Advertising Agency performs following activities for its clients:

1. **Planning**: Advertising agency studies the product or services of clients to identify the inherent qualities in relation to competitor's product or services, analyses competition and marketing environment to formulate advertising plan.
2. **Preparing**: After the study of product, competition, and marketing environment the experts of agency has to write, design, and produce the advertisement, it is also called formulation of ad-copy.
3. **Executing**: Now, media is selected for time or space, ad is delivered to media, checked, verified, and released in media. After ad release payment is done to media and client is billed for the services provided.

Functions of Advertising Agency

Advertising agency performs following functions:

1. **Contacting Clients**: Advertising agency first of all identify and contact firms which are desirous of advertising their product or services. Ad-agency selects those firms which are financially sound, makes quality products or services, and have efficient management.

2. **Planning Advertisement**: Advertising agency's next function is to plan ad for its client. For ad planning following tasks are required to be performed by ad-agency:

- Study of client's product to identify its inherent qualities in relation to competitor's product.
- Analysis of present and potential market for the product.
- Study of trade and economic conditions in the market.
- Study of seasonal demand of the product
- Study of competition, and competitor's spending on advertising.
- Knowledge of channels of distribution, their sales, operations, etc.
- Finally, formulation of advertising plan

3. **Creative Function**: Creative people like - the copywriters, artists, art-directors, graphic-specialists have to perform the creative function which is most important part of all advertising function.

4. **Developing Ad-Copy**: Ad-agency with the help of their writers, artists, designers, animators, graphic-designers, and film-directors prepares and develops Ad-copy.

5. **Approval of Client**: Ad-copy is shown to the client for his approval

6. **Media Selection and scheduling**: It is very important function of ad-agency to select appropriate media for its clients. Ad-agency has to consider various factors like- media cost, media coverage, ad-budget, nature of product, client's needs, targeted customer, and etc while selecting media.

7. **Ad-Execution**: After approval, verification, and required changes, the ad-copy is handed to the media for ad-execution.

8. **Evaluation Function**: After execution, it is the responsibility of ad-agency to evaluate the effectiveness of ad to know how beneficial the ad is for its client.

9. **Marketing Function**: The advertising agency also performs various marketing function like- selecting target audience, designing products, designing packages, determining prices, study of channel of distribution, market research, sales promotion, publicity, etc.

10. **Research Function**: Ad-agency performs various research functions like- research of different media, media cost, media reach, circulation, entry of new media, information regarding ratings, and TRP's of TV programmes, serials.

11. **Accounting Function**: Accounting function of ad-agency includes checking bills, making payments, cash discounts allowed by media, collection of dues from clients, payment to staff, payment to outside professionals like- writers, producers, models, etc.

Conclusion

After the above explanation we can conclude that ad-agency has to perform all the advertising functions for their clients.

Types of modern Advertising Agency

Question - Explain advertising agency, and what are the different types of advertising agencies?

Answer –

According to **American marketing Association**, "An Advertising agency is an independent business organisation composed of creative and business people who develop, prepare and place advertising in advertising media for sellers seeking to find customers for their goods and services."

Advertising Agency is an independent business organisation specialised in advertising related work which undertakes the work of planning, preparing, and executing advertising campaign for its clients. Advertising Agency is a body of experts specialised in advertising.

Types of Advertising Agency - Following are the different types of advertising agencies:

1. Full Service Agency
2. In house Agency
3. A Creative boutique
4. Media Buying Service
5. La Carte Agency
6. Special Service Agency
7. Sweet Shops

Full Service Agency - Such Advertising Agencies offers its clients a full range of marketing, communication,and promotion services including research, planning, creating, producing the ad, and selecting media. Full service agency also offers other services like- strategic market planning, sales promotion, direct marketing, package design, public relation, and publicity.

In House Agency - In house Agency is the advertising department of the firm which is responsible for planning and preparation of advertising materials. Big organisations like- Gap, Calvin Klein, Revlon, and etc can manage in house advertising department and can take the advantage of proper coordination and greater control in all phase of advertising and promotion process.

Creative Boutique - Creative boutiques are known for their creative concept development, and artistic services to their clients. Any advertiser wants to infuse greater creativity into the message theme or individual advertisement can approach a creative boutique. Such agency provides only creative services.

Media Buying Services - They are independent companies specialised in media buying. Media Buying service agencies particularly deals in buying radio time and television time.

La Carte Agency - Some advertisers prefer to order a la carte rather than using all the services of an agency. A la carte can be purchased from a full service agency or from an individual firm deals in creative work, media, production, and or research.

Special service agency - Some agencies focuses on some selected areas, and gains specilisation or expertise in those areas, such agencies collectively are called special service groups.

Sweet shops - Such agencies are small agencies operates only in one city. Small clients who want advertisement in local media like- local cable, banners, posters, pamphelets etc, approaches such agencies.

MBA Notes - Selection of Advertising Agency

Question - What are the different aspects an advertiser should consider while selecting an advertising agency?

Answer

The Advertiser looks for an advertising agency whose services and expertise meets his requirements. Following factors should be considered while selecting an advertising agency:-

Services offered by Ad-agency - There are different agencies provides different services, some provides all the services, some provide selected services, some provides only media services. It depends on the requirement of advertiser whether he need a fulls service agency, creative boutique, media buying service agency, or a sweet shop.

Experience of Agency - An experienced agency performs better then a new agency because it is familiar with different components of marketing environment like- competitors' policies, taste of consumer, income of consumer, consumer responses, fashions and trends, reputation of different media etc.

Location - A major factor to be considered while selecting ad-agency is location of office of agency. A considerable amount of communication is required at different level of ad planning, creation and execution. So, a local or nearby ad-agency should be preferred which is easily accessible.

Size of Agency - There are both large size agencies and small size agencies, both have their own advantages and disadvantages. Large agencies serves big clients, provides wide variety of services, and charges higher but, cannot give personal attention because of having large number of clients, also cannot give much attention to small clients because of having large number of big clients.

Competitors' Agency - Agency which is working for competitors must be avoided otherwise agency will not prepare ads which help the advertiser to take an edge over competition.

Image of Agency - While selecting ad-agency the advertiser should enquire the image, integrity, ethical standards, and relations of agency with its clients.

Creativity and other skills - Ad-agency must be creative enough to generate new ideas to gain the attention of target audience.

Rates Charged by Agency - The rates of agency must suit the pocket of client. Advertiser should select agency whose rates are reasonable and within the ad-budget.

Financial Strength of Agency - A financially strong ad-agency have better turnover and better contacts with media owner, and afford better infrastructure, well-equipped-ad labs, and quality staff.

Past Records of Agency - It is necessary to know who were the past clients of agency, how long were they with agency, why they left the agency, brand image of products of clients, etc.

Module-II: Advertising Strategy
Advertising as Mass Communication and Communication Mix
Question - Elaborate the statement "Advertising is a form of mass communication", and describe the elements of marketing communication mix.

Answer
Advertising is a form of mass communication
Yes, it is true to say that advertising is a form of mass communication. Advertising is a process of transmission of information by the manufacturer or a seller of a product or service to modify or stimulate the behavior of the buyer to buy a particular product. Advertising can be in any form of presentation such as sign, symbol or illustration in print media, a commercial on radio or television, poster etc. Thus advertising is the communication link between the seller and the buyer.
Advertising is a paid form of a non-personal message communicated through the various media by industry, business firms, nonprofit organisations, or individuals. Advertising is persuasive and informational and is designed to influence the purchasing behavior and/or thought patterns of the audience.

One of the basic ingredients of today's popular culture is consumption and it is the advertising industry that makes mass consumption possible. Advertising is an important element of our culture because it reflects and attempts to change our life styles.
The advertising message has to reach a billion people, speaking different languages, practicing many religions. Advertisers can reach their audiences through television, radio, cinema, print medium, outdoor advertising, sales promotion and the Internet. Hence, advertising is a form of mass communication.
Marketing Communication Mix
The marketing communication mix is the specific mix of advertising, personal selling, sales promotion, public relation, and direct marketing a company uses to pursue its advertising and marketing objectives. Elements of the mix are blended in different quantities in a campaign.
Elements of communication mix
Marketing communications has a mix. Elements of the mix are blended in different quantities in a campaign. Following are the elements of marketing communication mix:-

1. **Advertising** - Advertising is any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.
2. **Personal selling** - Personal presentation by the firm's sales force for the purpose of making sales and building customer relationship.
3. **Sales promotion** - Short term incentives to encourage sales or purchases of a product or service.
4. **Public relation** - Building good relationship with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling unfavorable rumors, stories, and events.

5. **Direct marketing** - Direct communication with carefully targeted individual consumers to obtain immediate response and cultivate lasting relationship.

6. **Sponsorship** - Sponsorship is about providing money to an event, in-turn the product or company is acknowledged for doing so.

7. **E-marketing** - Online marketing is also gaining importance these days.

Building Advertising Program

Question - What is advertising creation stage in building of advertising program?

Answer

Ad-creation stage consists of three stages:

1. Idea Generation
2. Copy-writing
3. Layout

1. Idea generation stage

1. **Orientation**: First of all in the process of idea generation it is necessary to identify the purpose or objective of communication then only a proper creative idea can be decided.

2. **Preparation**: Relevant and sufficient information is required to be gathered.

3. **Analysis**: Once the information is collected is required to be properly organised under different heads like- technical information, consumer behaviour information, competitors' information etc.

4. **Ideation**: Ideation is the generation of actual ideas by trying different combinations of facts and information available.

5. **Incubation**: Once ideas are generated, they are kept aside to incubate, i.e., to let the subconscious mind work on them for some time.

6. **Synthesis**: When the team arrives at this step, it is equipped with a number of ideas. In this stage, the emphasis is on combining these ideas and evolving something substantial from it.

7. **Evaluation**: The various ideas generated in the previous steps are evaluated here. The criteria used for evaluation are described here. The idea should be:

   i) Relevant to the communication objectives.
   ii) Original and capable of catching the attention of the viewer.
   iii) Flexible so that they can be modified or extended to other advertisements in the future.

2. Copy Writing

The word 'Copy' has a specific meaning in the world of advertising. Advertisement Copy is the soul of advertisement. An Advertisement Copy is the written and spoken matter expressed in words, sentences, and figures designed to convey the desired message to the target audience. In print media the elements of an ad-copy are head line, sub-headlines, illustrations, slogans, and brand name.

Approaches to Copy Writing

A copy-writer has to answer the following questions to prepare an effective advertising copy:

- What am I advertising?
- To whom am I advertising?
- How can I convey best the advertising message to my readers?
- Where and how the product is being sold?
- When the product is purchased and used?
- What legal implications are involved?

3. Layout

A layout is a miniature sketch of the proposed advertisement. A rough layout is first prepared in which the headline and subheads are lettered in artwork and photographs are drawn or provided, and the position various elements of ad-copy is indicated. The rough layout is tested and modified to prepare the final layout. The final layout is appended with many explanations and mechanical designs to give a comprehensive view. It refers to specifications for estimating costs, guidance for engravers and blueprints for advertisers.

'Layout' means two things; in one sense, it means the total appearance of the advertisement – its design and the composition of its elements; in another sense, it means physical rendering of the design for the advertisement – its blueprint for production purposes.

Functions of the Layout

- It Organises all the Elements
- It Brings Together Copy Writer and Art Director
- It Enables the Advertiser to Visualize his Future Advertisement.
- It Acts as a Guide to the Copy Specialists.

Copy Testing

Copy testing is a means of measuring the communication value of advertising. As a diagnostic tool rather than an evaluative tool, copy testing can be instrumental to the creative development process. There are two key objectives in a copy testing framework. One objective is to determine whether the advertising can cut through the clutter and make people stop and notice the ad. The second is to assess whether the ad communicates the intended message.

Advertising Appeals

Question - What is Advertising Appeal? Describe different types of advertising appeal.

Answer

Advertising Appeal is an igniting force which stimulates the customer mindset towards the product or services. It not the only factor in the marketing mix which initiates a consumer for buying the product but it is certainly one of the advertisers' most important creative strategy decisions involves the choice of an appropriate appeal.

Advertising appeals are designed in a way so as to create a positive image of the individuals who use certain products. Advertising agencies and companies use different types of advertising appeals to influence the purchasing decisions of people. There are three types of appeals:

1. Rational or Informational Appeal
2. Emotional Appeal
3. Moral Appeal

Rational or Informational Appeals

This is generally product oriented appeal, highlights the functional benefits like- quality, economy, value, or performance of a product. Following are different types of rational appeals:

- **Feature Appeal** - Advertisements based on such appeal are highly informative, provides information of product attributes or features that can be used as the basis for rational purchase decision. Technical and high involvement product often uses this appeal.
- **Competitive Advantage Appeal** - Such appeal is used to compare the product with the competitor's product directly or indirectly and advertiser try to present his product superior then competitor's product on one or more attributes.
- **Favourable Price Appeal -** Here price offer is considered as the dominant point of the message.
- **News Appeal -** Some type of news or announcements about product or company dominates the advertisement.
- **Product Popularity Appeal** - Product popularity is considered as the dominant point of advertisement by highlighting the increasing number of users of brand or the number who have switched to it.
- **High Quality** - Some products are preferred for their quality not merely because of their taste or style, such products are advertised by highlighting the quality attribute in advertisement .
- **Low price** - Many people prefer low priced goods. To target such audience products are advertised by highlighting the low price tag of the product.
- **Long Life -** Many consumers want product of durable nature that can be used for a long period, in advertisement of such product durability is the dominant point of the message.
- **Performance** - Many advertisements exhibit good performance of product.
- **Economy -** Many customers consider savings in operation and use of product, for example in case of automobile the mileage is considered while selecting the brand or model.
- **Scarcity** - Another appeal that is occasionally used is scarcity. When there is a limited supply of a product, the value of that product increases. Scarcity appeals urge consumers to buy a particular product because of a limitation.
- **Other Rational Appeals** - Other rational appeals include purity, more profits, time saving, multifunction, more production, regular supply and availability of parts, limited space required, artistic form, etc. that can make advertising effective.

Emotional Appeals

An emotional appeal is related to an individual's psychological and social needs for purchasing certain products and services. Emotions affects all type of purchase decisions. Types of emotional appeals are as follows:

- **Positive Emotional Appeal** - Positive emotions like- humour, love, care, pride, or joy are shown in advertisements to appeal audience to buy that product. For example- Jonson and Jonson baby products.
- **Negative Emotional Appeal** - This includes fear, guilt, and shame to get people to do things they should or stop.
- **Fear** - Fear is an emotional response to a threat that expresses some sort of danger. Ads sometimes use fear appeals to evoke this emotional response and arouse consumers to take steps to remove the threat. For example- Life Insurance
- **Anxiety** - Most people try to avoid feeling anxious. To relieve anxiety, consumers might buy mouthwash, deodorant, a safer car, get retirement pension plan.
- **Humour** - Humour causes consumer to watch advertisement, laugh on it, and most important is to remember advertisement and also the product connected with humour. For example- Happydent, and Mentos.

Moral Appeals

Moral appeals are directed to the consumes' sense of what is right and proper. These are often used to exhort people to support social and ethical causes. Types of Moral Appeal are as follows:

- Social awakening and justice
- Cleaner and safe environment
- Equal rights for women
- Prohibition of drugs and intoxication
- Adult literacy
- Anti-smuggling and hoarding
- Protection of consumer rights and awakening

Other Type of Appeals

- **Reminder Appeal** - Advertising using reminder appeal has the objective of building brand awareness. For example- IPO
- **Teaser Advertising** - Advertisers introducing a new product often use this appeal. It is designed to build curiosity, interest and excitement about a product or brand. For example- Ponds ad of Saif & Priyanka
- **Musical Appeals** - Music is an extremely important component in advertising. It captures the attention of listeners. For example- Docomo, Airtel
- **Transformational Appeal** - The idea behind this appeal is that it can actually make the consumption experience better. For example- Ambay products
- **Comparison Appeal** - In this appeal a brand's ability to satisfy consumers is demonstrated by comparing its features to those of competitive brands. For example- Tide & Surf
- **Direct Appeal**s - Direct appeals clearly communicate with the consumers about a given need. These extol the advertised brand as a product which satisfies that need.

- **Indirect Appeals** - Indirect appeals do not emphasise a human need, but allude to a need.

