



STUDY PROJECT

On

THE NATURE OF ADVERTISEMENTS

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A STUDY ON ADVERTISEMENTS

“Many a small thing has been made large by the right kind of advertising. – Mark Twain”

Definition

Advertising is the action of calling public attention to an idea, good, or service through paid announcements by an identified sponsor.

According to Kotler

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

According to Advertising Association of the UK

Advertising is any communication, usually paid-for, specifically intended to inform and/or influence one or more people.

Simply “A paid communication message intended to inform people about something or to influence them to buy or try something.”

Characteristics of Advertising

Paid Form: Advertising requires the advertiser to pay to create an advertising message, to buy advertising media slot, and to monitor advertising efforts.

Tool for Promotion: Advertising is an element of promotion_mix of an organization.

One Way Communication: Advertising is a one-way communication where a brand communicates to the customers through different mediums.

Personal or Non-Personal: Advertising can be non-personal as in the case of TV, radio, or newspaper advertisements, or highly personal as in the case of social media and other cookie-based advertisements.

Types of Advertising

Advertising activities can be categorized into above the line, below the line, and through the line advertising according to their level of penetration.

- **Above the line advertising** include activities that are largely non-targeted and have a wide reach. Examples of above the line advertising are TV, radio, & newspaper advertisements.
- **Below the line advertising** include conversion focused activities which are directed towards a specific target group. Examples of below the line advertising are billboards, sponsorships, in-store advertising, etc.

- **Through the line advertising** include activities which involve the use of both ATL & BTL strategies simultaneously. These are directed towards brand building and conversions and make use of targeted (personalized) advertisement strategies. Examples of through the line advertising are cookie-based advertising, digital marketing strategies, etc.

Advertising activities can also be categorized into 5 types based on the advertisement medium used. These types of advertisements are:

- **Print Advertising:** Newspaper, magazines, & brochure advertisements, etc.
- **Broadcast Advertising:** Television and radio advertisements.
- **Outdoor Advertising:** Hoardings, banners, flags, wraps, etc.
- **Digital Advertising:** Advertisements displayed over the internet and digital devices.
- **Product/Brand Integration:** Product placements in entertainment media like TV show, YouTube video, etc.



Objectives of Advertising

There are 3 main objectives of advertising. These are:

To Inform

Advertisements are used to increase the brand awareness and brand exposure in the target market. Informing the potential customers about the brand and its products is the first step towards attaining business goals.

To Persuade

Persuading customers to perform a particular task is a prominent objective of advertising. The tasks may involve buying or trying the products and services offered, to form a brand image, develop a favorable attitude towards the brand etc.

To Remind

Another objective of advertising is to reinforce the brand message and to reassure the existing and potential customers about the brand vision. Advertising helps the brand to maintain top of mind awareness and to avoid competitors stealing the customers. This also helps in the word of mouth marketing.

Other objectives of advertising are subsets of these three objectives. These subsets are:

- Brand Building
- Increasing Sales
- Creating Demand
- Engagement
- Expanding Customer Base
- Changing Customers' attitudes, etc.

Importance of Advertising

To the Customers

Convenience: Targeted informative advertisements make the customer's decision-making process easier as they get to know what suits their requirements and budget.

Awareness: Advertising educates the customers about different products available in the market and their features. This knowledge helps the customers compare different products and choose the best product for them.

Better Quality: Only brands advertise themselves and their products. There are no advertisements of unbranded products. This ensures better quality to the customers as no brand wants to waste money on false advertising.

To the Business

Awareness: Advertising increases the brand and product awareness among the people belonging to the target market.

Brand Image: Clever advertising helps the business to form the desired brand image and brand personality in the minds of the customers.

Product Differentiation: Advertising helps the business to differentiate its product from those of competitors' and communicate its features and advantages to the target audience.

Increases Goodwill: Advertising reiterates brand vision and increases the goodwill of the brand among its customers.

Value for Money: Advertising delivers the message to a wide audience and tends to be value for money when compared to other elements of promotion mix.

