



Advertising Basics

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The purpose of most advertising is to sell products or services.

Business firms advertise to persuade people to buy their products often by creating favorable ‘images’ of their companies.

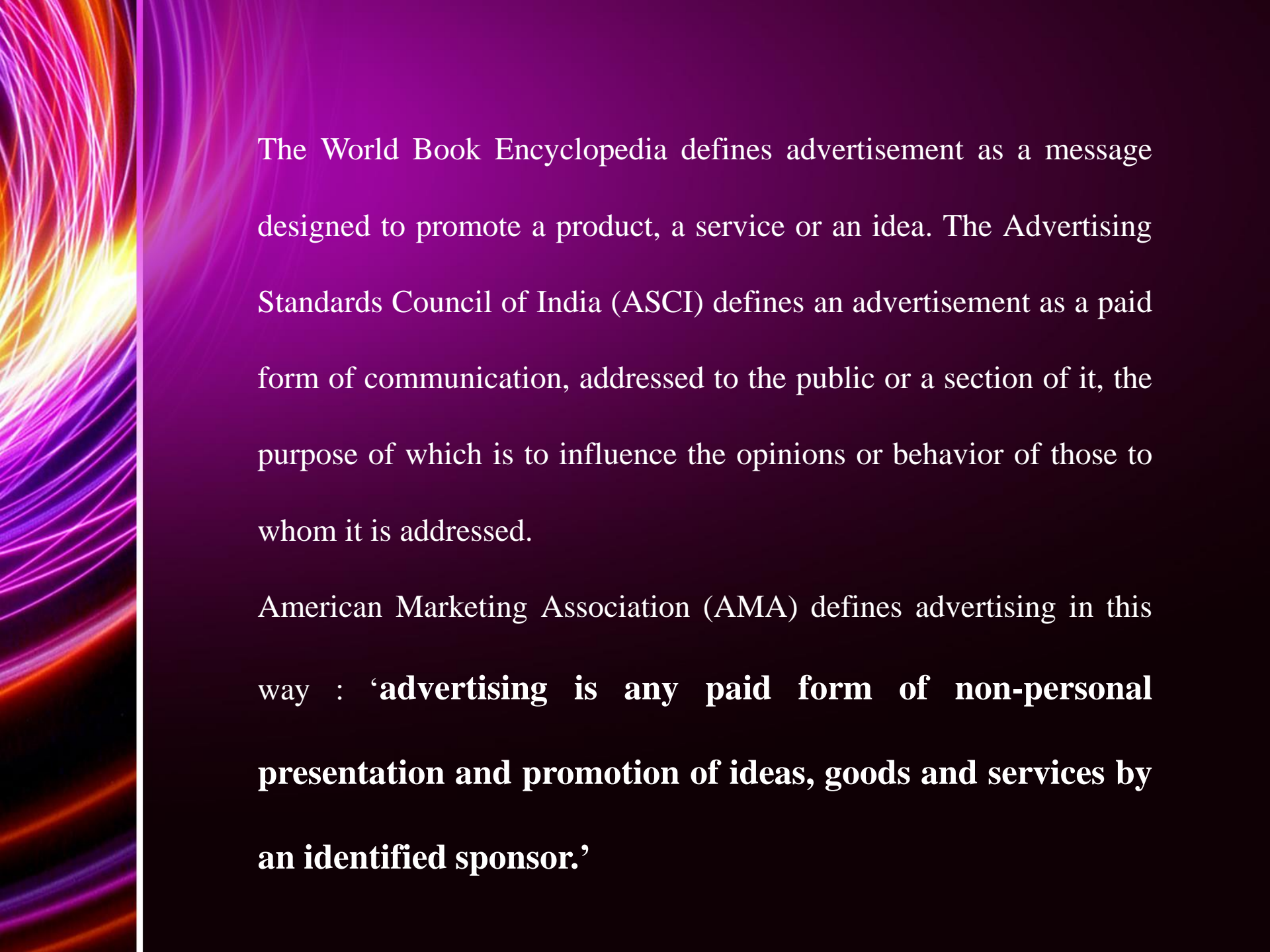
They want the company’s name to be known and respected so that their products and services can be more effectively sold.