AIDA Concept

Question - Discuss the AIDA Concept? How it is related to promotional mix?

Answer

AIDA Model is a selling concept presented by Elmo Lewis to explain how personal selling works. AIDA Model outlines the processes for achieving promotional goals in terms of stages of consumer involvement with the message. The Stages are Attention, Interest, Desire, and Action.

Attention

In this media filled world, advertisers need to be quick and direct to grab audience attention. Ads are required to be eye catchy which can make audience stop and read or watch what advertiser have to say next. Powerful words and pictures are used in ads to make them attractive.

Interest

After getting attention of a chunk of the targeted audience, it is required to keep them engaged with the ad to make them understand the message in more detail. Gaining the reader's or audience interest is more difficult process than grabbing their attention. To gain audience interest the advertisers must stay focused on audience needs.

Desire

The Interest and Desire parts of AIDA goes hand-in-hand. As advertiser builds the audience interest, he also need to help them understand how what he is offering can help them in a real way. The way of doing this is by appealing to their personal needs and wants.

A good way of building the reader's desire for advertiser offering is to link features and benefits. Hopefully, the significant features of the offering have been designed to give a specific benefit to members of the target market.

Action

Finally, advertiser need to be very clear about what action he want the audience to take- trial, purchase, repurchase, or other.

AIDA and the Promotional Mix

	Attention	**Interest**	**Desire**	**Action**
Advertising	**Very Effective**	**Very Effective**	Somewhat Effective	Not Effective
Public Relations	**Very Effective**	**Very Effective**	**Very Effective**	Not Effective
Sales Promotion	Somewhat Effective	Somewhat Effective	**Very Effective**	Somewhat Effective
Personal Selling	Somewhat Effective	**Very Effective**	**Very Effective**	**Very Effective**

Module III: Advertising Media

Media Characteristics

Question - What is Media? What are Media Characteristics?

Answer

The word **media** comes from the Latin word “middle”. Media carry messages to or from a targeted audience and can add meaning to these messages.

Media Terminology

Media Planning - Media Planning is the process of designing a strategic course of action that shows how advertising space and time can be used to present the message in order to achieve the advertisers goal.

Media Objectives - Media objectives are goals to be attained by the media strategy and program.

Media Strategy - Decisions on how the media objectives can be achieved.

Media - The Various category of delivery systems including broadcast and print media.

Broadcast Media - T.V., or Radio network or local radio station broadcast.

Print Media - Publications like Newspaper, Magazine, Direct Mail, etc.

Media Vehicle - The Specific Message Carrier, it can be a specific Television Show, or a Specific News Paper.

Coverage - Refers to the potential audience that might receive the message through the media vehicle.

Reach - Reach refers to the number of people that will be exposed to a media vehicle at least once during a given period of time.

Frequency - Frequency refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.

Media Characteristics

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

1. **Television**

Following are the specific characteristics of television:

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

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

2. **Radio**

Following are the specific characteristics of radio:

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

Radio Characteristics	
Advantages	**Disadvantages**
• Local coverage • Low cost • High frequency • Low production cost • Well segmented audience	• Audio only • Clutter • Fleeting message

3. **Newspaper**

Following are the specific characteristics of newspaper:

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

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

4. **Magazine**

Following are the specific characteristics of magazine:

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

Magazines Characteristics	
Advantages	**Disadvantages**
• Segmentation potential	• Only visual

• High information content • Longer life • Compatible editorial environment • Multiple readers • Quality reproduction	• Long lead time for ad placement • Lack of flexibility

5. **Outdoor**

Following are specific characteristics of outdoor media:

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

Outdoor Characteristics	
Advantages	**Disadvantages**
• 24 hour coverage • Location specific • High resolution • Easily noticed • Cost efficient medium	• Short exposure time requires short ads • Poor image • Local restrictions

Media Planning Process

Question - Define media planning, also explain steps in development of media plan.

Answer

The word **Media** came from the Latin word "Middle". Media carry message to or from a targeted audience and can add meaning to the message.

Media Planning, in advertising, is a series of decisions involving the delivery of message to the targeted audience. Media Plan, is the plan that details the usage of media in an advertising campaign including costs, running dates, markets, reach, frequency, rationales, and strategies.

Steps in Development of Media Plan

1. Market Analysis

Every media plan begins with the market analysis or environmental analysis.Complete review of internal and external factors is required to be done. At this stage media planner try to identify answers of the following questions:

- Who is the target audience?
- What internal and external factors may influence the media plan?
- Where and when to focus the advertising efforts?

The target audience can be classified in terms of age, sex, income, occupation, and other variables. The classification of target audience helps media planner to understand the media consumption habit, and accordingly choose the most appropriate media or media mix.

2. Establishing Media Objective

Media objectives describes what you want the media plan to accomplish. There are five key media objectives that a advertiser or media planner has to consider - reach, frequency, continuity, cost, and weight.

1. **Reach** - Reach refers to the number of people that will be exposed to to a media vehicle at least once during a given period of time.
2. **Frequency** - Frequency refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.
3. **Continuity** - It refers to the pattern of advertisements in a media schedule. Continuity alternatives are as follows:

- **Continuous**: Strategy of running campaign evenly over a period of time.
- **Pulsing**: Strategy of running campaign steadily over a period of time with intermittent increase in advertising at certain intervals, as during festivals or special occasions like Olympics or World-Cup.
- **Discontinuous**: Strategy of advertising heavily only at certain intervals, and no advertising in the interim period, as in case of seasonal products.

4. **Cost** - It refers to the cost of different media
5. **Weight** - Weight refers to total advertising required during a particular period.

3. Determining Media Strategies

Media strategy is determined considering the following:

1. **Media Mix** - From the wide variety of media vehicles, the advertiser can employ one vehicle or a mix suitable vehicles.
2. **Target Market**
3. **Scheduling** - It shows the number of advertisements, size of advertisements, and time on which advertisements to appear.

- Seasonal Pulse: Seasonal products like cold creams follows this scheduling.
- Steady Pulse: According to this scheduling one ad is shown over a period of time, say one ad per week or one ad per month.
- Periodic Pulse: A regular pattern is followed in such scheduling, as in case of consumer durable, and non durable.
- Erratic Pulse: No regular pattern is followed in such scheduling.
- Start-up Pulse: Such scheduling is followed during a new campaign or a launch of a new product.
- Promotional Pulse: It is for short time, only for a promotional period.

4. **Reach and frequency**
5. **Creative Aspects** - Creativity in ad campaigns decides the success of the product, but to implement this creativity firm must employ a media that supports such a strategy.
6. **Flexibility -** An effective media strategy requires a degree of flexibility.

7. **Budget Considerations -** In determining media strategy cost must be estimated and budget must be considered.

8. **Media Selection** - It covers two broad decisions - selection of media class, and selection of media vehicle within media class.

4. **Implementation of Media Plan**

The implementation of media plan requires media buying. Media Buying refers to buying time and space in the selected media. Following are the steps in media buying:

- Collection of information: Media buying requires sufficient information regarding nature of target audience, nature of target market, etc.
- Selection of Media/Media Mix: Considering the collected information and ad-budget, media or media mix is selected which suits the requirements of both - target audience and advertiser.
- Negotiation: Price of media is negotiated to procure media at the lowest possible price.
- Issuing Ad - copy to media: Ad-copy is issued to the media for broadcast or telecast
- Monitoring performance of Media: Advertiser has to monitor whether the telecast or broadcast of ad is done properly as decided.
- Payment - Finally, it is the responsibility of advertiser to make payment of media bills on time.

5. **Evaluation and Follow-up**

Evaluation is essential to assess the performance of any activity. Two factors are important in evaluation of media plan:

- How successful were the strategies in achieving media objectives?
- Was the media plan successful in accomplishing advertising objective?

Successful strategies help build confidence and serve as reference for developing media strategies in future, and failure is thoroughly analysed to avoid mistakes in future.

DAGMAR Model

Question - What is DAGMAR Model? Explain communication process in DAGMAR approach.

Answer

DAGMAR stands for Defining Advertising Goals for Measured Advertising Results. DAGMAR Model was developed by **Russell Colley** in 1961 for setting advertising objectives and measuring advertising results.

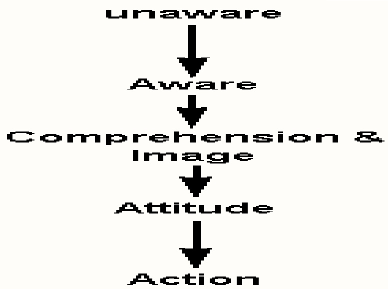
According to DAGMAR Model the ultimate objective of advertising involves a communication task, intended to create awareness, impart information, develop attitude and induce action.

Advertising objective is to carry a consumer through four levels of understanding :-

1. From unawareness to awareness - consumer must be aware of product or company,
2. Comprehension - what the product is and its benefits,
3. Conviction - mental conviction to buy the product, and

4. Action - finally buy the product.

Communication Process in DAGMAR Approach



1. **Awareness**

Before the purchase behaviour is expected from target audience it is necessary to make the audience aware with the product or company.The initial communication task of the advertising activity is to increase the consumer awareness of the product or offer.

2. **Comprehension**

Only Awareness is not be sufficient to stimulate a purchase, sufficient knowledge and information about product or organisation is necessary. This step involves the target audience to learn something about product, organisation, or offer. Here communication task of advertising activity is to make consumer learn about product - product characteristics, benefits, or uses.

3. **Attitude or Conviction**

At this step a sense of conviction is established. By creating interest and preference, buyers are moved to a position where they are convinced that a particular product in the class should be tried at the next opportunity. At this step communication task of advertising activity is to mould the audience's beliefs about the product and this is often done through messages that demonstrate the product's superiority over a rival or by talking about the rewards as a result of using the product.

4. **Action**

Finally, communication must encourage buyer to engage in purchase activity.

Advertisement Evaluation Techniques.

Question - Write a note on advertisement evaluation techniques. Explain Pre-Testing, Concurrent Testing, and Post Testing.

Answer

In today's advertising world, every firm invests heavily on advertisement for making their products or services known to the target audience and to arouse the interest of target audience in firm's products or services. Advertising is done with some predefined objectives- to generate awareness about product, to arouse interest in product, to change the attitude of audience towards product, to stimulate desire for product, or to make them buy the product.

Advertising is of no use if the defined objectives of communication is not achieved. So, it is necessary to evaluate the effectiveness of advertisement at different level, starting from creation of ad-copy to running of ad on media, and also after execution of ad to know to what extent the objectives are achieved.

Types of Test

Following are the types of test applied in advertisement evaluation:

- Pre-Testing
- Concurrent Testing
- Post Testing

1. Pre-Testing

Pre-Testing follows the universal law "Prevention is better than cure". Advertising can be pretested at several points in the creative development process. Pre-Testing helps the advertiser to make a final go or no go decision about finished or nearly finished advertisement. Pre-Testing method refer to testing the potentiality of a communication message or ad-copy before printing, broadcasting, or telecasting. Following are the types of pre-testing methods:

A. **Qualitative Methods of Pre-Testing**

- **Focus Group**: Focus group involve exposing the ad to a group of 8 to 12 respondents. Focus groups are used with surprising frequency for making final go or no go decision. A moderator facilitates the discussion and walk s the group through a series of issues that are outlined in discussion guide.
- **In-depth Interview**: In-depth interview involve one on one discussion with respondents. Interviews are very effective when a researcher has a good idea of critical issues but does not have a sense of the kind of responses one will get. This method can be effectively used to generate new ad concepts and ideas.
- **Projective Techniques**: In this technique the respondent is instructed to project himself into the situation and verbalise the thoughts. projective technique can be very effective for evaluating ad concepts and for generating new ad concepts. But, it cannot be used for making final decisions.

B. **Quantitative Methods of Pre-Testing**

- **Checklist Method**: Checklist method is used to test the effectiveness of ad-copy. The purpose of this method is to ensure that all elements of the ad-copy are included with due importance in the advertisement. As it is a pre-test method any omitted element of ad can be included in the copy before release of the advertisement.
- **Consumer Jury Method**: This method involves the exposure of alternative advertisements to a sample of jury or prospects. This test is designed to learn from a typical group of prospective customers. Advertisements which are unpublished are presented before the consumer jury either in personal interviews or group interviews and their reactions are observed and responses are recorded.
- **Sales Area Test**: Under this method advertising campaign is run in the markets selected for testing purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for

effective sales campaign. In other markets suitable changes are made in the advertising campaign.

- **Questionnaire Method**: It is a list of questions related to an experiment. The draft of an advertisement along with some relevant questions is to be sent to a group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.

- **Recall Test**: Under this method, advertising copies are shown to a group of prospects. After few minutes they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.

- **Reaction Test**: The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilution etc. Their reactions reveal the psychological or nervous effects of advertising.

- **Readability Test**: All the listeners of advertisements cannot read it equally. So respondents are drawn from different socio economic and geographical backgrounds. This method is used to find out the level of effectiveness when and advertisement is read.

- **Eye Movement Test**: The movements of eyes of the respondents are recorded by using eye observation camera when advertisements are shown to them in a screen. This helps to find out the attention value of advertisement.

2. Concurrent Testing

Concurrent testing is evaluated throughout the whole advertisement execution process. Tests are conducted while audience is exposed to different type of media. Following are the types of concurrent testing methods:

- **Consumer Diaries**: Diaries are provided to a selected customers. They are also informed to record the details of advertisements they watch, listen or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.

- **Co-incidental Surveys**: This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.

- **Electronic Devices**: Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

3. Post Testing

Post testing is done to know- to what extent the advertising objectives are achieved. Following are the types of post testing methods:

- **Recognition Test**: Recognition test involves the ability of viewers to correctly identify ad, brand, or message they previously exposed to. The types of recognition test are:

- **Starch Test -** The Starch test is applied only to print ads that have already run. The interviewer shows each respondent a magazine or newspaper containing the ads being tested. For each ad the interviewer asks the respondents to reply to ad related questions.

- **Bruzzone Test** - The Bruzzone test is conducted through mail surveys. Questionnaires containing frames and audio scripts from television commercials are sent to respondents and respondents are asked whether they recognise the ad and brand.
- **Recall or Impact Test**: The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listeners, days after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the readers or viewers to answer some ad related questions, and in response to the question asked, the reader reveals the accuracy and depth of his impression.

Recognition, Recall, and Persuasion

Recognition and **Recall** are the terms that are heavily used by advertisers in advertising measurement, more specifically in copy testing techniques. Both recognition and recall are
techniques that dredge a consumer's memory for traces of awareness of an advertisement or brand. Recognition is an emotional task, and recall is a logical task. Recognition makes use of the right hemisphere of the human brain concerned with emotional matters, and recall makes use of the left hemisphere, concerned with logical thoughts. Print ads tends to be logical and stimulates the left hemisphere. Television ads tends to be emotional and stimulates right hemisphere. Therefore recognition is the correct method to use for television, and recall is to correct measure for print. Further development in advertising measurement introduced the term '**Persuasion**' measure. Persuasion was based on asking consumer about their brand preferences before and after exposure to a commercial. If a shift in preference occurred, this means that the advertisement had persuaded the customer of the merits of the brand

Module – IV: Advertising Management

Advertising Budget Decisions

Question* - *What is Advertising Budget? Discuss approaches and procedure for determining the size of advertising budget.

Answer

Introduction

In this advertising world, everyday we see many advertisement of different products or brands. Organisations invests heavily in advertising to make their product popular and to increase sales. But, here the question is - how the organisations decide - how much to advertise? How much to invest in advertisement? What should be the size of advertising budget?

Definition of Advertising Budget

"Advertising budget is an estimated amount an organisation decides to invest in its promotional expenditures over a period of time. An advertising budget is the money a company set aside to accomplish its marketing objectives."

It is difficult to measure the effect of advertising on business sales. Advertising is just one of the variables that affects sales in a period of time. As a percentage of sales, advertising expenditure varies from business to business. Because of such complications it is very difficult for business organisations to decide the size of advertising budget. There are various approaches that can be used to set advertising budget.

Approaches to Develop Advertising Budget

1. Percentage of Sales Budget
2. Competitive Parity Approach
3. Objective and Task Approach
4. All Organisation can Afford Approach
5. Market Share Approach
6. All Available Fund Approach
7. Managerial Judgement Approach

Percentage of Sales Budget

According to this approach the business organisation have to set their advertising spending at a fixed percentage of either past or anticipated sales. This Approach can be followed by organisations operating in markets with stable and predictable sales pattern. As it is simple in application, it is most commonly used by small business organisations.