Advantages of Advertising

Reduces Per Unit Cost: The wide appeal of advertisements increases the demand of the product which benefits the organization as it capitalizes on the economies of scale.

Helps in Brand Building: Advertisements work effectively in brand building. Brands who advertise are preferred over those which doesn't.

Helps in Launching New Product: Launching a new product is easy when it is backed by an advertisement.

Boosts Up Existing Customers' Confidence in the Brand: Advertisements boosts up existing customers' confidence in the brand as they get a feeling of pride when they see an advertisement of the product or the brand they use.

Helps in Reducing Customer Turnover: Strategic advertisements of new offers and better service helps reduce customer turnover.

Attracts New Customers: Attractive advertisements helps the brand in gaining new customers and expanding business.

Educates the Customers: Advertisements inform the customers about different products existing in the market and also educates them in what they should look for in an apt product.

Disadvantages of Advertising

Increases the Costs: Advertising is an expense to the business and is added to the cost of the product. This cost is eventually borne by the end consumer.

Confuses the Buyer: Too many advertisements with similar claims often confuses the buyer in what to buy and should he buy the product or not.

Is Sometimes Misleading: Some advertisements use smart strategies to mislead the customers.

Only for Big Businesses: Advertising is a costly affair and only big businesses can afford it. This makes small businesses out of competition with big businesses who gets to enjoy a monopoly in the market.

Encourages the Sale of Inferior Products: Effective advertisements even lead to the sale of inferior products which aren't good for the consumers.

Top Five Advertising Agencies in the World

1. Ogilvy & Mather

Ogilvy & Mather is a New York City-based advertising, marketing, and public relations agency. It started as a London advertising agency founded in 1850 by Edmund Mather, which in 1964 became known as Ogilvy & Mather after merging with a New York City agency that was founded in 1948 by David Ogilvy. It is part of the WPP Group, which is by revenue one of the largest marketing and communications companies in the world.

Clients: Amazon, Coca-Cola, IBM Cloud, Perrier, Dove, American Express

Website: www.ogilvy.com

2. Mullen (We are different kind of beast)

Mullen is the best American advertising agency around and was founded in 1970 by Jim Mullen in Boston.

Because of its capability of early adaptation of social media,

It has been successful in landing the “most influential” client in the century. It is excellent in content creation, brand planning, user experience designing, performance analytics and studying the influence of digital and technology production. It is the third best agency in the country. Mullen is one of the top 10 innovative marketing and advertising companies.

It is 2017 global creative pr agency of the year and MullenLowe Mediahub partnered with Netflix on two incredible campaigns, ‘Earn Your Power’ and ‘Unblockable ads,’ both of which have been recognized as two of Adweek’s Best Media Plans for 2017.

Clients: Google as well as others like JetBlue, Zappos, Acura, century, 4Seasons, JetBlue, ask.com.

Notable Campaigns: Monster.com, super bowl commercial When I Grow Up

Website: <https://us.mullenlowe.com>

3. McCann World group McCann (formerly McCann Erickson) is a global advertising agency network, with offices in 120 countries. McCann is a subsidiary of the Interpublic Group of Companies, one of the four large holding companies in the advertising industry. McCann Worldgroup is a leading global marketing services company comprising McCann (advertising), MRM//McCann (digital marketing/relationship management), Momentum Worldwide (total brand experience), McCann Health (professional/dtc communications), CRAFT (global adaptation and

production), UM (media management), Weber Shandwick (public relations), FutureBrand (consulting/design) and PMK-BNC (entertainment/brand/popular culture)

Clients: L'OREAL, TV Doctors of America, MasterCard, Cigna, Nespresso

Website: <https://www.mccannworldgroup.com/>

4. Publicis Groupe

It was founded in 1926 in France and is owned by Maurice Levy including Saatchi & Saatchi and Leo Burnett. Recently it took full control of BBH and acquired a long string of digital specialists including Digitas, Razorfish, and Sapient. In 2016 it split its media networks i.e Starcom MediaVest and Zenith Optimedia into four separate units. It provides marketing, communication, and digital transformation services, POS, video editing etc.