Business concerns also use advertising to win new customers and to increase the volume of sales.



Advertising is the cheapest and fastest way to inform a large number of people about products or services for sale and to persuade them to buy. For many consumer goods, the volume of sales directly depends on the amount of advertising placed in the media.

Advertising reaches people through various forms of mass communication. These media include newspapers, magazines, television, radio, Internet etc. Advertisers buy space in newspapers and magazines to publish their advertisements. On television and radio advertisers buy time to broadcast commercials.



The World Book Encyclopedia defines advertisement as a message designed to promote a product, a service or an idea. The Advertising Standards Council of India (ASCI) defines an advertisement as a paid form of communication, addressed to the public or a section of it, the purpose of which is to influence the opinions or behavior of those to whom it is addressed.

American Marketing Association (AMA) defines advertising in this way : **‘advertising is any paid form of non-personal presentation and promotion of ideas, goods and services by an identified sponsor.’**

Key Terms

- a) Paid form : The advertiser buys space and time in print and broadcast media to tell the story of a certain product or service. The important point to be noted here is that an advertisement is not a free service, but a paid service
- b) Non-personal presentation : Personal selling takes place when a personal face to face presentation is made
- c) Ideas, goods and services : Advertising deals not only with the selling of goods but also ideas and services
- d) An Identified sponsor: Propaganda deliberately manipulates information in order to influence other people's thoughts, behaviour, attitudes, beliefs etc. Often the propagandist remains anonymous and the source of the idea is unknown. Advertising , on the other hand, identifies the source of the opinion and ideas presented.

History of Advertising

Advertising, in ancient and medieval times, was primitive when measured by the present-day standards.

But the basic reason for employing this technique was the same. That is, to communicate information and ideas to people in order to change an attitude or persuade. The important forms of advertising used prior to the time of printing presses are given below:



a) **Trademarks** : Skilled craftsmen placed their individual marks on goods like vessels, pottery, leather goods etc. As the reputation of one particular artisan spread by word of mouth, his/her goods also became popular



b) Signs : Few people could read in the ancient days and merchants used symbols and signs carved in stone, clay or wood and displayed them prominently to inform customers of the availability of goods. For example, a barrel indicated a wine shop and a boot indicated a shoemaker's shop.



c) **Town criers** : In ancient Egypt and Greece merchants hired town criers, a group of professional criers, to walk through the streets and announce the arrival of ships and cargo.





The invention of movable type by Gutenberg of Germany in 1440 led to the first form of mass advertising. At the end of 15th century, the first posted advertisement began to appear.

These were handwritten announcements and they were posted up on church and cathedral doors by clergymen looking for work. Lecturers and teachers were quick to use this medium to announce their services.

If it please ony man spirituel or temporel to bye ony
pyes of two and thre comemoraciōs of salisbury use
enpryntid after the forme of this presēt lettre whiche
ben wel and truly correct, late hym come to westmo-
nester in to the almonesrye at the reed pale and he shal
haue them good chepe . . .

Supplicatio hęc cedula



WILLIAM CAXTON PRINTER.

William Caxton, who introduced printing in England, produced the first printed advertisement in English in 1472. With the regular publication of newspapers and magazines, advertising became a standard feature.

History of Advertising in India

History of advertising in India runs parallel to the history and development of press in the country. India's first newspaper *Bengal Gazette* started by James Augustus Hicky on January 29, 1780 carried a few advertisements.