This approach has some disadvantages, as sales is not directly related to advertising, it get affected by different variables too.

Competitive Parity Approach

This approach is followed by organisations whose product is well established and operating in market with predictable sales pattern. Organisations following this approach compare their advertising spending with that of its competitors. As the organisation is aware of how much its competitors are spending in advertising, it can logically decide its advertising budget either equal, more, or less to that of the competitors.

Here considering competitors advertising budget organisation should consider its objectives too, as the competitors objectives may not be similar or comparable.

Objectives and Task Approach

This approach is followed by big organisations having well defined marketing objectives, and business goals. Following this approach advertiser can correlate its advertising spending to marketing objectives. In long term this correlation is important to keep organisational spending focused on business goals.

All organisation can afford approach

It is difficult for small business organisations to invest heavily in advertising. Small business organisation's advertising spending depends more on their affordability. According to this approach advertisers base their advertising budget on what they can afford.

Market Share Approach

Similar to competitive parity approach, the market share approach bases its advertising spending on external market trends. With this method a business equates its market share with its advertising expenditures.

All Available Fund Approach

According to this approach all available profit is used in advertising spending. It can be too risky for any size of organisation as the all available fund is used in advertising and no fund is allocated to help business grow in other ways like- technology up-gradation, or work force development. This approach is useful for new business organisations trying to develop its brand.

Managerial Judgement Approach

In long run managers gain expertise in their field of operation. Similarly, some of the marketing managers working over the years develops a feel for the market that permits them to arrive at appropriate decisions. According to this approach the organisations advertising spending depends on the judgement of experienced managers.

Advertising Budget and Control

Question - What do you mean by advertising budget and control?

Answer

Definition of Advertising Budget

"Advertising budget is an estimated amount an organisation decides to invest in its promotional expenditures over a period of time. An advertising budget is the money a company set aside to accomplish its marketing objectives."

Budget Administration and Control

Budgetary control is the use of the comprehensive system of budgeting to aid management in carrying out its functions like planning, coordination and control.

Advertising budget is directly related to advertising objectives. The advertising budget determines the perimeter of advertising activities of an organisation.

Allocation of advertising budget is not enough to achieve advertising objectives. Budget control is equally important. Budget control is periodic comparison of actual level of performance against budgets, and reporting the variances with proper analysis to provide basis for future course of action.

Regulation of Advertising

Question - What do you mean by advertising regulation? Also write a note on advertising self-regulation.

Answer

Introduction to Advertising Regulation

In today's world of cut throat competition, advertisement plays an important role in brand building and informing public about available products so that they can make informed choice among different products or brands.

On one side advertising carries several responsibilities, but on the other side advertising is accused of encouraging materialism and consumption, of stereotyping, of causing us to purchase unnecessary, of using sex to sell, of taking advantage of children, of manipulating our behaviour; contributing to downfall of our value system.

In order to protect consumer interest and to monitor and control advertising a number of different regulatory bodies are established. Many countries have an Advertising Standard Authority to ensure advertising claims are truthful, not exaggerated or misleading; or to protect particular groups like children.

Meaning of Advertising Regulation

Advertising regulation refers to the laws and rules defining the ways in which products can be advertised in a particular region. Rules can define a wide number of different aspects such as ad placement, timing and content.

Advertising Regulations in different countries

- United States - False advertising and health related ads are regulated most.
- Sweden and Norway - Domestic ads that target children are prohibited.
- Some European Countries don't allow sponsorship of children programs, no ads are targeted to children under the age of twelve.
- United Kingdom - Tobacco ads on television, bill boards, or at sporting events is banned.
- India - Alcohol and Tobacco ads are banned.

Self-Regulation

The word 'Self' refers to the actor. Here the actor can be a company or a group of companies acting collectively. 'Regulation' refers to what the actor is doing. Regulation has three components:-

1. Legislation - to define appropriate rules,
2. Enforcement - igniting actions against violators,
3. Adjudication - decision on violation and and imposing an appropriate sanction.

The term 'Self Regulation' means the company or the industry rather than the government is doing regulation. In self regulation it is not necessary that government involvement lacks entirely. One or two components of regulation are taken over by the industry other remains with the government

Ethics and Social Responsibilities in Advertising

Question - Why is ethics and social responsibilities are important in advertising?

Answer

Introduction

In today's world of cut throat competition every organisation is investing heavily in advertising. Advertising is necessary to make a new product popular in the market and to increase the sales of existing brands. Advertising plays an important role in brand building and informing public about available products so that they can make informed choice among different products or brands.

Advertising is a powerful medium of mass communication. As advertising is a form of mass communication and thus just like other popular forms it too have some social responsibilities associated with it. However, the question is whether advertising fulfil its social responsibilities or not.

Advertisements are meant for the masses and people relate themselves with this medium. Thus, for understanding its responsibilities towards the public, its positive and the negative aspects needs to understood.

Positive and Negative Aspects of Advertising

As like any other medium of mass communication, advertising also have positive as well as negative aspects. Advertising increases sales, advertising makes the product popular, advertising helps in brand formation, advertising makes the public aware with the available brands or products. Advertising is the largest financial source for mass media.

Advertising is sometimes subjected to wide criticism. Many of the advertisements are criticised as deceptive or manipulative. Other criticism focus on the social or environmental impact of advertising, the effect of advertising on our value system, commercial clutter, stereotypes, and offensiveness.

Ethics in Advertising

Ethics means a set of moral principles which govern a person's behaviour or activities. Ethics in advertising means a set of well defined principles which govern the ways of communication taking place between the seller and buyer.

Advertising benefits advertisers in many ways, similarly it makes the public aware with the available brands so that they can make informed choice among the available products or brands. But, some of the advertisement doesn't match the ethical norms of advertising, such ads causes political, cultural, or moral harm to society. Ethical ad is one which is in the limit of decency, make no false claims, and doesn't lie.

Nowadays advertisements are highly exaggerated and a lot of puffing is used. It seams like the main area of interest for advertisers is to increase their sales, gain maximum market share, prove their product best in the market by presenting a well decorated, colourful, and puffed advertisement.

Ethical and Moral principles of Advertising

Advertisers must have sufficient knowledge of ethical norms and principles, so that they can understand and decide what is correct and what is wrong. We can identify several ethical and moral principles that are particularly relevant to advertising. We are speaking briefly of three as follows:-

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

Truthfulness in Advertising

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

- Discouraging deceptive business practices;
- Encouraging the provision of accurate and truthful information;
- Enhancing competition by ensuring a level playing field; and
- Enabling informed consumer choice.

The Dignity of the Human Person

- The dignity of human beings should be respected; advertisements should not insult the dignity of human beings;
- Different cultures and ethnic groups should be presented in advertising as equal with the majority of the population;
- Special care should be given to weak and vulnerable groups like - children, poor people, or elderly people.

Advertising and Social Responsibility

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

Conclusion

Nowadays it seems like many of the advertisers lack knowledge of ethical norms and principles. They doesn't understand what is right or wrong, and that's by number of misleading and unethical ad is increasing. But, on the other side some advertisers are giving importance to ethical norms and principles. When the ethical norms and principles are followed, it makes the organisation answerable for all its activities, reduces the chances of getting pointed out by critics or any regulatory body, and helps in gaining confidence of the customer and makes them trust organisation and its products.

UNIT - 3

Brand management

Brand management begins with having a thorough knowledge of the term "brand". It includes developing a promise, making that promise and maintaining it. It means defining the brand, positioning the brand, and delivering the brand. Brand management is nothing but an art of creating and sustaining the brand. Branding makes customers committed to your business. A strong brand differentiates your products from the competitors. It gives a quality image to your business.

Brand management includes managing the tangible and intangible characteristics of brand. In case of product brands, the tangibles include the product itself, price, packaging, etc. While in case of service brands, the tangibles include the customers' experience. The intangibles include emotional connections with the product / service.

Branding is assembling of various marketing mix medium into a whole so as to give you an identity. It is nothing but capturing your customers mind with your brand name. It gives an image of an experienced, huge and reliable business.

It is all about capturing the niche market for your product / service and about creating a confidence in the current and prospective customers' minds that you are the unique solution to their problem

The aim of branding is to convey brand message vividly, create customer loyalty, persuade the buyer for the product, and establish an emotional connectivity with the customers. Branding forms customer perceptions about the product. It should raise customer expectations about the product. The primary aim of branding is to create differentiation.

Brand Management

Definition- A function of marketing that uses techniques to increase the perceived value of a product line or brand over time. Effective brand management enables the price of products to go up and builds loyal customers through positive brand associations and images or a strong awareness of the brand. Developing a strategic plan to maintain brand equity or gain brand value requires a comprehensive understanding of the brand, its target market and the company's overall vision.

Or

Brand management is a communication function that includes analysis and planning on how that brand is positioned in the market, which target public the brand is targeted at, and maintaining a desired reputation of the brand. Developing a good relationship with target publics is essential for brand management. Tangible elements of brand management include the product itself; look, price, the packaging, etc. The intangible elements are the experience that the consumer takes away from the brand, and also the relationship that they have with that brand.

Or

The process of maintaining, improving, and upholding a brand so that the name is associated with positive results. Brand management involves a number of important aspects such as cost, customer satisfaction, in-store presentation, and competition. Brand management is built on a marketing foundation, but focuses directly on the brand and how that brand can remain favorable to customers. Proper brand management can result in higher sales of not only one product, but on other products associated with that brand. For example, if a customer loves Pillsbury biscuits and trust the brand, he or she is more likely to try other products offered by the company such as chocolate chip cookies.

What Are Types of Branding?

Branding is an important marketing tool used to stimulate recognition. When a product, service, person or place is branded, it develops a personality and a reputation. A successful branding campaign results in a name, design, logo or other recognizable symbol that stands out among its competitors.

Product

Products enjoy some of the most common types of branding. Walking through supermarket or retail store aisles is an easy way to understand product branding. Certain labels will jump off the shelves because they have achieved their marketing goals. Successful product branding is what nudges a consumer to choose one brand over another. The brand has established a reputation as the best or most popular in its class. Think of soft drinks, athletic shoes, computers or jeans and see what brand names pop into your head first. These are prime examples of product branding.

Personal

Personal branding is a popular marketing tool among athletes, musicians, politicians and other celebrities. A politician will attempt to brand himself into the type of person the voters want to put in office. A celebrity often becomes self-branded based on his own personality, while others are molded by public relations firms and agents. In addition to a personal brand, a celebrity might become associated with products bearing his name.

Corporate

Corporate branding is essential for any business that wants to develop a reputation in the marketplace. Everything the company does has an effect on its image. A corporation markets its product or service, its corporate culture, its employees and its contributions to the community. A corporation's branding can become tarnished overnight because of an industrial disaster or a poor decision by management. If the damage is severe, a corporation might start over with an entirely new strategy for branding a completely new image.

Geographic

Geographic or regional branding conjures images of certain products or services when the name is mentioned. While the Southwest region of the U.S. might be known for spicy foods, the Midwest is known for steaks. The tourism industry uses branding to lure travelers to the area. Southern states boast their sunshine and beaches, while mountainous areas become known for winter sports such as skiing and snowboarding.

Cultural

Cultural branding develops a reputation about the environment and people of a particular location or nationality. New Englanders are thought to be hard-working, and perhaps too serious, while New Yorkers are viewed as people always on the go and moving at a rapid-fire pace. Cultural branding is another tool in tourism such as inviting travelers to experience the Amish country.

Employer Branding – Focusing on employees to understand the vision, mission, goals, products, and services of the company. It is designed to educate employees in order for them to uphold the corporate brand to their customers. (While employer branding may be required and essential to a competitive business, it neither aligns an employee’s goals and values with a company’s, nor does it apparently help in retaining employees as indicated by the continuing efforts to reduce turnover.)

We often talk about “brand” as if it is one thing. It’s not of course – in fact, the meaning and the use of the term differs, quite markedly, depending on the context. By my reckoning, brand is categorized in at least 21 different ways. (So much for the single minded proposition!). In no particular order:

1. Personal brand – Otherwise known as individual brand. The brand a person builds around themselves, normally to enhance their career opportunities. Often associated with how people portray and market themselves via media. The jury’s out on whether this should be called a form of brand because whilst it may be a way to add value, it often lacks a business model to commercialize the strategy.

2. Product brand – Elevating the perceptions of commodities/goods so that they are associated with ideas and emotions that exceed functional capability. Consumer packaged goods brands (CPG), otherwise known as fast moving consumer goods brands (FMCG), are a specific application.

3. Service brand – Similar to product brands, but involves adding perceived value to services. More difficult in some ways than developing a product brand, because the offering itself is less tangible. Useful in areas like professional services. Enables marketers to avoid competing skill vs skill (which is hard to prove and often devolves to a price argument) by associating their brand with emotions. New online models, such as subscription brands, where people pay small amounts for ongoing access to products/services, are rapidly changing the loyalty and technology expectations for both product and service brands – for example, increasingly products come with apps that are integral to the experience and the perceived value.

4. Corporate brand – Otherwise known as the organizational brand. David Aaker puts it very well: "The corporate brand defines the firm that will deliver and stand behind the offering that the customer will buy and use." The reassurance that provides for customers comes from the fact that "a corporate brand will potentially have a rich heritage, assets and capabilities, people, values and priorities, a local or global frame of reference, citizenship programs, and a performance record".

5. Investor brand – Normally applied to publicly listed brands and to the investor relations function. Positions the listed entity as an investment and as a performance stock, blending financials and strategy with aspects such as value proposition, purpose and, increasingly, wider reputation via CSR. As Mike Tisdall will tell you, done well, a strong investor brand delivers share price resilience and an informed understanding of value.

6. NGO (Non Governmental Organization) or Non Profit brand – An area of transition, as the sector shifts gear looking for value models beyond just fundraising to drive social missions. Not accepted by some in the non profit community because it's seen as selling out. Necessary in my view because of the sheer volume of competition for the philanthropic dollar. This paper is worth reading.

7. Public brand – Otherwise known as government branding. Contentious. Many, including myself, would argue that you can't brand something that doesn't have consumer choice and a competitive model attached to it. That's not to say that you can't use the disciplines and methodologies of brand strategy to add to stakeholders' understanding and trust of government entities. That's why I talk about the need for public entities to develop trustmarks rather than brands. Jill Caldwell takes this idea of how we consider and discuss infrastructure further and says we now have private-sector brands that are so much a part of our lives that we assume their presence in much the same way as we assume public services. Caldwell refers to brands like Google and Facebook as "embedded brands".

8. Activist brand – Also known as a purpose brand. The brand is synonymous with a cause or purpose to the point where that alignment defines its distinctiveness in the minds of consumers. Classic examples: Body Shop, which has been heavily defined by its anti-animal-cruelty stance; and Benetton, which confronts bigotry and global issues with a vehemence that has made it both hated and admired.

9. Place brand – Also known as destination or city brands. This is the brand that a region or city builds around itself in order to associate its location with ideas rather than facilities. Often used to attract tourists, investors, businesses and residents. Recognizes that these groups all have significant choices as to where they choose to locate. A critical success factor is getting both citizens and service providers on board, since they in effect become responsible for the experiences delivered. Most famous example is probably "What happens in Vegas stays in Vegas". Other place brand examples here.

10. Nation brand – Whereas place brands are about specific areas, nation brands relate, as per their name, to the perceptions and reputations of countries. Simon Anholt is a pioneer in this area. Some good models comparing nation and place branding here.

11. Ethical brand – Used in two ways. The first is as a description of how brands work, specifically the practices they use and the commitments they demonstrate in areas such as worker safety, CSR and more – i.e. a brand is ethical or it is not?. Secondly, denotes the quality marques that consumers look for in terms of reassurance that the brands they choose are responsible. Perhaps the most successful and well known example of such a brand is Fairtrade. These types of ethical brands are often run by NGOs – e.g. WWF's Global Forest and Trade Network.

12. Celebrity brand – How the famous commercialize their high profile using combinations of social media delivered content, appearances, products and gossip/notoriety to retain interest and followers. The business model for this has evolved from appearances in ads and now takes a range of forms: licensing; endorsements; brand ambassador roles; and increasingly brand association through placement (think red carpet).