Clients: Citi, Coca-Cola, Garnier, Rogers, Lobsterd, Vicks, American Airlines etc.

Website: <http://www.publicisna.com/>

5. Dentsu (Japan)

There is no advertising agency that dominates its home market as completely as Dentsu of Japan and it is a multinational media and digital communications who have his office in London (U.K) and was founded by Jerry Bhulman and it is this agency which controls around 30% of all that country's mass media advertising.

Recently its profile outside Asia was not very known but Dentsu began to change that imbalance with a few carefully selected acquisitions. Its first big breakthrough came with the purchase of New York agency McGarry Bowen. That was topped by the bolt of Ageis which owns the global media networks of Carat and Vizeum.

Clients: It includes Airtel, Flipkart, Pepsi, Coca-Cola, Bacardi, Red Bull.

Website: www.dentsu.com

Top Five Advertising Agencies in India

DDB Mudra

DDB Mudra is among the top advertising agencies. It is the part of DDB Worldwide Communications group. The company is owned by Omnicom group. The company has founded Mudra Institutes of Communications Ahmedabad. It is first institute of India imparting education in advertising and communications. The company has all major clients like Volkswagenm Castrol, Future Group etc.

The first campaign of DDB Mudra was for brand Vimal. It has done various other successful campaigns for Rashna with Tagline “I Love You Rasna”, LIC with tagline “Zindagi ke saath bhi, zindagi ke baad bhi and many more.

Dentsu Communications Pvt Ltd

Dentsu Inc as the name suggests is a Japanese PR and advertising agency. The headquarter of company located in Shiodome district of Minato, Tokyo. It was founded as Telegraphic service co Japan Advertising Ltd by Hoshiro Mitsunaga.

FCB Advertising Agency

FCB is among the top 10 advertising agencies. In 2006, major change taken place when company merged with Draft Worldwide. The company is owned by Interpublic group which also holds other advertising agencies including Publicis, Omnicom and WPP. Since its inception, company is doing successful advertising campaigns and winning many awards.

GroupM

GroupM is among the India’s top advertising companies. The headquarter of company is located in New York City. It has 400 office worldwide. The companies are providing advertising and media services in different departments-

- Media Buying
- Media Planning
- Digital Media
- Consumer Research
- Social Media Marketing
- Sponsorship
- Sports Marketing
- Entertainment

Law & Kenneth Saatchi & Saatchi Pvt Ltd

It is among the top 10 advertising agencies in India. It has worked with many leading companies such as Renault, Tata Value Homes etc.

Job Opportunities in Advertising

Advertising firms employ people with different educational backgrounds in various departments at various levels. Possessing a professional Degree or Diploma in a particular field of study can give you a head start in this industry. Further, flair for language and excellent communication

skills are other factors essential for breaking into the realm of the advertising business.

To get into a specific department of an advertisement agency, you could choose from the following courses:

1. Client Servicing: A post graduate diploma or an MBA in marketing
2. Studio: Course in commercial art or fine arts (BFA or MFA)
3. Media: Journalism, Mass Communication or an MBA
4. Finance: CA, ICWA, MBA (Finance)
5. Films: Specialization in audio visuals
6. Production: A course in printing and pre – press processes.

The best way to get into this field after a course is to get on- the- job training. All good institutions offer internship as part of the curriculum.

Eligibility for most of the advertising postgraduate courses is graduation in any discipline with a minimum of 50 percent marks. Admission to most of these courses is based on an entrance exam and/or interview. Some institutions also offer graduate level courses in advertising, for which they admit students who have cleared class XII. Various domestic and multinational companies in India certainly need highly qualified and experienced manpower for advertising. However, individual creativity and capability for innovation any day counts more than academic degrees in this fast-paced business.

What would it cost?

Studying at institutes such as the MICA (Mudra Institute of Communication, Ahmedabad) could cost you up to Rs.1 lakh per year. But at government and some other private institutions, the fee is much lower.

Funding/Scholarship

Earning a scholarship may be a difficult task. In most cases, scholarships are awarded to applicants on the basis of excellent academic performances.