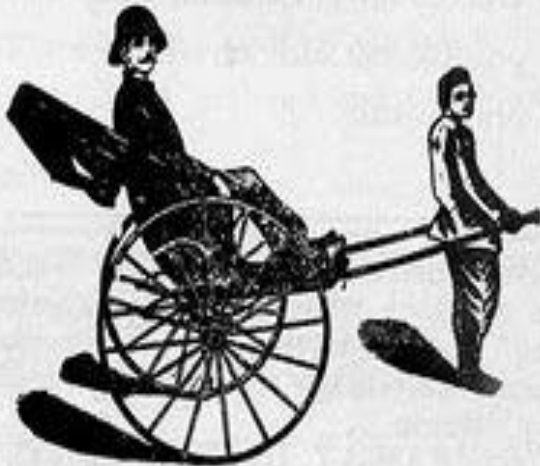
Advertising agencies began to operate from the beginning of the 20th century. The Calcutta Advertising Agency (1909) and B. Dattaram (1915) were said to be the first ad agencies in India. The main functions of the agencies in those days were to secure the advertisements and get them published in the press. The prominent players in advertising business were a handful of British advertising agencies that catered to the needs of the affluent British and Indians living in the urban centers.



History of Advertising in India

By the 1920s, several more Indian advertising agencies began such as Modern Publicity Company in Madras (1924), The Calcutta Publicity (1924), Central Publicity Service (1925) in Bombay etc. The proliferation of advertising agencies in the major urban centers of the country also gave rise to several unhealthy practices in the advertising profession. The establishment of Indian and Eastern Newspaper Society (1939), consisting of the owners of newspapers and periodicals, aimed at standardizing of advertising agency practices.

JINRICKSHAWS FOR CALCUTTA.



Japanese Jinrickshaws, very light, strong and easy running :
Diameter of wheels, 42 ins, width of track, 2 ft. 11 ins, Upholstered in brown and black leather, and complete, with cushion, hood apron, and 2 lamps.

No. 20030

No. 20649

No. 20045.

Price Rs. 160 Rs. 170 Rs. 180 each.

W. LESLIE & CO.,
CALCUTTA.

History of Advertising in India



The establishment of Advertising Agencies Association of India (AAAI) in 1945 paved the way for professionalization of advertising agencies. Following Indian independence, several British owned advertising agencies were sold to Indians. The founding of Audit Bureau of Circulation (ABC) in 1948 and Advertising Standard Council of India (ASCI) in 1959 further professionalized the advertising business.



The expansion of television networks from the 1980s and the liberalization policies of 1990s and the phenomenal impact of information technology from the late 1990s have turned advertising into a multi-crore business in India.



Advertising and Audiences



One of the most important debates surrounding advertising is the influence that advertisements may have on the audience, and on those who rely on advertising for their income, namely the media producers.

It is very difficult to assess the effect of advertising and the extent to which people are affected by the advertisements to which they are exposed. One of the pieces of evidence to suggest that advertising works is the fact that companies spend so much money on advertising.

Advertising and Audiences

According to some commentators up to one-third of the cost of bath soap or up to 40 per cent of the price of a tube of toothpaste may represent advertising costs. Billions of Dollars are spent on advertising in the world.

An individual who has sufficient exposure to television programmes in India will spend more than one year of his or her life just watching television commercials. We confront so many ads every day that we overlook them, and they become invisible. As a result, many people become aware of advertising only when it somehow offends them

HERE IS A BEAUTY TIP FROM LOVELY

Leela Chitnis

"MY BEAUTY SECRET IS VERY SIMPLE. FIRST MAKE A GENEROUS LATHER OF LUX TOILET SOAP. PAT IT GENTLY INTO YOUR SKIN. THEN RINSE IN CLEAR COLD WATER. HOW SOFT AND SMOOTH, HOW REFRESHED IT LEAVES YOUR SKIN!"

RINSE IN CLEAR COLD WATER.

LEELA IS RIGHT! HOW SOFT AND SMOOTH YOUR SKIN FEELS.

PAT ITS LOVELY LATHER INTO YOUR SKIN.

9 OUT OF 10 FILM STARS USE

LUX TOILET SOAP

Try this ACTIVE lather treatment with Lux Toilet Soap yourself. It cleanses deeply, removes dust and impurities that can cause blemishes. Soon you'll find your skin soft, smooth and lovely. And you'll love the sweet and refreshing perfume that clings to you after your Lux Toilet Soap bath.

LTS. 47-204-100 LEVER BROTHERS (INDIA) LIMITED

Functions of Advertisements

The following are the important functions or benefits of advertisements.