13. Ingredient brand – The component brand that adds to the value of another brand because of what it brings. Well known examples include Intel, Gore-Tex and Teflon. Compared with OEM offerings in manufacturing, where componentry is white label and simply forms part of the supply chain, ingredient brands are the featured elements that add to the overall value proposition. A key reason for this is that they market themselves to consumers as elements to look for and consider when purchasing. In this interesting piece, Jason Cieslak wonders though whether the days of the ingredient brand are drawing to a close. His reasons? Increased fragmentation in the manufacturing sector, lack of space as devices shrink, stronger need for integration and lack of interest amongst consumers in what goes into what they buy.

14. Global brand – The behemoths. These brands are easily recognized and widely dispersed. They epitomize "household names". Their business model is based on familiarity, availability and stability – although the consistency that once characterized their offerings, and ruled their operating models, is increasingly under threat as they find themselves making changes, subtle and otherwise, to meet the cultural tastes and expectations of people in different regions.

15. Challenger brand – The change makers, the brands that are determined to upset the dominant player. While these brands tend to face off against the incumbents and to do so in specific markets, "Being a challenger is not about a state of market; being number two or three or four doesn't in itself make you a challenger," says Adam Morgan of Eat Big Fish. " … It is a brand, and a group of people behind that brand, whose business ambitions exceed its conventional marketing resources, and needs to change the category decision making criteria in its favor to close the implications of that gap."

16. Generic brand – The brand you become when you lose distinctiveness. Takes three forms. The first is specific to healthcare and alludes to those brands that have fallen out of patent protection and now face competition from a raft of same-ingredient imitators known as generics. The second form of generic brand is the brand where the name has become ubiquitous and in so doing has passed into common language as a verb – Google, Xerox, Sellotape. The third form is the unbranded, unlabelled product that has a functional description for a name but no brand value at all. This last form is the ultimate in commoditization.

17. Luxury brand – Prestige brands that deliver social status and endorsement to the consumer. Luxury brands must negotiate the fine line between exclusivity and reality. They do this through quality, association and story. These brands have perfected the delivery of image and aspiration to their markets, yet they remain vulnerable to shifts in perception and consumer confidence and they are under increasing pressure from "affordable luxury" brands. Coach for example struggled with revenues in 2014 because of declining sales growth in China and Japan, two of the world's key luxury markets.

18. Cult brand – The brands that revolve around communities of fierce advocates. Like the challenger brands, these brands often pick fights with "enemies" that can range from other companies to ideas, but pure-play cult brands take their cues from their own passions and obsessions rather than the market or their rivals. They tend to have followers rather than customers, set the rules and ask people to comply and, if they market at all, do so in ways where people come to them rather than the other way around.

19. Clean slate brand – The pop-ups of brand. Fast moving, unproven, even unknown brands that don't rely on the heritage and history that are so much a part of mainstream brand strategy. These brands feed consumers' wish for the new and the timely. Read more about them here.

20. Private brand – Otherwise known as private label. Traditionally, these are value-based, OEM-sourced retail offerings that seek to under-cut the asking price of name brands. They focus on price. There is significant potential though in my view for these brands to become more valuable and to play a more significant role at the 'affordable premium' end of the market. For that to happen, private brands will need to broaden their appeal and loyalty through a wider range of consideration factors.

21. Employer brand – The ability of a company to attract high quality staff in much-touted competitive markets. Often tied to an Employee Value Proposition. Focuses on the recruiting process though it is sometimes expanded to include the development of a healthy and productive culture. Sadly, given the process obsession of too many HR staff and the lack of interest from a lot of marketing people to venture into people-issues, this tends to be a brand in name rather than a brand by nature. Great potential – but, given the very low satisfaction rates across corporate cultures globally, a lot more work is needed to realize the full potential of this idea.

#The following are a few examples of the many types of brands.

Attitude brands

Attitude branding is based on the 'feeling', rather than the physical characteristics, of a product. The product may be promoted as making people feel free, energetic or powerful. This is commonly used for soft drinks and sportswear.

Symbolic brands

Symbolic branding is similar to attitude branding and it is often used for services, such as banks and phone companies. Symbolic branding uses the emotional aspects of a service, such as a sense of security, to attract and retain customers.

Functional brands

In some cases, the functional or physical characteristics of a product or service are more powerful than the emotional aspects. Functional branding promotes the reasons why someone should buy a product or service. These could be that it is unique or that it offers a better price or performs better than other products on the market.

Individual brands

Some businesses choose to give each of their products and services a separate brand. These can sometimes compete against each other, such as with different flavours of soft drink that are produced by the same company. Individual branding can also be used to keep different parts of a business separate, particularly if they span a number of areas, such as in a business that sells food as well as clothing.

Some companies also create new brands of the same product. They launch both products in apparent competition so that they can gain extra market share. This is usually done by large companies, and is risky if the new brand takes business away from the one that the business is built around.

Own brands

Own brands, sometimes referred to as private labels or store brands, are brands that carry the retailer's name. These are commonly used by large supermarket chains. Smaller businesses may also use their own brands - for example, a beautician may also have their own line of beauty products that they use and sell.

Strategic Brand Management Process: Four Steps

1. **Identifying and establishing** brand positioning and values
2. **Planning and implementing** brand marketing programs
3. **Measuring and interpreting** brand performance
4. **Growing and sustaining** brand equity

Four steps of strategic brand management

Thus, you will find that there are 4 steps which are the most important in strategic brand management and these steps give the maximum effect over a long period of time to build a brand.

1) Brand positioning – The number 1 step in strategic brand management is to decide the brand positioning which the firm wants to achieve. This in itself is a humongous task. The marketer has to research the positioning of each brand in the industry and then find out differentiating factors. Using these differentiating factors, the brand can find a unique position in the mind of the customers. This unique positioning will give the brand a boost and consequentially will affect the overall performance of the brand. Hence, the first step of strategic branding starts with defining the positioning that the brand wants to achieve.

2) Brand marketing – Once you have decided on the brand positioning, to implement the positioning, you need to carry out brand marketing. This involves marketing through various media vehicles as well as implementing ATL and BTL strategies so that you reach the end customer. Besides using media vehicles, building value through brand marketing activities is also important. And value can be built through a lot of research and creativity in your marketing communications. Brand marketing is an important middle step in strategic brand management because it covers the gap between planning and implementation.

3) Brand Performance and analysis – Once you have determined the brand positioning that you want to achieve, and once you have marketed the brand accordingly, it is important that you analyse the brand and its performance in the industry. Brand audits can be conducted on a periodic basis to find out the real performance of the brand and how it has benefited the company. When compared to competitors, is the brand on top of the mind positioning or 2nd or 3rd in positioning? Accordingly the right measures can be taken.

4) Building brand value – The last step in strategic brand management is when you build value for your brand by taking various necessary measures. Brand building takes decades. And it is the role of strategic brand management to plan for decades and not for months. A company which is one or two year old, will not be able to offer too much of value to the customer. It has to make do with whatever it has. So to increase the value of the brand, the company has to enter new products and possibly new markets. It is the work of the brand manager to keep adding value and repeat the previous steps to keep changing the brand positioning as per the market demand or the demand of the customers.

The first step in the strategic brand management process is _.

A) measuring consumer brand loyalty

B) identifying and establishing brand positioning

C) planning and implementing brand marketing

D) measuring and interpreting brand performance

E) growing and sustaining brand value

Understanding the Brand Identity Prism

The Brand Identity Prism is a concept coined by J. Kapferer in 1986. According to him, any brand can be identified by its characteristics.

The Brand Prism is represented by a hexagonal prism which defines 6 characters of a brand. Just like a person is known by his name, job, education, physical and emotional traits, a brand can be identified by the following:-

- **Physical Facet**:- Salient physical qualities which are seen by the target audience- like its color, shape, logo or anything that brings an image in the mind of the consumer when thinking or talking about the brand.
- **Brand Personality**:- This defines the brand's personality or character. Here the brand is personified and its traits are perceived in the eyes of the consumer in a particular way. It can be related to calling a person shy or stylish or philanthropic.
- **Brand Culture**:- This represents the values and principles a brand stand for. For example, a brand that has a 'Go Green' motto will be eco friendly is all tis aspects- from manufacturing to marketing.
- **Brand Relationships**:- The relationship a brand has, with its customers, the way each communication relates to its target audience or how brands influence and provide a particular service to its customers.
- **Customer Reflection**:- How a customer reflects with a particular brand. This is different with how customers perceive the brand. This talks more about the consumers who use the brand as opposed to the brand itself.

- **Customer Self Image**:- This explains how a customer perceives himself by using the brand. For example:- how men and women differentiate certain brands as being masculine or feminine.

Understanding the Brand's prism can help you position your brand better and design effective marketing strategies related to the brand's identity. The brand can be communicated better if its identity is well established. You can eliminate techniques that may not blend with the brand's perceived image. This helps to streamline your marketing campaigns in a certain direction. It is useful to understand the Brand Prism in the early stages of launching the product into the market itself, by doing a comparative analysis of your brand's prism with other brand prisms. Thus, Brand Identity Prism is an effective concept to relate to and understand the brand you create and promote in the market.

Kapferer's Brand Identity Prism

All brands need an identity. Think about the brands that you regularly purchase in your day to day life – what do you know about them? What do you associate them with? Most likely, all of the brands that you purchase on a consistent basis have a clear and obvious identity that has stuck in your mind. For instance, one brand may be known for delivering a specific product at the lowest possible price. Or, another brand could be all about luxury, demanding you to pay more but delivering a high-quality product in return.

Whatever the case, it is extremely important for any brand to have a clear and obvious identity in the market. Of course, that applies to any brands that you are responsible for in your professional life. If you are the manager or owner of a business that has one or more in-house brands, you want to carefully position those brands within the market. The way you present yourself in the eyes of the consumer is going to say a lot about how successful you will be in the long run.

To do the best possible job of developing a brand identity, you may want to consider the lessons offered in Kapferer's Brand Identity Prism. The prism contains six unique elements that are going to make up the overall perception and image of your brand. Those six elements are as follows –

- Physique
- Personality
- Culture
- Relationship
- Reflection
- Self-image

Until you consider all six of these elements, you will have a difficult time understanding your brand image from a holistic perspective. In the content below, we are going to take a closer look at each of the six elements and how they are going to affect the brand you can build.

Element #1 – Physique

These are the basic characteristics of the products or services that you sell under your brand name. In the case of a physical product, the physique could be things like common design elements, standard features, a set of colors, and more. Basically, these are the things that would allow a customer to quickly separate your brand from the rest of the market. If the consumers that are interested in your product are able to tell that it comes from your brand with just a glance, you will be well on your way to building a strong brand identity.

Element #2 – Personality

Through the various marketing efforts that you undertake for your brand, you are going to develop a specific personality or voice. It is common in the advertising world for brands to develop a personality and then maintain that personality over long periods of time. This personality comes to represent the brand itself, and consumers associate the two directly. For instance, if you attempt to be funny in most of your marketing materials, consumers may quickly come to associate your brand with a light-hearted personality. Or, if you craft marketing messages around social causes, you can be seen as a brand with a higher purpose.

Whatever personality it is that you wish to give your business, it is important to stick with it once it has resonated with the audience.

Element #3 – Culture

Some of the key elements of your brand may be deeply rooted in local culture. On a large scale, this cultural effect could be seen on a national level, such as brands that are proud to be British, American, French, etc. Or, for smaller products in local markets, it could be that the culture comes from a specific region. It can be a powerful emotional tie to associate your brand with a specific geographical area and culture, as people who connect with that culture will feel compelled to patronize your brand.

Element #4 – Relationship

Part of building a well-known brand is developing a relationship between the brand itself and the customers. When customers feel like they are actually associated with the brand in a way that is more significant than just making a purchase, they are likely to come back again and again.

Usually, this kind of meaningful relationship is only possible when a business deals in high-end goods. Big ticket items make it possible to pay attention to each specific customer in a detailed manner. Building relationships with your customers might not be the fastest process in the marketing world, but it certainly is a powerful way to build a lasting brand name.

Element #5 – Reflection

The concept here is that that brand should reflect the personality and identity of the target market. So, if a specific brand is meant for people who are in their retirement years, it would make sense to craft a brand image that is in line with that demographic. If you try to market a product for seniors using advertisements that are in line with the interests of younger people, there is going to be a disconnect between the brand and the buyer. Consumers will only feel connected with your brand if they feel like they 'fit in' with the culture of your business.

Element #6 – Self-image

To conclude the list of the six elements in Kapferer's Brand Identity Prism, we have arrived at the topic of self-image. The idea here is simple – the buyer of a particular brand wants to receive a certain feeling about him or herself as a result of purchasing an item from the brand. The image that the brand has in the world, and what that brand says to others, goes a long way toward improving the self-image of the buyers themselves. This concept is often seen in the world of luxury cars, where the buyer of a car will purchase it in large part because of the badge on the hood.

As you go about the process of positioning your brand in the market, think through the six elements of this prism to make decisions about your marketing plans. Hopefully, by hitting on these six points individually, the end result will be a respected and trusted brand that has a specific image within the mind of the average consumer.

Brand Equity - Meaning and Measuring Brand Equity

Brand Equity is the value and strength of the Brand that decides its worth. It can also be defined as the differential impact of brand knowledge on consumers response to the Brand Marketing. **Brand Equity exists as a function of consumer choice in the market place**. The concept of Brand Equity comes into existence when consumer makes a choice of a product or a service. It occurs when the consumer is familiar with the brand and holds some favourable positive strong and distinctive brand associations in the memory.

Brand Equity Defined

The American Marketing Association defines **brand equity** this way: from a consumer perspective, brand equity is based on consumer attitudes about positive brand attributes and favorable consequences of brand use.

Brand equity in the positive form can help a company in many ways. A common benefit that typically results is the financial benefit, which allows for a company to demand a premium price for its product. For example, Lacoste has such strong brand equity that the premium price is both accepted and expected by customers. In addition, brand equity provides the ability for companies to expand product lines, which can increase sales and revenues for the business, and in some cases reduce costs. An example of this benefit can be seen in companies such as Oakley. Their sunglasses have such positive brand equity that they require little to no awareness, promotion or discount sales.

The outcome from this is that marketing budgets have more strategic flexibility and require less investment. A company with positive brand equity finds itself better positioned for success because customers have special connections and loyalties to its brand. This enables companies to maneuver through dynamic market challenges better than companies with less equity in their brands.

Components of Brand Equity

Increased market share is one result of customer brand loyalty and brand equity. There are four components that provide these results:

- Brand Recognition - The brand is widely known and recognized, and consumers know what it provides in relationship to the competition.
- Brand Experience - Consumers have used and experienced the product enough to build expectation.
- Brand Preference - The brand is preferred by consumers, and as a result, they become returning customers.
- Brand Loyalty - The brand and the consumer have an emotional attachment, and the consumer will go to any length to purchase it.

Brand Equity

Brand Equity is a qualitative measure of the brand's positive recognition or goodwill in the minds of the consumers. Brand Equity is the tangible and intangible worth of a brand. The degree of premium that a brand can charge on its offering is a direct measure of the equity it possesses with its customers. Brand Equity is kind of power that the brand has over its competitors or the generic brands and is developed over time.

Example

Consumers pay more for a Garnier beauty product than an Ayur product.

A brand can also have negative equity in cases where it does not fit well with its consumers. As an example, Tata Nano users reported some fire incidents with the product which led to its negative equity for a while.

Brand equity can be said to be coming from the aggregate worth of the following constituents in the minds of its consumers-

How to Measure Brand Equity: Getting Started

How does one go about measuring this intangible known as brand equity? Take a look at the following considerations and action-steps. You may need to commit several months and be prepared for long periods of market research, but by being aware of these 6 considerations, you can begin to measure brand equity. Here is how:

1. Clarify Brand Equity Perspective. Brand equity can be viewed from several different perspectives. The hard-line perspective is that of financial outcomes which look at price premiums. That is, how much more will a consumer pay for a product or service that is *branded* over a product or service that is *generic*?

A softer perspective looks at brand extension, and the value that a brand lends to the introduction of other products. This approach also considers the reverse dynamic of the impact of a new product or service on the existing brand.

There is also a third perspective — customer-based brand equity — which looks at how consumers think, feel, and act with respect to the brand.

It might help you if you first clarify which perspective you would like to adopt by pinpointing what outcome you are after.