Job prospect

Job opportunities in advertising include openings in private advertising agencies; advertising departments of private and public sector companies. Job seekers can also find openings in newspapers, journals, magazines; commercial section of radio or television; market research organizations and so on. One can also work as a freelancer. Advertising manager, sales manager,

public relations director, creative director, copy writer, and marketing communications manager are some of the major job opportunities in this field.

Pay packet

Pay Structure can vary from one agency to another depending on the size and turnover. Salary is generally not a constraint for the suitable candidate in this industry. You can easily get into an agency at the lowest levels but sheer quality is demanded as you move up the ladder. However, the pay packets get heavier and heavier as the workload and level of experience rises. A beginner in the creative department usually starts with an average monthly salary of 8 to 15 thousand rupees.

Demand and supply

There is ample scope for talented individuals in the advertising industry in India. Those who are qualified in commercial art have great opportunities. MBAs can also play a significant role in client servicing. The advertising industry always has a perennial demand for creative talent. In order to succeed in the advertising arena, one has to have proficiency that is accompanied with varied talents.

Market watch

The Indian economy is on the move in spite of the global financial meltdown and the ad market is on a continuous trail of expansion. Advertising in India is quite superior and the local talent boasts of high production values with interesting ideas and concepts. All this has made India a desirable hub for recruiters within the country as well as internationally.

International focus

The global impact of the Indian aptitude with respect to the advertising industry is not only being noticed but appreciated worldwide. Indian agencies today handle both national and international assignments. This is primarily because of the reason that the industry offers a host of functions to its clients. Some of the offerings include end-to-end solutions that consist of client media planning, servicing, media buying, pre and post campaign analysis, creative conceptualization, market research, marketing, public relation services, and branding. With all these services, there is definitely no looking back for the Indian advertising industry that is all set to win accolades worldwide.

Different roles, different names

Advertising field offers a range of lucrative and interesting careers. The job in this field is categorized into two broad categories, namely, Executive and Creative.

- **Executive:** The executive side includes: Client Servicing, Market Research and Media Research. The executive department understands client requirements, seeks new business opportunities and retains existing business. This department also selects the appropriate media, analyses timing and placement of advertisements, and negotiates the financial aspects of a business deal.
- **Creative:** The creative team comprises of copywriters, scriptwriters, visualizers, creative directors, photographers, typographers, animators, and so on. The creative department creates the actual advertisement in different media formats. Since ads are of different kinds depending on the media- print (newspapers, magazines, billboards) and broadcast (radio, television and the internet), you can choose the area of specialization depending on your interest.

Relevancy to Select this Topic

First year BA and B Com students have the concept of market structures such as Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly in their second semester economics syllabus. In these, Monopolistic competition and Oligopoly are currently most prevailing markets. Advertising of a product is an important feature in these two markets. In view of this, an attempt was made to understand the nature of different advertisements by giving students two advertisements each.

Objectives

- To examine whether the advertisement is Informative or Competitive.
- To know the type of competition involved in advertisement.
- To describe the attractive factor in the advertisement.
- To familiarize students to different types, features, importance, advantages and disadvantages of advertisements.

Procedure

A pre-defined questionnaire was given to students covering the details about name of the product, duration of the advertisement, type of advertisement, price or non-price competition, market type, informative or competitive etc.

Analysis of Inputs

Total sample: 36 Products

In almost all the advertisements, movie actors and sports persons are used to attract consumers as they have a greater number of followers. All the advertisements show non price competition except two advertisements. This shows the dominance of product differentiation in marketing strategies. The products in the sample which belongs to oligopoly market is 55.5 per cent and remaining 45.5 per cent belongs to monopolistic competition. All the advertisements are competitive in nature and no advertisement is only informative.

Low price and high quality have no room in advertising and the only thing is to attract consumers with dialogues, appearance of actors, locations etc.

Major Findings

- All the advertisements are competitive in nature.
- Majority of the firms follow non price competition strategies through advertisements.
- Most attracting factors in the advertisements are Actors and Dialogues.
- Television stood top position as medium for advertisements.
- Advertising through internet is increasing gradually.