1) Source of information : Ads inform people just as news stories. It can be seen as an essential part of a modern-day, consumerist society and is a very effective way of informing us about new products. People use advertising to gather information before making buying decisions.

2) Encourages competition : Advertisements encourage competition by lowering information cost. It also encourages product quality through clear brand identification.

3) Maintains independence : Advertising enables both print and broadcast media to maintain independence from government, political parties and other vested interests through the revenue it generates.

4) Promotes economic growth : Advertisement stimulates demand and encourages people to spend more. This encourages production and consumption.

5) Encourages invention : On account of stiff competition companies invest a lot on research and development (R&D). This results in the invention of new products or upgrading of the existing products.

6) Creates awareness: Over the years advertising has been a very effective way for government and its various agencies to provide public information about national integration, pulse polio vaccination, family planning, safe sex, dangers of alcoholism etc. The government is one of the major advertisers in this country.

7) Provides employment : Advertising is a gigantic business and the turnover exceeds millions of rupees annually. As a result, advertising provides employment to several thousands of advertising professionals and allied personnel.

Criticisms Levelled against Advertisements

1. Advertising works on our insecurities

The advertisement implies that if we buy that product we will look like the models or lead the type of life shown in the advertisements. Advertising always works on our insecurities and making us constantly aspire to something new.

2. Advertising promotes unrealistic and dangerous role models

There has been a considerable amount of debate in recent years over the effects of *superwaif* and *heroin-chic* images of models in ads. It is said that the constant representation of ultra-thin models in advertisement has led to an undermining of girls' self-esteem and eating disorders.

3. Advertising revenue can direct programming

Some commentators suggest that there has been a general shift towards more popular, market-friendly, film-based programmes that attract younger audiences and so raise advertising income. Many of the serious programmes of television channels are stopped or gave way to entertaining or *infotainment* programme to generate ad revenue.

4. Advertising demeans and corrupts culture

According to media critics, problems arise when important aspects of human existence are reduced to the consumption of brand-name consumer products. Being a good mother is as simple as buying a bottle *Horlicks*. Prestige is driving a *Corolla* car. Success is smoking *Wills* cigarettes.

5. Advertisements compel people to buy things that they do not want

Advertising creates the desire to possess and use articles which we do not really need. It multiplies our needs by playing upon our weaknesses and sentiments. Thus advertisements make us spend beyond our limits.

6. Consumers have to bear the cost of advertising

The advertiser who spends a huge amount of money to promote a product passes on the advertising expenses to the consumers. Some companies spend up to 40 % of the selling cost on advertising.

7. Advertising exploits children

According to an estimate an average child sees more than 30,000 television commercials and print ads a year. Critics contend that children are simply not intellectually capable of interpreting the intention of these ads, nor are they able before the age 7 or 8 to rationally judge the worth of the advertising claims. This makes children's advertising inherently unethical.