2. Determine Brand Equity Research Goals. Brand equity market research falls into one of three camps: Tracking, exploring change, and/or extending brand power.

Market research that focuses on tracking makes comparison among competitive brands or products against a benchmark.

When exploring change is the research goal, customer brand attitude is tapped regarding branding decisions that might result in repositioning or renaming products or services. A deeper examination of extending brand power is carried out when substantive additions to a brand are considered. Each research goal requires a different tact.

3. Understand Customer Brand Attitude. A customer-based perspective in the measurement of brand equity focuses on the experiences that consumers have with a brand. The stronger the brand, the stronger the customer's attitude toward the products or services associated with the brand.

When customers experience a product or service, they gauge overall brand quality and tend to infer certain brand attributes. If these experience measures are positive and endure over time, brand loyalty typically results. Today, customers can — and do — easily communicate the strength of their brand attitude to others via customer reviews and social sharing.

4. Identify Brand Equity Components to Measure. Awareness, reach, and image association are all aspects of brand equity that may not be closely associated with consumer experience.

These measures of brand equity may reflect the impact of traditional advertising campaigns, and the influence of social or interactive media.

Brand awareness is an indicator of how branding efforts spotlight a product or service. Reach indicates how far and wide that spotlight shines. And image association reveals what the brand promises and what it stands for in the eyes of consumers.

5. Measure Perceived Brand Differentiation Product differentiation is a lynchpin for brand loyalty, confidence in a brand, and the potential for brand switching. Customer perceptions about brand differentiation tend to be strongest when actual product or service experience has occurred, but brand differentiation is not immune to the influence of advertising.

Differentiation may *float* on product or brand recommendations in social media rather than any personal experiences with a brand.

Because differentiation is so susceptible to social influence, it lends itself to measurement across multiple media channels.

6. Take Qualitative and Quantitative Approaches to Gathering Brand Equity Data. Ideally, brand equity measurement will include both qualitative and quantitative approaches. Focus groups can provide a good forum for exploring customer perceptions and motivation. Conjoint analysis can reveal key consumer decision-making processes.

Effective measurement of brand equity is critical to the development of brand strategy and ultimately supports return-on-investment analysis. Which brings us full circle, back to the financial outcomes perspective on brand equity.

What is brand loyalty?

Brand loyalty is just one part of your overall brand equity, which is the extent of your brand's power as determined by consumers' positive or negative knowledge, perceptions, and experiences with your brand.

Brand loyalty definition: When your customers have the opportunity and good reason to choose another brand and yet they continue to choose yours—that's brand loyalty.

And although there are other factors that contribute to your brand equity, like brand awareness and brand attributes, brand loyalty is hugely important because it's a measurement of how likely consumers are to continue to give you their business.

The best way to measure brand loyalty is through surveys. When you collect feedback from consumers in your target market (especially those who have purchased from your brand in the past), you can assess how good your brand is at inspiring loyalty–and retaining customers.

How to measure brand loyalty with surveys

Surveys can be a useful tool for assessing loyalty based on 5 key metrics: customer affinity, trust, esteem, reliability, and identification.

Good measures of these aspects of your brand can help you identify areas of competition, evaluate the stickiness of established customer bases in different markets, and understand the strengths and weaknesses of specific product lines. Read on for sample brand loyalty survey questions and examples.

Or get started with the NPS and Brand Loyalty Survey Template →

Metric 1: Customer satisfaction

First, asking about overall customer satisfaction helps you understand how, in general, your products and services are meeting or (better yet) exceeding customer expectations.

You might ask questions like:

1. How convenient is our company to use?

2. Compared to our competitors, is our product quality better, worse, or about the same?

3. How well do our customer service representatives answer your questions?

4. How likely are you to recommend us to others?

Loyalty builds when customers become committed to your brand and make repeat purchases over time. You want to understand what is inspiring that commitment on their part.

Metric 2: Trust

All brands must earn and retain the trust of their customers to ensure loyalty, but trust is especially important for brands that handle sensitive information, such as banks, online retailers, or healthcare providers.

If your brand handles sensitive information, assess the level of trust your customers feel for your brand. Ask questions like:

1. Do you trust our brand?

2. How did we earn your trust?

3. How do we keep your trust?

Use responses to questions about trust to inform the products you offer–and target your brand messaging accordingly.

Metric 3: Esteem

Brand esteem or goodwill is customers' respect for and attraction to a particular brand. It's not to be confused with brand awareness or familiarity, which is the level of recognition of a brand. While a brand might be well known (a good thing), it may not in fact be well regarded (not a good thing). Brand esteem is about the favorable sentiment toward a brand.

You can use a series of questions to distinguish brand awareness from brand esteem:

1. Have you heard of our brand before? (familiarity)

2. How well do you know our brand? (familiarity)

3. How positively do you regard our brand? (esteem)

4. Do you prefer our brand over our competitor? (esteem)

Metrics 4 and 5: Perceived quality and value

A customer's perceived quality of a brand is their opinion of a particular product's, service's or brand's ability to fulfill his or her expectations:

1. How reliable would you consider our brand?

2. How would you rate the quality of our product?

Closely related is perceived value, which is a consumer's opinion of a product's value to him or her specifically.

For example, a person might view Tesla Motors as a brand that produces innovative, attractive electric vehicles that amaze and delight and would rate perceived quality quite high. However, if that same person considers the price tag to be a bit too steep, the perceived value might be low for her or him specifically.

Here are some brand loyalty survey question examples that measure perceived value:

1. How valuable is [brand or product] to you?

2. How likely would it be for you to switch brands if an alternative brand was sold in a more convenient location?

3. How likely would it be for you to switch brands if an alternative brand was cheaper?

Brand Loyalty

Brand Loyalty is a scenario where the consumer fears purchasing and consuming product from another brand which he does not trust. It is measured through methods like word of mouth publicity, repetitive buying, price sensitivity, commitment, brand trust, customer satisfaction, etc. Brand loyalty is the extent to which a consumer constantly buys the same brand within a product category. The consumers remain loyal to a specific brand as long as it is available. They do not buy from other suppliers within the product category. Brand loyalty exists when the consumer feels that the brand consists of right product characteristics and quality at right price. Even if the other brands are available at cheaper price or superior quality, the brand loyal consumer will stick to his brand.

Brand loyal consumers are the foundation of an organization. Greater loyalty levels lead to less marketing expenditure because the brand loyal customers promote the brand positively. Also, it acts as a means of launching and introducing more products that are targeted at same customers at less expenditure. It also restrains new competitors in the market. Brand loyalty is a key component of brand equity.

Brand loyalty can be developed through various measures such as quick service, ensuring quality products, continuous improvement, wide distribution network, etc. When consumers are brand loyal they love “you” for being “you”, and they will minutely consider any other alternative brand as a replacement. Examples of brand loyalty can be seen in US where true Apple customers have the brand's logo tattooed onto their bodies. Similarly in Finland, Nokia customers remained loyal to Nokia because they admired the design of the handsets or because of user- friendly menu system used by Nokia phones.

- **Five metrics of brand loyalty**

Over time, the views of marketers and researchers have evolved to include a number of other metrics to measure brand loyalty. These five metrics are:

1. Involvement and commitment - how dedicated your customers are to your products, as well as your brand
2. Perceived value - the functional, personal, and social impact your products have on your customers
3. Trust - how good your brand's track record is with your customers
4. Satisfaction - how well your products are able to meet and exceed customers' expectations
5. Repeated purchase - a measure of whether the above four criteria manifest into something practical: a pattern of continued purchases from your current customers

Definition of Brand Loyalty

Brand loyalty occurs when a customer chooses to repeatedly purchase a product produced by the same company instead of a substitute product produced by a competitor.

For example, some people will always buy Coke at the grocery store, while other people will always purchase Pepsi.

Brand loyalty is often based upon perception. A consumer will consistently purchase the same product because she perceives it as being the superior product among the choices available. You should note that brand loyalty usually relates to a product, not a company. For example, while you may be loyal to your Honda Accord, but when it comes to motorcycles, you might believe that a Harley leaves a Honda motorcycle in the dust.

Brand loyalty is important for several reasons. First, it reduces the cost of production because the sales volume is higher. Second, companies with brand-loyal customers don't have to spend as much money on marketing the product, which will permit the company to either retain more earnings or to invest resources elsewhere. Third, companies may use premium pricing that will increase profit margins. Finally, loyal customers tend to recommend products that they like.

Businesses have to exert significant effort to facilitate brand loyalty. You need to convince potential customers that your product has a significant advantage over other products to justify consistent purchases of your product. Businesses also will attempt to leverage brand loyalty developed for a product to other products offered by the company. The hope is to create brand loyalty for as many products as possible.

What is 'Brand Loyalty'

Brand loyalty is where a person buys products from the same manufacturer repeatedly rather than from other suppliers. When consumers become committed to a brand and make repeat purchases over time. Brand loyalty is a result of consumer behaviour and is affected by a person's preferences. Loyal customers will consistently purchase products from their preferred brands, regardless of convenience or price.

Companies will often use different marketing strategies to cultivate loyal customers, be it is through loyalty programs (i.e. rewards programs) or trials and incentives (ex. samples and free gifts).

Companies that successfully cultivate loyal customers also develop brand ambassadors – consumers that will market a certain brand and talk positively about it among their friends. This is free word-of-mouth marketing for the company and is often very effective.

TYPES -

According to Philip Kotler there are 4 types of brand loyals -

1. Hard-core Loyals - who buy the brand all the time.
2. Split Loyals - loyal to two or three brands.
3. Shifting Loyals - moving from one brand to another.

4. Switchers - with no loyalty (possibly 'deal-prone', constantly looking for bargains or 'vanity prone', looking for something different). Again, research shows that customer commitment is a more nuanced a fine-grained construct than what was previously thought. Specifically, customer commitment has five dimensions, and some commitment dimensions (forced commitment may even negatively impact customer loyalty).

BUILDING BRAND LOYALTY

1. Keep quality high.

- Depending on the price of the product there is an expectation of a certain level of quality from the marketplace.
- Stay consistent in the quality of goods or services. Else people will go back to what they know they can count on, don’t let them down.

2. Engage customers.

- Keep in touch with your target market on a frequent and consistent basis.
- Let the customers know about the new and exciting developments within the company and what to expect next, build momentum through communication and let them feel involved in the happenings of the company.

3. Focus on your best customers

- Building business around the best customer called Brand Lovers—instead of trying to aimlessly drive sales.
- Over time, return on marketing and innovation efforts will rise.
- Apple is masterful at creating products especially for customers who love style, creativity, and simplicity.

4. Offering returning customers a discount on services.

- Everyone loves a good deal. Therefore, when a customer returns to a company, it is a good idea to reward them for coming back.

- It can be a huge discount; or can just be a percentage off of their bill. However, simply acknowledging and to appreciate their business and are thankful they are coming back is a great way to encourage loyalty.

5. Giving rewards for references.

- Giving current customers rewards for referring other customers is yet another way to show current customers to appreciate their business. It also helps build up customer database quickly.

6. Offering updates.

- A company can post updates on Facebook or Twitter page, about their business.
- This will make customers feel like they know the company well.
- They will have the inside scoop, a behind-the-scenes look at what company is dealing with on any given day.
- As a result, business suddenly become more human to them. This is important because appearing as a human in their eyes instead of a big, cold, heartless company is key to relationship building. Consequently, it’s crucial to personal branding as well. Updating your social-media accounts or website is a great way to create brand loyalty.

MEASURING BRAND LOYALTY

1. PURCHASE BEHAVIOUR PATTERNS

- Consumer behaviour captures all the aspect of purchase, utility and disposal of products and services. In groups and organization are considered within the framework of consumer. Failing to understand consumer behaviour is the recipe for disaster as some companies have found it the hard way.
- For example, Wal-Mart launched operations in Latin-America with store design replicating that of US markets. However, Latin America consumer differs to US consumer in every aspect. Wal-Mart suffered consequences and failed to create impact.
- Social, cultural, individual and emotional forces play a big part in defining consumer buying behaviour.
- Consumer buying behaviour is influenced by individual’s own personality traits. These personality traits do not remain the same but change with the life cycle.
- The choice of occupation and corresponding income level also play part in determining consumer behaviour.

- A doctor and software engineer both would have different buying pattern in apparel, food automobile etc.
- Consumers from similar background, occupation and income levels may show a different lifestyle pattern.
- An individual buying behaviour is influenced by motivation, perception, learning, beliefs and attitude. These factors affect consumer at a psychological level and determine her overall buying behaviour.
- Maslow's hierarchy, Herzberg Theory and Freud Theory try and explain people different motivational level in undertaking a buying decision. Perception is what consumer understands about a product through their senses.

2. SWITCHING COST ANALYSIS

- The negative costs that a consumer incurs as a result of changing suppliers, brands or products.
- Although most prevalent switching costs are monetary in nature, there are also psychological, effort- and time-based switching costs.
- Switching costs are incremental expenditures, inconveniences, and risks incurred when a customer changes from one supplier to another.
- Sustainable companies usually try to employ strategies that incur some sort of high cost in order to dissuade customers from switching to a competitor's product, brand or services.
- For example, many cellular phone carriers charge very high cancellation fees for canceling a contract. Cell phone carriers do this in hopes that the costs involved with switching to another carrier will be high enough to prevent their customers from doing so.

3. SATISFACTION MEASUREMENT

- A satisfied customer is one who will continue to buy from you, seldom shop around, refer other customers and in general be a superstar advocate for the business.
- The customer satisfaction can be measured by : Perceived quality, Loyalty ,Attributional satisfaction and Intention to repurchase.

Brand personality

Human traits or characteristics associated with a specific brand name. Common characteristics or traits represented include uniqueness, sincerity, intellectualism, competence, excitement and sophistication. The brand personalities gives consumers something with which they can relate, effectively increasing brand awareness and popularity.

Brand personality is the identity of a brand. It is the maintenance of all the qualities and attributes by which a brand is known by the audience. Creating a successful brand personality follows a successful brand positioning. It is the badge by which your customers recognize your brand.

To successfully maintain the personality of their brands smart brand managers go to the extent of creating a “profile” of their brand as if the brand were a real person and then test and measure all attributes against actual customer response and if there is any mismatch in what the customer perceives and what the brand should be perceived, he sets out to correct it with a proper communication strategy.

What is 'Brand Personality'

Brand personality is a set of human characteristics that are attributed to a brand name. A brand personality is something to which the consumer can relate; an effective brand increases its brand equity by having a consistent set of traits that a specific consumer segment enjoys. This personality is a qualitative value-add that a brand gains, in addition to its functional benefits.

Brand personality is the way a brand speaks and behaves. It means assigning human personality traits/characteristics to a brand so as to achieve differentiation. These characteristics signify brand behaviour through both individuals representing the brand (i.e. it’s employees) as well as through advertising, packaging, etc. When brand image or brand identity is expressed in terms of human traits, it is called brand personality. For instance - **Allen Solley** brand speaks the personality and makes the individual who wears it stand apart from the crowd. **Infosys** represents uniqueness, value, and intellectualism.

Brand personality is nothing but personification of brand. A brand is expressed either as a personality who embodies these personality traits (For instance - Shahrukh Khan and Airtel, John Abraham and Castrol) or distinct personality traits (For instance - **Dove** as honest, feminist and optimist; **Hewlett Packard** brand represents accomplishment, competency and influence). Brand personality is the result of all the consumer’s experiences with the brand. It is unique and long lasting.

Brand personality must be differentiated from brand image, in sense that, while brand image denote the tangible (physical and functional) benefits and attributes of a brand, brand personality indicates emotional associations of the brand. If brand image is comprehensive brand according to consumers’ opinion, brand personality is that aspect of comprehensive brand which generates it’s emotional character and associations in consumers’ mind.

Brand personality develops brand equity. It sets the brand attitude. It is a key input into the look and feel of any communication or marketing activity by the brand. It helps in gaining thorough knowledge of customers feelings about the brand. Brand personality differentiates among brands specifically when they are alike in many attributes. For instance - Sony versus Panasonic. Brand personality is used to make the brand strategy lively, i.e, to implement brand strategy. Brand personality indicates the kind of relationship a customer has with the brand. It is a means by which a customer communicates his own identity.

