

J. D. Women's College
Department of MBA
Course- PG Vocational MBA
1st Sem
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Subject -Marketing Management
Topic- Promotion Decision - part 3
(Advertising)

Advertising

Advertising is any paid form of non-personal presentation of ideas, goods and services by an identified sponsor. It is a form of marketing communication that is quite effective in optimizing the reach, presence, lead generation and sales of any product or service.

On the basis of above definition the main characteristics and nature of advertising are as under:

1. Mass Communication: It is a unique means of mass communication announcing the sale of goods or services. It can help to introduce a new product quickly across nationally. Thus through advertising an uniform information is accessed to a number of persons at the same time.

2. Non-Personal Presentation: The advertising is non-personal salesmanship in which a large number of audience are addressed at a given time

3. Informative:

The most important objective of advertising is to inform the ;potential users about the product and services of the firm.

4. Buying Motive: An advertising through its presentation and demonstration, inspires the consumers for purchase of a product.

5. Advertising Expenses: Money is incurred on advertising and such expenses are borne by the advertiser. The dissemination of information regarding the product without such expenses cannot be called an advertisement.

6. Marketing Tool: Advertising is a powerful, expensive and popular tool of promotion mix

7. Identified Sponsor: It is an openly sponsored sales message regarding any product or service, i.e., the sponsor can be easily identified.

8. Commercial Objective: The main aim of advertisement is to bring up new consumers and retain the existing ones. The aim is to earn profit through increased sales. It increases the business of manufacturers.

9. Use of Media: Advertisers can use any of the several advertising media to convey the message. Widely used media are print media (newspapers, magazines, pamphlets, booklets, letters, etc.), outdoor media (hoardings, sign boards, wall-printing, vehicle, banners, etc.), audio-visual media (radio, television, film, Internet, etc.).

10. Element of Truth: It is difficult to say that advertising messages always reveals the truth. In many cases facts are exaggerated and audiences are misled. However, due to certain legal provisions, the element of truth can be fairly assured.

11. One-way Communication- Advertising is essentially a one-way communication from the advertiser to the target audience.

Key Decisions in Advertising

There are 5 key decisions that need to be taken while deciding upon any advertising campaign. They are also known as 5M's of advertising

1. **Mission-** it means deciding upon the objectives of advertising that can be to inform, remind, persuade and reinforce. These objectives would ultimately help the firm reach the sales goal.

2. **Money**- it means deciding upon the advertising budget. There are several methods for deciding on the advertising budget. The most common among them is the percentage of sales method. Under this method, a certain percentage of sales are allotted for advertising expenditure. Some important points to be considered while deciding upon the budget are:

- Stage in the product life cycle
- Competition
- Market share
- Advertising frequency

3. **Message**- The message that company wants to convey should be put in a manner that will arouse interest. Moreover it should convincingly highlight upon the products USP. What is said is definitely important but what is more important is how it is said. Words used should be catchy and retentive and the advertiser should be very clear what he wants to portray (humor, fear, emotional). An appealing advertising will win consumers and will consequently induce them to purchase the product. On the other hand, irritating advertising will create an adverse effect.

4. **Media**- Selecting the proper media vehicle for communicating the message goes a long way in the success of any kind of advertising. Each media vehicle has its positive and negative points with a different reach and impact. Therefore a company has to be very clear about its target audience. Choices available are Internet, TV, newspapers, magazines, direct mails, radio and hoardings.

Companies often go in for a media mix, i.e. they select more than one of the available choices. Timing is of great significance here. Many industries face seasonal fluctuations therefore advertising should be timed that way to take care of these fluctuations. A limited budget should be allotted among these media vehicles for the advertising to have maximum impact.

5. **Measurement-** It is necessary to judge the effectiveness of any advertising. Only on the basis of this measurement, can further decisions regarding continuation of the particular advertising campaign be taken. An ad can be judged on the basis of its reach and impact on sales. Good advertising is one that generates brand awareness and consequently brand preference. How much of sales can be attributed to advertising, is a difficult question to answer. Sales are influenced by many factors besides advertising. It is not easy to isolate the impact of advertising on sales. Nonetheless there are some advanced statistical techniques available that can be used to measure the advertisement impact.