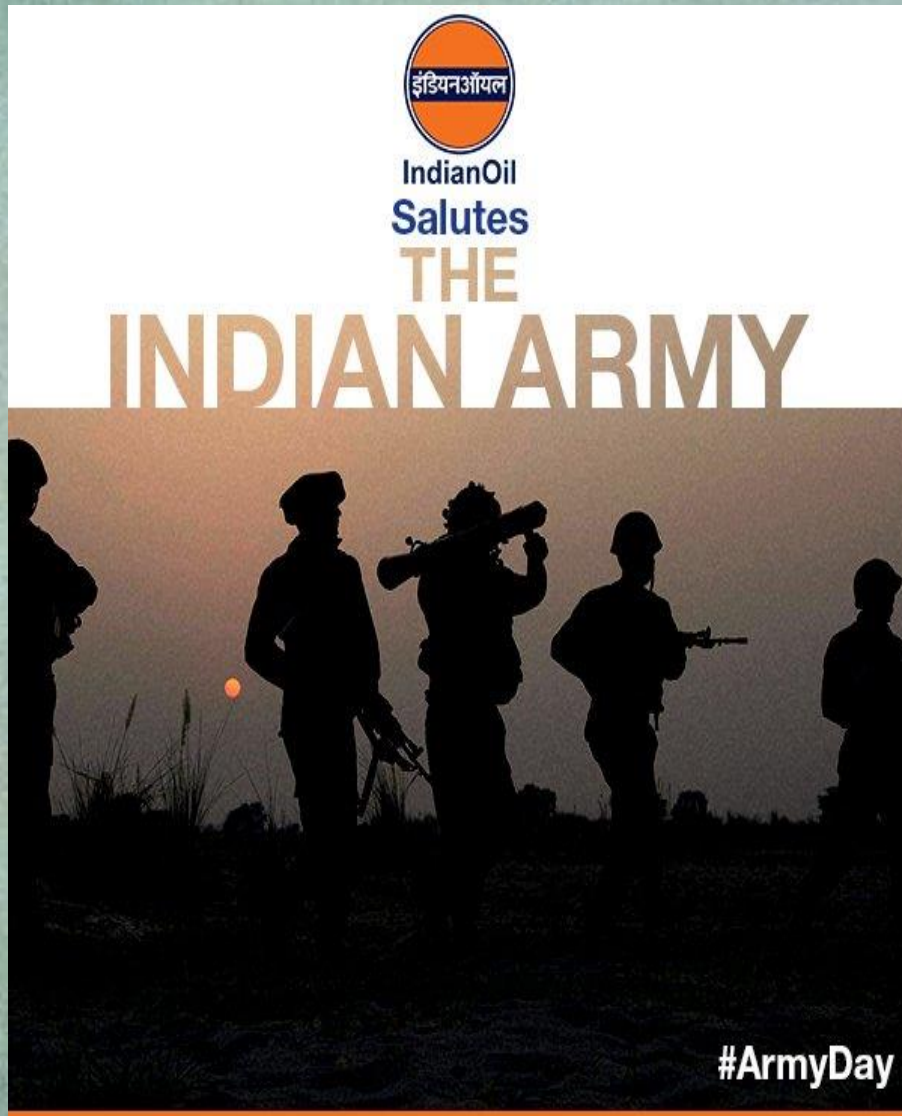
8. Advertisement tends to develop monopolies

Advertising creates a brand image and puts the product in a class by itself. The brand image is like a protective wall around the product. Hence it is difficult for other brands to penetrate this wall.

9. Advertising is intrusive

Many critics find fault with advertising for its intrusiveness. Advertising is everywhere, and it interferes with and alters our experience. Giant flex-board advertisements change the look of cities. Many internet users complain about the commercialization of the new medium and fear advertising will change its free, open, and freewheeling nature.

Types of Advertising



1) Institutional or corporate advertising

Companies do more than just sell products; companies also promote their names and reputations. If a company name inspires confidence, selling its products is easier. Some institutional or corporate advertising promotes only the organization's image, such as *Indian Oil salutes the Indian Team.*



adidas

"That child could be the next Beckham"

10% proceeds from adidas performance merchandise goes to the south african charity union.

2) Trade or professional advertising

Typically found in trade and professional publications. Messages aimed at retailer do not necessarily push the product or brand but rather promote product, issues of importance to the retailer - volume, marketing support, profit potential, distribution plans, and promotional opportunities.



Count on us

Everyday Low Purchase Price Example - India





WARM UP TO GREAT SAVINGS!



2 for \$3

Sausage McMuffin® with Egg*

*During breakfast hours thru March 31st



\$1.49

Snack Wrap™ Grilled or Crispy Chicken

FREE Big Mac®

When You Visit LIMcDonalds.com and register!



FREE  i'm lovin' it

Premium Chicken Sandwich

With Purchase of Same



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



FREE  i'm lovin' it

3 Piece Chicken Selects®

With Purchase of Same



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



FREE  i'm lovin' it

Big Mac®, Quarter Pounder® with Cheese, or Filet-O-Fish® Sandwich

With Purchase of Same



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



\$1 Off  i'm lovin' it

Any Angus Third Pounder



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



\$1.99  i'm lovin' it

Hamburger or Cheeseburger Happy Meal®

OR

\$1 Off

4 Piece Chicken McNuggets® Happy Meal®



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



FREE  i'm lovin' it

Small Coffee

With Purchase of any Breakfast Platter



Limit 1 per customer, per visit. Offer not to be combined. Cash value 1/20 of 1¢. Void if duplicated. Valid at participating Long Island McDonald's thru Jan. 24, 2009.