Brand personality and celebrity should supplement each other. Trustworthy celebrity ensures immediate awareness, acceptability and optimism towards the brand. This will influence consumers' purchase decision and also create brand loyalty. For instance - Bollywood actress Priyanka Chopra is brand ambassador for J.Hampstead, international line of premium shirts.

Brand personality not only includes the personality features/characteristics, but also the demographic features like age, gender or class and psychographic features. Personality traits are what the brand exists for.

unit-4

Brand Positioning - Definition and Concept

Brand positioning refers to "target consumer's" reason to buy your brand in preference to others. It is ensures that all brand activity has a common aim; is guided, directed and delivered by the brand's benefits/reasons to buy; and it focusses at all points of contact with the consumer.

Brand positioning must make sure that:

- Is it unique/distinctive vs. competitors ?
- Is it significant and encouraging to the niche market ?
- Is it appropriate to all major geographic markets and businesses ?
- Is the proposition validated with unique, appropriate and original products ?
- Is it sustainable - can it be delivered constantly across all points of contact with the consumer ?
- Is it helpful for organization to achieve its financial goals ?
- Is it able to support and boost up the organization ?

In order to create a distinctive place in the market, a niche market has to be carefully chosen and a differential advantage must be created in their mind. Brand positioning is a medium through which an organization can portray it's customers what it wants to achieve for them and what it wants to mean to them. Brand positioning forms customer's views and opinions.

Brand Positioning can be defined as an activity of creating a brand offer in such a manner that it occupies a distinctive place and value in the target customer's mind. The positioning you choose for your brand will be influenced by the competitive stance you want to adopt.

Brand Positioning involves identifying and determining points of similarity and difference to ascertain the right brand identity and to create a proper brand image. Brand Positioning is the key of marketing strategy. A strong brand positioning directs marketing strategy by explaining the brand details, the uniqueness of brand and it's similarity with the competitive brands, as well as the reasons for buying and using that specific brand. Positioning is the base for developing and increasing the required knowledge and perceptions of the customers. It is the single feature that sets your service apart from your competitors. For instance- Kingfisher stands for youth and excitement. It represents brand in full flight.

Positioning Strategies:

1. Positioning by product attributes and benefits:

It is to associate a product with an attribute, a product feature, or a consumer feature. Sometimes a product can be positioned in terms of two or more attributes simultaneously. The price/quality attribute dimension is commonly used for positioning the products.

A common approach is setting the brand apart from competitors on the basis of the specific characteristics or benefits offered. Sometimes a product may be positioned on more than one product benefit. Marketers attempt to identify salient attributes (those that are important to consumers and are the basis for making a purchase decision).

2. Positioning by price/quality:

Marketers often use price/quality characteristics to position their brands. One way they do it is with ads that reflect the image of a high-quality brand where cost, while not irrelevant, is considered secondary to the quality benefits derived from using the brand. Premium brands positioned at the high end of the market use this approach for positioning the product.

Another way to use price/quality characteristics for positioning is to focus on the quality or value offered by the brand at a very competitive price. Although price is an important consideration, the product quality must be comparable to, or even better than, competing brands for the positioning strategy to be effective.

3. Positioning by use or application:

Another way is to communicate a specific image or position for a brand to associate it with a specific use or application. Surf Excel is positioned as stain remover 'Surf Excel haina!' Also, Clinic All Clear – 'Dare to wear black'.

4. Positioning by product class:

Often the competition for a particular product comes from outside the product class. For example, airlines know that while they compete with other airlines, trains and buses are also viable alternatives. Manufacturers of music CDs must compete with the cassette industry. The product is positioned against others that, while not exactly the same, provide the same class of benefits.

5. Positioning by product user:

Positioning a product by associating it with a particular user or group of users is yet another approach. Motography Motorola Mobile, in this ad the persona of the user of the product has been positioned.

6. Positioning by competitor:

Competitors may be as important to positioning strategy as a firm's own product or services. In today's market, an effective positioning strategy for a product or brand may focus on specific competitors.

 # Brand-Positioning Strategy

Your company brand is the lifeblood of the business: It is a statement of your company's personality and a declaration of company values. With the right positioning strategy, branding creates an indelible impression that allows consumers to engage with a company on a more personal, emotional level. What's more, strong branding elevates awareness of both the company and the products or services it offers. To create this degree of awareness, you can using one of a number of positioning strategies to which you can anchor your brand.

Quality Positioning

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

Value or Price Positioning

There are two ways to approach value or price positioning, both of which are crucially dependent on quality. One approach is to use a high-end tack, which exploits the psychological belief that the more expensive something is, the more intrinsically valuable it must be. You can also cement your brand as the provider of high-quality, value-priced products or services. A good example of this strategy is Southwest Airlines. In a tough economy, its policy of offering affordable flights as well as promising free checked luggage has allowed it to flourish while other airlines struggle.

Benefit Positioning

Communicating the unique benefits of a product or service has long been a popular brand position. With this strategy, the goal is to highlight your company's most powerful attributes — attributes no competitor can claim and that are valuable to the consumer. Consider the popular and ever-bored Maytag repairman: Maytag built its brand on the benefits of owning a machine that almost never requires repair. Similarly, Colgate toothpaste uses a benefit strategy with an effective message: Brush with Colgate and prevent cavities and gingivitis, a benefit promise that appeals to consumers.

Problem and Solution Positioning

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

Competitor-Based Positioning

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

Celebrity-Driven Positioning

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

Product re-positioning

Sometimes during its existence, a company may notice that its products' image is outdated, or can be improved. Then the company starts re-positioning its products in customer's perception.

Re-positioning consists in identifying a new, unoccupied market position and promoting the product based on the new criteria.

Re-positioning is suitable for minimizing company's own products' competition. The

business is trying to make a difference in the way the consumers perceive the similar products they furnish.
Re-positioning requires a sustained promotional campaign and bring forward many risks.

Definition: Repositioning

Repositioning involves changing target markets or the differential advantage or both. There are four generic repositioning strategies.

Repositioning is defined as altering the position of a brand or product in the minds of the customer relative to the offerings of the competitive product. It is a very subtle and difficult process as the brand needs to change the target market's understanding of the product.

The brand positioning of any brand is based on the target market, the benefits to the customers and the market situation. The brand positioning for any brand should be unique and should set apart a brand from its competitors.

Reason for Repositioning

The company decides for the repositioning of the brand due to low or declining sales because of increased competition in the market, loss of the customers, retarded benefits, innovation or better technology. The actual reason for declining sales could be faulty brand positioning, poor distribution or poor promotional strategy.

How to Reposition

When a company reposition its brand it needs to alter the expectations of all its stakeholders, including shareholders, investors and employees along with the customers. A firm can reposition a product line, brand or an entire organisation while sticking to the values of the firm. It requires strong determination and dedication of all the stakeholders to survive a volatile change in the brand's positioning.

Steps

1. Analyse the current status of the brand

The history of the brand and the how the brand has evolved needs to be analysed. Now the company needs to look at the sales, market share, competition, challenges, benefits, customer behaviour, industry performance etc.

2. Consumer perception

A market research should be conducted to get the insights about the loyalty, purchase behaviour and growth rate of the company. The survey can be conducted through mailers, questionnaires, email or interviews.

3. Developing the repositioning strategy

The process will develop objectives, brand's mission, vision and values that it offers to the customers.

Here are the top 5 reasons to consider repositioning your brand.1. **Sales are declining**2. **Your target audience is no longer the best target** 3. **Your products and services have evolved significantly** 4. **New competitors have a better value proposition** 5. **Customers think you're outdated instead of established**

Major Reason	**Why reposition?**
Change in consumer needs	Over time (say 10-20 years), there are changes in consumer needs and lifestyles (as the next generation moves through), which may result in the key benefits of a product no longer being as relevant to the target market.
New/strong competition	A product may be challenged by a new (perhaps more relevant) or stronger competitor in their positioning space, requiring the task of repositioning to a less competitive arena.
Lack of perceived differentiation	A firm may have found their products with many points-of-parity and few points-of-differentiation, requiring a revised positioning in order to highlight their particular advantages.
Under or over positioned	Under positioned means that the positioning is too vague or weak and over positioned means that the product is too narrowly defined. Either way they are problems for the firm that can be addressed by a repositioning exercise.
Change in macro environment	Significant changes in the macro environment may require products to be repositioned. Economic conditions, technological advances, and even legislative change may require the firm to change its product's positioning.
Improved product	If a firm invests in a substantial product improvement, it is likely that additional benefits (or relative advantages) will be delivered, which means that product repositioning could be warranted.
Poor product launch	Any new product that is launched with disappointing results may be considered for relaunch with a new positioning (that is, repositioned).
New target market	Sometimes alternate target markets may be more attractive. Therefore, a product may need to be repositioned to more directly appeal to the newly defined

	target market.
Broader/smaller target market	Some firms, as part of their target market selection process, may decide to broaden (or more tightly define) their target market. This will mean that the firm will probably need to construct a revised positioning for the product.
Clear market gap	A review of a perceptual map may indicate a significant and uncontested market gap, which may be deemed more profitable than the product's current positioning space. In this case, a repositioning exercise might be considered.
Positioning drift	If a product's positioning is not clearly defined by the firm, has inadequate support, or is carelessly managed by the firm over time; then it is likely that the resultant product positioning will not be in line with positioning goals and repositioning will be required to correct this 'drift'.

Celebrity Endorsement

A form of brand or advertising campaign that involves a well known person using their fame to help promote a product or service. Manufacturers of perfumes and clothing are some of the most common business users of classic celebrity endorsement techniques, such as television ads and launch event appearances, in the marketing of their products.

The use of celebrities by advertisers as spokespeople for their brands. This is done due to the perception that messages conveyed by attractive or well-known sources can achieve higher retention and recall.

Celebrity branding or celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters.Marketers use celebrity endorsers in hopes that the positive images of the celebrity endorser of the brand will also be passed on to the products or the brand image associated with the celebrities

Determinants of celebrity endorsement

1. Credibility

Credibility is "the extent to which the recipient sees the source as having relevant knowledge, skills, or experience and trusts the source to give unbiased, objective information" . The two most important aspects of credibility are expertise and trust. Celebrities are seen as credible sources of information and the credibility of a celebrity is described as the total amount of positive features that create and increase the acceptation of the message.

2. Expertise

Expertise of celebrity endorsement is being defined as “the extent to which an endorser is perceived to be a source of valid assertions”. With regard to expertise, it isn’t important that the celebrity is really an expert in the field. It is important that consumers think and believe a celebrity has expertise. The level of celebrity expertise will determine its effectiveness . The more expertise a celebrity has, the more effective it will be. The expertise of a celebrity will not be changed by negative publicity, but the believability and credibility will be negatively influenced.

3. Trustworthiness

Trustworthiness refers to “the honesty, integrity and believability of an endorser” . Companies try to find endorsers who are widely seen as trustful and who are seen as honest, believable and dependable . Trustworthiness is the most important factor with regard to the source credibility and influences credibility Moreover, likeability is mentioned as the most important attribute of trust . Advertisers can create the highest effect by taking these two factors, liking and trustworthiness, into account. Because it is stated when consumers like a celebrity, they will automatically trust a celebrity.

4. Attractiveness

The concept of attractiveness does not only entail the physical attractiveness. Attractiveness also entails concepts such as intellectual skills, personality properties, way of living, athletic performances and skills of endorsers . Celebrities can be attractive because they established for example great sport performances and people have great respect for their achievement and therefore are attracted to them. Physical attractiveness suggests that a celebrity determines the effectiveness of persuasion as a result of that consumers wanting to be like the endorser and wanting to identify themselves with that endorser.

5. Similarity

Similarity is described as “a supposed resemblance between the source and the receiver of the message” . In other words: if a consumer can identify him/herself with the endorser. People can be influenced more easily by an endorser who is similar to them. If the celebrity and the consumer have common factors like common interests or lifestyles, a better cohesiveness is created . That is why celebrities are selected upon their characteristics that match well with consumers. Companies also try to create empathy using celebrities . Using empathy, companies try to create a bond between the celebrity and the consumer. Also the level of persuasiveness is increased by using similarity. Companies might choose to pick a regular-looking person who is not a celebrity, because consumers can identify themselves more easily.

6. Liking

Likeability is the "affection for the source as a result of the source's physical appearance and behaviour" . In addition, states that when people like the celebrity they will also like the accompanying brand and therefore celebrities are used in commercials and advertisements. Celebrity endorsement will influence the consumer behaviour and attitude and advertisers believe that a celebrity can influence the consumer's vision of the company's image.

7. Familiarity

Familiarity is the supposed resemblance as knowledge that a celebrity endorser possesses through exposure . When companies choose a celebrity, it is important to what extent consumers are familiar with the celebrity. The more familiar the consumer is with the celebrity, the more positive the effect will be. It is also well known that consumers, who are more familiar with a celebrity and are more exposed to a celebrity, will automatically like a celebrity more; this is called the mere exposure effect . The effect of familiarity on attitude increases when there are brief exposures of the celebrity and when there are longer delays between the exposures. The effect decreases when there are long exposures of the celebrity and when there are shorter delays between the exposures.

Advantages of Celebrity endorsement

1. Influence Consumer Purchases

The affinity consumers have for certain celebrities can greatly influence their purchases. People may have the attitude, "If the product is good enough for her, it's good enough for me." This philosophy is often the impetus behind advertisements for makeup, skin creams, hair products and attire. Consumers want the wavy hair of a local celebrity, for example. Hence, they purchase the brand that the celebrity uses to achieve her hair's fullness and bounce. Local consumers may also desire the same soft drink as their team's best baseball player. Essentially, the testimonial of the local celebrity adds instant credibility to a small company's product.

2. Build Awareness

Celebrities in advertising build brand awareness, according to "Supermarket News," a publication covering the food distribution industry. And they build it much more quickly than traditional types of advertising. Brand awareness measures the percentage of people who are familiar with a particular brand. Small businesses spend lots of money and time for exposure to incrementally increase brand awareness among consumers. The use of a local celebrity can do much to enhance consumers' awareness and understanding of what a small business offers.

3. Position a Brand

Some small companies use celebrities in advertising to position their brands. Product positioning is placing a company's products in the best possible light in the minds of a target group, according to Inc.com. For example, a small investment firm may use a well-respected and retired local disc jockey to market a retirement plan for people ages 50 and over. The fact that the disc jockey falls in the consumers' age group and has a good reputation in the community makes the company's product and message more believable.

4. Attract New Users

One challenge small companies face is finding new users for their products. When a well-known face endorses your brand, it automatically attracts new target audience – the die hard fans of the celebrity. People who would have not much cared about your brand will now get open to try it at least once because their favourite sport-star, actor, politician or model is endorsing it. The bigger the celebrity, the larger audience base you get to invite in.

5. Breathe Life Into Failing Brand

The use of a celebrity in an advertisement may also help to breathe life into a failing brand. For example, a small soap manufacturer might think about dropping a brand or product, especially if production and overhead costs are leaving little or no profit. However, the use of a celebrity to tout the benefits of the brand could help create new interest and excitement in consumers.

6. Builds Trust and Credibility for your Brand

People are emotionally and morally connected with their idols. Celebrities are no less than any idols for them. In this highly populated world, every celebrity that you'll come across will have over a million fans, and thus getting the thumbs up from them should bring a lot of success for your business. Now when these millions of people will join your brand, your brand's market value and reputation will automatically improve in the shortest period of time.

Brand Extension - Meaning, Advantages and Disadvantages

Brand Extension

It is the scenario when the firm enters a new product category under the umbrella of the original brand name which is called as the parent brand. Brand extension is usually done in related categories.

It helps in leveraging the existing consumer base and loyalty that the brand name commands to bring in greater profits. However, extreme care needs to be taken before experimenting with it as the failure or shift from the brand's core values in the new category can adversely affect the parent brand.

Example : Dove which was earlier in the soap category has also come up with Dove Shampoo which is entirely a different category called hair care.

Brand Extension is the use of an established brand name in new product categories. This new category to which the brand is extended can be related or unrelated to the existing product categories. A renowned/successful brand helps an organization to launch products in new categories more easily. For instance, Nike's brand core product is shoes. But it is now extended to sunglasses, soccer balls, basketballs, and golf equipments. An existing brand that gives rise to a brand extension is referred to as **parent brand**. If the customers of the new business have values and aspirations synchronizing/matching those of the core business, and if these values and aspirations are embodied in the brand, it is likely to be accepted by customers in the new business.

Extending a brand outside its core product category can be beneficial in a sense that it helps evaluating product category opportunities, identifies resource requirements, lowers risk, and measures brand's relevance and appeal.

Brand extension may be successful or unsuccessful.

Instances where brand extension has been a success are-

i. **Wipro** which was originally into computers has extended into shampoo, powder, and soap.
ii. **Mars** is no longer a famous bar only, but an ice-cream, chocolate drink and a slab of chocolate.

Advantages of Brand Extension

Brand Extension has following advantages:

1. It makes **acceptance of new product easy.**
   a. It increases brand image.
   b. The risk perceived by the customers reduces.
   c. The likelihood of gaining distribution and trial increases. An established brand name increases consumer interest and willingness to try new product having the established brand name.
   d. The efficiency of promotional expenditure increases. Advertising, selling and promotional costs are reduced. There are economies of scale as advertising for core brand and its extension reinforces each other.
   e. Cost of developing new brand is saved.
   f. Consumers can now seek for a variety.

g. There are packaging and labeling efficiencies.
h. The expense of introductory and follow up marketing programs is reduced.

2. There are **feedback benefits** to the parent brand and the organization.
    a. The image of parent brand is enhanced.
    b. It revives the brand.
    c. It allows subsequent extension.
    d. Brand meaning is clarified.
    e. It increases market coverage as it brings new customers into brand franchise.
    f. Customers associate original/core brand to new product, hence they also have quality associations.

Disadvantages of Brand Extension

1. Brand extension in unrelated markets may lead to **loss of reliability** if a brand name is extended too far. An organization must research the product categories in which the established brand name will work.
2. There is a risk that the new product may generate implications that **damage the image** of the core/original brand.
3. There are chances of **less awareness** and trial because the management may not provide enough investment for the introduction of new product assuming that the spin-off effects from the original brand name will compensate.
4. If the brand extensions have no advantage over competitive brands in the new category, then it will **fail.**

Brand reinforcement

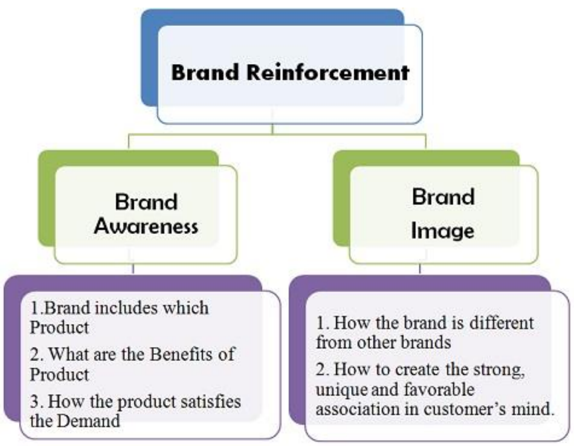
Brand reinforcement refers to an activity associated with getting those consumers who have tried a particular brand to become repeat purchasers along with attracting new users. It is a key objective of the growth stage of the product's life cycle.

Brand reinforcement is majorly concerned with maintaining brand equity. It makes sure that the consumers have desired knowledge structures in place so that the brand continues to have its necessary sources of equity. This could be done by marketing activities related to brand awareness and brand image that would carry the identity and meaning of the brand to the consumers.

This involves reinforcement advertising, which is targeted at consumers who have already tried and used the product before and aims at reminding them of its continued existence and unique benefits. Such advertising is also intended to reassure customers that they have made the right choice. It is commonly used for big ticket items like boats, cars and condos. Sometimes it includes instructions on how to get the most value or satisfaction from their purchase.

Definition: The **Brand Reinforcement** majorly focuses on **maintaining** the **Brand Equity** by keeping the brand alive among both the existing and new customers. This can be done through consistently conveying the meaning of brand in terms of:

- What are the products under the brand? What are its core benefits and how it satisfies the demand?
- How is the brand different from other brands? How it enables a customer to make a strong, unique and favorable association in their minds?



Brand reinforcement includes regular monitoring of a product at all the levels of product life cycle (viz. Introduction Stage, Growth Stage, Maturity Stage and Decline Stage) to keep a check on the changes in the tastes and preferences of customers.

The marketers adopt this strategy to remind customers about the brand and its long-lasting benefits. In order to keep the brand in the minds of the customer, several innovations, researches, and creative marketing programs are made in line with the changing marketing trends.

Apart from innovation and research the brand reinforcement can be done through various marketing programs such as:

1. **Advertising** is one of the most common and easy tool of brand reinforcement. By showing the ads frequently on TV, Internet, Bulletins, Billboard, Radio, etc. can make the brand deep-rooted in the minds of the customer.
2. **Exhibition** provides a vital platform to the brands where the product with any new feature can be demonstrated to the customer. Products seen in real gives an experience to the customer, and some image gets created in their minds.
3. **Event and Sponsorship** act as an aide to the brand reinforcement. The companies sponsor big events like sports, political rallies, education, award functions, etc. with the objective of reminding the customer about their product and creating the positive image in the minds of new prospects.

4. **Showroom layout** also plays a vital role in strengthening the brand image in the minds of the customer. The way the brands are placed in the retail outlets or stores reminds the customer about the product and also influences new users through its appeal.
5. **Promotion** is the most frequently used tool of brand reinforcement. Several companies adopt this strategy wherein some special offers, freebies, discounts, gift packs, etc. are given along with the product. This is done with the intention to retain the existing customers and attract new customers simultaneously.

Thus, each firm tries to maintain its brand position in the minds of all the prospective customers such that the life of the product gets extended and remain in the race of competition.

Brand Revitalization

The marketing strategy employed when a brand has reached maturity and profits begin to decline. Approaches to revitalisation may include one or all of market expansion, product modification or brand repositioning.

A brand revitalisation programme involves approaches to reclaim lost avenues of brand equity. It also seeks to identify and establish new sources of brand equity. Examining changes in the marketing environment, competitors' strategies, consumer behaviour, evolutions of cultures and many other factors can help determine brand erosion and aid brand development.

Definition: The **Brand Revitalization** is the marketing strategy adopted when the product reaches the maturity stage of product life cycle, and profits have fallen drastically. It is an attempt to bring the product back in the market and secure the sources of equity i.e. customers.

Despite a good reinforcement strategy, a product has to be revitalized because of some uncontrollable factors such as competition, the invention of new technology, change in tastes and preferences of customers, legal requirements, etc.

The brand has to be revitalized because of the following reasons:

1. **Increased Competition** in the market is one of the major reasons for the product to go under the brand revitalization. In order to meet with the offerings and technology of competitor, the company has to design its brand accordingly so as to sustain in the market.
2. The **Brand Relevance** plays a major role in capturing the market. The brand should be modified in accordance with the changes in tastes and preferences of customers i.e. it should cater the need of target market.
3. Nowadays **Globalization** has become an integral part of any business. In order to meet the different needs of different customers residing in different countries the brand has to be revitalized accordingly.
4. Sometimes **Mergers and Acquisitions** demand the brand revitalization. When two or more companies combine, they want the product to be designed from the scratch in a way that it appeals to both and benefits each simultaneously.
5. **Technology** is something that is changing rapidly. In order to meet with the latest trend, the companies have to adopt the new technology due to which the product can go under complete revitalization.
6. Some **Legal Issues** may force a brand to go under brand revitalization such as copyrights, bankruptcy, etc. In such situations, the brand has to be designed accordingly, and the branding is to be done in line with the legal requirements.

In order to overcome the problems mentioned above following are some ways through which Brand Revitalization can be done:

Keys To A Successful Brand Revitalization

Our discussion during the conference centered around strategy behind the revitalization and how it came to life through customer-facing initiatives. There were six takeaways for me.

1. Improving Customer Experience. Center to the strategy to revitalizing any brand is a renewed focus on continuous improvement of product and service quality. Many firms get too focused on cost reduction at the expense of improving the customer experience. Firms that don't have a program to continuously improve customer experience will eventually see a degradation of product and service quality. McDonalds helped restaurants understand what customers value with regard to customer experience and then developed programs designed to achieve operational excellence. For example, in Singapore, customers value delivery in the congested areas of the city, so bikes and food carts have been used to enhance food delivery service.

2. Product/Service Innovation. Innovation is also a key part of any brand revitalization strategy. In McDonald's case, a disciplined new product pipeline management system was developed resulting in a dramatic improvement in new product success rate. Examples of successful McDonald's innovations include white meat McNuggets (white meat is healthier), Milk Jugs (the jug is reseals better than milk cartons), and the Chicken Snack Wrap (has good price points and appeals to lighter eaters).

3. Re-Establishing The Brand Promise. Improved marketing programs focusing on reestablishing the brand's promise is critical for any brand revitalization. The brand promise is an articulation of the relevant and differentiating experience that the brand will deliver to every customer, every time. Brand revitalization means defining where you want the brand to be and then deciding how to get there. Starting in 2003, marketing programs began stressing McDonald's brand promise in order to restore the relevance of the brand. Marketing programs based on on McDonald's brand promise were built around the five P's (people, product, place, price and promotion).

4. Rebuilding Trust. Brands that have been beaten down need to re-establish trust. For McDonald's, rebuilding trust was also critical. Consumers today are demanding more openness, more social responsibility and more integrity. One way McDonald's has done this is through its Shrek movie promotion with a new meal for kids that packaged apples, milk, and white chicken McNuggets.

5. Balance Global vs. Local. Finally for global brands, any brand revitalization plan must be able to balance both global and local priorities. There needs to be a clear understanding of consumer similarities and differences across markets. For each market, an understand of consumer buying framework of who, what when, where, why is necessary. From the global perspective, brand managers need to identify business and brand building initiatives that "will travel" worldwide. For McDonald's examples included offering 24 hour operation, cashless transactions, drive-thru, salad entrees, low price point snack-wraps.

6. Leadership. Brand revitalization needs the courage and perspective of strong leaders. While many factors contributed to McDonald's turnaround, the number one factor contributing to success of the brand revitalization was executive leadership. McDonald's execs were insistent and persistent in assuring the consistent implementation of the "Plan to Win".

Revitalizing a Brand

Creating and maintaining awareness of products and services is one of the biggest challenges that small businesses must overcome to achieve success. Brand awareness describes the extent to which consumers are aware of a business and its product offerings. Even if companies manage to create brand awareness, brand recognition can fade over time and consumers can form negative views of a brand. Businesses can employ a variety of methods to revitalize tired or tarnished brands.

Changing Existing Products

Businesses need to deliver value to customers with their products and services to keep customers coming back and build positive brand recognition. Technology and consumer preferences change over time; if products and services fail to evolve with changes in preferences, a company's brand strength may suffer. Updating existing products with new features that capture the latest trends and consumer needs can help revitalize a brand. For example, a software company could rewrite its programs to function on mobile devices like smartphones and tablets to make its product more accessible.

Creating New Products

Creating new products and services is another way that companies can breathe life into their brand. When existing products have become too old and stale, replacing them with completely new products might be easier than trying to update them. New products give companies a chance to start fresh without being hampered by problems inherent to old designs.

Advertising Campaigns

Declining brand recognition is not always caused by products and services that are stale or lacking in some way: Companies need to actively promote their products to maintain brand strength. Sponsoring advertisements can help a business proliferate awareness of its brand and remind consumers of the benefits of using its products. Branching out to new advertising channels can also increase the reach of a brand. For instance, if a business has only advertised in print media and on the radio in the past, a television or Internet advertisement could reach previously untapped groups of customers.

Rebranding

Rebranding is the process of making drastic changes to an existing brand or replacing an old brand with a new one. Rebranding often involves the creation of new logos, slogans, packaging, advertisements, products and services all at the same time. Rebranding gives a company the opportunity to create a new identity and go in a new direction, which can help generate new interest and rebuild brand recognition.

Keys to your successful brand revitalization project are:

1. **Organizational commitment to change:** The leadership of your company must be united in the importance of a rebrand. It is an effort that can't be solely drive by the marketing department.
2. **Research:** What do you really mean to your customers and your employees? Research is critical to understanding this. Your brand is the sum total of your customers' and employees' perceptions. Understanding these perceptions will help craft written and verbal messages that resonate. If there are perceptions that you don't like, the visual brand alone can't fix all the issues, but it can be part of the strategy for shaping perceptions.
3. **Brand position:** What is your company's point of differentiation? Why do employees and customers believe in the brand? This information is crucial so we can apply what is relevant about your brand today.
4. **Communication:** Company leadership must educate employees about the importance of a brand refresh. Leaders must over communicate with employees and involve them in the process so that they feel a part of the change. A company rebrand that is done well can bring employees together and help to refocus the organization.
5. **Implementation:** To quote the singer/composer George Michael, "If you're gonna do it. Do it right."* The investment of time and money in a brand refresh is all for naught if you don't also invest in rolling it out fully and in a timely manner.

Unit-2

What Is Media Planning?

The word **Media** came from the Latin word "Middle". Media carry message to or from a targeted audience and can add meaning to the message.
Media Planning, in advertising, is a series of decisions involving the delivery of message to the targeted audience. Media Plan, is the plan that details the usage of media in an advertising campaign including costs, running dates, markets, reach, frequency, rationales, and strategies.

You are creating advertising for a new product. To complete this task, you need to go through the media planning process. **Media planning** in advertising is the making of decisions to deliver a message to the target audience.

An advertising strategy most commonly employed to target consumers using a variety of informational outlets. Media planning is generally conducted by a professional media planning or advertising agency and typically finds the most appropriate media outlets to reach the target market.
Media planning entails finding the most appropriate media platform to advertise the

company or client’s brand/product. Media planners determine when, where and how often a message should be placed. Their goal is to **reach the right audience at the right time with the right message** to generate the desired response and then stay within the designated budget. Sounds like a piece of cake, right?

Clearly, media planning can be a challenging role, involving multiple areas of expertise. Media planners must always keep in mind audience, timing, message and desired response—all while staying within the budget.

Media planning is the development of media objectives, strategies and plans on behalf of a brand. It aims to ensure the intended message is received by the target audience. It determines the best combination of media to achieve this with the available budget, considering the reach and strengths of the various media. It also guides the effective and efficient use of each medium by outlining, for example, the frequency, continuity, format and placement of ads.

Media planning

That's why it's important to put together a media plan for your advertising campaign. The three components of a media plan are as follows:

1. Defining the marketing problem. Do you know where your business is coming from and where the potential for increased business lies? Do you know which markets offer the greatest opportunity? Do you need to reach everybody or only a select group of consumers? How often is the product used? How much product loyalty exists?

2. Translating the marketing requirements into attainable media objectives. Do you want to reach lots of people in a wide area (to get the most out of your advertising dollar)? Then mass media, like newspaper and radio, might work for you. If your target market is a select group in a defined geographic area, then direct mail could be your best bet.

3. Defining a media solution by formulating media strategies. Certain schedules work best with different media. For example, the rule of thumb is that a print ad must run three times before it gets noticed. Radio advertising is most effective when run at certain times of the day or around certain programs, depending on what market you're trying to reach.

Advertising media generally include:

Television ,Radio ,Newspapers ,Magazines (consumer and trade) ,Outdoor billboards ,Public transportation ,Yellow Pages ,Direct mail ,Specialty advertising (on items such as matchbooks, pencils, calendars, telephone pads, shopping bags and so on) ,Other media (catalogs, samples, handouts, brochures, newsletters and so on)

The Process

Now that you understand what media planning is, it is time to review the process. The process includes:

- Market analysis
- Establishing the media objective
- Setting the strategy
- Implementation
- Evaluation and follow-up

Let's look at these steps in more detail.

Market Analysis

Performing a market analysis involves determining who your audience is. The **audience** is the number and type of people your advertising targets. The audience can be classified according to age, sex, income, occupation, etc. Performing this analysis will help you to project costs and determine the right media for your campaign.

Establishing the Media Objective

The **media objective** is the goal of the media plan. To establish this objective, you must determine your goal for reach, frequency, circulation, cost, and penetration. **Reach** is the amount of people the message is in front of over a period of time. **Frequency** is the average number of times the message is in front of those people. **Circulation** is used for printed advertisements. This is the number of prints that are produced and sent out. **Cost** is broken down into two different sections: cost per thousand (CPM) and cost per person (CPP). It is important to understand the cost as you are budgeting. The cost will tell you which form of media is the best option for your business. **Penetration** is the number of audience members reached by the advertising. The company must determine if it wants to take over a market or just reach a certain group prior to setting the penetration goals and strategies.