3) Retail advertising

A large part of the advertising we see every day focuses on products sold by retailer like *Bata*, *Popular Vehicles*. Ads are typically local, reaching consumers where they live and shop.



4) Classifieds

These provide information in a dry matter of fact manner.

Information such as job vacant, job wanted, about births,

deaths, engagements,

matrimonial, etc. are examples

of classified ads. The approach

here is more direct and

information oriented.



Sorry, we couldn't deliver

Name Sarah Thomas
Address 58 Ellington Street
Postcode N7 8PL

Your

- Recorded delivery Letter Catalogue
 Traced item Packet International item

Because

- A signature is required
 It's too **CHUNKY** for your letterbox

To collect your free



Take this card to

Ibrahim's Newsagents, 8-10 Westbourne Road, N7 8AU.

5) Direct market advertising

Product or service advertising

aimed at likely buyers rather than at

all consumers is called direct

market advertising. These targeted

consumers are reached through

direct mail, catalogues, and

telemarketing.

6) Public service advertising

Advertising that does not sell commercial products or service but promotes organisations and themes of importance to the public is public service advertising. Campaigns for AIDS awareness, Drug abuse, safe driving, family planning etc are examples of this ad.



CYBER BULLYING

When online,
Be SMART. Have a HEART.



Before it's too late. wwf.org



Advertising Agency

An advertising agency is an independent business organisation that develops, prepares and distributes advertisements in media. The goal of an advertising agency is to make advertisements succeed in order to improve the performance of a company, its brand image and its business.

Ad agencies are usually divided into departments, the number determined by the size and service of operation. There are four important departments in an advertising agency.

1) Accounts department

This department comprises a manager, account directors and account executives. This group plans, schedules and manages the works in the ad agency. It also coordinates the art work, gets approval for the art work from the client and places the advertisements in the media.

2) Creative department

This department consists of creative directors, copy writers, art directors and production managers. This department gets ready the ideas, layouts, visuals, texts and thumbnail sketches of advertisements.

3) Media department

This department selects the most effective media to channelise the advertisement.

It also advises the clients about the relative advantages and disadvantages of various media units. The media department makes the decisions about where and when to place ads and then buys the appropriate time or space.

4) Research department

Market research tests product viability in the market, the best venues for commercial messages, the nature and characteristics of potential buyers, and sometimes the effectiveness of the ads.

Responsibilities of an Advertising Agency

- a) To study the product or service in depth.
- b) To analyse the present and potential source of business.
- c) To know the methods of distribution, sales and operation so as to advise the clients.
- d) To study the media and propose those media which will get the message to the right people at the lowest effective price.
- e) To formulate a definite advertising plan that will include distribution, pricing, media strategy, creative strategy, budgeting etc.
- f) To organize periodical research to study people's attitudes, buying habits, living standards, spending habits etc. to make the advertising more effective.

Directorate of Advertising and Visual Publicity (DAVP)

DAVP is the primary multimedia advertising agency of the Central Government to inform people about Government's activities, policies and programmes and to motivate them to participate in developmental activities. This is one of the largest advertising and public relations agencies in the country with a network of regional offices, production centres, distribution centres, outdoor publicity units and field exhibition units. The DAVP is headed by a Director General.

Apart from its headquarters in New Delhi, DAVP has two regional offices in Bangalore and Guwahati.

Advertising campaign

The term campaign is applied to systematic efforts to elect a political candidate, to raise a fund or persuade people to buy soaps, automobiles, mobile phones etc. The important principles in all these are the same: planning, management, execution and evaluation.

Advertising campaign is a systematic and sustained effort to boost the sales or to enhance the reputation of a company.

Successful advertising campaigns achieve far more than the sporadic advertising, and may last from a few weeks and months to years