Setting the Strategy

Now that you understand who you are marketing to and how much it will cost you, you will need to make a decision about what type of media you will use. Some options include Internet, television, radio, newspaper, consumer and business publications, and interactive media platforms. Which option reaches the largest audience? How often will it reach the audience? Does it fit in your budget?

Implementation

You have a plan. Now it's time to set it in motion. This is when you buy media. **Media buying** is the purchasing of the space in the selected media. This involves committing to the media provider, submitting the ad, and paying the bill. This is the exciting part. You see all your hard work come together.

Evaluation and Follow-up

After everything is said and done, it is time to see how successful your media plan was. To do so, you need to follow-up and evaluate the results. Ask yourself, 'Did we meet media objectives? How successful were the strategies?' The success of this media plan will determine future media plans.

Process

Developing the Media Plan

Advertising media selection is the process of choosing the most cost-effective media for advertising to achieve the required coverage and number of exposures in a target audience.

Although the media plan is placed later in this process, it is in fact developed simultaneously with the creative strategy. This area of advertising has gone through tremendous changes; a critical media revolution has taken place.

The standard media plan covers four stages: (a) stating media objectives; (b) evaluating media; (c) selecting and implementing media choices; and (d) determining the media budget.

Stating Media Objectives

Media objectives are normally stated in terms of three dimensions:

1. Reach: The number of different persons or households exposed to a particular media vehicle or media schedule at least once during a specified time period.
2. Frequency: The number of times within a given time period that a consumer is exposed to a message.
3. Continuity: The timing of media assertions (e.g., 10% in September, 20% in October, 20% in November, 40% in December and 10% the rest of the year).

Evaluating Media

There are definite inherent strengths and weaknesses associated with each medium. In addition, it would require extensive primary research, either by the sponsoring firm or their advertising agency in order to assess how a particular message and the target audience would relate to a given medium. As a result, many advertisers rely heavily on the research findings provided by the medium, by their own experience, and by subjective appraisal.

Selection and Implementation

The media planner must make media mix decisions and timing directions, both of which are restricted by the available budget. The media mix decision involves putting media together in the most effective manner. This is a difficult task and necessitates quantitatively and qualitatively evaluating each medium and combination thereof.

Unfortunately, there are very few valid rules of thumb to guide this process, and the supporting research is spotty at best. For example, in attempting to compare audiences of various media, we find that A C Nielsen measures audiences based on TV viewer reports of the programs watched, while outdoor audience exposure estimates are based on counts of the number of automobile vehicles that pass particular outdoor poster locations.

The timing of media refers to the actual placement of advertisements during the time periods that are most appropriate, given the selected media objectives. It includes not only the scheduling of advertisements but also the size and position of the advertisement.

Setting the Media Budget

The media budget is a subset of the advertising budget, and the same methods used to create advertising budget will be used to create the media budget.

In general, remember that:

- Media outlets which deliver messages involving multiple senses (sight, sound, touch, and smell) will be more expensive than those involving just one sense (sound).
- The quality expectations of the media outlet will influence the cost. For example, the quality of ads for national television stations tend to be higher than those for local outlets. Creating a text ad on the Internet, however, can be free or cost next to nothing.

Define media planning, also explain steps in development of media plan.

Steps in Development of Media Plan

1. Market Analysis
Every media plan begins with the market analysis or environmental analysis.Complete review of internal and external factors is required to be done. At this stage media planner try to identify answers of the following questions:

- Who is the target audience?
- What internal and external factors may influence the media plan?

- Where and when to focus the advertising efforts?

The target audience can be classified in terms of age, sex, income, occupation, and other variables. The classification of target audience helps media planner to understand the media consumption habit, and accordingly choose the most appropriate media or media mix.

2. Establishing Media Objective

Media objectives describes what you want the media plan to accomplish. There are five key media objectives that a advertiser or media planner has to consider - reach, frequency, continuity, cost, and weight.

1. **Reach** - Reach refers to the number of people that will be exposed to to a media vehicle at least once during a given period of time.
2. **Frequency** - Frequency refers to the average number of times an individual within target audience is exposed to a media vehicle during a given period of time.
3. **Continuity** - It refers to the pattern of advertisements in a media schedule. Continuity alternatives are as follows:
    - **Continuous**: Strategy of running campaign evenly over a period of time.
    - **Pulsing**: Strategy of running campaign steadily over a period of time with intermittent increase in advertising at certain intervals, as during festivals or special occasions like Olympics or World-Cup.
    - **Discontinuous**: Strategy of advertising heavily only at certain intervals, and no advertising in the interim period, as in case of seasonal products.
4. **Cost** - It refers to the cost of different media
5. **Weight** - Weight refers to total advertising required during a particular period.

3. Determining Media Strategies

Media strategy is determined considering the following:

1. **Media Mix** - From the wide variety of media vehicles, the advertiser can employ one vehicle or a mix suitable vehicles.
2. **Target Market**
3. **Scheduling** - It shows the number of advertisements, size of advertisements, and time on which advertisements to appear.
    - Seasonal Pulse: Seasonal products like cold creams follows this scheduling.
    - Steady Pulse: According to this scheduling one ad is shown over a period of time, say one ad per week or one ad per month.
    - Periodic Pulse: A regular pattern is followed in such scheduling, as in case of consumer durable, and non durable.
    - Erratic Pulse: No regular pattern is followed in such scheduling.
    - Start-up Pulse: Such scheduling is followed during a new campaign or a launch of a new product.
    - Promotional Pulse: It is for short time, only for a promotional period.

4. **Reach and frequency**
5. **Creative Aspects** - Creativity in ad campaigns decides the success of the product, but to implement this creativity firm must employ a media that supports such a strategy.
6. **Flexibility -** An effective media strategy requires a degree of flexibility.
7. **Budget Considerations -** In determining media strategy cost must be estimated and budget must be considered.
8. **Media Selection** - It covers two broad decisions - selection of media class, and selection of media vehicle within media class.

4. **Implementation of Media Plan**

The implementation of media plan requires media buying. Media Buying refers to buying time and space in the selected media. Following are the steps in media buying:

- Collection of information: Media buying requires sufficient information regarding nature of target audience, nature of target market, etc.
- Selection of Media/Media Mix: Considering the collected information and ad-budget, media or media mix is selected which suits the requirements of both - target audience and advertiser.
- Negotiation: Price of media is negotiated to procure media at the lowest possible price.
- Issuing Ad - copy to media: Ad-copy is issued to the media for broadcast or telecast
- Monitoring performance of Media: Advertiser has to monitor whether the telecast or broadcast of ad is done properly as decided.
- Payment - Finally, it is the responsibility of advertiser to make payment of media bills on time.

5. **Evaluation and Follow-up**

Evaluation is essential to assess the performance of any activity. Two factors are important in evaluation of media plan:

- How successful were the strategies in achieving media objectives?
- Was the media plan successful in accomplishing advertising objective?

Measuring Advertising Effectiveness

Measuring the **effectiveness of advertising programme** in the limited market area is one of the important task of the advertising manager. If different media and different advertisements are used in different markets, the effectiveness of the different media and advertisement can be evaluated. These measures will help the manager to adjust the budget to obtain the most effective media scheduling.

"*When a child writes the examination papers, he has to see the result come what it may be, so that he comes to know where he is wrong and where he should pay more attendance. This will help him work better in future*."

This is exactly the case of the advertisement. The work is not complete if the effectiveness of advertise is not measured. This is the only way to know how the advertisement is performing, is it reaching the targets and is the goal achieved.

It is not at all possible to measure advertisement effectiveness accurately as there are many factors like making a brand image, increasing the sales, keeping people informed about the product, introducing new product, etc, which affect the effectiveness of an advertisement.

there can be three sets of methods to meet his needs namely, pre-testing, concurrent testing and post-testing methods.

I. Pre-testing methods:

1. Check-list test:

A check-list is a list of good qualities to be possessed by an effective advertisement. A typical check- list provides rating scale or basis for ranking the ads in terms of the characteristics.

These characteristics may be honesty, attention getting, readability, reliability, convincing ability, selling ability and the like. The ad that gets highest score is considered as the best.

2. Opinion test:

Opinion test or consumer jury test is one that obtains the preference of a sample group of typical prospective consumers of the product or the service for an ad or part of it. The members of the jury rate the ads as to their head-lines, themes, illustrations, slogans, by direct comparison.

Getting preference from a juror is better than getting it from a member of general public or an ad expert.

3. Dummy magazine and port-folio test:

Dummy magazines are used to pre-test the ads under conditions of approximation resembling normal exposure. A dummy magazine contains standard editorial material, control ads that have been already tested and the ads to be tested. The sample households receive these magazines and the interviews are conducted to determine recall scores.

Port-folio test is like that of dummy magazine test except that the test ads are placed in a folder that contains control ads. The respondents are given these folders for their reading and reactions. The test scores are determined in the interview. The ad with highest score is taken as the best.

4. Inquiry test:

It involves running two or more ads on a limited scale to determine which is most effective in terms of maximum inquiries for the offers made. These inquiry tests are used exclusively to test copy appeals, copies, illustrations, and other components.

Any of these elements may be checked. The point that is to be checked is changed and all other components are unaltered, to get the score.

5. Mechanical tests:

These mechanical tests are objective in nature unlike the one already explained. These help in provide good measures as to how respondent are eyes and emotions reaching a given advertisement.

The most widely used mechanical devices are:

1. Eye Movement Camera

2. Perceptoscope

3. Psycho-galvanometer and

4. Tachistoscope.

II. Concurrent Testing Methods:

1. Co-incidental surveys:

This is called as coincidental telephone method also whereby a sample of households is selected, calls are made during the time programme broadcast, the respondents are asked whether their radio or television is on, and if so, to what station or programme it is tuned? The results of the survey are used to determine the share of response for the advertisement or the programme.

2. Consumer diaries:

This method involves giving the families selected in advance of diary or individual diaries to the members of the family. The selected families and individual respondents are asked to record the details about the programme they listen or view. The diaries are collected periodically to determine the scores.

3. Mechanical devices:

The mechanical devices used to measure the ad differences concurrently are more common to broadcast media.

These are:

1. Audio meters

2. Psychogalvanometer

3. Tachistoscope and

4. Truck Electronic Unit.

4. Traffic counts:

Traffic counts are of special applicability to outdoor advertising. One can get good deal of information through traffic counts. This counting is done by independent organisations may be private or public. This work is also undertaken by advertising agencies. For instance, how many automobiles and other vehicles were exposed to a bulletin board or a poster or a wall painting and how many times? Can be determined.

III. Post-testing methods:

1. Inquiry tests:

It is 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.

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 he replies.

2. Split-run test:

A split-run test is a technique that makes possible 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.

3. Recognition tests:

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.

4. Recall tests:

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.

There are several variations of this test. One such test is Triple Association Test which is designed to test copy themes or the slogans and reveals the extent to which they have remembered.

5. Sales tests:

Sales tests represent controlled experiment under which actual field conditions than the simulated are faced. It attempts to establish a direct relationship between one or more variables and sales of a product or service. It facilitates testing of one ad against another and one medium against another.

To sum-up, ad effectiveness testing is a must to avoid costly mistakes, to select the best alternative from the apparently equal alternatives, to resolve the differences of opinion and to add to the store of knowledge having deep bearing on advertising effectiveness and efficiency. Ad effectiveness testing can be at three levels namely, prior to, during and after the release of an ad.

There are many methods to choose. The final results depend on the validity, reliability and the relevance of each method employed. Testing, if done in good faith, can payout its costs and rich dividends too.

Techniques to Measure Advertising Effectiveness

There are different tests and several techniques in each of the test to evaluate advertising effectiveness. Test depends on the aspects to be evaluated. Based on Philip Kotler's views, let us first discuss classification of tests (various ways or approaches) to evaluate advertising effectiveness.

1. Pre-test and Post Test:

Pre-test implies testing advertising message before it is sent to specific media. Post test implies testing impact of advertising message after it is published in any of the media.

2. Communication and Sales Effect Test:

Communication test measures communicability (ability to communicate) of the message. Whereas sales-effect test measures advertising impact on sales volume.

3. Laboratory and Field Test:

Clearly, a laboratory test is conducted in a controlled environment in a limited scale. Respondents are invited in a laboratory to state their response. Quite opposite, a field test is conducted in original setting, artificial climate is not created. It is similar as conducting survey to measure what customers think about company's advertisement.

4. Experimental and Survey Test:

Experimental test involves testing advertising effect by conducting test by manipulating independent variable (i.e., advertising efforts) and measuring the effect of the manipulation on other dependent variables like sales, profits, consumer satisfaction, etc. Experimental test may be laboratory or field test. Survey test involved knowing consumers' view's through a survey method.

5. Message and Media Effect Test:

While message test involves measuring clarity, contents, believability, action ability, etc., of the message, the media test measures effectiveness/ suitability of one or more media.

Mostly, a company is interested to measure advertisement's communication effect and sales effect. Therefore, it is worthwhile to discuss communication and sales effect test.

 # Methods of Evaluating Advertising Effectiveness

Communication Effect Research and Sales Effect Research are two major traditional methods of evaluating advertising effectiveness. On the other hand, modern approaches include Analysis Tool and Integrated Direct Marketing.

1. Communication Effect Research

- Portfolio Tests – The customers see and listen carefully to the ads, and then they are asked to recall the content of the advertisement. Calculations are done based on such data
- Direct Rating Method – The customers are asked directly to rate the advertisement, and these ratings are calculated
- Laboratory Tests – To measure the physiological reactions of customers after seeing an ad, an apparatus is used to measure blood pressure, heart rate, perspiration, etc.

2. Sales Effect Research

The effectiveness of the ad is evaluated on the basis of the sales figure of the company, through questionnaires, product surveys, recognition tests, toll free numbers, and response rates.

3. Analysis Tool

For online advertisements, analysis tool is used to measure customer visits, how many pages are viewed, who are buying online, etc which helps the marketers to determine its effectiveness.

4. Integrated Direct Marketing

This is a modern web-based tool, which provides a response corner on the websites, where the customers can leave their feedback.

Whether it is television, **brochures**, radio, **business cards**, or online advertising, evaluating its effectiveness is intrinsically important to determine its performance and reach.

Unit -1

Advertising simply put is telling and selling the product. **Advertising Management though is a complex process of employing various media to sell a product or service**. This process begins quite early from the marketing research and encompasses the media campaigns that help sell the product.

Without an effective advertising management process in place, the media campaigns are not that fruitful and the whole marketing process goes for a toss. Hence, companies that believe in an effective advertising management process are always a step ahead in terms of selling their goods and services.

As mentioned above, advertising management begins from the market research phase. At this point, the data produced by marketing research is used to identify what types of advertising would be adequate for the specific product. Gone are the days when there was only print and television advertising was available to the manufacturers. These days apart from print and television, radio, mobile, and Internet are also available as advertising media. Advertising management process in fact helps in defining the outline of the media campaign and in deciding which type of advertising would be used before the launch of the product.

If you wish to make the advertising effective, always remember to include it from the market research time. Market research will help to identify the niche segment of the population to which the product or service has to be targeted from a large population. It will also identify why the niche segment would opt for the product or service. This information will serve as a guideline for the preparation of advertising campaigns.

Once the niche segments are identified and the determination of what types of advertising will be used is done, then the advertising management focuses on creating the specifics for the overall advertising campaign. If it is a radio campaign, which type of ads would be used, if it is a print campaign, what write ups and ads will be used, and if it is a television campaign, what type of commercials will be used.

There might also be a mix and match advertising in which radio might supplement television advertising and so on. It is important that through advertising management the image is conveyed that all the strategies complement each other. It should not look to public that the radio advertising is focusing on something else while television on something else. The whole process in the end should benefit the product or service.

The role of people designing the advertising campaign is crucial to its success. They have been trained by seasoned professionals who provide the training in the specific field. Designing an advertising campaign is no small a task and to understand the consumer behavior from the data collected from market research is a very important aspect of the campaign.

A whole lot of creativity and inspiration is required to launch an adequate advertising campaign. In addition, the management skills come into play when the work has to be done keeping the big picture in mind. **It would be fruitful for the company if the advertising campaign lasts well over the lifetime of a product or service, reach the right customers, and generate the desired revenue**.